



Teamsters Canada Rail Conference

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Brothers and Sisters:

This letter is a continuation of our answers to questions asked about the Memorandum of Settlement.

Q. What is the payout for other bargaining units for Performance Incentive Program (PIP), Gainshare and Goalshare?

A. The payouts are appended to this letter for your easy reference. It should be noted that the RCTC who are on the PIP have had increased payouts to an average of over 4% for 2004, 2005, 2006. 2007 numbers are not yet available.

Q. What is a PIP stretch target?

A. A stretch target is an established target which exceeds the proposed goal target for a specific objective. It recognizes the groups achievement in surpassing Management's expectation and rewards them accordingly.

This is a broad definition and is only to be used as an example. It does not pertain to our members Any Program will have very specific application of the concept.

EXAMPLE:

Goal: Reduce train delays over last years avg. by 5%....Payout for achieving goal = 1%
Stretch Target: Reduce train delays over last years avg. by 10% = 1.5% payout

The rationale behind this is to further engage employees once target is met in order to achieve optimal success by incenting them monetarily.

Q. Does the changes to giving notice to be in and off duty in 10 hours eliminate the obligation for the Company to have us in and off in 10 hours resulting in no grievance?

A. No. The new language increases the penalties and enhances the escalation process for specific problems relating to over 10 hours. The Company now has more severe penalties and as such must manage crews better as violations come with a more severe penalty both monetarily and with extended rest.

Q Do employees who hired on after December 1, 2007 get a vote on the revised MOS?

A No, as they were not in active service or employed by the Company as a TCRC represented dues paying running trades employee as defined in TCRC Bylaws Division Rules Section 25

Q How can we be sure in the future the Company will not go after length of train and length of run for employees hired before January ,1 2008?

A We received communication from the Company on this matter, it states. "This will confirm our discussion during bargaining that the Company will not serve a future demand to eliminate train length allowance and length of run allowance for employees hired prior to January 1, 2008."

Q- If an employee retired after December 31, 2006, but prior to this revised MOS being ratified, will they be entitled to retro pay on their wages from the date they retired, back to the end of 2006 when the last agreement expired? In addition would there be any recalculation on the pension amount they receive account the retro pay that may be paid to them?

A The wage increase is effective January 1, 2007, so anyone who was in service on that date and then later retired would be entitled to the retro. For the increase in formula from 1.7 to 1.8, that is effective January 1, 2008 so anyone who retires after January 1, 2008 will be entitled to the increase in formula. For administration purposes, if this agreement is ratified, the company will look at everyone who has retired after January 1, 2007 and recalculate to include the retro, and for those who are entitled to the increase in formula, they will also recalculate and include retro. If the agreement is ratified in February, the recalculations for the formula increase will involve those who retired January 31, 2008.)

Q- Will an employee represented by the union who retires on a date in the year 2008, prior to the ratification date, still be entitled to the 1.8% pension formula for their pension?

Example: I retire from company service February 1, 2008, the contract is ratified June 30, 2008. Would my pension that I have taken in February at the 1.7 rate, now be eligible for recalculation at the new 1.8% rate?

A- Under the terms of the MOS signed December 5th, 2007, an employee who is in service on January 1, 2007 or hired after that date, and was not subsequently dismissed, had a record closure or resigned prior to the ratification date, is entitled to the increased compensation negotiated in the agreement. Therefore, as the 1.8% pension formula comes into effect on January 1, 2008, a running trades employee who retires on or after January 31, 2008, will be entitled to the increased pension formula. In the case of a running trades employee who may have split service as a non-union employee, the non-union portion will be calculated using the 1.3% for that portion of service. Any recalculation of pension files will be done as soon as possible after the ratification of the agreement, subject to the work load in Pension Services. The change in the pension amount due to the increase in pension formula will be effective from the retirement date.

Fraternally


Dave Olson
General Chairman


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General Chairman