MEMORANDUM OF UNDERSTANDING

BETWEEN

MTA METRO-NORTH

And

ASSOCIATION OF COMMUTER RAIL EMPLOYEES

Division 1

Representing

Yardmasters and Assistant Stationmasters

The parties hereby agree to the following amendments and changes to the Collective Bargaining Agreement for the period July 16, 2010, through January 15, 2017.

This Memorandum of Understanding is subject to ratification by the membership of the Association of Commuter Rail Employees Division, and final approval by the Metropolitan Transportation Authority Board of Directors.

Metro-North/ACRE – Yardmasters/Assist. Stationmasters Memorandum of Understanding January 14, 2015 Page 1

THIS AGREEMENT is made this 14th day of January, 2015, by and between Metro-North Commuter Railroad ("Metro-North") and the employees represented by the Association of Commuter Rail Employees - Division 1.

ARTICLE I - GENERAL WAGE INCREASES

<u>SECTION 1 – 2011 GENERAL WAGE INCREASE</u>

Effective January 16, 2011, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on January 15, 2011 shall be increased by two percent (2%).

Effective July 16, 2011, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on July 15, 2011 shall be increased by one and one-half percent (1.5%).

SECTION 2 – 2012 GENERAL WAGE INCREASE

Effective January 16, 2012, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on January 15, 2012 shall be increased by one and one—half percent (1.5%).

Effective July 16, 2012, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on July 15, 2012 shall be increased by one and one-half percent (1.5%).

SECTION 3 – 2013 GENERAL WAGE INCREASE

Effective January 16, 2013, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on January 15, 2013 shall be increased by one and one-half percent (1.5%).

Effective July 16, 2013, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on July 15, 2013 shall be increased by one and one-half percent (1.5%).

SECTION 4 – 2014 GENERAL WAGE INCREASE

Effective January 16, 2014, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on January 15, 2014 shall be increased by one and one-half percent (1.5%).

Effective July 16, 2014, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on July 15, 2014 shall be increased by one and one-half percent (1.5%).

SECTION 5 - 2015 GENERAL WAGE INCREASE

Effective January 16, 2015, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on January 15, 2015 shall be increased by one and one-half percent (1.5%).

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Effective July 16, 2015, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on July 15, 2015 shall be increased by one and one-half percent (1.5%).

SECTION 6 – 2016 GENERAL WAGE INCREASE

Effective January 16, 2016, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on January 15, 2016 shall be increased by one and one-half percent (1.5%).

SECTION 7 - ELIGIBILITY FOR WAGE INCREASES

The January 16, 2011, July 16, 2011, January 16, 2012, July 16, 2012, January 16, 2013, July 16, 2013, January 16, 2014, July 16, 2014 retroactive payments shall be granted only to current employees for service performed in 2010, 2011, 2012, 2013 and 2014, and on a prorated basis for employees who, during 2010, 2011, 2012, 2013 and 2014: 1) retired; 2) died; 3) resigned while having vested right to a pension under the MTA Defined Benefit Pension Plan; or 4) were dismissed and subsequently reinstated or rehired with seniority restored.

ARTICLE II - HEALTH AND WELFARE BENEFITS

The Health and Welfare Benefits Provisions of the applicable Collective Bargaining Agreements shall be amended as follows: all active employees covered by this Agreement shall on the first pay period on which the general wage increase above are implemented, contribute, on a pre-tax basis, two percent (2%) of their straight time earnings up to forty (40) hours per week to defray the cost of Health Benefits. The parties agree that the increased contribution shall not be payable on any retroactive amounts.

ARTICLE III – PENSION BENEFITS

- 1. All employees hired after full and final ratification of this Agreement shall continue member contributions for fifteen (15) years to the MTA Defined Benefit Pension Plan.
- 2. All participants in Article 12 who were hired between October 1, 2007 and the full ratification of this memorandum will be required to make current level contributions into the plan for 13 years and 3 months. Such participants who do not meet the minimum age requirement of sixty-two (62) years of age may elect early retirement between ages 55-62 with 30 years of service, or may elect to retire subject to a benefit reduction factor between the ages of 55 and 62 with at least five years of service. These benefit reduction factors are as set forth in Article 12 and the parties' collective bargaining agreement.

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ARTICLE IV – WAGE PROGRESSION

There shall be amendments to each wage progression for all employees hired after full and final ratification of this Agreement as provided in Appendix A to this Agreement.

ARTICLE V - MORATORIUM

- (1) The Agreement shall be effective July 16, 2010 and shall remain in effect through January 15, 2017 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- (2) The parties to this Agreement shall not serve or progress prior to August 15, 2016 (not to become effective before January 16, 2017) any notice or proposal for the purpose of changing agreements.

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This Memorandum of Understanding is subject to ratification by the membership of the ACRE Division 1-Yardmasters/Assistant Stationmasters and final approval by the Metropolitan Transportation Authority Board of Directors.

In Witness Whereof, the parties hereto sign their Agreement at 347 Madison Avenue, New York, NY this 14th day of January, 2015.

FOR: ASSOCIATION OF COMMUTER RAIL EMPLOYEES DIVISION 1

FOR: METROPOLITAN

TRANSPORTATION AUTHORITY

Anthony Bettalico

General Chairman, ACRE Division 1

Anita Miller

Director - Labor Relations

Kirk Thomas

Vice General Chairman, ACRE Division 1

Ralph J. Agritelley

Vice President - Labor Relations



APPENDIX A

ASSOCIAITON OF COMMUTER RAIL EMPLOYEES DIVISION 77

| Current Wage Structure for All Titles | | Wage Progression for New Employees Hired After 02/25/2015 | |
|---------------------------------------|------|--|------|
| 1 st | 70% | 1 st | 70% |
| 2^{nd} | 75% | 2 nd | 70% |
| $\frac{1}{3}$ rd | 80% | 3 rd | 75% |
| 4 th | 85% | 4 th | 80% |
| 5 th | 90% | 5 th | 85% |
| 6 th | 100% | 6 th | 85% |
| | | 7 th | 90% |
| | | 8 th | 100% |

Matro-North Railroad

January 14, 2015

Mr. Anthony Bottalico General Chairman – ACRE, Division 77 420 Lexington Avenue, Suite 215 New York, NY 10017

Dear Mr. Bottalico:

This is to confirm our understanding reached during recently concluded collective bargaining sessions.

In the event the Carrier reaches subsequent agreements with other Unions, in the current round of bargaining, which provide for superior provisions on the below-described subjects, the Carrier will offer an option to the Association of Commuter Rail Employees Division 1 for equivalent treatment on such matters.

The matters, which the option embraces, are as follows:

- 1. Wages
- 2. Pensions
- 3. Health and Welfare Benefits
- 4. Vacations, Holidays, Personal Leave or Sick Leave
- 5. Moratorium Date

As an illustration of the working of the above-described arrangement, in the event another Union trades a valuable work rule for equivalent dollars to be added to the settlement package, the Association of Commuter Rail Employees Division 1 will be offered the option of trading one of their valuable work rules for its equivalent value to purchase a similar benefit with no overall added cost to the Carrier.

Sincerely,

Ralph J. Agritelley

Vice President - Labor Relations

Metro-North Railroad

January 14, 2015

Mr. Anthony Bottalico General Chairman, ACRE Division 77 420 Lexington Avenue, Suite 215 New York, NY 10017

Dear Mr. Bottalico:

This is to confirm our understanding reached during recently concluded collective bargaining sessions.

The parties have agreed to establish a joint labor-management committee to discuss certain Metro-North specific issues of mutual concern to the parties. The distribution of any monies saved in these discussions will be the subject of mutual agreement by the parties.

The first meeting of the committee will take place within six weeks of full ratification of the agreement.

Sincerely,

Vice President/Labor Relations