

Milwaukee County Transit System

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vital then. vital now.



June 27, 2015

To: All Employees

MCTS's contract offer meets ATU's request for Flexible Spending Accounts, the continuation of COLA, increases in "A" mechanic base wages, and additional pay for all. In turn, MCTS is seeking to strengthen the pension, control healthcare cost increases, and hire part-timers.

Key Points of Contract Offered to ATU

Term

- Four year contract (4/1/15 to 3/31/19) with a contract re-opener in 2017 to determine wages and healthcare for 2018 and 2019

Wages

- Maintain COLA – providing up to a 2% increase in wages per year
- On top of COLA additional wages in the form of 1.3% lower pension contributions by employees beginning January 1, 2016; which is equivalent to a 1.3% wage increase
- 1% base pay raise on January 1, 2017
- "A" Mechanics would see an additional 25 cents per hour increase on January 1, 2016 and another 25 cent increase on January 1, 2017

Pension Change

- Employee contribution to pension is decreased from 7.8% to 6.5% to create 1.3% in additional pay described above
- 27 & Out is eliminated; leaving normal pension eligibility thru the Rule of 85 or at Age 62
- After 1/1/16, automatic increase in pension checks for new retirees will be 1% annually instead of 2%; pension checks for existing retirees will not be affected.

Health care Changes

- MCTS will offer all employees Flexible Spending Accounts (FSAs). MCTS will match employee's pre-tax contributions to FSA's (up to \$500) to help offset healthcare costs.
- Office visit, ER and prescription drug co-pays are held constant through 2017; Co-pays for 2018 and 2019 to be determined during mid-contract wage/healthcare re-opener
- MCTS will pay 90% of health costs after deductibles are met (90/10 coinsurance). Out of Pocket Maximums provide a cap in employee's costs.
- See attachment for details about monthly health care premium contributions, deductibles and out-of-pocket maximums.

MCTS management staff believes that this proposal achieves a balance between the goals of maintaining fiscal stability for the transit system with providing good wages and benefits for employees. This balance will allow us to continue to provide the community with great transit service.