

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING is entered into this 10 day of September, 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 Pension Agreement effective on the first day of July, 2010, and

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

NOW THEREFORE, the Authority and the Union, in consideration of mutual promises and covenants, agree that the Pension Agreement shall be further amended, with all amendments effective on July 1, 2014, as follows:

1. Article I – Definition of Terms in this Agreement

The third paragraph of Article I(12) shall be amended to read as follows:

“Notwithstanding the foregoing, for purposes of calculating a retirement allowance of any active or retired member, and paying required contributions by the Authority and by any active or retired Member, any back pay or retroactive payments resulting from negotiated or arbitrated wage increases received after July 1, 2015, or arbitrator’s awards shall be counted as Compensation in the year the wages were earned and not actually paid.”

2. Article V - Contributions

Article V(4) shall be amended to read as follows:

(4) In the event that Member contributions required under Section (1)(a) above fall below four percent (4%) of compensation, the actual Member contribution shall be fixed at four percent (4%) nevertheless. The amount by which the Members’ actual contributions exceed their required contributions shall be segregated and accumulated within the Fund at the actuary’s assumed rate of investment return. This segregated account (the Member’s Excess Contributions Account) may be used at the sole discretion of the Union to (i) offset the member’s share of any increases in required contribution which may be required during the course of the Agreement; or (ii) fund benefit improvements which shall be subject to negotiations during the next round of bargaining and made effective no earlier than July 1, 2018.

3. Article VI - Administration of Fund

Amend Article VI by adding a new Section (13) to improve transparency and financial accountability of the Retirement Fund, by requiring the Fund to 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, the Trustees shall produce a Comprehensive Annual Financial Report (CAFR) following the guidelines of the Government Finance Officers Association (GFOA).

4. Article X - Amendments


Amend the first paragraph to read as follows:

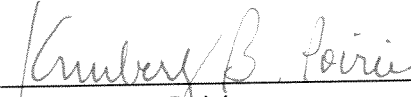
This Agreement and the individual provisions hereof shall continue in force and be binding upon the Authority and the Union until and including the 30th day of June, 2018, and from year to year thereafter unless changed by the Parties. Either of the Parties to this Agreement desiring a change in any provision of this Agreement shall notify the other Party in writing that they desire a change sixty (60) days prior to the 30th day of June, 2018, and thereafter, sixty (60) days prior to the end of the year, which is the 30th day of June.

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.

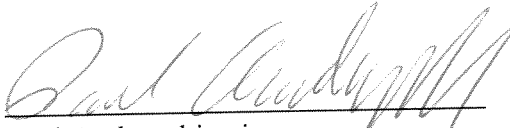
MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

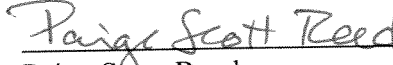
APPROVED BY:


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

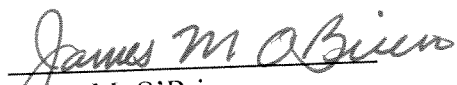

Kimberly B. Poirier
Director of Labor Relations

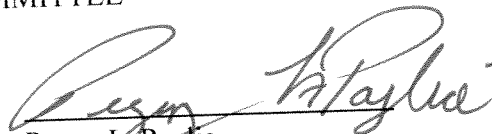
APPROVED AS TO FORM:

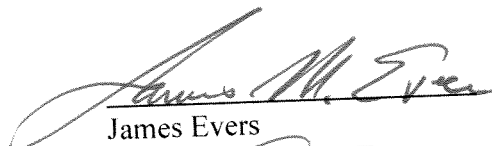

Paul Andruszkiewicz
Acting Assistant Secretary for Human
Resources for MassDOT and the MBTA

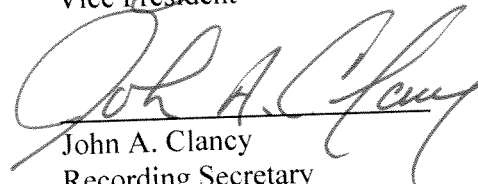

Paige Scott Reed
General Counsel for
MassDOT and the MBTA

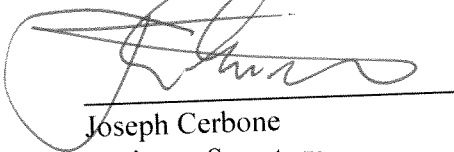
LOCAL UNION 589, AMALGAMATED TRANSIT UNION, AFL-CIO
BY ITS AGREEMENT COMMITTEE

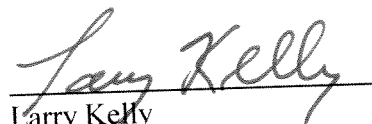

James M. O'Brien
President/Business Agent

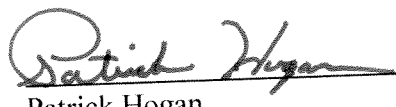

Peggy LaPaglia
Vice President

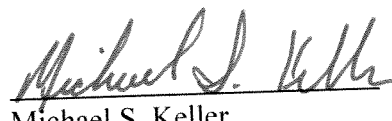

James Evers
Financial Secretary-Treasurer

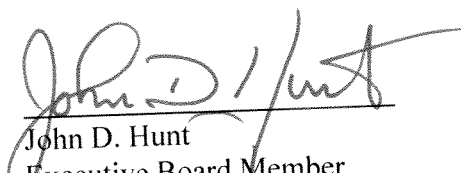

John A. Clancy
Recording Secretary

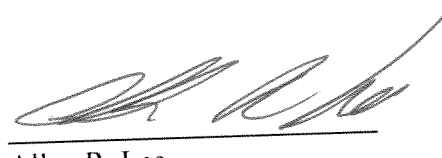

Joseph Cerbone
Assistant Secretary


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