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Rail Unions Act to Avoid Health Care Charges

By WILLIAM NEUMAN

When city subway and bus workers went on strike 15 months ago, their leaders refused to accept changes to pension benefits for newly hired workers but ultimately agreed to have members pay a portion of health insurance premiums.

A group of Metro-North Railroad unions that hammered out a contract deal with the Metropolitan Transportation Authority took the opposite tack yesterday, agreeing to raise the age at which pension benefits would kick in as a way to spare their members from having to contribute to the health insurance plan.

The Metro-North agreement will last until June 2010, and covers about 4,200 employees of the commuter railroad, including mechanics, machinists, conductors, engineers, office workers and administrators.

But the Teamsters union, which represents about 560 track workers, dropped out of the negotiations and could go on strike this summer.

Despite the Teamsters' absence, the deal signifies a truce between two rival union coalitions that represent different sections of the railroad's work force. The two groups had clashed for years, with engineers and conductors on one side and maintenance workers on the other.

Elliot G. Sander, the executive director of the Metropolitan Transportation Authority, said that having the two factions come together was a major benefit of the contract.

"You were having a work environment where there was the high potential of this conflict boiling over and impacting the service to our customers," he said.

The agreement still requires ratification by the union members.

The deal includes annual wage increases of 4 percent, 3.5 percent and 3 percent consecutively over the next three years, which is similar to the transit workers' contract.

It also provides for retroactive raises for the members of several unions that have been without a contract since four years ago.

But the key to the negotiations appeared to center on the issue of pensions and health care costs, which have been of increasing concern for public agencies.

When subway and bus workers in Local 100 of the Transport Workers Union went on strike in December 2005, the union president, Roger Toussaint, rejected changes that would give newly hired workers less generous pensions than those of current employees. He said he would not “sell out the unborn.”

Instead, Mr. Toussaint ended the strike after 60 hours and agreed to a contract that maintained pension benefits but included a contribution to health insurance costs equivalent to 1.5 percent of workers’ pay.

The health insurance provision angered many workers and led to the contract being narrowly defeated in a vote of union members. The dispute between the authority and the union ultimately went before an arbitration panel, which imposed a contract almost identical to the one that emerged from the strike, including the health care component.

In their talks with the authority, the Metro-North unions departed from that model.

Mr. Brown said that the new contracts created a new pension tier for newly hired workers. While current employees can begin receiving pension payments at age 55, new workers will not be eligible for pension payments until age 62.

Mr. Brown said that young mechanics and machinists entering his union were more concerned about health care payments today than about the more distant eventuality of pension benefits.

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