



Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters

Freddie N. Simpson
President

Perry K. Geller, Sr.
Secretary-Treasurer

December 12, 2017

ALL BMWED NATIONAL DIVISION & SYSTEM OFFICERS

Dear Brothers and Sisters:

Re: BMWED Cash and Non-Cash Compensation as of January 1, 2018

Attached for your information and use are the annual and monthly values attributed to cash and non-cash compensation accorded to Maintenance of Way employees under the terms of the April 25, 2012 National Agreement, and statutory benefits provided by applicable Federal law, effective January 1, 2018.

The attached chart was constructed using an average straight time hourly rate of \$28.11¹, the figure used by National Division to calculate National Division dues for Class I railroad employees for the calendar year 2018, and all figures are computed on the basis of an employee working straight time only on a twelve (12) month no-furlough basis. Obviously, figures for taxes paid by the Carrier and employee towards Railroad Retirement will vary based upon each employee's actual hourly rate of pay and number of hours worked in any calendar year. The point of the chart is to provide a reasonable example of economic value provided to BMWED members under the terms of the National Agreement and Federal Law.

Please note that, the values for the health insurance include the actual amounts paid by the carriers to the various health insurance providers/administrators, including on-duty injury coverage. As you can see, those figures are greater than the amounts used to calculate the employee cost-sharing contributions.

Effective July 1, 2016, the employee monthly cost-sharing contribution increased to \$228.89 per month. This increase was in accordance with Article III, Part B, Section 1(c) of the April 25, 2012 National Agreement. Note that the employee monthly cost-sharing contribution is

¹ The average straight time hourly rate of pay is a weighted average, calculated using "****the information reflected in the annual statement published by the National Railway Labor Conference***" per Article XV, Section 3 of the BMWED-IBT Bylaws.

“locked” at this rate, “***unless otherwise mutually agreed by the parties during negotiations***” per Article V of the April 25, 2012 National Agreement.

If you have any questions regarding this circular, please contact Peter Kennedy, Executive Assistant to the President, at (248) 662-2614 or peterk@bmwe.org.

Fraternally yours,

A handwritten signature in cursive script, appearing to read "Freddie N. Simpson".

Freddie N. Simpson
President

Attachment

cc: R. Shanahan
C. Ballew
C. Hogue
M. Osborne
T. McCall
C. Dall
B. Bon
R. Morrison
M. Schappaugh
D. Griffin
All BMWED Designated FELA Counsel

PEK/sh

COMPENSATION PACKAGE 2018

The following breakdown represents the estimated value of cash and non-cash compensation accruing to Maintenance of Way employees with an hourly wage of \$28.11 working straight time hours only during the entire calendar year.

PAID BY THE CARRIER	PER YEAR	PER MONTH
Wages	\$58,468.80	\$4,872.40
Railroad Retirement Tier I & Medicare (7.65%)*	\$4,262.74	\$355.23
Railroad Retirement Tier II (13.1%)*	\$7,299.60	\$608.30
Unemployment (RUIA) (2.15%)**	\$402.48	\$33.54
Railroad Employees' National Health & Welfare Plan***	\$19,847.76	\$1,653.98
Vision Plan	\$101.28	\$8.44
Dental Plan (GP-12000)	\$764.04	\$63.67
Retiree Health Plan (GA-46000)	\$1,679.64	\$139.97
Supplemental Sickness Benefits (GP-7000)	\$619.56	\$51.63
Off-Track Vehicle Insurance	\$5.40	\$0.45
Employee Cost-Sharing Health Insurance Contribution	- \$2,746.68	- \$228.89
Employee Railroad Retirement Tier I & Medicare (7.65%)*	- \$4,262.74	- \$355.23
Employee Railroad Retirement Tier II (4.9%)*	- \$2,730.38	- \$227.53
Total Employer Paid Cash, Non-Cash Compensation and Payroll Taxes Less Employee Cost-Sharing and Employee Payroll Taxes	\$83,711.50	\$6,975.96

* All Tier I and Tier II payments are based on the \$228.89 monthly cost-sharing payment being deducted prior to the calculation of payroll taxes.

** The RUIA tax rate is based upon each railroad's experience (the more claims for unemployment insurance, the higher the rate) and can vary from 0.65% to 12% of a maximum monthly wage of \$1,560.00. For purposes of this chart, the figure of 2.15% is used. The actual rate for employees will vary by employer.

*** Includes both foreign to occupation and on-duty coverage, life insurance, and accidental death and dismemberment coverage.