



## UNIFIED SYSTEM DIVISION NEWSLETTER VOLUME 35– Jan., Feb., Mar., 2018

***Right to Work....code words for busting unions.***



### ***National Bargaining Update***

The SMART-Mechanical/BMWED coalition resumed negotiations with the National Carriers' Conference Committee (NCCC) on September 27, 2017 in Chicago, Ill. A member of the National Mediation Board also presided.

Following three years of negotiations, it is unfortunately clear that the cost of a voluntary agreement is not worth the price of admission. The railroad carriers are demanding plan design changes that include individual deductibles of up to \$700, coinsurance of 20 percent, and employee contribution increases as high as \$275 per month. Any type of proposal that includes those changes is unacceptable -- especially when our coalition has identified plan design changes that save hundreds of millions of dollars without concessions from either side. Needless to say, union officials do not accept the railroads' offer as fair and equitable, union rank-and-file would not ratify it, and the carriers proposed real wage gains do not come close to bridging the gap.

Therefore, it is apparent, given the position of the railroads, that there is no room for a voluntary agreement that would include real general wage increases while maintaining the status quo with regards to health and welfare. Today, our coalition notified the NCCC and the NMB that we have reached an impasse. We will be prepare for a Presidential Emergency Board (PEB) as we wait to be released by the NMB. In the coming weeks, we will be coordinating with our executive board and local union officers to prepare our rank-and-file members for the next steps of this process.

The majority of the unions who comprised the coordinated bargaining group reached an agreement that is sub-par and does not reach the needs of the members in which we represent. The agreement cannot be considered anything less than concessionary bargaining. Wages increases which are less than projected inflation are mediocre at best and cannot be accepted in a time of economic highs in the industry. America's railroads continue to prosper and reach record breaking profits yet they refuse to treat their employees with fair and equitable wage and benefit package. While there are no work rule changes in the CBG Agreement, healthcare benefits take a major downturn with the monthly cost sharing contributions remaining at \$228.89 a month the drastic most of the time doubling of co-pays and deductibles would cost members thousands of dollars yearly. The Unified System Division of the BMWED believes this CANNOT be considered a good deal for anyone. This leaves the BMWED and Smart Mechanical group in a precarious situation. At the request of the National Mediation Board the BMWED/SMART Mechanical Group met with the NCCC in Washington D.C. on December 14, 2017, at that meeting the parties agreed that it was in the best interest of both parties to continue to meet and try to reach a voluntary deal. With that said and with the political climate of today and the potential for pattern bargaining to be an issue, as bargaining continues it will be a multi-facet approach. The parties hope to set a date for sometime in early January to continue efforts toward a voluntary agreement that benefits both parties.

### **Unified System Division signs C&NW System Welding Agreement**

After several months of negotiations the Unified System Division agreed to a Welding Agreement which will encompass the former C&NW Territory. This agreement will give members who hold seniority on the former C&NW territory more employment opportunity. By establishing several positions on up to three (3) welding gangs that will have the ability to perform production welding work on the former C&NW territory. While this gang will be similar in operation to those welding gangs on the UPRR System, it will be appraised of members who work under the former C&NW Agreement. The gang will be mobile in nature and will be paid expenses in accordance with the April 25, 2012 Agreement for mobile gangs. For more information or to view the Agreement in its entirety go to the Unified System Division Website @ [www.usdbmwed.org](http://www.usdbmwed.org) and under the Agreements tab and click on Agreement 020.

# **UNIFIED SYSTEM DIVISION NEWS**

## **Unified System Division Secretary Ruth Overy Retires**

Long time Unified System Division Financial Secretary Ruth Overy retired on December 31, 2017 with her last work day being December 29, 2017. Ruth began her secretarial career with the Brotherhood on January 2, 1998 for the former Union Pacific System Federation which later merged with the former C&NW System Federation to form the Unified System Division and was later joined by the Pacific Federation. With the mergers Ruth has seen many changes including her initial duties more than doubling with the size of the system, working for multiple General Chairmen, as well as a change in office headquarter location from Ruth's home in Lyman, WY to Cottonwood Heights, UT. Through all of the change Ruth has remained loyal and dedicated to the System in which she has become such an important part of, the membership and the Organization in whole. Ruth and her husband Jess look forward to retirement and plan on spending some time traveling in the near future. The Officers and Staff of the Unified System Division would like to take this time to thank Ruth for her service to the Brotherhood and wish her a long and happy retirement.

## **Angela Mueller hired as New USD Financial Secretary**

The Unified System Division has hired Angela Mueller as the new financial secretary. Angela recently moved to the Salt Lake City area from Iowa accompanying her husband who is self employed in the electrical field. Angela who takes over for Ruth Overy who retired December 31, 2017. In order to allow as much training as possible Angela was brought on board on November 6, 2017 where she was put through orientation and training by her predecessor. On December 29, 2017 Angela took over the secretarial duties full time. Angela has a very diverse business background and we believe she is a wonderful asset to the current staff and will excel in her duties.

## **Unified System Division Convention**

The Unified System Division will hold its fourth quadrennial Convention October 22-26, 2018 at Walt Disney World in Orlando, FL. As set forth in the Unified System Division Bylaws each Local Chairman will represent his or her Lodge at the Unified System Division Convention, in the event the Local Chairman cannot attend the convention the Lodge Alternate Local Chairman will have the opportunity to represent their respective lodge at the Convention. An official Call Letter will be mailed soon to all Local Lodges explaining the process for delegates to make arrangements for both lodging and travel to the Convention. In accordance with the USD bylaws the General Chairman will appoint two committees, a resolution and a bylaw committee which will meet prior to the convention to discuss any business to be addressed. Both convention call letters and committee meeting call letters outlining the details for each meeting will be sent to the appropriate Local Chairman at a later date. We look forward to seeing you all in Orlando.

## **4th Regular Quadrennial BMWED National Convention**

The Brotherhood of Maintenance of Way Employees of the International Brotherhood of Teamsters will hold it's Fourth Regular National Convention the week of June 18, 2018 at Bally's Hotel and Casino in Las Vegas, NV. Each Local Lodge will have the opportunity to elect a delegate to represent their membership at the National Convention. The Unified System Bylaws dictate that the system will be responsible for travel and motel for each Convention Delegate who comes under the jurisdiction of the USD however, the local lodge will be responsible for any lost wages or other cost when attending the convention. Generally each Lodge will be required to hold a special election between January 1, 2018 and May 1, 2018 to elect a convention delegate and a alternate. A duplicate of the Credential must be received by the National Division Secretary/Treasurer 20 days prior to the commencement of the convention or May 29, 2018.

# ***RAILROAD RETIREMENT NEWS***

The amounts of compensation subject to railroad retirement tier I and tier II payroll taxes will increase in 2018, while the tax rates on employers and employees will stay the same. In addition, unemployment insurance contribution rates paid by railroad employers will continue to include a 1.5 percent surcharge in 2018.

**Tier I and Medicare Tax.--** The railroad retirement tier I payroll tax rate on covered rail employers and employees for 2018 remains at 7.65 percent. The railroad retirement tier I tax rate is the same as the social security tax, and for withholding and reporting purposes is divided into 6.20 percent for retirement and 1.45 percent for Medicare hospital insurance. The maximum amount of an employee's earnings subject to the 6.20 percent rate increases from \$127,200 to \$128,400 in 2018, with no maximum on earnings subject to the 1.45 percent Medicare rate.

An additional Medicare payroll tax of 0.9 percent applies to an individual's income exceeding \$200,000, or \$250,000 for a married couple filing a joint tax return. While employers will begin withholding the additional Medicare tax as soon as an individual's wages exceed the \$200,000 threshold, the final amount owed or refunded will be calculated as part of the individual's Federal income tax return.

**Tier II Tax.--** The railroad retirement tier II tax rates in 2018 will remain at 4.9 percent for employees and 13.1 percent for employers. The maximum amount of earnings subject to railroad retirement tier II taxes in 2018 will increase from \$94,500 to \$95,400. Since 2004, tier II tax rates are based on an average account benefits ratio reflecting railroad retirement fund levels. Depending on this ratio, the tier II tax rate for employees can be between 0 percent and 4.9 percent, while the tier II rate for employers can range between 8.2 percent and 22.1 percent.

**Unemployment Insurance Contributions.--** Employers, but not employees, pay railroad unemployment insurance contributions, which are experience-rated by employer. The Railroad Unemployment Insurance Act also provides for a surcharge in the event the Railroad Unemployment Insurance Account balance falls below an indexed threshold amount. The accrual balance of the Railroad Unemployment Insurance Account was \$97.7 million on June 30, 2017. Since the balance is less than the indexed threshold of \$146.3 million, a 1.5 percent surcharge will be added to the basic contribution rates for 2018, but will not increase the maximum 12 percent rate. There was also a surcharge of 1.5 percent in 2015, 2016 and 2017, with no surcharge in 2013 and 2014.

As a result, the unemployment insurance contribution rates (including the 1.5 percent surcharge) on railroad employers in 2018 will range from the minimum rate of 2.15 percent to the maximum of 12 percent on monthly compensation up to \$1,560, up from \$1,545 in 2017.

In 2018, the minimum rate of 2.15 percent will apply to 78 percent of covered employers, with 7 percent paying the maximum rate of 12 percent. New employers will pay an unemployment insurance contribution rate of 1.97 percent, which represents the average rate paid by all employers in the period 2014-2016.

## **Seniority Rosters**

**Seniority Roster are being distributed and it is your responsibility to assure your Seniority Placement is correct and the dates are accurate.**

**UPRR** – Each employee should be sent a Letter regarding Seniority in January of each calendar year. Each employee should review this letter as well as the newly posted roster to ensure his or her Seniority dates are accurate and their place on each respective roster are correct.

Employees must protest under the UPRR CBA before March 31st of the Calendar Year.

Employees must Protest within ninety (90) Calendar days of the date of distribution under the Former CN&W CBA.

Employees must protest within sixty (60) calendar days from distribution under the Former SP CBA.

**DM&E** - Rosters will be posted in January of each calendar year in a place where all employees will have access. Employees will have thirty (30) calendar days to protest any inaccuracies in the posted roster. Employees may only challenge inaccuracies for the previous calendar year.

If you should have questions regarding Seniority Rosters or Protest Process please contact one of your system officers

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