



# On The Move

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## CONTRACT VOTE ON FRIDAY, NOVEMBER 18

On Monday, in the early morning hours, Local 234 finally got SEPTA to make substantial concessions on issues of importance to the Union and the members, including pensions, health care, time studies and the use of video cameras for “fishing expeditions” in discipline cases. With movement on these issues, we were able to reach a tentative agreement just hours before a scheduled injunction hearing in the Court of Common Pleas. Had SEPTA succeeded in obtaining an injunction just seven days into the strike, we could have lost the right to strike now and forever, without the option of binding arbitration, like police and firemen have.

Later on Monday, the Executive Board voted to ratify the agreement. The members get to vote on Friday, November 18, 2016. What follows are the highlights of the new contract.

### PENSION REFORM

As advertised, pension improvements were the most important item on the table. Pension improvements also proved to be the most costly part of the economic package. As a result, the pension issue remained unresolved until the very end. The *old system* had to be replaced. The unfair “pension formula” used to calculate monthly benefits has been eliminated and with it the outdated \$50,000 cap. Instead, SEPTA will pay monthly pension benefits based on *years of service* with the Authority. All Local 234 members who retire **with the same number of years will get the same pension benefit and pay in the same amount to support the pension fund**. In addition, **the dollar amount** received for each year of service **will increase** in future rounds of negotiations.

Under the new contract, retirement benefits will be based on the following calculation.

(Years of service, up the date of ratification) x (\$94) --- *plus \$100* for each year of service following the date of ratification. Here are some examples of the new monthly benefit:

	<u>Old Formula</u>	<u>New Formula</u>	<u>Percentage Increase</u>
30 Yrs.	\$2,500	\$2,820	12.8%
35 Yrs.	\$2,875	\$3,290	14.4%
38 Yrs.	\$3,100	\$3,572	15.2%

These are substantial increases in monthly pension benefits, costing more than \$64 million over the life of the agreement.

As time passes, our members will receive a monthly pension benefit of at least \$3,000, based on \$100 per year of service over 30 years and \$3,800 over 38 years. Every member will make a fixed weekly non-taxable contribution of \$50 to the pension fund. The contribution will not increase with wages as it did under the old formula.

## WAGES

The contract surveys showed that wages were not a top priority of our members. Still, we got wage increases of 10.5% over the life of the agreement (1%, 1%, 2%, 3% and 3.5%). Although the percentage increases are on the low end in the first two years, the wage hikes must be viewed in light of the high average annual incomes paid to TWU members, in excess of \$68,000, and the impact wage hikes have on the economics of the agreement as a whole.

The 10.5% wage increases the cost of our contract by over \$82 million, for a total wage package of approximately \$1,729,576,000 during the life of the agreement. The pension improvements will add over \$64 million to the cost of our contract in the form of SEPTA's contributions to the pension fund during the same period. Also, health and prescription benefit costs represent a very large percentage of our overall compensation package.

## HEALTH CARE

With the skyrocketing costs of medical and prescription benefits, running over **\$200 million a year**, something had to be done, either reduce benefits or share in the costs. Under the new contract, we kept **all of our medical coverage** including preventive services, major hospital services and specialized services covered at 100%. Minor changes were made to the copays for office and emergency room visits. With **Urgent Care** facilities all over (a copayment of \$24), using the emergency room *as your personal doctor* makes no sense and it is killing us at the bargaining table, due to the **very high cost of emergency room visits**. Here are the changes that were made:

	<u>HMO</u>	<u>PPO</u>
Office Visits	\$10/\$15	\$15/\$30
ER Copay, if not admitted	\$100	\$100

Employee contributions for health care will increase as follows:

December, 2018	Up .5% to 1.5%
December, 2019	Up 1% to 2.5%

We still have top-of-the-line, "Cadillac" Health Care Plans. Our copays and contributions remain low when compared to other **high cost** insurance plans. Retiree health care coverage will continue for 40 months, but will include coverage for personal choice as well as HMO.

## PRESCRIPTION BENEFITS

The cost of prescription medications are truly out of control. Meanwhile, our very low copayments had become as obsolete as the dinosaur. Something had to give. Here's the new copayments for prescription medications. Remember, most members use generic drugs and the copays for generics remain very low.

	<u>Generic</u>	<u>Preferred Brand</u>	<u>Non-Preferred Brand</u>
Retail Copay (30 days)	\$10	\$20	\$40
Mail Order Copay (90 days)	\$20	\$40	\$80

In addition, a number of clinical programs for serious medical conditions will be established to provide quality treatment with more control over the costs of exceptionally expensive drugs, some of which are entirely unnecessary, or even fraudulent, like some compound medications.

## **JOBS SECURITY FOR CASHIERS**

With the new fare technology, cashiers will become Customer Service Attendants, without loss of pay, seniority, transfer or other rights. If a cashier is medically unable to perform the new job, multiple accommodations will be made to make sure that all cashiers can make the transition. If not, other alternate duty jobs will be created to provide job security to all cashiers.

## **ASSIGNMENTS ACROSS BARGAINING UNITS**

CTD Buildings, Track/Utility and Power Department employees cross-assigned to the suburban division will be paid **at the overtime rate for assignments lasting up to 5 days**. Cross assignments for more than 5 days requires the consent of the Union regarding the terms and conditions of the cross-assignment. This is a big victory for the “Snow Shovel Crew” who protested their cross assignment last January into the Suburban Division.

## **BACKLOG OF CONTRACT CASES PENDING ARBITRATION**

Grievances involving contract cases have been piling up for years, because of the number of discharge cases that must be arbitrated first. This allows managers to violate the contract with impunity. When challenged they tell our section officers to file a grievance, figuring that the grievance will never be heard in arbitration.

Three changes were made to address this problem. (1) the parties will engage in “washout” meetings to resolve as many grievances as possible by mutual agreement; (2) special grievance mediation sessions will convene every six months with a mediator selected by the parties. The mediator will press the parties to settle the cases brought to mediation; and, (3) the number of contract grievances that can be taken to arbitration has been changed from one contract case for every three discharge cases, to one contract case for every two discharge cases.

Under the new formula the union will take at least 12 contract cases to arbitration over the next year or so. The cases selected will be the most important cases pending arbitration.

## **TIME STANDARDS**

No less than two employees in the affected job classification will participate in process summaries to develop Time Standards and the Union will play a greater role in assessing the accuracy of the job standards initially set by the Authority.

## **VIDEO EVIDENCE**

Abuse of video evidence in discipline cases will be reviewed every four months to insure that video recordings are not used to go on fishing expeditions in search of rule violations unrelated to the incident that triggered the investigation. If harsh or inappropriate discipline is imposed, it may be reconsidered, and, if not, the Union can arbitrate the case.

## **EMPLOYEE ASSAULTS**

Employees who are victims of assaults or other criminal behavior will be compensated for work time spent in pursuit of legal action against the perpetrator.

## **CDL INSPECTION PAY**

A ten-minute allowance will be paid for performing the CDL Vehicle Inspection. In addition, all of the time it takes to complete the reporting tasks, will be incorporated into the schedules. If the Authority provides an insufficient amount of time in the schedules, the schedules will be adjusted by mutual agreement.

## VACATION QUOTAS IN RAIL MAINTENANCE

Vacation weeks and vacation day-off pickings in the rail maintenance departments of the Authority will be conducted by job classification, based on a quota of no less than 10% of the number of employees in each job classification, for the picking of vacation weeks and single vacation days, separate and apart from other types of single days off leave, a big victory for our members in the rail department—especially at Fernrock, Woodland & 69<sup>th</sup> St. Shops.

## ASSIGNING REPORTS

Extra operators will be assigned reports ahead of overtime operators who volunteer for a report. Under the contract, extra operators must also get open runs ahead of overtime people.

## JOB UPGRADES

A specialist job classification will be created and/or filled as needed in the following jobs: Sheet Metal Fabricators; Underground Maintainers by June 1, 2017 and Collection Equipment Maintainers as the KEY Program is introduced.

## SIGNAL VIOLATIONS

The loss of pay for signal violations will increase slightly---from 1 day without pay to 2 days for the first violation, and from 1 day to 3 days for a second signal violation. However, “wrong routes” will no longer be considered signal violations.

## LICENSE SUSPENSIONS

Many Local 234 members were losing their jobs as a result of license suspensions lasting more than 180 days. The old contract provided protection for only 6 months, however, the new agreement provides protection for 18 months. Once the license is restored, the employee can return to his/her former job without the loss of seniority.

## TOOL AND CLOTHING ALLOWNACE

Cash payments, *not vouchers*, will be paid for tools and clothing, in the following amounts. If uniform changes are made, the Authority will provide two uniforms to each employee or compensate them for the purchase of two uniforms:

2017	\$385
2018	\$390
2019	\$395
2020	\$400
2021	\$405

## SICK BENEFITS

Oftentimes members lose sick pay because they are unable to get a doctor’s note in the 3 days allowed under the contract. Under the new agreement, the time limit has been extended to 5 days and employees hospitalized and unable to submit sick papers can submit them within 5 days *after being discharged* from the hospital, without the loss of sick benefits.

## TERM

The term of the agreement(s) is five years, giving our members a long period of stability during which time they don’t have to worry about another strike and can more easily plan for the future.