

AGREEMENT

between

**Southeastern Pennsylvania
Transportation Authority**

and

Transport Workers

Union of

Philadelphia

Local 234 STD

Maintenance Workers

Transport Workers Union

of America/AFL-CIO

October 31, 2014



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AGREEMENT

This Agreement made this 31st day of October 2014 by and between the Southeastern Pennsylvania Transportation Authority (Suburban Transit Division) (hereinafter called Authority and Transport Workers Union of America affiliated with the American Federation of Labor and the Congress of Industrial Organizations, and Transport Workers Union, Local No. 234 (hereinafter called Union, comprised of maintenance workers.

ARTICLE I Union Shop

SECTION 101. DEFINITION

No employee shall be retained in the employ of Authority under the scope of Union who is not a member of Union. Subject to any Federal or State Legislation to the contrary.

SECTION 102. GRACE PERIOD

New employees will be given a thirty (30) day period of grace in which to join said Union.

SECTION 103. EMPLOYEES COVERED

This Agreement covers those maintenance employees (exclusive of supervisors and confidential employees) who work in the Suburban Transit Division of the Authority.

SECTION 104. QUALIFICATIONS FOR EMPLOYMENT

All new employees shall serve a ninety (90) day probationary period during which time the Authority may disqualify and remove the employee from the payroll without recourse from employee or Union, except those new employee hired under the provisions of Section 207(c).

SECTION 105. NOTIFYING NEW EMPLOYEES

Applicants for employment under the scope of Union will be advised of Section 104.

SECTION 106. CHECKOFF

The Authority will deduct from the wages and pay to the Union the Union dues of such employees who are members of the Union and who have individually and voluntarily certified in writing to the Authority that they irrevocably authorize such deductions for the term of this contract and for the period from and after the dates upon which such certificates are filed with the Authority to the end of the contract

year. The amount so deducted shall be paid over by the Authority to the Union by direct deposit in the same week it is deducted.

The dues information that is currently provided to the Union on computer printout will be converted into ASCII format downloaded onto computer diskettes, and provided promptly to the Union.

Upon receipt of a proper written individual authorization from an employee, either directly or through the Union, the Authority will deduct from the wages of the employee such sum as the employee shall authorize as voluntary contribution for candidates for elected public office to the Union Committee on Political Education Fund. Such deductions shall be made each week and shall be promptly paid over by the Authority to the Union's TWU-COPE Fund.

SECTION 107. EXCUSE FROM WORK OF REPRESENTATIVES

(a) Upon written request by the Union to the Authority's designated representative, a reasonable number of Union representatives not to exceed on any one day more than three Union Section Officers from one location or section and not more than eight other employees for a maximum of two days in any calendar week for the transaction of Union business provided such request is made not less than forty-eight hours prior to the time of such proposed absence and that such absence will not interfere with scheduled work or service; provided, however, that the Superintendent or Foreperson may excuse such a Union representative to handle grievances under Article VI hereof without such amount of notice if one's being excused will not interfere with scheduled work or service.

(b) Full-time Union Officers who have been granted a leave of absence will be excused from work without limitation.

(c) Union business as used herein and throughout this Agreement shall consist of the handling of grievances under Article VI hereof, the conducting of negotiations with Authority representatives, and the participation in an authorized Union activity which has received prior approval by the Authority.

SECTION 108. ADDITIONAL REPRESENTATIVES

The Authority will pay five (5) employees designated by the Union at the specialist rate of pay for a maximum of forty-four (44) hours per week to perform work on grievances, health and safety and/or other labor management issues. These employees will be released full-time to perform this work and will report to the Union. These employees shall be entitled to benefits in accordance with the terms and conditions of this Agreement and will submit weekly time sheets to the Chief Labor Relations Officer on a weekly basis.

The foregoing provision regarding the abolishment of the ARC Committees and creation of the five new positions shall cover jointly all three divisions of the Authority represented by Local 234 (CTD, Frontier and Victory).

ARTICLE II
Selection of Positions

SECTION 201. TRANSFER WITH WORK AND SENIORITY

The following procedure will govern the transfer of employees with work and with seniority within the Authority.

MAINTENANCE:

(a) The number of employees who may transfer with work will be determined on the basis of the number of jobs eliminated at the location from which the work is being transferred. The total number of employees to be transferred shall not exceed the number of new employees required at the location to which the work is being transferred.

(b) Prior to the transfer of work from a location or division of a location, the employees of that location or division of a location may express their desire in seniority order by job, to transfer with the work.

(c) Eligible employees who have expressed a desire to transfer with the work will be trained for the allowed number of days at their new location so as to afford them an opportunity to qualify for the job to which they have been transferred. During such training period they will be paid their own rate or the rate for the job for which they are being trained, whichever is the lesser. Employees who do not qualify to perform all of the work in the job to which they have transferred will be returned to their former job at the releasing location, if it is still existent without loss of seniority, provided one is fully qualified to perform all of the work thereof in which case one will resume the same seniority with respect to one's former job that one would have had one remained there and one will be dropped back or not from such former jobs as would have been the case had one remained in such former job.

(d) Employees who transfer with work will be placed in the job or group seniority list at the receiving location in the position to which their job or group seniority at the releasing location entitles them.

(e) When, as a result of change in type of equipment at the location at which an employee has been employed or as the result of the transfer of work away from said location, an employee fails, after reasonable effort, to qualify to perform the work assigned to one's job or does not possess the qualifications necessary for training, such employee will be permitted to transfer to any location where one is qualified to perform the work and one's name will be placed on the job or group seniority list for the job in which one qualifies, in the position to which one's job or group seniority at the releasing location entitles one. Upon such transfer into a location an opportunity will be given for an employee regularly assigned at that location who is qualified to perform the work and who has equal or less group job seniority to

transfer with seniority to the location from which the incoming employee transferred.

(f) Employees transferred under this Article will at the time of the transfer, be subject to and covered by the provisions of the labor agreement with the Transport Workers Union of America currently in effect at the receiving location or the labor agreement currently in effect with any other bargaining agent which has a reciprocal agreement with the Transport Workers Union of America.

(g) Employees will not be eligible for transfer if the result of such transfer places the employee under direct supervision of a relative or indirect (within the same chain of supervision). A relative for purposes of this agreement shall mean a person who is a spouse (whether by marriage or common law), or by virtue of blood or adoption, a parent, child, brother, sister, aunt, and uncle.

SECTION 202. COMPETENCY

Seniority and qualifications will be regarded as governing factors in filling positions. Before bidding for positions into the craft an employee must pass the appropriate written test.

SECTION 203. ADVERTISEMENT

(a) All vacant positions first shall be advertised in the department in which they occur. All vacant positions not filled from the department in which the vacancy exists shall then be advertised in all other departments under the scope of this Agreement.

(b) When either a vacancy or any change in the table of organization occurs in any of the groups, which include service persons, cleaners, janitors, trackwalkers, utility persons, or laborers, the position in the affected group will be posted and the employees in said group will bid on it according to their group seniority as provided in Section 302(c).

(c) The Authority shall make the employees of a location aware of known pending vacancies in the location by a bulletin board notice. This procedure is to afford the employees of that location the first opportunity to fill a pending vacancy. If the job is not filled within the location, notice will be given in all maintenance departments. A Section Officer will sign off and date notices of job vacancies prior to posting. The notices shall be posted for at least fifteen (15) days before the job is declared vacant, allowing employees an opportunity to take the preliminary, written tests and submit a transfer to the position in accordance with this section. A written receipt will be given to an employee upon making application for the written test.

(d) Advertisement of vacant positions shall set forth the following:

- (1) Craft, class and accompanying rate of pay.
- (2) Working conditions (Bulletin hours, days off, duties, etc.)
- (3) Qualifications.

(4) Qualification period if less than allowed in Section 205(c).

(e) After an advertised position has been removed from being posted, the Authority will notify the employee within two weeks (14 days) of the status of that position if the employee has not yet been assigned to the job.

SECTION 204. POSITIONS

Positions are defined as individual jobs as detailed in a table of organization subject to change as conditions may require from time to time, provided the Union is given thirty (30) days' notice except in case of reduction of force when notice period shall be seven (7) days.

An employee bidding for and assigned to fill a vacant position cannot be removed therefrom except as provided elsewhere in this Agreement and in the following cases.

- (a) Failure to meet requirements.
- (b) Change in table of organization.
- (c) Voluntary disqualification per Section 205(a).

SECTION 205. QUALIFICATION PERIODS

(a) An employee awarded a vacant position will be allowed up to forty-five (45) days to qualify. An employee awarded a vacant position will be allowed fourteen (14) days in which to disqualify oneself for personal reasons. An employee failing to qualify or who disqualifies oneself will be returned to the position one occupied before being awarded the position from which disqualified. During the above-described qualifying periods one will be paid the rate for which one is qualified.

(b) In determining fitness and ability, it shall be the duty of the superintendent or foreperson to make available to an employee the necessary instruction for qualifying for the position bid. provided the employee can qualify for some of the requirements of the position.

(c) It is the intent to fill vacant positions, whenever possible, with the above rules for qualification applying. However, it is recognized that occasionally it may be necessary to fill a position in less time than required by this procedure. In such cases, the mutually agreed qualification period shall be thirty (30) days, and shall be so stated on the bid sheet before posting.

SECTION 206. FORMER POSITION VACANT

An employee who bids for and is awarded an advertised position cannot bid for the position one has just left until the same has been advertised the second time.

SECTION 207. TEMPORARY POSITIONS

(a) Filled by Permanent Employees: Temporary positions shall not be filled by permanent employees for period exceeding ten (10) days without advertising the temporary vacancy. Such jobs shall be advertised at the end of the ten (10) day period, but not thereafter. A permanent employee filling a temporary vacancy shall, upon expiration of the same, return to one's regular position without loss of seniority.

(b) Temporary positions (other than laborers) may be filled, when necessary, by hiring outside labor for a period not to exceed ninety (90) days, only after permanent employees have had an opportunity to bid for such positions. Each such temporary, employee so hired shall be required to join the Union after thirty (30) days of employment and shall thereafter receive the benefits and shall enjoy the working conditions under the contract as therein provided, except that upon the ninetieth day of employment, or sooner, one's employment may be terminated without regard to provision of the contract providing for protection from discharge without just cause. In the event that such employee is continued after the ninetieth day, of employment, one shall be covered by the contract as a regular employee and shall enjoy all the benefits thereof in accordance with the terms thereof. One's seniority shall commence as of the date on one's hiring. No temporary employee shall be hired for a permanent position until all available regular employee have had an opportunity to bid for such job.

(c) Temporary positions as Laborers in Department VII may be filled by hiring outside labor for a period not to exceed one hundred eighty (180) days and only between April 1 and October 1. Each such temporary employee so hired shall be required to join Union after thirty (30) days of employment and shall thereafter receive the benefits and shall enjoy working conditions under the contract as therein provided except:

(1) Upon the one hundred eightieth day of employment, or sooner, one's employment may be terminated without regard to the provision of the contract providing for protection from discharge without just cause.

(2) Such temporary employee will not be guaranteed a normal work week of forty (40) hours, as set forth in Section 404, since one may not be required to work due to adverse weather conditions.

(3) Such temporary employee shall not be granted paid holidays or paid days off in accordance with Section 416 and 417 nor shall said employee be granted death leave as provided in Section 418.

(4) Such temporary employee shall not be entitled to: Group Life Insurance, Section 407; Sick and Accident Benefits. Section 408; Health Benefits, Section 409; nor Vision Plan, Section 410; or Tool Allowance, Section 403.

(5) Such temporary employee shall not be hired for a permanent position until all regular employees then all temporary employees hired under provision of Section 207(b) have had an opportunity to bid for such job.

(6) In the event that such temporary employee is continued after the one hundred eightieth (180) day of employment, one shall be covered by the contract as a regular employee and shall enjoy all benefits thereof in accordance with the terms thereof.

(d) Applicants for employment as temporary employees under Section 207(b) and Section 207(c) shall be advised in writing of their rights under the contract.

SECTION 208. FILLING HIGHER RATED POSITIONS

When an employee is required to fill, temporarily, the place of another employee receiving a higher rate of pay, one shall receive the higher rate for one's tour of duty, but if required to fill, temporarily, the place of another employee receiving a lower rate, one's rate shall not be changed.

This Article does not imply that all positions will be backfilled.

When an employee fills a higher rated position for four (4) hours or more one shall be paid the higher rate for entire tour of duty for that day.

SECTION 209. FILLING SUPERVISORY POSITION

An employee assigned temporarily to fill a supervisory position will, for the actual tour of duty, be paid the rate of the position filled as advised prior to assignment.

When an employee is appointed to a supervisory job, there will be a probationary period of ninety (90) days to determine fitness and desire for the job to which the appointment was made before the appointment will be permanent. At any time during the probationary period, if the employee is not fully qualified, one may be returned by the Authority to one's former job or one may voluntarily return thereto if one desires and such return shall be without any loss of seniority one had with respect to one's former job. If one remains in the supervisory job at the expiration of ninety (90) days, one will lose any and all seniority rights one had with respect to one's former job.

Employees doing supervisory work will be notified that they are not entitled to Union representation by Local 234 during the period in which they backfill. If the assignment extends beyond thirty (30) days, such employee's vacated shift and days off will be available for pick by other employees in order of class seniority. If said employee returns to his previous position, he will be assigned to his former shift and days off until the next work group pick. The Authority will make every effort to accomplish such temporary assignments outside an employee's regular work location. No employee shall perform bargaining unit work during any part of the week in which the employee was on a temporary supervisory assignment. No employee temporarily assigned to a supervisory position at the time a picking

commences shall be permitted to pick.

If an employee is on a temporary Supervisory assignment thirty (30) days prior to the beginning of his/her picked vacation and is not expected to return prior thereto, the Authority shall post a notice advising the other employees that such vacation period is available for picking by seniority among employees with lesser seniority than employees on temporary assignment.

After an employee accumulates 120 days in temporary supervisory assignments, the employee will accrue only Authority seniority. Adjustments to seniority will be made on a semi-annual basis.

SECTION 210. RATE DECLASSIFICATIONS

There will be no rate declassifications without mutual consent of Union and Authority.

SECTION 211. LAY-OFF

(a) During the term of this Agreement the Authority will not lay-off any employee represented by the Union except those who have not accrued one full year of Authority Seniority.

(b) (1) An employee who is laid-off will be placed on a recall list for a period of two (2) years from the date of lay-off, during which time one will be recalled to a job for which one is qualified, within the division from which one was laid-off, before any new employee is hired into the division.

(2) Employees will be recalled to vacancies within the particular division, if one is fully qualified, in the order of Authority seniority.

(3) The Union will be given copies of such recall lists.

(4) An employee shall lose all types of seniority if one is laid-off for a period of two (2) years.

(5) An employee who is laid-off less than two (2) years and returned to work will accrue only Authority seniority during such lay-off.

(6) An employee who is laid-off for longer than thirty (30) days, but is recalled within a two (2) year period, will have the lost time offset against any service requirements toward eligibility for any and all wage of benefit qualifications.

SECTION 212. TRANSFERS BETWEEN BARGAINING UNITS

(a) Employees shall have the right to transfer between the Victory Maintenance Division, the Frontier Division, and the City Transit Division. Such transfers will be limited to two (2) in a six (6) month period and four (4) in a one (1) year period.

Employees must have accrued at least six (6) months of Authority seniority in order to be eligible for such transfer.

(b) The Authority shall make Suburban Transit Division employees aware of vacancies in other locations by a bulletin board notice. This procedure is to afford Suburban Transit Division employees an opportunity to complete the necessary qualifications and submit a transfer to the position in accordance with this section.

(c) There will be a probationary, period of sixty (60) days, to determine fitness and desire for the job to which the transfer was made, before the transfer will be permanent. At any time during the probationary period, if the employee is not fully qualified, one may be returned by the Authority to one's former job or one may voluntarily return thereto if one desires; and such return shall be without loss of any seniority one had with respect to one's former job. The probationary period for transferred employees requiring formal instruction will begin at the completion of the training period. Any transferred employee who fails to work on at least three-fourths of the working days within the probationary period may be required by the Authority to commence a new probationary period of sixty (60) days to prove one's fitness for the transfer, and in such a case one's new seniority will be related to such new probationary period.

(d) During the probationary period the transferred employee's seniority with respect to one's former job will be maintained. If one is not returned by the Authority or does not voluntarily return to one's former job by the end of the probationary period the transfer will then become permanent. One's name will then be removed from the seniority list for one's former job and will be added to the seniority list for one's new job as of the first day of one's probationary period. An employee who is permanently transferred to another location, division or department will be permitted to take the vacation period picked at the releasing location.

(e) If an employee who has been so permanently transferred is later returned to one's former job by an act of the Authority one will resume the same seniority with respect to one's former job that one would have had had one remained there and not been so permanently transferred; but if one later voluntarily returns to one's former job one will not resume one's same seniority with respect to one's former job but will be placed at the bottom of the appropriate seniority lists.

(f) Where an employee is permanently transferred to a job in another collective bargaining unit of employees of the Authority and one is later returned to one's former job by an act of the Authority one will resume the same seniority with respect to one's former job that one would have had had one remained there and not been so permanently transferred; but if one later voluntarily returns to one's former position one will not resume one's same seniority with respect to one's former job but will be placed at the bottom of the appropriate seniority lists.

Alternate On-Line Transfer System

(a) An employee who desires transfer must first check the job posting to see if written test(s) are required. If the employee has not yet passed the required test(s), he/she must contact the Testing Center to schedule the test(s). Once the employee is scheduled to take the test, or has already successfully completed the test, he/she can file a transfer request.

(b) Transfer requests are filed on-line through SEPTA's Intranet site, which can be reached through location kiosks or any internet-connected computer. Links to the transfer application will be provided on the bottom of all postings. In their application, employees will select the specific job and location desired. Employees will be able to file additional applications for other positions and/or locations.

(c) Upon receipt by the Recruitment Department, the application will be evaluated against the job posting to determine if the qualifications, including testing, have been met. An email showing that the application is accepted or not accepted will be sent to the employee's email address of record. If not accepted, the reason will be stated in the email correspondence. Upon application, SEPTA will request an email address for direct and private communication. If an email address is not provided, a paper receipt will be forwarded to his/her work location.

(d) Additionally, employees may file transfers for any position desired provided that the employee has met all qualifications requirements, including passing the required test(s), if any. Paragraph (b) and (c) above outline the application procedure. These transfers, if accepted, will remain on file for any future vacancies, for a one-year period, from the date the transfer was accepted.

(e) Before employees may transfer pursuant to this Section 212, employees who are Medically Disqualified pursuant to Section 421 will be given the right to transfer as provided in that Section.

(f) Vacant or new jobs not filled by promotion will be filled by transfer of employees from other jobs within the Suburban Division who meet all qualifications for the job and are fully qualified to perform all of the work of the job to which the transfer is to be made. Such transfers will be made from among those employees so qualified whose applications, made as provided in subsection (a, b and c), are on file at the time the vacancy or new job occurs, and will be made in the order of Department seniority. If the job is not filled within the Department the vacancy will be posted Authority-wide for 14 days. If such qualified employees are not available within the Suburban Division, the vacant or new jobs will be filled by transfers of employees from other TWU Bargaining Units who meet all qualifications for the job and are fully qualified to perform all of the work of the job to which the transfer is to be made. Such transfer will be made from among those employees so qualified whose applications, made as provided in subsection (c), are on file at the time the vacancy or new job occurs and will be made in the order of

division seniority (as defined in Section 302 of the CTD Contract). If such qualified employees are not available within the same division, the vacant or new jobs will be filled by transfer from among those employees so qualified whose applications are on file at the time of vacancy or new job occurs; and such transfers will be made in the order of Authority seniority. Whenever there are no qualified employees on the transfer files, the Authority will fill the position with a newly hired employee.

(g) An employee can enter a transfer request for any position they desire, however, they will not be selected unless they have met all the preliminary requirements for the position.

(h) There will be a probationary period of sixty (60) days for any transfer which requires passing a performance test, to determine fitness and desire for the job to which the transfer was made, before the transfer will be permanent. At any time during the probationary period, if the employee is not fully qualified, one may be returned by the Authority to one's former job, or one may voluntarily return thereto if one desires; and such return shall be without loss of any seniority one had with respect to one's former job. The probationary period for transferred employees requiring formal instruction will begin at the completion of the training period. Any transferred employee who fails to work on at least three-fourths of the working days within the sixty (60) day probationary period may be required by the Authority to commence a new probationary period to prove one's fitness for the transfer, and in such a case one's new seniority will be related to such initial probationary period.

(i) During the probationary period the transferred employee's seniority with respect to one's former job will be maintained. If one is not returned by the Authority or does not voluntarily return to one's former job by the end of the probationary period the transfer will then become permanent. One's name will then be removed from the seniority list for one's former job and will be added to the seniority list for one's new job as of the first day of one's initial probationary period. An employee who is permanently transferred to another location, division or department will be permitted to take the vacation period picked at the releasing location.

(j) If an employee who has been so permanently transferred is later returned to one's former job by an act of the Authority one will resume the same seniority with respect to one's former job that one would have had had one remained there and not been so permanently transferred; but if one later voluntarily returns to one's former job one will not resume one's same seniority with respect to one's former job but will be placed at the bottom of the appropriate seniority lists.

(k) Where an employee is permanently transferred to a job in another collective bargaining unit of employees of the Authority and one is later returned to one's former job by an act of the Authority one will resume the same seniority with respect to one's former job that one would have had had one remained there and not been so permanently transferred; but if one later voluntarily returns to one's

former position one will not resume one's same seniority with respect to one's former job but will be placed at the bottom of the appropriate seniority lists.

(l) Employees who elect to return to their former position during their probationary period, as identified in paragraph (h) will be prohibited from transferring again for twelve (12) months.

(m) Employees will not be eligible for transfer if the result of such transfer places the employee under direct or indirect supervision of a relative (within the same chain of supervision). A relative for purposes of this agreement shall mean a person who is a spouse (whether by marriage, common law or domestic partnership), or by virtue of blood or adoption, a parent, child, brother, sister, aunt, or uncle.

ARTICLE III Seniority

SECTION 301. AWARDING POSITIONS

Positions will be awarded by the designated official in accordance with seniority and qualifications.

SECTION 302. EXTENT OF

(a) Craft seniority shall commence as of the day an employee is awarded a position of helper or higher in a particular craft and may be used only for the purpose of bidding for positions vacated or new positions established within the craft. However, when any changes in table of organization as provided in Section 204 occur among the classes (example: 1st Class, 2nd Class, 3rd Class, Helper) the jobs within the class shall be selected by the persons of the particular class and craft according to their craft seniority. An employee cannot hold two (2) craft seniorities at any time. Once one bids out of one's craft and is awarded a position in another craft, one shall lose one's craft seniority in one's vacated craft and will be placed at the bottom of the craft roster in one's newly selected craft, except as provided in Section (e) of this Section. In the case of two (2) or more persons entering a craft as Helper or higher at the same time, on the same day, some understanding must be made to determine the craft seniorities of those involved. It is understood, however, that a person already in the craft as an apprentice shall have seniority, or the time of day on entering the craft shall establish seniority. In order to avoid this situation it shall be the practice to award positions in the craft one at a time.

(b) Service seniority shall be continuous from an employee last date of hire and one can never lose same. It shall be used in the following instances:

- (1) In selecting vacation (except under Section 501(h)).
- (2) As provided in the reduction of force clause. Section (d) of this Section.
- (3) As provided in Section 305(c).

(4) In bidding for positions outside the craft or group.

(c) Those employed in positions other than in a craft, which shall include the following: Servicepersons, Cleaners, Janitors, Trackwalkers, Laborers and Utilitypersons shall be considered as being in individual groups and they shall be governed within the group by their group seniority. Group seniority shall commence as of the day an employee is awarded a position in the particular group, and may be used only in matters pertaining to the group in the departments where employed as provided in Section 203(b).

In the case of two (2) or more persons entering a particular group at the same time, on the same day, some understanding will have to be made to determine the group seniorities of those involved.

(d) In reduction of forces, affected employees may exercise service seniority in any department under the scope of the Union in which they can qualify provided the affected employee is unable to retain a position of equal class by first exercising one's craft seniority, and further provided that the affected employee may not exercise one's service seniority in the other Division if one may retain a position of equal class in one's own Division.

If affected employee is unable to secure a position in one's craft and uses one's service seniority to obtain a position in another craft, one shall establish a craft seniority date in this new craft of one day above that of the person that one displaces. This date shall be carried in parenthesis on the craft roster.

(e) Those employed in positions other than the crafts, which shall include Servicepersons, Cleaners, Janitors, Utilitypersons, Trackwalkers, Laborers and Apprentices shall use their service seniority in reduction of force. The above regulations are set forth with the intention of giving job protection to employee affected by this clause.

SECTION 303. DEFINITION OF DIVISIONS

Division as herein used in these regulations shall be defined as follows:

Former Red Arrow Division.
All positions in Departments II and III.
Former Philadelphia Western Division.
All positions in Departments V and VII.

SECTION 304. DEFINITION OF DEPARTMENTS AND CRAFTS

The Departments and Crafts as used herein shall be numbered and defined as follows: (Note: All basic classifications shall apply to each craft not otherwise noted).

Department II - (former Red Arrow Division)

Those employed in the crafts or as cleaners in the Victory Avenue Bus Garage and associated shops (any outlying Garage or Bus Service point is understood to be an associated shop).

Crafts in this department are designated as:

- V & E General Mechanics
- V & E Body Mechanics
- V & E HVAC Mechanics

Department III. (Former Red Arrow Division and Philadelphia and Western Division)

Those employed in the crafts in the Electrical Department and associated shops (any outlying Substations, Signal locations, Car or Line Service Point is understood to be an associated shop).

Crafts in this department are designated as:

- Linepersons
- Emergency Response Specialists
- Signal Maintainers
- Electricians
- Electronics Maintainers
- Substation Maintainers

Department V. (Former Red Arrow Division, Media/Sharon Hill and Philadelphia and Western Division)

Those employed in the crafts or as cleaners in the Car barn / Carhouse and associated shops.

Crafts in this department are designated as:

- RV & E HVAC Specialist
- RV & E Machinist
- RV & E Electrical/Electronic Maintainer
- RV & E Body Builder
- RV & E General Mechanic

Department VII (Former Red Arrow Division and Philadelphia and Western Division)

Those employed in the crafts, or as Track General Helpers or Janitors in the Way and Structures Departments and associated shops (an outlying Service point is understood to be an associated shop).

Crafts in this department are designated as:

Painters
Carpenters
Welders
Masons
Plumbers
Track Maintainers
Rail Maintainers
Millwrights
Location (Buildings) Repairpersons
Track/Construction Equipment Operators
Buildings System Specialist
Equipment Repairperson

DEPARTMENT VIII. CLERICAL

Those employed in clerical positions covered by TWU contracts throughout the Suburban divisions.

SECTION 305. ROSTERS

The following seniority rosters shall be kept posted at all times in each department and shall be revised and re-posted in February of each year:

- (a) Craft seniority rosters for all employees in the department.
- (b) Service seniority roster for all employees in the department.
- (c) Merged service seniority rosters for all employees covered by this contract.

(1) Former Red Arrow Division Service Seniority Roster showing employees and employment dates in order as to length of service except that all current employee who were covered by agreement with Local No. 267 as of December 21, 1953 shall head this list followed by all current maintenance employees who were covered by agreement with Local No. 239 as of the same date. Any employees entering the service after December 21, 1953 shall follow on this roster in chronological order, regardless of Division entered. This roster shall be used in all matters involving service seniority in connection with positions in former Red Arrow Division.

(2) Former Philadelphia and Western Division Service Seniority, Roster showing employees and employment dates in order as to length of service except that all current maintenance employees who were covered by agreement with Local No. 239 as of December 21, 1953 shall head this list, followed by all current employees who were covered by agreement with Local No. 267 as of the same date. Any employees entering the service after December 21, 1953 shall follow on this roster in chronological order, regardless of Division entered. This roster shall be used in all matters involving service seniority in connection with positions in former Philadelphia and Western Division.

(d) In addition to the above rosters, rosters showing the group seniority of Laborers, Cleaners, Utilitypersons, Servicepersons, Janitors, Trackwalkers and Apprentices shall be posted in the appropriate departments.

An employee will have sixty (60) days from date one's name first appears on the roster to appeal one's roster date or relative standing thereon, except that in case of an employee off on furlough, leave of absence, sickness, disability, or suspension at the time the roster is posted, this time limit will apply from the date employee returns to duty. If no appeal is taken within the sixty (60) day period, future appeals will not be entertained, unless the employee's roster date or one's relative standing is changed from that first posted. A note will be placed on roster stating the time limit of appeal. No change of seniority standing of an employee will be made on the part of the Authority without conference and agreement with the Local Committee.

SECTION 306. FILING ADDRESS

Employees furloughed in reduction of forces who desire to retain seniority must within ten (10) days from date of notification of such reduction, file with their employing officer their names and addresses and keep such officer advised of any change therein. Receipt of advice of a change of address will be acknowledged in writing. Employees failing to report for duty within fifteen (15) days after notice mailed to the last recorded address will be dropped from the service. If a registered letter, sent to last recorded address is returned stamped Addressee Unknown, employee shall be dropped from the service immediately.

**ARTICLE IV
General**

SECTION 401. STRAIGHT TIME RATES

- (a) The straight time hourly rates of pay of employee in the various classifications shall be as incorporated in the wage rate manual.
- (b) Effective January 11, 2015, the Suburban wage rates will be increased by \$0.10 per hour, provided however that in no event will any Suburban wage rate exceed the City Transit Division rates for the same or equivalent positions.
- (c) Effective January 10, 2016, the Suburban wage rates will be increased by \$0.06 per hour, provided however that in no event will any Suburban wage rates exceed the City Transit Division rates for the same or equivalent positions.
- (d) Effective January 11, 2015, there will be an across the board wage increase as provided to the equivalent classifications in the City Transit division on a cents-per-hour basis, to be reflected in the Wage Rate Manual.

(e) Effective January 10, 2016, there will be an across the board wage increase as provided to the equivalent classifications in the City Transit Division on a cents-per-hour basis, to be reflected in the Wage Rate Manual.

(f) Where Authority errors result in an employee's paycheck being short four (4) or more hours pay the Authority will obtain a pay adjustment on the same day the check is issued for any employee who received his paycheck before 1:00 p.m. on payday. All other pay adjustments will be made on the next business day.

(g) Subject to final review and evaluation, it has been agreed that the Signal Maintainer first class job will be upgraded to the Specialist Rate which will be 4.2% above the present Specialists AA rate of pay.

(h) There will be an increase in the cost of living allowance formula with an accompanying offset against anticipated health care costs.

The Suburban Transit Division shall receive the same cost of living allowance in each year of this agreement as that which is paid to the City Transit Division. Any adjustments will be reflected in the Wage Rate Manual. Below is a reprint of the COLA clause in the CTD Local 234 agreement:

The time period on which the cost of living allowance will be annually computed will be changed to ten (10) months, and will be calculated as follows:

(i) four tenths of a cent (.4) per hour multiplied by the number of point increase in the Philadelphia All Urban Consumers Index (CPI-U) (1967¹100) between the December 2000 and October 2001 indices, minus twenty percent (20%) of the increase, if any, in the total amount of Authority payments for medical costs (health, prescription, dental) for the year ending July 31, 2001, as compared to the year ending July 31, 2000, such increase divided by the total pay hours of bargaining unit employees for the current twelve month period; provided, however, that the health care offset shall not exceed five cents (5⁴) per hour, and provided, further, that the net increase in the cost of living adjustment shall not exceed ten cents (.10) per hour. Any payment due will become effective in the first payroll period in December 2001. Any adjustment will be reflected in the Wage Rate Manual.

(ii) four tenths of a cent (.4) per hour multiplied by the number of point increase in the Philadelphia All Urban Consumers Index (CPI-U) (1967¹100) between the December 2001 and October 2002 indices, minus twenty percent (20%) of the increase, if any, in the total amount of Authority payments for medical costs (health, prescription, dental) for the year ending July 31, 2002, as compared to the year ending July 31, 2001, such increase divided by the total pay hours of bargaining unit employees for the current twelve month period; however, that the net increase in the cost of living adjustment shall not exceed ten cents (.10) per hour. Any payment due will become effective in the first payroll period in December 2002. Any adjustment will be reflected in the Wage Rate Manual.

(iii) four tenths of a cent (.4) per hour multiplied by the number of point increase in the Philadelphia All Urban Consumers Index (CPI-U) (1967'100) between the December 2002 and October 2003 indices, minus twenty percent (20%) of the increase, if any, in the total amount of Authority payments for medical costs (health, prescription, dental) for the year ending July 31, 2003, as compared to the year ending July 31, 2002, such increase divided by the total pay hours of bargaining unit employees for the current twelve month period; however, that the net increase in the cost of living adjustment shall not exceed ten cents (.10) per hour. Any payment due will become effective in the first payroll period in December 2003. Any adjustment will be reflected in the Wage Rate Manual.

(iv) The total amount which will be paid above will not exceed \$120,000 which not more than \$84,000 will be paid to offset medical costs over the term of the contract.

(i) The rates as incorporated in the wage rate manual will be effected accordingly by Section 401(h).

(j) A leader shall receive fifteen cents (15¢) per hour above one's regular rate for performance of leader's duties.

(k) When engaged in work on the Norristown Bridge, scaling rocks at the Gulph cut, and working on the third rail coverboard, Laborers shall receive ten cents (10¢) per hour over their regular rate.

(l) Employees who are not in the sick book and who are required by the Authority to report to SEPTA's Medical Department when they would otherwise be working will be compensated at their regular rate for time lost from work.

(m) Employees who are not in the sick book or disabled due to an on-the-job Workers Compensation injury and who are required by the Authority to report to SEPTA's Medical Department before or after their scheduled work, or on their swing or on their day off will be compensated at the regular wage rate for their current job for the time spent at SEPTA's Medical Department. Employees on light duty will receive the light duty rate.

(n) Rates of pay for the Maintenance Custodian Driver are set forth in the Wage Rate Manual.

1. Effective April 1, 1992 the entry rate for Maintenance Custodian Drivers will be based on a percentage of the top rate as follows:

0-3 Mths.	4-7 Mths.	8 Mths.
76%	85%	100%

2. Effective April 1, 1992 the following additional amounts will be paid to Maintenance Custodian Drivers in addition to the regular wage rates and all across

the board increases to reflect longevity of service.

3 years of service-\$.30/hour
6 years of service-\$.80/hour
9 years of service-\$1.70/hour

SECTION 402. NIGHT DIFFERENTIAL

Employees working a regular shift any part of which is scheduled between 6:00 p.m. and 6:00 a.m. which pays fifteen (15¢) cents per hour night differential shall be paid holiday, vacation, sick allowances based on an average daily rate which includes the night differential rate.

SECTION 403. TOOL ALLOWANCES

(a) A tool allowance shall be paid to each eligible employee during the month of January. Each employee covered by the agreement shall provide a current Pennsylvania Motor Vehicle Operator's license at his own expense.

(1) Effective January 2015, this allowance will be increased to three hundred seventy-five dollars (\$375.00).

(2) Effective January 2016, this allowance will be increased to three hundred eighty dollars (\$380.00).

(b) Eligible employees who were not on the active payroll for the full calendar year, such as furloughed (except to Armed Forces), those on leave of absence or those employed during the year will be calculated at one-twelfth (1/12) share for each full month that they were on the active payroll and will receive a prorated tool allowance. Employees hired under the provisions of Sections 207(b) and 207(c) shall not be considered eligible.

(c) Tool allowance for employee who passed away or retired during the calendar year shall not be prorated, but such employee or their estates shall be paid a full tool allowance. Any employee who received Sick and Accident Benefits or Workers' Compensation Benefits shall receive the full tool allowance for which one is eligible under Section 403(b) providing the employee worked any time within a year of the date of payment of the tool allowance.

(d) Employees furloughed to enter the Armed Services and entitled to seniority rights under P.L. 759 shall be entitled to a full share of tool allowance for the year they enter such service and, if the total number of months they actually worked during both the year of furlough and the year of return exceeds twelve (12) months they shall also be entitled to a full share of tool allowance for the year they return. If the number of months above totals twelve (12) or less, no tool allowance will be paid such furloughed employee for the year of return.

(e) Employees will not be required to purchase metric sockets, open-end or box wrenches which exceed 3.175 centimeters. When required, such items will be stocked by the Authority.

SECTION 404. BULLETIN HOURS

Bulletin hours shall be defined as an employee's assigned hours of work to make up a normal work week of forty (40) hours. Hours shall be held to eight (8) hours per day, as nearly as it is practical to do so. Hours to average forty (40) for a normal work week may be arranged in certain cases by mutual consent of the Union representative and the proper representative of the Authority. Hours in excess of bulletin hours may be arranged in certain cases of makeup time by mutual consent of the Union representative and the proper representative of the Authority. In order that there will be no swing shifts, bulletin hours shall be continuous except for unpaid lunch periods as per present practices. The Authority agrees to continue its current policy of contracting out work and does not plan to expand this practice.

SECTION 405. OVERTIME

(a) Overtime worked at the request of the Authority shall be paid for at the rate of one and one-half (1-1/2) times the straight time hourly wage, except as herein provided. Overtime shall be defined as all time worked outside bulletin hours. Bulletin hours shall be posted in each department for all employees in that department. Employees, who have completed their bulletin hours for the day and are called back in for work anytime before their bulletin hours begin for the following day, will be paid one and one-half (1-1/2) times the straight time hourly wage for the time worked or for three hours at the straight time hourly wage, whichever is the greater. However, if a person is on the property, prior to the start of one's bulletin hours and is requested to go to work early, one will be paid at one and one-half (1-1/2) times the straight time hourly wage and for the actual time worked outside one's bulletin hours, or if an employee is told, before one's bulletin hours end for the day, that one is to report for work earlier than one's bulletin hours for the following day or that one is to stay later that day, then the three (3) hour minimum will not apply. Persons may be held for three (3) hours or longer in the event that there is other emergency work or important work to be done, or further emergency in prospect. However, no person will be held to do routine work for the balance of the three (3) hour minimum period unless there is necessity therefor. When a person is called out for an emergency, the three (3) hour minimum is intended to compensate one for the interruption of one's leisure time. Whenever practical, emergency overtime work will be assigned to an employee whose regular duty is involved.

(b) The following procedures will govern the assignment of overtime in Maintenance:

(1) The responsibility for determining if any employee is to work overtime will rest solely with the Authority.

(2) Overtime work shall be offered as equitably as possible on a rotating basis in the order of class seniority, on the shift working when overtime is determined by the Authority to be necessary.

(3) Should the Authority determine that an employee working a particular job can reasonably be expected to finish that job in less than two (2) hours, such assignment will not be counted under the rotation provisions of this section.

(4) Employees who desire not to share in the distribution of overtime shall communicate their desire to their foreperson, in writing; such employees will not be required to work overtime except in the following areas:

(i) Emergency situations

(ii) When the Authority determines that the full complement of employees is needed to work beyond their regular shift.

(5) A record shall be maintained of all overtime offered under the provisions listed in this section. This record will be available for review upon request by the employee or the Union.

(6) If an employee is overlooked and/or bypassed in the offering of overtime, such employee will be given the opportunity of being the first employee offered overtime on the next assignment of overtime in the employee's work group.

(7) Winter storm emergency work performed at the overtime rate will not be considered under the rotation provisions.

(8) Any disagreement arising from the application of this provision will not be subject to the grievance procedure until and unless an attempt is made to resolve said disagreement through the Joint Productivity Committee procedures outlined in Section 901 of the Agreement.

SECTION 406. DOUBLE TIME

Any work performed in excess of sixteen (16) hours in any one day shall be paid for at the rate of twice the straight time hourly wage. It is understood that a day shall consist of the hours between the start of bulletin hours on one day and the start of bulletin hours on the succeeding day. When an employee is requested to work on one's day or days off, which includes regular days off, holidays, paid day off, and vacations the hours to constitute days in any of these cases shall be consecutive twenty-four (24) hour periods starting at the beginning of one's last bulletin hours prior to the day or days off.

SECTION 407. GROUP LIFE INSURANCE

(a) Each regular employee hired before November 1, 1998 covered by this Agreement with at least ninety (90) days service (except Temporary Laborers hired under the provisions of Section 207(c)) shall be eligible for Group Life Insurance in

the amount of nine thousand dollars (\$9,000) for which the Authority shall pay the entire cost.

Effective on April 10, 1995, the group life insurance of \$9,000 will be increased by \$7,000 to \$16,000.

Effective on April 1, 1996, the group life insurance of \$16,000 will be increased by \$8,000 to \$24,000.

Effective on November 7, 2005, the group life insurance of \$33,000 will be increased by \$7,000 to \$40,000.

(b) All such employees who cease to be in active service of the Authority and retire on pension on or after May 1, 1981 will be eligible for group life insurance of three thousand dollars (\$3,000.00).

(c) Employees hired on or after November 1, 1998, will qualify for life insurance coverage based on the following schedule:

- 90 day probation no coverage
- Next 12 months \$16,000
- Next 12 months \$24,000
- Next 12 months \$40,000

Such new hires may opt to buy additional coverage for a total of \$24,000 or \$40,000 in the group life insurance plan by electing such coverage during the thirty (30) day period following successful completion of their probationary period, but shall pay the difference in cost for such additional coverage.

(d) Effective as soon as can be practically arranged, and at the Union's sole option, the Authority and the Union will enter into an arrangement with an insurance company designated by the Union whereby voluntary interest-sensitive, standard whole life, annuity, causality and long-term health and disability insurance may be paid for by payroll deductions by employees. Such agreement will be identical to that attached hereto, with the exception of the insurance to be offered, and with the appropriate corrections such as substituting SEPTA where it reads NYCTA and such other corrections as required.

(e) All employees who cease to be in active service of the Authority and retire on pension on or after November 1, 1998, and who shall have been contributing to this plan will upon such retirement be eligible for group life insurance of Ten Thousand Dollars (\$10,000.00).

SECTION 408. SICK AND ACCIDENT BENEFITS

On or after April 10, 1995 employees who become sick shall receive sick benefits amounting to forty-five (45%) of the employee's regular straight time hourly rate times eight (8) hours per day. However, in no case will an employee receive less

sick benefits than he/she would have received under the provisions of the 1992-1995 Agreement.

(a) Employees who become sick on or after ratification of this agreement, shall receive sick benefits amounting to fifty percent (50%) of the employee's regular straight time hourly rate times eight (8) hours per day. However, in no case will an employee receive less sick benefits than he/she would have received under the provisions of the 1992-95 agreement.

(b) Each regular employee covered by this Agreement after completing ninety (90) days service, except Temporary Laborers hired under provisions of Section 207(c) and disabled due to sickness or non-compensable accident, shall be paid daily sick and accident benefits equal to sixty percent (60%) of one's normal daily wage (bulletined hours times one's straight time hourly rate) frozen at the April 23, 1979 rate for each bulletined day of work lost, except for the first three (3) days of disability which will be paid only if such disability continues for a further period.

The daily wage rate will be adjusted to include the forty-five cents (0.45) across-the-board increase negotiated to be effective April 24, 1980.

Loss of a partial day at the commencement of disability due to sickness or non-compensable accident shall be counted as first day of the disability. If the earned wage for such partial day does not equal or exceed the normal daily sick benefit, the difference between the actual earned wage and the normal daily sick benefit will be paid for the first day providing the disability qualifies in all other respects.

These benefits shall be paid up to a maximum of fifty-two (52) weeks for any one disability.

(c) Employees hired April 20, 1975 and thereafter will accrue sick leave time and A&H benefits as follows: after completion of the probationary period; 4 weeks A&H benefits after six (6) months of service; 13 weeks A&H benefits after twelve (12) months of service; 52 weeks A&H benefits after twenty-four (24) months of service.

(d) Effective with new cases after April 2, 1992 will be paid A&H benefits as follows:

According to entitlement, A&H benefits will be paid to provide \$198.00 for the first four weeks commencing with the fourth day's absence; \$178.00 for the next seventeen weeks; and \$118.00 for the remaining thirty-one weeks of any illness or disability.

These amounts will be increased by an additional \$10.00 per week in all categories effective with new cases occurring after April 2, 1993. These amounts will be increased by an additional \$20.00 per week in all categories effective with new cases occurring after April 2, 1994.

In the calculation of sick benefits employees covered by section 408 will

receive the greater of the amount between sections 408 (a) and 408 (c).

(e) When an employee exhausts the current maximum period of entitlement for any single or related ailment and then works for a period of two (2) consecutive years with no loss of time because of the same or related ailment the employee will again be entitled to A&H benefits.

(f) Properly executed form from doctor shall be necessary as proof of claim.

(g) Any such payments which are made to an employee as a result of an accident or injury will be subrogated to the Authority from any third party source.

(h) Employee's absences as a result of entry into a drug/alcohol rehabilitation program will count as sick leave. An employee who expires his/her sick leave as a result of participation in such a program will be granted a leave of absence not to exceed one (1) year in order to complete a prescribed treatment. Upon such employee's return to work any subsequent absence may result in his/her being dropped from the rolls of the Authority in accordance with sections 408 and 811 of the Labor Agreement.

(i) Employee's returning to work whose absences due to illness has been thirty (30) days or less will not be required to report to the Authority's Medical Department. Employee's must however provide their work location with doctor's proof of illness and return to work status.

(j) Employees who are required to report to the Medical Department before returning to work by virtue of being absent from work for more than thirty (30) days due to illness or injury and who wait at SEPTA's Medical Department more than one and one-half hours from the time of reporting to Medical until being cleared to return to work will be compensated at their regular rate for any time lost from work in excess of one and one-half hours.

SECTION 409. HEALTH BENEFITS

(a) Medical Plans. For the duration of the labor agreement, eligible employees and their qualifying dependents may select from among the following medical plans, except as provided below:

PPO. Independence Blue Cross - Personal Choice 10/20/70 Plan, with the following modifications: emergency room co-payment of \$100, waived if admitted; removal of all \$75 co-payments; physical, speech and occupational therapist services, \$20 co-payment for visits 1-30, \$30 co-payment for visits 31-60 (per calendar year); and chiropractic visits limited to 20 (per calendar year).

HMO. Independence Blue Cross - Keystone 5 Plan.

In addition, those grandfathered employees who had opted to remain in the Independence Blue Cross traditional indemnity medical plan consisting of the 365-

day preferred comprehensive Blue Cross plan and the Blue Shield 100 plan and One Million (\$1,000,000) Major Medical coverage may remain in that plan, provided that such employees will be required to pay one-hundred percent (100%) of the difference between the cost of that plan and the PPO Plan (in addition to other employee contributions required under this Article). New hires and all other current employees will not be permitted to enter the traditional indemnity medical plan.

Provided, however, that any employees who is enrolled in the PPO Plan on the ratification date of this Agreement shall be eligible to move voluntarily to the HMO Plan until August 6, 2006, in exchange for which the employee will receive a payment of One-Thousand Dollars (\$1,000.00), less applicable taxes, on the condition that such employee shall be eligible only for coverage in the HMO Plan for the duration of this Agreement. Employees who opted to enroll in the HMO Plan in exchange for the \$1000 payment shall remain in that plan for the balance of their service with the Authority.

Provided, further, however, that the Independence Blue Cross medical plans will be continued unless an equal benefit can be provided by a competitor insurer at significant savings.

All such plans will provide cost containment features such as second opinions, outpatient surgery, hospice care, pre-admission certification, weekend admission restrictions, etc. The Authority may offer to bargaining unit employees, at its expense, as an alternative to the above plan, comparable plans. Employees may annually, during the month of November, elect to change coverage from either plan to the other, subject to the coverage rules of the elected plan.

(b) New Hires. New hires will become eligible for medical plan benefits no later than the 90th day of employment. Any employee hired on or after November 7, 2005, shall be eligible for participation only in the HMO Plan for the balance of their service with the Authority.

(c) Employee Contributions. Effective April 1, 2006, active employees with medical coverage shall contribute to the cost of such coverage at the rate of one percent (1%) of forty (40) hours at the employee's hourly wage rate as set forth in the Wage Rate Manual. Contributions shall be made on a weekly basis by payroll deduction.

(i) Until April 1, 2006, employees required to contribute to the cost of medical coverage at the rates of thirty percent (30%) of the required premiums (first twelve months of coverage) or twenty percent (20%) of the required premiums (next twelve months of coverage), will continue such contributions. On April 1, 2006, these contribution rates will be replaced with the one percent (1%) of forty (40) hours rate described above.

(ii) Employees on leave of absence without pay shall be required to make their normal contribution of one percent (1%) of forty (40) hours at the employees'

hourly wage rate as set forth in the Wage Rate Manual on a weekly basis. If such contributions are not made, the Authority shall cancel their medical coverage.

(d) Active Employees/Spouses - Age 65. For active employees who are sixty-five (65) years of age or whose spouses are sixty-five (65) years of age, the Authority will substitute for such sixty-five (65) year old person in lieu of Blue Cross and Blue Shield, payment for the Medicare B Plan and the Blue Cross 65 Special.

(e) Retiree Medical Coverage. Employees going on pension on or after March 15, 1989, and their qualifying spouses who are eligible for retiree medical coverage, will have such coverage either in a PPO plan for a period of thirty-six (36) months from date of retirement, or in an HMO plan for a period of fifty (50) months from the date of retirement. The plans offered will be the medical plans in effect for active employees at the time of the employee's retirement while they are below age sixty-five (65), and 100% of the Blue Cross 65 Special or HMO/PPO equivalent after they reach age sixty-five (65). This benefit will be guaranteed for each such retiring employee and his/her spouse for the term of the agreement and is subject to renegotiation upon the expiration thereof. The Cost Containment Committee will review this benefit on a periodic basis. Any change in covered months will not affect prior pensioners.

(f) Compliance with Laws. All covered plans will be amended to comply with the federal Health Insurance Portability and Accountability Act and the Mental Health Parity Act.

(g) Opt-Out Incentive. Effective January 1, 1999, employees will be able to opt out of medical coverage if they have alternative coverage. The opt out payment will be equal to one-third of the cost for the employee's applicable HMO dependent status tier.

(h) National Health Care Reform. In the event that national health care reform legislation is enacted which would result in expenditures by the Authority in excess of the negotiated health care rates with its carriers/vendors, the parties shall meet to discuss strategies for addressing such changes to maintain the existing cost structure of these benefits. In the event the parties are unable to agree on a strategy, the dispute shall be resolved through the Joint Labor Management Cost Containment Committee.

PRESCRIPTION PLAN

(i) Employee co-payments for prescriptions will be based on the following three-tier formulary program:

- Retail Co-Payments (up to 30-day prescription):
 - \$5 - generic
 - \$10 - preferred brand

\$20 - non-preferred brand

Mail Order Co-Payments (up to 90-day prescription):

\$5 - generic

\$10 - preferred brand

\$20 - non-preferred brand

Employees purchasing brand name prescriptions will pay the difference between the full cost of the brand-name prescription and the generic co-payment, unless the prescribing physician orders no generic substitution based on medical necessity or no generic substitution exists. Another physician authorization will not be required for refills, but will be required if the physician re-prescribes after a prescription runs out.

Specialty prescriptions will be filled through a specialty pharmacy benefit program administered by the pharmacy benefits manager.

Effective January 1, 2014, any employee who has completed 90 days of service will become eligible for the then current prescription benefit coverage.

For employees who retire on or after November 7, 2005, and are eligible for retiree prescription coverage, the employee and his or her eligible dependents will participate in the same prescription plan as active employees described above.

For employees hired on or after November 7, 2005, the employee and his or her eligible dependents will be eligible for prescription coverage until the employee reaches Medicare enrollment age.

The parties have agreed to implement cost containment measures for the prescription program that include a pharmacy intervention feature to encourage use of generic and/or preferred brand drugs. In addition to the pharmacy intervention feature, the following health management and/or cost containment features will be implemented as soon as administratively feasible for the active and retiree plans:

- Medco's Optimal Health Program, or a substantially similar program offered by the PBM administering the Authority's prescription program, to provide care support for plan members with chronic conditions.
- Medco's Rational Med Program, or a substantially similar program offered by the PBM administering the Authority's prescription program, to provide alerts when plan member prescriptions pose health or safety risks to the patient.
- Medco's Zero Co-Pay Program for Generic Drugs, or a substantially similar program offered by the PBM administering the Authority's prescription program, to encourage members to utilize generics.

DENTAL BENEFITS

(j) The Authority shall provide dental coverage to active employees comparable to the Dental Plan in effect on April 1, 2014, except that the current maximum annual benefit per covered person will be increased from \$2,000 to \$2,150. As soon as administratively feasible, the Authority shall have the right to self-insure the Dental Plan, initially using United Concordia as the third party administrator. Thereafter, the delivery system for the Dental Plan may be changed in accordance with Section 409(k).

Any provider must meet all requirements and qualifications of applicable laws and regulations as well as those of the Pennsylvania Dental Association, Pennsylvania Dental Council and Examining Board, and the Pennsylvania Insurance Commission.

Effective November 7, 2005, any employee who has completed fifteen (15) months of service will become eligible for the then current dental benefit coverage.

(k) Joint Labor Management Cost Containment Committee

A joint Labor-Management Cost Containment Committee is established consisting of one (1) member to be appointed by the Authority, one (1) member to be appointed by the Union, who shall represent jointly all three SEPTA divisions represented by Local 234, and a third neutral member to be jointly appointed by the parties, as necessary. The Authority will provide to bargaining unit members the current level of benefits, no less than the current degree of employee choice and current arrangements as to out-of-pocket expenses, as modified by the terms of this labor agreement. The Committee shall review the Authority's current Dental, Hospitalization, Prescription and Vision Programs, in order to negotiate terms with medical carriers. In the event the parties are evaluating a change in the delivery means for these benefits, the parties will convene the joint Labor-Management Cost Containment Committee to decide upon such change. All programs developed and implemented will provide bargaining unit employees with health benefits that are no less than those provided to management. All arrangements negotiated will require approval by the SEPTA Board. The parties agree that a change in the delivery means to bargaining unit members will require the approval of both the Union and SEPTA.

SECTION 410. VISION PLAN

(a) Each employee, spouse, and dependent child will be entitled to vision services through the Authority's vision program.

SECTION 411. PENSION PLAN

(a) Effective for those who retire December 1, 2014 and thereafter:

(1) Normal retirement with an unreduced pension at: (i) age sixty-two (62) with at least five (5) years of credited service; or (ii) when the employee completes thirty (30) years of credited service regardless of age.

(2) The normal monthly pension benefit is to be calculated as one-twelfth (1/12th) of the following:

- 1.8% of the employee's Average Annual Salary up to a maximum of the Compensation Cap for all years of credited service up to 10 years; plus,
- 2.0% of the employee's Average Annual Salary up to a maximum of the Compensation Cap for all years of credited service in excess of 10 years and up to 20 years; plus,
- 2.2% of the employee's Average Annual Salary up to a maximum of the Compensation Cap for all years of credited service in excess of 20 years and up to 30 years; and,
- 1.8% of the employee's Average Annual Salary up to a maximum of the Compensation Cap for all years of credited service in excess of 31 years.

The employee's "Average Annual Salary" will be the greater of: (i) the average of his/her three (3) highest years' earnings from among the six (6) years preceding the employee's retirement or separation date, up to the Compensation Cap; or (ii) the hourly rate on the retirement date times 2,080 hours, plus the hourly rate twelve months (12) prior to the retirement date times 2,080 hours, plus the hourly rate twenty-four (24) months prior to the retirement date times 2,080, divided by three (3), up to the Compensation Cap. For purposes of this Article, the Compensation Cap is \$50,000.

(3) Early retirement after completion of twenty-five (25) full of service regardless of age.

(4) Early retirement benefit reduction of four percent (4%) for a maximum of five (5) years and four percent (4%) per year thereafter prior to age eligible for unreduced benefits which the employee would be eligible for normal retirement.

(5) Employees are to be fully vested (100%) after five (5) years of service.

(6) The pension plan will be funded in accordance with generally accepted actuarial procedures and practices. The Authority will provide the Union with copies of the actuarial reports it receives as well as the formulas used by the actuaries to calculate actuarial reductions and will afford the Union a yearly opportunity to meet with the actuaries.

(7) Post-Retirement Survivor Benefit. The normal retirement option for married employees is assumed to be an actuarial reduced retirement benefit with 50% of such reduced benefit continued to the spouse. Employees may exercise an option for the spouse benefit to 75% or 100% of the retirement benefit, actuarially reduced.

If an employee retires on/after his/her early retirement date or normal retirement date and commences to receive his/her benefits in the form of a joint and survivor annuity with his/her spouse and his/her spouse dies, commencing with the first payment after his/her spouse's death such employee shall receive a monthly payment equal to the monthly payment he/she would have received had his/her benefit been paid as if he/she had not selected the option on his/her retirement date.

(8) Pre-retirement spouse death benefit will be 50% of the pension the employee could have received had he/she retired on the date of death and selected a 50% joint and survivor annuity with benefits commencing on the date the spouse reaches age sixty-five (65) (or an actuarially reduced amount to age fifty-five (55)).

(9) In any pension computation the greater of the available benefits will be paid.

(10) In the event of the death of a retired employee within five (5) years after one's retirement, the monthly pension of said retired employee shall be continued to the end of the said five (5) year period and shall be payable to the surviving spouse or, if none, surviving dependent children of said pensioner.

(11) No more than two (2) employees per month will be permitted to retire under this plan from Section 1 and the Maintenance Section combined.

(12) An employee going on pension shall receive a vacation allowance for the year following the year in which one retires.

The amount of the vacation shall be calculated at 1/12 times the number of full months worked times the number of weeks vacation to which the employee would be entitled during the year in which one retires.

(13) Union officers on full-time leave of absence will be credited as having worked forty (40) hours per week at straight time and twelve and one-half hours per week at overtime at the wage rate of the job times held prior to such leave for the purpose of calculating their average annual salary

Bargaining unit members excused from work under Section 107 will be

credited as having worked ten (10) hours per day at the wage rate of the job they held prior to such leave for the purpose of calculating their average annual salary.

(14) Retirement-eligible employees shall be eligible to receive upon retirement a lump sum payment equal to \$175 per year of eligible service, provided that the employee retires after the ratification date of this agreement and on or before October 1, 2016. The pension plan 002 shall be amended to provide this benefit. The Authority will fund these payments through the pension plan by paying the associated cost on an annual basis (rather than amortizing the cost). This provision will sunset on November 1, 2016.

SECTION 412. DISABILITY RETIREMENT

Conditions: Total and permanent disability (as determined by Authority doctor in accordance with Section 811) and minimum of five (5) years continuous service.

Benefit Formula: Any employee who is permanently incapacitated and has at least fifteen (15) years of service will be retired on a pension rate of five hundred dollars (\$500.00).

Permanently disabled employee with service greater than five years but less than fifteen (15) years will be retired on a pension at the rate of eight dollars (\$8.00) per month for each year of service. Pension accrued for service to date of disability payment thereof to commence upon termination of A&H benefits, unless A&H benefits are waived. In order to be eligible for disability benefits an employee must apply for such benefits within sixty (60) days after the determination of disability is made.

SECTION 413. PAID-IN PENSION

Effective November 1, 1998, all employees will contribute two-percent (2%) of forty (40) hours at the employee's hourly wage rate as set forth in the Wage Rate manual on a weekly basis by payroll deduction toward the cost of maintaining the pension plan. Employees shall not be entitled to borrow against their contributions to the Plan or to withdraw any part of their contribution to the Plan so long as they remain eligible to participate in the Plan. However an employee who has become eligible to participate in the Plan and who is transferred to other duties with the Authority, which do not require the employee to be a member of the Union may, with the consent of the Authority withdraw from this Plan for the purpose of participating in such other plans as may be provided for employees not members of the Union, and in the event of such withdrawal there shall be transferred to such other plan on behalf of such employee an amount equal to the employees total contributions to the Plan together with interest at the rate of four percent (4%) compounded annually, less any amount which shall have been paid to such employee under the provisions of the Plan.

Effective January 9, 2012, the paid-in-pension contribution rate for all years of service will increase to two point five percent (2.5%).

Effective January 14, 2013, the paid-in-pension contribution rate for all years of service will increase to three point five percent (3.5%).

Effective December 13, 2009, employees on leave of absence without pay (including workers compensation) shall be required to contribute to the pension fund using the same formula as actively employed employees. If such contributions are not made, the Authority shall collect any arrears through payroll deductions when the employee returns to work or, if the employee does not return to work, by deduction from the employee's pension.

Effective December 13, 2009, if an employee separates from SEPTA service after vesting in his or her pension, but before reaching the date upon which the terminated vested benefit could be commenced, the employee may elect a joint and survivor annuity benefit, with the appropriate actuarial reduction, upon reaching age 62.

Any employee leaving the service of the Authority for any cause prior to the date he is 100% vested shall be entitled upon request to have refunded to the employee or his beneficiary if deceased out of the Fund an amount equal to the employee's total contributions to the Fund together with interest computed at the rate of four percent (4%) compounded annually. In the event a vested employee is deceased, his beneficiary would have the option of receiving out of the fund an amount equal to the employee's total contributions to the Fund together with interest computed at the rate of four percent (4%) compounded annually, or to remain as part of the Pension Plan and receive any benefits forthcoming. Once the option is exercised, under no circumstances can it be changed and in the event the beneficiary requests the contributions, there shall be no other claim to the Pension Fund whatsoever.

SECTION 414. SUMMARY PLAN DESCRIPTION

Effective January 31, 1999, the Authority will publish and distribute a Summary Plan Description and an annual Summary Annual Report to all bargaining unit employees participating in the pension plan, modeled on the pension plan reporting and disclosure provisions of the Employee Retirement Income Security Act (ERISA) which does not apply to SEPTA's pension plan. Summaries of Material Modifications will be issued within six (6) months of any such modification in the Plan.

SECTION 415. PAID HOLIDAYS

(a) Each regular employee covered by this Agreement (except Temporary Laborers hired under the provisions of Section 207(c)), after completing ninety (90) days service shall be paid a holiday allowance of eight (8) hours pay at the regular straight time rates for each of seven (7) holidays, viz: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and Martin Luther King's Birthday.

When New Year's Day, Memorial Day, Independence Day and/or Christmas

Day, fall on a Sunday, the legal holiday (the following Monday) shall be considered the paid holiday with all rules and regulations applicable to the holiday then applying to the legal holiday.

Employees who are required to work on Martin Luther King's Birthday and who perform all of their scheduled work on such holiday will be given the opportunity to trade another day off in lieu of receiving the holiday allowance. The day off must be taken on a day mutually agreeable to the employee and the Authority, at which time the employee will receive the holiday allowance indicated in this sub-section.

Employees who do not perform all of their scheduled work on the holiday or the last day they are scheduled to work immediately preceding the holiday or the first day they are scheduled to work following the holiday, shall not receive their holiday pay, except:

(1) Employees shall be paid the holiday allowance if they produce written evidence that they have been off for any of the following reasons:

Jury duty, answering draft board summons, death in their immediate families, absence with Authority approval or at Authority instructions, authenticated injury or illness properly reported or having been excused by the Authority to transact business for Transport Workers Union.

The Union will make a sincere effort to man the service at straight time rates on the above days.

Service requirements for holidays shall be posted fifteen (15) days before the holiday and must be signed up and taken down eight (8) days before said holiday (except as in Section (c)).

(2) Employees off under Workers Compensation shall be paid the holiday allowance.

(3) Employees who are an hour or less late on the above days and perform all the work required of them for the remainder of the days will be paid the holiday allowance. Employees who are over an hour late will forfeit the holiday allowance.

(4) Disabled employees who have received Accident and Health Insurance benefits for less than one hundred eighty (180) days preceding the holiday shall be paid the holiday allowance.

(b) (1) The employees who work on the holiday shall be paid the foregoing holiday allowance in addition to their regular pay for work performed. Regular pay as used in this Section shall include any overtime provisions provided for in this contract.

(2) An employee who is scheduled to work on New Year's Day, Independence Day, Thanksgiving or Christmas, and performs all of the scheduled work on said holiday, in accordance with the foregoing conditions will be paid the holiday allowance in addition to one and one-half (1-1/2) one's regular pay for said work performed.

(c) The following rules shall govern holiday pay for employees of Department VII, when they are called in because of snow storms on holidays falling on days with normally scheduled Bulletin Hours for these employees:

(1) If the persons are notified prior to their quitting time, on the day before one of the paid holidays, that they are to work on the paid holiday, then the pay for such work will be at straight time. If the persons are advised after their quitting time, on the day before one of the paid holidays, that they are to work on the paid holiday, then times will be paid at one and one-half (1-1/2) times the straight time hourly rates.

(2) If the persons have been advised that they are to work on the paid holiday, and the day is clear, then the persons will not report for work and will be paid as though they had never been asked to work the paid holiday.

(3) Should the persons be working on a paid holiday and conditions develop to be such that times are not needed for the full day, then the persons may decide among themselves whether or not they want to work the day out. In any event, the decision of the majority will be binding upon the entire gang.

(4) If, prior to the paid holiday, one or two of the persons advise the Superintendent or their Foreperson that they have made special plans to go away for the holiday, they may be given permission to be off on the holiday regardless of whether the remainder of the gang is called in to work or not. This latter provision will be discontinued if abused.

SECTION 416. PAID DAYS OFF

Each regular employee covered by this Agreement after completing one hundred and eighty (180) days of service shall be allowed five (5) paid days off during each year to be taken on a regular bulletin day at a time mutually agreeable to the employee and one's supervisor.

Paid days off will be requested on Request for Paid Days Off form which must be submitted to the employee's supervisor at least twenty-three (23) hours in advance of the requested time off. Paid days off must be taken between January 1, and December 31 of the particular year.

Those who have not requested time off and/or granted according to the quota by December 1 will be paid eight (8) hours for each paid day in the pay period subsequent to December 1.

SECTION 417. EARNED DAYS OFF

(a) Effective July 1, 1989, all hourly employees will be entitled to one (1) earned excused day (without pay) for every ninety (90) days with no sick days, I.O.D. days, misses or suspension days. These days could be used with a minimum of forty-eight (48) hours notice. Up to four (4) days may be accumulated. Quotas will be established in the particular location based on the number of outstanding earned excused days at that location, the daily number of requests to use those days, and the needs of the service. Earned excused days will be given a priority which is less than personal days but more than other excused days and can be used to address child care and other personal needs.

(b) Employees will receive one (1) paid excused day for each one hundred and eighty (180) consecutive days of perfect attendance achieved. Paid excused days may be taken by an employee like any other personal day or floating holiday. Alternatively, employees may cash in a paid excused day at any time and receive eight (8) hours pay at their straight time rate. Paid excused days may be accumulated and carried over from year to year.

(c) In the event an employee reports I.O.D. from work and is precluded by the Authority from returning to work the same or next working day, such absence will not be counted as an I.O.D. for the purposes of consecutive months attendance.

(d) Employees entitled to an earned excused day can take one of these days whenever the quota set for such days remains unfilled at their location.

SECTION 418. DEATH LEAVE PROVISION

Any regular employee covered by this Agreement (except Temporary Laborers) hired under the provisions of Section 207(c) and having completed ninety (90) days service will upon proof of death of the employee's spouse, parent or child, such employee will be granted up to five (5) work day's leave of absence with pay. Upon proof of death of another member of the employee's immediate family (which will be taken to include only mother-in-law, father-in-law, sister, brother, grandchild, or grandparent), such employee will be granted three (3) work day's leave of absence with pay. The pay for such leave will be eight (8) hours pay per day except that a regular transportation employee will be paid the pay of one's picked run. Employees will be entitled to three or five consecutive scheduled work days off with pay, as indicated (i.e. days on which the employee otherwise would be required to work under his/her regular schedule). One of the three or five consecutive scheduled work days must be the funeral day if the employee is scheduled to work that day, and if not, the calendar day immediately before or after the funeral days must be one of the three or five consecutive scheduled work days.

If a death in the family occurs while an employee is on vacation, the employee may elect to cancel his/her vacation and receive pay for a death in the family instead of vacation pay. The affected employee's vacation will be rescheduled at a time mutually agreeable to the Authority and the employee.

SECTION 419. FREE TRANSPORTATION

All employees will be given free transportation on the regular scheduled runs operated, over the lines of the Suburban Transit Division and the City Transit Division. The Authority agrees to provide free transportation on the lines of the Red Arrow Division only to the spouses and school tickets for the lines of the Red Arrow Division only to the children of employee from the date the employee successfully completes one's probationary period.

SECTION 420. DEATH BENEFITS

Effective December 13, 2009, a death benefit payment in the amount of Five Hundred Thousand Dollars (\$500,000) will be paid in accordance with the insurance policy governing this benefit, if in the course of one's employment, the employee suffers: (1) death from injury as a result of assault or robbery; or (2) death due to an injury which was caused solely by an accident, where the injury is the sole cause of the loss, and the loss occurs within one year of the accident.

SECTION 421. BROKEN SENIORITY

In the event an employee's employment with the Authority terminates for any reason and the employee is thereafter rehired, the employee shall be deemed, for the purposes of Article IV, upon completion of five (5) years of service subsequent to rehire, as having accrued seniority from the date of his/her original employment and excluding all time during which he/she was not employed by the Authority.

SECTION 422. ALTERNATE DUTY PROGRAM

I. Definitions

As used in this Article, the following terms mean:

- (a) *Alternate Duty Position:* A reserved, light duty position for Medically Disqualified employees. An Alternate Duty Position can be any position for which the employee is qualified and medically capable of performing, including a different permanently budgeted position in the bargaining unit. In addition, the parties agree that the following full-time classifications shall be Alternate Duty Positions: Vehicle Readiness Coordinator (VRC), Loader, Scrapper and Cashier.
- (b) *Medically Disqualified:* Based on the employee's medical condition and prognosis, the employee cannot return to his or her former permanently budgeted position with the Authority, as determined by the Authority's Medical Director or his/her designee. Employees eligible for this classification will be those with IOD injuries regardless of seniority and A&H employees with five (5) or more years of seniority at the time of disqualification.

- (c) *MD List:* The list of Medically Disqualified employees awaiting assignment to a permanently budgeted Alternate Duty Position. There shall be one (1) MD List maintained for all three divisions (CTD, Frontier and Victory) for which TWU Local 234 represents employees.
- (d) *Temporarily Disqualified:* Based on the employee's medical condition and prognosis, the employee cannot return to his or her former permanently budgeted position with the Authority for a temporary period of time, as determined by the Authority's Medical Director or his/her designee.
- (e) *Transitional Duty:* A temporary alternate duty assignment for IOD employees not to exceed ninety (90) days per assignment at a wage rate of \$5.64/hour. Such employees, if eligible, also will receive a partial disability payment pursuant to the Workers' Compensation Act. Transitional duty assignments may entail less than a full-time schedule.

II. New Alternate Duty Program

Under the new Alternate Duty Program, employees who are medically incapable of performing their regular permanently budgeted job due to illness or injury will be treated as follows:

- (a) Employees who are Temporarily Disqualified will utilize A&H leave or IOD Leave, if otherwise eligible, but will not be placed on the MD List. The Authority may offer Transitional Duty assignments to IOD employees. Any IOD employee who declines a Transitional Duty assignment that he/she is medically capable of performing will be dropped from the Authority's employment, and the Authority may petition to terminate or modify his/her workers' compensation benefits.
- (b) Employees who become Medically Disqualified will be placed on the MD List while awaiting assignment to an Alternate Duty Position. Employees may remain on the MD List for the duration of any A&H leave or IOD Leave for which they are eligible and for the duration of any time period for which the employee is eligible to be on the Priority Recall List. When such periods have expired, the employee will be removed from the MD List.
- (c) When Alternate Duty Positions are to be filled from the MD List, three (3) IOD employees will be placed for every one (1) A&H employee who is placed. Subject to the foregoing, the most senior IOD or A&H employee on the MD List who possesses the requisite skills and is medically capable of performing the job will be offered the vacated position. Medically Disqualified employees on the MD List will have first priority to transfer into an existing Alternate Duty Position which

becomes vacant, but only if the Authority determines, in its sole discretion, that the position will be filled. Nothing in this Article will obligate the Authority to create an Alternate Duty Position, remove an employee from an existing Alternate Duty Position or fill a vacated Alternate Duty Position.

- (d) The wage rates for employees assigned to Alternate Duty Positions will be as set forth in the Wage Rate Manual. Employees in the VRC, Loader, Cashier or other Permanently Budgeted positions will be subject to the wage progression. Employees in the Scrapper position will be subject to the MCD wage progression and longevity schedule. All such employees will be eligible for across-the-board wage increases provided in the Labor Agreement.
- (e) If an Alternate Duty Position is to be filled, and no employee remains on the MD List, the Authority shall be entitled to offer the position to any employee who is medically capable of performing the duties of the position, including Transitional Duty assignments.
- (f) Alternate Duty Position will be permitted to pick their work assignments, including location and shift, based on Authority seniority.
- (g) Any IOD employee who turns down an Alternate Duty Position that he/she is medically capable of performing, regardless whether or not Medically Disqualified, will be dropped from the Authority's employment, and the Authority may petition to terminate or modify his/her workers' compensation benefits. An A&H employee who is Medically Disqualified and offered an Alternate Duty Position that he/she is medically capable of performing may refuse the assignment only if the wage rate for the position is less than the wage rate for the permanently budgeted position held by the employee prior to the A&H leave, in which case the employee will remain on A&H leave and on the MD List.
- (h) The Authority may offer a Medically Disqualified employee a job in another bargaining unit, but the employee is not required to accept such job. If an employee agrees to accept such job, the employee must accept the conditions of the applicable labor agreement. If an IOD employee turns down such job, he/she will be dropped from the Authority's employment, and the Authority may petition to terminate or modify his/her workers' compensation benefits. If an A&H employee turns down such job, he/she will be returned to A&H leave. An employee who accepts an assignment to another bargaining unit will have his/her name placed on the MD List with the right to return to the bargaining unit if an Alternate Duty Position becomes available.
- (i) Except as modified herein, transfers of Medically Disqualified employees into Alternate Duty positions shall be subject to the transfer

provisions of Section 212; provided that, under Section 212(g), A&H employees who voluntarily opt to return to leave status will be placed back on A&H leave, and IOD employees who voluntarily opt to return will be deemed to have turned down available Alternate Duty work. Under no circumstances will an employee be permitted to return to a former MDTD assignment.

- (j) Employees who have transferred into an Alternate Duty Position pursuant to this Section and are deemed no longer to be Medically Disqualified shall return to their regular permanently budgeted position with no loss of seniority.
- (k) The Medical Dispute Resolution Procedures will not apply to the assignment of Medically Disqualified IOD employees to Alternate Duty Positions or to the assignment of Temporarily Disqualified IOD employees to Transitional Duty assignments.
- (l) The Medical Review Board established pursuant to Section 1104(c) of the expired labor agreement shall convene within fourteen (14) days of ratification of this agreement to review the medical status of all employees currently in the MDTD program. The Medical Review Board will be responsible for reviewing the classifications of employees as Medically Disqualified. SEPTA's Medical Department or its designee shall retain final authority for making medical classifications under this Section.

III. IOD Leave

- (a) Injured on duty employees receiving workers' compensation benefits will be entitled to IOD Leave, on a career basis, during which the employee will continue to participate in the Authority's fringe and employee benefit plans/programs (except vacation, which is subject to Section 501(j) of this labor agreement) and accrue seniority during such leave.
- (b) For employees hired before the ratification of this agreement, the total career entitlement of IOD Leave will be fifty-two (52) weeks upon hire for the first year of active service, plus ten (10) weeks for each year of active service thereafter.
- (c) For employees hired on or after the ratification of this agreement, the total career entitlement of IOD Leave will be fifty-two (52) weeks upon hire for the first year of active service, plus nine (9) weeks for each year of active service thereafter.
- (d) For purposes of this section, an employee completes a year of active service when he/she has been actively at work for the entire year. An employee may earn IOD Leave on a pro-rated basis in 1/12 increments

for each completed calendar month of active service when he/she has been actively at work for the entire calendar month.

Authorized periods of leave for sick leave, military leave, jury leave and union leave, pursuant to the terms of this labor agreement, count as active service and will not disqualify the calendar year or month in question. All other forms of personal leave including but not limited to IOD leave will not qualify as active service, thereby disqualifying the calendar year or month in question for purposes of calculating IOD Leave entitlement. Periods of continuous leave before ratification of this agreement for compensable injuries or illnesses under the workers' compensation act will be counted as active service at half rate (e.g., two years of leave equals one year of active service), provided that any employee will be granted no less than one (1) year of IOD Leave commencing with the ratification of this agreement.

- (e) Once an eligible employee has expired his/her career entitlement to IOD Leave, all Authority benefits and seniority accrual will stop, and the employee shall be placed on the Priority Recall list for the length of his/her IOD Leave entitlement, not to exceed two (2) years. Any employee who is recalled to active employment from the Priority Recall List will have his/her benefits reinstated upon return to active employment.
- (f) The period of IOD Leave will be measured as the total cumulative number of lost-time work weeks from the commencement of a lost-time claim with one (1) lost-time work week being counted for each work week in which the employee's lost time exceeds twenty (20) hours.
- (g) Nothing in this section obviates the rights previously held by the Authority in regards to dropping employees when it is appropriate.

IV. Priority Recall List

- (a) Upon expiration of A&H leave (or IOD Leave), an employee will be kept on the Priority Recall List for a period equal to the employee's original amount of A&H leave (or IOD Leave), not to exceed two (2) years. During the recall period, the employee will not accrue any seniority or be entitled to any Authority benefits.
- (b) While on the Priority Recall List, an employee may be recalled to his/her former permanently budgeted position, if medically capable of performing the job, or assigned to an Alternate Duty Position, if eligible under the terms of this Article. Once recalled, an employee will not be eligible to return to the Priority Recall List.

SECTION 423. WORKER'S COMPENSATION

1. Purpose

It is the intent of this Agreement to provide employees who claim compensable personal injuries or illnesses covered by the Pennsylvania Workers' Compensation Act (the Act) with improved access to high-quality medical care and to reduce the number and severity of disputes concerning such claims.

2. Medical Network

- a. In accordance with the Pennsylvania Workers' Compensation Act, the Authority will continue to make available to employees with compensable injuries and illnesses a panel of authorized medical providers for the treatment of such injuries and illnesses (hereinafter authorized medical providers). Effective January 1, 1999, the Authority will establish a network-based panel of authorized medical providers for treatment of employees with compensable injuries or illnesses under the Workers' Compensation Act. Before awarding the contract, the Authority will meet with TWU leadership and discuss the selection of the network administrator, including further consideration of Comp Services Inc. The Authority in its sole discretion shall determine the authorized medical providers who will serve on the panel.
- b. The Authority will post at all locations a list of the authorized medical providers and shall deliver to employees who report compensable injuries or illnesses a copy of the list.
- c. The network, at a minimum, shall include specialists in the following areas: orthopedics, neurology, neurosurgery, ophthalmology, cardiology, internal medicine, dermatology, radiology, chiropractic, endocrinology, psychiatry-psychology, pulmonary/respiratory, occupational medicine and oncology.
- d. Pursuant to the Pennsylvania Workers' Compensation Act, employees seeking treatment for compensable injuries or illnesses shall be obligated to utilize authorized medical providers on the panel for the first ninety (90) days of the injury or illness. Failure to utilize authorized medical providers shall render any medical treatment non-compensable. Provided that when an employee requires emergency medical treatment due to a compensable injury or illness, the employee may be transported to a hospital immediately; however, once the employee's condition has been stabilized, he or she must utilize authorized medical providers on the panel.

- e. Employees who incurred compensable injuries or illnesses before January 1, 1999, and on that date are within the initial ninety (90) day period of their claim and are treating with medical providers who are not authorized medical providers on the new panel, will be permitted to continue treating with such providers for the balance of the initial ninety (90) day period. If the employee seeks treatment from an authorized medical provider after the ninetieth (90th) day of the claim, he/she shall be eligible for supplemental compensation in accordance with the following section.
- f. The third-party administrator will provide monthly reports listing all workers' compensation bills authorized for payment to the Authority and the Union showing the employee's name, account number, health care provider, date of service and amount and status of each medical bill.

3. Supplemental Compensation

- a. Except as provided in this Section, all compensation payable to employees who incur compensable workers' compensation injuries or illnesses shall be paid in accordance with the Pennsylvania Workers' Compensation Act.
- b. During the first seven (7) days of an absence due to a compensable workers' compensation claim, the employee will be entitled to supplemental compensation at the weekly rate of 75% of the applicable statutory average weekly wage, if the employee returns to work within eight (8) days from the date of the injury. If the employee returns to work between the 8th and 13th day of the injury, inclusive, the employee will be entitled to supplemental compensation for the first seven (7) days, the gross amount of which shall equal the applicable statutory rate. Employees who continue to be absent after the 13th day will receive no supplemental compensation for the first seven (7) days of the absence.
- c. For those compensable injuries or illnesses that continue beyond the ninetieth (90th) day, supplemental compensation will be paid to any employee for so long as he/she continues to treat such injury or illness through an authorized medical provider on the panel commencing on the 91st day through and including the one-hundred and eightieth (180th) day of such claim. Supplemental compensation shall consist of additional payments to each statutory workers' compensation payment received by the claimant equal to ten (10) percent of the claimant's statutory average weekly wage. The Authority shall pay supplemental compensation to the claimant through payroll.

- d. Employees who continue to treat with an authorized medical provider on the panel beyond the one-hundred and eightieth (180th) day will receive no additional supplemental compensation.

4. Prescription Medication

Prescribed medication for an employee's compensable injury or illness shall be provided at no cost to the employee. The Authority shall establish a prescription drug program administered by a third-party administrator for the provision of such medication with the requirement that claimants accept generic substitution for brand drugs when available and prescribed.

5. Offsets Against Workers' Compensation Payments

- 1. Except as provided in the following subsection, any person who shall hereafter be put on a pension and who is also then or at any time thereafter contemporaneously receiving workers' compensation, employer's liability, occupational disease or similar compensation payments from the Authority or from its insurance coverer, the amount of such payments shall be a credit against the amount of pension payment to which one shall be entitled.
- 2. For compensable injuries arising on or after June 24, 1996, employees receiving unemployment compensation benefits, social security and ageA benefits, severance benefits and/or pension benefits shall have such credited against the amount of an award of compensation consistent with the provisions of the Pennsylvania Workers' Compensation Act, 77 P.S. ' 71(a).

6. Medical Dispute Resolution

Section 1101 of the labor agreement will not apply to employees involved in a dispute who are at the time receiving workers' compensation indemnity benefits.

If the employee's treating physician considers the employee unable to work a job assigned to him/her by the Authority, including Transitional or Alternate Duty or the employee's regularly assigned position, the employee will be placed on IOD leave. In addition to all other rights under the Pennsylvania Workers' Compensation Act, the Authority shall have the right to petition to have the employee's workers' compensation benefits suspended or terminated. If, during the pendency of any litigation, the employee's treating physician changes his/her opinion regarding the employee's ability to perform the job offered by the Authority, the employee immediately will be required to return to work.

If the workers' compensation dispute is resolved in favor of the employee, the employee will continue on IOD leave or continue on the Priority Recall List until the applicable time periods have expired, as described in this labor agreement, or if

the employee had been performing an Alternate Duty Position when the dispute arose, he/she will be returned to such position.

If the Authority prevails, and at the time of the determination the employee is on IOD leave or on the Priority Recall List, the employee must return to his/her regular position or be deemed to have resigned from employment with the Authority. If, at the time of the determination, the employee has exhausted all IOD leave and all applicable time on the Priority Recall List and has been dropped from the Authority's rolls, he/she will not be reinstated

SECTION 424. SAME SEX SPOUSAL BENEFITS

The Authority will extend health care, pension, FMLA, and other employee benefits to same-sex spouses in the same manner as such benefits currently apply to opposite sex spouses.

ARTICLE V Working Conditions

SECTION 501. VACATIONS

(a) All employees covered by this contract in the service of the Authority for one full year shall be granted two (2) weeks vacation with pay.

(b) All employees covered by this contract in the service of the Authority during the preceding five (5) years shall be granted three (3) weeks vacation with pay. Two weeks of this vacation may be taken from June 15 to September 15, and the excess, or all, may be taken before June 15 or after September 15, except as in Section (h).

(c) All employees covered by this contract in the service of the Authority during the preceding thirteen (13) years shall be granted four (4) weeks vacation pay, with the same seasonal restrictions as above for three (3) weeks vacation.

(d) All employees covered by this contract in the service of the Authority during the preceding twenty-three (23) years shall be granted five (5) weeks vacation pay.

The vacation period will be from January 1 to December 31 and will be taken only in full weeks, except that those employees who are entitled to five (5) weeks vacation will be permitted to pick one (1) week in days, at a time mutually agreeable to the employee and the Authority, under the same provisions as Paid Days Off. There will be no more than fifty-two (52) vacation weeks in a calendar year. Same seasonal restrictions as in (b) shall apply to the provisions of (c) and (d).

(e) Vacation pay shall be paid at the straight time rate for forty (40) hours per week, provided, however, that when jobs are bid at a split rate, the employee shall

be paid the average weekly pay during one's vacation. This provision is applicable only to split rates jobs that are bid.

(f) Employees furloughed to enter the Armed Forces of the United States shall be entitled to their normal vacation in the year in which they are furloughed. They shall be entitled to their normal vacation in the year in which they return to service of the Authority, if the total number of months they actually worked during both the year of furlough and the year of return to work exceeds twelve (12).

(g) Vacations shall be picked in each department in accordance with service seniority (except in Paragraph (h)).

(h) Authority reserves the right to schedule vacations for a period of two (2) weeks for one-half (2) or all of any shop or group between June 15 and August 31.

Notification to the affected shops or groups will be posted by March 1st. It is understood and agreed that neither temporary help nor regular employees will be used to staff these shops during the scheduled vacation period.

(i) An employee receiving accident and health benefits may elect to receive his vacation pay in addition during that payment period if he so desires. No unused vacation may be carried to the next year. The vacation period shall be from January 1st through December 1st.

(j) For employees hired December 26, 1986 and thereafter, vacation allowance will be paid provided the employee works no less than 120) days for an employee with less than two (2) years of service, 110 days for an employee with two (2) or more and less than nine (9) years of service and 100 days for an employee with nine (9) years or more of service in the preceding calendar year.

(k) Effective January 1, 1990, and employee eligible for four (4) or more weeks of vacation will be allowed to take one (1) week's vacation in days at said employee's regular rate for forty (40) hours. Such intention must be made known at the time of the vacation picking.

Effective January 1, 1990, any employee eligible for four (4) or more weeks of vacation will be allowed to sell one (1) week back to the Authority at said employee's regular rate for forty-four (44) hours. Such intention must be made known at the time of the vacation picking.

(l) By mutual agreement, this program has been extended as follows:

Effective January 1, 1991, any employee eligible for three or more weeks of vacation will be allowed to take one (1) week's vacation in days at said employee's regular rate for forty (40) hours. Such intention must be made known at the time of the vacation picking.

Effective January 1, 1991, any employee eligible for three or more weeks of vacation will be allowed to sell one (1) week back to the Authority at said

employee's regular rate for forty-four (44) hours. Such intention must be made known at the time of the vacation picking.

(m) Employees who are entitled to receive three (3) weeks of vacation or more and who wish to sell back a vacation may give notice at the time of the vacation picking of their intention to do so. Employees who sell back a week of vacation will select one (1) week less than their normal vacation allotment, e.g.: An employee who is entitled to five (5) weeks of vacation and sells back one (1) week will pick only four (4) weeks of vacation at the time of the picking.

An employee who decides after the vacation picking has been concluded that he/she wishes to sell back a vacation, will designate which week is to be surrendered.

Employees who sell back a week of vacation will give the Authority at least two (2) weeks notice prior to week during which they wish to receive the vacation allowance.

Subsequent to the vacation picking, any employee who changes his/her mind and wishes to revoke the decision to sell back a vacation to the Authority, may select an open vacation week with the mutual consent of the location superintendent.

The above conditions do not cover emergency requests for vacation sell back. These circumstances will be discussed on a case by case basis.

No more than 3% per each section's manpower, with a minimum of two (2) employees, will be permitted to sell back any vacation week with the two (2) week notification mentioned above.

(n) Accurate completion of vacation pickings scheduled and prepared by the Authority, will be conducted by the Authority in accordance with the picking criteria set forth in this section. The Authority will conduct maintenance vacation pickings with the assistance of one (1) Section Officer, who will be excused from his/her regular assignment with pay.

SECTION 502. CHANGING BULLETIN HOURS

Work performed by an employee whose shift is changed with less than seven days notice will be classed as overtime work on the first three class on which such work is performed after such shift change with respect to the hours of the change shift that are outside of the hours of the previously regularly scheduled shift. This work will not be classed as overtime where (1) The change is agreed to by the union, (2) where the change in shift is as a result of a backfill, or (3) where the change in shift is the result of employee's picking changed shifts under the provisions of the labor agreement. Any such change shall not reduce the bulletin hours of any employee to less than an average of forty (40) hours per week.

SECTION 503. A&H BENEFIT RECEIPT

When an employee turns in a fully completed application for A&H benefits (including physician's statement) to their appropriate location managerial representative, they shall be provided receipt of delivery upon request.

SECTION 504. CHANGING DAYS OFF

Regularly assigned days off shall not be changed without giving employee at least seven (7) days notice prior to one's next regular day or days off.

SECTION 505. MEAL PERIOD

(a) Employees required to work during lunch period will be paid at the straight time hourly rate for the period so worked and will be allowed thirty (30) minutes without pay in which to eat. Employees requested to work beyond bulletined hours shall be entitled to meal periods and meals at the expense of the Authority, in accordance with agreements with Local Committeepersons and the forepersons in the respective departments. Generally employees who are unexpectedly required to perform overtime work and who are entitled to meals in accordance with the existing practices shall be allowed a paid thirty (30) minute meal period only in the event they are required to return to work after such meal period. Employees who are entitled to a meal but have completed their work prior to taking a meal break will be given a meal allowance of four dollars (\$4.00) but will not be entitled to a paid meal period. The determination of when a meal break will be taken will be at the discretion of the supervisor on the job and in all cases a sincere attempt will be made to schedule meal breaks after five (5) hours where practical. Effective April 2, 1993 twenty-five cents (\$.25) will be added to the meal allowance

(b) The Authority will not delay an employee's scheduled lunch period for more than one and one half hours. The lunch period for employees working on a track maintenance project will not be delayed for more than one hour unless the employees are involved in correcting an unforeseen emergency that is causing an interruption of service to the riding public or would cause damage to masonry materials delivered to a construction site. If such lunch period is delayed beyond the periods cited above, the employee will have one's choice of (1) taking one's lunch, (2) being paid for one's lunch, or (3) going home one half hour before one's regular quitting time.

SECTION 506. EMERGENCY CALLS

Employees called for emergency work outside of bulletin hours shall start their time as of the time called providing employee reports to work within a reasonable time.

SECTION 507. BAD WEATHER

No change will be made in the present practice in regard to loss of time to adverse weather conditions.

SECTION 508. TIMEKEEPING UNITS

All time shall be computed in one-tenth (0.1) hour units. For fractional part of one-tenth (0.1) hour units, employees shall receive one-tenth (0.1) hour pay for all time worked in excess of three (3) minutes.

SECTION 509. WORK CLOTHES

Five (5) sets of work clothes for all employees under this Agreement will be supplied by the Authority.

SECTION 510. SAFETY SHOES

The Authority will furnish approved safety shoes to all employees covered by this Agreement in accordance with established Safety Policies as follows:

- (a) Safety shoes must be worn at all times while employee is on the job or the Authority will have the privilege to withhold the employee from work.
- (b) The cost of normal replacements will be borne by Authority, but any replacements required by other than normal wear and tear shall be at the expense of the employee.

SECTION 511. SAFETY HELMETS

- (a) The Authority will furnish approved safety helmets (without cost to employee) to all employees covered by this Agreement who are working under conditions where such protection is required by established Safety Policies.
- (b) Safety helmets must be worn at all times when employee is working under conditions where head injuries may occur or otherwise required by approved Safety Policies or the Authority will have the privilege to withhold the employee from work.

SECTION 512. EAR PROTECTION

- (a) The Authority will furnish approved ear protection equipment (without cost to employee) to all employees covered by this Agreement who are working under conditions where such protection is required by established Safety Policies.
- (b) Ear protection devices must be worn at all times when employee is working under conditions where ear injuries may occur or otherwise required by approved safety policies, or the Authority will have the privilege to withhold the employee from work.

SECTION 513. DUST MASKS

- (a) The Authority will furnish approved dust masks (without cost to employee) to all employees covered by this Agreement who are working under conditions where such protection is required by established Safety Policies.

(b) Respiratory devices must be worn at all times when employee is working under conditions where respiratory injuries may occur or otherwise required by approved Safety Policies or the Authority will have the privilege to withhold the employee from work.

SECTION 514. PICKING RIGHTS

(a) Employees of the Suburban Transit Division shall have the right to pick their primary work assignments as scheduled by the Authority in accordance with their craft seniority within their classification. Schedules prepared by the Authority will list the primary work assignments, reporting location, starting times, furnishing times and scheduled days off of the week on which assigned work is to be performed. Such pickings will be held at least twice per year with no more than eight (8) months between any pickings.

(b) When the Authority determines that a vacancy in a picked work assignment, shift, days off or location needs to be filled, such vacancy will be filled within fourteen (14) calendar days by a move-up picking within the appropriate job classification. Should the individual whose absence created the vacancy return to work the employee(s) filling-in will be dropped back to the position they selected in the general picking. No move-up picking will be held if one month or less remains until the next general picking.

(c) Maintenance pickings will be prepared, scheduled and conducted by the Authority. Picking schedules for all maintenance employees will be posted seven (7) days prior to a schedule review. Schedule reviews will be conducted seventy-two (72) hours prior to a general picking. Schedule reviews will be held with two (2) Section Officers designated by the Union Staff and a Staff Officer of the Union. It will be the responsibility of the Union's Section Officer to notify the Staff Officer of the schedule review meeting and if it is inconvenient for a Staff Officer to attend, the meeting will nevertheless be held as scheduled. Picking schedules will be re-posted twenty-four (24) hours prior to the General Picking. In General Pickings, one (1) Union Section Officer will be excused with pay to assist the Authority in conducting the maintenance picking.

(d) Maintenance department employees who have been injured on duty or on A&H leave for more than sixty (60) days shall not pick at scheduled General, Classification or Line Move-Up pickings unless they can be expected to return to work within sixty (60) days after the date such picking is effective and they present themselves at their location with documentation of the anticipated return to work date; provided, however, that no such employee will be permitted to pick a second time if one picked under these regulations at the previous picking and failed to return to work. Employees who have not picked and who thereafter return to work will be placed in their normal relative seniority position and a line move-back picking will be initiated.

SECTION 515. HOLIDAY WORK

In the event the Authority determines a special reduced complement of employees is required to work on a holiday on a shift or in a specific work group or location, the following will apply:

1. The Authority will determine the complement of employees to work.
2. Volunteers will be solicited with senior employees having first preference to work on the holiday.
3. If there are an insufficient number of volunteers, the Authority will assign employees in reverse order of class seniority.
4. Lists of employees who will work the holiday will be posted at least 5 calendar days before the holiday.
5. Changes after that date will be made only for unforeseen circumstances or by mutual agreement.

SECTION 516. LICENSE SUSPENSIONS

(a) Maintenance employees for whom driving is an essential function of their job, as determined by the Authority, and whose license is suspended for 180 days or less, may remain on the rolls of the Authority and be assigned other work in the bargaining unit for a period not to exceed 180 days. The employee whose license has been suspended may be assigned, at the sole discretion of the Authority, to any vacant budgeted position they are qualified to perform, at the rate of pay of the job to which they are assigned. When the employee's license is restored, the employee will be returned to his/her regular job without loss of seniority.

(b) Maintenance employees who must drive intermittently or not at all, and whose driver's license is suspended for 180 days or less, will remain on the rolls of the Authority and may be permitted to work their regular job with a driving restriction, at their regular rate, provided it does not impose a hardship to the Authority. If the suspension is for a period greater than 180 days, but less than one year, the employee may remain on the rolls of the Authority and be assigned to other work in the bargaining unit. This assignment will be at the sole discretion of the Authority to a vacant budgeted position the employee is qualified to perform, at the rate of pay of the job to which they are assigned. When the employee's license is restored, the employee will be returned to his/her regular job without loss of seniority.

(c) Employees described in paragraph (a) above, whose license is suspended for a period greater than 180 days, may transfer to any vacant position in the bargaining unit for which they qualify, or will be dropped from the rolls of the Authority. Employees covered by paragraph (b) above, whose license is suspended for a period

of greater than one (1) year, may transfer to any vacant position in the bargaining unit for which they may qualify, or will be dropped from the rolls of the Authority.

Maintenance employees temporarily reassigned under these provisions:

- i. Will be required to perform all of the duties of the job to which they are assigned.
- ii. Will have their days off and shifts determined by the Authority and not be eligible to move to a temporary position at another location.
- iii. Employees who choose not to be reassigned or abide by subparagraph (i and ii) above, will be dropped from the rolls of the Authority.

(d) Whenever necessary to qualify an employee to transfer to a vacant position for which a driver's license is not an essential function of the job, as determined by the Authority, the Authority may temporarily waive the licensing requirements for that employee.

(e) If there are no vacant budgeted positions available at the time an employee who has lost his/her license would be subject to reassignment or voluntary transfer, the employee will be dropped from the rolls of the Authority subject to reinstatement with seniority but no back pay or benefits when a budgeted position becomes available. Employees will be recalled in the same order in which they were dropped.

(f) Any delays in effectuating a transfer under this provision will result in unpaid leave for the employee.

ARTICLE VI Grievance Procedure

SECTION 601. GRIEVANCE HANDLING

The following provisions of this Section 601 became effective for all grievances filed subsequent to November 1, 1998.

A. Contract Grievances

In any case where the subject matter of the dispute involves the application, implementation or interpretation of any of the provision(s) of the collective bargaining agreement, the Union may file the grievance directly to the Authority's Labor Relations Department (a filing hereinafter referred to as the Labor Relations step A); provided, however, that prior to holding a grievance hearing, an informal meeting must be held at the location at which time the parties including the Chief Officer/Senior Director or designee of equivalent grade and the Union, will make an effort to resolve the matter. Any such informal meeting must be held no later than

five (5) working days following the filing of the grievance.

When the subject matter of the dispute involves a policy change by the Authority which directly impacts this labor Agreement, the Union shall have the right to initiate a grievance at the Labor Relations step. Such grievances shall be filed in writing and shall include relevant facts and the sections of the contract which are alleged to be violated and why. The grievance will also state the remedy requested.

All grievances shall be presented initially no later than the fifth day, following occurrence of the event giving rise thereto. Any grievance not presented within such time shall not be considered.

A Labor Relations step hearing shall be scheduled by Labor Relations within ten (10) working days from filing of a grievance. At the hearing, the Union will present specific facts, information, documentation, testimony and witnesses in support of its position. No later than forty-eight (48) hours prior to the hearing, the Authority shall deliver to the Union at the Union's request copies of all documents, reports, memoranda, and other information requested by the Union reasonably related to the subject matter of the grievance. Upon request by the Union, Authority representatives will appear as witnesses at the Labor Relations step.

Not later than seven (7) working days following the hearing the Authority shall issue a written answer stating its disposition of the matter. If the disposition of the matter is not satisfactory, the Union may file the matter for arbitration within thirty (30) working days of receipt of the answer.

B. Disciplinary Grievance Process

(a) Investigation/initiation of charges/informal hearing

(1) Upon receiving information that indicates an employee may have committed a disciplinary infraction, or upon an employee being barred from work under the provision of paragraph D of this Section 601, the Director, Deputy Director or Assistant Director will place a notice in the Union Section Officer's mail box indicating that he/she is initiating a comprehensive investigation to determine if disciplinary charges are appropriate. The Authority will provide a mail box at each location that has a Section Officer. Time limits under this section shall not begin to run until such notice has been afforded. In the case of an investigation triggered by the suspicion that an employee is engaged in knowingly improper fare registration, theft, fraud, or criminal misconduct, the Authority may conduct an investigation to gather evidence of new acts of misconduct that would serve as a basis to discipline an employee without prior notice to the Union, provided, however, that within two (2) working days of obtaining such evidence, notice shall be provided to the Union Section Officer along with all documents, reports and other information related to the matter.

(2) During the investigation, the Director, Deputy Director or Assistant Director will provide all relevant information, e.g. employee and witness statements to the Section Officer, as this information becomes available, and the Union will similarly provide such information to the Director, Deputy Director or Assistant Director. If, upon completion of the investigation, which must be completed within thirty (30) calendar days of notification that an investigation has begun unless extraordinary circumstances exist, disciplinary charges are to be issued, the Director, Deputy Director or Assistant Director will meet with the employee being charged and the Section Officer at an informal hearing held within seven (7) calendar days of the completion of the investigation to discuss the charges, to provide copies of and review all the evidence supporting the charges, to obtain the employee's explanation, and to indicate a proposed disposition of the charges. If the disposition of the matter is not acceptable to the employee or the Union, either may request a formal hearing within five working days of being advised of the Authority's proposed disposition of the matter. No discipline will be issued prior to the formal hearing which will be scheduled by the Director, Deputy Director or Assistant Director.

(3) If an employee fails to respond to the interview list, to satisfy the obligation of conducting an informal hearing within seven (7) calendar days, a hearing will be scheduled thirty (30) minutes prior to his 1st or 2nd half report or thirty (30) minutes after his 1st or 2nd half finish during the next seven (7) days. If the employee fails to appear at the scheduled meeting, the informal hearing will be held in their absence.

(b) Formal Hearing

(1) A formal hearing will be conducted at the aggrieved employee's location by a Chief Officer/Senior Director or his or her designee, provided, however, that such designee (i) shall not conduct formal hearings at the location to which he or she is assigned and (ii) does not have a rank below Director, at a time mutually acceptable to the Chief Officer/Senior Director or his or her designee and Union Staff Officer. The Union will be represented at the hearing by two Section Officers and one or more Staff Officers of the Union.

Formal hearings shall be held on a weekly basis, if necessary, at the employee's location at a time mutually acceptable to the Chief Officer/Senior Director or his or her designee and Union Staff Officer. Formal hearings shall be held no earlier than three (3) working days and no later than ten (10) working days following receipt of the request for a formal hearing. If the Union Staff Officer postpones the scheduled hearing or is unavailable to schedule one within the prescribed time, the Authority may notify the Union President or his designee, who will schedule a meeting no later than five (5) working days after such notification.

(2) At the formal hearing in all disciplinary cases, the representative of the Authority who preferred charges will present the evidence upon which the

Authority relies to support its position in the matter and the Union will present the evidence upon which it relies to support its position. Authority witnesses must be present and subject to cross examination by the Union. If a witness is not available to attend the hearing, the Director, Deputy Director or Assistant Director and a Union representative will arrange for a joint interview to be conducted by the Director, Deputy Director or Assistant Director and a Union representative at a mutually convenient date, time and place. The information and any documentation received at the joint interview may be considered in determining the results of the hearing. Where a witness fails to appear, the Authority shall not be permitted to introduce reports containing statements by such a witness in support of the disciplinary action, unless such an arrangement is jointly agreed. The employee will have an opportunity to address the Chief Officer/Senior Director or his or her designee and to answer questions. In cases involving public complaints, if the public complainant fails to either testify or provide a joint interview, no disciplinary action will be taken. However, the complaint will be placed in the employee's file with its disposition noted.

Chain of custody documents may be introduced at formal hearings without authentication of a witness representing the Authority's Medical Department, however Medical Department witnesses may be called to testify in cases where the chain of custody document itself is material to the dispute.

Police reports may be introduced without a witness on the basis of a joint interview with the officer who wrote the report.

The Chief Officer/Senior Director or his or her designee's decision with respect to charges heard at a formal hearing will be made in writing within five (5) working days of the conclusion of the hearing, a copy of which shall be faxed and mailed to the Union.

When an employee is to be discharged, such discharge will take place in the presence of a Section Officer if one is available. If a Section Officer is not available, or if an employee is discharged or dropped from the rolls by a letter, the Authority will notify the Union within three (3) working days. Such notification shall be done by mailing and/or faxing a copy of the letter to the office of the Union's President.

(c) Labor Relations Step

(1) If the disposition of the matter at the formal hearing is not satisfactory to the Union, it may be referred to the Labor Relations Step of the grievance procedure by the designated representative of the Union giving written notice to the Authority's Labor Relations Department. Such written notice shall be filed not later than three (3) working days following the receipt of the answer of the Chief Officer/Senior Director or his or her designee by the Union.

(2) No later than forty-eight (48) hours prior to the hearing, the Authority, shall deliver to the Union at the Union's request copies of all documents,

reports, memoranda, and all other information reasonably related to the subject matter of the grievance.

(3) The Labor Relations step of the disciplinary grievance process will be conducted by SEPTA's Labor Relations Department. There shall be a meeting at least once each week at a time and place that is mutually convenient to discuss disciplinary grievances which have been appealed to such step. Grievances that are to be discussed must be properly scheduled at least two (2) working days prior to the Labor Relations Step hearing. Arrangements will be made to hold hearings on grievances appealing discharges of employees on more than one day each week, as necessary. Either party shall have the right to call a special meeting to discuss emergency matters.

(4) At the Labor Relations step, the Union will be represented by one (1) Section Officer and at least one Staff Officer of the Union. The facts presented at the earlier steps will be presented by a representative of the Union and of the Authority, and additional information relevant to the case may be presented. Each side may present arguments. The grievant will also be given an opportunity to address the Labor Relations Step hearing officer.

(5) Not later than seven (7) working days following the Labor Relations Step hearing, the Authority shall give its answer stating its disposition of the matter.

C. Progressive Discipline

(1) Positive Performance Counseling Program

(a) (1) Discipline and Discharge: The Authority shall have the right to discipline or discharge employees for just cause.

(2) Progressive Discipline: When appropriate, progressive discipline will be imposed as follows:

- Verbal Warning
- Written Warning
- 1-Day Administrative Suspension
- 3-Day Suspension (2 days administrative and 1 day without pay)
- Discharge

All suspensions for attendance related infractions will be administrative. Disciplinary suspensions will not be served until the completion of the Labor Relations step.

(3) Signal Violations: Employees who have committed signal violation(s) will receive a five (5) day suspension (4 days administrative and 1 day without pay) and may be subject to drug and alcohol testing in accordance with the Authority's

Drug and Alcohol Policy. A second signal violation within twenty-four (24) months will receive a ten (10) day suspension (9 days administrative and 1 day without pay) and may be subject to drug and alcohol testing in accordance with the Authority's Drug and Alcohol Policy. A third signal violation within twenty-four (24) months will result in discharge. However, an employee who has tested positive for drugs or alcohol after committing any signal violation shall be subject to immediate discharge. Nothing in this section shall limit or preclude the Authority from imposing disciplinary measures, up to and including discharge, for serious safety violations other than signal violations, or from requiring an employee who has committed a serious safety violation other than a signal violation from submitting to reasonable cause or post-accident drug and alcohol testing.

(4) Positive Performance Counseling Program: The parties recognize that the purpose of discipline is corrective, rather than punitive, and, for that purpose, have agreed to the Positive Performance Counseling Program set forth in this section to foster a more healthful and productive environment in which to address problems in the work place. Counseling sessions convened in accordance with the following provisions shall be conducted with these purposes in mind. Employees will be counseled by a Director, Assistant Director, or Maintenance Manager.

The terms of this program shall not affect the right of employees and the Union to grieve and arbitrate any charge against an employee. Counseling on any matter shall not occur until disposition of a Labor Relations step grievance, if a grievance is filed.

An employee who is charged with acts or failure to act which would justify discharge only in the context of the employee's overall record and who, as a result thereof, is discharged shall be entitled to continue to work pursuant to the following provisions:

(i) Such discharge shall be assessed by the appropriate supervisor, but the employee shall be permitted to continue working until the grievance procedure is concluded.

(ii) If the discharge is upheld through the Labor Relations step of the grievance procedure, the employee's active employment will terminate unless the Union requests final settlement of the matter, with a last chance. Such a request by the Union pursuant to this paragraph shall not be cited as, nor constitute a precedent with respect to any matter or discipline. Should the Union not request such a final settlement, the grievance concerning the discharge may be filed for arbitration pursuant to Section 701 of the Labor Agreement within thirty (30) working days from the receipt of the Labor Relations step answer.

(iii) A last chance will consist of a one (1) day suspension, in lieu of discharge, followed by a one year probation. Upon the Union's requesting final settlement of the matter with a "last chance," the employee will be required to report to his/her Director or designee for "Discharge/Decision Day," the final and most serious step in the PPCP. On "Discharge/Decision Day," the Superintendent shall

inform the employee that the discharge will be implemented unless the employee executes a formal agreement to modify the objectionable performance or behavior. The employee will then be suspended without pay for one day, following which, as a condition of further employment, the employee will be required to execute a work resumption agreement, the terms of which will not in any way alter or affect any right granted to the Union or the employee by the Labor Agreement. Upon signing the agreement, the employee may be required to submit to an interview evaluation by Employee Counseling Services.

(iv) Should an employee on "last chance" probation be charged with committing an infraction for which discipline is justified, the employee shall be subject to an immediate discharge, which discharge will be subject to the grievance and arbitration procedure set forth in Sections 601 and 701 hereof, provided, however, that in an arbitration with respect to such a discharge, the impartial chairperson shall have jurisdiction only to determine if the employee committed the infraction and if that infraction justified any discipline and shall not have jurisdiction to modify the discharge.

(v) An employee shall be eligible for only one "last chance" in his or her career.

D. Barred From Work

Employees shall not be barred from reporting for work except for offenses set forth in Section 1203, then, negligence in registration of fares, willfully leading an unauthorized work stoppage, being under the influence of drugs or alcohol, refusal to obey a direct order, violation of law, fighting, assaulting a supervisor, customer or other employee, and possession of a deadly weapon.

In all progressive discipline cases, employees shall be permitted to continue working until the grievance procedure is concluded.

Employees barred from work will receive a formal hearing not later than fifteen (15) working days from the date barred from work or be returned to work.

Employees barred from work shall, upon reinstatement to employment, except in cases when an employee was operating without a valid license, be compensated for all time lost unless otherwise agreed by the Authority and the Union.

E. Discharges

(1) In any case where an employee has been discharged, the hearing at the Labor Relations Step of the grievance procedure will not be held until one shall have turned into the Authority all property of the Authority theretofore delivered to one, and the hearing will not be held until the employee shall have settled all accounts with the Authority. If the employee has not settled accounts, he/she will be permitted to settle the outstanding balance within the number of months equal to the total amount owed divided by \$50.00 or twelve months,

whichever is less. If the employee fails to comply with the above, the employee will be deemed to have abandoned the grievance and it will be processed no further.

(2) In discharge cases, the Authority shall make available to the Union, within seven (7) days after the Labor Relations Step response, copies of the record of the employee for the last three years.

F. Union Representation

The Authority will allow pay to working employees who are union representatives for loss of work time when attending grievance meetings with Authority representatives during their regularly scheduled working hours in an amount not to exceed 64 pay hours per month, the distribution of these hours to be mutually agreed upon by the Union and the Authority quarterly in advance. The allowance of time off with pay will be made in the following manner.

Two Union grievance representatives will be paid for time lost by them during their regularly scheduled work hours when attending scheduled grievance meetings with Authority representatives; provided however that no more than one (1) Union grievance representative at a time will be permitted to attend Labor Relations step hearings. The Authority and the Union shall cooperate in the efficient scheduling of all grievance meetings.

In addition to the allowances of time off with pay and within the maximum extent of the allowance, Section Officers who attend Labor Relations Step grievance hearings who are scheduled to work at night or who attend such hearings on one of their days off or during their vacations will be excused with pay for a half-day on the scheduled work day immediately preceding or following the day of the Labor Relations step grievance hearing.

The individual Union representatives to whom the allowances will be made will be determined by the Union. Union grievance representatives as defined above will be duly elected or appointed section representatives and will be confirmed as such in writing by letter from the local Union President. Each month will be considered as a separate unit and no allowances will be made for any unused time allowance of any previous month or months.

Aggrieved employees whose presence at grievance hearings is requested by the Authority will be reimbursed by the Authority for loss of any regularly scheduled working time resulting from such attendance.

The word "group" as used herein means the employees, whether at one or more locations of work, who it is mutually agreed by the Authority and the Union shall be represented by particularly specified Union grievance representatives for them.

G. Joint Labor-Management Alternative Dispute Resolution Program

Effective on November 1, 1998, the parties agree to establish a joint labor-management alternative dispute resolution program to be funded by the Authority at

the rate of 0.7 cents (\$.007) multiplied by 40 hours multiplied by the number of bargaining unit members, payable weekly into a jointly administered fund. The program shall be chaired, and the funds administered, by the Chief Labor Relations Officer and the President of the Union. This fund will be used for the purpose of developing alternate dispute resolution mechanisms and the mediation of disputes arising under this labor agreement, including to pay the salary of one (1) Union staff person to assist in this effort.

The parties agree to form a Joint Labor-Management Committee, which, with a third-party facilitator, will consist of two (2) representatives appointed by the President of the Union and two (2) representatives appointed by the Chief Labor Relations Officer of the Authority, to consider issues relating to discipline and morale and to develop and recommend solutions that will cause a reduction in grievances. This Committee shall cover jointly all three Divisions of the Authority represented by Local 234 (CTD, Frontier and Victory).

H. Miscellaneous

(1) Any employee believing oneself to be aggrieved will be interviewed by their location Director or designee for the purpose of trying to resolve the matter without resorting to the grievance procedure.

(2) No employee or representative of the Union shall leave ones work or fail to appear for ones work for the purpose of presenting any grievance or in connection with the handling of any grievance without first having obtained the consent of one's Director or designee or Foreperson.

(3) The Union will notify the Labor Relations Department, in writing, when an employee who is dropped from the rolls for expiration of sick leave has a disputed workers compensation claim. The time limits for filing a grievance included in Section 601 for such employee will not begin until the workers compensation claim is resolved and the Union receives notice of resolution from the Authority.

(4) Once a grievance has been presented by any Section Officer and disposed of through the prescribed grievance machinery, the same subject matter shall not again be presented for reconsideration as a grievance by any other Section Officer. No grievance shall be discussed except in accordance with this procedure.

(5) In any case where an employee elects to appear on behalf of oneself, one's Union section officer shall be notified by the Director or designee or Foreperson, or if an employee has been represented by the Union Section Officer at a hearing before the Chief Officer and later elects to appear on behalf of oneself at a subsequent step of the grievance procedure, the Union shall be notified by the Authority, and the appropriate Union representative shall also have the right to be present at all hearings and negotiate with respect to the disposition of the grievance. In any case where an employee elects to appear on behalf of oneself and the Union representative does not find it convenient to attend a hearing within three days of

such notification such employee need not wait longer for such Union representative to attend the hearing and the same may then be held at the mutual convenience of such employee and the representative of the Authority.

(6) If a public complaint is entered in an employees record, the employee will be given a copy of that complaint if he/she signs for such copy. Public complainants will be interviewed in the presence of a Union representative, provided that if the Union representative does not show up for the interview, the interview will proceed without the Union representative. Any evidence obtained at the interview will be admissible regardless of whether the Union representative was present.

(7) All discipline entries including white card verbals must be initialed by the employee or by his Section Officer if the employee refuses. Employees shall be given a copy, upon request, of everything they sign including documents signed at SEPTA Medical.

(8) The Union will notify the Authority Labor Relations Department, in writing, when an employee who is dropped from the rolls for expiration of sick leave has a disputed workers compensation claim. The time limits for filing a grievance included in Section 601(h) for such employee will not begin until the workers compensation claim is resolved and the Union receives notice of resolution from the Authority.

ARTICLE VII Arbitration

SECTION 701. ARBITRATION

The following provisions of this section 701 became effective for all grievances submitted to arbitration subsequent to July 1, 1995.

(a) In the event the disposition of a grievance at the Authority's Labor Relations Step is not satisfactory to the Union, the Union may cause the grievance to be referred to a board of arbitration as hereinafter provided. The Board shall be comprised of three (3) members, one (1) designated by the Union, one (1) designated by the Authority, and an arbitrator. If the Union elects to go to arbitration, the Union shall refer the grievance in writing to the Authority no later than thirty (30) working days after the day of the receipt by the Union of the Labor Relations Step reply from the Authority stating its disposition of the matter. Whenever the subject matter of grievances involves identical factual situations, and the identical provisions of the collective bargaining agreement, the Authority and Union may agree to consolidate such grievances for purposes of consideration in one arbitration.

(b) In the event of a disagreement between the Union and the Authority as to the interpretation application or performance of this Agreement, either the Union or the

Authority may cause such dispute to be referred to an arbitrator as hereinafter provided. The party desiring to refer such a matter to arbitration shall refer such matter in writing to the other party.

Whenever the subject matter of grievances involves identical factual situations and the identical provisions of the collective bargaining agreement, either the Authority or Union may request arbitration of one of such grievances. The grievance to be arbitrated will be chosen by mutual agreement of the parties. However, if the parties are unable to agree, the grievance to be arbitrated will be chosen by lottery. The time limit for submitting the other identified grievances to arbitration will be extended to seven (7) working days following the date the award is received by the parties. This paragraph will not apply to discharge cases.

(c) The arbitrator shall be selected from a permanent panel of at least six (6) arbitrators, each of whom will initially designate two days per month in which he/she will hear TWU-SEPTA cases. A side letter shall be signed by the parties specifying the composition of the permanent panel and the panel referred to in paragraph (d) of this Section 701. All cases filed for arbitration will be assigned to the next available date of an arbitrator on the permanent panel or on the panel referred to in paragraph (d) hereof.

(d) For the purpose of eliminating any backlog of arbitration cases awaiting arbitration as of the effective date of this agreement, the parties shall utilize, in addition to the permanent panel of arbitrators, a second panel of arbitrators. The second panel of arbitrators shall also be composed of six (6) arbitrators who shall designate one (1) day per month in which they will hear TWU-SEPTA cases, all in accordance with the side letter referred to in paragraph (c) above.

(e) Between November 1, 1998 and November 30, 1998, the four arbitrators designated in the Memorandum of Agreement, dated October 22, 1998, will be removed from the arbitration panels. The Union will select two replacements from the second panel for Panel 1. Every eighteen (18) months thereafter, beginning in October 1999, each party may strike and/or protect one (1) arbitrator from the primary list.

The party who intends to strike shall go first. The non-striking party can then protect the arbitrator initially struck or choose to strike another arbitrator from the list. If the non-striking party protects the arbitrator initially chosen, the striking party can elect to strike a second arbitrator without objection. The non-striking party then selects a replacement from the Panel 2.

Replacement arbitrators for the Panel 2 will be selected by striking names from a list obtained from the AAA.

(f)(1) The Union shall determine the order in which cases proceed to arbitration, without reference to the initial filing date, except that discharge cases shall proceed in the order in which they are filed and three (3) discharge cases shall

be heard for each contract grievance case, providing that there are a sufficient number of discharge cases pending arbitration.

(f)(2) Notwithstanding the above, upon written request of the Union, a grievance relating to subletting of bargaining unit work shall replace one of the three discharge cases and be placed at the top of the arbitration list for scheduling purposes.

(g) The board shall conduct such hearings as may be necessary and, at the request of either party, cause a transcript of the testimony to be taken. The hearings shall be held at such times and places and in such manner as shall be mutually agreeable or, if agreement thereon cannot be reached, as shall be designated by the arbitrator. The arbitrator's award and opinion shall be rendered within thirty (30) calendar days after the record before the arbitrator is closed.

(h) The decision of the board of arbitration or of a majority of the board if there is no unanimous decision of the board or of the Chairperson if there is no majority decision of the board shall be final and binding on the Authority and the Union and on any employee or employees who may be concerned in the matter so arbitrated. However, neither the board nor a majority thereof nor the Chairperson shall have any power to add to, alter, amend or repeal this agreement or any provision thereof or to fix; or change any rate or rates of pay and no such decision shall have any such effect. The decision shall be in writing and shall set forth the findings and the reasons for the decision.

(i) In the event there is dispute concerning the meaning or application of an Arbitration Award, either party shall have the right, within thirty (30) calendar days of the date of the Award, to request in writing, with a copy to the other party with an opportunity for written rebuttal that the arbitrator clarify his/her Award. The Authority will give the Union written notification of compliance in cases involving back pay awards including the computation of the money paid, the basis for the computation and a schedule of payments to the grievant. In such cases, the panel will retain jurisdiction for thirty (30) calendar days from the date of the notification in order to determine if such back pay computations are in compliance with its award. The panel shall retain jurisdiction of the Award for these purposes only. It will receive only written data, will not hold hearings and will not permit the rearguing of the grievance.

If there is a dispute over the amount of money owed to an employee by virtue of an award or settlement in a case listed for arbitration, the Authority, despite such dispute, shall within 14 working days issue a check to the employee for the period of back pay covered by the award or settlement, calculated on the basis of a normal forty (40) hour week at the employee's regular rate of pay, or the appropriate rate for which he/she was entitled during that period (e.g., sick benefits, etc.) less disputed offsets. The remaining amount owed, if any, will be paid over to the employee not later than thirty (30) working days from the date the dispute is resolved.

Whenever the initial (estimated) payment resulted in an overpayment to the

employee, the amount overpaid will be repaid to the Authority by the employee immediately; providing, however, that no employee will be required to repay more than 50% of his/her net pay in any given week.

(j) In case any testimony by a secret investigator of the Authority is offered, it shall be given only before the arbitrator with no one else present except for the Authority advocate who shall conduct direct examination, and the Union advocate who shall conduct cross examination, and such a witness shall be referred to only by number so that one's identity shall not be disclosed. The panel members shall have the right to hear the testimony of the investigator and to cross-examine the investigator, as in Arbitration Case #14-30 1855-80, in secrecy.

(k) In any case where the matter in dispute involves the question of knowingly improper registration of fares by an employee or of theft by an employee or of an employee having been under the influence of intoxicating liquor or drugs or of an employee willfully leading an unauthorized work stoppage which interrupts service to the riding public, the only question which shall be determined shall be with respect to the fact of knowingly improper registration of fares, theft, having been under such influence or willfully leading an unauthorized work stoppage, as the case may be, and if it is determined that in fact there was knowingly improper registration of fares or was theft or such influence or such willful leading of a stoppage, then the action of the Authority based thereon shall be sustained.

(l) The following provisions will govern the compensation of the arbitrator and the payment of any charges:

(1) In the event a case which is filed for arbitration results in the Authority's Labor Relations step answer being upheld in full, the Union will pay the arbitrator's compensation and charges.

(2) In the event a case which is filed for arbitration results in the Authority's Labor Relations step answer being reversed in full, the Authority will pay the arbitrator's compensation and charges.

(3) In the event a case filed for arbitration results in the Authority's Labor Relations step answer being upheld in part and reversed in part, the compensation and charges of the arbitrator will be shared equally by the Authority and the Union and paid to the arbitrator individually.

(4) In cases of settlements, if the Labor Relations Step answer is overturned in full the Authority will pay the cost of the arbitrator, if any; if the Labor Relations Step answer is upheld in part and reversed in part, the parties will split the cost of the arbitrator, if any. If the Union withdraws a case from arbitration and the Labor Relations Step answer stands, the Union will pay the cost of the arbitrator, if any.

(5) In cases of postponement, the party requesting the postponement will pay the arbitrator's charges, if any.

(m) Employee records older than three (3) years will not be considered in discharge cases.

(n) (1) It is agreed that once each month a Labor Relations Representative and Union representative will conduct a case review meeting for those cases scheduled for arbitration for two months hence. At this meeting, the parties will undertake a comprehensive review, and evaluation of the cases in an effort to resolve the dispute by mutual agreement.

(2) If within five (5) working days of this case review meeting, the parties agree to resolve, settle or drop any case and it is withdrawn from arbitration, another pending arbitration case will be scheduled into the vacancy created by the decision to withdraw.

(3) For purposes of designating the grievance to be substituted in place of the withdrawn grievance, the Union will identify to the Authority three (3) grievances awaiting arbitration, of which two (2) will be disciplinary or discharge grievances and one (1) will be a contract grievance, if available. One these three (3) grievances will be selected by the Authority to fill the open slot.

(6) A settlement agreement must be signed and dated by both parties before the case is withdrawn from arbitration and another case substituted.

SECTION 702. EXPEDITED ARBITRATION

(a) The Expedited Arbitration Panel shall consist of one Authority-appointed member, one Union-appointed member and one neutral member. The neutral member will be selected by the parties to serve for a period of six (6) months and may be eligible for selection to a later panel. The other members of the panel may change from hearing day-to-hearing day or from case-to-case.

The parties agree to select two (2) neutral arbitrators to serve on the Expedited Arbitration Panels, with each arbitrator to provide one (1) date per month for hearings. The first invitation shall be extended to Alan A. Symonette. The second invitation shall be extended to an arbitrator selected by the Union from a list of labor arbitrators provided by the Philadelphia office of the American Arbitration Association, except the Union shall not select any arbitrator who previously served as an arbitrator on the parties' arbitration panels or as an expedited arbitrator.

(b) The Expedited Arbitration Panel shall meet no less frequently than once a month and will hear and decide all grievances submitted by the Union concerning disciplinary actions short of discharge and such other cases as are submitted by mutual agreement.

(c) By submitting a case to Expedited Arbitration, the parties waive their rights to arbitrate the grievance under Section 701. The decision to submit a case to Expedited Arbitration (whether by the Union as of right in disciplinary cases or by agreement in other cases) shall be made within thirty (30) days of receipt by the Union of a third level grievance reply.

(d) Expedited Arbitration hearings shall be governed by Section 701, except as modified by the following procedures:

(i) The time and date of the hearing of a particular case must be agreeable to the parties.

(ii) Each party may select an advocate and will be limited to no more than two (2) additional witnesses. The Panel is prohibited from calling any additional witnesses. Each party shall inform the other, in writing and stating case name and number, of the identity of its witnesses at least ten (10) working days prior to the date of hearing.

(iii) Each party shall have no more than thirty (30) minutes to present its case, including all testimony documents rebuttal and argument. Once either party has presented evidence in support of its case, there will be no adjournments or postponements of the hearing. Post-hearing briefs will not be allowed.

(iv) There shall be no transcripts or electronic records made of the hearing.

(e) The Expedited Arbitration Panel shall issue a written Award and Opinion. not to exceed two (2) 8"x 11" double spaced pages in length, no later than fifteen (15) days following the date of the hearing. Awards of the Panel shall be final and binding upon the Authority, the Union and any employee(s) affected by the grievance, but shall be non-precedential and shall not be used or referred to by either party in any other forum. However, the neutral arbitrator will consider himself/herself bound by decisions set within his/her six (6) month term and all such decisions shall be consistent.

(f) All costs of Expedited Arbitration will be shared by the parties in accordance with Section 701(L).

ARTICLE VIII Miscellaneous

SECTION 801. BULLETIN BOARDS

A place will be provided in all shops where Union notices may be posted with the permission of Shop Management.

SECTION 802. INJURED EMPLOYEES

(a) No employee who is injured while at work will be required to make accident reports before one is given medical attention, but will make them as soon as practicable thereafter. Proper medical attention will be given at the earliest possible moment.

(b) In the event the Authority disputes a Workers Compensation claim filed by an employee, such employee shall be paid all sick benefits to which he/she is otherwise entitled under the Labor Agreement. In the event the Workers Compensation claim is upheld, the sick benefits paid to the employee under this paragraph will be deducted from the Workers Compensation benefit payments.

(c) In all cases involving claims of on-the job injury, the Authority shall provide to an employee's attorney, Union representative or physician, upon receipt of a properly executed written notice, a copy of the employee's medical record pertinent to the injury, a copy of the cover sheet identifying indemnity payments and/or medical expense payments pertinent to the injury and copies of all forms filed with Harrisburg pursuant to the injury, if any.

The cost of such reproduction will be borne by the employee and such request shall be filled within thirty (30) calendar days.

The Authority and Union shall meet to prepare a jointly produced pamphlet on employees' rights and obligations under Workers Compensation law to be given to employees with Workers Compensation questions.

SECTION 803. PAYING EMPLOYEES

(a) Employees will be paid weekly during their regular working hours. Should the regular pay day fall on a holiday or days when the shops are closed, employee will be paid on the preceding day.

(b) In any case where an employee receives unemployment compensation, worker's compensation, governmental benefits, or any similar payments from the Authority, its insurance carriers, or a governmental agency, and shall for any reason later become entitled to other reimbursements from the Authority for the same period of time, such prior payments shall be credit against any reimbursements to which one later becomes entitled.

SECTION 804. MAINTENANCE OF SHOPS AND APPURTENANCES

Good drinking water and ice, if necessary, will be furnished. Sanitary drinking fountains will be provided where necessary. Pits and floors, lockers, toilets and washrooms will be kept in good repair and in a clean, dry and sanitary condition. Shops, locker rooms and washrooms will be lighted and heated in the best manner possible consistent with the source of heat and light available at the point in question. First aid kits will be accessible to all employees.

SECTION 805. PROTECTION OF EMPLOYEES

No employee will work under a derrick, car or bus without proper protection. Where the nature of the work to be done requires it, derricks, buses, or passenger cars will be placed over a pit if available.

SECTION 806. COMMITTEE WORK

Authority will not discriminate against any committeeperson who, from time to time, represents other employee, and will grant one leave of absence when delegated to represent other employees. The Authority shall pay members of the Local Committee at straight time hourly rates for time consumed during or time lost due to meetings with the Management of the Authority when such meetings are called by mutual consent.

SECTION 807. LEAVE OF ABSENCE

When the requirements of the service will permit, employees on request, will be granted leave of absence for a limited time with the privilege of renewal. An employee absent on leave who engages in other employment without the special permission of the Management automatically severs one's relations with the Authority.

SECTION 808. ABSENCE FROM WORK

An employee detained from work for any cause must notify one's Superintendent or Foreperson as soon as possible.

SECTION 809. JURY DUTY AND ATTENDING COURT

Employees when attending Court as witness for the Authority will be paid from the time of leaving the reporting point until arriving at the point to which sent, and similarly for the return trip. The time spent in consultation and in Court will be paid for at the employee's hourly rate. Employees will not be paid less for this service than their bulletined hours at home station at hourly rate. An employee serving on a Court Jury will be paid the difference between one's jury duty pay and one's regular eight hour straight time rate for each of one's regularly scheduled work days on which one serves on such jury duty.

SECTION 810. ARMED SERVICES

Any employee entering the Armed Services who might be drafted under P.L. 759, or entitled to seniority rights under P.O. 759, shall be entitled to pension and seniority rights as provided herein, and upon return may exercise one's seniority to fill any position bid and held by a junior employee during this absence, provided one can qualify and makes application within thirty (30) days.

SECTION 811. MEDICAL EXAMINATION

It may be found necessary for employees to submit to an Authority medical examination to insure the safety of the individual, the operator and other employee with whom one is working, and to determine the employee's physical capabilities after a period of disability due to a noncompensable cause. When such medical examinations are required by the Authority, it shall assume the cost thereof.

An employee failing to meet the physical and mental qualifications for the duties of

one's employment shall be forthwith notified of that fact in writing. Within five (5) days after the date one was so informed, said employee shall have the privilege of being examined by a medical doctor of one's own selection at one's cost. After examining the employee, said doctor shall forthwith submit in writing to Authority one's findings and conclusions.

If the Authority doctor and the employee's doctor do not concur in the diagnosis and recommendations, and, if the employee in question makes written application for the same within five (5) days after one was informed in writing of the disagreement, the two doctors shall select a third medical doctor for the purpose of sensing as the third party, of a medical board to determine the physical and mental condition of said employee. Authority shall pay for the services of its doctor and the third or neutral doctor.

If the conclusion of the two said three doctors is that the employee is not qualified physically and/or mentally for the regular duties of one's employment, this fact shall be certified by them in writing to the Authority; the Authority shall notify Union of such findings in writing; and an effort shall be made by the Authority to find a position with duties that the affected employee can perform within the scope of the doctors' recommendations. If the recommendations of the doctors are such that the affected employee is unable to perform duties available, and if said employee does not qualify for disability benefits under Section 412, then one shall be furloughed.

If an employee has been furloughed under this provision and one's disability is removed as the result of subsequent medical treatment, as certified in writing by one's personal doctor, and an application for reinstatement is made within the time equal to the accrued A&H eligibility as per Section 408, but in no case to exceed one (1) year after the date of furlough, then the employee shall be re-examined by the Authority doctor, who may order reinstatement. If the two said doctors do not concur in diagnosis and recommendations, then one shall be examined by a board of three doctors, including the same third doctor who conducted the previous examination if same was required. If the majority thereof certify in writing to Management that said employee is able to resume one's regular duties, one shall be restored without loss of seniority. If the majority thereof certify in writing that said employee is unable to resume one's regular duties, Authority shall notify Union of such findings in writing and an effort shall be made by the Authority to find position with duties that the affected employee can perform. If the employee is unable to perform the duties available, one shall be dropped from service.

SECTION 812. HEALTH AND SAFETY

The Authority and the Union agree that the safety of its employees and the riding public is of paramount importance to the successful accomplishment of the mission of providing transit service to the citizens of the region. Therefore, the Authority and the Union agree to work together to establish joint health, safety, workers' compensation and accident/personal injury claims cost containment programs that will maximize the safety and health of the Authority's employees, passengers, and

visitors while simultaneously protecting SEPTA's facilities and equipment.

The Authority will abide by applicable Federal, State and Local laws, and make available protective equipment required by such laws. Prevailing occupational health and safety standards will be used in determining the presence of health hazards or unsafe conditions in the workplace.

The Authority and the Union will continue to develop and implement a comprehensive health and safety program, including at a minimum, the Joint and Location Health and Safety Committees, hazard identification and correction procedures, employee training and education, and safety awards and rewards programs; and under the policy direction of the Joint Health and Safety Committee, Workers' Compensation and accident/personal injury claims cost containment programs.

The following provisions regarding the JHSC, and LSCs shall govern the establishment, operation and duties of such committees which shall act jointly for all three divisions of the Authority (CTD, Frontier and Victory) represented by Local 234. The provisions regarding safety incentive programs similarly shall govern the rights and entitlements of employees in all three of the same divisions on a joint basis. No additional committees or incentive programs shall be created for Victory Division.

I. Joint Health and Safety Committee (JHSC)

A. A Suburban Transit Division (STD) rank and file employee will be appointed by the Union President to sit on the SEPTA / TWU Joint Health and Safety Committee. The Suburban Transit representative should have prior experience as a Location Safety Committee member as well as knowledge, familiarity, and experience in the operating environment. The appointee must have demonstrated a good record in attendance, discipline, safety, and accident prevention. The Union's Chairperson shall be responsible for overseeing the Union's commitment to the Committee. The Chief Officer of Safety and Risk Management will serve as the Authority's Co-Chair. Permanent Authority members of the Committee will also include the Chief Bus Operations Officer, the Chief Subway/Light Rail Operations Officer, the Chief Engineer, and the Director/Assistant Director of System Safety. Representatives of System Safety, Workers' Compensation, Claims, Medical and other departments will attend as required by issues scheduled on the agenda.

B. The functions of the Joint Health and Safety Committee will be as follows:

- 1). Establish mutual goals to reduce health hazards in the workplace, occupational injuries, vehicle accidents, and passenger claims.
- 2). Working pursuant to the policy direction of the Joint Labor-Management Accident Reduction Committee, establish pro-active programs with employees to:

- (a) Keep the maximum number of employees injury-free and productive.
 - (b) Reduce the number and severity of accidents.
 - (c) Insure employees receive prompt and complete medical attention and follow-up.
 - (d) Return injured employees to full duty as soon as possible.
- 3). Conduct annual training of new location safety committee members to ensure familiarity with processes, procedures and current issues.
- 4). Conduct periodic evaluations to assess progress toward committee goals and develop means to evaluate Location Safety Committee performance.
- 5). Make periodic inspections of Authority vehicles and/or facilities in accordance with Authority rules and regulations, and promptly report hazardous conditions.
- 6). Provide guidance, direction and support to the Location Safety Committees, and work to resolve complaints they are unable to resolve.

C. Joint Health and Safety Committee meetings will be scheduled at least once a month. Seven (7) days prior to the monthly meeting, the Co-Chairs of the Committee shall exchange a written agenda or list of items to be discussed at the meeting. The minutes as reported by the Authority will address items discussed by the parties at the meeting.

D. The Authority agrees to share with the Union accident and injury statistics, final reports on accidents, workplace environmental test results, and reasonable requests for information related to agenda items that are legitimate subjects for discussion at Joint Health and Safety Committee meetings, provided this information is not privileged information, i.e., restricted under doctor/patient or lawyer/client relationships.

E. The Authority will pay each Union committee member at his/her regular rate of pay, the equivalent of one (1) eight (8) hour day per month, for their attendance at the Joint Health and Safety Committee meeting and for performing safety-related work assigned to them by the Union.

F. As part of the Joint Health and Safety Program, the Authority will make forms available to all employees to report safety hazards in the workplace. Such forms will be placed at locations determined by the Joint Health and Safety Committee and location committees.

G. The Committee recognizes that under certain circumstances, the presence of employees who are not regular members of the Committee would be useful in the Committee's deliberations. The invitee(s) will be mutually agreed to by the Co-Chairs and such requests will be made a minimum of seven (7) days prior to a

scheduled meeting.

H. Proposed changes or additions to the Joint Health and Safety Program must be submitted to the Joint Health and Safety Committee for review and approval.

I. The parties agree that in response to the Pennsylvania Department of Transportation's request that the Authority adopt limits on hours of service, the issue will be referred to and considered by the Joint Health and Safety Committee, with the mutual intent of developing an appropriate standard to replace the interim policy addressing this issue.

II. Location Health and Safety Committees (LSCs)

A. Location Health and Safety Committees (LSC) will be established at designated Authority locations. The number of Union personnel assigned to each LSC will be determined by the following formula: (1) Transportation: one (1) member for every one-hundred (100) authorized heads, or portion thereof, at the location, and (2) Maintenance: one (1) member for every fifty (50) authorized heads, or portion thereof, at the location, provided that there be a minimum of two (2) union representatives on each LSC, or a minimum of three (3) in locations with more than 100 employees. The Union may determine the mix of maintenance and transportation representatives on each LSC, provided that there shall be at least one (1) Maintenance representative on each LSC for locations with at least fifty (50) authorized Maintenance heads and at least one (1) Transportation representative on each LSC for locations with at least one-hundred (100) authorized Transportation heads. Management will be represented at LSC meetings by the Director or Assistant Director of Transportation, the Director or Assistant Director of Maintenance, and the Buildings Foreman, or their respective equivalents. Committee meetings will be held once per month, with an agenda composed of safety and accident reduction topics. Committee meetings will be chaired by a facilitator chosen by the Location Safety Committee. The Accident Reduction Committee persons responsible for that location will provide guidance and serve as advisors. Any change to the structure of the committee must be agreed upon by the Co-Chairs of the Joint Health and Safety Committee.

B. Location Health and Safety Committees are advocates for improved safety and health conditions and workers' compensation and accident/personal injury claims cost containment in their locations. The functions/goals of the Location Health and Safety Committees under the direction of the Joint Health and Safety Committee will include:

- 1). Setting goals and developing programs to reduce workers' compensation claims and liabilities as well as accidents and personal injury claims.
- 2). Identifying, evaluating and recommending controls for safety and health hazards in the workplace.
- 3). Promoting safety and health education in the location.
- 4). Making periodic inspections of facilities and/or vehicles in accordance with Authority rules and regulations and promptly reporting hazardous conditions.

5). Making recommendations for employee safety and health training programs.

6). Assisting management by ensuring compliance with safety procedures such as Personal Protective Equipment (PPE) which are applicable to that particular location committee.

7). Involving pro-active participation by the Union in all of the above.

C. Rank-and-file members of the Location Health and Safety Committees are selected by the Union from a list of volunteers solicited jointly. When selecting committee members, the Union will consider the employee's safety, discipline, attendance, and accident history/record. Members should have knowledge, familiarity and experience in the operating environment. The Authority agrees to pay Union rank and file members to attend location committee meetings at their regular rate of pay, for one meeting per month. Periodically, additional assignments may be made or meetings held by the Location Safety Committee provided that the responsible JHSC Co-Chairs mutually agree.

D. Periodic meetings between the Joint Health and Safety Committee and a representative of each Location Health and Safety Committee to guide, train, identify problems and evaluate the performance of the location committees will be scheduled by mutual agreement of the Co-Chairs of the Joint Health and Safety Committee.

III. Education and Training

A. The Authority and the Union recognize employee training and education as a critical element in safety, health, and claim reduction programs. The Authority agrees to provide such education to all of its employees on a regular basis. In determining what training is required, requests will be considered from the following sources: the Joint Labor-Management Committee, the Joint and Location Health and Safety Committees, the Union staff, Section Officers and location management personnel.

B. Training topics will also be based on a review of location accident and injury statistics and the findings of hazard identification observations. The topics and frequency of the training will depend upon the individual accident experience of a location and requests of the location safety committees. Upon request by the Union, the Authority will pay the cost for the publication and distribution to employees of safety related literature such as brochures, leaflets, and booklets.

C. In conjunction with employee identification of safety and health hazards, the Authority will train Location Health and Safety Committee members in the techniques of health and safety hazard identification, evaluation and control.

IV. Safety Awards Program

The Safety Award program has been established in order to recognize employees who have maintained safety practices and attendance procedures in the

work place for the calendar year. A Safety Awards Banquet will be held for eligible employees, as described below. All eligible employees who meet the criteria below will receive, on an annual basis, beginning with the tenth year of eligibility, a Safety Award of \$20 for each year of service in which they meet the following criteria:

A. The Rules and Guidelines will apply to the following groups of employees:

- Vehicle Maintenance
- Revenue Maintenance
- Line/Station Maintenance, i.e., Buildings, Facilities, Track and Power workers

B. Terms & Definitions

1). Eligible Year: A year in which the employee remains free of the infractions listed in Sections 3 and 4. An eligible year advances the employee's accumulated safe years by one (1).

2). Grace Year: Neutral effect in establishing the number of consecutive safe years.

3). Ineligible: Loss of all accumulated safe years, i.e., employee reverts to zero safe years or stays at zero safe years.

C. Attendance Disqualifications

1). At a minimum, eligibility for the safety award requires that an employee have no more than 30 days of absences for any reason other than those listed in (2) below.

2). Employees disqualified for failing to satisfy (1) above will be graced for as long as they are in the following positions:

- (a) Management Trainee (Dispatcher, Instructor, Supervisor, Clerk Receiver, Backfill Foreperson, etc.)
- (b) Military Leave
- (c) Jury Duty
- (d) Union Leave, i.e., Union Staff, Section Officers, LSC members, etc.
- (e) United Way

D. Accident and Work Safety Disqualifications

1). A Maintenance employee who misses more than a day's work as a result of an on-the-job injury.

2). Any Maintenance employee involved in an accident causing injury or

damage to Authority property.

3). Any type of safety-related discipline including verbal warnings for an unsafe work practice.

4). A switch, signal or work zone violation committed by a Vehicle Maintenance Employee.

NOTE: Any employee injured as a result of an assault while on duty, who complies with SEPTA Medical policies, will be placed in Grace until they are able to return.

E. Affect on Prior Years of Eligibility

1). 0 Through 4 Safe Years: Employees with less than five consecutive years of eligibility who commit a disqualifying infraction listed in Sections 3 and 4 above will be deemed ineligible and lose all accumulated safe years.

2). 5 Through 9 Safe Years: Employees with less than ten years of eligibility will be graced for one year as a result of having committed any of the disqualifying infractions listed in Sections 3 and 4 above. If an employee with less than ten eligible years has a disqualifying infraction listed in Sections 3 and 4 above after having been graced in a prior year, the employee is deemed ineligible and loses all accumulated safe years.

3). 10+ Safe Years: Employees who have achieved ten years of eligibility will be placed in grace for any year in which any of the disqualifying infractions listed in Sections 3 and 4 occurs. The next qualifying year will then advance the total number of safe years achieved. However, if such an employee has three consecutive years in which they commit an infraction listed in Sections 3 and 4 above, they will lose all accumulated safe years.

F. Transfer of Safe Years

Employees who transfer between or within Divisions and/or Departments of the Authority represented by TWU Local 234 will retain all accumulated years earned toward the safety award using the criteria applicable to the position the employee held for each qualifying year.

G. Calculation of Maintenance Employees' Credit for Prior Safe Years

With the inception of the Maintenance Award Program in 1993, any Maintenance employee eligible for an individual safety incentive award must first reach and pass a threshold of ten (10) safe years which may date back to 1983.

Maintenance employees who reach the plateau of ten (10) safe years will have their prior safe years credited for the purpose of calculating their safety award on the basis of their record or the formula agreed upon by the parties.

All Maintenance employees' records will be reviewed on an individual and

calendar year basis. If records are complete and reliable, they will be used. If records are incomplete, the employee will be credited with the higher of the existing record, or the agreed upon formula.

V. Safety Incentive Programs

A new safety incentive program will be defined by the Joint Health and Safety Committee (JHSC) and recommended to the General Manager in accordance with the following timetable:

A. Within six (6) months of ratification of the labor agreement, the JHSC will present a measurable, monetarily-based safety and incentive program to the General Manager for consideration.

B. The proposed program will apply to all eligible bargaining unit employees working in their primary positions as well as management employees who supervise members of the bargaining unit provided that all measurable standards, including but not limited to attendance, accident, discipline, and safety criteria, are maintained.

C. Following approval by the General Manager, a six (6) month pilot program will be established to test the proposed program at three (3) locations which will be determined by the JHSC.

D. The JHSC will monitor all measures of the program and will recommend adjustments as appropriate.

E. Within one (1) year of adoption of the contract, the Safety Awards and Incentive Program will be implemented. The Chief Officer of Safety and Risk Management will be responsible for administration of the program following adoption. Monthly status reports will be presented before the JHSC as well as directly to the General Manager and Treasurer.

F. Financial allocations will be based upon criteria established by the JHSC and approved by the General Manager. In any event, the financial distribution will include fifteen percent (15%) of documented savings in areas related to safety and workers' compensation as a direct result of the new safety and incentive program up to a maximum of \$500,000 in the first full year of the program. Maximums in subsequent years will be recommended by the JHSC and approved by the General Manager, but will be no less than \$500,000 in each year. Dollar amounts and percentages in this paragraph will apply jointly to all three divisions (CTD, Frontier and Victory) represented by TWU Local 234.

G. Financial awards will be distributed annually in accordance with an approved formula determined by the JHSC on a location basis following the anniversary of the implementation date.

H. The Treasurer's Office must approve all calculations related to savings as well as the distribution of incentive awards.

VI. Resolution of Disputes

Health and safety items must be submitted to the Joint Health and Safety Committee for consideration. If the matter is not resolved satisfactorily by the committee, then the Union may appeal the matter to the Labor Relations step of the grievance procedure for handling. Health and safety disputes not resolved within the grievance procedure may be appealed to a third party expert or panel of experts, if mutually agreed to by the parties, for resolution or taken to arbitration, on an expedited basis in accordance with this Agreement. Any cost associated with the selection of the third party expert or panel will be shared equally by the Authority and the Union.

SECTION 813. SUBLETTING

Except in unforeseen emergencies, or when there are not fully qualified employees in the particular department, or when a situation arises pertaining to repair of equipment which requires work or specialized training, skills, and facilities, not normally found in any of the maintenance shops of the Authority, the Authority and the Union will completely discuss and investigate the necessity for subletting before the equipment is sent out for repair.

Effective December 13, 2009, the parties agree that, no less than on a quarterly basis, the Assistant General Manager for Operations, upon request from the Union, will meet with the President of the Union to discuss the performance of work using the Authority's workforce or outside contractors. It is understood that nothing in this paragraph shall be used by either party in arbitration to advance their respective interpretations of the meaning of the foregoing paragraph; nor shall the meeting contemplated by this paragraph be construed to satisfy the respective rights and obligations of the parties under the foregoing paragraph. It further is understood that nothing in this agreement shall be interpreted to alter the parties' rights under this Section.

SECTION 814. FAMILY AND MEDICAL LEAVE

The Authority will grant leaves of absence to eligible employees in accordance with the Family and Medical Leave Act of 1993 (FMLA or Act) for the serious health condition of the employee or to care for the employee's qualifying family member, or for the birth, adoption or placement of a foster child in the care of the employee.

All terms of this Article shall be construed in accordance with the statutory provisions of the FMLA and regulatory and judicial interpretations of such provisions without reducing or expanding upon the leave benefits provided thereunder including provisions relating to notice, medical certification of a serious health condition, designation, qualifying events, amount of leave available, continuation of group health benefits, job restoration and non-discipline for use of FMLA leave.

Eligible employees will be entitled to take up to twelve (12) weeks of FMLA leave

in each year, defined under the rolling backward methodology.

In accordance with the FMLA notice provisions, the employee will notify the Authority of the reason for leave and the anticipated timing and duration of the leave. It is the responsibility of the Authority to determine whether the leave requested by an individual is covered by the FMLA. If FMLA leave applies, the Authority must designate the leave in writing, as FMLA leave and inform the employee of this designation.

Eligible employees who use FMLA leave will not be required to utilize accrued and unused vacation or personal days prior to, or concurrently with FMLA leave. Eligible employees who use FMLA leave for their own serious health condition, including disability related to maternity, will be required to utilize accrued and unused A&H leave concurrently with FMLA leave.

An eligible employee may elect to utilize accrued and unused vacation or personal days concurrently with the FMLA leave to care for a qualifying family member with a serious health condition, or to care for a son or daughter within 12 months of the birth, adoption or placement of a foster child in the care of the employee, provided that the employee notifies SEPTA's FMLA Administrator of such election at the commencement of the leave.

ARTICLE IX Productivity

SECTION 901. PRODUCTIVITY

The safe, efficient and economical operation of the Authority is a major concern of the public, the Authority, the employees, and the Union. The Authority and the Union recognize that the public, whose support and patronage is essential, is entitled to reliable and economically and efficiently operated and maintained fleets of passenger vehicles, rights of way, plant and equipment. The Union, therefore, recognizes the principle that it is a sound economical and social objective to produce more without the necessity of increasing the labor force and is charged with the responsibility of positively and cooperatively advising management concerning means of improving productivity concerning matters, among others, as maximizing use of time and facilities, reducing equipment breakdowns and delay, improving quality, reducing the need for rework, eliminating waste of material, supplies and equipment, reducing overtime, boosting employee morale, improving safety and focusing employee awareness on the need for significantly higher productivity.

The Authority and Union will develop pay for performance programs such as rewarding on-time performance, claims reduction, attendance, rider report card score reductions in passenger complaints and revenue increase and cost reduction sharing.

ARTICLE X
Notice of Changes

SECTION 1001. TERM OF AGREEMENT

This Agreement and all of its provisions including rates of pay hereinabove set forth in this Agreement shall be in force and effect for the term commencing April 1, 2014 (there will be no retroactivity of any provisions of this Agreement except where specifically indicated by effective dates) and ending midnight November 18, 2016, and thereafter from year to year under the same terms and conditions as herein contained, unless either party hereto shall give to the other at least sixty (60) days written notice of its election to terminate the Agreement at the end of the then current contract year.

SECTION 1002. NON-DISCRIMINATION CLAUSE

(a) The parties hereto agree that race, color, creed or national origin shall not be a factor in the hiring of employees; in establishing the conditions of their employment nor in applying them to any rates of pay, rules or working conditions and that no employee shall be deprived of equal employment opportunities nor be subject to any discrimination in the exercise of one's employment rights because of race, color, creed or national origin.

(b) The Authority's policy is to deal fairly and justly with every employee and does not condone nor will it tolerate favoritism in the treatment of any particular employee or group of employees.

SECTION 1003. AGREEMENT CHANGES

If any provision of the above Agreement be held invalid, the remainder shall not be affected thereby and should thereafter be lawful to give effect to such provision, said provision shall continue in full force for the term of this Agreement.

This Agreement shall be subject to change at any time by mutual agreement between the parties.

The Agreement shall be subject to approval of any governmental or regulatory bodies whose approval is necessary.

SECTION 1004. SUCCESSOR CLAUSE

This Agreement shall be binding on the parties hereto and their respective successors and assigns.

SECTION 1005. SEPARABILITY CLAUSE

Effect of Legislation: It is understood that this Agreement is subject to all applicable laws now or hereinafter in effect, and to the lawful regulations, rulings and orders of regulatory commissions or agencies having jurisdiction. If any article

or section of this Agreement is in contravention of the laws or regulations of the United States or the Commonwealth of Pennsylvania, such article or section shall be superseded by the appropriate provision of such law or regulation, but all other articles and sections of this Agreement shall continue in full force and effect.

Effect of Court Ruling Part of Agreement Invalid: If any article or section of this Agreement shall be held invalid by any court of last resort or by any regulatory commission or agency of competent jurisdiction, or if compliance with or enforcement of any article or section shall be restrained by such tribunal pending final determination as to its validity, the remainder of this Agreement shall not be affected thereby.

ARTICLE XI
Medical Department and Drug & Alcohol Testing

SECTION 1101. DISPUTE RESOLUTION

Disputes between employees' physicians and the Authority's Medical Department of a nature referred to in the following subparagraph shall be resolved by third party, disinterested physicians jointly selected in each dispute by the Authority and the Union. The costs of the third party physician when utilized pursuant to subsection (a) below shall be borne by the Authority; the costs of the third party physician when utilized pursuant to subsection (b) below shall be borne equally by the Parties.

This procedure refers to the following types of disputes; provided, however, that the Authority has the right to promulgate any reasonable medical qualifications and standards and such qualifications and standards are not subject to case by case determination by the third party physician in accordance with the foregoing procedure and that the third party physician shall not change, alter or amend the Medical Guidelines as set forth by the Medical Department:

(a) Whenever the Authority's Medical Department determines that an employee is able to work and the employee's physician considers the employee unable to work, the third party physician shall determine if such employee is safely and healthfully able to perform his/her job.

If such employee refuses to submit to the examination by the third party physician or if the third party physician determines that such employee is safely and healthfully able to perform his/her job and said employee refuses to return to work, said employee shall be deemed to have resigned his/her employment with the Authority; provided, however that in the event said employee thereafter prevails in the Workers Compensation claim with respect to the injury considered by the third party physician, the employee shall no longer be deemed to have resigned his/her employment and the Union may file for Arbitration within thirty (30) days of the issuance of the Workers Compensation award to reinstate said employee.

(b) Whenever the Authority's Medical Department determines that an employee is unable to work and the employee's physician considers the employee able to work the third party physician shall determine if such employee is safely able to work.

(c) A copy of the report of the third party physician will be sent to the Authority, the Union and the employee prior to the employee's post examination appointment at SEPTA's Medical Department.

SECTION 1102. PRESCRIPTION MEDICATIONS

(a) The Authority may publish and from time to time amend a list of medications whose usage by an employee must be reported by him/her to a designated Authority representative.

(b) In the event an employee intends to work while taking a prescribed medication not on the list referred to in the above paragraph, the employee must inform the prescribing physician of this intention and of the requirements of his/her job for the purpose of receiving the physician's advice as to whether taking the medication precludes the employee's safety and healthfully working at that job.

(c) Whenever the Authority's Medical Director is aware that an employee is using any prescribed medication, the Medical Director may require such employee to obtain a written statement from the prescribing physician indicating that the employee is safely able to perform the requirements of his/her specific job. This written statement shall be on a form provided by the Authority and agreed to by the Union that summarizes for the physician such employee's job requirements.

(d) After receiving the written statement referred to in the above paragraph, the Authority's Medical Director may from time to time, consistent with prevailing medical practice with respect to the underlying medical condition and the drug being administered therefor:

(1) require the employee and his/her physician to provide information on the employee's usage of the prescribed medication, including the dosage, frequency and time of use, and relevant side effects on the employee, if any;

(2) conduct a medical examination of the employee, including body fluid tests, for the purpose of determining whether the employee is taking the prescribed medication in conformity with the prescription.

(e) Whenever the Medical Director and the prescribing physician disagree as to whether an employee's use or failure to use a prescribed medication renders such employee unable to perform safely the requirements of his/her specific job, such dispute shall be resolved by the procedures referred to in section 1101 above. For purposes of resolving such a dispute, the proviso set forth in the second paragraph of section 1101 above shall not apply.

SECTION 1103. DRUG AND ALCOHOL TESTING

The parties agree that drug and alcohol testing will be conducted in accordance with the Authority's Drug and Alcohol Policy, attached hereto as Exhibit C, and that such policy shall supersede the Authority's Integrated Program of Education, Assistance, and Testing for Intoxicants and Controlled Substances. The provisions of this section are intended to accompany and, where inconsistent, to supersede (but only as to employees represented by Local 234), the Authority's Drug and Alcohol Policy.

I. Types of Testing

(a) Reasonable Suspicion Testing

The Authority may require an employee to submit to drug and alcohol testing on a reasonable suspicion basis when a supervisor trained in the detection of drug and alcohol use can articulate and substantiate specific behavioral, performance, or contemporaneous physical indicators of probable drug or alcohol use. The Authority and the Union understand such indicators to include such of the following as would reasonably lead the supervisor to conclude in good faith that drug or alcohol use is a contributing factor: e.g., behavior or actions which differ from normal behavior or actions under the circumstances, inappropriate or disoriented behavior, and incidents involving serious violations of safety or operating rules and practices.

(b) Post-accident Testing

(i) An accident is any incident involving a SEPTA vehicle that causes damage in excess of \$3500 to that vehicle or any other vehicle, or death, or injury requiring immediate medical treatment away from the scene to any person.

(ii) Any employee operating a SEPTA vehicle involved in an on-duty fatal accident is subject to post-accident testing

(iii) A safety-sensitive employee operating a SEPTA vehicle in an on-duty non-fatal accident is subject to post-accident testing, unless at the scene of the accident the employee's performance can be completely discounted as a contributing factor to the accident.

(iv) In addition to employees actually operating the vehicle at the time of the accident, other safety sensitive employees whose actions may have contributed to the accident, such as but not limited to mechanics, are subject to post-accident testing.

(v) The specimen collection under this Section shall be done as soon as possible but in no event later than thirty-two (32) hours after the accident or after the relevant repairs were made (in the case of the mechanic) for urine drug testing,

nor more than eight (8) hours after the accident or after the relevant repairs were made for alcohol testing.

(vi) Following any accident, employees subject to testing must be so notified and are required to abstain from consuming any alcohol for eight (8) hours, or until tested, whichever occurs first. Additionally, all employees subject to testing must remain available for urine drug testing for thirty-two (32) hours and breath testing for eight (8) hours by ensuring that their usual supervisor knows of their whereabouts during that period.

(c) Signal Violations

An employee who has committed a signal violation(s) shall be subject to drug and alcohol testing in accordance with the Authority's Drug and Alcohol Policy. When an employee plugs into the wrong route, it shall not be considered a signal violation unless the train moves.

(d) Random Testing

(i) The following employees represented by Local 234 are safety sensitive employees and shall be subject to random testing: (1) Employees required to hold a Commercial Driver's License to operate revenue or non-revenue service vehicles; (2) Construction Equipment Operators; (3) Signal Maintainers; (4) Power Distribution Maintainers; (5) Inspectors (vehicle, mechanical, track and structural); (6) Vehicle Mechanics/Maintainers who repair or who perform routine maintenance on revenue service vehicles; (7) Welders; and (8) other employees whose duties relate to safe operation of passenger service and who operate a revenue service vehicle, whether or not such vehicle is in revenue service; who control the dispatch or movement of a revenue service vehicle; or maintain revenue service vehicles or equipment used in revenue service.

(ii) The above employees shall be in a pool from which random selection is made. Each employee in the pool shall have an equal chance of selection and shall remain in the pool, even after the employee has been tested. An employee shall be selected for testing on a random basis by using a scientifically valid random number generation method.

(iii) The selection rate is set at fifty percent (50%), which means that SEPTA will conduct a total number of tests during a year equal to fifty percent (50%) of the total number of the TWU employees who are subject to testing. Random alcohol and drug testing will be conducted at the same rates.

(e) Transfer Testing

The Authority may require a drug and alcohol test of an employee applying for a transfer from one Authority position to another only when such employee is applying to transfer from a job not subject to random testing to a job subject to random testing.

(f) Follow-up Testing

Employees who are returned to duty after a Mandatory Referral shall be subject to unannounced follow-up drug and alcohol testing for up to sixty (60) months, the number and frequency of such tests to be determined by the Substance Abuse Professional, except that there shall be a minimum of six (6) follow-up drug tests with Verified Negative Results and six (6) alcohol tests with Verified Negative Results during the first twelve (12) months after returning to duty.

(g) Physical Examination Testing

The Authority reserves the right to include drug and alcohol tests as part of periodic physical examinations to the extent that such examinations are required by law. Such examinations shall occur during the month of the employee's birthday unless otherwise required by law or unless the employee is not available (in which case the examination shall occur as soon as the employee is available). The Authority will give thirty (30) days advance notice to each employee before such examination.

(h) Protective Testing

(i) The Authority may require an employee to submit to a drug and alcohol test in a situation where the Authority receives a reliable report that the employee has had an off-duty drug or alcohol-related arrest.

(ii) An employee whose test result cannot be confirmed, or following tests in which there is a failure or defect in the testing procedure or chain of custody, shall be required to submit to an additional test before being permitted to return to work (if the employee has been held off pending the test results) or on the employee's next working day following the Authority's receipt of notice of the failure or defect (in all other cases). If Tampering is the suspected cause of the defect in the testing procedure, such protective testing shall be conducted under Observed Conditions.

(i) No Other Testing

The Authority shall not require any employee to submit to drug or alcohol testing except as set forth in the Authority's Drug and Alcohol Policy; this section; and in full compliance with existing FTA regulations and all future changes or interpretations thereof.

II. Testing Methodology

(a) Drugs Tested For

Specimens shall be tested for (i) marijuana, (ii) cocaine, (iii) opiates, (iv) phencyclidine (PCP), (v) amphetamines, (vi) alcohol, (vii) barbiturates, (viii) benzodiazepines, (ix) methaqualone, (x) such other substances as may be required by law and (xi) any other substance now or hereafter classified as a Schedule I or II controlled substance by the provisions of 21 U.S.C. ' 812 or the Regulations of the

Drug Enforcement Administration at 21 C.F.R. ' 1308.11.

(b) Definition of Positive and Negative Results

An employee shall be deemed to have a positive test result when the testing procedure complied with the requirements of the Authority's Drug and Alcohol Policy and this agreement and the test result showed the presence of a prohibited drug, prohibited drug metabolite or alcohol at a level equal to or above the cut-off level prescribed in the Authority's Drug and Alcohol Policy, including Appendix B thereto (e.g., a 50 ng/ml cut-off level for marijuana metabolites on the initial screen and 15 ng/ml on the confirmatory test, and .04% cut-off for alcohol on the confirmatory test.)

(c) Applicability of Medical Review Procedure

The Medical Review procedure outlined in the Authority's Drug and Alcohol Policy shall apply to all drug testing performed by the Authority.

III. Consequences of Failing or Refusing a Test

(a) Refusal to Submit to a Test

(i) Refusal to Submit to a Drug or Alcohol Test properly required under the circumstances is a dischargeable offense.

(ii) If the employee is unable to provide the required amount of urine, the collection site person shall instruct the individual to drink not more than 40 ounces of fluids and, after a period of up to three (3) hours, again attempt to provide a complete sample using a fresh collection container. The original insufficient specimen shall be discarded. If the employee is still unable to provide an adequate specimen, the insufficient specimen shall be discarded and testing discontinued. The Medical Review Officer shall refer the individual for a medical evaluation to determine if there is a medical reason for failure to produce the required specimen.

If it is determined that there was no such medical reason, and if the employee has had no prior positive tests, or a prior incident of shy bladder with no medical reasons, the employee shall undergo mandatory EAP referral and follow-up testing under I(f) above. If the employee has had a prior positive test or incident of shy bladder with no medical reasons, he/she will be subject to discharge.

(b) Reasonable Suspicion Testing

When, following the Medical Review procedure outlined in the Authority's Drug and Alcohol Policy, a positive result from a properly required reasonable suspicion test stands, the employee shall be discharged.

(c) Post-Accident Testing

When, following the Medical Review procedure outlined in the Authority's Drug and Alcohol Policy, a positive result from a properly required post-accident test

stands, the employee shall be discharged.

(d) Signal Violation Testing

When, following the Medical Review procedure outlined in the Authority's Drug and Alcohol Policy, a positive result from a properly required signal violation test stands, the employee shall be discharged.

(e) Random Testing

When, following the Medical Review procedure outlined in the Authority's Drug and Alcohol Policy, a positive result from a properly required random test stands, non-probationary employees shall be referred to the EAP for the first such positive result in a career, and discharged for the second such positive result in a career. Newly hired employees on probation shall be discharged for the first positive test result.

(f) Other Testing

When, following the Medical Review procedure outlined in the Authority's Drug and Alcohol Policy, a positive result from a properly required test of any other type stands, the employee shall be discharged.

(g) The Authority's Notice of Entry Into Follow-Up shall require employees to indicate whether the employee desires Union representation at the meeting and whether the employee desires that his/her test result be sent to the Union.

IV. Alcohol Use

(a) Measurable Presence of Alcohol

An employee whose alcohol test indicates an alcohol level greater than 0.02 but less than 0.04 will be sent home without pay for the balance of the shift.

(b) Pre-Duty Use of Alcohol

An employee in a safety sensitive position who has consumed alcohol Pre-Duty (four hours prior to the employee's scheduled report time) shall not be permitted to work and shall not be paid. An employee's second violation of this provision in his/her career shall result in a one (1) day suspension without pay and a Mandatory Referral to the EAP. An employee's third violation of this provision in his/her career shall result in a three (3) day suspension without pay and a Mandatory Referral to the EAP. An employee's fourth violation of this provision in his/her career shall result in a five (5) day suspension without pay and a Mandatory Referral to the EAP. An employee's fifth violation in his/her career shall result in discharge.

V. Conformity to Law/Severability

(a) Effect of Court Rulings

If any part or section of the Authority's Drug and Alcohol Policy is held invalid by any court of last resort or by any regulatory commission or agency with jurisdiction, or if compliance with or enforcement of any part or section shall be restrained by such tribunal pending final determination as to its validity, the remainder of the Policy shall not be effected thereby.

Should any final and non-appealable decision of the United States Supreme Court, the United States Court of Appeals for the Third Circuit, the United States District Court for the Eastern District of Pennsylvania or a Pennsylvania appellate court, in litigation not involving the Authority and the Union, hold that a provision of a drug or alcohol testing program substantially identical to a provision of this section or the Authority's Drug and Alcohol Policy violates the Constitution or a statute of the United States or the Constitution, a statute or the common law of Pennsylvania, the Authority shall immediately cease application of that provision, until such time as the decision is vacated, reversed or overruled or otherwise invalidated. All other provisions of this section and the Authority's Drug and Alcohol Policy shall continue in effect.

(b) Effect of Legislation

The Authority's Drug and Alcohol Policy is subject to all applicable laws now or hereinafter in effect and to the lawful regulations, rulings and orders of regulatory commissions or agencies having jurisdiction. If any part or section of the Policy is in contravention of the laws or regulations of the United States, or the Commonwealth of Pennsylvania, such part or section shall be superseded by the appropriate provision of such law or regulation, but all other parts and sections of the Policy shall continue in full force and effect.

VI. Voluntary Rehabilitation

Non-probationary employees who are not subject to Mandatory Referral to the EAP may choose to utilize EAP drug and alcohol rehabilitation services of their own volition. SEPTA encourages this use. However, if the employee requests assistance or treatment after she/he has been notified of selection for any test, asking for the assistance will not block the test from occurring and she/he must still submit to the testing. Asking for assistance after being notified of a test will not alter the administrative or disciplinary consequences of such testing. Moreover, the employee shall not avoid any disciplinary charges or pending disciplinary charges by entering voluntary referral.

The EAP will disclose the progress of any employee who voluntarily refers her/himself to SEPTA staff only if obligated to do so under its duty to warn SEPTA that an employee who is not cleared for Safety-Sensitive work may attempt to return to such work.

Aside from fulfilling such obligation, the EAP will maintain the confidentiality of employees who utilize its services, including drug and alcohol rehabilitation and treatment services.

VII. Education and Training

(a) Drug and Alcohol Free Awareness Program

SEPTA has developed a Drug and Alcohol Free Awareness Program to assist employees to understand the perils of drug and alcohol abuse. As part of this Program, SEPTA will engage in an educational effort to prevent and eliminate drug and alcohol abuse that may affect the workplace. At a minimum, each new hire, each employee, and each supervisor shall receive educational materials and training in:

- (i) the Authority's Drug and Alcohol Policy;
- (ii) the effects and dangers of drug and alcohol abuse in the workplace;
- (iii) recognition of the signs and symptoms of individuals who use drugs and/or alcohol;
- (iv) the availability of treatment and counseling for employees who voluntarily seek such assistance including how to use the EAP;
- (v) the consequences of positive test results and other violations of the Policy.

Additionally, supervisors who may make reasonable suspicion determinations shall receive at least 60 minutes of training on the physical, behavioral, and performance indicators of probable drug use.

(b) Anti-Drug Information/Wellness Program

In addition to the EAP services offered to provide drug and alcohol treatment under the Authority's Drug and Alcohol Policy and this labor agreement, the Medical Department will provide educational mailings and/or distributions concerning a wide variety of lifestyle issues, including drug and alcohol abuse, to all employees and their families.

VIII. Advisory Committee

It is the ongoing responsibility of the Assistant General Manager for Operations, the Medical Director, the Program Coordinator, and the Chief Labor Relations Officer (hereinafter collectively referred to as "Responsible Officials") to monitor and evaluate the operation of the Authority's Drug and Alcohol Program and to make such amendments as may be necessary from time to time to carry out its purposes.

To provide information and advice to the foregoing persons, the Authority will invite an equal number of representatives of the labor organizations representing affected Authority personnel to serve on an Advisory Committee. One member of the Advisory Committee shall be a representative of the labor organization representing the transportation and maintenance employees of the Authority's City

Transit Division. Other representatives shall be chosen by the remaining labor organizations on a basis to be agreed upon by such organizations.

The Responsible Officials or their designees will meet with the members of the Advisory Committee and discuss with them the views, suggestions, and other input of the labor organizations representing affected Authority personnel (a) semi-annually concerning the overall functioning of the program; (b) prior to adding positions beyond those already classified in Section I(d)(i) above as safety sensitive; (c) prior to implementing a substantive change in the program as written; (d) prior to the final selection of any change in the EAP Provider, the Referral Agency or the testing laboratory; and (e) at other times upon reasonable request.

To the extent that any aspect of, concern with, or decision or employment action taken as a result of this policy is properly the subject of (a) the collective bargaining obligation between the Authority and any labor organization, or (b) the grievance and arbitration procedure of any collective bargaining agreement between the Authority and any labor organization, this meet and discuss procedure neither supersedes nor substitutes for those obligations or contractual procedures.

IX. Notification

The Authority will give thirty (30) days advance notice prior to implementation of any changes in its Drug and Alcohol Policy including those contained in this labor agreement.

SECTION 1104. MEDICAL DEPARTMENT

(a) Employees visiting SEPTA's Medical Department shall receive prompt, courteous and respectful treatment from the Department's doctors and non-medical staff. Diagnosis and treatment will conform to professional standards.

(b) The Authority will provide a form, jointly developed by the parties, for employees to fill out to evaluate each visit to the Medical Department. The form will evaluate factors such as, but not limited to, the quality of physical and personal treatment and promptness thereof. Copies of all completed forms will be available to the Union on a monthly basis.

(c) The Parties will establish a Medical Department Review Board, consisting of two (2) members appointed by the Authority and two (2) members appointed by the Union, to review complaints concerning employee treatment by the SEPTA Medical Department. This Board will meet not less than once per month and shall discuss recommendations for corrective action in an effort to resolve problems.

(d) The Authority will maintain a log book in the Medical Department to record the time an employee arrives at the Medical Department, the scheduled appointment time and the time the employee was actually seen by a physician. The Medical Department Review Board will receive a monthly summary of the log book, indicating the number and percentage of employees who were treated within fifteen (15) minutes of the scheduled appointment time.

ARTICLE XII
Joint Apprenticeship Program

The parties agree that during the term of this Agreement, SEPTA and the Union will establish a joint apprenticeship program. The General Manager of SEPTA and the President of Local 234 each will appoint two (2) members to serve on a Joint Apprenticeship Council. Thereafter, the Joint Apprenticeship Council will immediately convene with the goal of establishing and implementing a joint apprenticeship program as soon as possible.

ARTICLE XIII
Management Rights

The Union and the Authority agree that, except as modified or restricted by this labor agreement, past practice or sideletters between the parties, the Authority retains its inherent management rights as conferred by statute or the common law of Pennsylvania.

IN WITNESS WHEREOF, the parties have caused these presents to be executed in the respective names on the day and year first above written.

On Behalf of the Union:

(Signed) Willie Brown
President
Transport Workers Union, Local 234

(Signed) Brian Pollitt
Executive Vice-President
Transport Workers Union, Local 234

(Signed) Joseph Coccio
Secretary Treasurer
Transport Workers Union, Local 234

(Signed) Bruce Bodner, Esq.
Counsel to Transport Workers Union, Local 234

On Behalf of the Authority:

(Signed) Stephanie K. Deiger
Chief Labor Relations Officer
Southeastern Pennsylvania Transportation Authority

(Signed) Richard Burnfield
Chief Financial Officer/Treasurer
Southeastern Pennsylvania Transportation Authority

(Signed) Joseph P. Horbury, Sr.
Manager, Labor Relations
Southeastern Pennsylvania Transportation Authority

(Signed) Chad Cuneo
Manager, Labor Relations
Southeastern Pennsylvania Transportation Authority

(Signed) Jacob Aufschauer
Senior Director, Human Resources
Southeastern Pennsylvania Transportation Authority

RULES AND REGULATIONS OF

**MAINTENANCE DEPARTMENT APPRENTICE
TRAINING PROGRAM**

Effective October 16, 1962

**APPENDIX I
MISCELLANEOUS AGREEMENTS**

In order to reduce the shortage of qualified help in the shops, and to ultimately get employee with ability advanced to higher classification, an apprentice training program will be started with the following regulations governing:

1. All permanent employees shall have first opportunity, according to service seniority before temporary employee or outsiders are considered.
2. Trainee must be able to read and write English. Any employee hired after October 16, 1962 becoming a trainee shall be a high school graduate or have equivalent training.

3. The M.A. Test requirements shall not affect any personnel employed in the shops prior to April 1, 1948. All other permanent employee on the payroll prior to October 16, 1962 shall be required to score thirty (30) or higher in the M.A. Test in order to qualify for the program. Passing grade for an employee hired after October 16, 1962 entering the program shall be forty (40) or higher.
4. No employee who has previously taken the M.A. Test and failed will be permitted to take the M.A. Test a second time unless one submits proof of outside education in subjects helpful to the trade.
5. Authority will determine in which department and craft the training program will be operated.
6. Trainee will start as an apprentice in the designated department and craft in case of a permanent employee, and as an apprentice probationary for temporary employee or outsiders.
7.
 - (a) Trainee will serve a trial period of ninety (90) days after which one will be given one full year to show what ability one possesses. At the end of ninety (90) days, apprentice probationary shall become an apprentice.
 - (b) At end of 1 year and 90 days, or before if qualified, one will be reclassified helper in the craft and department. One will advance thereafter according to seniority and qualifications.
 - (c) All available information and instruction shall be at trainee's disposal and it will be up to one to use it.
 - (d) Trainee can be disqualified at any time during the year and ninety (90) days by Mutual agreement of Union and Management if it is decided employee will not ultimately make a qualified first class mechanic.

If the trainee is disqualified, one shall return to former position without loss of seniority in case of permanent employee. One shall be barred from becoming a trainee in the craft from which one was disqualified, or in similar craft in another department unless one submits proof of outside education in subjects helpful to the craft.

- (e) In case of a temporary employee or outsider disqualified as a trainee, one can be dismissed from the Authority or employed as a permanent laborer at discretion of Authority.
8.
 - (a) If a permanent job opening occurs in any craft or any department an apprentice in the training program shall be able to exercise service seniority only bidding such permanent job.
 - (b) An apprentice in the training program shall not establish craft seniority until one qualifies as helper in the craft in which one is training.

- (c) An apprentice in the training program shall not establish any new Department or Division seniority as a result of entering the program until one qualifies as helper in the craft in which one is training.
9. (a) If one is the successful bidder one is awarded the job at helper's rate and qualified per Section 204(a).
 - (b) If one fails to qualify one returns to former position held prior to entering the training program or 7(e). One shall be barred from becoming a trainee in the craft from which disqualified or in a similar craft in another department.
 10. If a trainee in a department and craft successfully bids a trainee job in another craft in same department, or another or same craft in another department, one shall receive no credit for trainee time previously served. If one fails to qualify one returns permanently to one's position prior to entering trainee program with no loss of seniority or 7(e).
 11. The Authority will provide the Union with an opportunity to give an orientation address to all new hires into the bargaining unit.

**MAINTENANCE EMPLOYEES RULES
GOVERNING THE USE OF
EYE PROTECTION**

Eye protection is a part of the employees' personal safety equipment and must be kept in one's possession at all times while on duty.

Outside contractors and others who have occasion to enter shops on Authority or other official business will be supplied with eye and head protection by the Department Foreperson.

No employee of this Authority will be permitted to engage in any duty which involves the use of grinding wheels sanders mechanical saws, woodworking equipment or the use of other equipment equally hazardous to the eyes, without wearing full face fitting safety goggles.

Face fitting safety goggles shall also be worn at all times by employee engaged in the operation of buck cleaners or when using the compressed air hose to dislodge dust inside or about Authority vehicles, blowing dust out of rotary converters and any such dust blowing operation.

Proper welder's goggles and face shields must be worn at all times by welders and helpers when engaged in welding or cutting operations.

Regular safety glasses will be worn as follows:

1. Every employee entering or engaged in any kind of duty inside a Ashop area will be required to wear full time eye protection.

AShop area will be construed to include all under cover areas where maintenance work of any nature is performed except in ice buildings washer buildings, and buck cleaners which will be dealt with separately. (Offices, washrooms and locker room are excluded).

2. All members of the ATrack gang will be required to wear full time eye protection during the hours they are engaged in track and right of any maintenance of any kind. When performing duties other than track maintenance the Superintendent of Way and Structures or one's immediate assistant may elect to waive this requirement under certain non-hazardous conditions such as making blacktop repairs etc.
3. Employees of the Structures Department, because of the varied nature of their duties, will wear eye protection at the discretion of the Superintendent of Way and Structures or one's immediate assistant, but in any event safety glasses will be carried to all jobs to cover unexpected requirements and will be used if and when such situation arises and when entering or working in any shop area.
4. Employees of the Electrical Department because of the various elevations involved in their duties, will wear safety glasses at the discretion of their supervisors and in accordance with the type of work being performed. Safety glasses must be worn in all shop areas. Substation personnel will wear proper eye protection while involved in the actual cleaning or repairs of machinery or when present in the building during such activities by others.
5. Garage and carbarn personnel performing duties outside the garage or carbarn such as servicing cleaning or washing vehicles need not wear eye protection except for those actually engaged in cleaning the inside of vehicles with ABuck Cleaner operating, when face fitting ASafety Goggles must be worn.

It is agreed between Authority and Local 234 TWU, that the wearing of eye protection in the above areas is mandatory and the use thereof will be enforced. In case an employee should absentmindedly forget to put one's glasses on before entering a restricted area, the Authority has agreed to permit one (1) reminder to each employee and this reminder will be recorded. A second offense will result in employee being sent home for one's next eight hour shift. Repetitive violators will be dealt with accordingly.

**APPENDIX II
ATTENDANCE POINT SYSTEM**

The parties have agreed to incorporate the point system set forth below in the collective bargaining agreement. The point system provides employees with the opportunity to improve their records through steady attendance and attempts to provide an objective basis for the imposition of discipline for incidents of non-attendance.

Subject to the general rules set forth below, points are to be assessed against employees for various incidents of non-attendance. An employee who accumulates twenty (20) or more points will be subject to progressive discipline each time his/her point total reaches twenty (20), as follows:

- < One (1) day suspension
- < Five (5) day suspension
- < Discharge, provided, however, that for purposes of discharge the twenty (20) point total will be increased two (2) points for each five (5) years of service.

(*) All discipline other than discharge under the Attendance Point System shall be administrative.

For every month in which an employee has no incident of non-attendance covered by the point system, the employee's point total will be reduced by two (2) points. Beginning with the sixth consecutive month without such an incident, and for each month thereafter, the employee's point total will be reduced by three (3) points. The point total, however, cannot be less than zero (0).

The imposition of progressive discipline will reduce the employee's point total by ten (10).

INCIDENTS OF NON-ATTENDANCE AND POINTS

I. LATENESSES (Maintenance)

- (a) Lateness with a call-in before the start of the shift 3 Points
- (b) Lateness less than four (4) hours without a call-in 4 Points
before the start of the shift
- (c) Lateness equal to or over four (4) hours without a call- 5 Points
in before the start of the shift
- (d) An employee turning in sick after a lateness will be assessed points for that lateness and the sick turn-in.

II. SICK TURN-INS

- (a) Each sick turn-in will be assessed two (2) points.
- (b) At least three (3) similar types of turn-ins in one (1) year will establish a recognizable pattern. The turn-in that establishes the pattern will be assessed an additional four (4) points. Each subsequent sick turn-in that fits into this pattern and still has three (3) prior sick turn-ins in that year (in the same pattern) will be assessed an additional two (2) points. These points for additional pattern sicknesses will also be added to the penalty assessed for misses with sick turn-ins.
- (c) Similar types of turn-ins in one (1) year will establish a recognizable pattern, as follows:
 - 1) Three (3) turn-ins on the same day of the week
 - 2) Four (4) turn-ins before or after days off
 - 3) Four (4) turn-ins on the weekend (Saturday or Sunday)
 - 4) Three (3) turn-ins which result in three (3) consecutive days off when an employee has split days off

All pattern turn-ins must be similar type turn-ins. Turn-ins greater than three (3) days will not be considered for purposes of establishing a pattern. Absences identified by a physician as related to premenstrual syndrome, however, will not be considered for purposes of establishing a pattern.

Patterns will be calculated on a 365 day cycle as per the labor agreement.

III. EMERGENCY AT HOME (EAH) AND SICKNESS AT HOME (SAH) DAYS

- (a) As in the past, an employee who has requested to be excused by management in advance and is granted such a day by management in advance, then no points will be assessed for that management-excused day.
- (b) Employees will be entitled to a total of four (4) EAH / SAH days requiring no validation within any consecutive twelve (12) month period. All subsequent turn-ins for EAH or SAH will be assessed two (2) points and will be considered in establishing patterns.

IV. AWOL

The first AWOL will be assessed ten (10) points, skip a step for second AWOL and discharge for third AWOL in a twenty-four month period. An employee shall be deemed to have abandoned his/her job upon being AWOL for three (3) consecutive days without communicating with the Authority, unless such employee was hospitalized, incapacitated or otherwise could not reasonably be expected to communicate with the Authority.

V. GENERAL RULES

- (a) All discipline to be imposed under this Point System is set forth above. All such discipline and the imposition of points hereunder shall be segregated from, and shall not be considered in the imposition of discipline for other infractions or incidents.
- (b) Each employee will be notified, in writing, of all points assessed against him/her and will be interviewed upon accumulating fifteen (15) more points.
- (c) The parties recognize that the foregoing Point System will be implemented as soon as practicable after the execution of Labor Agreement.
- (d) Using Emergency-at-Home or Sickness-at-home day will not jeopardize the opportunity for employees to earn their paid excused day.
- (e) If an employee is late for work as a result of occurrences pertaining to the Authority's service, the employee will not be charged any points, provided the employee can establish that he/she was aboard the vehicle that preceded the trip that would have allowed the employee to arrive at work on time.

VI. Sick Leave Notification

Employees shall be required to submit doctor's verification of illness or injury only for absences of five (5) days or more.