Freight Rail Employee Time Off Policies

Key Takeaway: In addition to last year's historic deal cementing railroading's place as one of the most highly compensated jobs in the U.S., today, most unionized employees at the nation's largest railroads now have paid sick leave days thanks to local bargaining.

Railroad employees receive substantial paid time off each year and generous paid sick leave benefits. Excluding time off covered by sickness benefits, the average employee receives 25-29 days of paid time off depending upon craft, with the most senior employees receiving 37-39 days of paid time off. Total compensation, including sick leave benefits, best-in-class healthcare and competitive wages, negotiated over decades of <u>collective bargaining</u>, position rail workers in the top 10% of all U.S. industries.

Historically, some unions have negotiated for paid sick days while others have negotiated for a "Supplemental Sickness Benefit" that prioritizes generous long-term sickness benefits overpayment for short-term absences. However, since the most recent round of national bargaining was concluded in December 2022, the carriers represented on the National Carriers' Conference Committee (NCCC) have reached more than 40 agreements to extend individual paid sick days to employees who previously did not have them.

As of October 19, 2023, the majority of the unions at the NCCC carriers, representing 91% of all craft employees, now have individual paid sick leave days in addition to pre-existing short- and long-term paid sickness benefits already in effect across the industry. While not all agreements are the same, they are all the result of bargaining, just as they should be – and discussions with the unions that have not yet reached individual paid sick day agreements continue.

Time Off Policies

Every employee gets some form of paid sick leave, which differs by union because of the terms negotiated over multiple rounds of collective bargaining. Some unions have negotiated for paid sick leave instead of Supplemental Sickness Benefits, while others repeatedly prioritized generous long-term sickness benefits paid by railroads over payment for short-term absences. Protections are also in place — such as the Federal Hours of Service Act — to limit the number of hours employees can work and guarantee a certain amount of rest time.



Freight Rail Time Off Policies

	Non-Operating Crafts & Operating Craft Yard Jobs	Operating Craft Road Jobs
Paid Vacation	Average 15 days, Max 25 days	Average 15 days, Max 25 days
Paid Personal Leave	Up to 4 personal leave days, depending on seniority	Up to 12 personal leave days, depending on seniority
Paid Holidays	11 paid holidays	N/A (receive more paid personal days in lieu of holidays)
Sick Leave	 Employees can "mark off" — or temporarily remove themselves from the list of available employees — at any time for illness if they maintain reasonable overall availability. Employees are eligible for leave under FMLA (no attendance policy implications). 91% of all craft employees also now have individual paid sick days, and negotiations with unions representing the remaining employees are ongoing. 	 Employees can "mark off" at any time for illness if they maintain reasonable overall availability. Employees are eligible for leave under FMLA (no attendance policy implications). Receive time off for three scheduled medical visits. 91% of all craft employees also now have individual paid sick days, and negotiations with unions representing the remaining employees are ongoing.
Longer-Term Sickness Benefits	 All employees receive statutory Railroad Unemployment Insurance Act benefit beginning after 7 days of absence and continuing for up to 26 weeks (60% income replacement subject to daily caps). Non-operating employees (except TCU and ATDA) receive Supplement Sickness Benefits beginning after 4 days of absence and continuing for up to 52 weeks (~70% income replacement). 	• All employees receive statutory Railroad Unemployment Insurance Act benefit beginning after 7 days of absence and continuing for up to 26 weeks (60% income replacement subject to daily caps).



Attendance Policies

Each railroad attendance policy is different. At their core, however, they work together with other time-off provisions and policies to ensure that freight railroads are adequately staffed, employees can appropriately manage unplanned and other events, and that employees satisfy their full-time work commitments.

Some railroads use a points-based attendance system. While each points-based system is different, they all provide employees with the flexibility to take reasonable amounts of time off, the ability to earn credits for regular attendance and a way to challenge attendance-related actions that they believe may have been unwarranted. Other non-points-based systems pursue the same objectives.

Employers only take disciplinary action in circumstances where the limits of the policies have been reached, and such action remains warranted. Like in many other industries, it isn't until an employee has had numerous or significant absenteeism events that a railroad begins evaluating next steps, which do not immediately escalate to termination. In fact, only a small number of employees ever get "attendance charges" because the entire process is designed to help employees maintain reasonable attendance — not simply discharge them.

