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GENERAL COMMITTEE OF ADJUSTMENT  
CSX Transportation (L.&N. Proper)  
CRR • NC&STL

February 22, 2013

All Local Chairmen  
All Local Officers

**RE: CSRA Article 5, Section 1 - Performance Bonus Program (PBP)**

Brothers and Sisters:

There appears to be some confusion, both at CSX and among the membership, regarding the proper application of CSRA Article 5, Section 1, and what would be the proper amount due an employee as his/her PBP payout.

Firstly, because of what CSX claims was a computer glitch, many of their employees were not paid what would be the proper PBP payout. We were advised of the problem by email from Sam Macedonio (HDO) advising what steps CSX is taking to correct the problem. The body of that email is provided with the following -

*Please be advised that payroll experienced a few issues while processing the BLET & CSRA bonus payments. As a result, certain BLET covered employees received a pay stub indicating a higher bonus than was actually due. As soon as payroll identified the problem they corrected it and issued corrected pay stubs. Those who did not already receive paper checks will receive the amount on the second pay stub, which is the correct amount. This amount will be paid on or before Monday, February 25, 2013. For those impacted individuals who already received paper checks, payroll will be notifying them of the overpayment and the repayment process.*

*Additionally, certain UTU CSRA covered employees received a pay stub indicating a higher bonus than was actually due and were paid this amount which contained an overpayment. For those impacted individuals who already received the incorrect amount, payroll will be notifying them of the overpayment and the repayment process.*

*We have also received reports from employees and union officials alike that certain bonus amounts were understated or people did not receive a bonus at all. We are researching those instances and encouraging those employees to call payroll at 1-800-582-2655.*

*We apologize for any inconvenience this may cause our employees and/or your offices and will make every attempt to work through these issues with your offices.*

*The following statement(s) will be sent to all impacted employees.*

*For the BLET, the following statement will appear in the My Pay section:*

*“During the processing of your 2012 BLET performance bonus, Payroll generated an incorrect pay stub and published it online through My Pay or via mail if you receive a paper pay stub. Payroll has identified and corrected this issue and processed the correct bonus amount, based on your labor agreement. Please ignore this initial pay stub, which is overstated. Your second pay stub is the correct amount and should agree with the actual payment you have received.*

*Again, your incentive bonus has been calculated and paid correctly and is dated for payment on 2/22/2013. The only error relates to your original pay stub and your second pay stub should be correct. If you have any questions or concerns regarding your bonus, please call CSX Payroll at 1-800-582-2655.”*

*For both the impacted CSRA and BLET covered employees, the following statement will appear in the My Pay section and/or be mailed to the employees’ home:*

*“It has been determined that an error has occurred with regards to your 2012 performance bonus calculation. While not all employees were affected, your bonus was and is overstated by \$XXX.XX. We will be contacting you shortly to provide details of the overpayment and the projected handling for recovery.*

*We regret any inconvenience this may cause. While you can be assured that your recalculated bonus is correct, Payroll will provide calculation details if you desire.*

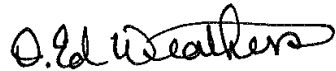
*If you should have any further questions, please contact the Payroll Contact Center at 1-800-582-2655.”*

*As we receive additional information regarding this error we will pass the information on. We will also attempt to set up a meeting and/or phone conference next week to further explain the error and the resulting issues. In the meantime, should you have any additional questions please call David, Eve or I.*

Secondly, it should be remembered that there is no pyramiding of bonus programs, as provided for in Paragraph E of Article 5. A Trainman must complete the required two years under the Direct Hire Agreement’s bonus plan before they are covered by the PBP. Four examples are

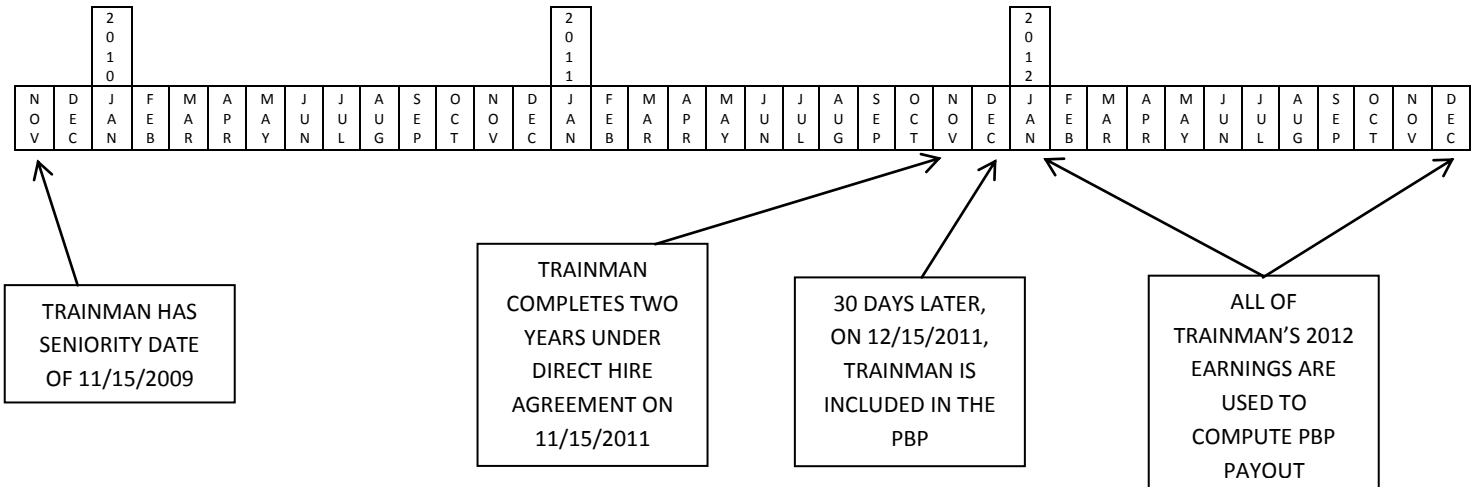
provided below to help a Trainman determine when he/she fell under the PBP and at what point his earnings during 2012 began to be counted towards that year's payout. Should any Trainman dispute the amount of their PBP payout, they should contact this office and Ms. Edith will instruct as to what information would be required for our handling. As advance preparations, I would suggest any such Trainman contact the RRB and request a copy of their history of compensation and service for use in arguing his/her case.

Fraternally yours,

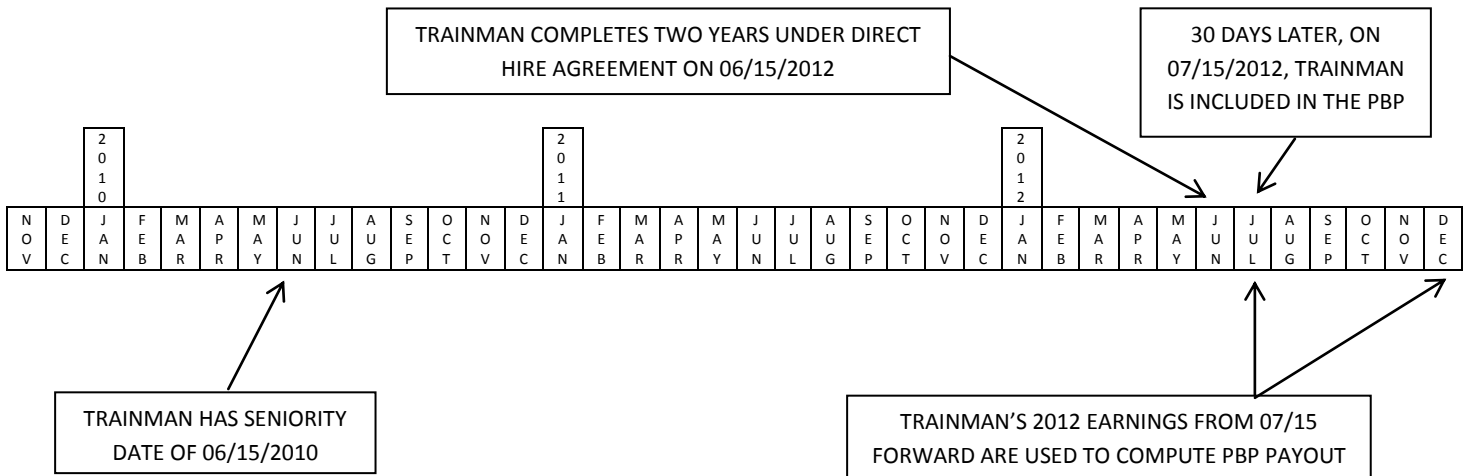
A handwritten signature in black ink that reads "O. Ed Weathers". The signature is written in a cursive style with a large, sweeping flourish at the end.

O. Ed Weathers, GC  
UTU (L&N Proper)

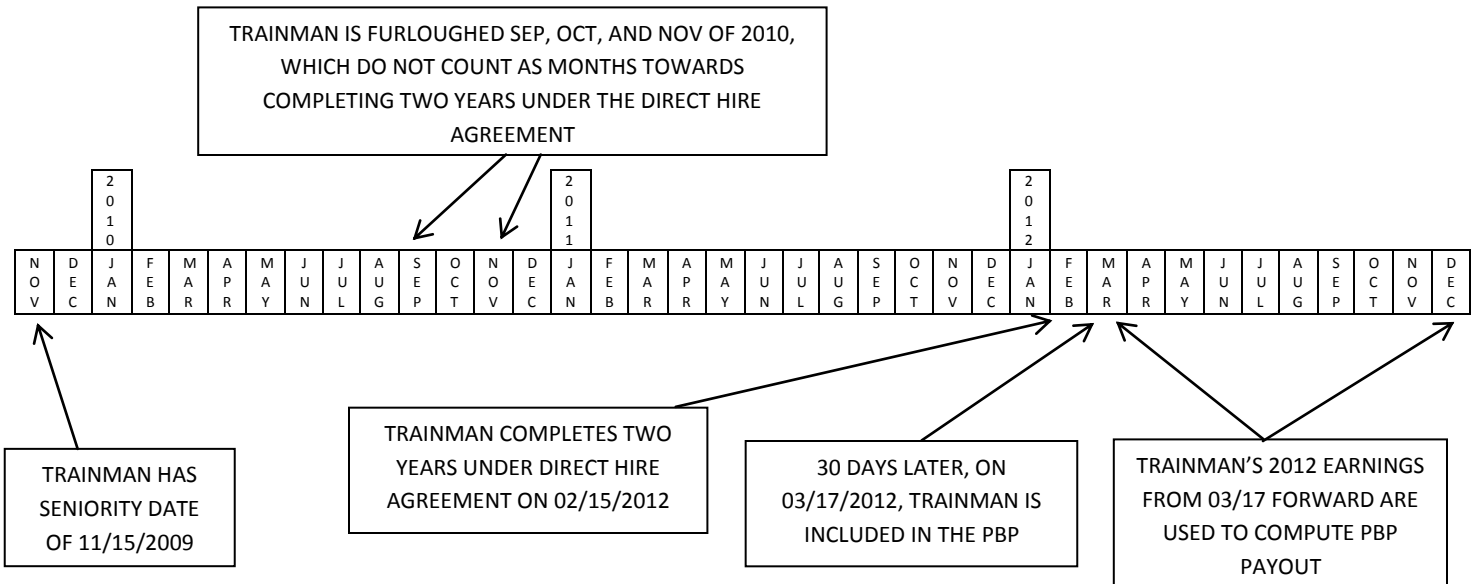
**Example 1** - Entire 2012 earnings are used in computing PBP payout when the Trainman has a seniority date of 11/30/2009 or before, **AND** has not lost any time (furlough) towards completing the required two years under the Direct Hire Agreement.



**Example 2** - A portion of 2012 earnings are used in computing PBP payout when the Trainman has a seniority date after 11/30/2009, **AND** has not lost any time (furlough) towards completing the required two years under the Direct Hire Agreement.



**Example 3** – Because months that a Trainman is not in active service (furlough) do not count towards completion of the required two years under the Direct Hire Agreement, any such time lost may affect the amount of 2012 earnings used to compute the payout.



**Example 4** - A portion of 2012 earnings are used in computing PBP payout when the Trainman has a seniority date after 11/30/2009, **AND** has lost any time (furlough) towards completing the required two years under the Direct Hire Agreement.

