IBEW & Railroads November 2011 Tentative National Agreement

Wage and Health Care Cost Analysis

Everyone uses the Health Care benefits differently to handle their individual needs, some use very little and some unfortunately have to use them a great deal. Our experts have estimated that the changes going into effect on Health and Welfare (H & W) will cost our employees *on average* an additional $30 per month when fully implemented (they have advised that most employees earn enough in overtime to more than cover these costs). The changes will be phased in over a year and one half period. As such, beginning July 1, 2012, the average additional cost to an employee will be $15 per month (50%), January 1, 2013 that will increase to $22.50 per month (75%), and on January 1, 2014 the full amount of $30 will begin. With that being said, the following is an analysis of actual contract net wage gains after offsets for increases in H & W costs are taken into consideration if this agreement is ratified..

Current Rate **$25.10 p/h - $52,200 per year.**

Increase at ratification **$ 1.14 p/h** **$197.60 p/m**

GWI	Cumulative Inc.	H & W Avg. Cost	Net Gain
7-1-2012 – First H & W changes go into effect coinciding with 7-1-12 GWI			
$1.13 p/h - $195.87 p/m	**$393.47**	**$15.**	**$378.47p/m**
1-1-13 – Second phase of H & W changes to into effect, GWI 7-1-13			
$ .82 p/h - $142.13 p/m	**$535.60**	**$22.50**	**$513.10 p/m**
1-1-14 – H & W changes fully implemented, GWI 7-1-14			
$1.07p/h - $185.46p/m	**$721.06**	**$30.00**	**$691.06p/m**
GWI 1-1-15			
$ .88p/h - $152.53	**$873.59**	**$30.00**	**$843.59p/m**

7-1-16 - Increase in Employee Monthly Cost Share to $230.

$843.59p/m (net gain 1-1-15) – minus $30 (inc. in Cost Share 7-1-16) = $813.59p/m

1. Prescription Benefits – 60% of scripts filled are generic. Therefore most will save money with the changes as all generic fills decrease to $5.
2. Supplement Sickness Benefit amount will be increased upon ratification and will increase automatically with every GWI.
3. Notice for a new contract can be served on or after November 1, 2014, with changes to be effective on or after January 1, 2015. We therefore anticipate additional wage increases beginning in 2016. This would effectively increase final monthly net gain.

Final Rate at End of Contract Effective 1-1-2015 - $30.14 p/h - $62,691.20 per year.