

# Tentative Agreement between SMART-MD and Burlington Northern Santa Fe

Amending all SMART-MD Agreements  
August 22, 2024

Initials: SM      PEK      [Signature]

The following represents the tentative agreement between Burlington Northern Santa Fe (Carrier) and the International Association of Sheet Metal, Air, Rail and Transportation Workers - Mechanical Department (SMART-MD) to amend their collective bargaining agreements in advance of the 2025 round of national bargaining and in full and final satisfaction of the parties' rights to serve notice and amend their agreements, relative to the 2025 round of national bargaining, pursuant to the moratorium provisions of the agreements and the Railway Labor Act, as amended, 45 U.S.C. § 151, et seq.

The parties agree that this tentative agreement constitutes a single, complete and comprehensive package agreement, that the agreement is subject to unconditional approval or ratification as a whole in accordance with each party's internal governance and procedures, and that no part of this agreement may be modified or rejected without modification or rejection of the agreement in its entirety.

- 1. General Wage Increases
  - July 1, 2025 – 4.0%
  - July 1, 2026 – 3.75%
  - July 1, 2027 – 3.5%
  - July 1, 2028 – 3.25%
  - July 1, 2029 – 3.0%

## 2. Vacation for New Hires (Year 0)

Effective January 1, 2025, new hire employees working full-time to have paid vacation days, to be taken as single day vacation subject to all applicable rules, based on their date of hire month (in Year 0) as follows:


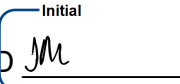
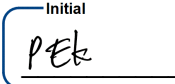
- January/February      5 days
- March/April            4 days
- May/June                3 days
- July/August             2 days
- September/October    1 day

\*Employees working alternative work schedules will earn this entitlement in accordance with local agreement rules.

## 3. Vacation Year 1 Non-qualifying Employees

Effective January 1, 2025, employees working full-time in their second calendar year of employment (Year 1) who did not qualify for vacation in the prior year (Year 0) under the National Vacation Agreement but who worked a full-time schedule will have five (5) paid vacation days subject to all applicable rules.

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4. Vacation Accrual Acceleration

Effective January 1, 2025, the collective agreement provisions with respect to granting of vacation will be amended to reflect the following accrual schedules:

- Two (2) or more years 10 days
- Six (6) or more years 15 days
- Fifteen (15) or more years 20 days
- Twenty-three (23) or more years 25 days

5. Single Day Vacation


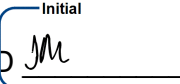
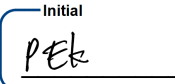
Effective January 1, 2025, employees will be permitted to take five (5) days of their accrued vacation allowance as single vacation days within each calendar year, subject to all applicable rules. This will not impair any agreements providing for the scheduling of more than five (5) days of vacation as single day vacation.

6. Health and Welfare

The following provisions are expressly contingent upon authorization, approval and implementation by the National Carriers' Conference Committee (NCCC) as an administrator for The Railroad Employees National Health & Welfare Plan.

- A. Effective January 1, 2025, coverage for surviving dependents will be extended through the end of the sixth (6<sup>th</sup>) month following the month in which the employee dies.
- B. Effective January 1, 2025, plan benefits will include male sterilization procedures (i.e., vasectomy), not including reversals.
- C. Effective January 1, 2025, the individual annual maximum dental benefit will be increased from \$1,500 to \$2,500, and the individual lifetime maximum orthodontia benefit will be increased from \$1,000 to \$2,500.
- D. Effective January 1, 2025, the vision frame allowance will be increased from \$115 every two years to \$250 every two years.
- E. Effective January 1, 2025, the monthly payment for employees who elect to opt-out of coverage under the national health and welfare plan will be increased from \$100 to \$200.
- F. Effective January 1, 2025, or as soon as reasonably practicable thereafter, the plan will offer a new medical coverage option with a reduced employee-only rate.
  - 1) There will be a single funding pool to include existing plan options and the new reduced-rate option.

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- 2) The employee-only reduced-rate option employee monthly contribution will be ten percent (10%) of the carrier’s monthly payment rate, and will be subject to the provisions of the Side Letter covering contribution rates during the post-2030 amendable period (attached).
- 3) The reduced-rate option will be HSA eligible.
- 4) The reduced-rate option will have the following plan design features:

	<b>In Network</b>	<b>Out of Network</b>
<b>Deductible</b>	\$2,500	\$5,000
<b>Out of pocket maximum</b>	\$5,000	\$10,000
<b>Coinsurance – office visits and in/outpatient care</b>	90% after deductible	70%
<b>RX – generic coinsurance (retail and mail order)</b>	10% after deductible	75% of R&C
<b>RX – formulary (retail and mail order)</b>	20% after deductible	75% of R&C
<b>RX – non-formulary (retail and mail order)</b>	30% after deductible	75% of R&C
<b>Employee contributions</b>	10% of payment rate (2025 = \$206/month)	

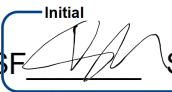


G. Effective January 1, 2025, the following medical and prescription drug plan rules and practices will be implemented:

- 1) Improper billing detection and mitigation programs where available with the plan’s medical vendors.
- 2) Out of network referenced-based pricing programs where available with the plan’s medical vendors.
- 3) Full utilization management rules package for specialty drugs and four additional non-specialty therapeutic classifications (anti-infective agents, central nervous system, gastroenterology and ophthalmology)

H. Monthly Employee Cost-Sharing Contributions (n/a to reduced-rate option)

- 1) Effective January 1, 2025, each employee covered by this Agreement shall contribute to the Plan, for each month that the employer is required to make a contribution to the Plan on the employee's behalf for foreign-to-occupation health benefits coverage for the employee and/or the employee's dependents, a monthly contribution equal to 15% of the Carriers' Monthly Payment Rate. Effective on each subsequent January 1, the monthly employee cost-sharing contribution shall be adjusted to reflect 15% of the Carrier's Monthly Payment Rate for the relevant year.
- 2) For purposes of subsection (a) above, the "Carrier’s Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carrier’s monthly payments to –
  - a. the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
  - b. the Dental Plan for employee and dependent dental benefits, and

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c. the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions in the aforementioned plans.

I. If existing national health care legislation is repealed, the parties will meet and confer on a voluntary basis to discuss the benefits that were previously mandated.

7. This Agreement will remain in effect through December 31, 2029 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended. Neither party to this Agreement will serve or progress, prior to November 1, 2029 (not to become effective before January 1, 2030), any notice or proposal pursuant to Section 6 of the Railway Labor Act, however this does not prevent the parties from proposing or agreeing upon any subject of mutual interest.




Appended:

Side Letter regarding employee monthly contributions to health and welfare plan

\_\_\_\_\_  
Salvatore Macedonio  
VP Labor Relations, BNSF

\_\_\_\_\_  
John McCloskey  
General Chairperson, SMART -MD

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John McCloskey  
General Chairperson  
International Association of Sheet Metal, Air, Rail  
& Transportation Workers - Mechanical Department  
25 Amanda Circle  
Bear, DE 19701

Dear Mr. McCloskey:

This confirms our understanding and agreement regarding employee contributions to the Railroad Employees National Health and Welfare Plan. For each month that the employer is required to make a contribution to the Plan on the employee's behalf for foreign-to-occupation health benefits coverage for themselves and/or their dependents, a monthly cost-sharing contribution by the employee shall be made in an amount equal to 15% (fifteen percent) of the Carrier's then current Monthly Payment Rate. In the event new collective agreements are not negotiated and ratified prior to January 1, 2031, the monthly cost-sharing contribution will not be increased beyond the rate last established under the terms of the January 1, 2025 agreements.

Upon ratification of successor agreement(s), the full 15% employee contribution rate will be reinstated unless otherwise agreed. If the negotiations for such successor agreement(s) result in retroactive wage increases applicable for the period that the parties are in negotiations and the employees' monthly contribution to the Health and Welfare Plan would have otherwise exceeded the rate established under the predecessor agreements, retroactive application will also be applicable to those contribution increases.

This arrangement shall not be cited in future negotiations under Section 6 of the Railway Labor Act (up through and including a Presidential Emergency Board or interest arbitration) as a reason or justification for any future increase in compensation or limit or reduction in employee health care contributions.

Please acknowledge your agreement by signing in the space provided below.

Sincerely,

\_\_\_\_\_  
Salvatore Macedonio  
VP Labor Relations, BNSF

I Concur:

\_\_\_\_\_  
John McCloskey  
General Chairperson, SMART-MD