

## PACKAGE PROPOSAL

### COMPANY PROPOSED CONTRACT MODIFICATIONS TO THE GENERAL LABOR AGREEMENT BETWEEN MILWAUKEE TRANSPORT SERVICES, INC. AND AMALGAMATED TRANSIT UNION, LOCAL 998

June 26, 2015

As to the General Labor Agreement entered into June 12, 2013 it is the Company's proposal that the Agreement be continued with the following package amendments described herein.

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|------------------|---|
| 13.020           | Modify provision to read as follows: Extra Board Assignments: (a) Runs. (b) Part Time Bus Operators. (c) Runs with trippers. (d) Tripper Combinations. (e) Single Trippers. (f) Call Duty. (g) Future Service. (h) No work assigned.  |
| 26.01            | Maintain current COLA cap; 1/1/17 – 1% general base wage increase   |
| Wages            | "A" Mechanic Classifications base wage increase - .25¢ - 1/1/2016; .25¢ - 1/1/2017  |
| Article XXIX     | <p>Company proposes amendments to the Pension Plan as of April 1, 2015:</p> <p>2.3(d) Modify provision to read: Effective 1/1/16, "Normal Retirement Date" shall mean the first day of the month coincident with or next following an employee's attainment of age 62 after completing 5 years of credited service or the first day of any month the employee's age plus years of credited service total 85 or more.</p> <p>5.6 Modify provision to read: An annual cost of living adjustment of 2% will be granted on January 1<sup>st</sup> of each year, effective January 1, 1991, to all present <del>and future</del> retirees <u>and employees who retire on pension prior to January 1, 2016</u> (excluding beneficiaries and surviving spouses). <u>For employees who retire on pension on or after January 1, 2016, an annual cost of living adjustment of 1% will be granted on January 1<sup>st</sup> of each year. (excluding beneficiaries and surviving spouses).</u></p> <p>8.2(b) Modify provision to read: Effective <u>January 1, 2016</u>, all active employees covered under the Plan shall contribute to the pension Trust Fund an amount equal to <u>25%</u> of the actuarially determined contribution necessary to fund the Plan. Effective as of the same date, the Company will contribute <u>75%</u> of the actuarially determined contribution necessary to fund the Plan.</p> |
| Article XXXIV    | Modifications in Company's Article 34 proposal dated June 26, 2015  |
| Article XXXVIII  | Modify dates as appropriate to reflect duration of agreement.   |
| Appendix G       | Company proposes to modify Appendix G (a) to change "7%" to "15%", and to change all references from "Entry-level Employees" to "Part-time Bus Operators".  |
| Term of Contract | 4 years; Wage and Medical Insurance Reopener in 3 <sup>rd</sup> year  |

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Upon ratification of the labor agreement, the Company will take steps to implement a Flexible Spending Plan for active employees wherein the Company would provide a 1 for 1 match of up to \$500 for an employee's contribution of up to \$500.

Notice:

In addition to the abovementioned clarifications and amendments, the Company gives notice to the Union of the following:

1. Coinciding with the expiration of the labor contract, the Company will impose a working disciplinary suspension (70% of bases wage rate) for those employees represented by ATU, Local 998 who incur a general rule violation wherein an unpaid suspension is otherwise warranted by the disciplinary rules.

**Both parties drop all other issues and proposals**

**This proposal is presented as a package. In the event it is not accepted in its entirety, this package is deemed to be withdrawn.**

ARTICLE XXXIV — MEDICAL INSURANCE

34.02 The Company will make available at least two (2) medical insurance plans which will include a PPO plan for out-of-area retirees. Health insurance coverage shall be comparable to the level of benefits as outlined in Appendix H. No changes shall be made in the benefits provided except by mutual agreement of the Company and Union. An eligible person, as defined in Paragraph 34.01, may elect coverage from a Company approved Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO) under the terms and conditions of the HMO or PPO insurance contract and in accordance the following rules:

(a) The Company shall offer a deductible HMO Plan which will include a per calendar year deductible. The annual deductible, co-insurance and monthly premium contribution for plan participants are as follows:

Annual Deductible:	<u>1/1/16</u>	<u>1/1/17</u>
Single	\$750	\$900
Family of two	\$1500	\$1800
Family of three or more	\$2250	\$2700
Co-Insurance:	<u>1/1/16</u>	<u>1/1/17</u>
Single	90%	90%
Family of two	90%	90%
Family of three or more	90%	90%
Medical Out-of-Pocket Maximum:	<u>1/1/16</u>	<u>1/1/17</u>
Single	\$2750	\$2900
Family of two	\$3500	\$3800
Family of three or more	\$4250	\$4700

Participants Monthly Premium Contribution:

	1/1/16	1/1/17
A - Single, under 65	13%15%	16%
A - Family, all under 65	13%15%	16%
P - Single, under 65	13%15%	16%
P - Family, all under 65	13%15%	16%
P - Single, over 65	11%13%	14%
P - Couple, both over 65	11%13%	14%
P - Couple, one over one under 65	11%13%	14%
P - Family, both over	11%13%	14%
P - Family, one over, One under 65	11%13%	14%

b (e)(4) The annual deductible, annual out of pocket maximum and monthly contribution for PPO plan participants are as follows:

Annual Deductible:	In Network		Out of Network	
	1/1/16	1/1/17	1/1/16	1/1/17
Single	\$750	\$900	\$1125	\$1350
Family of two	\$1500	\$1800	\$2250	\$2700
Family of three or more	\$2250	\$2700	\$3375	\$4050

Annual Out of Pocket	In Network		Out of Network	
	1/1/16	1/1/17	1/1/16	1/1/17
Expense Maximum	\$2750	\$2900	\$5500	\$5800
Single	\$3500	\$3800	\$7000	\$7600
Family of two	\$4250	\$4700	\$8500	\$9400
Family of three or more				

Participant Monthly Premium Contribution:

1/1/14	12% of Medicare or Non-Medicare premium for the applicable rate class
1/1/15	13% of Medicare or Non-Medicare premium for the applicable rate class
1/1/16	15% of Medicare or Non-Medicare premium for the applicable rate class
1/1/17	16% of Medicare or Non-Medicare premium for the applicable rate class