

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING is entered into this **21st** day of **August, 2014**, by and between the MASSACHUSETTS BAY TRANSPORTATION AUTHORITY, hereinafter referred to as the “Authority,” and LOCAL 589, AMALGAMATED TRANSIT UNION, AFL-CIO, hereinafter referred to as the “Union.”

WHEREAS, the Board of Directors of the Authority has the authority to bargain collectively with labor organizations representing employees of the Authority and to enter into agreements with such organizations over wages, hours, and working conditions to the extent permitted by law; and

WHEREAS, the Union is a labor organization representing employees of the Authority; and

WHEREAS, the Authority and the Union are Parties to a Collective Bargaining Agreement last amended by an arbitration award dated August 26, 2013 (“Agreement”), and

WHEREAS, the Parties have agreed to certain changes in said Agreement;

NOW THEREFORE, the Authority and the Union, in consideration of mutual promises and covenants, agree that the Agreement shall be further amended as follows:

1. Effective Date

Unless otherwise specified herein, the amendments set forth herein will be effective on July 1, 2014.

2. Duration – Section 700

Section 700 of the Agreement is amended to read as follows: “This Agreement and the individual provisions hereof, which is amendable on July 1, 2014, shall continue in force and be binding upon the Authority and the Union until and including the 30th day of June, 2018, and from year to year thereafter unless changed by the Parties. Either of the Parties hereto desiring a change in any section or sections of this Agreement shall notify the other Party in writing that it desires a change at least one hundred eighty (180) days prior to the 30th day of June, 2018 and thereafter at least one hundred eighty (180) days prior to the 30th day of June. Such notification shall include, in writing, all specific changes desired of either Party.”

3. Wage Rates – Sections 600 and 601

The wage rates for all classifications covered by the Agreement shall be increased as follows, with all increases compounded and rounded to the nearest full cent:

July 1, 2014	1.0%
January 1, 2015	1.5%
July 1, 2015	2.5%
July 1, 2016	2.5%
July 1, 2017	2.5%

If this Memorandum of Understanding is signed by all parties on or before September 19, 2014, then retroactive payments reflecting the 1.0% increase in wage rates as of July 1, 2014 agreed above shall be issued by the Authority on or before November 15, 2014.

4. Health and Welfare – Section 115

Section 115 is stricken from the Agreement in conformance with Section 140 of Chapter 25 of the Acts of 2009 and the following language regarding the Health and Welfare Trust is inserted:

- (a) The Transit Employees Health and Welfare Fund Agreement and Declaration of Trust between the Parties established by the Garraty Interest Arbitration Award, to be effective upon the date of full migration of Local 589 members to the Massachusetts Group Insurance Commission (GIC) is hereby incorporated and made a part of these Articles of Agreement.
- (b) The Health and Welfare Fund shall provide supplemental health and welfare benefits, which shall be determined so as to avoid duplication of Group Insurance Commission benefits and coverages to eligible active employees and their dependents and to retirees and their spouses and survivors.
- (c) Nothing herein shall preclude the Authority from extending membership in the Health and Welfare Fund to all employees of the Authority, including those represented by other unions under the terms negotiated between the Authority and Local 589.
- (d) Participant Eligibility. Active employees and retirees are eligible to receive supplemental, non-duplicative benefits through the Health and Welfare Fund as follows:
 - (1) Active Employees:
 - (i) Local 589 Active Employees. Active employees whose position with the Authority is represented by Local 589 ATU must be (1) members of Local 589 ATU; (2) pay the Agency Fee in accordance with Section 101 of the Collective Bargaining Agreement; or (3) pay to the Union such other service fee as the Union may determine (hereafter referred to as “being in good standing with Local 589 ATU”).
 - (ii) Non-Local 589 Active Employees. Non-Local 589 represented and unrepresented active employees must be a member in good standing of the union representing their position with the Authority or hold a non-union executive or confidential position with the Authority.
 - (2) Retired Employees:
 - (i) Represented Retirees. Individuals who retired or who will retire from a position with the Authority shall be eligible to participate in the Fund as long as they remain in good standing with the union representing their position with the Authority at the time they

retired, if applicable, or with another union to which they are eligible to be a member on the basis of their prior employment with the Authority.

- (ii) Executive and Confidential Retirees. Individuals who have retired or retire in the future from an executive or confidential position with the Authority shall be eligible to participate in the Fund to the extent that the Authority has or will have entered into an agreement with such individuals granting them such rights.
- (e) All contributions to the Health and Welfare Fund shall be made monthly and used exclusively to provide benefits to eligible participants and/or appropriate administrative and operating expenditures.
- (f) Health and Welfare Fund Benefits:
 - (1) Life Insurance. The Authority shall pay the full cost of a group life insurance policy in the amount of \$25,000 for full-time active employees, \$6,000 for part-time active employees, and \$5,000 for retired employees, subject to the following conditions: (i) the policy excludes permanent total disability provisions, (ii) is subject to the standard conditions and provisions of such policy, and (iii) is only effective for employees with one (1) year or more of service with the Authority.
 - (2) Dental Care. Dental insurance consisting of full Type I, Type II and Type III coverage by Delta Dental of Massachusetts (or such other vendor as Local 589 and the Authority select) shall be provided for active employees only. Such program shall include a \$1,000 per person yearly maximum and shall have no deductible. Type I and II shall have no coinsurance feature, Type III shall carry 50/50 coinsurance. In addition, an orthodontic endorsement shall be provided with 80 percent reimbursement of usual and customary fees up to a \$1,000 per person lifetime maximum. The premium cost or monthly working rate costs, including the orthodontics endorsement, for single or family coverage for active full-time employees shall be paid 57% by the Authority and 43% paid by the employee.
 - (3) Medicare Part B Reimbursement. The Authority shall reimburse eligible retired employees at such time as they achieve age 65 and enroll in Medicare Part B for the cost of Medicare Part B premiums paid on behalf of such employees and (a) their survivors for three (3) years and (b) their spouses. The parties acknowledge that there is a pending arbitration proceeding concerning Medicare Part B reimbursement for individuals under the age of 65. Nothing in this Memorandum of Understanding shall affect the parties' rights with respect to the subject matter of or compliance with the results of that proceeding.
 - (4) Vision Care. The Authority will pay monthly Twenty-Five Percent (25%) of the cost of vision benefits for eligible active employees as currently constituted and provided by DavisVision (or such other vendor as Local 589 and the Authority select), with co-payments for certain

services and eyewear as specified in the plan. The remaining monthly cost will be paid by the employee. Participants who are not eligible active employees shall be given an opportunity to purchase vision benefits as currently constituted and provided by Davis Vision (or such other vendor as Local 589 and the Authority select) entirely at their own cost.

- (g) Voluntary Life Insurance. In addition to the Authority-paid life insurance provided through the Health and Welfare Fund, active employees represented by Local 589 ATU may be permitted to purchase supplemental life insurance coverage at their own expense through payroll deduction. The supplemental plan, which shall not be provided through the Health and Welfare Fund, shall be strictly voluntary and provided through an administrator and underwriter selected by the Union.
- (h) The Transit Employees Health and Welfare Fund Agreement and Declaration of Trust shall be amended so as to be consistent with the provisions of this Section 3.

5. Pension Agreement

The Pension Fund shall disclose to the Authority at least monthly, and to the Union upon request, full and complete information concerning total annual and monthly pension benefit contributions for all employees and retirees, including name, position, annual salary, monthly and annual pension payment, age, and number of years in service at retirement in a format capable of being uploaded by the Authority to Open Checkbook to the extent that such information is available to the Pension Fund. The Authority shall be permitted but not required to disclose such information publicly. In addition, an annual report shall be produced by the Trustees that meets the reporting standards of the Government Finance Officers Association.

The parties agree to amend the Pension Agreement consistent with the terms of this paragraph.

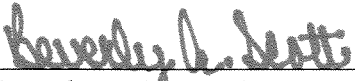
6. Integrated Agreement


The parties agree to execute a conformed, integrated agreement as soon as practicable.

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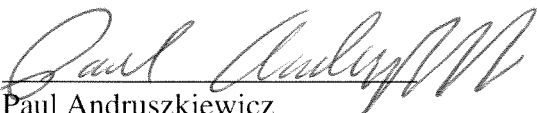
The implementation of this MEMORANDUM OF UNDERSTANDING is subject to the approval of the membership of Local 589, Amalgamated Transit Union, AFL-CIO, and the approval of the Board of Directors of the Massachusetts Bay Transportation Authority.


MASSACHUSETTS BAY TRANSPORTATION AUTHORITY


Beverly A. Scott, Ph.D.
General Manager and Transit
Administrator

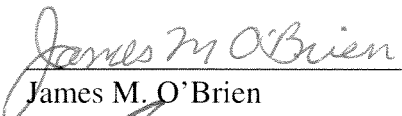

Kimberly B. Poirier
Director of Labor Relations


APPROVED AS TO FORM:

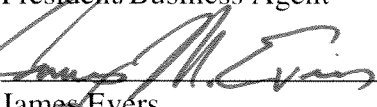

Paul Andruszkiewicz
Acting Assistant Secretary for Human
Resources for MassDOT and
the MBTA

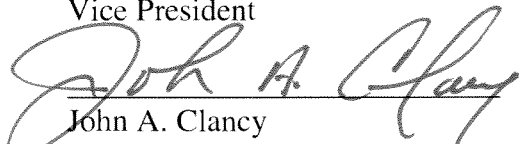

Paige Scott Reed, Esq.
General Counsel, MassDOT/MBTA

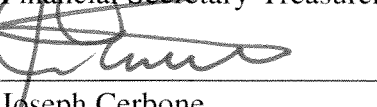
LOCAL UNION 589, AMALGAMATED TRANSIT UNION, AFL-CIO
BY ITS AGREEMENT COMMITTEE


James M. O'Brien
President/Business Agent

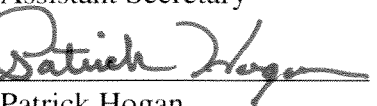

Peggy LaPaglia
Vice President



James Evers
Financial Secretary-Treasurer


John A. Clancy
Recording Secretary


Joseph Cerbone
Assistant Secretary


Larry Kelly
Executive Board Member


Patrick Hogan
Executive Board Member


Michael S. Keller
Executive Board Member


John D. Hunt
Executive Board Member


Allen R. Lee
Executive Board Member