

MEMORANDUM OF AGREEMENT

between

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

and

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS

The parties have reached a tentative agreement, pending ratification by the parties for a collective bargaining agreement to succeed the agreement covering members employed by the Railroad Division (RRD) that expired June 30, 2005.

1. Section 1501. Term of Agreement:

Will be amended to reflect the following changes:

- January 1, 2004 will become January 1, 2009
- June 30, 2005 will become June 30, 2009

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

- 3% increase effective April 9, 2006
- 3% increase effective April 8, 2007
- 3% increase effective April 13, 2008
- 3% increase effective April 12, 2009

3. Section 516. Clothing, Tools and Equipment

Replace (b) with:

Effective with the July 2006 payment the Authority will pay to each eligible employee in classifications 0901 and 0903 an annual tool, clothing, and safety shoe allowance in the amount of 255.00.

Effective with the July 2006 payment the Authority will pay to each eligible employee in all other job classifications an annual tool, clothing and shoe allowance in the amount of 340.00.

Effective July 1, 2007 an increase of five (5.00) dollars

Effective July 1, 2008 an increase of five (5.00) dollars

In order to be eligible to receive such tool and clothing allowance, an employee must have completed six (6) months of service in ones position, inclusive of any training period and/or layoff and must be on the active payroll at the time the allowance is due. Those employees who have completed such service and are on the active payroll as of July 1st will be paid during July. Each employee must meet the requirements of paragraph (d) below. New employees who have worked less than 6 months prior to July 1st shall receive an allowance on a prorated basis (1/6th for each month) for the months the employee has performed regular full time duty.

Section 601. Holiday allowance

Revise (a) to read: Employees who have completed ninety (90) calendar days of service and are otherwise eligible.....

Effective upon ratification Veterans Day, Good Friday and the employee's birthday will become personal days. Two personal days referenced in (a) shall become five personal days.

Section 602. Death in family

Add: one day for grandchild

4. Section 801. Health and Welfare Plan

Effective upon ratification (or as soon thereafter as administratively feasible) Section 801 will be amended as follows:

For the duration of this agreement, employees currently enrolled in the PPO 5/15/70 plan will be enrolled in the PPO 10/20/70 Plan with the following modifications: Emergency Room co-payment of 100.00, waived if admitted; removal of all \$75.00 co-payments; physical, speech and occupational therapist services, \$20.00 co-payment for visits 1-30, \$30.00 co-payment for visits 31-60(per calendar year); and chiropractic visits limited to 20 (per calendar year). The HMO Plan shall be the Keystone 5 Plan. A description of each plan is attached hereto.

Current employees and current retirees will not enter the traditional indemnity medical plan (indemnity plan) but will select either the Personal Choice (PPO) 10/20/70 plan or Keystone 5 HMO plan offered by the Authority. (A copy of each plan is attached) Employees who elect to remain in the indemnity plan will be required to pay the difference in between the cost of that plan and the PPO plan in addition to the employee contributions set forth.

A one time cash payment of \$1,000.00 will be paid to employees currently enrolled in the Personal Choice or Traditional Blue Cross Plans who switch to Keystone HMO by August 6, 2006. Employees who switch to this plan will not be able to move back to the Personal Choice or Traditional Plans during the life of this four (4) year Labor Agreement.

Section 801 also will be amended to reflect the following employee contributions for medical benefits as follows:

The contribution rate will be one percent (1%) 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, effective August 6, 2006. Until August 6, 2006, the existing 20/30% contractual contribution rates will continue. For employees paying the 20/30% contractual contribution rates on August 6, 2006, the contribution rates will revert to the one percent (1%) rate.

Employees who are on leaves of absence without pay shall be required to make their normal contributions of one percent (1%) of forty hours at the employee's hourly wage 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.

Amend (d) to read \$40,000 where it now reads \$34,000.

Section 802. Dental Plan

(a) Revise to read 15th month where it now reads 24th month.

Section 803. Vision Plan

(c) Revise to read 15 months where it now reads 21 months

Section 805. Prescriptions

Amend as follows:

After completion of fifteen (15) months of active employment co-payments for employees, their spouses and dependent children will be \$5 Generic/\$10 Preferred Brand/\$20 non-preferred brand. Mail order prescriptions will have the same co-payments as retail. A specialty pharmacy benefit program will be implemented through the pharmacy benefits manager (Biocare Solutions or a comparable program).

At the time a retiree is no longer eligible for prescription coverage he/she will be eligible to purchase prescription benefits under COBRA for up to 36 months or their eligibility for Medicare, whichever comes first.

Section 901. Vacation

(f) Ten (10 days revised to fifteen (15) days

Section 1201. Productivity /Attendance

Revise to read a maximum of fourteen (14) days where it now reads ten (10) days.

Section 401 (Add new)

When an employee requests a copy of a signed statement during an investigation, he/she will be provided a copy.

For the Authority:

For the Union:

SIGNED

SIGNED

**Patrick J. Battel
Chief Labor Relations Officer**

**Michael A. Hill
Assistant President Directing
General Chairman, District 19**

SIGNED

SIGNED

**Jeffrey T. Sheridan
Manager Labor Relations**

**Michael McCarthy
President/Local Chairman**

SIGNED

SIGNED

**Thomas Rowbottom
Director - Vehicle Maintenance**

**Jerome Finney
Local Chairman**

SIGNED

**Thomas Mangold
Director -Power Department**

SIGNED

**William Dilks
Director - Buildings & Bridges**