

**MEMORANDUM OF AGREEMENT**

**between**

**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY**

**and**

**TRANSPORT WORKERS UNION LOCAL 234**

**SUBURBAN TRANSIT DIVISION**

**November 7, 2016**

The Southeastern Pennsylvania Transportation Authority (SEPTA) and the Transport Local Workers Local Union No. 234 (Union or Local 234) have reached the following agreements, pending ratification by the respective parties, for a collective bargaining agreement to succeed the bargaining agreement covering the Suburban Transit Division that will expire on November 18, 2016, at 12:00 midnight.

1. **Term of Agreement (Section 1001)**. Five (5) years commencing on November 19, 2016, and ending on November 18, 2021, at 12:00 midnight. Unless specifically noted herein, all provisions are effective upon ratification of the new agreement by both parties.
2. **Rates of Pay (Sections 401)**. Sections 401 will be amended to reflect the following wage increases:

January 8, 2017: Employees will receive a 1% general pay increase  
January 14, 2018: Employees will receive a 1% general pay increase  
January 13, 2019: Employees will receive a 2% general pay increase  
January 12, 2020: Employees will receive a 3% general pay increase  
January 10, 2021: Employees will receive a 3.5% general pay increase.

*Parity:* Convert the above across-the-board wage increases to the equivalent classification in the City Transit Division on a cents-per-hour basis, to be reflected in the Wage Rate Manual.

3. **Pension (Section 411)**. Effective upon ratification of this agreement, the Pension Plan for Red Arrow will be amended to make the following changes:

Section 411(a)(2) to provide that the normal retirement benefit is to be calculated as ninety-four dollars (\$94) per month for years of Continuous Service accrued up to the date of ratification of this agreement, and one-hundred dollars (\$100) per month for years of Continuous Service accrued after the date of ratification of this agreement.

Amend Section 411(a)(2) 708 will be amended to set employee pension contributions at fifty dollars (\$50.00) per week effective with the first pay period following ratification of this agreement or as soon as administratively feasible thereafter.

Pursuant to Section 414, the Authority will publish and distribute an updated Summary Plan Description.

All other terms and conditions of the pension plan remain as set forth and defined in accordance with the bargaining agreement, the Pension Plan and governing definitions therein, except as modified by this MOA.

4. **Health Care Benefits (Section 409)**. All changes will be effective as soon as administratively feasible following ratification of the agreement, except that changes in employee contributions will be effective as set forth below.

(a) *Medical / Rx Plan Design:* Amend Sections 409 to reflect the following plan design changes:

<b>Medical Plans</b>		
<b>Plan Feature</b>	<b>HMO</b>	<b>PPO</b>
Office Visit Copay (PCP/Specialist)	\$10/\$15	\$15/\$30
In Network Deductible	\$0	\$0
Inpatient Hospital Copay	\$0	\$0
Outpatient Hospital Copay	\$0	\$0
Out of Network	N/A	70%
ER Copay (waived if admitted)	\$100	\$100
<b>Prescription Plan</b>		
Rx Copay – Retail	\$10/\$20/\$40	\$10/\$20/\$40
RX Copay - Mail Order	\$20/\$40/\$80	\$20/\$40/\$80

- (b) *Employee Contributions:* Amend Section 409(c) to increase the employee contributions rates from one percent (1%) to two and one-half percent (2.5%) of pay, effective on the dates of the across-the-board wage increases:

January 2019: Contribution increases by 0.5% to 1.5%

January 2020: Contribution increases by 1.0% to 2.5%

- (c) *Rx Plan – Clinical Programs:* Add to Section 409 that the Authority will adopt, as soon as administratively feasible following ratification of this agreement, the following clinical management programs, or such similar programs as offered from time to time by the Pharmacy Benefits Manager (PBM) that administers the prescription plan:

- Advanced Control Formulary Review
- Care Management (e.g., Accordant)
- Pharmacy Advisor Counseling

See attached program descriptions.

In addition, add to Section 409 that compound medications, made by combining, mixing or altering ingredients to create a customized medication that is not otherwise commercially available, will be subject to the then-prevailing PBM clinical management program to control costs associated with compound medications, as applied to the PBM's book of business generally. If the compound medication does not receive prior authorization and/or the ingredients are not covered, coverage will be denied.

- (d) *Opt-Out Incentives:* Amend Section 409(g) to provide that, effective with the January 2017 payments, the opt-out incentives will be capped at: Single: \$2000; all other tiers: \$4000.
- (e) *Retiree Medical:* Amend Section 409(e) to provide that, for employees retiring on or after ratification of this Agreement, the duration of retiree medical will be forty (40) months for either PPO or HMO coverage.

5. **Tool Allowance (Section 403).** Section 403 will be amended to provide for the following increases in tool and clothing allowance:

Effective with the January 2017 payment - \$385.00  
Effective with the January 2018 payment - \$390.00  
Effective with the January 2019 payment - \$395.00  
Effective with the January 2020 payment - \$400.00  
Effective with the January 2021 payment - \$405.00

Each such payment is payable under the same terms and conditions as set forth in Section 403 of the Agreement.

If the Authority institutes a uniform change, it either will provide all impacted employees with two (2) uniforms or compensate employees for the purchase of two (2) uniforms, within its discretion.

6. **Holiday Allowance.** The following language from the CTD Agreement, as appropriately conformed to the relevant agreements, will be added to the STD Agreement (Paid Holidays – Section 415).

provided that such allowance will not be paid with respect to any such holiday to an employee who does not perform all one's assigned work or a days work as defined in Section 401 (d)(5) on the last day one is scheduled to work preceding the holiday and the first day one is scheduled to work following the holiday, or to an employee who is scheduled to work on the holiday and does not perform all of one's assigned work or a days work as defined in Section 401 (d)(5) on said holiday; provided, further, that in determining for this purpose whether such assigned work has been performed its non-performance by an employee will be excused if its non-performance was because of any of the following causes: jury duty, answering draft board summons, death in immediate family, absence with Authority approval or at Authority instructions, authenticated injury or illness, properly reported, which makes one unable to perform one's assigned work and which originates not earlier than the six (6) calendar days immediately preceding the holiday, and having been excused by the Authority to transact business for the Transport Workers Union. An employee who is scheduled to work on any such holiday and performs all of one's scheduled work or a days work as defined in Section 401 (d)(5) on said holiday will be paid the foregoing holiday allowance in addition to one's regular pay for said work performed, except only that an employee who is scheduled to work on New Year's day, Independence day, Thanksgiving day or Christmas day, and performs all of the scheduled work on said holiday will be paid the foregoing holiday allowance in addition to one and one-half one's regular pay for said work performed.

7. **Mediation of Contract Grievances (Section 701).** Add the following to Section 701:

Within 30 days of the settlement of this Labor Agreement, the Authority and the Union shall schedule a washout meeting(s) at a mutually agreeable date and time. During this meeting(s) the parties shall attempt to resolve all of the contractual grievances pending arbitration.

With respect to those cases remaining on the list after the washout meeting(s), the parties agree to schedule a contractual grievance mediation session every 6 months for the first 2 years of the agreement. Thereafter, the mediation sessions shall be convened at the mutual agreement of the parties. Each party shall have the right to bring up to 5 cases for mediation. The parties shall mutually agree on the mediator and shall equally split the cost of the

mediation. Cases not resolved through mediation shall be returned to the list of cases pending arbitration.

Additionally, amend Section 701(f)(1) of the Agreement to reduce the ratio of discharge to contract grievance cases from 3:1 to 2:1; provided, however, that such reduction shall lapse after twelve (12) contract cases have been arbitrated or after one (1) year, beginning in January 1, 2017, whichever occurs later.

**8. License Suspensions (Section 516). Amend Section 516 as follows:**

- (a) Maintenance employees for whom driving is an essential function of their job, as determined by the Authority, may remain on the rolls of the Authority and may be assigned other work in the bargaining unit. The employee whose license has been suspended for up to eighteen (18) months 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 for up to eighteen (18) months, 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) An employee whose license is suspended for more than eighteen (18) months may transfer to any vacant position in the bargaining unit for which they qualify, or will be dropped from the rolls of the Authority.
- (d) Maintenance employees temporarily reassigned under (a), (b), or (c):
  - 1. Will be required to perform all of the duties of the job to which they are assigned.
  - 2. Will have their days off and shifts determined by the Authority and not be eligible to move to a temporary position at another location.
  - 3. Employees who choose not to be reassigned or abide by subparagraph (a, b or c) above, will be dropped from the rolls of the Authority.
- (e) 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.
- (f) 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.

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

9. **Employee Assaults (Section 809).** Add new Section 809(b):

Employees who are victims of an assault or other criminal behavior as a result of their performance of assigned duties for the Authority, upon prior notice and approval, will be compensated for time spent in pursuit of criminal legal action against the perpetrator. Compensation will not be due in cases where the employee is criminally charged.

10. **Housekeeping Changes.**

- (a) *Effective Date of IOD Leave [STD Agreements].* Amend Section 422(III) to replace references to "the ratification of this agreement" with the "November 1, 1998."

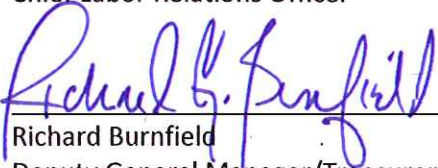
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11. **Other Terms and Conditions.** All other terms and conditions set forth in the Agreement are unchanged. All other proposals and offers of the parties during the negotiations are withdrawn without precedent or prejudice to the rights of either party

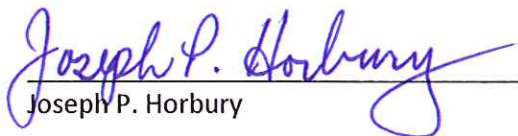
And Now, this 7th Day of November, 2016:

FOR SEPTA:

  
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Stephanie K. Deiger  
Chief Labor Relations Officer

  
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Richard Burnfield  
Deputy General Manager/Treasurer

\_\_\_\_\_  
Jacob Aufschauer  
Senior Director, Human Resources


  
\_\_\_\_\_  
Joseph P. Horbury

FOR TWU LOCAL 234:

  
\_\_\_\_\_  
Willie Brown  
President

\_\_\_\_\_  
Brian Pollitt,  
Executive Vice President

  
\_\_\_\_\_  
Joseph Coccio  
Secretary Treasurer

  
\_\_\_\_\_  
Avignon Dent

Manager, Labor Relations

Recording Secretary



Chad Cuneo  
Manager, Labor Relations

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Dennis Papadeas  
Manager, Labor Relations

November 7, 2016

Mr. Willie Brown, President  
Transport Workers Union, Local 234  
500 N. 2<sup>nd</sup> Street  
Philadelphia, PA 19123

**Re: Time Standards - Process Summaries**

Dear Mr. Brown:

I am writing to outline SEPTA's intent regarding the development of Time Standards in the Maintenance Departments following the date of ratification of the parties' collective bargaining agreement.

We will continue to receive input from the Union in the development of the Time Standards. The Authority's position is that the development of Time Standards remains an inherent managerial right, pursuant to which the Authority will review and evaluate the performance of at least two (2) employees as part of the process summary used to develop Time Standards.

The Authority will assess the process and time utilized by these employees and any other factors it deems necessary and relevant to the development of the Time Standards. SEPTA management wants to continue a dialogue with the Union concerning how we can ensure that Time Standards enhance the accuracy and efficiency of the work performed.

I would be glad to set up a meeting with you to discuss these issues at your convenience.

Respectfully,



Stephanie Deiger  
Chief Labor Relations Officer

cc: LR Staff



November 7, 2016

Mr. Willie Brown, President  
Transport Workers Union, Local 234  
500 N. 2<sup>nd</sup> Street  
Philadelphia, PA 19123

**Re: Video Evidence in Discipline**

Dear Mr. Brown:

This letter is to confirm our understanding regarding video evidence in discipline.

The parties agree to meet and discuss disciplinary cases involving video every four months. At such meetings, the Union can raise and discuss incidents of discipline that it believes are too harsh and/or inappropriate. A designee of the General Manager will attend such meetings on behalf of the Authority, and a designee of the Union President shall attend such meetings on behalf of the Union.

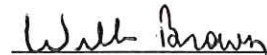
If this is your understanding, kindly sign both copies, retaining one for your files.

Respectfully,



Stephanie Deiger  
Chief Labor Relations Officer

AGREED:



Willie Brown, President, TWU Local 234

Date: 11-7-16

cc: LR Staff