

**MEMORANDUM OF AGREEMENT  
BETWEEN  
TRANSPORTATION COMMUNICATIONS  
INTERNATIONAL UNION  
AND  
NORTHERN INDIANA COMMUTER  
TRANSPORTATION DISTRICT**

The Northern Indiana Commuter Transportation District ("District") and the Transportation Communications International Union (Clerks Division) ("Organization"), in full settlement of all outstanding Section 6 Notices between the District and the Organization, agree to amend the existing agreement between the parties as follows:

**ARTICLE 1 - WAGES**

**Section 1 - General Wage Increases**

- (a) Effective December 31, 1996, roll thirty-four cents (\$.34) per hour of the Cost of Living Allowance (COLA) into existing wage rates. All allowances for COLA shall then cease unless and until otherwise activated as stated in Section 3 below.
- (b) Effective December 31, 1996, reduce base wage rates by fifty cents (\$.50) per hour.
- (c) Effective January 1, 1997, increase base wage rates by two percent (2%).

The foregoing adjustments are intended for the purpose of wage rate adjustment only. With respect to compensated service performed prior to the Effective Date of this agreement, these adjustments shall not trigger any payment to the District from the employee nor from the District to the employee. To the extent that an employee's wage rate is calculated on an "other than hourly" basis, the adjustments will be made in a manner that favors neither the District nor the employee.

- (d) Effective January 1, 1998, increase base wage rates by two percent (2%).

**Section 2 - Productivity Wage Adjustments**

In recognition of the savings effective with this agreement arising from work rule changes and other commitments by the Organization towards increased productivity and efficiency, the District agrees to the following:

- (a) Effective January 1, 1997, employees who have an employment relationship as of the Effective Date, currently represented by the Organization, and who rendered compensated

service in 1996, shall receive a lump sum payment equal to four percent (4%) of their 1996 gross wages, less appropriate withholdings for federal, state, and judicial purposes.

(b) Effective January 1, 1998, employees who have an employment relationship as of January 1, 1998, currently represented by the Organization, and who rendered sufficient compensated service in 1997 to qualify for vacation in 1998, shall receive a lump sum payment equal to four percent (4%) of their 1997 gross wages, less the amount of any gross lump sum payment paid in 1997 pursuant to (a) above, and net of appropriate withholdings for federal, state, and judicial purposes.

(c) Effective January 1, 1999, employees who have an employment relationship as of January 1, 1999, currently represented by the Organization, and who rendered sufficient compensated service in 1998 to qualify for vacation in 1999, shall receive a lump sum payment equal to four percent (4%) of their 1998 gross wages, less the amount of any gross lump sum payment paid in 1998 pursuant to (b) above, and net of appropriate withholdings for federal, state, and judicial purposes.

(d) Effective January 1, 2000, employees who have an employment relationship as of January 1, 2000, currently represented by the Organization, and who rendered sufficient compensated service in 1999 to qualify for vacation in 2000, shall receive a lump sum payment equal to four percent (4%) of their 1999 gross wages, less the amount of any gross lump sum payment paid in 1999 pursuant to (c) above, and net of appropriate withholdings for federal, state, and judicial purposes.

(e) The payment in (a) required by this Section 2 shall be disbursed to the employee on a separate check on or before the next regular pay day subsequent to November 21, 1997. The payments in (b), (c), and (d) required by this Section 2 shall be disbursed to the employee on a separate check not later than thirty (30) days after the respective effective date. *Example: The payment due in (b) above shall be made not later than January 30, 1998.*

### **Section 3 - Cost of Living Payments**

In the event that either party has outstanding Section 6 Notices and the parties have not reached an agreement as of January 1, 2001 respecting same, the employees will be entitled to cost of living payments as calculated pursuant to the formula at Tab A.

### **Section 4 - Health Care, Dental Care, and Vision Care Premiums**

The District agrees to pay the full cost of the health care, dental care, and vision care premiums, including increases in same, through and including the month of December 2000. In the event that the parties have pending Section 6 Notices that are unresolved as of December 31, 2000, and there are increases in the premiums associated with the foregoing care services, the parties agree that the COLA payments due under Section 3 above, may be reduced by up to twenty-five percent (25%), to fund up to fifty percent (50%) of the of the monthly increase in premium above the monthly

amount paid per employee as of December 2000. The District shall pay the balance of said increase in premium.

## ARTICLE 2 - PART TIME EMPLOYEES

(a) The District shall have the option to establish one part time position at its South Bend passenger station. Except as noted below, the position may work any combination of hours or days less than forty (40) hours per week, depending on the need for the position. The District will not replace the full time ticket agent position as scheduled on Fridays, Saturdays, and Sundays with the part time position. This does not prevent using the part time employee to fill said full time position consistent with the exhaustion terms set forth at (c) below.

(b) The part time position shall have assigned hours and days of service. The position shall be covered by all provisions of the effective agreement except as specifically set forth herein.

(c) The employee assigned to the part time position may perform extra work in the event that other employees are not available to perform the extra work. In the event that the employee's work exceeds forty (40) hours per week or eight (8) hours per day, the hours in excess of forty (40) for a particular week or hours in excess of eight (8) hours per day shall be compensated at the time and one-half rate. The employee shall be compensated at the higher of their rate for their position or the rate for the extra work. Employees assigned to part time positions shall not be used to fill vacancies nor as vacation relief in regular full time positions unless other means of filling such positions have been exhausted.

(d) The initial wage rate for the position shall be set at the lowest current hourly wage for a ticket agent position.

(e) Employees occupying part time positions shall be credited with vacation calculated on the basis of one (1) day for each day of compensated service. The amount paid per week of vacation taken shall be based on the average hours worked per week.

(f) The District will offer, for part time employees who have been in service three (3) or more full calendar months, the option to purchase health care coverage as set forth in ALLIED SERVICES DIVISION WELFARE FUND HEALTH BENEFIT PLAN S-3 with one hundred percent (100%) of the cost of such plan deducted from the pay of such employees.

(g) At the end of six (6) months following the Effective Date of this agreement, should the District deem it desirable to establish additional part time positions, the Organization and the District shall confer with respect to same.

## **ARTICLE 3 - SICK LEAVE**

(a) Effective January 1, 1997, the number of unused sick leave days which may be banked by employees shall be increased from forty-five (45) to sixty (60) and, employees may at their option, increase this number to one hundred and twenty (120) days. The option concerning the level of days "banked" or "cashed out" (if eligible) must be elected by January 31 of each calendar year.

(b) Effective December 31 of each calendar year, beginning with 1997, any employee who has accumulated a full bank of sick leave as set forth above, shall be compensated for all days over the maximum bank. Upon the retirement of any employee, the District shall compensate such employee for all unused sick leave, current year and past years, at the rate of seventy-five percent (75%) of the last position held prior to retirement.

## **ARTICLE 4 - PENSIONS**

(a) As soon as possible after the Effective Date, the District shall establish a pension fund. The District shall contribute to the pension fund a per employee amount of fifty cents (\$.50) per hour of compensated service worked subsequent to the Effective Date. Prior to and pending establishment of the fund, the District shall timely deposit said funds in an interest bearing account until such time as can be deposited in the employees' supplemental pension plan accounts. The employees will be promptly informed as to when the money is transferred from the interest bearing account to their supplemental pension plan accounts.

(b) All costs to establish and administer the pension fund shall be borne by the District.

(c) As soon as the plan has been established, but prior to Internal Revenue Service approval, after the Effective Date, the District will provide employees with the pension fund Summary Plan Description (SPD).

(d) Participation in the pension fund shall include all full-time employees who have completed at least one (1) year of service.

## **ARTICLE 5 - SCOPE RULE - PORTER WORK**

Following the Effective Date of this Agreement, if at any time there is a permanent vacancy on any full time ticket agent or porter position due to the voluntary resignation or retirement of an incumbent, the work currently assigned to the porter position shall be considered as outside the scope of the effective agreement and District may make such arrangements as it deems necessary for the performance of such work.

## ARTICLE 6 - PAY


Upon ratification of this agreement, the pay rate for all positions shall be stated in a rate per hour. Monthly rated positions will be converted to hourly rated positions by multiplying the monthly rated amount existing immediately prior to execution of this agreement, excluding COLA, by twelve (12) and dividing by 2,085.6 (52.14 weeks x 40).


## ARTICLE 7 - EFFECTIVE DATE


This Effective Date of this Agreement is October 23, 1997. No notice to change existing agreements shall be served prior to November 1, 2000, to become effective no sooner than January 1, 2001, however nothing herein shall be construed to prohibit agreement on any matter on which the parties are agreeable.

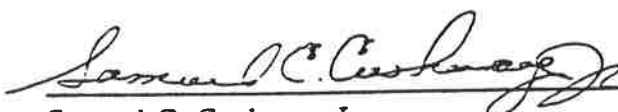
This agreement is made this 21<sup>st</sup> day of November, 1997 and is effective as set forth herein.

FOR THE EMPLOYEES:

  
\_\_\_\_\_  
Robert F. Davis  
President, ASD


  
\_\_\_\_\_  
Jack C. Campbell  
Int'l. Vice President, AFL-CIO, CLC


  
\_\_\_\_\_  
Richard L. Knoles  
Regional Representative, ASD/TCU


  
\_\_\_\_\_  
Samuel C. Cushway, Jr.  
District Chairman, ASD/TCU

FOR THE DISTRICT:

  
\_\_\_\_\_  
James Biggs  
Chairman

  
\_\_\_\_\_  
Gerald R. Hanas  
General Manager

  
\_\_\_\_\_  
Dario M. Brezene  
Chief Financial Officer

  
\_\_\_\_\_  
Bjarne R. Henderson  
Senior Attorney

## **Part B - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2001**

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

(a) A cost-of-living allowance will 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 BLS CPI. The first such cost-of-living allowance shall be payable effective July 1, 2001 based, subject to paragraph (d), on the BLS CPI for September 2000 as compared with the BLS CPI for March 2000. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (e).

Measurement Periods

<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
September 2000	March 2000	July 1, 2001
March 2001	September 2001	January 1, 2002

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

(b) While a cost-of-living allowance is in effect, such cost-of-living allowance will apply to straight time, overtime, protected rates, vacations, holidays and personal leave days in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to special allowances and arbitraries representing duplicate time payments.

(c) The amount of the cost-of-living allowance, if any, that will be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

- (d) (i) Cap. In calculations under paragraph (e), the maximum increase in the BLS CPI that will be taken into account will be as follows:

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That May Be Taken Into Account</u>
July 1, 2001	3% of September 2000 CPI
January 1, 2002	6% of September 2000 CPI, less the increase from September 2000 to March 2001

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

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

- (iii) If the increase in the BLS CPI from the base month of September 2000 to the measurement month of March 2001 exceeds three percent (3%) of the September base index, the measurement period that will be



used for determining the cost-of-living adjustment to be effective the following January will be the 12-month period from such base month of September; the increase in the index that will be taken into account will be limited to that portion of the increase that is in excess of three percent (3%) of such September base index; and the maximum increase in that portion of the index that may be taken into account will be six percent (6%) of such September base index less the three percent (3%) mentioned in the preceding clause, to which will be added any residual tenth of points which had been dropped under paragraph (e) below in calculation of the cost-of-living adjustment which will have become effective July 1, 2001 during such measurement period.

(iv) Any increase in the BLS CPI from the base month of September 2000 to the measurement month of September 2001 in excess of six percent (6%) of the September 2000 base index will not be taken into account in the determination of subsequent cost-of-living adjustments.

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

(e) Formula. The number of points change in the BLS CPI during a measurement period, as limited by paragraph (d), will be converted into cents on the basis of one cent (\$.01) equals 0.3 full points. (By "0.3 full points" it is intended that any remainder of 0.1 point or 0.2 points of change after the conversion will not be counted.)

The cost-of-living allowance in effect on December 31, 2001 will be adjusted (increased or decreased) effective January 1, 2002 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (d), in the BLS CPI during the applicable measurement period. Any residual tenths of a point resulting from such division will be dropped. The result of such division will be added to the amount of the cost-of-living allowance in effect on December 31, 2001 if the BLS CPI will have been higher at the end than at the beginning of the measurement period, and subtracted therefrom if the index will have been lower at the end than at the beginning of the measurement period and then, only, to the extent that the allowance remains above zero. The same procedure will be followed in applying subsequent adjustments.

(f) 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 Index 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 Index 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, 2001 shall be equal to the difference between

(i) the cost-of-living allowance in effect on that date pursuant to Section 1 of this Part, and

(ii) the cents per hour produced by dividing one-quarter ( $\frac{1}{4}$ ) of the increase, if any, in the carriers' 2001 payment rate for foreign-to-occupation health benefits under the Plan over such payment rate for 2000, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which statistics are available, but not more than one-half ( $\frac{1}{2}$ ) of the amount specified in clause (i) above.

(b) The cost-of-living allowance payable to each employee effective January 1, 2002 shall be equal to the difference between

(i) the cost-of-living allowance in effect on that date pursuant to Section 1 of this Part, and

(ii) the cents per hour produced by dividing one-quarter ( $\frac{1}{4}$ ) of the increase, if any, in the carriers' 2002 payment rate for foreign-to-occupation health benefits under the Plan over the amount of such payment rate for 2001, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which

statistics are available, but not more than one-half ( $\frac{1}{2}$ ) of the amount specified in clause (i) above.

(c) The procedure specified in paragraph (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.

(d) The definition of the carriers' payment rate for foreign-to-occupation health benefits under the Plan set forth in Section 5 of Part A shall apply with respect to any year covered by this Section.

(e) In making calculations under this Section, fractions of a cent shall be rounded to the nearest whole cent; fractions less than one-half ( $\frac{1}{2}$ ) cent shall be dropped and fractions of one-half ( $\frac{1}{2}$ ) cent or more shall be increased to the nearest full cent.

### **Section 3 - Application of Section 1 Cost-of-Living Allowances**

The cost-of-living allowances provided for by Part B of this Article will be payable as provided herein and will not become part of basic rates of pay. Each one center per hour of cost-of-living allowance that is payable will be treated as an increase of two dollars (\$2.00) in the basic monthly rates of pay produced by application of Sections 2, 3, and 4 of Article I of this Agreement.

### **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.

January, 1998

SUMMARY PLAN DESCRIPTION

NICTD SUPPLEMENTAL  
PENSION PLAN AND TRUST  
FOR UNION EMPLOYEES

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The NICTD SUPPLEMENTAL PENSION PLAN AND TRUST FOR UNION EMPLOYEES has been established and is maintained by the Northern Indiana Commuter Transportation District for the exclusive benefit of you and all participating employees, to help provide for your financial security at retirement. This Summary Plan Description is intended to outline for you the principal provisions of the Plan and to promote your understanding of its operation. The actual Plan document is the controlling legal authority for all of the provisions summarized.

## I. IDENTIFYING INFORMATION

Plan Name: NICTD Supplemental Pension Plan and Trust for Union Employees

Employer and Plan Administrator: Northern Indiana Commuter  
Transportation District

Address: 33 East U.S. Highway 12, Chesterton, Indiana 46304

Telephone Number: (219) 926-5744

Trustees: Gerald R. Hanas, Keith Casey and Dario M. Brezene

Address: 33 East U.S. Highway 12, Chesterton, Indiana 46304

Type of Plan: Defined Contribution Plan

Type of Administration: Trusteed

Plan Year: January 1 to December 31

## II. PURPOSE OF PLAN

What is the pension plan?

The pension plan is a plan which provides for a fixed contribution by the employer for each of its employees covered by the plan. An employee will receive as a retirement benefit such amount as is accumulated due to the money contributed and invested on the employee's behalf.

What is the purpose of the plan?

The plan is intended to distribute the contributions and income of the fund accumulated by the Trust to employees of the employer or their beneficiaries in accordance with the terms of the plan.

What are the tax advantages of the plan for an employee?

First, an employee does not currently pay any taxes on the amounts of money contributed to the plan by the employer. Second, earnings on amounts invested in the plan accumulate tax-free. Income taxes will eventually have to be paid on amounts contributed to the plan and earnings

attributable to such amounts, but not until these amounts are distributed to an employee or the employee's beneficiary.

### III. ELIGIBILITY AND PARTICIPATION

#### Who is eligible to participate in the plan?

Any individual who is employed by the employer and is included as a full-time employee in a unit of employees covered by a collective bargaining agreement between the employer and the Transportation Communications International Union (Clerks Division) is immediately eligible to participate.

#### What happens when an employee is eligible to participate?

At or about the time when an eligible employee's participation is to begin, the plan administrator will provide the employee with a description of the plan, a participation and beneficiary designation form, and any other forms necessary for participation.

### IV. CONTRIBUTIONS

#### What will the employer contribute to the plan?

For each employee covered by a collective bargaining agreement with the Transportation Communications International Union (Clerks Division), the employer will contribute 50¢ per hour worked for the employer during the plan year.

#### What is a participant's account?

The plan administrator will maintain a record for each participant of all contributions made to the trust on the participant's behalf. This account record will also show the amount of trust investment income credited to the participant's account.

#### What may a participant contribute to the plan on his or her own behalf?

No contributions by a participant are required or permitted.

#### How are contributions to the plan invested?

The trustees will establish and maintain a number of investment funds, and each participant will be entitled to select the particular investment fund or funds in which he or she desires to have his

or her account invested. The plan administrator will advise participants of the funds available for investment on a periodic basis.

Participants will be required to submit their investment directions to the plan administrator at such times as the plan administrator may specify. The plan administrator will establish rules and procedures to be followed by participants to make investment elections under the plan and will provide participants with a copy of these rules and procedures.

A participant's account will be charged or credited with the net earnings, gains and losses, as well as any appreciation or depreciation in market value, attributable to the trustees' investment of the account as directed by the participant.

The trustees do not guarantee plan assets in any manner against investment loss or depreciation in asset value.

## V. BENEFITS

### When will a participant's account be distributed?

A participant's account will be distributed to the participant or his or her beneficiary as either a retirement benefit, a death benefit, a disability benefit or a termination benefit.

### What is a participant's retirement benefit?

When a participant reaches his or her retirement date, or at a later time when a participant actually retires, the participant will be entitled to receive the entire amount in his or her account. A participant's retirement date is the date on which the participant attains age 65. Payment of a retirement benefit will be made as soon as practicable after the end of the plan year in which a participant retires.

### What is the form for payment of a retirement benefit?

The form of payment for all benefits, including a retirement benefit, is a lump sum distribution of the total amount in the participant's account.

### What is a participant's death benefit?

If a participant dies prior to retirement, the participant's beneficiary will be entitled to receive the entire amount of the participant's account. Payment of a death benefit will be made as soon as practicable after the end of the plan year in which a participant dies.

If a participant is married, the participant's spouse will automatically be considered as his or her beneficiary of death benefits. A married participant may choose a beneficiary other than his or her spouse if the spouse consents to such choice.

A participant who is not married will be given the opportunity to name a beneficiary when he or she is first eligible to participate in the plan; and such participant may later change his or her beneficiary designation by written notice to the plan administrator. Should such a participant subsequently marry, his or her spouse will become the participant's beneficiary as described above.

What is a participant's disability benefit?

If a participant terminates employment prior to his or her retirement date because he or she becomes so disabled that he or she is and will be permanently unable to perform his or her duties, the participant will be entitled to receive the entire amount in his or her account. A participant's disability must be certified to by a physician selected by the plan administrator. Payment of a disability benefit will be made as soon as practicable after the end of the plan year during which a participant becomes disabled.

What is a participant's termination benefit?

If a participant terminates employment for any reason other than retirement, death or disability, the participant will be entitled to the entire amount in his or her account.

Payment of a termination benefit will be made as soon as practicable after the end of the plan year in which the participant reaches the plan's retirement age or would be entitled to a death or disability benefit under the plan; except that if a terminated participant's account balance is less than \$5,000, payment will be made as soon as practicable after the end of the plan year in which the participant terminated employment. A terminated participant whose account balance exceeds \$5,000 may elect to receive a distribution at an earlier date than described above and should consult with the plan administrator concerning the necessary forms to be completed to make such an election.

## **VI. LOSS OR DENIAL OF BENEFITS**

What could cause a participant's benefits to be reduced or lost?

A participant's benefits could be reduced or lost if the trust loses money on its investments and portions of such losses are allocated to the participant's account.

Benefits under the plan are not insured by the State or Federal government.

## VII. PLAN OPERATION

### How is the plan operated?

The plan administrator manages the plan on a day-to-day basis and is responsible for maintaining plan records and distributing information to participants. The plan administrator also determines claims and authorizes benefit payments. The trustees are responsible for investing and managing the assets of the plan.

### May the plan be amended or terminated?

The employer may amend the plan at any time, but the employer cannot amend the plan in any way that would cause a participant or beneficiary to lose any portion of a vested benefit.

The employer may also terminate the plan at any time. If the employer does terminate the plan, all participants will be entitled to the entire amount in their accounts.

