Since the national round of bargaining concluded in December 2022, each of the largest Class I railroads have been at the table with their local unions to move the ball forward on several issues, including paid sick leave and scheduling predictability. While work continues, good faith negotiations have yielded benefits, delivered wins, and improved quality of life for rail employees and their families while positioning railroads to continue in their role as the backbone of the economy.

Beyond reaching new agreements, the latest employment data demonstrates railroads have continued hiring the workforce necessary to support the supply chain and our employees. Class I employment in April 2023 reached 121,391, marking an impressive 8.2% increase since January 2022 and the highest level since April 2020.

These developments at the bargaining table and elsewhere reinforce what folks in the industry have always known. Railroading is important, skilled work that powers the economy while also helping employees support a family with great pay, first-class benefits, and a secure retirement.

**Sick Leave**

As of June 6th, most unionized employees at the nation’s largest railroads are now covered by agreements providing individual paid sick leave days. Through the bargaining process, unions and railroads have reached more than 40 new agreements to provide this benefit to employees represented by the ten major rail unions that did not previously have them. The individual paid sick leave benefits added by these agreements supplement the pre-existing short- and long-term paid sickness benefits already in effect across the industry.

While the agreements are not all the same, they have been reached through the collective bargaining process in partnership with rail labor. Negotiations continue between those carriers and unions that have not yet reached agreements.

**KEY TAKEAWAY**

Railroad collective bargaining is a proven success, cementing railroading as one of the most highly compensated jobs in the U.S. It has also significantly improved working conditions for employees, enabling the industry to thrive in a competitive and ever-changing transportation marketplace.
Scheduling Predictability

While many operating craft employees already have highly predictable schedules that include designated work and rest days, the recent national agreements with BLET and SMART-TD also provide an opportunity for the parties to enhance the quality of life for those conductors and engineers who do not enjoy the same level of predictability through local negotiations regarding job assignment and work schedule rules. Railroads and these unions have made significant progress in these discussions – and several comprehensive agreements to modernize scheduling practices and provide employees with more predictable schedules have already been reached.

High Compensation

Last year’s historic deal cemented railroading as one of the most highly compensated jobs in the U.S. economy. Among other things, the national agreement delivered:

- 24% wage increase during the five-year period from 2020 through 2024.
- $1,000 per year in annual service recognition bonuses.
- An immediate lump sum payout of, on average, $16,000 per employee based on the retroactive portion of the wage payments and service recognition bonuses provided for in the agreement.
- A total average pay and benefits package reaching $160,000 in annual value by the end of the contract period.
- New and increased benefits in one of the best healthcare plans in the nation, with low-cost sharing for workers.
- An additional paid personal leave day per year.

Improved Best-in-Class Healthcare

- The industry’s benefits plan ranks in the highest category — the Platinum-level status — as defined by the Affordable Care Act.
- Employees will maintain platinum healthcare, ranked among the nation’s best plans, with some enhanced benefits. Additionally, employee contributions are set at 15% per month.
- By any available measure, the benefits offered to the unionized railroad workforce in 2023 through the nationally bargained health and welfare plans will have significantly lower member cost-sharing than benchmark data.
**2022 Average Total Compensation: Unionized Class I Railroad Workers vs. Benchmark Based on Equivalent Working Hours**

The average compensation of rail workers involved in the latest round of negotiations ranks within the top 10% of all industries, with an estimated average total compensation of approximately $145,000 in 2022. The agreements provided employees during the five-year period from 2020 through 2024, with 14% of that effective immediately upon ratification. This is the most substantial in decades. Estimates show that by the end of the agreement.


**Healthcare Employer Contribution as % Share of Plan Cost**

The benefits offered to the unionized railroad workforce through the nationally bargained health and welfare plans have, by any available measure, significantly lower member cost-sharing than benchmark data and are among the very highest cost benefit plans offered.

*Source: Willis Towers Watson 2023 Health Care Financial Benchmark Survey*