

United Electrical, Radio & Machine Workers of America – Local 506

The Union Representing Erie Wabtec Workers



Union Proposal #20: Third Pass

Article XXVII. SEVERANCE ALLOWANCE

Section 1. Plant Closing Notice. Whenever the Company decides to close a plant, the Company shall provide at least sixty (60) days' written notice of its decision to the Union and the affected employees. As the Company, in the course of such plant closing, no longer has need for the work then being done by an employee, his/her employment by the Company may be terminated, subject to compliance with the provisions of this Article. Each employee shall be given at least one week's advance notice of the specific date of his/her termination.

Section 2. Bargaining. As required by law, upon request, the Company will negotiate with the Union regarding the decision to close the plant and the effects of such closure on bargaining unit employees.

Section 3. Eligibility. If the Company closes the Erie Plant during the term of this Agreement, any employees who are terminated from employment as a result of the plant closure will be eligible for a Severance Allowance as follows:

(a) To be eligible for a Severance Allowance, the terminated employee must have accumulated one (1) or more years of continuous service with the Company as computed in accordance with Article VIII (Seniority) of this Agreement.

(b) Employees on a Company-approved leave of absence will be eligible for a Severance Allowance.

(c) Employees who were laid off pursuant to Article XI, Section 1 of this Agreement less than eighteen (18) months prior to the first layoff subsequent to the plant closing notice will be eligible for a Severance Allowance. Any payments received under Article XXVII (Income Extension Aid) will be deducted from the Severance Allowance to which the employee may be entitled under this Article. Employees who were laid off pursuant to Article XI, Section 1 of the Agreement less than eighteen (18) months prior to the effective date of the plant closure will be eligible for a Severance Allowance under this Article. If permanent layoffs of bargaining unit employees begin before the date the Erie plant closes (but after the date notice is provided under Article XXVI, Section 1), the eighteen (18) month period will be measured backwards from the date of the first layoffs resulting from the plant closure. Any payments received by a laid off employee under Article XXVII (Income Extension Aid) will be deducted from the employee's Severance Allowance.

(d) An employee who is otherwise eligible for a Severance Allowance under Section 1(a) of this Agreement who retires, resigns or is discharged for cause prior to his/her last day of work as determined by the Company will be ineligible for a Severance Allowance.

(e) Any employee whose employment is terminated pursuant to the provisions of this Section 1 will lose all seniority for all purposes and will cease to be connected in any way to the Company. Should such individual later be re-employed by the Company, the individual will be considered a new employee without seniority or benefit of previous service with the Company.

(f) Employees affected by a plant closing may request that their date of termination from employment be accelerated so that they may accept alternative employment. Such requests will be given due consideration and will be denied only for legitimate business reasons.

(g) Employees affected by plant closing will be eligible for payout of accrued but unused vacation under Article XVII, Section 1(l) but will not be subject to any deduction for unearned vacation utilized prior to their termination date.

Section 4. Severance Allowance; Amount. An eligible employee will receive a Severance Allowance based upon his/her seniority with the Company as follows:

Seniority	Weeks of Severance Allowance
Less than one year of Seniority	No Severance Allowance
One or more years of Seniority but less than five (5) years of seniority	One week for each completed year of service with the Company. Employees who are eligible for a Severance Allowance will be eligible for a minimum Severance Allowance of four (4) weeks.
Five (5) or more years of Seniority but less than ten (10) years of Seniority	One and one-half weeks for each completed year of service with the Company.
Ten (10) or more years of Seniority	Two weeks per year of service.

Section 5. Calculation. A week's Severance Allowance will be paid at forty (40) hours per week at the affected employee's straight-time hourly wage rate, plus any applicable shift differential.

Section 6. Payment. Payment of a Severance Allowance will be paid in a lump sum.

Section 7. Non-Duplication. Severance Allowance will be the exclusive payment for employees affected by a plant closure.

(a) If an affected employee is or shall become eligible for any discharge, liquidation, severance or dismissal allowance or payment of a similar kind by reason of any law, state or federal, the total amount of such payments will be deducted from the Severance Allowance to which the employee may be entitled under this Article, or any payment made by the Company under this Article may be offset against such payments.

(b) Statutory unemployment compensation payments are excluded from the non-duplication provisions under this Section.

(c) The receipt of severance pay will not affect any vested rights the employee may have under any Company-sponsored Retirement Plan.

Section 8. Employment Assistance Plan. To assist employees adversely affected by a plant closing to find new jobs and to learn new skills, the Company will establish an Employment Assistance Program following the announcement of a decision to close the plant. The Employment Assistance Program will include job placement assistance and education and retraining assistance.

Section 9. ~~Protected Benefit. Wabtec shall provide all basic insurances described in Article XIX, Section 11 of this agreement upon separated at no cost to the employee.~~

Section 10. Closing Agreement. Because the circumstances of a plant closing can vary in terms of the impact on employment, location and timing, as well as other considerations, the Company and the Union may negotiate an agreement covering the plant closing termination procedure for employees affected by the plant closing. Any such agreement shall be in writing and approved by the Company and the Union.

United Electrical, Radio & Machine Workers of America – Local 506

The Union Representing Erie Wabtec Workers



Union Proposal #27: Second Pass

Article XIX. EMPLOYEE BENEFITS

Section 1. Welfare Plans. – The Company shall provide the Union with a complete set of Plan Documents for Group Medical, Prescription Drugs, Dental, Vision, Flexible Spending Accounts, Health Care Savings Accounts, Employee Assistance Program, all Life Insurance Programs, Short Term Disability, Long Term Disability. All such Plan Documents shall be presented to the Union within fourteen (14) days of ratification of this Agreement.

(a) Group Medical Plan. Employees will be eligible to participate in Wabtec's group medical benefits plan ("Medical Plan") outlined in Appendix D, subject to the terms and conditions set forth in the applicable plan documents.

(i) The Medical Plan design and schedules of deductibles and co-payments set forth in Appendix D will not be modified by the Company during the term of the Agreement. Effective January 1, 2020, the Medical Plan will be modified to provide that the maximum deductible for an employee and his/her dependents under the Medical Plan will not exceed two times (2X) the annual deductible for an individual under the plan design selected by the employee.

(ii) ~~Employees who elect coverage under the Medical Plan will be required to pay the employee contributions for their selected plan design and coverage tier, as outlined in Appendix D. Employees hired after the effective date of this Agreement who are on the wage progression schedule set forth in Appendix C will pay eighty percent (80%) of the total employee contribution amount during the term of the Agreement.~~

(iii) ~~Employee contributions for health care, vision, and dental care will not be increased for the life of this Agreement. prior to January 1, 2022. Employee contributions increases for health care, vision, and dental care on or after January 1, 2022 shall not exceed four percent (4%) of the contribution in effect for each plan during the previous year. Increased employee contributions for health care, vision, and dental care on or after January 1, 2023 shall not exceed 4% on the contribution in effect for health care, vision, and dental care during the previous year.~~

(b) Opting out. Employees who opt out of the group Medical Plan, excluding vision and dental coverage, will receive a payment of three thousand dollars (\$3000.00) annually.

(c) Prescription Drugs. Employees will be eligible to participate in Wabtec's prescription drug benefits plan ("RX Plan"), subject to the terms and conditions set forth in the applicable plan documents.

(d) Dental. Employees will be eligible to participate in Wabtec's group dental benefits plan, subject to the terms and conditions set forth in the applicable plan documents. Employees who elect dental coverage will be required to pay the employee contributions in Appendix D for their dental coverage tier. The current dental plan design and deductible co-payment structure will not be modified by the Company during the term of this Agreement.

(e) Vision. Employees will be eligible to participate in Wabtec's group vision benefits plan, subject to the terms and conditions set forth in the applicable plan documents. Employees who elect vision coverage will be required to pay the employee contributions in Appendix D for their vision coverage. The current vision plan design and deductible co-payment structure will not be modified during the term of this Agreement.

(f) Flexible Spending Accounts. Employees will be eligible to participate in Wabtec's flexible spending benefits plan (Health Care Flexible Spending Account, Limited Purpose Flexible Spending Account and Dependent Care Flexible Spending Account), subject to the terms and conditions set forth in the applicable plan documents.

(g) Health Care Savings Account. Employees who elect the High Deductible Health Plan (HDHP) will be eligible to participate in Wabtec's Health Care Savings Account plan, subject to the terms and conditions set forth in the applicable plan documents.

(h) Employee Assistance Program. Employees will be eligible to participate in Wabtec's employee assistance plan (EAP), subject to the terms and conditions set forth in the applicable plan documents. Wabtec will provide coverage for up to five (5) EAP counseling sessions at no cost to the employee.

(i) Pre-Tax Payroll Deductions. Eligible employees will be eligible to pay medical, dental, and vision premiums and to contribute to flexible spending accounts on a pre-tax basis.

Section 2. Life Insurance. Employees will be eligible to participate in Wabtec's basic, supplemental and dependent life insurance plans through Lincoln Financial, subject to the terms and conditions set forth in the applicable plan documents. Employees will be eligible for a death benefit equal to one and one-half (1½) times their eligible compensation, as defined in the life insurance plan, at no cost. Employees may elect voluntary supplemental and dependent life insurance benefits at group rates.

Section 3. Accidental Death and Dismemberment ("AD&D"). Employees will be eligible to participate in Wabtec's basic and supplemental AD&D insurance plan through Chubb Insurance, subject to the terms and conditions set forth in the applicable plan documents and/or

insurance policies. Employees will be eligible for an accidental death benefit equal to one and one-half (1½) times their eligible compensation, as defined in AD&D Plan the at no cost. Employees may elect voluntary supplemental and dependent AD&D coverage at group rates.

Section 4. Disability Plans.

(a) Short Term Disability (“STD”). Employees will be eligible for Wabtec’s hourly STD plan with a weekly benefit equal to sixty percent (60%) of the employees’ eligible weekly compensation up to a maximum of ~~\$1400~~ **\$1200** per week, subject to the terms and conditions of the Company’s STD policy. Employees receiving STD benefits will not be required to make employee contributions for their coverage under the Medical Plan, Dental Plan or Vision Plan during the period the employee is receiving STD benefits. but will be required to reimburse the Company for fifty percent (50%) of the employee contributions for coverage under these plans once the employee returns to active employment. Reimbursements will paid by payroll deductions over a period not to exceed twelve (12) months after the employee returns to active employment.

(b) Long Term Disability (“LTD”). Employees will be eligible to purchase coverage under Wabtec’s group voluntary LTD plan through Lincoln Financial at group rates, subject to the terms and conditions set forth in the applicable plan documents and/or insurance policies.

Section 5. Retirement (401(k)) Plan. Employees will be eligible to participate in a 401(k)-retirement plan sponsored by Wabtec which provides Company matching and non-elective contributions subject to the terms and conditions set forth in the applicable plan documents.

(a) The Company will annually contribute three percent (3%) of each employee’s eligible compensation (as defined in the 401K plan) to his 401(k)-retirement plan account, regardless of whether the employee makes any voluntary contributions.

(b) If an employee makes voluntary contributions to the 401K plan through periodic payroll deductions, the Company will match the amount of the employee’s contribution dollar for dollar up to a maximum of ~~three percent (3%)~~ five percent (5%) of the employee’s eligible compensation, as defined in the 401K Plan.

Section 6. Administration. During the term of this Agreement, the Company reserves the right to change third party administrators or insurance carriers under Company-sponsored group benefit plans, as long as such modification does not modify the plan design or reduce the benefits available to participating employees.

Section 7. **Optional Benefits. If the Company offers additional optional benefits during the term of this Agreement, the Company will offer such optional benefits to bargaining unit employees under the same terms and conditions such benefits are offered to other Wabtec employees.**

Section 8. Plan Documents Govern. The extent of coverage under all benefit programs and other benefit plans referred to in this Agreement, will be governed by the terms

and conditions set forth in applicable insurance policies and/or plan documents, and such benefit programs may be modified or amended by the plan sponsor from time to time in accordance with the terms of the applicable plan documents, subject to the terms, conditions and limitations outlined in this Article. However, such changes to plan documents shall not diminish benefits or employee/dependent access to those benefits. If the Company choose to offer additional benefits during the term of this Agreement, the Company shall notify the Union 60 days in advance and the Union shall have the option to add such benefit programs to the applicable insurance plan. Any questions or disputes concerning any benefit programs will be resolved in accordance with the terms and conditions set forth in the applicable insurance policies or plan documents and will not be subject to the grievance procedures set forth in Article XXII of this Agreement.

Section 9. Claims For Unpaid Benefits. The failure of any insurance carrier(s) or plan administrator(s) to provide any benefit for which it has contracted or is obligated will not result in any liability to the Company, nor shall such failure be considered a breach by the Company of any obligation undertaken under this or any other Agreement. However, nothing in this Agreement will be construed to relieve any insurance carrier(s) or plan administrator(s) from any liability it may have to the Company, bargaining unit employees or beneficiaries of bargaining unit employees.

Section 10. Annual Contribution. Beginning in 2020, Effective January 1, 2024, the Company will provide any employee who elects coverage under the Wabttec Medical Plan with an annual contribution to a Health Reimbursement Arrangement (HRA) or Health Savings Account (HSA). The annual contribution will be as set forth below and will be available at the beginning of the applicable plan (calendar) year. Any unused balance in the HRA may be carried forward to the following plan year.

Annual Wages	HRA Contribution (employees who elect PPO)	HSA Contribution (employees that elect HDHP)
Employee Only	<u>\$1500</u>	<u>\$1500</u>
\$0-\$37,499	\$1,100	\$1,100
\$37,500-\$49,999	\$950	\$950
\$50,000-\$74,999	<u>\$725</u>	<u>\$725</u>
\$75,000 and over	<u>\$325</u>	<u>\$325</u>
Dependent Tiers	<u>\$2500</u>	<u>\$3000</u>
\$0-\$37,499	\$2,400	\$2,400
\$37,500-\$49,999	\$1,925	\$1,925
\$50,000-\$74,999	<u>\$1,250</u>	<u>\$1,250</u>
\$75,000 and over	<u>\$375</u>	<u>\$375</u>

~~For purposes of determining the amount of the HRA/HSA contribution, an employee's annual wages will be determined by multiplying his/her base wage rate by 2080.~~

Section 11. Application of Company HRA/HSA contribution for newly hired or recalled employees.

(a) For persons newly hired or recalled in the 1st Quarter of the plan year: 100% of the applicable amount listed in Section 9 of this Article.

(b) For persons newly hired or recalled in the 2nd Quarter of the plan year: prorated at 75% of the applicable amount listed in Section 9 of this Article.

(c) For persons newly hired or recalled in the 3rd Quarter of the plan year: prorated at 50% of the applicable amount listed in Section 9 of this Article.

(d) For persons newly hired or recalled in the 4th Quarter of the plan year: prorated at 25% of the applicable amount listed in Section 9 of this Article.

Section 12. Hearing Aids. Employees are eligible to receive up to \$3,000 per ear towards the purchase of hearing aid(s) each year, subject to an invoice.

Section 13. Protected Benefits. Wabtec shall provide all basic insurances described above ~~provided the employee pays his/her share of the cost~~ including employees share of the cost for ~~twenty-six (26)~~ fifty-two (52) weeks after an employee is separated for any of the following reasons:

(a) Layoff for lack of work or due to the transfer of work, plant closing or subcontracting;

(b) During a period in which an employee is receiving short-term/long-term disability

(c) During a company approved leave of absence;

(d) During a period in which an employee has suffered an occupational injury or illness and is entitled to Worker's Compensation;

(e) During a period in which the employee is on a leave of absence under the Family and Medical Leave Act (FMLA).

Section 14. Survivors Insurance. In the event of the death of an employee, the company will continue all health insurances, at the elected level, including vision and dental at no cost to the surviving family members for a period of ~~one (1) year~~ six (6) months.

Section 15. Tuition Reimbursement. ~~To assist in furthering employees' education, the Company will offer reimbursement up to \$8,000.00 dollars per year for tuition and related academic fees for active employees and those who have retained recall rights in accordance with Article XI Section 1 (f). Employees will be eligible for tuition reimbursement in accordance with the terms., conditions and limitations set forth in Wabtec's Tuition Reimbursement Policy.~~

Section 16. Retiree Benefits.

(a) ~~Each former GET employee employed as of the Closing Date who accepts an offer of employment from Wabtec employee will receive a one-time, non-elective Company contribution to his/her 401(k) Plan account, which will be calculated as three percent (3%) of the employee's 2023 compensation. as that term is defined in the Wabtec Savings Plan. Provided the employee is employed by the Company on December 31, 2019, the employee's 2020 compensation will be annualized. The one-time contribution will be paid to employees during the first quarter of 2020. as follows:~~

Group	One-Time Payment
Employees who were eligible participants in GE's pension plan	10% of 2019 compensation
Employees who were not eligible to participate in GE's pension plan	.5% of 2019 compensation

(b) ~~Wabtec shall provide all basic insurances described above provided the retiree pays his/her share of the cost for all employees who retire at age 59 1/2 or later until the retiree and their spouse reaches age 65. **For employees who retire at age 59 ½ or later with 15 years or more of seniority, Wabtec shall make an annual contribution of \$6,000 per year through the year in which the retiree reaches age 65 or becomes eligible for Medicare, whichever occurs first. Such contribution shall be put into a Retiree Reimbursement Arrangement or similar Defined Contribution Account, which the retiree can use to pay for their health insurance premiums and out of pocket healthcare expenses.**~~