

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE LONG ISLAND RAIL ROAD COMPANY  
(LIRR)  
AND  
INTERNATIONAL ASSOCIATION OF MACHINISTS  
(IAM)

Representing:

Machinists, Their Helpers And Apprentices

THIS AGREEMENT is made this 31<sup>st</sup> day of July 2014 by and between the Long Island Rail Road Company (hereinafter "LIRR" or the "Carrier") and the employees represented by the International Association of Machinists ("IAM" or the "Union"). The provisions of the existing collective bargaining agreements shall continue in effect unless specifically changed by the terms of this Memorandum of Understanding.

This Memorandum of Understanding is subject to ratification by the membership of the International Association of Machinists and final approval by the Metropolitan Transportation Authority Board.

## **ARTICLE I – GENERAL WAGE INCREASES**

### **SECTION 1 – 2010 GENERAL WAGE INCREASE**

Effective December 16, 2010, the hourly and daily wage rates and annual salaries in effect on December 15, 2010 shall be increased by two percent (2%).

### **SECTION 2 – 2011 GENERAL WAGE INCREASES**

Effective June 16, 2011, the hourly and daily wage rates and annual salaries in effect on June 15, 2011 shall be increased by one and one-half percent (1.5%).

Effective December 16, 2011, the hourly and daily wage rates and annual salaries in effect on December 15, 2011 shall be increased by one and one-half percent (1.5%).

### **SECTION 3 – 2012 GENERAL WAGE INCREASES**

Effective June 16, 2012, the hourly and daily wage rates and annual salaries in effect on June 15, 2012 shall be increased by one and one-half percent (1.5%).

Effective December 16, 2012, the hourly and daily wage rates and annual salaries in effect on December 15, 2012 shall be increased by one and one-half percent (1.5%).

### **SECTION 4 – 2013 GENERAL WAGE INCREASES**

Effective June 16, 2013, the hourly and daily wage rates and annual salaries in effect on June 15, 2013 shall be increased by one and one-half percent (1.5%).

Effective December 16, 2013, the hourly and daily wage rates and annual salaries in effect on December 15, 2013 shall be increased by one and one-half percent (1.5%).

#### **SECTION 5 – 2014 GENERAL WAGE INCREASES**

Effective June 16, 2014, the hourly and daily wage rates and annual salaries in effect on June 15, 2014 shall be increased by one and one-half percent (1.5%).

Effective December 16, 2014, the hourly and daily wage rates and annual salaries in effect on December 15, 2014 shall be increased by one and one-half percent (1.5%).

#### **SECTION 6 – 2015 GENERAL WAGE INCREASES**

Effective June 16, 2015, the hourly and daily wage rates and annual salaries in effect on June 15, 2015 shall be increased by one and one-half percent (1.5%).

Effective December 16, 2015, the hourly and daily wage rates and annual salaries in effect on December 15, 2015 shall be increased by one and one-half percent (1.5%).

#### **SECTION 7 – RETROACTIVE WAGES**

The December 16, 2010, June 16, 2011, December 16, 2011, June 16, 2012, December 16, 2012, June 16, 2013, December 16, 2013, June 16, 2014 retroactive payments shall be granted only to current employees for service performed in 2010, 2011, 2012, 2013 and 2014, and on a prorated basis for employees who, during 2010, 2011, 2012, 2013, and 2014: 1) retired; 2) died; 3) resigned while having vested right to a pension under the Long Island Rail Road Pension Plans; or 4) were dismissed and subsequently reinstated or rehired with seniority restored.

### **ARTICLE II – HEALTH AND WELFARE BENEFITS**

The Health and Welfare Benefits Provisions of the applicable Collective Bargaining Agreements shall be amended as follows: all active employees covered by this Agreement shall on the first pay period on which the general wage increases above are implemented, contribute, on a pre-tax basis, two percent (2.0%) of their straight time earnings up to forty (40) hours per week to defray the cost of Health Benefits. The parties agree that the increased contribution shall not be payable on any retroactive amounts.

### **ARTICLE III – PENSION BENEFITS**

All employees hired after full and final ratification of this Agreement enrolled in the MTA Defined Benefit Pension Plan shall continue member contributions for fifteen (15) years.

### **ARTICLE IV – WAGE PROGRESSION**

There shall be amendments to each wage progression for all employees hired after full and final ratification of this Agreement as provided in Appendix A to this Agreement.

### **ARTICLE V – OTHER TERMS**

1. Unless otherwise specified above, all provisions of this Agreement shall become effective upon ratification by the Union membership and approval of the MTA Board. This Agreement shall continue in full force and effect from June 16, 2010 through December 16, 2016.
2. There shall be a moratorium on the service of notice pursuant to Section 6 of the Railway Labor Act until June 16, 2016, not to be effective before December 16, 2016.
3. The current status quo period shall be extended until the later of full and final ratification or January 15, 2015, in the event that such ratification process is completed without approval.

IN WITNESS WHEREOF, THE PARTIES HERETO SIGN THIS AGREEMENT AT JAMAICA, NEW YORK, THIS 23 DAY OF JULY 2014.

For: International Association of  
Machinists



Gary R. Naylor Jr.  
General Chairman



William Hunt  
Local Chairman

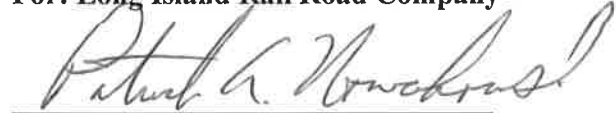


George C. White  
President



Thomas Radcliffe  
Vice President

For: Long Island Rail Road Company



Patrick A. Nowakowski  
President



Michael D. Chirillo  
Vice President - Labor Relations



Monu Singh  
Director-Labor Relations (Negotiations)

**APPENDIX A**

Union	Current Wage Structure		Wage Progression For New Employees Hired After 09/24/2014	
<b>IAM</b>				
Machinists (05)	1st	80%	1st	80%
Mechanics	2nd	90%	2nd	80%
	3rd	100%	3rd	90%
			4th	90%
			5th	100%

Wage Progression Based on 240 Days of Compensated Service  
*Prior company service does not count toward wage progression*

Union	Current Wage Structure		Wage Progression For New Employees Hired After 09/24/2014	
<b>IAM</b>				
Machinists (05)	1st	70%	1st	70%
Helpers	2nd	75%	2nd	70%
	3rd	80%	3rd	75%
	4th	85%	4th	80%
	5th	90%	5th	85%
	6th	95%	6th	85%
	7th	100%	7th	90%
			8th	95%
			9th	100%

Wage Progression Based on 365 Calendar Days  
*Prior company service does not count toward wage progression*

Union	Current Wage Structure		Wage Progression For New Employees Hired After 09/24/2014	
<b>IAM</b>				
Machinists (05)	1st	80%	1st	80%
Apprentice	2nd	80%	2nd	80%
	3rd	85%	3rd	80%
	4th	90%	4th	85%
	5th	100%	5th	90%
			6th	100%

Wage Progression Based on 365 Calendar Days  
*Prior company service does not count toward wage progression*



July 28, 2014

Mr. Gary Naylor Jr.  
General Chairman  
International Association of Machinists  
177 Koehl Street  
Massapequa Park, NY 11762

Dear Mr. Naylor:

This is to confirm our understanding reached during recently concluded collective bargaining sessions.

In the event the Carrier reaches subsequent agreements with other unions, in the current round of bargaining, which provide for superior provisions on the below-described subjects, the Carrier will offer an option to the International Association of Machinists for equivalent treatment on such matters.

The matters, which the option embraces, are as follows:

1. Wages
2. Pensions
3. Health and Welfare Benefits
4. Vacations, Holidays, Personal Leave or Sick Leave
5. Stabilization Date beyond January 1, 1998
6. Moratorium Date

As an illustration of the working of the above-described arrangement, in the event another Union trades a valuable work rule for equivalent dollars to be added to the pattern wage settlement, the International Association of Machinists will be offered the option of trading one of their valuable work rules for its equivalent value in wages.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Chirillo", with a stylized flourish at the end.

Michael D. Chirillo  
Vice President - Labor Relations