

Railfax



Jan. 21, 2006

For information, contact Robert Massé at 1-800-361-0483 x2539 or Robert.Masse@caw.ca

Update on LTD Plan Discussions at VIA Rail

The August 2004 agreement between CAW Local 100, Council 4000 and VIA Rail called for an LTD Plan. The terms of the plan were modeled after the LTD plan negotiated at CN Rail with several unions including CAW Local 100. The CN Plan had been in place for about two years and was working well.

As per the CN agreement, VIA Rail agreed to contribute up to 0.9% of payroll toward an LTD plan. The contribution of 0.9% was based on the estimated savings to the disability pension if an LTD plan were in place. The actuary for CN and VIA Rail calculated the savings amount.

Representatives from CAW Local 100, Council 4000, and the National Office had several meetings with VIA Rail to set up the LTD plan. In September 2005, the parties had completed most of the work for implementing the LTD plan and were close to selecting an insurance carrier. At that point, VIA Rail told the CAW that their actuary overestimated the cost savings of an LTD plan. VIA Rail is now proposing to contribute less than the original 0.9% of payroll to an LTD plan.

The CAW has requested information from VIA Rail to do our own costing for an LTD plan and see how the terms of the 2004 agreement can be met. The union will keep members posted on our progress through *Railfax*.