

Transportation Communications Union/IAM

International Association of Machinists and Aerospace Workers



Robert A. Scardelletti
National President



Subject: **Health & Welfare Cost-Sharing Employee Contributions – National Agreement**

April 18, 2016

TO: All National Representatives, Assistant National Representatives and Local Lodge Officers with Members covered by the National Agreement

Dear Sisters and Brothers:

Under terms of the 2011 National Agreement covering freight railroads, from January 1, 2010 through December 31, 2014, the health & welfare employee cost-sharing contribution was \$200 per month, from January 1, 2010 through June 30, 2012. Effective July 1, 2012, the employee contribution was reduced to \$198 per month and has remained frozen at that amount through June 30, 2016. During this period we have received six general wage increases, including a 3% wage increase effective January 1, 2015 -- the first date of the next contract (presently under negotiations).

Effective July 1, 2016, the employee contribution will be subject to the formula set out in the National Agreement for cost sharing, which provides that "*employee cost-sharing contributions shall be adjusted so as to equal the lesser of 15% of the carriers' monthly rate for 2016 or \$230*". Pursuant to the formula shown on the attached, effective July 1, 2016, the employee cost-sharing contribution shall be adjusted to \$228.89 per month.

The new employee contribution of \$228.89, which goes into effect on July 1, 2016, will remain frozen unless changed by mutual agreement. It is my intent to do everything within our power during this current round of negotiations to keep that figure frozen throughout the duration of the next contract; and, hopefully, beyond.

In solidarity,

Robert A. Scardelletti
National President

Attachment

cc: Executive Council



