

CBG–NCCC

TENTATIVE AGREEMENT

OCTOBER 2017

WAGES

GENERAL WAGE INCREASES

Wage Component	Last NCCC Proposal		Tentative Agreement	
	Pct.	Effective Date	Pct.	Effective Date
General Wage Increase	3.00%	January 1, 2015	3.00%	January 1, 2015
General Wage Increase	2.00%	Implementation	2.00%	July 1, 2016
General Wage Increase	2.00%	Implementation	2.00%	July 1, 2017
General Wage Increase	2.00%	July 1, 2018	2.50%	July 1, 2018
General Wage Increase	2.00%	July 1, 2019	3.00%	July 1, 2019
Total of GWIs	11.00%	No retroactivity (no back pay)	12.50%	Full retroactivity (full back pay)
Compounded GWI value	11.49%		13.14%	

MONTHLY H&W CONTRIBUTION

Employee Monthly Health & Welfare Contribution		
Effective Date	Last NCCC Proposal	Tentative Agreement
January 1, 2015	\$198.00	\$198.00
July 1, 2016	\$228.89	\$228.89
July 1, 2017	\$245.00	\$228.89
July 1, 2018	\$260.00	\$228.89
July 1, 2019	\$275.00	\$228.89
Monthly contribution frozen until renegotiated at the conclusion of bargaining in the next round		

IN-TERM VALUE OF TA

\$50,000 base* in 2014	Last NCCC Proposal			Tentative Agreement		
Period (# of months)	GW	New Base	Value	GW	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$51,500.00	\$2,250.00	3.00%	\$51,500.00	\$2,250.00
07/01/16–06/30/17 (12 mos)	2.00%	\$51,500.00	\$1,500.00	2.00%	\$52,530.00	\$2,530.00
07/01/17–06/30/18 (12 mos)	2.00%	\$51,500.00	\$2,540.30	2.00%	\$53,580.60	\$3,580.60
07/01/18–06/30/19 (12 mos)	2.00%	\$54,652.21	\$4,652.21	2.50%	\$54,920.11	\$4,920.11
07/01/19–12/31/19 (6 mos)	2.00%	\$55,745.26	\$2,872.63	3.00%	\$56,567.72	\$3,283.86
New GW value over life of Agreement			\$6,315.14			\$9,064.57
Total GW value over life of Agreement			\$13,815.14			\$16,564.57
H&W cap value over life of Agreement			\$0.00			\$843.30
Total Value over life of Agreement			\$13,815.14			\$17,407.87
Increased Value of Tentative Agreement over Last NCCC Proposal						\$3,592.73
* — “base” represents compensation elements subject to GWs (i.e., not frozen pay elements)						

IN-TERM VALUE OF TA

\$75,000 base* in 2014	Last NCCC Proposal			Tentative Agreement		
Period (# of months)	GWI	New Base	Value	GWI	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$77,250.00	\$3,375.00	3.00%	\$77,250.00	\$3,375.00
07/01/16–06/30/17 (12 mos)	2.00%	\$77,250.00	\$2,250.00	2.00%	\$78,795.00	\$3,795.00
07/01/17–06/30/18 (12 mos)	2.00%	\$77,250.00	\$3,810.45	2.00%	\$80,370.90	\$5,370.90
07/01/18–06/30/19 (12 mos)	2.00%	\$81,978.32	\$6,978.32	2.50%	\$82,380.17	\$7,380.17
07/01/19–12/31/19 (6 mos)	2.00%	\$83,617.88	\$4,308.94	3.00%	\$84,851.58	\$4,925.79
New GWI value over life of Agreement			\$9,472.71			\$13,596.86
Total GWI value over life of Agreement			\$20,722.71			\$24,846.86
H&W cap value over life of Agreement			\$0.00			\$843.30
Total Value over life of Agreement			\$20,722.71			\$25,690.16
Increased Value of Tentative Agreement over Last NCCC Proposal						\$4,967.45
* — “base” represents compensation elements subject to GWIs (i.e., not frozen pay elements)						

IN-TERM VALUE OF TA

\$100,000 base* in 2014	Last NCCC Proposal			Tentative Agreement		
Period (# of months)	GWI	New Base	Value	GWI	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$103,000.00	\$4,500.00	3.00%	\$103,000.00	\$4,500.00
07/01/16–06/30/17 (12 mos)	2.00%	\$103,000.00	\$3,000.00	2.00%	\$105,060.00	\$5,060.00
07/01/17–06/30/18 (12 mos)	2.00%	\$103,000.00	\$5,080.60	2.00%	\$107,161.20	\$7,161.20
07/01/18–06/30/19 (12 mos)	2.00%	\$109,304.42	\$9,304.42	2.50%	\$109,840.23	\$9,840.23
07/01/19–12/31/19 (6 mos)	2.00%	\$111,490.51	\$5,745.26	3.00%	\$113,135.44	\$6,567.72
New GWI value over life of Agreement			\$12,630.28	\$18,129.15		
Total GWI value over life of Agreement			\$27,630.28	\$33,129.15		
H&W cap value over life of Agreement			\$0.00	\$843.30		
Total Value over life of Agreement			\$27,630.28	\$33,972.45		
Increased Value of Tentative Agreement over Last NCCC Proposal						\$6,342.17
* — “base” represents compensation elements subject to GWIs (i.e., not frozen pay elements)						

IN-TERM VALUE OF TA

\$125,000 base* in 2014	Last NCCC Proposal			Tentative Agreement		
Period (# of months)	GWI	New Base	Value	GWI	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$128,750.00	\$5,625.00	3.00%	\$128,750.00	\$5,625.00
07/01/16–06/30/17 (12 mos)	2.00%	\$128,750.00	\$3,750.00	2.00%	\$131,325.00	\$6,325.00
07/01/17–06/30/18 (12 mos)	2.00%	\$128,750.00	\$6,350.75	2.00%	\$133,951.50	\$8,951.50
07/01/18–06/30/19 (12 mos)	2.00%	\$136,630.53	\$11,630.53	2.50%	\$137,300.29	\$12,300.29
07/01/19–12/31/19 (6 mos)	2.00%	\$139,363.14	\$7,181.57	3.00%	\$141,419.30	\$8,209.65
New GWI value over life of Agreement			\$15,787.85			\$22,661.44
Total GWI value over life of Agreement			\$34,537.85			\$41,411.44
H&W cap value over life of Agreement			\$0.00			\$843.30
Total Value over life of Agreement			\$34,537.85			\$42,254.74
Increased Value of Tentative Agreement over Last NCCC Proposal						\$7,716.89
* — “base” represents compensation elements subject to GWIs (i.e., not frozen pay elements)						

IN-TERM VALUE OF TA

\$100,000 base* in 2014	Compared to Current Rates			Tentative Agreement		
Period (# of months)	GWI	New Base	Value	GWI	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$103,000.00	\$4,500.00	3.00%	\$103,000.00	\$4,500.00
07/01/16–06/30/17 (12 mos)	0.00%	\$103,000.00	\$3,000.00	2.00%	\$105,060.00	\$5,060.00
07/01/17–06/30/18 (12 mos)	0.00%	\$103,000.00	\$3,000.00	2.00%	\$107,161.20	\$7,161.20
07/01/18–06/30/19 (12 mos)	0.00%	\$103,000.00	\$3,000.00	2.50%	\$109,840.23	\$9,840.23
07/01/19–12/31/19 (6 mos)	0.00%	\$103,000.00	\$1,500.00	3.00%	\$113,135.44	\$6,567.72
GWI value over life of Agreement			\$15,000.00			\$33,129.15
H&W cap value over life of Agreement			\$0.00			\$843.30
Total Value over life of Agreement			\$15,000.00			\$33,972.45
Increased Value of Tentative Agreement over Current rates						\$18,972.45
* — “base” represents compensation elements subject to GWIs (<u>i.e.</u> , not frozen pay elements)						

IN-TERM VALUE OF TA

\$125,000 base* in 2014	Compared to Current Rates			Tentative Agreement		
Period (# of months)	GW	New Base	Value	GW	New Base	Value
01/01/15–06/30/16 (18 mos)	3.00%	\$128,750.00	\$5,625.00	3.00%	\$128,750.00	\$5,625.00
07/01/16–06/30/17 (12 mos)	0.00%	\$128,750.00	\$3,750.00	2.00%	\$131,325.00	\$6,325.00
07/01/17–06/30/18 (12 mos)	0.00%	\$128,750.00	\$3,750.00	2.00%	\$133,951.50	\$8,951.50
07/01/18–06/30/19 (12 mos)	0.00%	\$128,750.00	\$3,750.00	2.50%	\$137,300.29	\$12,300.29
07/01/19–12/31/19 (6 mos)	0.00%	\$128,750.00	\$1,875.00	3.00%	\$141,419.30	\$8,209.65
GW value over life of Agreement			\$18,750.00			\$41,411.44
H&W cap value over life of Agreement			\$0.00			\$843.30
Total Value over life of Agreement			\$18,750.00			\$42,254.74
Increased Value of Tentative Agreement over Current rates						\$23,504.74

* — “base” represents compensation elements subject to GWs (i.e., not frozen pay elements)

HEALTH & WELFARE

INCREASES IN MONTHLY H&W CONTRIBUTIONS
BETWEEN NOW AND END OF NEXT BARGAINING
ROUND

NONE!

PLAN IMPROVEMENTS

- ❖ Medical (no copays or coinsurance unless noted):
 - expert second opinions;
 - member advocacy services;
 - end-of-life counseling;
 - Telemedicine (\$10 copay would apply); and
 - expand Centers of Excellence benefit to include Cleveland Clinic for specialized cardiac care.

- ❖ Vision Plan, increase frequency of:
 - covered eye exam to one (1) per calendar year; and
 - lenses/frames benefit to once every two (2) calendar years.

PLAN IMPROVEMENTS (CONT'D)

❖ Flexible Spending Account (FSA):

- suspend NCCC right to terminate for failure to meet minimum enrollment levels through at least 2020;
- extend grace period from January 31 to March 15 starting 2019; and
- also beginning 2019, raise maximum contribution to maximum allowable under law (\$500 cap on annual adjustments).

❖ Mental Health Substance Abuse services no longer subject to separate deductibles and out-of-pocket maximums.

❖ Cadillac Tax:

- NCCC agrees to drop mandatory Plan Design changes to keep Plan value below Cadillac tax threshold.

ACTUARIAL VALUE

Actuarial Value (AV) is the percentage of expenses paid by the Plan (i.e., the carriers) after employee deductibles, copayments and other costs for provider services. AV increases over time as Plan expenses increase and employee deductibles and co-pays remain fixed.

As a result of last National Agreement	91.0%
January 1, 2018 (without change)	93.5%
Tentative Agreement / ACA Platinum Level	90.0%
NCCC June Proposal / PEB Position	85.0%
ACA Gold Level	80.0%
ACA Silver Level (current national average)	70.0%
ACA Bronze Level	60.0%

PLAN DESIGN CHANGES MAINTAIN 90% PLATINUM-LEVEL COVERAGE

Annual Employee Expenditure (RRs pay 90% of plan costs)	MMCP In-Network		
	Current	2018	2019
Deductible (ind./fam.)	\$200/\$400	\$325/\$650	\$350/\$700
Coinsurance	5%	10%	10%
Out-of-Pocket Max. (ind./fam.)	\$1,000/\$2,000	\$1,800/\$3,600	\$2,000/\$4,000
Annual Employee Expenditure (RRs pay 90% of plan costs)	MMCP Out-of-Network		
	Current	2018	2019
Deductible (ind./fam.)	\$300/\$900	\$650/\$1,300	\$700/\$1400
Coinsurance	25%	30%	30%
Out-of-Pocket Max. (ind./fam.)	\$2,000/\$4,000	\$3,600/\$7,200	\$4,000/\$8,000
Annual Employee Expenditure (RRs pay 90% of plan costs)	CHCB Coverage		
	Current	2018	2019
Deductible (ind./fam.)	\$200/\$400	\$325/\$650	\$350/\$700
Coinsurance	15%	20%	20%
Out-of-Pocket Max. (ind./fam.)	\$2,000/\$4,000	\$2,800/\$5,600	\$3,000/\$6,000

PLAN DESIGN CHANGES MAINTAIN 90% PLATINUM-LEVEL COVERAGE

Medical Copayments (RRs pay 90% of plan costs)	Current	2018	2019
Convenient Care Clinic	\$10	\$10	\$10
Primary Care Physician	\$20	\$25	\$25
Specialist	\$35	\$40	\$40
Urgent Care Center	\$20	\$25	\$25
Emergency Room (not admitted)	\$75	\$100	\$100

PLAN DESIGN CHANGES MAINTAIN 90% PLATINUM-LEVEL COVERAGE

Prescription Copayments (RRs pay 90% of plan costs)	Current	2018	2019
Retail Generic	\$5	\$10	\$10
Retail Brand Formulary	\$25	\$30	\$30
Retail Brand Non-Formulary	\$45	\$60	\$60
Mail Order Generic	\$5	\$10	\$10
Mail Order Brand Formulary	\$50	\$60	\$60
Mail Order Brand Non-Formulary	\$90	\$120	\$120

WORK RULES CHANGES

WORK RULE CHANGES IN TENTATIVE AGREEMENT

NONE!

CBG REJECTS NCCC DEMANDS FOR:

- ❖ BLET / SMART TD work rule changes to give carriers:
 - the right to impose automated job selection and placement;
 - the right to impose self-supporting pools, eliminating guaranteed extra boards;
 - the right to impose regulation of pools based on starts rather than miles;
 - the right to broaden current “Enhanced Customer Service” rules; and
 - the right to eliminate all distinctions between road service and yard service.

CBG REJECTS NCCC DEMANDS FOR:

- ❖ BRS/NCFO/IBB work rule changes to:
 - eliminate contractual obligation to use carrier employees for signal installation at public road crossings, and building construction, repair and maintenance;
 - expand “incidental work” rules; and
 - introduce new “simple tasks” rules.

- ❖ BRS work rule changes to:
 - adopt BMWED work rules related to establishing or changing starting time of regular shift, designation of location where paid time begins and ends, and scheduling of work days and rest days (including duration of regular shift on a work day).