

united transportation union
Burlington Northern & Santa Fe Railway General Committee of Adjustment GO-245



K.E. Trauernicht, 1st Vice Chairman
J.A. Scott, 2nd Vice Chairman
B.M. Drummond, 3rd Vice Chairman

8250 West 80th Avenue
The Meadows Centre, Units 7&8
Arvada, Colorado 80005
Phone: (303) 420-1848
August 30, 2008

S.M. Waller, 4th Vice Chairman
S.M. Waller, Secretary

To: Local Chairmen, GO-245

Re: Back Pay Inquiries

Subsequent to the issuance of back pay on August 19, 2008, in conjunction with the July 1, 2008 UTU National Agreement, this office has received several inquiries with respect to the handling of back pay for 1) vacations, and 2) productivity fund payments.

With regard to a re-gross of earnings for vacations taken in either 2006, 2007 or 2008, while you indeed received an adjusted amount, the entry on your 816 does not correspond with the pay period that you were originally compensated. Instead, these amounts are listed on your 816 under the date of 12/31, utilizing CA Code V6, V7 or V8, depending on the year.

As for an adjustment of productivity fund payments during this period, there will be no adjustment in the respective years. However, to compensate, all back pay earnings received in 2008 will be included with the total earnings for the current fiscal year, therefore proportionately raising the one-third cap for eligible employees. The exception will be those employees who retired or were deceased during the back pay period. These employees will not be in a position to recoup lost monies with the inclusion of back pay in 2008 and are currently being identified by Compensation Systems for a special adjustment. At this time, we are unable to give you a estimate how long this will take but will try to keep you updated.

While this handling of the productivity fund re-gross was not our first choice, we, nor any other affected, former BN committee has been able to document that this handling has ever been disputed in past, similar scenarios. There were a few claimants on the former GN property that were allowed an adjustment in the past, but all were retired on the effective date of the agreement. Since the Carrier has agreed to adjust these, there appears to be no grounds for a dispute.

If you have any questions regarding these matters, please feel free to contact this office.

Fraternally,

R.S. Knutson
General Chairman