

CBG–NCCC TENTATIVE AGREEMENT

OCTOBER 2017

WAGES

GENERAL WAGE INCREASES

Wage Component	Last NCCC Proposal		Tentative Agreement	
	Pct.	Effective Date	Pct.	Effective Date
General Wage Increase	3.00%	January 1, 2015	3.00%	January 1, 2015
General Wage Increase	2.00%	Implementation	2.00%	July 1, 2016
General Wage Increase	2.00%	Implementation	2.00%	July 1, 2017
General Wage Increase	2.00%	July 1, 2018	2.50%	July 1, 2018
General Wage Increase	2.00%	July 1, 2019	3.00%	July 1, 2019
Total of GWIs	11.00%	No retroactivity	12.50%	Full retroactivity
Compounded GWI value	11.49%	No Back Pay	13.14%	Full Back Pay

MONTHLY H&W CONTRIBUTION

Employee Monthly Health & Welfare Contribution		
Effective Date	Last NCCC Proposal	Tentative Agreement
January 1, 2015	\$198.00	\$198.00
July 1, 2016	\$228.89	\$228.89
July 1, 2017	\$245.00	\$228.89
July 1, 2018	\$260.00	\$228.89
July 1, 2019	\$275.00	\$228.89
Monthly contribution frozen until renegotiated at the conclusion of bargaining in the next round		

IN-TERM VALUE OF TA

\$50,000 base* in 2014	Last NCCC Proposal			Tentative Agreement		
Period (# of months)	GWI	New Base	Value	GWI	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$51,500.00	\$2,250.00	3.00%	\$51,500.00	\$2,250.00
07/01/16–06/30/17 (12 mos)	2.00%	\$51,500.00	\$1,500.00	2.00%	\$52,530.00	\$2,530.00
07/01/17–06/30/18 (12 mos)	2.00%	\$51,500.00	\$2,540.30	2.00%	\$53,580.60	\$3,580.60
07/01/18–06/30/19 (12 mos)	2.00%	\$54,652.21	\$4,652.21	2.50%	\$54,920.11	\$4,920.11
07/01/19–12/31/19 (6 mos)	2.00%	\$55,745.26	\$2,872.63	3.00%	\$56,567.72	\$3,283.86
GWI value over life of Agreement			\$13,815.14			\$16,564.57
H&W cap value over life of Agreement			\$0.00			\$843.30
Total Value over life of Agreement			\$13,815.14			\$17,407.87
Increased Value of Tentative Agreement over Last NCCC Proposal						\$3,592.73
* — “base” represents compensation elements subject to GWIs (<u>i.e.</u> , not frozen pay elements)						

IN-TERM VALUE OF TA

\$75,000 base* in 2014	Last NCCC Proposal			Tentative Agreement		
Period (# of months)	GWI	New Base	Value	GWI	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$77,250.00	\$3,375.00	3.00%	\$77,250.00	\$3,375.00
07/01/16–06/30/17 (12 mos)	2.00%	\$77,250.00	\$2,250.00	2.00%	\$78,795.00	\$3,795.00
07/01/17–06/30/18 (12 mos)	2.00%	\$77,250.00	\$3,810.45	2.00%	\$80,370.90	\$5,370.90
07/01/18–06/30/19 (12 mos)	2.00%	\$81,978.32	\$6,978.32	2.50%	\$82,380.17	\$7,380.17
07/01/19–12/31/19 (6 mos)	2.00%	\$83,617.88	\$4,308.94	3.00%	\$84,851.58	\$4,925.79
GWI value over life of Agreement			\$20,722.71			\$24,846.86
H&W cap value over life of Agreement			\$0.00			\$843.30
Total Value over life of Agreement			\$20,722.71			\$25,690.16
Increased Value of Tentative Agreement over Last NCCC Proposal						\$4,967.45
* — “base” represents compensation elements subject to GWIs (<u>i.e.</u> , not frozen pay elements)						

IN-TERM VALUE OF TA

\$100,000 base* in 2014	Last NCCC Proposal			Tentative Agreement		
Period (# of months)	GW	New Base	Value	GW	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$103,000.00	\$4,500.00	3.00%	\$103,000.00	\$4,500.00
07/01/16–06/30/17 (12 mos)	2.00%	\$103,000.00	\$3,000.00	2.00%	\$105,060.00	\$5,060.00
07/01/17–06/30/18 (12 mos)	2.00%	\$103,000.00	\$5,080.60	2.00%	\$107,161.20	\$7,161.20
07/01/18–06/30/19 (12 mos)	2.00%	\$109,304.42	\$9,304.42	2.50%	\$109,840.23	\$9,840.23
07/01/19–12/31/19 (6 mos)	2.00%	\$111,490.51	\$5,745.26	3.00%	\$113,135.44	\$6,567.72
GW value over life of Agreement			\$27,630.28			\$33,129.15
H&W cap value over life of Agreement			\$0.00			\$843.30
Total Value over life of Agreement			\$27,630.28			\$33,972.45
Increased Value of Tentative Agreement over Last NCCC Proposal						\$6,342.17
* — “base” represents compensation elements subject to GWs (i.e., not frozen pay elements)						

IN-TERM VALUE OF TA

\$125,000 base* in 2014	Last NCCC Proposal			Tentative Agreement		
Period (# of months)	GWI	New Base	Value	GWI	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$128,750.00	\$5,625.00	3.00%	\$128,750.00	\$5,625.00
07/01/16–06/30/17 (12 mos)	2.00%	\$128,750.00	\$3,750.00	2.00%	\$131,325.00	\$6,325.00
07/01/17–06/30/18 (12 mos)	2.00%	\$128,750.00	\$6,350.75	2.00%	\$133,951.50	\$8,951.50
07/01/18–06/30/19 (12 mos)	2.00%	\$136,630.53	\$11,630.53	2.50%	\$137,300.29	\$12,300.29
07/01/19–12/31/19 (6 mos)	2.00%	\$139,363.14	\$7,181.57	3.00%	\$141,419.30	\$8,209.65
GWI value over life of Agreement			\$34,537.85			\$41,411.44
H&W cap value over life of Agreement			\$0.00			\$843.30
Total Value over life of Agreement			\$34,537.85			\$42,254.74
Increased Value of Tentative Agreement over Last NCCC Proposal						\$7,716.89
* — “base” represents compensation elements subject to GWIs (i.e., not frozen pay elements)						

IN-TERM VALUE OF TA

\$100,000 base* in 2014	Compared to Current Rates			Tentative Agreement		
Period (# of months)	GW	New Base	Value	GW	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$103,000.00	\$4,500.00	3.00%	\$103,000.00	\$4,500.00
07/01/16–06/30/17 (12 mos)	0.00%	\$103,000.00	\$3,000.00	2.00%	\$105,060.00	\$5,060.00
07/01/17–06/30/18 (12 mos)	0.00%	\$103,000.00	\$3,000.00	2.00%	\$107,161.20	\$7,161.20
07/01/18–06/30/19 (12 mos)	0.00%	\$103,000.00	\$3,000.00	2.50%	\$109,840.23	\$9,840.23
07/01/19–12/31/19 (6 mos)	0.00%	\$103,000.00	\$1,500.00	3.00%	\$113,135.44	\$6,567.72
GW value over life of Agreement			\$15,000.00			\$33,129.15
H&W cap value over life of Agreement			\$0.00			\$843.30
Total Value over life of Agreement			\$15,000.00			\$33,972.45
Increased Value of Tentative Agreement over Current Rates						\$18,972.45
* — “base” represents compensation elements subject to GWs (i.e., not frozen pay elements)						

IN-TERM VALUE OF TA

\$125,000 base* in 2014	Compared to Current Rates			Tentative Agreement		
Period (# of months)	GWI	New Base	Value	GWI	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$128,750.00	\$5,625.00	3.00%	\$128,750.00	\$5,625.00
07/01/16–06/30/17 (12 mos)	0.00%	\$128,750.00	\$3,750.00	2.00%	\$131,325.00	\$6,325.00
07/01/17–06/30/18 (12 mos)	0.00%	\$128,750.00	\$3,750.00	2.00%	\$133,951.50	\$8,951.50
07/01/18–06/30/19 (12 mos)	0.00%	\$128,750.00	\$3,750.00	2.50%	\$137,300.29	\$12,300.29
07/01/19–12/31/19 (6 mos)	0.00%	\$128,750.00	\$1,875.00	3.00%	\$141,419.30	\$8,209.65
GWI value over life of Agreement			\$18,750.00			\$41,411.44
H&W cap value over life of Agreement			\$0.00			\$843.30
Total Value over life of Agreement			\$18,750.00			\$42,254.74
Increased Value of Tentative Agreement over Current Rates						\$23,504.74
* — “base” represents compensation elements subject to GWIs (i.e., not frozen pay elements)						

HEALTH & WELFARE

INCREASES IN MONTHLY H&W CONTRIBUTIONS
BETWEEN NOW AND END OF NEXT BARGAINING
ROUND

NONE!

PLAN IMPROVEMENTS

- ❖ Medical (no copays or coinsurance unless noted):
 - expert second opinions;
 - member advocacy services;
 - end-of-life counseling;
 - Telemedicine (\$10 copay would apply); and
 - expand Centers of Excellence benefit to include Cleveland Clinic for specialized cardiac care.
- ❖ Vision Plan, increase frequency of:
 - covered eye exam to one (1) per calendar year; and
 - lenses/frames benefit to once every two (2) calendar years.

PLAN IMPROVEMENTS (CONT'D)

❖ Flexible Spending Account (FSA):

- suspend NCCC right to terminate for failure to meet minimum enrollment levels through at least 2020;
- extend grace period from January 31 to March 15 starting 2019; and
- also beginning 2019, raise maximum contribution to maximum allowable under law (\$500 cap on annual adjustments).

❖ Mental Health Substance Abuse services no longer subject to separate deductibles and out-of-pocket maximums.

❖ Cadillac Tax:

- NCCC agrees to drop mandatory Plan Design changes to keep Plan value below Cadillac tax threshold.

PLAN DESIGN CHANGES

Annual Employee Expenditure	MMCP In-Network		
	Current	2018	2019
Deductible (ind/fam.)	\$200/\$400	\$325/\$650	\$350/\$700
Coinsurance	5%	10%	10%
Out-of-Pocket Max. (ind./fam.)	\$1,000/\$2,000	\$1,800/\$3,600	\$2,000/\$4,000
Annual Employee Expenditure	MMCP Out-of-Network		
	Current	2018	2019
Deductible (ind/fam.)	\$300/\$900	\$650/\$1,300	\$700/\$1400
Coinsurance	25%	30%	30%
Out-of-Pocket Max. (ind./fam.)	\$2,000/\$4,000	\$3,600/\$7,200	\$4,000/\$8,000
Annual Employee Expenditure	CHCB Coverage		
	Current	2018	2019
Deductible (ind/fam.)	\$200/\$400	\$325/\$650	\$350/\$700
Coinsurance	15%	20%	20%
Out-of-Pocket Max. (ind./fam.)	\$2,000/\$4,000	\$2,800/\$5,600	\$3,000/\$6,000

PLAN DESIGN CHANGES (CONT'D)

Medical Copayments	Current	2018	2019
Convenient Care Clinic	\$10	\$10	\$10
Primary Care Physician	\$20	\$25	\$25
Specialist	\$35	\$40	\$40
Urgent Care Center	\$20	\$25	\$25
Emergency Room (not admitted)	\$75	\$100	\$100

PLAN DESIGN CHANGES (CONT'D)

Prescription Copayments	Current	2018	2019
Retail Generic	\$5	\$10	\$10
Retail Brand Formulary	\$25	\$30	\$30
Retail Brand Non-Formulary	\$45	\$60	\$60
Mail Order Generic	\$5	\$10	\$10
Mail Order Brand Formulary	\$50	\$60	\$60
Mail Order Brand Non-Formulary	\$90	\$120	\$120

WORK RULES CHANGES

WORK RULE CHANGES IN TENTATIVE AGREEMENT

NONE!

CBG REJECTS NCCC DEMANDS FOR:

❖ BRS/NCFO/IBB work rule changes to:

- eliminate contractual obligation to use carrier employees for signal installation at public road crossings, and building construction, repair and maintenance;
- expand “incidental work” rules; and
- introduce new “simple tasks” rules.

❖ BRS work rule changes to:

- adopt BMWED work rules related to establishing or changing starting time of regular shift, designation of location where paid time begins and ends, and scheduling of work days and rest days (including duration of regular shift on a work day).

CBG REJECTS NCCC DEMANDS FOR:

- ❖ BLET / SMART TD work rule changes to give carriers:
 - the right to impose automated job selection and placement;
 - the right to impose self-supporting pools, eliminating guaranteed extra boards;
 - the right to impose regulation of pools based on starts rather than miles;
 - the right to broaden current “Enhanced Customer Service” rules; and
 - the right to eliminate all distinctions between road service and yard service.

SUMMARY

- **Proposed National Rail Contract**

Wages:

- **No lump sums, all GWI with full retroactive pay**
- 3% received January 1, 2015
- 2% effective July 1, 2016
- 2% effective July 1, 2017
- 2 ½% effective July 1, 2018
- 3% effective July 1, 2019
- 13.1% compounded over the life of the contract

Retroactive:

- 2% for July 1, 2016 to June 30, 2017
- 4% for July 1, 2017 to December 31, 2017
- \$100,000 annual earnings would produce approximately \$4000 in retroactive pay
- Provides immediate pay increase of 4%, with an additional 2½% six months later on July 1, 2018 and 3% additional on July 1, 2019.
- Overall a 9.84 % compounded increase over 18 months

Health and Welfare:

- Monthly contribution is frozen at the current level of \$228.89 until renegotiated
- Employee costs for medical deductible, copays, co-insurance and out of pocket increase depending on usage. Light users will experience a minimal increase while heavy users are protected by caps on out of pocket costs
- Mental Health Substance Abuse services are integrated into medical benefits so that a single deductible and out of pocket maximum will include both benefits
- There are no changes to existing coverages and no disruption to the current networks

Health and Welfare plan improvements, all voluntary:

- Telemedicine – doctors available 24/7 with a Convenient Care Clinic copay of \$10.00
- Centers of Excellence – provides for specialized care at recognized facilities with a travel benefit and 100% coverage
- Expert Second Opinion at no cost to the employee
- Member Advocacy and Vital Decisions counseling
- Vision benefits changed to reduce wait for eye exams from 12 months to once a calendar year and for frames and lenses from 24 months to 2 calendar years
- Continues Flexible Spending Accounts without needing to meet minimum participation requirements by craft

What's not in the proposal:

- No Work Rule changes
- No ACA Excise Tax (Cadillac Tax) reopener
- No forced on-property negotiations of any issue

QUESTIONS?