

## Frequently Asked Questions Regarding the Retroactive Payments

- **Who should receive a retroactive payment check?**

The retroactive payments are based on the contract settlements reached with ATDA, BMW, BRS, IAM, IBEW, JCC, NCFO, IBB, ARASA (Maintenance of Equipment), ARASA (Maintenance of Way) and UTU Train Service. Adjustments for BLET and SMWIA are scheduled to be paid at the end of May 2008. Employees in other crafts, such as TCU, ASWC, ARASA (OBS), UTU Stewards and UTU Yardmasters, are not covered by these agreements. Additionally, only employees active in a union covered position on December 1, 2007, or on certain leaves of absence, are entitled to retroactive pay under these contract settlements. If you were previously employed by Amtrak, left the company and subsequently returned to Amtrak service, only the service following your return is subject to the retroactive adjustment.

- **How was the back pay calculated?**

The retroactive pay covers the period from July 1, 2002 through March 31, 2008. In accordance with the terms of the agreements, the wage adjustments were calculated based on the January 1, 2001 rates of pay, which included the 27¢ Cost Of Living Adjustment (COLA) that the agreements rolled into the basic rates. Thereafter, the following percentage increases were applied:

- July 1, 2002 – 6.087%
- July 1, 2003 – 3.000%
- July 1, 2004 – 3.250%
- July 1, 2005 – 2.500%
- July 1, 2006 – 3.000%
- July 1, 2007 – 3.000%

The resulting hourly rates applied to all hours paid during each period reflect the total compensation resulting from the new contracts. The compensation already received for those hours was subtracted from that amount to identify the total retroactive wage adjustment for the period. Finally, from the total retroactive wage adjustment, the following health care contributions were deducted for each month of active service:

- July 1, 2001 through June 30, 2002 - \$ 33.39 per month
- July 1, 2002 through June 30, 2003 - \$ 81.18 per month
- July 1, 2003 through June 30, 2004 - \$ 79.74 per month
- July 1, 2004 through June 30, 2005 - \$ 91.32 per month
- July 1, 2005 through December 31, 2005 - \$ 97.43 per month
- January 1, 2006 through December 31, 2006 - \$123.28 per month
- January 1, 2007 through March 31, 2008 - \$166.25 per month

The result is the gross retroactive adjustment. The check you received (or that is deposited in your account) is 40% of the total amount, less required deductions, in accordance with the terms of the agreement.

- **Are all labor payments included in my back pay calculations?**  
 No, payments for other than hours worked, such as differentials, meal allowances, travel reimbursements, etc., were not included in the wage adjustment; only hours paid for or worked are included. Also, time worked in management, including special duty under XX job codes, is not subject to adjustment.
- **When will the balance be paid?**  
 In accordance with the terms of the agreement, the balance of the retroactive adjustment (60%) will be paid within one (1) year of the date the initial 40% is paid, subject to the contingency provisions of the agreement. In general, this means payment of the balance depends upon sufficient funding being appropriated by Congress to pay the second installment in Fiscal Year 2009.
- **How do I know the new rates of pay are correct?**  
 The rates of pay for ARASA (Maintenance of Equipment), ARASA (Maintenance of Way), ATDA, BMWE, BRS, IAM, IBB, IBEW, JCC, NCFO, and UTU Train Service took effect on or about April 1, 2008. The new rates of pay for BLET and SMWIA took effect on May 1, 2008. Since that time, questions about certain rates were raised by union officers, employees and managers and the rates were subsequently adjusted, where necessary. The corrected rates are what were applied to the back pay calculations. If you believe your rate of pay is wrong, you should contact your local manager or union representative for verification.
- **What is the health care deduction?**  
 In the contract settlements, it was agreed that employees would contribute toward the cost of health care coverage at the same level as freight railroad employees. The amounts of the deductions, outlined above, are in line with the payments agreed to as contributed by railroad employees on the freight railroads.
- **What if I am covered by other health insurance?**  
 Prior to the current contract settlement, Amtrak provided health care coverage for all employees, regardless of whether that coverage was utilized. Accordingly, the settlement provides for employee contributions for each month of active service. However, under the terms of the agreements, employees may elect to “opt-out” of future medical plan coverage, including medical, prescription drug and mental health/substance abuse benefits. A letter was sent to each employee outlining the benefit changes and the opportunity to opt out of the Amtrak medical plan. While the initial opt out period ended April 30, 2008, for ARASA (Maintenance of Equipment), ARASA (Maintenance of Way), ATDA, BMWE, BRS, IAM, IBEW, JCC, NCFO and UTU Train Service, and will end on May 16, 2008, for BLET, IBB and SMWIA, employees will have the opportunity to opt out in the future during the open enrollment periods. You may obtain additional information by contacting the Amtrak Benefits Service Center at 800-481-4887.

- **Will 401(k) deductions be taken out of my back pay?**  
In accordance with the terms of the agreement, Amtrak did not deduct contributions toward your 401(k) plan from the retroactive wage adjustment.
- **What deductions will be taken out of my back pay?**  
Back payments are subject to the Federal 25% supplemental payment tax withholding rate as well as any percentage based creditor or tax levy deductions, such as state and local taxes. Depending on the state in which you reside, a mandatory supplemental state tax rate may apply as well. Railroad Retirement taxes are deducted at the same percentage rate as normal, up to the annual maximum. Garnishments related to child support are excluded unless the employee is behind on or in arrears on required payments. If this is the case, a deduction will be made for child support. It is recommended that you consult with a tax advisor on the proper treatment of this payment in regards to your tax filing status.
- **What if I have labor hours submitted after the April 25, 2008 cut off?**  
Work performed on or before March 31, 2008, which was not submitted by April 25, 2008, will need to be submitted through the normal process for submitting late labor. Time submitted after the April 25, 2008, cut off will be paid at the old rates and the adjustment will have to be made manually. Those adjustments will be added to the remaining 60% portion of the wage adjustment.
- **Who should I contact if I think the amount of my back pay isn't correct?**  
Please refer to the enclosed payroll information summary to assist you in understanding the calculations. Remember, under the contract settlements, only the rates of pay were adjusted. Except for the Reduced Crew Allowance under the UTU Agreement, there were no retroactive adjustments to allowances, differentials or other payments, including payments you may have received for temporary upgrades to management or time in "XX" job codes, or for time worked on positions in those unions that have not yet reached agreements. Questions regarding the payment can be referred to the following toll free number.

**1-888-514-0983**

The Call Center will be staffed weekdays from 8:00 a.m. to 8:00 p.m. EDT beginning Thursday, May 8, 2008. Additionally, during the first weekend after the wage adjustments are released (Saturday May 10 and Sunday May 11), call center representatives will be available from 8:00 a.m. to 5:00 p.m. EDT. If your question cannot immediately be answered by the call center representative, a case number will be assigned to you and your name, employee number, union and craft, telephone number and the nature of your question will be logged and referred to an appropriate officer for investigation and review.

Please use the attached Retroactive Wage Payment Inquiry Form to document your assertion of a discrepancy. The form is also available on the Internet at [www.amtrakbenefits.com](http://www.amtrakbenefits.com) and on the Amtrak Intranet site under the Library Tab – click on Forms and select Form NRPC 3287.

You should be prepared to provide details regarding any discrepancy; if it involves health care contributions, information about the particular month(s) in question and why you believe the deduction was incorrect; if it involves the wage adjustment, information as to the specific period in dispute and whether it involves straight time, overtime or other hours paid in order to facilitate a prompt investigation of your issue. With the Form, you must send supporting documentation, such as copies of pay stubs, your work log or time book, showing the hours worked during the period in dispute.

- **Can the field payroll office handle my question?**  
Field Payroll, Human Resources and Labor Relations offices **cannot** help with back pay questions, inquiries or disputes. Questions and disputes must be referred to the toll free number listed above. Your issue will be assigned a case number at the time of your call which will be used for the investigation process.
- **How long could I expect resolution on my case to take?**  
Only issues with assigned case numbers will be investigated. Once a case number is assigned and your documentation received, you will be contacted within seven to 14 business days to discuss your specific question and determine the necessary course of action. Depending on call volume, it could take longer. Each case will be reviewed and you will be contacted and advised of the findings. Considering the significant number of employees affected by the back pay process, it may take several weeks to thoroughly investigate and respond to your particular issue.
- **How long do I have to dispute my wage adjustment?**  
We encourage you to call as soon as possible so that your issue is logged and assigned a case number by the Call Center to initiate the review process. The sooner your call is received, the quicker your issue can be investigated and resolved. The call center is only a temporary resource for handling inquiries about the back pay process, so we urge you to call promptly.

May 5, 2008