

## **AGREEMENT**

THIS AGREEMENT is made this \_\_\_ day of [Month], 2025 by and between the Union Pacific Railroad Company (hereinafter referred to as the Carrier) and its employees represented by the International Association of Sheet Metal, Air, Rail and Transportation Workers – Transportation Division (hereinafter referred to as the Organization).

### **IT IS HEREBY AGREED:**

#### **ARTICLE I - WAGES**

##### **Section 1 - First General Wage Increase**

(for other than Dining Car Stewards)

(a) Effective July 1, 2025, all standard basic daily rates of pay for employees represented by SMART-TD in effect on June 30, 2025 shall be increased by four (4) percent.

(b) In computing the increase for enginemen under paragraph (a) above, four (4) percent shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily rate of pay:

|                |                                                                               |
|----------------|-------------------------------------------------------------------------------|
| Passenger      | - 600,000 and less than 650,000 pounds                                        |
| Freight        | - 950,000 and less than 1,000,000 pounds                                      |
|                | (through freight rates)                                                       |
| Yard Engineers | - Less than 500,000 pounds                                                    |
| Yard Firemen   | - Less than 500,000 pounds                                                    |
|                | (separate computation covering five- day rates and other than five-day rates) |

##### **Section 2 - Second General Wage Increase**

(for other than Dining Car Stewards)

Effective July 1, 2026, all standard basic daily rates of pay for employees represented by SMART-TD in effect on June 30, 2026 shall be increased by three-and-three-quarters (3.75) percent, computed and applied in the same manner prescribed in Section 1(b) above.

##### **Section 3 - Third General Wage Increase**

(for other than Dining Car Stewards)

Effective July 1, 2027, all standard basic daily rates of pay in effect on June 30, 2027 for employees represented by SMART-TD shall be increased by three-and-one-half (3.5) percent, computed and applied in the same manner prescribed in Section 1(b) above.

##### **Section 4 - Fourth General Wage Increase**

(for other than Dining Car Stewards)

Effective July 1, 2028, all standard basic daily rates of pay in effect on June 30, 2028 for employees represented by SMART-TD shall be increased by three-and-one-quarter (3.25) percent, computed and applied in the same manner prescribed in Section 1(b) above.

##### **Section 5 - Fifth General Wage Increase**

(for other than Dining Car Stewards)

Effective July 1, 2029, all standard basic daily rates of pay in effect on June 30, 2029 for employees represented by SMART-TD shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

### **Section 6 – Standard Rates**

The standard basic daily rates of pay produced by application of the increases provided for in this Article set forth in Appendix 1, which is part of this Agreement.

### **Section 7 – Application of Wage Increases**

(a) The adjustments provided for in this Article will not apply to duplicate time payments, including arbitrables and special allowances that are expressed in time, miles or fixed amounts of money, but will apply to mileage rates of pay for miles run in excess of the number of miles comprising a basic day.

(b) In engine service and in train and yard ground service, miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedule or wage agreements, shall be adjusted in the same manner as heretofore increased under previous wage agreements.

(c) In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.

(d) Daily earnings minima shall be changed by the amount of the respective daily adjustments.

(e) Standard monthly rates and money monthly guarantees applicable in passenger train service shall be thirty times the new standard daily rates. Other than standard monthly rates and money monthly guarantees shall be so adjusted that money differential existing as of June 30, 2025 shall be preserved.

(f) Existing monthly rates and money monthly guarantees applicable in train service other than passenger will be changed in the same proportion as the daily rate for the class of service involved is adjusted.

(g) Existing money differential above existing standard daily rates shall be maintained.

(h) In local freight service, the same differential in excess of through freight rates shall be maintained.

(i) The existing differential of \$6.00 per basic day in passenger, freight and yard service, and 6¢ per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.

(j) In computing the first increase in rates of pay effective under Section 1 for all employees working assignments under SMART TD agreements, employed in local freight service,

or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number comprising a basic day, which are therefore paid on a daily basis without a mileage component whose rates had been increased by "an additional \$.40" effective July 1, 1968, the four (4) percent increase shall be applied to daily rates in effect on the day preceding the effective date of the general wage increase provided for in Section 1, exclusive of car scale additives, local freight differentials, and any other money differential above existing standard daily rates. For firemen, the rates applicable in the weight-on-drivers bracket 950,000 and less than 1,000,000 pounds shall be utilized in computing the amount of increase. The same procedure shall be followed in computing the increases effective July 1, 2026, July 1, 2027, July 1, 2028, and July 1, 2029. The rates produced by application of the standard local freight differentials and the above-referred-to special increase of "an additional \$.40" to standard basic through freight rates of pay are set forth in Appendix 1 which is a part of this Agreement.

(k) Other than standard rates:

- (1) Existing basic daily rates of pay other than standard shall be changed, effective as of the dates specified in Sections 1, 2, 3, 4 and 5 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as the standard rates were determined.
- (2) The existing differential of \$6.00 per basic day in passenger, freight, and yard service, and 6¢ per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.
- (3) Daily rates of pay, other than standard, for all employees working assignments under SMART TD agreements employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number encompassed in the basic day, which are therefore paid on a daily basis without a mileage component, shall be increased as of the effective dates specified in Sections 1, 2, 3, 4 and 5 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph (k)(1) above.

(l) Trip rates established pursuant to Article V of the 2002 SMART-TD (UTU) Agreement shall be adjusted by application of the general wage increases provided for in this Article I, Sections 1 through 5, in the manner set forth in Article V, Part B, Section 4(c)(1) of that Agreement.

## **Section 8 – General Wage Increases for Dining Car Stewards**

(a) Effective July 1, 2025, all basic monthly rates of pay in effect on June 30, 2025 for dining car stewards represented by SMART-TD shall be increased by four (4) percent.

(b) Effective July 1, 2026, all basic monthly rates of pay in effect on June 30, 2026 for dining car stewards represented by SMART-TD shall be increased by three-and-three-quarters (3.75) percent.

(c) Effective July 1, 2027, all basic monthly rates of pay in effect on June 30, 2027 for dining car stewards represented by SMART-TD shall be increased by three-and-one-half (3.5) percent.

(d) Effective July 1, 2028, all basic monthly rates of pay in effect on June 30, 2028 for dining car stewards represented by SMART-TD shall be increased by three-and-one-quarter (3.25) percent.

(e) Effective July 1, 2029, all basic monthly rates of pay in effect on June 30, 2029 for dining car stewards represented by SMART-TD shall be increased by three (3) percent.

## **ARTICLE II – VACATION**

### **Section 1 – Vacation for New Hires (“Year 0”)**

Effective January 1, 2026, new hire employees working full-time to have paid vacation days, to be taken as single day vacation subject to all applicable rules, based on their mark-up date (in “Year 0”) as follows:

|                   | <u>5-day vacation week</u> | <u>7-day vacation week</u> |
|-------------------|----------------------------|----------------------------|
| January/February  | 5 days                     | 7 days                     |
| March/April       | 4 days                     | 5 days                     |
| May/June          | 3 days                     | 4 days                     |
| July/August       | 2 days                     | 3 days                     |
| September/October | 1 day                      | 2 days                     |

Employees working alternative work schedules will earn this entitlement in accordance with local agreement terms.

### **Section 2 – Vacation “Year 1” for Non-Qualifying Employees**

Effective January 1, 2026, employees working full-time in their second calendar year of employment (“Year 1”) who did not qualify for vacation in the prior year (“Year 0”) under the National Vacation Agreement but who worked a full-time schedule will have one week of paid vacation subject to all applicable rules.

### **Section 3 – Vacation Accrual Acceleration**

Effective January 1, 2026, the provisions of the National Vacation Agreement will be amended to reflect the following accrual schedules:

(a) Each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, will be qualified for an annual vacation of one week with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to two hundred forty (240) basic days in miles or hours paid for, as provided in individual schedules.

(b) Each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having two or more years of continuous service with employing carrier will be qualified for an annual vacation of two weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to two hundred forty (240) basic days in miles or hours paid for as provided in individual schedules and during the said two or more years of continuous service renders service of not less than three hundred twenty (320) basic days in miles or hours paid for as provided in individual schedules.

(c) Each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having six or more years of continuous service with employing carrier will be qualified for an annual vacation of three weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to two hundred forty (240) basic days in miles or hours paid for as provided in individual schedules and during the said six or more years of continuous service renders service of not less than nine hundred and sixty (960) basic days in miles or hours paid for as provided in individual schedules.

(d) Each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having fifteen or more years of continuous service with employing carrier will be qualified for an annual vacation of four weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to two hundred forty (240) basic days in miles or hours paid for as provided in individual schedules and during the said fifteen or more years of continuous service renders service of not less than two thousand four hundred (2,400) basic days in miles or hours paid for as provided in individual schedules.

(e) Each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having twenty three or more years of continuous service with employing carrier will be qualified for an annual vacation of five weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to two hundred forty (240) basic days in miles or hours paid for as provided in individual schedules and during the said twenty three or more years of continuous service renders service of not less than

three thousand six hundred and eighty (3,680) basic days in miles or hours paid for as provided in individual schedules.

(f) In the application of (a) – (e) above, each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualification for vacations. (This is the equivalent of 150 qualifying days in a calendar year in yard service and 180 qualifying days in a calendar year in road service.) This qualifying condition and multiplying factor pertains only to service performed by yard and road employees in the preceding calendar year so as to determine qualification for vacation on that basis only.

(g) Calendar days on which an employee assigned to an extra list is available for service and on which days they perform no service, not exceeding ninety (90) such days, will be included in the determination of qualification for vacation; also, calendar days, not in excess of forty-five (45), on which an employee is absent from and unable to perform service because of injury received on duty will be included.

Note: The 90 and 45 calendar days referred to in this Paragraph 1(g) shall not be subject to the 1.3 and 1.6 computations provided for in Paragraph 1(a), (b), (c), (d), and (e), respectively.

#### **Section 4 – Vacation Scheduling**

To facilitate the process of vacation scheduling, employees will submit their vacation electronically by December 1 for the following year. An employee that submits insufficient bids to schedule all their allotted vacation weeks, the Carrier will schedule the remainder in the latest weeks in the calendar year their seniority will permit.

### **ARTICLE III - GENERAL PROVISIONS**

#### **Section 1 - Court Approval**

This Agreement is subject to approval of the courts with respect to participating carriers in the hands of receivers or trustees.

#### **Section 2 - Effect of this Agreement**

(a) The purpose of this Agreement is to settle the disputes growing out of the notices served upon the organization by the carriers listed in Exhibit A on or subsequent to November 1, 2024 (including any notices outstanding as of that date), and the notices served by the organization signatory hereto upon such carriers on or subsequent to November 1, 2024 (including any notices outstanding as of that date).

(b) This Agreement shall be construed as a separate agreement by and on behalf of each of

said carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 2029 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) No party to this Agreement shall serve or progress, prior to November 1, 2029 (not to become effective before January 1, 2030), any notice or proposal.

(d) This Article will not bar management and the organization on individual railroads from agreeing upon any subject of mutual interest.

Signed on the \_\_ day of \_\_\_\_\_, 2025.

**FOR THE UNION PACIFIC  
RAILROAD COMPANY:**



Maqui Parkerson, Vice President  
Labor Relations

**FOR THE EMPLOYEES  
REPRESENTED BY SMART,  
TRANSPORTATION DIVISION:**



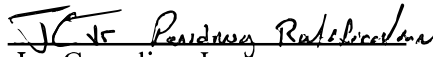
Pending Ratification

Todd Campbell  
General Chairperson GO 887



Pending Ratification

Scott Chelette  
General Chairperson GO 927

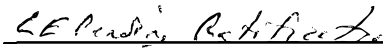


Joe Cornelius, Jr.  
General Chairperson GO 569



PENDING RATIFICATION

Roy Davis  
General Chairperson GO 577



Luke Edington  
General Chairperson GO 953

NBP

[date]

Side Letter 1

Mr. Todd Campbell  
500 Menlo Dr., Ste. 130  
Rocklin, CA 95765

Mr. Scott Chelette  
320 S. Broadway Ave., Ste. 600  
Tyler, TX 75702

Mr. Joe Cornelius, Jr.  
161 W. Van Asche Loop  
Ste. 2  
Fayetteville, AR 72703

Mr. Roy Davis  
400 Randal Way, Ste. 102  
Spring, TX 77388

Mr. Luke Edington  
5990 SW 28<sup>th</sup> St., Ste. F  
Topeka, KS 66614

Dear Sirs:

This confirms our understanding with respect to the general wage increase provided for in Article I, Section 1 of this Agreement. The Carrier agrees to pay the general wage increase, less the amount paid pursuant to the interim wage increase made pursuant to the Proposed Interim Raise Offer dated July 14, 2025, retroactively from July 1, 2025, as the parties entered into this Tentative Agreement before December 1, 2025. The Carrier will also implement the general wage increases referenced above as soon as practicable.

The Carrier will make all reasonable efforts to pay the retroactive portion of such general wage increases within sixty (60) days of the Agreement's ratification, or as soon as possible thereafter. In the event payment cannot be made within the sixty (60) days set forth herein, the Carrier will notify the Organization in writing as to why and will provide an adjusted date for payment.

Please acknowledge your concurrence by signing in the space provided below.

Sincerely,

Maqui Parkerson  
Vice President, Labor Relations

I concur:

TTC Pending Ratification  
Todd Campbell  
General Chairperson GO-887

SC Pending Ratification  
Scott Chelette  
General Chairperson GO-927

JC Jr. Pending Ratification  
Joe Cornelius, Jr.  
General Chairperson GO-569

RD Pending Ratification  
Roy Davis  
General Chairperson GO-577

LE Pending Ratification  
Luke Edington  
General Chairperson GO-953



MBP

[date]

Side Letter 2

Mr. Todd Campbell  
500 Menlo Dr., Ste. 130  
Rocklin, CA 95765

Mr. Scott Chelette  
320 S. Broadway Ave., Ste. 600  
Tyler, TX 75702

Mr. Joe Cornelius, Jr.  
161 W. Van Asche Loop  
Ste. 2  
Fayetteville, AR 72703

Mr. Roy Davis  
400 Randal Way, Ste. 102  
Spring, TX 77388

Mr. Luke Edington  
5990 SW 28<sup>th</sup> St., Ste. F  
Topeka, KS 66614

Dear Sirs:

This confirms the parties signatory hereto have agreed to the terms outlined in Attachments A, B and C, modifying the existing System Time Claim and Discipline Agreements, as well as the meal allowance for Trainpersons tied up at their away from home terminal.

Attachment A – System Discipline Agreement

Attachment B – System Time Claim Agreement

Attachment C – Away from Home Meal Allowance

Please acknowledge your concurrence by signing in the space provided below.

Sincerely,

Maqui Parkerson  
Vice President, Labor Relations

I concur:

TC Pending Ratification

Todd Campbell  
General Chairperson GO-887

SC Pending Ratification

Scott Chelette  
General Chairperson GO-927

JC Jr. Pending Ratification

Joe Cornelius, Jr.  
General Chairperson GO-569

RD Pending Ratification

Roy Davis  
General Chairperson GO-577

LE Pending Ratification

Luke Edington  
General Chairperson GO-953

## **SYSTEM AGREEMENT – DISCIPLINE**

This agreement provides for a uniform method for handling discipline and attendance policy related matters. Any local agreements related to the handling of attendance policy and discipline related matters are hereby superseded and replaced by this Agreement. This Agreement will apply to all employees working assignments under SMART TD agreements, any reference to trainperson is a reference to all employees.

### **I. General**

- A. Trainpersons will not be disciplined without just and sufficient cause as determined by a fair and impartial investigation except as provided below. Trainpersons may be held out of service pending an investigation if they are subject to permanent dismissal.
- B. This Agreement is not intended to modify or replace Carrier policies pertaining to discipline or attendance, except to the extent a Carrier policy may conflict with this Agreement, this Agreement will govern.
- C. This Agreement is not intended to modify or replace “Prevention Program”, “By-Pass” or “Companion” agreements.

### **II. Notice of Investigation (NOI)**

- A. Within ten (10) days of the time the appropriate Company Officer knew, or should have known of an alleged offense, the Trainperson will be given written notice of the specific charges against them (Notice of Investigation).
  - 1. The Notice of Investigation (“NOI”) will include the time, date, Charging Manager, and place where the investigation will be held, and will be furnished sufficiently in advance to allow for the Trainperson to arrange for SMART-TD representation and witnesses. The NOI will also include the proposed discipline to be assessed if the investigation is waived and witnesses expected to be called.
  - 2. A copy of the NOI will be furnished to the appropriate SMART-TD Local Chairperson via electronic means (i.e., email) at the last known email address on file with the Carrier. A courtesy copy will also be provided to the SMART-TD General Chairperson via electronic means at the last

known email address on file with the Carrier. This same method of delivery will apply to any additional correspondence, including, but not limited to, amendments to the NOI and postponements to the investigation.

### III. Informal Conference(s)

- A. The Trainperson and the SMART-TD Local Chairperson (or designee) may contact the designated Carrier officer (e.g. Charging Manager or Superintendent) prior to the investigation and arrange for an informal conference to discuss the alleged offense and proposed discipline. The informal conference may be either in person or by other electronic means (i.e. telephone or video call).
  - 1. If the informal conference results in the charges being dropped, the investigation will be cancelled, and no further action will be taken.
  - 2. If the informal conference results in the charges being resolved and the investigation waived, the Trainperson's record will be updated to reflect the resolution reached.
  - 3. If the informal conference does not result in either (1) or (2) above, the discipline imposed may not exceed the discipline proposed in the NOI (including as amended within time limits pursuant to Section II).
- B. It is understood that a Trainperson will not be permitted to waive an investigation when the proposed discipline is permanent dismissal.

### IV. Investigation

- A. Unless postponed for good cause, the investigation will be held within ten (10) days after the date of the NOI. Except in extreme cases, investigations shall not be postponed beyond thirty (30) days from the date originally scheduled.

**NOTE:** In the application of this Paragraph A, it is understood that the parties will exercise reasonable judgement in the postponement of investigations.

- B. When practicable, the investigation will be held at the Trainperson's home terminal. When it is not practicable, the investigation will be held at a location that will minimize the travel, inconvenience, and loss of time for all Trainpersons involved. When a trainperson is required to travel to an investigation at other than his or her home terminal, the Trainperson will be reimbursed for actual, reasonable, and necessary expenses incurred.

- C. The charged trainperson and/or the SMART-TD Local Chairperson (or designee) will be allowed to examine evidence to be presented at the investigation as far in advance as reasonably practicable to provide for adequate time to prepare for the investigation. Upon request by the SMART-TD representative, a copy of the evidence will be provided either in person or via electronic means as far in advance as reasonably practicable to provide for adequate time to prepare for the investigation.

**NOTE:** Copies of evidence to be provided will exclude evidence of a proprietary nature such as but not limited to Track Image Recorders (TIR), inward facing cameras, “black box” downloads and/or drone footage but does not exclude still snap shots (i.e., hardcopies that would otherwise be entered as evidence). The SMART-TD representative will be allowed to view this type of evidence in advance of the Hearing.

- D. For employees who have been properly notified in writing but fail to appear for the investigatory hearing on their own accord, the charges listed in the notice of investigation will be upheld. Investigative hearings will be held in absentia for employees who are charged with permanent dismissal but fail to appear at the investigatory hearing.

**NOTE 1:** Crew Management Services will be notified in advance of the hearing so as to allow the charged employee adequate time to be rested and available for the investigatory hearing in accordance with hours-of-service regulations.

**NOTE 2:** If a charged employee has a family/personal emergency beyond their control which prevents them from attending the investigatory hearing, they must contact Carrier immediately. Consideration may be given if the employee provides sufficient information/documentation validating the emergency. The parties may agree to postpone and reschedule the investigatory hearing.

- E. A hearing officer failing to appear at the scheduled hearing will result in the investigation being cancelled and the discipline charges dropped unless the absence is due to circumstances beyond the hearing officer's control. In such cases, the hearing may be delayed, within reason, or postponed until the assigned hearing officer can arrive or a replacement hearing officer can be arranged.
- F. At the investigation, the trainperson and/or SMART-TD Local Chairperson (or designee), will be afforded the opportunity to examine and/or cross-examine all witnesses. This will extend to all matters under investigation. The hearing officer, the SMART-TD Local Chairperson (or designee), or the charged trainperson may request that the witnesses be sequestered.

1. Trainpersons attending an investigation as witnesses at the direction of the Carrier will be compensated for all time lost and, in addition, will be reimbursed for actual, reasonable and necessary expenses incurred. When no time is lost, witnesses will be paid for actual time attending the investigation with a minimum of four (4) hours to be paid at the rate of the last service performed.
2. The charged trainperson or the SMART-TD Local Chairperson (or designee) may request the Carrier to direct a witness to attend an investigation, provided sufficient advance notice is given as well as a description of the testimony the witness is expected to provide. If the Carrier declines to call the witness and the witness attends at the request of the trainperson or representative and provides relevant testimony which would not otherwise have been in the record, the Carrier will compensate the witness as if it had directed the witness to attend pursuant to Section D.1 above.

**NOTE:** It is understood that a trainperson who attends an investigation as a witness at the direction of the carrier, or organization, will not accumulate any attendance points and/or discipline for the associated layoff.

- G. Crew Management Services will be notified by the appropriate local manager in advance of the hearing so as to allow the charged employee and/or witnesses adequate time to be rested and available for the investigatory hearing in accordance with hours-of-service regulations. Trainpersons that are laid off by CMS in "LI" status or similar, will be considered as unavailable and their guarantee will be reduced by one guarantee day for each 24-hour period or portion thereof, and will not be used towards the forfeiture of guarantee.
- H. The investigation will be recorded and transcribed. If the accuracy of the transcript is questioned, the media used will be examined by both parties and, if necessary, the transcript will be corrected.

**NOTE:** The use of the term "media" recognizes the future possibilities of improved electronic methods of recording and transcription.

#### V. Notice of Discipline Assessed (NODA)

- A. A written decision regarding discipline and a copy of the transcript will be issued no later than ten (10) days after the completion of the investigation.

1. The NODA and copy of the transcript will be sent to the Trainperson via modernized processes (i.e., electronic mail).
  2. The NODA, transcript, and exhibits will be sent via electronic means to the SMART-TD General Chairperson and Local Chairperson of record.
- B. If discipline is not assessed, the Trainperson's record will be expunged, and they will be compensated for all lost time.

**NOTE 1:** This section applies to a Trainperson who is withheld from service pursuant to Article I.A. of this Agreement.

**NOTE 2:** A Trainperson who is not withheld from service will be compensated for all time lost with a minimum of a basic day for attending the Hearing.

## **VI. Discipline Correspondence**

- A. All discipline-related documents, including but not limited to, Waivers, Notices of Investigation (NOI), Notices of Discipline Assessed (NODA), hearing transcripts, hearing exhibits, appeals, etc., between the Carrier, the Organization, and employees will be transmitted via the use of modernized processes (i.e., electronic mail, etc.).

**Note:** This includes, but is not limited to, any transmission of correspondence for the charged employee, witnesses, and/or union representatives (both Local and General Level) for the Notices of Investigation (NOI), Notices of Discipline Assessed (NODA), postponements, hearing transcripts/exhibits, requests for conference, appeals, etc.).

- B. The delivery method for correspondence to a charged employee for all discipline cases will be sent via email effective January 1, 2026. Employees are required to provide and maintain a valid working email with the Carrier by December 31, 2025. Employees are required to update changes accurately and promptly. Failure by the employee to comply with this section, will not result in procedural or time limit violation by the Carrier pursuant to Article X.A below.
- C. The Carrier, at its discretion, may deliver paper copies of communications to employees in addition to sending them electronically.

## **VII. General Level Conference**

- A. The SMART-TD General Chairperson (or designee) and the highest designated Labor Relations Officer (or designee) will conference the discipline decision in the month following the postmark (or electronic timestamp) date of the NODA. Conferences will be regularly scheduled during the 15<sup>th</sup> to the 25<sup>th</sup> of each month but may be postponed up to five (5) days from the date scheduled by mutual agreement between the parties. Nothing prevents the parties from mutually agreeing to hold the conference prior to the 15<sup>th</sup> of each month.

**NOTE:** During this time frame provided (NODA to Conference), it is contemplated that the General Manager (or designee) and the SMART-TD Local Chairperson (or designee) may confer to determine if a resolution can be reached locally. The resolution may involve, but is not limited to, further training, education, or other remedial action.

#### **VIII. Arbitration**

- A. Within ninety (90) days of the parties' conference date, or no later than the time limit listed in the NRAB Uniform Rules of Procedure if the case is listed to the First Division of the NRAB, the parties will exchange written responses of their respective positions for each case denied in conference.

**NOTE:** The parties' written responses will act as the submissions to the selected tribunal. Any arguments raised by either party in this exchange of correspondence may be addressed during oral arguments at the tribunal.

- B. The highest SMART-TD union officer designated to handle such appeals must list the case(s) before a tribunal having jurisdiction pursuant to the law or agreement within the time frame specified in Section A above. Cases not so listed within this time frame will be considered closed and barred from further handling unless an extension has been mutually agreed to by the parties.

#### **IX. Calculation of Lost Wages**

- A. If by operation of this agreement or as the result of an arbitration decision the Carrier is required to pay a trainperson who has been disciplined for "time lost," the amount due shall be based on the average daily earnings of the Trainperson for the twelve (12) month period (beginning with the first full month prior to removal from service). The sum of the Trainperson's earnings during this period will be divided by 365 to arrive at the average daily earnings to be applied in determining the amount of lost wages, based on the number of days of discipline.

1. The twelve (12) month period utilized in determining the Trainperson's average daily earnings will not include any month(s) in which the Trainperson experienced unusually low earnings due to circumstances beyond his/her control, such as furlough, personal injury, documented major illness, of the Trainperson or a family member, etc. It is not the intent section to exclude those months in which the Trainperson lays off on his/her own accord; however, it is intended the twelve (12) month period utilized will reflect the Trainperson's normal work habits and history.

**Example:** A Trainperson was dismissed in October for an alleged rule violation. Pursuant to an arbitration award, the Trainperson is reinstated and awarded time lost (back pay). Six (6) months prior to his/her dismissal, said Trainperson was off-duty (medical leave) for two (2) months (March and April) due to a documented major illness, such as a heart attack.

Calculation of the Trainperson's average daily earnings for the preceding twelve (12) months will commence with September and will incorporate the prior fourteen (14) months, including September (March and April are excluded due to the Trainperson having no earnings in those months due to the medical condition).

2. If as a result of an arbitration award, a portion of a Trainperson's time out of service is converted to a suspension, said suspension will begin on the date the Trainperson was first withheld from service, unless otherwise specified in the award.
3. It is understood in the calculation of a Trainperson's lost wages, outside earnings will not be deducted during the time period the trainperson was withheld from service.
4. It is understood to accurately determine a Trainperson's lost wages, the process to do so by the Carrier will commence when the Trainperson is actively reinstated and is marked up and available for service with the Carrier.

**NOTE:** In the event a Trainperson is unable to return to service due to illness, medical disability, or military deployment, the Trainperson will be made whole pursuant to the award for all time prior to their illness, disability, or military deployment.



- B. The Carrier's current practice of adjusting pay for time lost by general wage increases (GWI), cost-of-living adjustments (COLA) and/or entry-rate progression, occurring during the time out of service is recognized and will continue under this Agreement. Pay for time lost will also include retroactive wage payments pursuant to the National/On-Property Agreement and productivity fund payments, if applicable.
- C. When a Trainperson is compensated for time lost in accordance with an arbitration award, the compensation for time lost is to be considered as time worked in the calculation of the Trainperson's subsequent vacation.
- D. Appropriate offsets from pay for time lost will be made as specifically required by law or agreement, i.e., periods of incarceration, Railroad Retirement Board unemployment compensation, Part 242 penalties (unless overturned by review board – OCRB/LERB), and/or health and welfare premiums.

**NOTE:** It is understood it will be the Trainperson's responsibility to seek reimbursement from their Health and Welfare insurance provider for any and all medical related expenses, including vision and dental. Carrier will reimburse all Health and Welfare insurance premiums to employees who purchase such while dismissed from service as long as it is directly related to an employee's benefits coverage and supporting documentation is provided. This reimbursement will not exceed the full premium of the National Plan.

- E. The Carrier will provide the SMART-TD General Chairperson with a breakdown in back pay calculations (as outlined in this Article), vacation mileage credits, credited personal leave starts, and the months for which the employee will receive RRB credits.

#### **X. Miscellaneous Provisions**

- A. If either party to this Agreement fails to comply with a time limit contained within this Agreement, the discipline will be removed (if the Carrier's failure) or the case will be withdrawn (if the Organization's failure). Cases so disposed of will not be considered as a precedent or a waiver of the contentions of either party as to other factually similar cases. The parties may, by mutual agreement, extend any of the time limit(s) specified in this Agreement.

**NOTE:** The electronic timestamp will govern as the date of record if a dispute arises regarding the timeliness of the NOI, NODA, or other such correspondence related to a discipline or attendance case.

- B. The term "in writing" refers to and includes the filing of, or the response to, a case

via electronic means. For cases handled via electronic means, the time/date stamp will govern as the date sent or received for such cases. The parties further agree any exchange of correspondence in reference to a case filed may be handled via electronic means up to and including the arbitral process.

This Agreement is effective January 1, 2026.

## **SYSTEM AGREEMENT – TIME CLAIM HANDLING**

In an effort to provide a method for a condensed and more expedited process of handling time claims, it is agreed that all time claims filed after ratification of this Agreement shall be handled as follows for all SMART-TD General Committees covered by this Agreement. Any local agreements related to the handling of time claims are hereby superseded and replaced by this Agreement. This Agreement will apply to all employees working assignments under SMART TD agreements, any reference to trainperson is a reference to all employees.

### **I. Initial Claim**

- A. All claims must be filed electronically in writing by or on behalf of the trainperson(s) with the office of the Carrier authorized to receive same no later than sixty (60) days from the date of the occurrence on which the claim is based. The time limit begins the day after the date of the occurrence. Properly formatted claims will include the time, date, location, and a description of the claim. Claims not filed within the time limit set forth herein will be considered closed and barred from further handling.

NOTE: The term “electronically” means filing via the Carrier’s Timekeeping system being utilized at that time.

- B. Claims not allowed must be declined by the Carrier to the individual employee or their representative, whoever presented the claim, electronically in writing within sixty (60) days from the date received, giving the reason for such disallowance. Claims not disallowed within the time limit set forth herein will be allowed.

### **II. Appeals and Conferencing**

- A. If a disallowed claim is to be appealed on behalf of the employee, such appeal must be submitted electronically in writing to the designated Carrier Officer within sixty (60) days from the notice of disallowance. Failing to comply with this provision, the claim will be barred from further handling.

NOTE: For General Committees utilizing an electronic claims system (“e-claims”), the parties agree the Organization will continue to utilize that system or a similar system for the submission of appeals to the Carrier. For General Committees not utilizing an “e-claims” system to submit appeals, the parties agree that such appeals will be sent electronically via e-mail in a digital format such as PDF to the e-mail

address designated by the Carrier to receive such appeals. For those General Committees, the parties agree to continue to explore procuring technology similar to the existing “e-claims” systems used for appealing time claims to the Carrier.

- B.** Within sixty (60) days from the date of the appeal submitted by or on behalf of the employee as described in Paragraph A, the General Chairperson (or designee) and the highest designated Labor Relations Officer (or designee) will conference the claim. Conferences will be regularly scheduled between the 15<sup>th</sup> and 25<sup>th</sup> of each month but may be postponed up to ten (10) days from the date scheduled by mutual agreement between the parties.

**NOTE:** A completed conference report (with signatures) will be exchanged between the parties within (5) days of the conference date unless there is a mutually agreed-to extension which will not exceed (10) days from the date the conference was held.

**Example:** A claim is appealed by the local chairperson, or designee, on August 1. The claim will be scheduled for conference between August 15 and August 25 or September 15 and 25 at the latest unless postponed in accordance with this Section B.

- C.** Within forty-five (45) days after the conference report is exchanged, all approved claims will be paid with a written confirmation of payment sent to the respective SMART-TD General Chairperson (or designee).
- D.** For any appeal not resolved during the conference, the Carrier will have sixty (60) days from the date of the signed conference report to transmit its position in writing giving the reason(s) for such declination. If the appeal(s) is not declined in writing by the Carrier within the sixty (60) days as set forth herein, the appeal will be allowed. It is understood the Carrier’s written declination of the appeal is separate from the conference report provided for in this section.

**NOTE:** Nothing herein precludes either party from filing additional written correspondence after the 60-day period following the conference report further outlining its position up until the point a claim is listed for arbitration as outlined in Article III.

### **III. Arbitration**

- A.** All appeals declined in conference may be listed for arbitration by the SMART-TD General Chairperson (or designee) within twelve (12) months from the signed conference report date, but no sooner than sixty (60) days from the signed conference report date. Any appeal listed will be filed pursuant to Section 3 of the Railway Labor

Act. Any appeal not listed for arbitration within the time frame specified in this section will be considered closed and barred from further handling.

- B.** The parties may mutually agree to hold claims in abeyance if a dispute is awaiting adjudication at the National Railroad Adjustment Board, Public Law Board, or a system, group, or regional board of adjustment.

#### **IV. Miscellaneous**

- A.** If either party to this Agreement fails to comply with a time limit contained within this Agreement, the appeal will be allowed (if the Carrier's failure) or withdrawn (if the Organization's failure). Appeals so disposed of will not be considered as a precedent or a waiver of the contentions of either party as to other factually similar claims. The parties may, by mutual agreement, extend any of the time limit(s) specified in this Agreement after the initial claim is filed with the Carrier.
- B.** For claims or appeals handled via electronic means, the time/date stamp will govern as the date received for such claims or appeals. The parties further agree that any exchange of correspondence in reference to a claim or appeal filed may be handled via electronic means up to and including the arbitral process.
- C.** This agreement recognizes the right of the Organization to file and pursue claims for and on behalf of its members. Nothing in this agreement prohibits the parties from identifying and implementing innovative claim handling procedures by mutual agreement.
- D.** No change in the agreement will be made unless mutually agreed upon by both parties. If either party wishes to modify this Agreement, the parties will meet within sixty (60) days from written notification by either party upon the other that a modification is desired.

This Agreement is effective on January 1, 2026.

**SYSTEM AGREEMENT – AWAY FROM HOME MEAL ALLOWANCE**

When a trainperson is tied up at other than the designated home terminal for four (4) hours or more, the trainperson will receive an away from home meal allowance of \$10.00 and will receive another \$10.00 after being held twelve (12) hours or more.

This Agreement is effective the 1<sup>st</sup> day of the month following the date signed by the parties.



## Addendum "A"

### Health and Welfare

#### Part A – Plan Changes

##### Section 1 – Continuation of Plan

The SMART-TD Health and Welfare Plan ("SMART-TD H&W Plan") and the Railroad Employees National Health and Welfare Plan (individually and collectively referred to, depending on the context, as "the Plan"), The Railroad Employees National Dental Plan ("the Dental Plan"), The Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the Organization and their eligible dependents, shall be continued subject to the provisions of the Railway Labor Act.

##### Section 2 – Plan Design Changes

The Plan's Managed Care Program "(MMCP)" and the Comprehensive Health Care Benefit (CHCB) shall both be revised as follows:

- (a) Plan coverage for surviving dependents will be extended through the end of the sixth (6<sup>th</sup>) month following the month in which the employee dies.
- (b) Plan benefits will include male sterilization procedures (i.e., vasectomy), not including reversals.

The plan design changes contained in this Section shall become effective on the date of this Agreement, or as soon thereafter as practicable.

##### Section 3 – Plan Design Changes to Contain Costs

(a) The Plan's Prescription Drug Card Program and Mail Order Prescription Drug Program shall be revised to include the PBM's full utilization management rules package for specialty drugs and four additional non-specialty therapeutic classifications (anti-infective agents, central nervous system, gastroenterology and ophthalmology).

(b) The Plan shall implement improper billing detection and mitigation programs where available with the Plan's medical vendors.

(c) The Plan shall implement out-of-network referenced-based pricing programs where available with the Plan's medical vendors.

(d) The monthly payment for employees who elect to opt-out of coverage under the Plan will be increased from \$100 to \$200.

The plan design changes contained in this Section shall become effective on the date of this Agreement, or as soon thereafter as practicable thereafter.

#### **Section 4 - Plan Design Changes – The Dental Plan**

The individual annual maximum dental benefit under the Railroad Employees National Dental Plan will be increased from \$1,500 to \$2,500, and the individual lifetime maximum orthodontia benefit will be increased from \$1,000 to \$2,500.

The plan design changes contained in this Section shall become effective on the date of this Agreement, or as soon thereafter as practicable.

#### **Section 5 - Plan Design Changes – The Vision Plan**

The vision frame allowance under the Railroad Employees National Vision Plan will be increased from \$115 every two years to \$250 every two years.

The plan design changes contained in this Section shall become effective on the date of this Agreement, or as soon thereafter as practicable.

#### **Section 6 – Plan Design –Employee-Only, Reduced-Rate Option**

The Plan will offer a medical coverage option with a reduced, employee-only rate as follows:

(a) There will be a single funding pool to include existing plan options and the new reduced-rate option.

(b) The employee-only reduced-rate option employee monthly contribution will be ten percent (10%) of the Carrier's Monthly Payment Rate (as defined below), and will be subject to the provisions of the Side Letter covering contribution rates during the post-2030 amendable period (attached).

(c) The employee-only reduced-rate option will be HSA eligible.

(d) The reduced-rate option will have the following plan design features:

|                                                          | <b>In Network</b>                           | <b>Out of Network</b> |
|----------------------------------------------------------|---------------------------------------------|-----------------------|
| <b>Deductible</b>                                        | \$2,500                                     | \$5,000               |
| <b>Out of pocket maximum</b>                             | \$5,000                                     | \$10,000              |
| <b>Coinurance – office visits and in/outpatient care</b> | 90% after deductible                        | 70%                   |
| <b>RX – generic coinurance (retail and mail order)</b>   | 10% after deductible                        | 75% of R&C            |
| <b>RX – formulary (retail and mail order)</b>            | 20% after deductible                        | 75% of R&C            |
| <b>RX – non-formulary (retail and mail order)</b>        | 30% after deductible                        | 75% of R&C            |
| <b>Employee contributions</b>                            | 10% of payment rate (2025 = \$185.03/month) |                       |

The plan design changes in this Section shall become effective on the date of this Agreement,



mlp JRF

or as soon as reasonably practicable thereafter.

**Part B – Employee Sharing of Plan Costs**

**Section 1 - Monthly Employee Cost-Sharing Contributions (Not Applicable to Employee-Only, Reduced-Rate option)**

(a) Effective on the date of this Agreement, each employee covered by this Agreement shall contribute to the Plan, for each month that the employer is required to make a contribution to the Plan on the employee's behalf for foreign-to-occupation health benefits coverage for the employee and/or the employee's dependents, a monthly contribution equal to 15% of the Carriers' Monthly Payment Rate. Effective on each subsequent January 1, the monthly employee cost-sharing contribution shall be adjusted to reflect 15% of the Carrier's Monthly Payment Rate for the relevant year.

(b) For purposes of subsection (A) above, the "Carrier's Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carrier's monthly payments to

- 1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- 2) the Dental Plan for employee and dependent dental benefits, and
- 3) the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions in the aforementioned plans.

**Part C – Other**

If existing national health care legislation is repealed, the parties will meet and confer on a voluntary basis to discuss the benefits that were previously mandated.

Signed on the \_\_\_ day of \_\_\_\_\_, 2025.

**FOR THE UNION PACIFIC  
RAILROAD COMPANY:**

**FOR THE EMPLOYEES  
REPRESENTED BY SMART,  
TRANSPORTATION DIVISION:**

\_\_\_\_\_  
Maqui Parkerson, Vice President  
Labor Relations

\_\_\_\_\_  
Jeremy Ferguson  
President – SMART Transportation  
Division

MPJ JEF

[date]

Addendum "A" Side Letter #1

Mr. Jeremy Ferguson  
President – SMART Transportation Division  
6060 Rockside Woods Blvd. N., Ste. #325  
Independence, OH 44131

Dear Mr. Ferguson:

This confirms our understanding and agreement regarding the employee contribution to the Railroad Employees National Health and Welfare Plan. For each month that the employer is required to make a contribution to the Plan on the employee's behalf for foreign-to-occupation health benefits coverage for themselves and/or their dependents, a monthly cost-sharing contribution by the employee shall be made in an amount equal to 15% (fifteen percent) of the Carrier's then current Monthly Payment Rate. In the event new collective agreements are not negotiated and ratified prior to January 1, 2031, the monthly cost-sharing contribution will not be increased beyond the rate last established under the terms of the \_\_\_\_\_, 2025 agreements.

Upon ratification of the successor agreement(s), the full 15% employee contribution rate will be reinstated unless otherwise agreed. If the negotiations for such successor agreement(s) result in retroactive wage increases applicable for the period that the parties are in negotiations and the employees' monthly contribution to the Health and Welfare Plan would have otherwise exceeded the rate established under the predecessor agreements, retroactive application will also be applicable to those contribution increases.

This arrangement shall not be cited in future negotiations under Section 6 of the Railway Labor Act (up through and including a Presidential Emergency Board or interest arbitration) as a reason or justification for any future increase in compensation or limit or reduction in employee health care contributions.

Please acknowledge your concurrence by signing in the space provided below.

Sincerely,

Maqui Parkerson  
Vice President, Labor Relations

I concur:

\_\_\_\_\_  
Jeremy Ferguson

**AGREED UPON QUESTIONS AND ANSWERS  
2025 SYSTEM AGREEMENT**

**ARTICLE I – WAGES**

Q1: If the Agreement ratifies, will Employees receive back pay?

A1: Yes. As per Article I and Side Letter #2, Employees will receive a 4.00% general wage increase retroactive to July 1, 2025, less the amount paid pursuant to the interim wage increase of 3%, that was made effective on September 1, 2025. Retroactive payments will be made no later than 60 days after the date of the Agreement, under the same principles and guidelines as prior Agreements.

Q2: Will an individual furloughed or suspended when the Agreement becomes effective be eligible to receive the retroactive wage adjustment?

A2: Yes.

Q3: Will an individual in dismissed status when the Agreement becomes effective be eligible to receive the retroactive wage adjustment?

A3: Yes, if the individual is reinstated to service, the individual will be eligible for the retroactive wage adjustment to the extent applicable and consistent with the reinstatement.

Q4: Will an Employee who has been dismissed/suspended between July 1, 2025, and the effective date of this Agreement, who is subsequently reinstated/suspension removed or overturned, with pay for time and benefits lost, have the retroactive pay increases applied to his/her payment for time lost?

A4: Yes, to the extent applicable.

Q5: Will Employees on approved leaves of absence (medical, disability, or otherwise) be eligible to receive retroactive backpay provided for in this Agreement?

A5: Yes, so long as the Employee maintains his/her employment relationship with the Carrier, or subsequently retires or dies.

Q6: Will the retroactive wage payments made to Employees include previous vacation payments, personal leave days, and all other contractual pay entitlements?

- A6: Yes, if and to the extent such payments are subject to the application of general wage increases.
- Q7: Will retroactive payments be accompanied by a detailed payment description, including a breakdown of how the payment was calculated?
- A7: Any Employee who believes his/her back pay computation is incorrect may make written request through their General Chairperson for information regarding that computation. If the General Chairperson concludes that the request has good cause, they will submit it to the Carrier, and a Carrier representative will respond. The request must be made to the Carrier within thirty (30) days of receipt of the retroactive payment.
- Q8: Will an Employee who voluntarily resigned receive back pay?
- A8: Employees who resign prior to ratification of the System Agreement will not receive back pay. Employees who resign after ratification of the System Agreement, including those who retired or died subsequent to June 30, 2025, will receive back pay.

## **ARTICLE II – VACATION**

- Q1: Will Employees who qualify for an additional week of vacation, under the Vacation Accrual Acceleration provisions in 2025, receive an added week of vacation effective January 1, 2026?
- A1: Yes, provided they have met the compensated service requirements under the National Vacation Agreement.
- Q2: How will new hires schedule vacation days they are awarded in “Year 0”, as contained in Article II, Section 1?
- A2: New hires who qualify for vacation days in “Year 0” may request a vacation day, subject to manpower needs, or use the Carriers prearranged layoff system to schedule their vacation, subject to prearranged thresholds. Vacation day(s) that are not observed by December 31<sup>st</sup> will be paid out to the employee.
- Q3: How does the Vacation Accrual Acceleration outlined in Section 3 affect the basic day requirement to qualify for vacation?

A3: The basic day requirements for the preceding calendar year remain unchanged at 240 basic days. The minimum cumulative basic day requirements to qualify for the below weeks of vacation are updated as follows:

- 2 weeks - 320 basic days in two (2) or more years of continuous service
- 3 weeks - 960 basic days in six (6) or more years of continuous service
- 4 weeks - 2,400 basic days in fifteen (15) or more years of continuous service
- 5 weeks - 3,680 basic days in twenty-three (23) or more years of continuous service

Q4: Article II, Section 1, pertaining to vacation enhancement for "Year 0" Employees references both their full-time status and their mark-up date. Is this their hire date, their seniority date, the date they first performed service, the date of the completion of the new-hire training program, or some other date?

A4: "Year 0" Employees are considered marked up after 100 days from the start date in train service, extended for any period of inactive status.

Q5: Will Local Chairpersons (or their designees) still administer vacation scheduling for their respective vacation groupings?

A5: Yes. This provision does not modify the Local Chairpersons involvement in vacation administration.

#### **ADDENDUM "A" – HEALTH & WELFARE**

Q1: Will there be an increase in the monthly cost-sharing contributions for Employees?

A1: The monthly contribution will remain at 15% of the Carriers' monthly payment rate using the same calculation that is currently in effect. Starting in 2030, contributions are fixed as described in Addendum "A" Side Letter #1.

Q2: Will any of the cost-containment programs in Article III, Section 3, limit member choice of doctors or prescriptions? Will they increase member out-of-pocket costs?

A2: Programs are to reduce the potential for fraud, waste, and abuse. They will not change provider networks, pharmacy formulary lists, or out of pocket costs (i.e., copays, deductibles, coinsurance, and out-of-pocket maximums).

Q3: Earlier this year, I used my full \$115 vision frame allowance. Will I be eligible for the \$250 frame allowance starting January 1, 2026?

A3: No, the frame allowance is available every two years. Accordingly, you would be eligible for the new \$250 allowance starting January 1, 2027. However, if you last used the \$115 vision frame allowance in 2024, then you would be eligible for the new allowance starting January 1, 2026.

Q4: My kids wear braces, we reached their individual \$1,000 lifetime orthodontia maximum benefit in 2024, and they will still be wearing braces in 2026. Will they be eligible for the \$2,500 lifetime orthodontia maximum benefit?

A4: Yes, they will each be eligible for up to \$1,500 in additional orthodontia coverage, subject to the rules of the Dental Plan.

Q5: Is there any situation where enrollment in the new High Deductible Health Plan (HDHP) benefit will be mandatory?

A5: No, enrollment in the HDHP benefit is entirely optional.

Q6: Will the addition of the HDHP benefit option increase premiums (and therefore the 15% monthly cost-sharing contributions) for members who remain in the existing Managed Medical Care Plan (MMCP) or Comprehensive Health Care Benefit (CHCB) benefits?

A6: No, claims will be pooled between all Plan benefit options, just as they are with the MMCP and CHCB benefits today. There is one combined Carrier payment rate for all Plans, which is used to calculate the Employee 15% monthly cost-sharing contributions.

Q7: If I enroll in the HDHP benefit, will my spouse and/or dependent children still be eligible to participate in the existing MMCP or CHCB benefits?

A7: No, the HDHP benefit only provides medical coverage for the Employee. Spouses and dependent children would need to find coverage under another H&W Plan.

Q8: If I get married and my spouse has access to their own medical coverage, would it still be possible to elect the HDHP benefit to cover myself only?

A8: Yes, Employees with spouses and/or dependent children will have the option to elect the HDHP for themselves only.

Q9: If I elect the HDHP benefit, will my spouse and/or dependent children still be eligible for dental and vision benefits? If so, will it increase my monthly cost-sharing contributions?

A9: Yes, spouses and dependent children are still eligible for dental and vision benefits when an Employee enrolls in the HDHP benefit. It will not increase the Employee's monthly cost-sharing contribution.

Q10: If an Employee elects the HDHP benefit and later wants to return to the existing MMCP or CHCB benefits, will they be able to transfer back?

A10: Yes, the Employee could transfer back to the existing MMCP or CHCB benefits if there is a qualifying life event (*e.g.*, a single Employee gets married and wants to provide coverage for their spouse). If there is no qualifying life event, the Employee will have the opportunity to elect the MMCP or CHCB Plan during the annual open enrollment period in October, which would become effective January 1 of the following calendar year.

Q11: If an Employee elects to remain in the existing MMCP or CHCB benefits and later wants to transfer to the HDHP benefit, will they be able to do so?

A11: Yes, the Employee could transfer to the HDHP if there is a qualifying life event (*e.g.*, a married Employee gets divorced and no longer needs coverage for a spouse and/or dependent children). If there is no qualifying life event, the Employee will have the opportunity to elect the HDHP during the annual open enrollment period in October, which would become effective January 1 of the following calendar year.

Q12: With respect to the HDHP, MMCP, and CHCB benefits, what will happen to Employees who do not make any elections during open enrollment? Will they ever be defaulted into the HDHP Plan?

A12: Employees who do not make any elections in 2025 will continue to be enrolled in the same MMCP or CHCB benefit that they are defaulting to under existing Plan rules. In future years, those Employees will continue to be enrolled in the MMCP or CHCB benefit, unless they decide to elect the HDHP benefit. Similarly, Employees who elect the HDHP benefit and do not make any elections in future years will be automatically enrolled in the HDHP benefit, unless they decide to elect the MMCP or CHCB benefits. Also, note that HDHP benefit members who opt for a Health Savings Account (HSA) will need to reelect their HSA each year, as reenrollment in the HSA is not automatic.

Q13: If I elect the HDHP benefit, am I automatically opted in for the HSA? Is there an employer contribution to the HSA?

A13: No, enrollment in the HSA is separate from the HDHP benefit, and also voluntary. There is no employer contribution.

Q14: If I elect the HDHP benefit and an HSA, how will I access my HSA funds to pay for qualified medical expenses?

A14: You can use an HSA debit card that will be provided, use online bill pay through HSA Bank, or pay out of pocket then reimburse yourself using HSA funds.

Q15: If I elect the HDHP benefit and an HSA, and there is a balance in my account at the end of the year, will it be forfeited the same way as the existing Flexible Spending Account (FSA) for the MMCP and CHCB benefits? What happens to my HSA funds if/when I am no longer covered by the HDHP benefit?

A15: Unlike an FSA, these HSA funds do not forfeit at the end of the year. Your funds are yours to keep and use for life, you can maintain those funds with the selected HSA custodian or roll them over to another financial institution. While you maintain those funds, you can no longer contribute to the HSA if you are no longer enrolled in a qualifying HDHP. However, if you withdraw HSA funds for non-qualified medical expenses, they will be subject to all applicable income tax plus additional IRS penalties.

Q16: If I have an FSA and I elect the HDHP benefit, can I continue to maintain my FSA or transfer the balance from my FSA into a new HSA?

A16: No, you are not allowed to maintain an FSA if you are enrolled in a HDHP benefit, and you cannot maintain both an FSA and HSA in any one calendar year. FSA funds can continue to be used on qualified medical expenses, but your participation in the HSA must be delayed until the FSA funds are exhausted or forfeited on April 1 of the following Plan year.

Q17: Given the timing of this Agreement, will Employees still have the opportunity to make changes during this year's October open enrollment period?

A17: Yes, SMART-TD and the Union Pacific have agreed to extend the 2025 open to December 15th. Employees wanting to make changes should visit [www.YTTH.com](http://www.YTTH.com) and do so before that date.



## **ATTACHMENT A: SYSTEM AGREEMENT – DISCIPLINE**

Q1: When will the System Agreement – Discipline be effective?

A1: January 1, 2026. The date on the notice of investigation will be the controlling factor in determining whether a discipline case will be handled under the “old” or “new” agreement. A notice of investigation issued by the carrier on or before December 31, 2025, will be handled under existing “old” discipline agreements. Notices of investigation issued on or after January 1, 2026, will be handled under the “new” System Agreement – Discipline Agreement, effective January 1, 2026.

Q2: How will evidence be shared under Article IV, Section C?

A2: Evidence may be provided in person or electronically. For all non-proprietary evidence, email is the preferred and default method of delivery to ensure a clear and verifiable record of what was shared is maintained. When the evidence is proprietary (such as Track Image Recorder footage, inward-facing cameras, black-box data, or drone video) and cannot be copied, the SMART-TD representative will be allowed to view it in advance either in person or electronically (Zoom, Teams, or similar live video sharing). The goal is to ensure the representative has timely access to review the evidence before the hearing, regardless of format.

Q3: How will investigative hearings be conducted as contained in IV., D. for employees who fail to appear (in absentia) at the hearing?

A3: The Carrier will conduct the investigation in the usual manner, as if the charged employee were present.

Q4: Is the Carrier allowed to deduct potential or estimated earnings in instances when an employee has no reportable wages while out of service?

A4: No.