

# International Association of Sheet Metal, Air, Rail and Transportation Workers

---

1750 New York Avenue, N.W.  
Suite 600  
Washington, DC 20006



Phone: (202) 783-5880  
[www.smart-union.org](http://www.smart-union.org)

## Railroad Mechanical Department

November 26, 2024

TO ALL SMART-MD CANADIAN NATIONAL RAILWAY MEMBERS

Dear Brothers and Sisters:

We have reached a tentative agreement (TA) covering Sheet Metal Workers employed by the Canadian National Railway Company (CN), which, if ratified, would resolve this round of national negotiations between CN and SMART-MD.

As you are aware, the last round of National Negotiations with the class I freight railroads was unprecedented. Members faced the Covid-19 global pandemic. The class I freight railroads dragged out negotiations with their exceptionally unreasonable demands for substantial health and welfare benefit concessions, dramatically increased employee monthly cost-sharing coupled with general wage increases that would have a net result of approximately 13% - an amount that woefully short of inflation at that time. As a result of these unreasonable proposals, a voluntary settlement was impossible due to the recalcitrance of the railroads, and we ended up before a Presidential Emergency Board ("PEB 250"). Following the PEB, SMART-MD and the class I freight carriers, including IHB, reached a tentative agreement based on PEB 250's recommendations, and was ultimately ratified by the Members, resulting in the October 12, 2022 National Agreement. While that round was ultimately resolved, the fact remains that Members worked for over two years without raises while being subjected to high inflation along with the added threat of illness and uncertainty of their working conditions. The carriers' delay of substantive negotiations was needless but was nevertheless consistent with how negotiations have historically functioned.

Since then, SMART-MD had been preparing for another long round of contentious negotiations with the class I freight railroads, including CN, commencing in January 2025. But something unanticipated and unprecedented happened: for the first time in nearly six decades, a few class I freight railroads, elected to negotiate on an individual carrier basis which resulted in Tentative Agreements (TAs) between BNSF, CSX, NS and a variety of other rail carriers before national negotiations began. Those TAs provide SMART-MD members with real wage increases coupled with improvements to paid time off and benefits without a quid pro quo demand for substantial concessions from the workers.

On November 1, 2024, the National Carriers Conference Committee (NCCC) served their Section 6 Notice to SMART, and notified that it would serve as the bargaining representative for CN in this round of National Negotiations. Nevertheless, on November 14, 2024, SMART-MD and the NCCC were able to reach a tentative agreement. This tentative agreement is virtually identical to the same agreements that were reached with BNSF, CSX and NS. We believe this TA to be reasonable and it is now submitted before you and your peers for consideration.

In this regard, the TA is for 5-years and includes: 17.5% in annual general wage increases (over 18.75% compounded over the life of the agreement); up to five (5) paid vacation days for new hire employees based on a pro-rated schedule in their first calendar year of employment; five (5) paid vacation days for employees in their second calendar year of employment; and tenured employees qualifying for 15, 20 and 25 paid vacation days two (2) years sooner for each respective allotment than the current National Vacation schedule qualifying requirements.

The TA also provides improvements to the individual annual maximum dental benefit from \$1,500 to \$2,500 and increases the individual lifetime maximum orthodontia benefit (i.e., braces) from \$1,000 to \$2,500. Vision benefits are also improved, with an increased frame allowance of \$250 every two years, instead of \$115.

The TA continues to provide your traditional health insurance benefits under the National Health and Welfare Plan with no changes or increases to your copays, deductibles, and annual out-of-pocket maximums under your current health insurance benefits. The Employee monthly-cost share will continue to be at 15% of the carrier's monthly payment rate under these benefits, which will be \$277.54 per month beginning January 1, 2025. Your traditional National Plan health insurance benefits will also have a maximum employee monthly cost-share contribution capped at 15% of the carrier's monthly payment rate for calendar year 2030 if the parties are unable to reach another agreement on or before January 1, 2030.

Alternatively, Employees will now have the option to select coverage under an entirely new *Employee-only* high-deductible health plan (HDHP) benefit offered under the National Health and Welfare Plan in 2026. Employees who select the HDHP benefit will have a reduced monthly-cost share payment at 10% of the carrier's monthly payment rate. **NOTE: *The HDHP benefit is not mandatory and only applies to Employees that select and enroll in such benefits.***

Both plan designs will also provide new coverage for male sterilization procedures (i.e., vasectomy), while only the non-HDHP National Health and Welfare Plan benefits provide for surviving spouse and dependent insurance coverage increases from (4) months to six (6) months. Employees who entirely elect to opt-out of coverage under the National Health and Welfare Plan will now be paid \$200 per month instead of \$100 per month, but they will continue to have dental, vision and life insurance benefits.

Overall, this TA contains real wage increases, improved paid time off and health and welfare benefits without any concessions and in a timeframe that is certain. These improvements and this certainty have value however, you and your fellow SMART Mechanical coworkers are the individuals that must ultimately decide if the terms of the tentative agreement are satisfactory. We ask that each of you take the time to review the information regarding the Agreement, as contained in this packet and available online at [www.smartgc2.com](http://www.smartgc2.com), and cast your vote accordingly.

In Solidarity,



Peter E. Kennedy  
Director



John McCloskey  
Directing General Chairperson

## SUMMARY STATEMENT OF SMART-MD AND CANADIAN NATIONAL RAILWAY COMPANY TENTATIVE AGREEMENT

The terms of the tentative agreement between SMART-MD and the Canadian National Railway Company are virtually identical to tentative agreements reached by other Rail Unions, including SMART-MD on CSX-T, Norfolk Southern and BNSF.

### Wages

General wage increases (GWIs) apply to all hourly, daily, weekly and monthly rates of pay in the following percentage amounts:

- July 1, 2025 ..... 4.00%
  - July 1, 2026 ..... 3.75%
  - July 1, 2027 ..... 3.50%
  - July 1, 2028 ..... 3.25%
  - July 1, 2029 ..... 3.00%
- Total     17.5%**

### Paid Time Off

#### *Vacation for New Hires (Year 0)*

Effective January 1, 2025, all new hire employees working full-time will receive paid vacation based on their date of hire month as follows:

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

#### *Vacation for Employees in Year 1*

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

#### *Vacation for Tenured Employees – Accelerated Accrual*

Effective January 1, 2025, the years of service vacation eligibility requirements will be amended as reflected below:

- ~~Eight (8)~~ Six (6) or more years                    15 days
- ~~Seventeen (17)~~ Fifteen (15) or more years                    20 days
- ~~Twenty-five (25)~~ Twenty-three (23) or more years                    25 days

### *Single Day Vacation Use*

Employees will be permitted to take up to five (5) days of their paid vacation as single vacation days, effective January 1, 2025.

## **Health and Welfare**

### *Employee Opt-Out Payment*

The current monthly employee opt-out payment of \$100 is increased to \$200 per month if an employee opts out of coverage for health and welfare benefits under the National Health and Welfare Plan. Employees that opt-out of coverage still receive dental, vision and life insurance benefits and do not pay the employee monthly cost-share contribution.

### *Traditional National Plan Benefits*

There are no changes in service copays, deductibles, or out-of-pocket maximums under the current Traditional National Plan Benefits.

### *Employee Monthly Cost-Sharing Payment – Tradition National Plan Benefits*

- The employee monthly cost-sharing payment structure remains the same as it was under the October 12, 2022, National Agreement, which is equal to 15% of the carrier's monthly payment rate. The employee monthly cost-sharing payment is currently \$309.21 and will be reduced to \$277.54 for the calendar year 2025.
- The Employee Monthly Cost-Sharing Payment is capped at the lesser of 15% of the carrier's monthly payment rate beginning January 1, 2030, unless and until changed by mutual agreement or future negotiations.

### *Employee-Only High Deductible Health Plan Benefit*

There is a new Employee-Only High Deductible Health Plan benefit coverage option, effective January 1, 2026, or as soon as reasonably practicable. **EMPLOYEE-ONLY HDHP BENEFITS ARE NOT MANDATORY.** Employee-Only HDHP coverage only applies to Employees that actively select such coverage, which has different cost-sharing designs than the Tradition National Plan Benefits, as outlined in the following chart.

<b>EMPLOYEE-ONLY HDHP PLAN</b>	<b>IN NETWORK</b>	<b>OUT OF NETWORK</b>
Deductible	\$2,500	\$5,000
<i>Out of Pocket Maximum</i>	\$5,000	\$10,000
<i>Coinsurance – Office Visits &amp; in/outpatient care</i>	90% after deductible	70%
<i>RX – generic coinsurance (retail &amp; mail order)</i>	10% after deductible	75% of R&C
<i>RX – formulary (retail &amp; mail order)</i>	20% after deductible	75% of R&C
<i>RX – non-formulary (retail &amp; mail order)</i>	30% after deductible	75% of R&C

### *Employee Monthly Cost-Sharing Payment – Employee-Only HDHP Benefits*

- Effective January 1, 2025, and on January 1 each year thereafter, the employee-Only HDHP Benefits monthly cost-sharing payment will equal 10% of the carrier's monthly payment rate. The HDHP employee monthly cost-sharing payment is projected to be \$206 per month for the calendar year 2025 if available.
- The Employee-Only HDHP Benefits Monthly Cost-Sharing Payment *is not* capped.

### *Optional Male Sterilization*

- Effective January 1, 2025, the Traditional National Plan Benefits and the Employee-Only HDHP Plans offer male sterilization benefits (i.e., vasectomy) that are subject to your respective plan design coverages (i.e., copays, deductibles, coinsurances and annual out-of-pocket maximums).

### *Surviving Dependent Coverage Improvement*

- Effective January 1, 2025, coverage for surviving dependents of employees will be increased from four (4) months to six (6) months following the month an employee dies under the Traditional National Plan Benefits.

### *Dental Benefits Improvements*

- Effective January 1, 2025, individual annual maximum for dental benefits increased from \$1,500 to \$2,500.
- Effective January 1, 2025, individual lifetime maximum for orthodontia benefits increased from \$1,000 to \$2,500.

### *Vision Benefits Improvement*

- Effective January 1, 2025, the vision frame allowance is increased from \$115 every two years to \$250 every two years.

### **Moratorium**

The Agreement is effective through January 1, 2030. On or after November 1, 2029, SMART-MD or NCCC may serve notice to change the terms of the agreement, with such changes to be effective no earlier than January 1, 2030.

**SMART-MD and CN  
TENTATIVE WAGE AGREEMENT  
Pipefitter Rate of Pay  
November 2024**

<b>Effective Date</b>	<b>General Wage Increase</b>	<b>Hourly Wage</b>
1-Jan-25	<i>Amendable</i>	\$41.01
1-Jul-25	4.00%	\$42.65
1-Jul-26	3.75%	\$44.25
1-Jul-27	3.50%	\$45.80
1-Jul-28	3.25%	\$47.29
1-Jul-29	3.00%	\$48.71
1-Jan-30	<i>Amendable</i>	\$48.71
Increase Over 5-Year Term		<b>18.8%</b>
Increase Per Year		<b>3.50%</b>
Total Value Over 5-Year Term		<b>\$41,184.00</b>