

Memorandum of Agreement
Between
Southeastern Pennsylvania Transportation Authority
And
Brotherhood of Railway Carmen/Transportation Communications Union/IAM
October 28, 2019

The Southeastern Pennsylvania Transportation Authority ("SEPTA") and the Brotherhood of Railway Carmen/Transportation Communications Union/IAM (the "Union"), do hereby enter into this Memorandum of Agreement to revise the Agreement between them dated July 1, 2014 as follows:

1. Section 1501. Term of Agreement

Five (5) year contract, commencing on February 17, 2017 at 12:01 a.m. through and including 12:00 midnight on February 16, 2022. Unless specifically noted herein, all provisions are effective upon ratification of the new agreement by both parties.

In a meaningful effort to complete negotiations in sufficient time to permit any changes agreed upon to become effective promptly after the expiration date of this agreement; the parties may submit Section 6 notices any time after August 16, 2021. However, no change will become effective prior to the first day following February 16, 2022.

2. Section 501. Rates of Pay

Section 501(a) will be amended to reflect the following wage increases:

4% on the first Sunday following ratification and approval of the agreement.
3% on April 5, 2020
3.5% on April 4, 2021

3. Section 515. Clothing, Tools and/or Equipment

Effective July 2020, the payment for each eligible employee in job numbers 0901, 0902, and 0903 will be \$290.00. The amount will increase an additional \$5 with the payment effective July 2021.

Effective July 2020, the payment for each eligible employee in all other job classifications will be \$400. The amount will increase an additional \$5 with the payment effective July, 2021.

4. Section 403. Arbitration

Amend Paragraph (r): Replace reference to three (3) years with five (5) years.

5. Section 601. Holiday Allowance

Add to paragraph (e)3:

If a holiday falls on an employee's regularly scheduled day off, the next regular scheduled work day will be taken as a day off for such holiday, provided such day off is mutually agreed to by the employee and SEPTA.

6. Appendix A Attendance Point System

Amend paragraph V(b) to the following:

Each employee will be notified in writing, within twenty (20) work days of returning to work of all points assessed against him/her and will be interviewed upon accumulating fifteen (15) or more points

7. Section 901. Vacations

Amend (g) to read:

Any employee eligible for vacation will be allowed to sell all but one (1) week of their vacation entitlement back to the Authority at said employee’s regular rate of (40) hours. Such intention must be made known at the time of the vacation picking.

Amend (b) to read:

Vacation allowance will be eight hours at straight time per day at the employee’s regular rate.

In order to qualify for vacation, with pay, an employee would be required to work at least one hundred and twenty (120) days on which work was available to him in the preceding calendar year, otherwise no vacation pay would be due, except new hire employees who are not able to work 120 days in their first calendar year due to their date of hire, will earn one (1) vacation day for every 30 days worked in that 1st calendar year, to a maximum of three (3) vacations days, which may be taken in the following calendar year.

**8. Section 801. Health and Welfare Plan
Section 805. Prescription**

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.

Medical / Rx Plan Design:

	Medical Plans	
Plan Feature	HMO	PPO
Office Visit Copay (PCP/Specialist)	\$10/\$15	\$15/\$30
In Network Deductible	No Change	No Change
Inpatient Hospital Copay	No Change	No Change
Outpatient Hospital Copay	No Change	No Change
Out of Network	N/A	70%
ER Copay (waived if admitted)	\$100	\$100
	Prescription Plan	
Rx Copay – Retail	\$10/\$20/\$40	\$10/\$20/\$40
RX Copay - Mail Order	\$20/\$40/\$80	\$20/\$40/\$80

Amend all references to employee contribution rates in Section 801 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:

- First Sunday following ratification: Contribution increases by 0.5% to 1.5%
- April 5, 2020: Contribution increases by 1.0% to 2.5%

Rx Plan – Clinical Programs: Add to Section 805 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

In addition, add to Section 805 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.

Opt-Out Incentives: Amend Section 801(d) to provide that, commencing with the January 2020 and all future payments annual opt-out incentives will be capped for single employees: \$2000; all other tiers: \$4000.

Retiree Medical: Amend Section 801 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.

Add to Section 801 paragraph (c)

In addition to the life insurance and Accidental Death and Dismemberment Insurance described above, an in-the-line of duty 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.

Add to Section 805:

After completion of ninety (90) days of employment, co-payments for prescriptions for employees, their spouses and dependent children will be consistent with the Health and Welfare Plan and Prescription Design changes as stated in this MOA.

Employees who retire on or after ratification of this Agreement under the "Railroad Retirement and Survivors Improvement Act" at age 60 or older, and their spouses, will be afforded prescription coverage for a maximum of 5 years or until the retiree attains age 65, whichever occurs first.

* * *

Chad Cuneo 10/28/19
Chad Cuneo date
Chief Labor Relations Officer

CJ 10-28-19
John "Charles" Jackson date
National Representative

Heather Morris 10/28/19
Heather Morris date
Manager, Labor Relations

Kc
Katrina Coleman date
Assistant National Representative

Dennis McAnulla date
Assistant Chief Officer
Vehicle Maintenance

Cynthia Wright
Cynthia Wright date
District Chairman #1472

Paul Norcini date
Director - Vehicle Maintenance

October 28, 2019

Mr. Charles Jackson
National Representative
Brotherhood of Railway Carmen/Transportation Communications Union/IAM
309 A Street
Wilmington, DE 19801

Side-Letter re: Specialist & First Class Progression Rate of Pay for New Employees

Dear Mr. Jackson:

This will confirm our understanding reached during negotiations of the Agreement between the Authority and Brotherhood of Railway Carmen (BRC) concerning the progression rate of pay for new employees in Specialist and First Class Positions.

Beginning with the execution of this Agreement, newly hired and current employees in Specialist and First Class Positions will be assigned to the following wage progression subject to the terms and conditions described below:

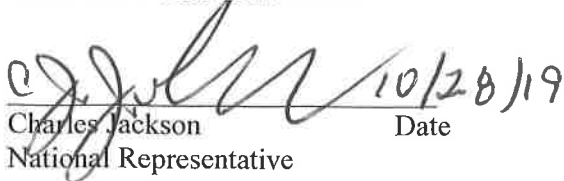
0-12 months of service – 90% of top rate
Thereafter – 100% of top rate

With the exception of the starting rate of pay, successful candidates will be covered by all other provisions of the labor agreement, including the probationary period.

Please indicate your concurrence by signing in the space provided. A fully executed copy will be provided for your files.

Very truly yours,

Chad Cuneo
Chief Labor Relations Officer


Charles Jackson
National Representative

10/28/19
Date

October 28, 2019

Mr. Charles Jackson
National Representative
Brotherhood of Railway Carmen/Transportation Communications Union/IAM
309 A Street
Wilmington, DE 19801

Side-Letter re: Mechanical Apprenticeship Program

Dear Mr. Jackson:

This will confirm our understanding reached during negotiations of the Agreement between the Authority and the Brotherhood of Railway Carmen (BRC) regarding the Mechanical Apprenticeship Program.

An employee who has graduated from the two year Mechanical Apprenticeship Program, will be considered fully qualified as a General Mechanic Second Class (Job #0832). After completion of at least one full year of active service as a General Mechanic Second Class and upon successfully passing the written test for General Mechanic First Class (Job #0831), such employee will be promoted to General Mechanic First Class, contingent on a vacancy at the higher grade.


All other provisions of Section 304 will continue to apply in its entirety, including SEPTA's unilateral right to determine the number of openings at the higher grade that SEPTA elects to fill at any time.

Please indicate your concurrence by signing in the space provided. A fully executed copy will be provided for your files.

Very truly yours,



Chad Cuneo
Chief Labor Relations Officer

 10-28-19

Charles Jackson
General Chairman

Date