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Rock Falls, IL 61071-9332

**BMWED**

**WORKING FOR YOU!**

First Class Pre Sort  
Permit # Goes Here

**Quarterly Newsletter**  
**Volume 16**  
**October 2010**

If the Supervisor says:  
**“LET’S MAKE A DEAL”**

BMWED Members must say:  
**“NO, IT’S NOT ALLOWED”**

All too often we hear about special arrangements, just this time, sweetheart deals, etc.

Deals between individual members and the Carrier are not allowed and must be avoided. These individual deals if allowed could unravel the entire Collective Bargaining Agreement over time.

Here are some quotes from just a few of many awards rendered by Third Division of the National Railroad Adjustment Board:

Award No. 2602 states in part:

*“that where collective bargaining agreements exist their terms cannot be superseded or varied by special voluntary individual contracts, even though a relatively few employes are affected and these are specially and uniquely situated. The Court based its decision upon the fundamental proposition that if it were otherwise “statutes requiring collective bargaining would have little substance, for what was made collectively could be promptly unmade individually.”*

Award No. 4461 states in part:

*“There appears in the record a disclaimer of any right to reparations by Tregenza, the occupant of the position during the period of the claim. The Carrier insists that this operates to defeat the claim. We think not. The Organization has the authority to police the Agreement. It is authorized to correct violations and to see that the Agreement is carried out in accordance with its terms. In so doing, it acts on behalf of all the employes who are members of the Organization. Individual members are*

NO DEALS cont.

*not permitted to contract with the Carrier contrary to the provisions of the collective agreement and thereby make the collective agreement nugatory. Neither can such a result be secured by indirect action. The Carrier will not be permitted to protect itself against its own violations of the Agreement by securing waivers, disclaimers, releases, or other formal documents having the effect of excusing its contract violations. Such methods, carried to the extreme, would ultimately result in the destruction of the collective Agreement.”*

Award No. 21048 states in part:

*“Carrier decided to vary the rest days and instead of negotiating with the Brotherhood it made individual agreements with the affected employes. The individual agreements are without effect and Carrier stands in violation of both the Agreement with respect to compressed work weeks and its obligation to deal with the Brotherhood. It is a basic proposition in labor relations that the obligation to bargain runs to the organization and not to individual members.”*

Award No. 22492 states in part:

*“There seems to be no question that the employes agreed to the altered schedule and thus, we can readily understand Carrier’s contention that the employes waived their complaint and that additional payment amounts to “unjust enrichment.” Indeed, it does give us pause to honor these claims on behalf of the employes who voluntarily agreed to the violation. But, for us to invoke the concepts espoused by the Carrier would require us to apply equitable considerations (which is clearly beyond our authority) and ignore the well established principles which dictate that individual agreements do not replace collectively bargained agreements.”*

# Work Safe!

As a railroad worker, you are subject to a continuous barrage of propaganda, urging you to “work safe.” There is good reason for this: railroading has historically been, and still is, an incredibly dangerous occupation. So, how does one go about “working safe”?

**Follow the Safety Rules.** Well, for starters, follow all the safety rules that the carrier has provided you. Many of these rules have been literally written in blood, which is to say, a worker or workers were injured or killed for not following the outlined procedure. But there is a lot more to safety than simply mechanically following the carrier’s litany of safety rules. So what are these?

**Communicate with your co-workers.** Ask questions. If you refuse to ask your more experienced co-workers when you are in doubt as to what is going on, you have just put yourself in an extremely dangerous situation. By the same token, if you take the stance that you know it all and have got it all figured out when in fact you don’t, you have just put yourself in another extremely dangerous situation because now your co-workers will not share valuable information with you because they are unaware of your ignorance.

**Know Your Job.** Be aware of where you are at all times. Learn as much as you can. Just knowing the safety rules will not ensure your safety. When you understand the nature of say switching operations, when you are aware of what each member of your crew

– and every member of other crews in the vicinity – is doing, you are well on your way to working safely. And it is up to you to mentor the co-workers that come after you, those whose knowledge of railroading is less than yours.

**Identify Workplace Hazards.** Finally there is more to safety than simply knowing your job, communicating and working safe. There are numerous hazards on the property that can cause us to be injured or killed at any moment. Often the carrier is more interested in blaming the worker for each and every injury. We can see this by their omnipresent safety slogans such as “All accidents and injuries are avoidable” and “While at work, you are responsible for your own safety”. While we know that we must follow all safety rules, look out for our co-workers, maintain our situational awareness, etc., this is not – as much as the carrier would have us believe -- the be all and end all of rail safety. We need to report all unsafe conditions and hazards, again and again if necessary. We need to form independent union safety committees that hold management’s feet to the fire on hazard elimination. We need to work across craft and across union lines to build solidarity between all rail workers to build a safe workplace environment. We must properly report all workplace injuries and accidents, refusing to be intimidated by management. We must learn, understand and demand our rights on the job to report such accidents and injuries free from management harassment. Building a strong union, building solidarity, and building safety all go hand in hand. A powerful union and a workforce united in solidarity together translate into the makings for a safer workplace. Safety is everyone’s business. It is up to all of us to do our part!



# Railroad Retirement Information

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## U.S. Railroad Retirement Board

Public Affairs  
Illinois 60611-2092

844 North Rush Street Chicago,

312-751-4777  
312-751-7154 (fax)  
[www.rrb.gov](http://www.rrb.gov)

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### Longevity of Railroad Retirement Beneficiaries

Every three years, the Railroad Retirement Board's Chief Actuary conducts a study of the longevity of its annuitants, as part of a valuation of future revenues and benefit payments. The following questions and answers summarize the results of the most recent longevity study.

#### **1. What were the study's finding on the life expectancy of retired male railroaders?**

The most recent data reflected a continued improvement in longevity. Using data through 2006, the study indicated that, on the average, a male railroader retiring at age 60 can be expected to live another 21.3 years, or approximately 256 months. Studies done three, six and nine years ago indicated life expectancies of 20.7, 20.1, and 19.8 years, respectively, for this category of beneficiary. The study also indicated that a male railroader retiring at age 62 can be expected to live another 19.6 years (235 months), while the previous three studies indicated life expectancies of 19, 18.5, and 18.2 years, respectively. A male railroader retiring at age 65 can be expected to live another 17.1 years (approximately 205 months). The previous studies indicated life expectancies of 16.6, 16.1, and 15.8 years, respectively, for this category of beneficiary.

#### **2. How did these life expectancy figures compare to those of disabled annuitants?**

As would be expected, disabled annuitants have a shorter average life expectancy, but the difference decreases with age. At age 60, a disabled railroader has an average life expectancy of 16.4 years, or 4.9 years less than a nondisabled male annuitant of the same age; at age 65, a disabled annuitant has an average life expectancy of 3.6 years less than a nondisabled 65-year-old annuitant; and at age 70 the difference is only 2.6 years.

**3. Are women still living longer than men?**

In general, women still live longer than men. This is shown both in the Railroad Retirement Board’s life expectancy studies of male and female annuitants and by other studies of the general United States population.

For example, at age 60 a retired female railroader is expected on the average to live 24.5 years, 3.2 years longer than a retired male railroader of the same age; and at age 65, a retired female railroader is expected on the average to live 20 years, 2.9 years longer than her male counterpart. Spouses and widows age 65 have average life expectancies of 20.5 years and 18.3 years, respectively.

**4. Can individuals use life expectancy figures to predict how long they will live?**

Life expectancy figures are averages for large groups of people. Any particular individual’s lifetime may be much longer or shorter than the life expectancy of his or her age and group.

According to the study, from a group of 1,000 retired male employees at age 65, 920 will live at least 5 years, 791 at least 10 years, 607 at least 15 years, and 385 at least 20 years. Of female age annuitants at age 65, 532 will be alive 20 years later.

**5. How do the life expectancies of railroad retirement annuitants compare with those of the general population?**

While exact data were not available for direct comparison, data available to the Railroad Retirement Board did not indicate significant differences. The entire longevity study is available on the agency’s Web site at;

[www.rrb.gov](http://www.rrb.gov)

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**MEDICAL PACKETS**

Anyone going on a Medical Leave of Absence should contact Harriet for a Medical Packet. These packets have all the forms needed to protect your seniority, collect Railroad Retirement Sickness Benefits, Supplemental Sickness Benefits and notify United Health Care of your disability for extended insurance benefits. If someone you work with is injured or sick, call the Secretary/Treasurer’s office and ask if a Medical Packet has been sent to them.

Call (815) 626-6636 OR Email: kbushman@comcast.net

# **HEALTH & WELFARE COST SHARING**

What follows is a series of hypothetical situations involving new hires, furloughed, suspended, dismissed, disabled or retired employees, as well as those on leave of absence or Family Medical Leave Act (FMLA) leave. The situations involving the furloughed employees are the ones that should be studied closely as they are the ones most likely to occur in the ordinary course of business. There are several points that must be stressed regarding furloughed employees and their cost-sharing obligations:

1. A carrier and employee's contribution obligations accrue in the month following the month in which the employee performed the Requisite Amount of Compensated Service or received the Requisite Amount of Vacation Pay. Therefore, if an employee meets either of those obligations in December, yet is furloughed later that month, a premium payment and cost-sharing contribution is due in January even though the employee is furloughed at that time. Therefore, if the employee qualifies for payment of the New Year's Day Holiday, a cost-sharing contribution will be taken from that payment because it is part of compensation received in January, a month in which a cost-sharing contribution is required.
2. Receipt of New Years' Holiday pay does not standing alone, trigger the carrier to make a premium payment in February and does not require an employee cost-sharing contribution from compensation received in February.
3. A furloughed employee's return from service for snow duty or other emergency work does not trigger a premium payment or cost-sharing contribution in the succeeding month unless the employee meets the 7-day rule as the result of such snow duty.

4. However, a furloughed employee's return to service for snow duty or other emergency work while on extended benefits during furlough will extend coverage for an additional four months following the month the employee performs the snow duty service.
  
5. The Opportunity Rule for BMWED applies only in the circumstance where an employee is a new hire. Employees returning to service from furlough are not expressly covered by the Opportunity Rule. However, we could try to make an argument that the Guidelines contemplate application of the Opportunity Rule to employees returning from furlough. Whether we can succeed with that argument is an open question. However, one point is clear, under no circumstances do the Guidelines contemplate application of the Opportunity Rule to an employee who returns from furlough early in the month, works five (5) days and then returns to furlough status. However, see point 4 above, regarding the affect such compensated service has on the extension of the employee's furlough period medical benefits.

From Page 21 of the Summary Plan Description:

*If you are furloughed and if you rendered compensated service for three months as an **Eligible Employee**, you will be covered for Employee and Dependents Health Care Benefits during your furlough until the end of the fourth month following the month in which you last rendered compensated service.*

Note the use of the term "compensated service" which would contemplate snow duty or other emergency service. That term should not be confused with the term of "Requisite Amount of Compensated Service" which is the official term for the 7-day Rule.

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## **RETIREMENT PACKETS**

Anyone planning on retiring should contact Harriet for a Retirement Packet. These packets have several items in them such as a Check List, Seniority Relinquishment Form, etc. Retirement Packets should be requested 3 to 6 months prior to your anticipated retirement date. To receive a Retirement Packet:

Call (815) 626-6636 OR Email: kbushman@comcast.net

# **IMPORTANT ANNOUNCEMENT**

Health Care Reform Changes  
Coming Soon  
Under  
The Railroad Employees National Health and Welfare Plan  
and  
The National Railway Carriers and  
United Transportation Union Health and Welfare Plan

## **WATCH FOR YOUR ANNUAL OPEN ENROLLMENT MATERIALS FROM RAILROAD ENROLLMENT SERVICES**

Starting in the next few weeks, employees covered under the Railroad Employees National Health and Welfare Plan and the National Railway Carriers and United Transportation Union Health and Welfare Plan (the Plan) will receive their annual Open Enrollment Packets from Railroad Enrollment Services. It is imperative that every employee open the packet to read the important Plan changes effective January 1, 2011. Further, it is also vital that each employee reads the instructions on how to comply with the Federal Law requiring Social Security Numbers (SSNs) for covered dependents.

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (the "Act"). Since that date several federal agencies have published Interim Final Regulations (IFRs) interpreting the provisions of the Act. As a result, the Plans will make certain changes effective January 1, 2011.

### **Grandfathered Status**

These Plans consider that they are grandfathered health plans under the Act. Being a grandfathered health plan means that a plan was in effect on March 23, 2010, and makes that plan exempt from some provisions of the Act. However, a grandfathered health plan must still comply with certain health care reform requirements. Two of them, removal of lifetime limits and addition of certain dependent children to age 26, are scheduled to become effective for this Plan on January 1, 2011.

**Effective January 1, 2011, the following will be implemented under the Plan. During Open Enrollment, Railroad Employees will be given a 30-day special enrollment period to take advantage of these provisions. Please note, the deadline for enrolling is November 3, 2010.**

### **Removal of Lifetime Limits from the Plans**

Currently, the Plan contains a lifetime maximum benefit of \$1,000,000 per each individual, which includes any amounts paid under 1) the Comprehensive Health Care Benefit (CHCB); 2) Out-of-Network services under the Managed Medical Care Program (MMCP); or 3) Out-of-Network services for mental health care under the Mental Health and Substance Abuse (MHSA) Benefits. There is also a separate lifetime maximum benefit of \$100,000 per individual for Out-of-Network services for substance abuse care under the MHSA Benefits.

Beginning on January 1, 2011 these lifetime maximums will be eliminated for any individual who reached or will reach a lifetime maximum prior to December 31, 2010. The Plan will begin paying any claims incurred by that individual on or after January 1, 2011. Note, any claims incurred prior to January 1, 2011 that exceed the maximum will not be paid.

Any individual who had previously reached the lifetime maximum under the Plan and is no longer enrolled in the Plan, or opted-out of coverage, now has the right to re-enroll in the Plan during the special 30-day enrollment period which will run concurrently with the Plan's 30-day annual open enrollment period this year.

### **Addition of Certain Dependent Children to Age 26**

The Plan will be extending coverage to certain dependent children to age 26, regardless of student, marital, residence or financial dependence status of the dependent child. The 30-day special enrollment period is being provided for certain children that are not currently enrolled in the Plan, or who are enrolled in the Plan but will lose their dependent eligibility on or before December 31, 2010. **Coverage for any children added during this special enrollment period will be effective on January 1, 2011.** In order to be eligible for this special enrollment, your child:

- Must not be currently enrolled in the Plan, or be currently enrolled in the Plan but will lose his/her dependent eligibility status on or before December 31, 2010; and
- Must be your married or unmarried child, under the age of 26, who is not eligible to enroll for coverage under an employer-sponsored group health plan, other than the group health plan of a parent.
  - A child is your natural child, your stepchild, your adopted child (including a child placed with you for adoption) and your child who is an Alternate Recipient under a Qualified Medical Child Support Order.
  - Your child does not have to be a student, reside with you or be financially dependent upon you.
  - Your child can be married and still qualify for coverage under the Plan. However, the Plan will not cover the spouse of your child.

**NOTE: Only your child who meets the above definition can be added and have his/her coverage extended to age 26 for this special enrollment.** Grandchildren are not impacted by the Act and the IFRs. Thus, a grandchild must continue to meet all other requirements for his/her coverage. Please consult the Plan's Summary Plan Description for more details on these requirements.

If you have a dependent child currently enrolled in the Plan who will not lose his/her dependent eligibility prior to January 1, 2011, coverage will automatically be extended up to age 26 for that child if he/she is your natural child, stepchild, adopted child (including a child placed with you for adoption) or your child who is an Alternate Recipient under a Qualified Medical Child Support Order. Such dependent child is only eligible if he/she is not eligible to enroll for coverage under an employer-sponsored group health plan, other than the group health plan of a parent.

If your child was enrolled in the Plan and his/her coverage ended prior to December 31, 2010, or if you have a child that was denied coverage or was not otherwise eligible under the Plan, you may now enroll this child if he/she meets the requirements set forth above. Also, if your child currently has COBRA continuation coverage, you may now obtain coverage for your child without COBRA as long as he/she meets the requirements set forth above.

If you are not currently enrolled in the Plan because you previously opted-out of coverage, you may enroll for coverage for yourself and your eligible dependent children during this special enrollment period.

**Your personalized annual open enrollment materials will arrive in the mail in a few weeks. The package will contain further details along with a special Dependent Add Form. Please review the materials and follow the instructions included in the packet to enroll your eligible dependents up to age 26. The completed Dependent Add Form and other required materials must be postmarked no later than November 3, 2010 in order to have the eligible dependents covered by your Plan.**

If you have questions regarding the Health Care Reform provisions you should contact your claims administrator by calling the Member Services phone number located on the back of your Member Identification Card, or:

| Claims Administrator            | Health and Welfare Plan |
|---------------------------------|-------------------------|
| Aetna                           | 1-800-842-4044          |
| Highmark Blue Cross Blue Shield | 1-866-267-3320          |
| UnitedHealthcare                | 1-800-842-9905          |

The Plan changes described above, namely, the removal of lifetime limits and the addition of certain dependent children to age 26 may not be permanent. They will remain in effect only so long as required by the Act as interpreted by applicable agency regulations. The interpretations of the Act set forth in the IFRs issued to date do impose those requirements. They, along with other changes mandated by the IFRs, may, however, be reversed or modified by future agency action, judicial decision or legislation. In that event, your Plan will incorporate the terms and conditions of such reversal or modification, effective as soon as practicable after it occurs.

**National Division Quadrennial Convention**

**Bylaws Changes**

**Approved by Teamster President Hoffa**

- 1) Initiation Fee for non-standard contract members from \$100 to \$20. Eighty five (85) percent will go to the Local Lodge with fifteen percent going to the IBT. National Division and System Division/Federations will no longer receive a portion of the initiation fee. (Art. XV Sect. 2)
- 2) The cost of a Life Membership for retirees will be reduced from eighty (80) percent to seventy (70) percent of - the difference between number of continuous years of membership and fifty (50) years - times the current annual retiree dues of sixteen (16) dollars per year. (Art. XVI Sect. 4)
- 3) Non-working dues rate to continue Good Standing will be \$1.00 for National Division, plus \$1.00 for System Division/Federation, plus \$1.00 for Local Lodge, plus the Teamster Per Capita, (currently \$12.32 for Class I railroads, lower for Class II and Non-rail). (Art. XV Sect. 3)
- 4) Merit Awards (10 year certificate and a Merit Award pin each 10 years thereafter) are to be issued by National Division instead of being requested by the System Division/Federation or Local Lodge. (Resolution 35)

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**DEATH BENEFICIARY-MET LIFE**

Do you know who your beneficiary is? Many of our members signed a beneficiary form for life insurance when their employment began several years ago. Changes come about due to deaths, marriage, divorce, and birth of dependents. If you are unsure who your beneficiary is for this policy, you can obtain a change of beneficiary form by calling Met Life at the toll free number 1-800-310-7770 and listening to the prompts.

This Plan provides minimal life insurance of:

\$20,000 per active employee, an additional \$16,000 if accidental and \$2,000 per retired or disability annuity employees.

Furloughed employees are covered for life insurance for 1 month following the month you last rendered service or received vacation pay and 4 months for Accidental Death & Dismemberment benefits. Coverage for certain accidental loss of limb or vision is also provided for in this policy.