

AGREEMENT  
BETWEEN  
TRANSPORTATION COMMUNICATIONS INTERNATIONAL-AFL-CIO,  
CLERICAL EMPLOYEES  
AND  
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT

The Northern Indiana Commuter Transportation District (NICTD) proposes the following agreement, subject to ratification by the membership, in full settlement of outstanding Section 6 Notice issues between the District and the Organization to amend the existing agreement between the parties:

I. Compensation

A. General Wage Increase: The base rates for employees covered under the agreement will be as follows:

1. Effective October 1, 2008, employees will receive 82 cents per hour at the 100 percent rate (100% equals 82 cents) in the base rate progression on all hourly rates in effect June 30, 2008. A signing bonus of \$1,200 and all wage adjustments will be paid within 30 days after ratification of the agreement. (It is the intent of both parties that employees will receive 82 cents pro rated based on the contract rate progression in percentage increments until the 100 percent rate is achieved.)
2. July 1, 2009-All hourly rates pay effective June 30, 2009 shall be increased in the amount of 3% on the wage rate progression.
3. July 1, 2010-All hourly rates of pay effective June 30, 2010, shall be increased in the amount of 3 % on the wage rate progression.
4. July 1, 2011-All hourly rates of pay effective June 30, 2011, shall be increased in the amount of 3.25% on the wage rate progression.
5. July 1, 2012-Resume COLA.

B. Application of Wages

The increase in wages provided for in this section shall be applied in accordance with the current wage or working agreement on wage rate progression. Special allowances not included in fixed hourly rates of pay for all services rendered and arbitraries representing duplicate time payments will not be increased. Overtime hours will be computed in accordance with the rules applicable to the calculation of overtime.

### C. Disposition of Fractions

Rates of pay which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

### D. Cost of Living Allowance

COLA payments shall commence again on July 1, 2012, with an hourly allowance amount calculated in accordance with the formula attached to this document and shall continue at six-month increments until such time as the issues associated with Section 6 Notices served no sooner than November 1, 2011, are resolved. The Cost of Living Allowance (Attachment A) set forth as part of the agreement will be calculated as a separate allowance and is not part of the basic rate of pay.

## II. Health and Welfare

It is the intent of the parties to provide benefits identical to the current Transportation Communications International Railroad National Health and Welfare Agreement with the exception of cost-sharing provisions. Any changes to the Health and Welfare provisions, with the exception of cost sharing provisions, of the TCU National Agreement that are adopted during the life of this Agreement will be applied to NICTD clerical employees as soon as practicable after the signing of the TCU National Agreement.

### A. Employee Cost Sharing

The cost sharing provisions of the NCCC/TCIU 2007 National Agreement shall not apply to the Employees. Instead, effective July 1, 2009, each employee covered by this agreement shall contribute \$60 per month to the Plan for each month the employer is required to make contribution to the Plan on his/her behalf for foreign-to-occupation health benefits coverage and such contributions shall be on a pre-tax basis. The contributions herein shall be as follows: July 1, 2010, \$70 per month; July 1, 2011, \$80 per month until superceded by a subsequent agreement.

### B. Opting Out of Health Insurance

During a prescribed election period preceding January 1, 2009, and preceding each January 1 thereafter, employees who advise the Plan or its designee in writing that they have medical, mental health/substance abuse, and prescription drug coverage through another source may chose once a year to forego coverage for foreign-to-occupation health benefits for themselves and their dependents under the Plan. Such election is hereafter referred to as an "Opt Out Election" and where exercised, will eliminate the District's obligation to pay medical insurance premiums for the employee and his/her dependents, if any. Each employee who makes such an election will be paid by his employer \$100 for each month that his employer would have been required to make contribution to the Plan on his behalf for health insurance. If an event occurs that results in the loss of the other source of coverage that permitted an employee to opt-out of coverage described above, the employee

may, upon providing the Plan or its designee with proof satisfactory to it of the loss of coverage, revoke his/her election to forego coverage for foreign-to-occupation health benefits and will thereupon, along with his/her dependents, be once again covered for foreign-to-occupation health benefits by the Plan and will not receive any further \$100 per month opt-out payment from his employer, but only if he would have been covered by the Plan on the date of such revocation had he/her not earlier made the election to forego foreign-to-occupation health benefits.

Any employee who opts out will be opting out of the FO coverage only, and (if he otherwise satisfied eligibility and any existing requirements) will continue to have on-duty injury coverage and existing life and AD&D insurance coverage.

The \$100 per month bonus will not be payable to an employee who opts out if:

1. The husband and wife are each covered by the Plan, or
2. The employee is the spouse of a railroad retiree who participates in the Railroad Employees National Early Retirement Major Medical Benefit Plan, or
3. If the District, in any given month, would not have been required to make a contribution to the Plan on behalf of the employee's health insurance.

An employee who is ineligible to receive the \$100 per month bonus for reasons stated in 1, 2, or 3 above may still elect to opt-out of coverage and will not have to make the cost sharing payments described above in Section II A.

An employee described in 1, 2, or 3 above who opts out will continue to receive coordination of benefits as if he/she were still fully covered by the Plan.

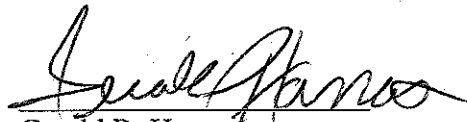
### III. Effective Date

- A. The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement, and to settle the disputes growing out of Notices served dated December 19, 2007, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- B. No party to the Agreement shall serve, prior to December 1, 2011 (not become effective before February 1, 2012, any notice or proposal for the purpose of changing the subject matter of the provisions of this Agreement or which proposes matters covered by the proposals of the parties cited in Paragraph A of this Section, and any proposals in pending notices to such subject matters are hereby withdrawn.

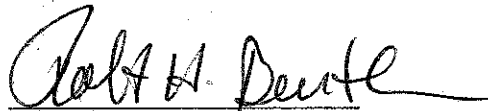
- C. No party to this Agreement shall serve or progress, prior to December 1, 2011 (not to become effective until February 1, 2012) any notice or proposal which might properly have been served when the last moratorium ended on January 31, 2008.
- D. The parties agree that negotiations shall remain open on any issues of mutual concern, such as local work rules, safety issues, company policies, etc. This Section will not bar the parties from agreement upon any subject of mutual interest. This Agreement is made with an Effective Date of October 1, 2008, and is effective as set forth herein.

Signed and Agreed to this 9<sup>th</sup> day of JANUARY, <sup>2009</sup>~~2008~~

FOR THE DISTRICT

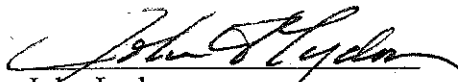


Gerald R. Hanas  
General Manager

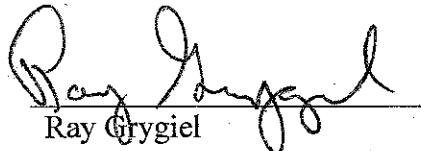


Robert H. Bernth  
Director H.R./Labor Relations

FOR THE ORGANIZATION



John Lydon  
International Vice President, TCIU



Ray Grygiel  
International Representative

**Part B - Cost-of-Living Allowance and Adjustments Thereto After July 1, 2012**

**Section 1 - Cost-of-Living Allowance and Effective Dates of Adjustments**

(a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of-living allowance shall be payable effective July 1, 2012 based, subject to paragraph (b), on the CPI for March 2012 as compared with the CPI for September 2011. Such allowance, and further cost-of-living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (b)(iii), according to the formula set forth in paragraph (c).

<u>Measurement Periods</u>		<u>Effective Date of Adjustment</u>
<u>Base Month</u>	<u>Measurement Month</u>	
September 2011	March 2012	July 1, 2012
March 2012	September 2012	January 1, 2013

Measurement Periods and Effective Dates conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(b)(i) Cap. In calculations under paragraph (c), the maximum increase in the CPI that shall be taken into account shall be as follows:

<u>Effective Date</u>	<u>Maximum CPI Increase That of Adjustment May Be Taken Into Account</u>
July 1, 2012	3% of September 2011 CPI
January 1, 2013	6% of September 2011 CPI less the increase from September 2011 to March 2012

Effective Dates of Adjustment and Maximum CPI Increases conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(ii) Limitation. In calculations under paragraph (c), only fifty (50) percent of the increase in the CPI in any measurement period shall be considered.

(iii) If the increase in the CPI from the base month of September 2011 to the measurement month of March 2012 exceeds 3% of the September 2011 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (c) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2012 during such measurement period.

(iv) Any increase in the CPI from the base month of September 2011 to the measurement month of September 2012 in excess of 6% of the September 2011 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.

(v) The procedure specified in subparagraphs (iii) and (iv) shall be applicable to all subsequent periods during which this Article is in effect.

(c) Formula. The number of points change in the CPI during a measurement period, as limited by paragraph (b), shall be converted into cents on the basis of one cent equals 0.3 full points. (By "0.3 full points" it is intended that any remainder of 0.1 point or 0.2 point of change after the conversion shall not be counted.)

The cost-of-living allowance effective January 1, 2013 shall be the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (b), in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The result of such division shall be rolled in to basic rates of pay in effect on December 31, 2012 if the CPI shall have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index shall have been lower at the end than at the beginning of the measurement period, but in no event shall basic rates of pay be reduced below the levels in effect on June 30, 2012. If the result of such division requires a subtraction from basic rates of pay in effect on December 31, 2012, the employee cost-sharing contribution amount in effect on that date pursuant to Article III, Part B, Section 1(e) of this Agreement shall be adjusted effective January 1, 2013 as appropriate to reflect such subtraction. The same procedure shall be followed in applying subsequent adjustments.

(d) Continuance of the cost-of-living allowance and the adjustments thereto provided herein is dependent upon the availability of the official monthly BLS Consumer Price Index (CPI-W) calculated on the same basis as such Index, except that, if the Bureau of Labor Statistics, U.S. Department of Labor should, during the effective period of this Article, revise or change the methods or basic data used in calculating such Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W during a measurement period, then that Bureau shall be requested to furnish a conversion factor designed to adjust the newly revised index to the basis of the CPI-W during such measurement period.

## **Section 2 - Payment of Cost-of-Living Allowances**

(a) The cost-of-living allowance payable to each employee effective July 1, 2012 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.

(b) The cost-of-living allowance payable to each employee effective January 1, 2013 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.

(c) The procedure specified in paragraphs (a) and (b) shall be followed with respect to computation of the cost-of-living allowances payable in subsequent years during which this Article is in effect.

## **Section 3 - Application of Cost-of-Living Allowances**

The cost-of-living allowance provided for by Section 1 of this Part B will be payable as provided in Section 2 and will be applied as follows:

(a) **Hourly Rates** - Add the amount of the cost-of-living allowance to the hourly rate of pay produced by application of Article I.



(b) **Daily Rates** - Determine the equivalent hourly rate by dividing the established daily rate by the number of hours comprehended by the daily rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehended by the daily rate shall be added to the daily rate produced by application of Article I.

(c) **Weekly Rates** - Determine the equivalent hourly rate by dividing the established weekly rate by the number of hours comprehended by the weekly rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehended by the weekly rate shall be added to the weekly rate produced by application of Article I.

(d) **Monthly Rates** - Determine the equivalent hourly rate by dividing the established monthly rate by the number of hours comprehended by the monthly rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehended by the monthly rate shall be added to the monthly rate produced by application of Article I.

(e) **Red Caps** - Rates of pay, or guarantees, for Red Caps, produced by application of Article I shall be increased by the hourly amount of the cost-of-living allowance. This amount will be multiplied by the number of hours paid for, and this sum will be added to the earnings of Red Caps regardless of the method of determining their earnings.

(f) **Minimum Daily Increases** - The increase in rates of pay described in paragraphs (a) through (e), inclusive, shall be not less than eight times the applicable increase per hour for each full time day of eight hours, required to be paid for by the rules agreement. In instances where under the existing rules agreement an employee is worked less than eight hours per day, the increase will be determined by the number of hours required to be paid for by the rules agreement.

(g) **Application of Wage Increases** - The increases in wages produced by application of the cost-of-living allowances shall be computed in accordance with the wage or working conditions agreement in effect between each carrier and its employees represented by TCU, and in instances where fixed daily, weekly, or monthly rates are paid for all services rendered, the cost-of-living allowances shall be applied in such manner as will give effect to the number of hours used in fixing said rates and to the equivalent hours for special allowances included in said rates. Special allowances not included in said rates and arbitraries representing duplicate time payments will not be increased.

#### **Section 4 - Continuation of Part B**

The arrangements set forth in Part B of this Article shall remain in effect according to the terms thereof until revised by the parties pursuant to the Railway Labor Act.