

RAILROAD YARDMASTERS OF AMERICA
SUPPLEMENTAL SICKNESS BENEFIT AGREEMENT

THIS AGREEMENT, made this 30th day of September, 1974, by and between the participating carriers listed in Exhibit A, attached hereto and hereby made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Railroad Yardmasters of America, witnesseth:

IT IS AGREED:

1. Establishment of Supplemental Sickness Benefit Plan.

The railroad parties hereto will cooperate in the establishment of a Supplemental Sickness Benefit Plan (hereinafter referred to as this Plan) to be effective January 1, 1975, to cover Yardmasters, subject to the following benefit provisions, qualifying conditions, and administrative arrangements.

2. Provision of Benefits. Benefits will be provided under an insurance contract issued to the Railroad Yardmasters of America as policyholder. Such insurance contract will conform to the following provisions of this Agreement; otherwise it will, in all substantive respects, be patterned after the national supplemental sickness benefit plans.

3. Coverage. Coverage of the insurance contract will be confined to regularly assigned Yardmasters covered by schedule agreements held by the Railroad Yardmasters of America on participating railroads. For this purpose only, the term "regularly assigned Yardmaster" includes Yardmasters assigned to regular relief assignments and Yardmasters assigned to extra lists performing service exclusively in the Yardmaster craft.

4. Exclusions and Limitations. No benefits will be provided under the insurance contract -

(a) for the first three days of any disability;

(b) for any day on which the employee performs work for remuneration; or

(c) for any period during which sickness benefits are provided under any sick leave rule or practice in effect on any railroad (such period shall be deemed to continue until the employee's sickness benefits under such sick leave rule or practice are exhausted).

5. Benefits. The specific benefits will be determined by the provisions of the insurance contract referred to in Paragraph 2. However, during the first year of such contract, the monthly benefit thereunder will not exceed \$770, reduced by

(a) 21.75 times the employee's daily Railroad Unemployment Insurance Act sickness benefit,

(b) any annuity payments under the Railroad Retirement Act, or insurance benefits under Title II of the Social Security Act, or unemployment, maternity or sickness benefits under an unemployment, maternity or sickness compensation law, or any other social insurance payments under any law,

(c) any benefits under any plan, fund or other arrangement, by whatever name called, toward the cost of which any employer shall have contributed, including but not limited to any group life policy providing installment payments in event of permanent total disability, any group contract, any pension or retirement annuity plan, or any group policy of accident and health insurance (other than the insurance contract insuring the Yardmasters' Supplemental Sickness Benefit Plan as referred to in Paragraph 2) providing benefits for loss of time from employment because of disability, and

(d) for an employee who has been injured in an off-track vehicle accident covered under Article IV of the Agreement of September 20, 1968, or similar provisions, any payment for time lost which such employee may receive under Paragraph (b)(3) of such Article IV or under provisions similar thereto.

Thereafter the monthly benefit will not exceed 70% of the average monthly rate of Yardmasters, as computed for I.C.C. Reporting Division No. 105 using the mid-month count, subject to the same reductions.

6. Liability Cases. In case of a disability for which the employee may have a right of recovery against either the employing railroad or a third party, or both, benefits will be paid under the insurance contract pending final resolution of the matter so that the employee will not be exclusively dependent upon his sickness benefits under the Railroad Unemployment Insurance Act. However, the parties hereto do not intend that benefits under the insurance contract will duplicate, in whole or in part, any amount recovered for loss of wages from either the employing railroad or a third party. Accordingly, the insuring agent will be subrogated to any right of recovery for loss of wages the employee may have against any party; as a condition to paying any benefits under the insurance contract the insuring agent may require the employee to assign to it any such recovery or right thereto from any party to the extent that benefits are payable under the insurance contract; and on any recovery for loss of wages, the employee will reimburse the insuring agent from such recovery for any benefits paid under the insurance contract. For purposes of this Paragraph, a recovery which does not specify the matters covered thereby shall be deemed to include a recovery for loss of wages to the extent of any actual wage loss due to the disability involved.

Note: It is understood that if in the future railroads make any contributions toward financing the Yardmasters' Supplemental Sickness Benefit Plan, this Paragraph 6 will be rewritten in keeping with corresponding provisions of other supplemental sickness benefit agreements to provide that benefits paid under the insurance contract may be offset against any right of recovery for loss of wages which the employee may have against the employing railroad.

7. Insurance Contract.

(a) The National Carriers' Conference Committee may review the initial insurance contract referred to in Paragraph 2, and may reject it if it fails to comply with the provisions of this Agreement, in which event effectuation of the provisions hereof for reductions in Yardmasters' pay and remittance of premiums will be deferred pending other arrangements which the Railroad Yardmasters of America may work out which will comply with the provisions of this Agreement. Such insurance contract will not be amended for a period of at least one year except as the National Carriers' Conference Committee may upon review consent to the amendment. Such insurance contract will not be amended after the first year, except as the National Carriers' Conference Committee may agree or as may be agreed to pursuant to the provisions of the Railway Labor Act as amended.

(b) The insurer will furnish financial data, statistical and actuarial reports, and claim experience information to the National Railway Labor Conference for review in the same detail and at the same time that it furnishes such data to the policyholder Railroad Yardmasters of America.

8. Reductions in Yardmasters' Pay, and Payment of Insurance Premiums.

(a) Without affecting overtime rates or other rates payable for service not covered by monthly or daily rates, a reduction of \$10.50 will be made in the basic pay of each employee covered by schedule agreements held by the Railroad Yardmasters of America who will have been a regularly assigned Yardmaster on any day in his employing railroad's first payroll period ending in the month of December 1974, and a reduction of \$10.50 will be made in the basic pay of each such covered employee who will have been a regularly assigned Yardmaster in his employing railroad's first payroll period ending in each month thereafter. The employing railroad will forward that amount to the insurer, as provided in Paragraph 8(e), as the premium payment with respect to each such employee. In case of change in the insurance premium, the amount of the pay reduction will be changed following notice from the Railroad Yardmasters of America to the National Railway Labor Conference; such a change will not be made more frequently than once a year.

(b) The limitation of pay reductions and the remittance of premiums to assigned Yardmasters will not preclude such reductions and remittances with respect to Yardmasters who are adversely affected in the future under merger protection agreements or orders of regulatory authorities which require the continuation of benefits of the type provided under the Yardmasters' Supplemental Sickness Benefit Plan.

(c) In the event that the provisions of this Paragraph 8 which relate to reductions in the pay of Yardmasters should be challenged as improper before any court or tribunal, the Railroad Yardmasters of America will promptly intervene and defend in any such proceeding. The Railroad Yardmasters of America will indemnify and hold harmless the railroad or railroads concerned from any claims, damages, costs, or other expenses incurred in or as a result of such

proceedings. At the request of any railroad or railroads involved, the Railroad Yardmasters of America will furnish a good and sufficient indemnity bond to cover such indemnification. In event of failure to furnish such an indemnity bond on request, the provisions of this Agreement for reductions in Yardmasters' pay and remittance of premiums will be suspended pending determination by the courts of the legality of such provisions.

(d) The railroads will not make any contributions toward the cost of financing the Yardmasters' Supplemental Sickness Benefit Plan.

(e) The first premium payment to the insurer will be made as provided in Paragraph 8(a) in relation to covered Yardmasters who will have been regularly assigned Yardmasters in December 1974, and will be payable by the end of January, 1975. A premium payment will be made as so provided each calendar month thereafter during the effectiveness of the insurance contract in relation to covered employees who will have been regularly assigned Yardmasters in the month preceding the calendar month involved; each payment will be payable by the end of the calendar month involved. A grace period of 31 days is to be provided for the payment of every premium after the first. Participating railroads will remit premiums on as nearly as possible the same schedule as they remit union dues. Premium remittances will be accompanied by lists of Yardmasters on whose behalf premiums are transmitted, and a copy of such lists will be furnished the President of the Railroad Yardmasters of America and to the General Chairman involved.

(f) Prior to November 15, 1974, each railroad party to this Agreement will furnish the President of the Railroad Yardmasters of America, with a copy to the General Chairman of its Yardmasters, a list of all Yardmasters who held regular assignments as Yardmaster at any time during the last pay period ending in October.

(g) An employee covered by a Yardmasters' schedule agreement who is not a regularly assigned Yardmaster on any day in the first payroll period ending in a month but is a regularly assigned Yardmaster on some other day in such calendar month may remit his premium direct to the insurer, as may be provided by the insurance contract, accompanied by the employing officer's certificate or statement to the effect that he held a regular Yardmaster assignment in such month, which certificate or statement will be furnished on request.

9. Railroad Retirement Board. The National Railway Labor Conference and the Railroad Yardmasters of America will jointly request the Railroad Retirement Board to establish such administrative procedures as may be feasible to facilitate the administration of this Agreement.

10. Non-Governmental Plan for Sickness Insurance. Effectiveness of the Supplemental Sickness Benefit Plan is conditioned upon a favorable ruling from the Railroad Retirement Board that such Plan qualifies as a "non-governmental plan for sickness insurance" under Section 1(j) of the Railroad Unemployment Insurance Act, request for which ruling shall be

submitted jointly by the National Railway Labor Conference and the Railroad Yardmasters of America.

11. Sick Leave Rules, and Other Sickness Benefit Plans. No schedule sick leave rule, practice, policy or other individual railroad sick payment plan, or rights of individual railroads with respect to the continued effectuation, modification or discontinuance of any sick leave practice, policy or other plan not covered by a schedule rule, will be affected in any manner whatever by the implementation of this Agreement or of the Yardmasters' Supplemental Sickness Benefit Plan. However, it is understood that if in the future the railroads are requested to make any contributions toward financing such Plan, their position will be that all sick leave rules and other sickness benefit plans will be terminated.

12. Blanking Jobs and Realigning Forces. It is understood that if in the future the railroads are requested to make any contribution toward financing the Yardmasters' Supplemental Sickness Benefit Plan, their position will be that schedule agreements will be revised to permit the blanking of jobs of Yardmasters who are absent because of sickness or disability, and such realignment of forces as may be necessary in case a Yardmaster is absent because of sickness or disability.


13. Effect of this Agreement. This Supplemental Sickness Benefit Agreement is in full disposition of the matter of supplemental sickness benefits for Yardmasters represented by the Railroad Yardmasters of America. All pending notices dealing with matters of sick leave and sickness benefits are hereby withdrawn.

14. Duration. The Supplemental Sickness Benefit Plan established hereby will continue in effect without change until January 1, 1976, and thereafter except as it may be modified or terminated pursuant to the provisions of the Railway Labor Act as amended. No notice to change the Supplemental Sickness Benefit Plan, and no notice dealing with the matters of sick leave, sickness benefits, or any other matter covered by this Agreement, may be served by any party to this Agreement prior to July 1, 1975 (not to become effective prior to January 1, 1976). This Paragraph will not bar changes in this Plan by mutual agreement of the National Carriers' Conference Committee and the Railroad Yardmasters of America.

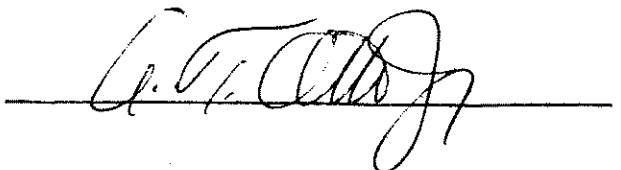
15. Court Approval. This Agreement is subject to approval of the courts with respect to carriers in the hands of receivers or trustees.

SIGNED AT WASHINGTON, D. C. THIS 30TH DAY OF SEPTEMBER 1974.

FOR THE PARTICIPATING CARRIERS
LISTED IN EXHIBIT A:


Chairman

FOR THE EMPLOYEES REPRESENTED BY
THE RAILROAD YARDMASTERS OF AMERICA:



Ed. Lee

J. C. Smith
Y. Larr

J. H. Leland

J. R. Jones

E. C. Newlin, Jr.

J. M. Moore

Earl Oliver

J. S. Paul

B. J. Upton

N. A. Erdody

R. J. Culver

R. F. O'Leary

W. S. Rusk

T. P. Jones

Fred W. Reger

J. C. Thomas

J. E. Wasby

RAILROADS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON VARIOUS DATES COMMENCING AUGUST 20, 1973 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES, OF THE RAILROAD YARDMASTERS OF AMERICA, REQUESTING THE ESTABLISHMENT OF A "SUPPLEMENTAL SICKNESS BENEFIT PLAN" AS DESCRIBED IN ATTACHMENT "A" THERETO.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Railroad Yardmasters of America.

Alton & Southern Railway Company
Baltimore and Ohio Railroad Company
Baltimore and Ohio Chicago Terminal Railroad Company
*Boston and Maine Corporation
Boston Terminal Corporation
Central of Georgia Railroad Company
Chesapeake and Ohio Railway Company
Chicago and North Western Transportation Company
Chicago, Milwaukee, St. Paul and Pacific Railroad Company
Chicago Produce Terminal Company
Chicago River and Indiana Railroad Company
Chicago, Rock Island and Pacific Railroad Company
Chicago, West Pullman and Southern Railroad Company
Cleveland Union Terminals Company
Clinchfield Railroad Company
Davenport, Rock Island and North Western Railway Company
Delaware and Hudson Railway Company
Des Moines Union Railway Company
Detroit Terminal Railroad
Duluth, Missabe and Iron Range Railway Company
Duluth, Winnipeg & Pacific Railway
Fort Worth and Denver Railway Company
Houston Belt and Terminal Railway
1-Illinois Central Gulf Railroad Company
Illinois Northern Railway
Indiana Harbor Belt Railroad Company
Kansas City Southern Railway Company
Kentucky & Indiana Terminal Railroad
Lehigh & New England Railway
*Lehigh Valley Railroad
Louisiana & Arkansas Railway Company
2-Louisville and Nashville Railroad Company
Minnesota Transfer Railway Company
Missouri-Kansas-Texas Railroad
3-Missouri Pacific Railroad Company
Monongahela Railway Company
New Orleans Union Passenger Terminal
Norfolk and Western Railway
**Penn Central Transportation Company
Pittsburgh, Chartiers & Youghiogeny Railway Company

- Portland Terminal Railroad Company
- Port Terminal Railroad Association
- Richmond, Fredericksburg and Potomac Railroad Company
- 4-St. Louis-San Francisco Railway Company
- Saint Paul Union Depot Company
- Seaboard Coast Line Railroad Company
- Soo Line Railroad
- Southern Railway Company
 - Alabama Great Southern Railroad Company
 - Cincinnati, New Orleans and Texas Pacific Railway Company
 - Georgia Southern and Florida Railway Company
 - New Orleans Terminal Company
 - Norfolk Southern Railway Company
- 5-Terminal Railroad Association of St. Louis
 - Texas and Pacific Railway Company
 - Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans
 - Western Maryland Railway Company
 - Western Pacific Railroad Company
 - Western Railway of Alabama

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NOTES: -

- * - Subject to the approval of the Courts.
- ** - Subject to the approval of the Trustees of the Property and to the approval of the Courts.
- 1 - Authorization covers only the Eastern and Western Divisions of the former GM&O Railroad.
- 2 - Authorization excludes District No. 18.
- 3 - Authorization also includes the Memphis Terminal.
- 4 - Authorization does not apply to the NEO and AT&N Districts.
- 5 - Authorization also includes the Organization's Notice dated January 28, 1974.

FOR THE CARRIERS:

FOR THE
RAILROAD YARDMASTERS OF AMERICA:

W. H. Murphy

A. M. [Signature]

Washington, D. C.,
September 30, 1974.

NATIONAL RAILWAY LABOR CONFERENCE

1225 CONNECTICUT AVENUE, N.W., WASHINGTON, D. C. 20036/AREA CODE: 202-659-9320

WILLIAM H. DEMPSEY, Chairman

H. E. GREER, Vice Chairman

ROBERT BROWN, Vice Chairman

W. L. BURNER, Jr., Director of Research

J. F. GRIFFIN, Director of Labor Relations

D. P. LEE, General Counsel

T. F. STRUNCK, Administrator of Disputes Committees

September 30, 1974

Mr. A. T. Otto, Jr., President,
Railroad Yardmasters of America,
Schoch Building, Room 201-202,
1411 Peterson Avenue,
Park Ridge, Illinois 60068.

Dear Mr. Otto:

Referring to the Railroad Yardmasters of America Supplemental Sickness Benefit Agreement entered into today:

The provisions of the second sentence of Paragraph 13 that -

"All pending notices dealing with matters of sick leave and sickness benefits are hereby withdrawn."

and of the second sentence of Paragraph 14 that -

"No notice dealing with the matters of sick leave, sickness benefits, or any other matter covered by this Agreement, may be served by any party to this Agreement prior to July 1, 1975 (not to become effective prior to January 1, 1976)."

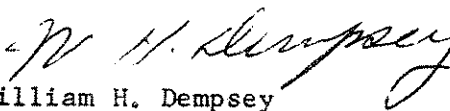
will apply to the following Carriers and their employees represented by the Railroad Yardmasters of America to the same extent as if such Carriers and employees were parties to such Agreement:

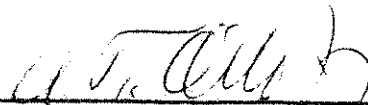
The Atchison, Topeka and Santa Fe Railway Company
Burlington Northern Inc.
The Central Railroad Company of New Jersey
The Denver and Rio Grande Western Railroad Company
Erie Lackawanna Railway Company
Los Angeles Junction Railway Company
Louisville and Nashville Railroad Company, District No. 18, only.
The Ogden Union Railway and Depot Company
Peoria and Pekin Union Railway Company
The Pittsburgh and Lake Erie Railroad Company
Union Pacific Railroad Company
The Washington Terminal Company

Will you please indicate concurrence of the Railroad Yardmasters of America by signing a copy of this letter?

Yours truly,

The R. Y. A. concurs.


William H. Dempsey


A. T. Otto, Jr.