CBG TENTATIVE AGREEMENT ANALYSIS

WAGES:

- A four year deal: 1/1/2016 through 12/31/2019
  - 3% GWI in 1/1/2015 was ratified in last agreement – not part of this one
- 4 year gross compound wage increase – 9.8% (2.4% per year)
- 4 year net annual increase (after deducting for increased medical costs to employees) – 2%
- Inflation projected to be over 2% each year from 2018 onwards
  - Wage increases in CBG deal don’t keep pace with inflation

HEALTHCARE:

- Changes agreed to by CBG result in $70 million dollars in healthcare costs transferred from railroad workers to the railroads. This figure will increase with medical inflation as more workers reach deductible and coinsurance maximum payments
- Today RR employees pay over $3900 per year for healthcare on average
  - (Figure is sum of 12 mos. of cost-sharing plus average monthly cost of deductibles, co-insurance, co-payments, etc.)
- If CBG ratified – over one-third of RR families will pay over $5100 per year for the same coverage
- If CBG ratified – more than 1 in 9 (11%) of RR families will pay over $7500 per year for the same coverage
- These figures increase each year as medical inflation is greater than cost of living so medical costs grow faster than wage gains:
  - By 2020 – half of RR families will pay over $5000 per year
  - By 2020 – 10% of RR families will pay over $10,000 per year
- The prescription drug and management plans are unclear and may require people to go through step therapy again and will create confusion for people treated by doctors in Aetna or Highmark networks.