

**Sent:** Thursday June 14, 2018

**Subject:** National Agreement Retroactive Pay

To All IBEW Railroad Local Unions Covered Under the National Agreement:

Dear Sisters and Brothers,

This is to update you on the status of the retroactive pay owed you by the railroads. The railroads have advised us that they don't plan on issuing you your retroactive pay until the "True-up" arbitration is over and an award is rendered. If we prevail, then nothing will be deducted from your retroactive paychecks. If the railroads prevail, then they intend on deducting the "true-up" amount from your retroactive paychecks. We have been strenuously arguing with them for some time now that there is no provision for them to forestall the retroactive payments, that it is not "impossible" to pay you in a timely manner. In accordance with the agreement, the payments are due within 60 days of the effective date of the agreement, which would be July 7<sup>th</sup>, and we expect them to comply with that. Unfortunately, to this day they have not budged from their position. They advised us that the BMW arbitration award provides that the "true-up" payments they are required to pay be deducted from their retroactive paychecks, so they intend to handle us in the same manner. We responded that we really don't care what the BMW award provided for, that we haven't agreed to this and, therefore, expect our retroactive pay by July 7<sup>th</sup>. As information, if we are successful in having the retroactive pay paid within the 60 limit, if we lose the arbitration the "true-up" amount of \$292.96 (4 months x 73.24 – money that will go into the H & W Plan) will most likely be deducted from your first regular paycheck following the arbitration decision. We are still discussing this matter with the carriers and are doing all we can to have you paid timely. We will update you as the situation progresses.

As to taxes on your retroactive pay, in accordance with IRS regulations, the railroads have a few ways in which they can tax this money, and each railroad may do it differently. As long as they're in compliance with the regulations, we really have no control over it.

If you have any questions pertaining to the foregoing, please don't hesitate to contact me.

Fraternally & in Solidarity,

Bill Bohné, Jr.

Director - IBEW Railroad Department

202-728-6016