

To: All Local Chairmen – CSXT

Please note two questions from a Member of Local 674. The response is sent for your education

Fraternally,

John H

From: John Hancock
Sent: Thursday, December 02, 2010 8:44 AM
To: 'Jay Gibson'; John Whitaker
Subject: RE: Benefits

Brother Jay,

This refers to the enquiry:

Question No. 1.

"I sent you a link to the Gateway regarding contributions beginning DEC 1st from the company. I hope if you click on the link it will work. If not under union benefits info and 401k under the appendix UTU former SCL it states about contributions of CSX stock on DEC 1st. There are certain stipulations regarding qualifying for these benefits. One of the provisions is for being eligible for vacation. Does it pertain to those who worked last year or if you worked this year and made vacation ,would you qualify. "

Answer No. 1.

Please refer to Attachment 2 of the codified 1992 crew Consist Agreement, which is made part of the 2010 UTU/CSX CSRA, Article 7

It is embedded below

In order to qualify for the 30 shares of stock that is credited on December 1, 2010, the individual must:

1. have work enough days during 2009 to qualify for vacation to be taken in 2010 or completed 1000 hours of compensated service in 2009; and,
2. be in active service on September 30, 2010.

It is much easier to qualify under the 1000 hour provisions than it is to qualify under the vacation entitlement rule.

The pertinent portion of Attachment 2, 1992 Crew Consist Agreement reads:

“(3) Commencing December 1, 1991 [provided CSXT Labor Agreement 4-030-91 (including Attachments)] is implemented not later than May 1, 1991), and on each succeeding December 1, CSXT will make a contribution of thirty (30) shares of CSX common stock to the account of each eligible employee defined in Paragraph (2) above who:

- (a) during the preceding calendar year qualified for a vacation in the year in which the stock is credited, or completed 1,000 hours of compensated service, and
- (b) is in active service (or in reserve pool status) on September 30 of the year in which the stock is contributed.”

Question No. 2.

"In the first paragraph regarding newly hired trainmen as of Jan,1 2008 when would we qualify for that \$3000 bonus taking into account we were furloughed last year?"

Answer No. 2.

The answer is found in Attachment A.3 of the 2010 CSRA, reading:

"Attachment A. 3. Direct Hire Bonus Payment Understanding

During our discussions that culminated in the September 18, 2007 letter of understanding referred to as the "Direct Hire Agreement", the parties discussed the intent and application of the bonus payments provided for in Paragraph's 3 and 4 of that Agreement, moreover that the application of "cumulative compensated service" (CCS) be applied with respect to these bonus payments. The purpose of this letter is to clarify the intent and application of our discussions as to when these payments are made.

Recently the following question has been raised:

Question: In the event an employee is furloughed prior to attaining the requisite twelve (12) month's of cumulative compensated service, is the employee eligible for payment of the bonus after a period of twelve months has expired?

Answer: It was the intent of the parties that employees will only be eligible for the bonus payment upon rendering twelve months of cumulative compensated service. In this regard if an employee is furloughed prior to attaining the prerequisite twelve (12) months of compensated service, the number of months worked prior to furlough will be added to the number of months worked after recall to service and upon attaining twelve (12) months of compensated service the employee will then be eligible for payment of the bonus subject to the conditions contained therein."

I trust thio answers your enquiry.

Faternally,

John H