

CTA Economic Settlement Counterproposal  
April 14, 2009  
10:30 AM

1. CTA contributions shall be at the Blue Cross composite rate for all CTA Blue Cross participants plus \$105. CTA contributions for Kaiser participants shall be at the employee plus family rate plus \$105.
2. Rule of 70 - Eligibility for Retiree Medical Coverage:
  - a. Effective 8-31-2012, eligibility for retiree medical coverage requires thirteen (13) continuous, consecutive years of employment and having the sum of years of service and age equal at least 70 and participate in the CTA Health and Welfare Benefits Trust for that same period immediately prior to retirement as a regular employee with CTA and/or another Participating Employer.
3. CTA Employees' Retirement Benefits Trust Fund:
  - a. CTA and each other Participating Employer shall contribute an additional eight percent (8%) of total gross payroll to the CTA Employees' Retirement Benefits Trust Fund increasing the total contribution to twenty-nine and one half percent (29.5%).
  - b.
    - i. Changes to the Medical Plan may include options numbers 8, 15, 16, 25, 29, 32, 43, 48. Additionally Medicare reimbursements are for current member premiums and not retroactive.

**AND/OR**

- ii. A percentage of the Employer contribution to the employee 401(k) shall be redirected to the CTA Employees' Retirement Benefits Trust Fund.

**AND/OR**

- iii. Other available options: Pension plan design change; Employer-paid Medicare taxes be redirected to the CTA Employees' Retirement Benefits Trust Fund; or a direct contribution by the employee to the CTA Employees' Retirement Benefits Trust Fund.

The two percent (2%) savings generated by any combination of these changes shall be paid into the CTA Employees' Retirement Benefits Trust Fund increasing the total Employer contribution to thirty-one and one half percent (31.5%).

- c. Business and vehicle expense amounts will be maintained at the current contract rate.

- d. CSO 15.301 shall be amended as follows:

Allowable expenses for meals shall not exceed the actual amounts paid. Reimbursement for meals shall be limited to seventy dollars (\$70.00) for any one day, including tax and tip. The employee shall furnish receipts for all meals submitted for reimbursement ~~costing thirty five dollars (\$35.00) or more.~~ Employees assigned to CTA conferences may expense meals even if group meals are provided.

CAS Article 7. OVERTIME WORK AND BUSINESS EXPENSES shall be amended as follows: Allowable expenses for meals shall not exceed the actual amounts paid. Reimbursement for meals for the duration of this Agreement shall be limited to seventy dollars (\$70.00) for any one day, including tax and tip, ~~and fifty dollars (\$50.00) for any one meal, including tax and tip.~~ The employee shall furnish receipts for all meals submitted for reimbursement ~~single meals of thirty five dollars (\$35.00) or more.~~

- e. Contribution increases to the Health & Welfare Trust for medical insurance will not exceed ten percent (10%) of the preceding year's cost for the same plans.
- f. CAS and CSO shall be credited two percent (2%) of total gross payroll derived from savings generated from Item #1 and Item # 3.c., 3.d. and 3.e. This credit will be redirected to the CTA Employees' Retirement Benefits Trust Fund increasing the total contribution for all participants to thirty-three and one half percent (33.5%).
4. Three (3) year agreement effective September 1, 2009 through August 31, 2012. Salary increases for year two will be 1% and year three will be 1% which may be used for across-the-board increases or for restructuring of the salary schedule.

# CTA Employees' Health and Welfare Plan

		Active	Retiree	Year 1 Beginning 9/09 \$66,501,000	
		\$6,644,000	\$2,215,000	Savings as of % of Benefits	Payroll
<b>Option Blue Cross MEDICAL</b>					
1	Change Office Visit Copay from \$10 to \$15			1.53%	0.20%
2	Change Office Visit Copay from \$10 to \$20			3.00%	0.40%
3	Change current Deductible from \$100 PPO/\$200 n-PPO to \$200 PPO/\$400 n-PPO			1.49%	0.20%
4	Change current Deductible from \$100 PPO/\$200 n-PPO to \$250 PPO/\$500 n-PPO			2.19%	0.29%
5	Current \$100 PPO/\$200 n-PPO Deductible applies to all charges except Office Visit Copay stays at \$10			0.51%	0.07%
6	Current \$100 PPO/\$200 n-PPO Deductible applies to all charges except in-patient hospitalization and Office Visit Copay stays at \$10			0.33%	0.04%
7	Change current \$100 PPO/\$200 n-PPO Deductible to \$200 PPO/\$400 n-PPO. Deductible applies to all charges except Office Visit Copay stays at \$10			1.99%	0.27%
* 8	Option 1 and 3			3.33%	0.44%
9	Option 2 and 3			4.49%	0.60%
10	Comprehensive Major Medical Plan with upfront deductibles of \$100 PPO/\$200 n-PPO; plan pays 90% co-insurance level up to the first \$5,000 PPO/\$10,000 n-PPO charges; then 100% for balance of calendar year - \$10 OV copay			3.27%	0.46%
11	Comprehensive Major Medical Plan with upfront deductibles of \$200 PPO/\$400 n-PPO; plan pays 90% co-insurance level up to the first \$5,000 PPO/\$10,000 n-PPO charges; then 100% for balance of calendar year - \$15 OV copay			6.04%	0.85%
12	Same as Option 11 except co-insurance is 95%			4.50%	0.63%
13	Comprehensive Major Medical Plan with upfront deductibles of \$100 PPO/\$200 n-PPO; plan pays 80% co-insurance level up to the first \$10,000 PPO/\$20,000 n-PPO charges; then 100% for balance of calendar year - \$10 OV copay			12.94%	1.82%
14	Same as Option 13 except deductible doubles to \$200 PPO/\$400 n-PPO and office visit copay increases to \$15			15.51%	2.18%
<b>MEDCO RX</b>					
		\$2,038,000	\$2,205,000		
* 15	Member pays the difference for DAW 1 & 2 (an amount equal to the ingredient cost difference between the generic and brand name in addition to the generic copay) DAW 1 = physician requested and DAW 2 = member requested			2.58%	0.16%
* 16	Implement plan feature to move maintenance drug fills from retail to mail order. MEDCO recommended an extra \$10 copay for maintenance drugs filled at retail after the third fill. Savings amount is based on 2007 utilization and may be overstated due to increased mail order use in 2008. New estimate from MEDCO is forthcoming.			3.99%	0.25%
17	\$0/\$10 to \$10/\$20 (2x Mail Order)			11.87%	0.76%
18	\$0/\$10 to \$10/\$25 (2x Mail Order)			13.77%	0.88%
19	\$0/\$10 to \$5/\$15 (2x Mail Order)			6.33%	0.40%
20	\$0/\$10 to \$0/\$15 (2x Mail Order)			2.85%	0.18%
21	\$0/\$10 to \$5/\$20 (2x Mail Order)			8.64%	0.55%
22	\$0/\$10 to \$0/\$10/\$25 (2x Mail Order)			1.83%	0.12%
23	\$0/\$10 to \$0/\$15/\$30 (2x Mail Order)			4.75%	0.30%
24	\$0/\$10 to \$5/\$15/\$30 (2x Mail Order)			8.17%	0.52%
* 25	\$0/\$10 to \$5/\$20/\$40 (2x Mail Order)			11.34%	0.72%
26	\$0/\$10 to \$10/\$20/\$40 (2x Mail Order)			14.25%	0.91%
27	\$0/\$10 to \$10/\$25/\$50 (2x Mail Order)			17.41%	1.11%



# CTA Employees' Health and Welfare Plan

		<u>Active</u>	<u>Retiree</u>	<u>Year 1 Beginning 9/09</u>	
				<u>\$66,501,000</u>	
				Savings as of % of	
				<u>Benefits</u>	<u>Payroll</u>
<b><u>Kaiser MEDICAL</u></b>		<b>\$1,511,000</b>	<b>\$301,000</b>		
28	O.V. copay \$5 -> \$10			0.70%	0.02%
* 29	O.V. copay \$5 -> \$15			1.22%	0.03%
30	O.V. copay \$5 -> \$20 (\$15 well child)			1.62%	0.04%
31	Rx copay \$5 -> \$5 generic/\$10 brand 100 days			0.50%	0.01%
* 32	Rx copay \$5 -> \$5 generic/\$15 brand 100 days			0.85%	0.02%
33	Rx copay \$5 -> \$10 generic/\$20 brand 100 days			1.50%	0.04%
34	Rx copay \$5 -> \$10 generic/\$20 brand 30 days (2x mail order)			2.10%	0.06%
<b><u>DENTAL</u></b>		<b>\$1,004,000</b>	<b>\$669,000</b>		
35	Decr coins amounts by 10% and add \$25 Ded. for all but D&P			12.09%	0.30%
36	Decr all coins amounts by 10% with \$50 Ded.			19.25%	0.48%
37	Change to 100% D&P/80% basic/65% major w/ \$50 Ded.			23.30%	0.59%
38	Change to 100% D&P/75% basic/50% major w/ \$50 Ded.			32.14%	0.81%
39	Change to 90% D&P/70% basic/50% major w/ \$25 Ded.			33.02%	0.83%
<b><u>VISION</u></b>		<b>\$301,000</b>	<b>\$200,000</b>		
40	Change from \$0 copay to \$10 copay; no change in 2nd pair & computer glasses benefits (VDT) that each have a \$20 copay and the separate contact lenses benefit that has a \$50 copay			5.60%	0.04%
41	Change from \$0 copay to \$10 exam/\$20 Materials; no change in 2nd pair and computer glasses benefits (VDT) that each have a \$20 copay and the separate contact lenses benefit that has a \$50 copay			10.64%	0.08%
42	Change frequency from 12/12/12 to 12/12(exams, lenses)/24 (frames); frame frequency would also change for 2nd pair and computer glasses benefits (VDT) that each have a \$20 copay and the separate contact lenses benefit that has a \$50 copay would continue to be available every 12 months.			13.87%	0.10%
* 43	Change frequency to - 12/12/24 one pair of glasses or contacts \$10 copay			53.58%	0.40%
44	Change frequency to - 12/12/24 one pair of glasses or contacts \$10 copay for exam and \$25 copay for materials			58.99%	0.44%
45	Change frequency to - 12/24/24 one pair of glasses or contacts \$10 copay (there are interim benefits which allows coverage for lenses when a member is not eligible if there has been a significant change in prescription)			61.26%	0.46%
46	Change frequency to - 12/24/24 one pair of glasses or contacts \$10 copay for exam and \$25 copay for materials (there are interim benefits which allows coverage for lenses when a member is not eligible if there has been a significant change in prescription)			65.36%	0.49%
47	Eliminate Vision Plan			100.00%	0.75%
<b><u>Medicare Premium Reimbursement</u></b>			<b>\$590,000</b>		
* 48	Limit premium reimbursement to Part B 1st indexed level			13.14%	0.12%
49	Eliminate reimbursement Medicare Premium			100.00%	0.89%

