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LABOR AGREEMENT

1999 - 2004

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between

OFFICE COMMITTEE UNION

and

CUMMINS ENGINE COMPANY, INC.



Duration = 6/20/99 - 6/20/2004

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AGREEMENT

THIS AGREEMENT made effective on the 20th day of June, 1999, 11:00 p.m., by and between CUMMINS ENGINE COMPANY, INC., hereinafter referred to as the "COMPANY", and the OFFICE COMMITTEE UNION, hereinafter referred to as the "UNION", constitutes the entire agreement between these parties in regard to the terms and provisions governing wages, hours and working conditions.

This Agreement may be changed only in accordance with provisions set forth herein or by mutual agreement between the parties reduced to writing and signed by representatives of the parties, authorized to participate in collective bargaining.

THE PARTIES HERETO MUTUALLY AGREE AS FOLLOWS:

The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after this exercise of those rights and opportunities are set forth in this Agreement.

It is mutually understood and agreed that any federal or state legislation or governmental regulation in effect, or which may be enacted or issued, and which may be contrary to any provision of this Agreement, shall cancel such provision in conflict therewith, but shall not affect the other provisions of this Agreement.

ARTICLE 1 STATEMENT OF PURPOSE

Section 1 Statement of Purpose

The general purpose of this Agreement is to promote the mutual interests of the parties and to provide for the operation of the Company's business under methods which will further the economy and efficiency of the operation, the realization of maximum quantity and quality of performance, the elimination of waste, the protection of property and the avoidance of interruptions to production to the extent that the employees and the Company will benefit.

The successful operation of the Company's business is hereby declared to be of mutual interest, and both parties hereto desire to preserve, promote and improve industrial and economic relationships, safety, cleanliness, economy, and to improve and increase the quality and quantity of work done.

It is expressly understood that this Agreement, when executed, shall supersede any past Agreements, policies and practices which conflict with the provisions herein contained and these provisions shall be binding upon the parties hereto.

ARTICLE 2 RECOGNITION

Section 1 Recognition

- A. Pursuant to National Labor Relations Board certification, the Company recognizes the Union as the sole and exclusive collective bargaining representatives for all office clerical employees, plant clerical employees, nurses, technical employees, drafting employees and mechanical employees (including equipment attendants and main-

tenance employees specifically assigned in the office bargaining unit), located at the Company's operations in Columbus, Walesboro, Seymour, and Madison, Indiana.

- B. But excluding all production employees, production related maintenance employees, boiler attendants, guards, executive, administrative and professional employees (commonly referred to as exempt employees), confidential employees, supervisors as defined by the National Labor Relations Act, and all other employees:
- C. Midrange work that is being performed at other Cummins facilities represented by the Office Committee Union will not be transferred to the Cummins Midrange Engine Plant without written agreement of the Union.

Midrange work that is being performed now and/or in the future at the Cummins Midrange Engine Plant will not be transferred to operations identified in Article 2 of this agreement without written agreement of the Union.

Support work currently being performed by the OCU related to engines or components of engines with 10 liter displacement or greater will not be performed in the Cummins Midrange Engine Plant without written agreement of the Union.

In the event that in the future, the Company builds, buys or leases a new facility, whose primary purpose is to house the jobs defined in paragraph one (1) of this section and article, within the area from which the present work force is drawn in which there is no recognized collective bargaining representative, it is agreed that the Office Committee Union shall represent the employee(s) assigned to jobs defined in paragraph one (1) of this section and article.

- D. If the company establishes a new business within the area from which the work force is drawn, and the Union is selected by an appropriate number of employees within that new business to represent them, the provisions of this Agreement will not apply. Rather, a separate agreement will be negotiated and submitted to those employees for ratification. "New business" is defined as operations within the area from which the workforce is drawn in which goods and/or services are manufactured or performed which were not manufactured or performed as of June 22, 1987, by persons represented by the Union.
- E. All current OCU maintenance assignments shall remain as presently assigned.

ARTICLE 3 NON-DISCRIMINATION

Section 1 Non-Discrimination

Neither the Company nor the Union shall discriminate in any regard against any employee because of race, age, sex, creed, color, disability, Vietnam era veteran status or national origin.

ARTICLE 4 MANAGEMENT RIGHTS

Section 1 Management/Rights-Overview

- A. It is agreed that the rights of management of the Company include specifically, but are not limited to the following:
1. The determination of location and number of work areas;
 2. The determination of products to be manufactured and services to be performed;

3. The standards of quality to be maintained and the workmanship required;
4. The scheduling of production, establishing hours of work and determining shift starting and quitting times;
5. The type and quantities of supplies, machines, tools and equipment to be used;
6. The methods, processes and means of performing clerical functions, machining, assembling, servicing and repairing products;
7. The control of all design and engineering determinations;
8. The purchase, control and use of raw materials, and the choice and purchases of supplies and goods to be used;
9. To temporarily assign executive, administrative or professional personnel to perform unit functions in cases of emergency, for instruction purposes, or when a qualified bargaining unit employee(s) is not available;
10. To establish reasonable rules of conduct and policies including, but not limited to, policies governing attendance;
11. To relieve employees from duty because of lack of work or other legitimate reasons;
12. To establish disciplinary action procedures;
13. To introduce changes in methods, positions or facilities;

14. To establish reasonable production standards, time studied or otherwise;
15. To discontinue any or all operations including the total cessation of business;
16. To generally manage the Company's business as it deems best, not in conflict with the provisions of this Agreement.

The above rights are among those vested exclusively with the Company and as such, are not subject to the grievance or arbitration procedures of this Agreement.

Section 2 Direction

The Company shall also have the exclusive right to direct its employees, including but not limited to, the right to hire, promote, demote, transfer, discharge or discipline for cause.

Section 3 Non-Exclusivity/Permanence

It is agreed by the parties that when any job or task performed by a non-unit employee is absorbed by jobs performed by bargaining unit employees or is assigned to bargaining unit employees, such jobs or tasks will not be considered as either the permanent or exclusive assignment of such tasks to the OCU.

Section 4 Technology

- A. The Company and the Union understand that the continued viability of the Company's business and its capacity to provide jobs depends on the Company's capacity to compete in a world market, selling a top quality product at competitive prices which will, in

turn, provide a profit. It is understood that this will require the purchase, installation and utilization of equipment, machinery, and office, industrial engineering and research technology of all sorts. It will also require changes and improvements in the methods, processes or means of performing work. It will require the cooperation of the Union and the Company in support of these changes and improvements. Accordingly, the parties agree as follows:

1. This Agreement contains no restrictions or limitations on the Company's right to adopt or introduce any technological improvements.
2. There is no restriction on the types and/or quantities of supplies, machines, tools or equipment to be used, or on the methods, processes or means of performing the work of the Company.
3. There is no restriction on who uses technology.

Section 5 Limitations

The Company construes and the Union recognizes that the only limitations upon the Company's right to manage the business are those rights as specifically abridged or modified by this Agreement arrived at through the process of collective bargaining.

ARTICLE 5 UNION SECURITY

Section 1 Membership

It shall be a condition of employment that all employees covered by this Agreement who are members of the Union in good standing shall remain members in good standing and those who are not members on the effective date of this Agreement shall, on or before the 31st day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement hired on or after this effective date shall, on or before the 31st day following the date of hire, become and remain members in good standing in the Union.

Section 2 Payroll Deductions

The Company agrees to make weekly payroll deductions for Union membership dues upon presentation by the Union to the Company of a *written authorization signed by an employee represented by the Union*. Such authorization form must comply with federal, state and local laws. The Company may reject illegal forms.

One time each week the Company shall deposit the deducted Union dues at a financial institution in Columbus, Indiana designated by the Union. The deposit receipt shall be sent to the Treasurer of the Union.

Section 3 Dues

A. To be fair and consistent, all authorized active Union members will be required to pay and the Company to deduct dues from the equivalent of fifty-two (52) pay checks each calendar year. The following categories of employees will be excluded: those on layoff due to reduction of work force or on leaves of absence in excess of thirty (30) days.

- B. When an employee covered by this Agreement becomes delinquent by more than nine (9) weeks in the payment of the Union dues or initiation fees, the Union shall notify the employee in writing, registered mail, return receipt requested, and shall send a copy to the employee's department head and the Employee Relations Department stating that said employee is delinquent in the payment of any Union dues and initiation fees and is accordingly subject to discharge as an employee of the Company.
- C. All full time School-to-Work employees will pay union dues. School-to-Work employees are not otherwise covered by the terms and conditions of this Agreement.

Section 4 Direct Deposit

During the course of this Agreement, the Company may elect to implement a bi-weekly direct deposit payroll system. This system will be offered to all employees as a voluntary alternative to the manual payroll policy.

Union dues and deductions per the other provisions of this article shall apply to the direct deposit payroll system.

The bi-weekly direct deposit payroll system shall apply to all employees hired subsequent to the implementation of such system.

Section 5 Indemnification

In consideration of the Company's entering into this Agreement, which includes in this article a Union Shop provision, the Union hereby agrees to indemnify the Company and hold it harmless from any and all claims, liabilities or costs of the Company which arise out of the entering into or the enforcement of this article.

ARTICLE 6 UNION REPRESENTATION

Section 1 Union Structure

Employees shall be represented by Union representatives as follows:

A. Bargaining Committee

The Bargaining Committee shall have five (5) members or a ratio of one (1) for each four hundred (400) bargaining unit employees, whichever is greater. The Bargaining Committee will be the Union representatives with which the Company will bargain collectively in Company/Union meetings including contract negotiations.

B. Area Representatives

The total number of Area Representatives shall be based on a ratio of 1 for every 100 OCU employees or fraction thereof with a minimum of 14. It shall be at the Executive Board's discretion to add or remove Area Representatives for the portion over 100. The number of Area Representatives shall be based on the ratio stated above with a minimum of one additional Area Representative for each night shift.

2. The method of selection of Bargaining Committee members and Area Representatives shall be determined by the Union, but will in no way interfere with the performance of the employees or the operations of the Company. Area Representatives may be elected on Company premises, but not during working hours.
3. The five (5) member Bargaining Committee and Area Representatives must be seniority employees within the bargaining unit.

4. The Union shall inform the Employee Relations Department of any change in Bargaining Committee members and Area Representatives.

Section 2 Officials

- A. The Bargaining Committee members shall be designated as full time Union officials. These full time Union officials shall not have position assignments, except for record and pay purposes, and shall be assigned in a designated department name and number which shall be administered by the Employee Relations Department. For record and pay purposes; each one shall be assigned to the same level and position he/she held at the time of his/her election unless he/she successfully bids to another position. Upon completion of serving elected term(s) as a full time Union official:
 - If the Bargaining Committee member is still assigned to the position held at the time of his/her election, he/she shall be returned to that position. If that return results in a decision by the Company to remove another employee from the position, the employee who will be made available is the one originally who replaced the Bargaining Committee member or the employee who subsequently replaced that employee.
 - If the Bargaining Committee member successfully bids to a different position during his/her term of office, he/she shall be returned to that position. If that return results in a decision by the Company to remove another employee from the position, the employee who will be made avail-

able is the one who was selected through the posting procedure to replace the Bargaining Committee member or the employee who subsequently replaced that employee.

- If the Bargaining Committee member's position was abolished, he/she shall be placed on a position, which he/she is qualified to perform, in the same level.

Full time Union officials shall not have loss of pay from regularly scheduled working hours while performing Union activities.

B. An Area Representative may perform the following Union activities on Company premises during his/her regularly scheduled working hours without loss of pay:

1. Handle grievances which originate in the area representative's designated area in accordance with Article 7, Problem Solving/Grievance Procedures. "Designated area" means the area of responsibility assigned to the Area Representatives by the Executive Board.
2. Attend disciplinary meetings with management representatives in accordance with Article 21, Discipline and Discharge, when an employee in the Area Representative's designated area is involved.
3. An Area Representative shall not solicit grievances from employees within his/her area, but will assist in creating harmony within the area and in the resolution of difficulties within the area.
4. An Area Representative shall not handle or assist with grievances or discipline cases of employees who are not part of his/her

designated area except by mutual agreement between the Union Board and Employee Relations.

- C. Area Representatives shall not perform any other Union activity during their regularly scheduled working hours and shall not leave Company premises on Union business during their regularly scheduled working hours. An exception to this provision may be made by agreement between the Union president and the Employee Relations Department.

Section 3 Procedures

- A. Each Bargaining Committee member shall report to the supervisor of the department being visited and inform him/her of the reason for the visit.
- B. Each Area Representative shall report to his/her supervisor before leaving his/her assigned department, shall report to the supervisor of the department being visited and inform him/her of the reason for the visit, and shall report to his/her supervisor upon return to his/her own department. Each Area Representative shall provide a written record (on a form provided by the Company) to his/her supervisor, weekly, of all time spent on Union activities showing Company paid Union time.
- C. The Union agrees that the Union activities of each Union representative shall be in compliance with the provisions of this article and recognizes the Company's right to control time off work for Union activities by requiring each employee elected or appointed as a Union representative to comply with the provisions of this article.

D. Area Representatives will attempt to arrange time away from their positions for Union activities at such times as to cause the least inconvenience within their departments or within any other department in which they carry out their Area Representative responsibilities.

Section 4 Non-Solicitation

Union representatives shall not solicit grievances.

Section 5 Company Paid Union Time

Company paid union time shall be counted as hours worked for the purpose of computing benefits and overtime.

Section 6 Area Representative Seniority Rights

Each Area Representative with six (6) or more years of bargaining unit seniority will hold seniority rights over all the employees in the area he/she represents.

In the event the position of an Area Representative is abolished for reasons other than reduction in force, an Area Representative may displace the least senior employee in his/her jurisdiction, in his/her level on a position which he/she is qualified to perform. The displaced employee will be considered an available employee, however, if the Area Representative cannot displace within their area, he/she will be made available.

ARTICLE 7 PROBLEM SOLVING/ GRIEVANCE PROCEDURE

Section 1

The Union and the Company agree to support the business with a commitment to joint problem solving. Every attempt will be made to resolve employee disagreements and Union/Management disagreements by using a consensus problem solving process prior to entering the grievance procedure. Any employee may involve his/her area representative in the problem solving process. The parties agree to schedule a problem solving session within three (3) working days of the time an employee requests a problem solving session. A response to the question raised in the problem solving session will be given to the employee within three (3) working days after the session. Resolutions reached through the problem solving process shall be non-precedent setting.

Section 2 Definition

- A. The term "grievance" as used in this Agreement is defined as a written complaint of an employee(s) or the Union alleging failure of the Company to comply with a specific provision of this Agreement not excluded from this grievance procedure.
- B. A grievance, to be recognized, must be brought to the attention of the Company (at Step 2) within three (3) working days of receiving the problem solving step answer. A grievance not starting at the problem solving step, to be recognized, must be brought to the attention of the Company (at Step 2 or 3) within five (5) working days of the occurrence of the alleged violation, or within five

(5) days of knowledge of the occurrence of the alleged violation in cases where the employee or Union had no way of knowing of the occurrence within five (5) days.

Section 3 Procedure

A. Step 2:

If the issue is not satisfactorily resolved at the problem solving step, the employee and the area representative may advance the problem to step 2 by submitting a grievance in writing within three (3) working days following the problem solving answer.

A written grievance:

- (1) must be dated and signed,
- (2) must state the specific contract provision with which the company allegedly has not complied,
- (3) must have a general statement of the nature of the grievance,
- (4) must state the adjustment requested.

Step 2 will consist of a meeting including the area representative, the chief area representative, the second level supervisor and the Human Resource or Employee Relations Manager. The Human Resource or Employee Relations Manager will give the Company answer on the grievance in writing within two (2) working days of the grievance meeting.

Union grievances will start at step 2.

B. Step 3:

If the grievance is not satisfactorily resolved at step 2, the grievance may be appealed to

step 3. The union must notify the Company in writing of its appeal within five (5) working days following the step 2 answer. The step 3 meeting will be established at a mutually agreeable time. The grievance will be presented by the Vice President of the Union and any members of the Bargaining Committee or their designated representatives. The grievance will be presented to the Director - Employee Relations and the management representative(s) with overall responsibility for the bargaining unit area and the appropriate personnel representative.

If no solution acceptable to the parties is worked out, the Director-Employee Relations will then give the Company's final position to the Union in writing. This written answer will be made within five (5) working days of the meeting.

- (1) Medical claim grievances and grievance related to the attendance system and discipline/discharge shall start at Step 3.
- (2) Grievances related to pay levels shall start at Step 3.

Section 4 Appeal Process

- A. If the Company's answer at the conclusion of Step 3 is still unsatisfactory to the Union, the grievance may be appealed to arbitration as provided in Article 8 of this Agreement.
- B. If the Company's answer at any step is not appealed within the established time limits for that step, that answer shall be deemed accepted and shall be final and binding.
- C. In the event the Company representative, at any step of the grievance procedure, fails to

meet the established time limit for submitting an answer, the grievance will automatically advance to the next step.

- D. Time limits may be extended only by mutual agreement between the parties involved in the step in question.

Section 5 Limitations

Any grievance filed prior to the signing of this Agreement will be processed and resolved under the terms of the Agreement in effect at the time of the alleged violation. The implementation of the settlement shall not set a precedent if in conflict with the terms of the current labor agreement.

ARTICLE 8 ARBITRATION

Section 1 Notification

Notice of desire to appeal the Company's Step 3 grievance reply to arbitration shall be given within ten (10) working days of the answer or such answer shall be deemed to have been agreed to by the Union, and shall be final and binding. Such notice of appeal shall be in writing, shall state the right of the grievant considered to have been violated and the specific provision of this Labor Agreement with which the Company allegedly failed to comply and shall state the adjustment sought in arbitration.

Section 2 Procedures

- A. Only matters which come within the specified definition of a grievance as set forth in Section 2 and Section 4 of Article 7, Problem Solving/Grievance Procedure, and which have been processed through the regular grievance procedure shall be considered.

Within five (5) working days after giving the Company notice of the desire to appeal the Company's Step 3 grievance reply, the Union shall initiate the selection of arbitrator process described below. If the Union fails to initiate the process within this five (5) working day time frame, the Union shall pay for the cost of the arbitrator.

- B. During the life of this Agreement, the parties shall establish and maintain a panel of seven (7) arbitrators, all of whom must be members of the National Academy of Arbitrators. This panel will constitute the exclusive panel from which the parties shall select by alternately striking with the Union and Company alternately striking first. Initiation of the selection process is the Union's responsibility and is begun when the Union makes a call to the Company, ready to strike.
- C. The Company shall have the responsibility of initiating contact with the selected arbitrator within five (5) working days after he/she is selected and shall request the arbitrator to offer available hearing dates from which the parties, within five (5) working days, shall select. If the Company fails to initiate contact with the selected arbitrator within the established time limit, the Company shall pay for the cost of the arbitrator. The Company shall be responsible for advising the arbitrator of the selected date and the place where the hearing shall be conducted. The arbitrator shall set the time for commencement of the hearing. Should a selected arbitrator be either unwilling or unable to hear a particular grievance, a blind drawing from the names of the remaining six (6) arbitrators shall be held with the person selected being eliminated from consideration. The parties shall then

select from the remaining panel of five (5) arbitrators using the same procedure as above. If an arbitrator(s) on the panel is no longer able or willing to serve, the parties shall select a permanent replacement.

- D. The parties shall cooperate with each other in expediting the arbitrator selection and grievance scheduling process with their mutual goal being to try a grievance within six (6) months after it is appealed to arbitration.
- E. Time limits may be extended by an additional five (5) working days only, by mutual agreement between the parties.

Section 3 Arbitrator's Authority

- A. The sole function of the arbitrator shall be to determine whether or not the Company has complied with the Labor Agreement provisions referenced in the grievance. The arbitrator shall not have any authority to change, amend, modify, supplement, or otherwise alter in any respect, whatsoever, this Agreement or any part thereof.
- B. Additionally in resolving pay level grievances under any article of this Agreement, the arbitrator shall have no authority to add any pay levels to those listed in Article 11, Section 1 or to assign a pay rate other than the rate assigned to each pay level by Article 16, Section 1.
- C. Any award of the arbitrator within the above limitation shall not be retroactive in any case more than five (5) working days prior to the time such grievance was presented at the appropriate initial step of the grievance procedure.

- D. Whenever possible, the decisions and rulings of the arbitrator should be reached within sixty (60) calendar days following completion of the hearing or the filing of post-hearing briefs.
- E. It is expressly agreed and understood that such ruling and decision of said arbitrator shall be final and binding upon all parties.

Section 4 Expenses

The fees and expenses incurred and billed by the arbitrator, the rent for the hearing room, the cost of the services of the National Academy of Arbitrators, and any other fees and costs shall be borne equally by the parties unless the penalties described in Section 2A, 2B or 2C are applicable. The respective parties shall assume all expenses associated with the preparation and presentation of their cases.

Section 5 Limitations

It is agreed that any disputes arising incident to the negotiation or modification of the terms of this Agreement are not governed by this article, the sole purpose of which is to make grievances arising out of and during the term of this Agreement subject to arbitration.

ARTICLE 9 NO STRIKE OR LOCKOUT

Section 1 No Strike

- A. The Union agrees that it will not cause or permit its members to cause or participate in any strike, sympathy strike, picketing, slow-downs, stoppage of work or interference with the operations of the Company's business during the term of this Agreement.
- B. In the event any member causes or participates in any of these prohibited acts, the Union agrees to take affirmative steps to discontinue such activity by immediately giving oral and/or written instruction to those members involved to cease such unauthorized conduct. The Union shall also inform the Company that the unauthorized activities are not sanctioned or condoned by the Union.
- C. The Company shall have the right to discipline up to and including discharge any employee who is proven to have instigated, participated, or given leadership to any of these prohibited activities, and the employee shall not have recourse to the grievance and arbitration procedure when discipline is for such cause. However, the Union may question the fact of instigation, participation or leadership through the grievance and arbitration procedure.

Section 2 No Lockout

The Company agrees that there shall be no lockout during the term of this Agreement. The prohibition of a lockout does not prevent management from closing all or part of the plant for business reasons.

ARTICLE 10 PAY CONTINUANCE

Section 1 Purpose

The Pay/Development System is designed to, on an ongoing basis, better meet the operational needs of the Company and encourage the development and utilization of employees' skills and abilities.

The Union and the Company agree to meet as needed to resolve any issues that arise within the system, about the interpretation of Articles 11, 14, 15, 16 or about the application of other provisions of this Agreement to the Pay/Development System.

Section 2 Pay Rates

Employee(s) drawing wages higher than their level as of January 2, 1996 shall continue drawing these "Red Circled" wages through the life of the Agreement except under the following circumstances:

- A. If the employee transfers to a higher level job through the posting process or as a result of being available or being placed under the provisions of Article 14, Section 10.D, the employee shall receive the rate of the higher level job.
- B. If the employee transfers to a lower level job through the posting process or as a result of being available or being placed under the provision of Article 14, Section 10.D, the employee shall receive the rate of the lower level job on the date of the transfer or after the provisions of Article 14, Section 12 have been exhausted, if applicable.
- C. If the employee's job is reevaluated to a higher level, the employee shall receive the rate

of the higher level job or his/her January 2, 1996 rate, whichever is higher.

- D. If the employee's job is reevaluated to a lower level and the employee chooses to remain on the job, he/she shall maintain his/her January 2, 1996 rate until the provisions of Article 11, Section 7 are exhausted.
- E. If the employee is laid off and later recalled he/she will receive the rate of the job to which he/she is assigned.

ARTICLE 11 PAY LEVELS

Section 1 Pay Levels

Each position shall be categorized into 1 of 5 pay levels on the basis of the pay level criteria set forth below.

Level 1: (Operations Support Person)

Work at this level may include manual labor, the performance of rote, common place non-skilled tasks, and data entry and the record keeping related to all of these tasks.

Some examples of Level 1 work:

Janitorial work; industrial cleaning; painting; sorting, storage and/or distribution of mail, parts, supplies; data entry; reprographics/ micrographics work.

Level 2: (Administrative Support Specialist, Facility Support Specialist, Engineering Support Specialist)

Work at this level is of a clerical and/or administrative nature and may involve the coordination of information, processes, programs and/or activities within guidelines, rules and/or structures.

This work includes, but is not limited to, the following: information gathering, recording and processing; computer operation; financial, manufacturing and engineering/product development support work.

Some examples of Level 2 work:

Clerical work; secretarial work; data gathering, recording, manipulation and retrieval; report generation; computer operation, computer utilization; processing of financial information and transactions; time study; writing; assembly line support work; receiving and shipping work; inventory auditing.

Work at this level also includes semi-skilled building maintenance, printing work and engineering support work. The ability to perform one or more of the following tasks is required to obtain a job at this level: welding; carpentry; plumbing; masonry; building maintenance; film development; equipment and tool use. Performance of routine product design and development work is also required.

Some examples of this Level 2 work:

Monitoring and maintenance of boiler room equipment; printing and bindery operation; building maintenance, plumbing; carpentry; remodeling, construction and repairs; film development and maintenance of photography lab equipment; preventive maintenance; some engine mechanical work and furniture moving.

**Level 3: (Analyst, Medical Specialist, Clinical
Lab Specialist)**

Work at this level is work of an analytical nature requiring all of the following: analysis, interpretation and communication of the meaning of various kinds of data; in many cases the work also requires taking action based upon the analysis and interpretation of the data. Skilled printing work and medical specialty work are also included at this level.

Examples of work at this level include:

Specifications analysis; material planning and procurement; financial analysis; counseling/training; composing, formatting, editing of technical publications; computer network management; skilled printing work; medical aide work; clinical laboratory work.

Level 4: Engineering Technician, Occupational Nurse, Occupational Health Therapist, X-Ray Technician, Aircraft Technician, Technical Support Specialist.

Apprenticeable trades technicians and apprentices, occupational nurses and occupational health therapists, aircraft technicians, x-ray technicians.

Level 5: A and B

Salaried Associates

(A. Engineering)

(B. Administrative)

Section 2 New Positions

When a new position is created it shall be categorized into one (1) of the pay levels set forth above on the basis of the core work of that position. The core work of a position is that work that the incumbent spends the majority of his/her time performing.

Section 3 Work Assignments

It is acknowledged that the overriding purpose of all bargaining unit jobs is to meet the Company's customer/business needs. In order to best accomplish this purpose, the Company and the Union agree that:

- A. Work within the unit may be assigned at any time to any bargaining unit employee without regard to that employee's position. Work assignments for individual employees may be changed to other employees within the bargaining unit, on a temporary or permanent basis.

Exempt work may be assigned at any time to bargaining unit employees.

Additionally, the parties recognize that tasks normally performed by exempt employees often involve the performance of tasks that bargaining unit employees also perform and/or involve the use of tools, equipment, machinery, etc., that bargaining unit employees may also use. At any point in time, exempt and bargaining unit employees could be performing the same tasks at the same time. It is understood that the performance of such tasks will not be done for the purpose of displacing bargaining unit employees, or as replacements for laid off bargaining unit employees, or to permanently reassign work

normally performed by bargaining unit employees.

- B. The overall work assignment and performance expectations for each individual employee will be defined by the supervisor and discussed with the employee.

Work assignments and work expectations shall be documented in work plans. Employees are expected to keep current with the changing requirements of the business and their work.

If an employee is not able to meet the work requirements, the supervisor shall meet with the employee to discuss the areas of performance needing improvement. The supervisor will identify and support learning activities for competency acquisition in an effort to improve performance.

If the employee is still unable to meet the work requirements and expectations, the employee will be made available at the next lower wage level.

- C. The employee who is removed from his/her position due to an inability to meet the work requirements and expectations of the position may not bid back into the former position for a period of one (1) year from the date of removal from the position. Prior to bidding back into the former position, the employee must demonstrate that he/she is now capable of performing all elements of the position satisfactorily by passing all tests and work samples that may be required for the position.

If, after three (3) months from the date of demotion, the employee presents evidence

of efforts to improve performance, he/she may be permitted to bid into the former position with approval of Human Resources and Employee Relations.

- D. If an employee recognizes that he/she is not able to meet the work requirements and expectations of the current position, the employee may voluntarily make him/herself available at the next lower wage level, provided that the supervisor, Human Resources and Employee Relations approve. If the employee makes him/herself available, the employee's wage rate shall be maintained for a period of one (1) year from that date.

An employee who is demoted from an Engineering Technician occupation may attempt to qualify for a Technical Support Specialist position in his/her former occupation prior to being made available at the next lower wage level. If the Technical Support Specialist position is not utilized in the employee's former occupation, he/she shall be made available at the next lower wage level in accordance with Article 11, Section 3.B.

Section 4 Position Re-evaluation

- A. When it is contended that the core work of an existing position has changed to the work of a different pay level, a written request to have the position reviewed may be submitted by the individual. A re-evaluation request will be reviewed pursuant to the pay level criteria set forth above.
- B. It is recognized by the parties that the following changes or additions to an employee's core work will not, in and of themselves

or in combination, warrant re-evaluation to a higher pay level:

1. Introduction of new equipment, tools or processes to assist in the accomplishment of the employee's work.
2. A change in the type or amount of information collected, used or recorded in the course of the work.
3. A change in the environment or conditions under which the employee works.
4. An increase in the volume of work to be accomplished.
5. Addition of new duties to be accomplished which would be evaluated in the same level as defined by the pay level criteria.

Section 5 Re-evaluation Notification

The employee, if any, assigned to the position which has been reviewed and the Union shall be notified of the review decision within five (5) working days after the decision is made.

Section 6 Effective Date

When a position is re-evaluated to a higher or lower level, the effective date of the reevaluation shall be the Monday following the decision or the Monday following the fifteenth day after the review was requested in writing, whichever is earlier.

Section 7 Pay Level Reduction

When a position is re-evaluated to a lower level, the employee assigned to the position may choose to become available or to remain on the position. If the employee remains on the position, the employee's pay will not be reduced to the rate of the lower level for twelve (12) months after the effective date of the re-evaluation.

Section 8 Pay Level Appeal

In the event of a disagreement with a pay level evaluation/re-evaluation decision, the Union or the employee assigned to the position may file a grievance regarding the pay level. The issue of the appropriate pay level is the only issue that may be grieved or arbitrated. If such a grievance is submitted to arbitration, the arbitrator must base his/her decision on the pay level criteria set forth in this article.

ARTICLE 12 ASSOCIATE PROGRAM

Section 1 Associate Position Creation/Review

- A. Associate positions are designed to provide growth opportunities for the OCU workforce as well as improve the overall effectiveness of our operations.
- B. The key responsibilities and requisite skills of each Associate position will be defined in a position profile. The core work objectives will be detailed in a performance plan.
- B. The key responsibilities and work objectives will be reviewed to ensure adherence to the criteria outlined in the generic Associate position profile.
- D. For information and comment, the Company will provide the Union with documentation regarding the key responsibilities, work content and selection process for potential new Associate positions prior to the Company determining the appropriate pay level of the position. The Union will have no less than three (3) working days to review before the position is posted.
- E. When the purpose or level of work and responsibility of an Associate position has changed, the position will be reviewed by the Company to determine the appropriate pay level to which the position will be assigned. The Company may also conduct periodic audits of Associate positions to confirm that the work currently being performed continues to meet the Associate criteria.

Section 2 Selection

- A. All Associate positions will be posted and applications will be accepted from bargaining unit members except those described in Article 12.3.
- B. An orientation session will be held for interested applicants. After the orientation, those applicants who are still interested in the position will be evaluated in the selection process.
- C. In evaluating each applicant's qualifications the company will consider education and experience, past attendance record, references provided by two supervisors and up to two management individuals of the applicant's choice, validated testing and/or job trials, and interviews conducted in person by more than one exempt person all of whom will use the same criteria to do the assessment of applicants for the same position.
- D. The most qualified applicant will be selected.
- E. An employee who is once determined qualified for a particular Associate position will be considered qualified for that position for one year following the date he/she receives notice of his/her qualified status: 1) if he/she continues to meet the attendance, reference, and performance criteria for the Associate program and 2) if there have been no changes to the work samples or other selection factors since the time the employee was originally determined qualified. Such "previously qualified" employee, will be considered for posted positions only when he/she has submitted an application for the position.

Section 3 Re-Evaluation

- A. An employee may be promoted to an Associate position when it is contended that the employee's core work has changed to the work of an Associate.
- B. When it is proposed that an employee be promoted to an Associate position, a position profile and performance plan for the position must be submitted by the employee's immediate supervisor for review.
- C. The effective date of the promotion, if approved, shall be determined in accordance with Article 11, Section 6.

Section 4 Probationary Period

- A. There will be a probationary period for each Associate position. The length of this period will be four (4) months. Management will ensure that the Associate understands the performance expectations of the position and provides feed back to the Associate concerning his/her progress. Weekly discussions are recommended. The employee may withdraw from the position at any time during the probationary period. Management may remove the employee at any time after two (2) months up to the end of the probationary period if the employee does not meet the performance expectations.
- B. An employee who withdraws from an Associate position during the probationary period will become available at the pay level and shift held by the employee immediately prior to the employee being selected for the Associate position. If the employee had reinstatement rights under article 14, Section 12 prior to being selected, the employee will

continue to have reinstatement rights until the original expiration date.

Section 5 Reinstatement/Available Employees

All Associate positions will be filled through the posting procedure except in the following situations:

1. When there is an employee who holds reinstatement rights to an open Associate position, that employee will be offered the *position before it is posted.*
2. When there is an employee available at the Associate level, he/she will be returned to the Associate position from which he/she was made available if that position is opened during the employee's available period.

Section 6 Pay/Work Schedules/Absences

- A. Associates will be paid on a salaried basis. Pay will be based on a 40-hour work week without contractually determined daily or weekly schedules so that Associates are able to manage their work schedules around the demands of the work. Employees who flex across shift will be paid the applicable rate for their assigned shift.
- B. When the demands of the work permit, Associates will adjust their schedules to keep the work week to 40 hours. Associates will be expected to *limit personal absences*, and to adjust their schedules so that such absences, if not otherwise unavoidable, do not prevent them from meeting the demands of the work and from working 40 hours each week.

- C. Other than contractually paid absences, if an Associate does not work at least 40 hours in a week, the absence time will be deducted from his/her salary. Unexcused personal absence in excess of 3% over 12 months will subject the employee to demotion from the position. Associates will not be covered by the current attendance system.
- D. An absence of 2 days or less due to illness or injury may be covered by adjusting the Associate's work schedule if the demands of the work permit. The weekly benefit plan referenced in Article 26 will apply to Associates who are absent due to illness or injury.

Section 7 Work Sharing

- A. It is understood that the tasks which will be assigned to Associates may include tasks 1) which have not been performed in the past by Cummins employees, 2) which have been performed by exempt employees or 3) which have been performed by OCU employees in other jobs or pay levels.
- B. It is also understood that the performance and/or the sharing of such tasks is not intended to constitute an exclusive assignment of such tasks to members of the OCU or to expand the scope of the recognition provision of Article 2 of the current Labor Agreement.
- C. It is also the Company's intent that Associate jobs not be abolished and replaced by new exempt jobs and that Associate jobs vacated by attrition not be replaced by creating more exempt jobs.
- D. If problems develop in an area with the Associate Program, representatives of the

area shall submit the problems to the Union and the Company for review and joint efforts to resolve the problems. If these efforts are unsuccessful and the company disbands the program in the area, the work which had been assigned to the Associate jobs will be assigned to the exempt or OCU jobs to which it had been assigned before the Associate jobs were created.

ARTICLE 13 HOURS AND OVERTIME

Section 1 Hours of Work

A. Eight (8) hours per day and forty (40) hours per week shall be the normal hours of work. The established work week shall begin at 11:00 p.m. Sunday each week and end at 11:00 p.m. the following Sunday. An employee's established workday shall consist of twenty-four (24) consecutive hours commencing four (4) hours before the starting time of the employee's regularly scheduled shift.

B. The first shift shall:

- (1) be any shift with a scheduled starting time from 4:00 a.m. to 12:00 noon,
- (2) include eight (8) hours of work excluding lunch period.

The second shift shall:

- (1) be any shift with a scheduled starting time from 12:00 noon to 8:00 p.m.,
- (2) include eight (8) hours of work excluding lunch period.

The third shift shall:

- (1) be any shift with a scheduled starting time from 8:00 p.m. to 4:00 a.m.
 - (2) include eight (8) hours of work excluding lunch period.
- C. Employees working a shift different from their permanent shift assignment shall be paid according to the wage applicable to the permanent shift assignment or according to the wage applicable to the shift worked, whichever is greater.
- D. Flexible working hours - Flexible working hours are defined as any deviation from the regularly scheduled work day which is approved in advance by the Supervisor. Employees who have flex hours approved must work 38 hours within the week or an occurrence will be charged.

Section 2 Time And One-Half

One and one-half times the employee's regular straight-time hourly rate of pay, plus cost of living, will be paid for all hours worked over forty (40) in a work week and for hours worked on a Saturday shift if the employee has worked all regularly scheduled hours during the work week (except as provided in Section 8 of this Article).

Section 3 Double Time

Double the employee's regular straight-time hourly rate of pay, plus cost of living, shall be paid for all hours worked on any Sunday shift, if the employee has worked all regularly scheduled hours during the work week (except as provided in Section 8 of this Article).

Section 4 Overtime Distribution

- A. In order to achieve the highest standards of quality and flexibility to meet market demand, people that perform the work every day are best suited to work scheduled overtime because they have the skills and training necessary to meet these high quality standards. If a requested employee indicates that he/she is unable to work overtime, an attempt will be made to schedule a substitute with similar skills and familiarity with the necessary work to be performed. If such a substitute is not available, the requested employee and the supervisor will work out an acceptable arrangement to meet the customers' requirements.
- B. There shall be no pyramiding of overtime for the same hours worked and where more than one overtime rate is applicable, only the greater shall be applied. Overtime opportunity shall be distributed equally within thirty (30) hours between employees on the same shift and in the same department and on the same position and who have the ability to perform the work to a satisfactory level.
- C. Supervision shall keep an up-to-date record showing current overtime hours and dates worked (or offered) for employees in the same position on the same shift within the department.
- D. The supervisor shall be responsible for the maintenance of such overtime records and shall make said records accessible for review by the employee(s) involved and/or their Union Representative. The Company agrees to deal promptly with situations where such records are not being maintained or made accessible. The overtime records shall

be maintained for a twelve (12) month period, at the end of which time the maintenance of new records shall commence.

- E. An employee who transfers into a department will be credited with the average overtime hours of the other employees in the department. Temporary transfers will not be averaged into the roster until after completion of the fifth work day of the assignment.
- F. If any employee transfers from his/her current department through bidding, displacement, position abolishment, or re-organization and said employee is not within the thirty (30) hour equalization guideline, the following restitution shall take place:
 - 1. If the transferring employee is out of the thirty (30) hour equalization guideline by having thirty (30) hours less overtime than any other employee with whom the overtime is to be equalized, the supervisor shall leave that transferring employee on the overtime roster until such time as the employee has been offered sufficient overtime opportunities in the department from which he/she transferred to bring said employee within the thirty (30) hour equalization guideline. This overtime shall not go on the new home department roster, nor shall it be offered in such a way as to conflict or interfere with overtime opportunities in the new home department.
 - 2. If the transferring employee is out of the thirty (30) hour equalization guideline by having thirty (30) hours more overtime than any other employee with whom the overtime is to be equalized, the supervisor shall leave that employee on the roster until such time as the other employee(s)

have been brought to within the thirty (30) hour equalization guideline.

- G. An employee who is determined by the supervisor to be not qualified to perform the work needed shall, for purposes of record keeping, be credited with a non-qualified entry. The supervisor shall make this determination and shall explain the decision to the employee involved. (Ref NQ Guidelines)
- H. Overtime earned on trips outside of the area from which the current workforce is drawn and overtime earned as a result of attending required training shall not be equalized and shall not appear on the record keeping roster. (Ref Trip Guidelines)
- I. If, at the time the overtime records are audited by a Union representative, employees on the same position, shift and department are found to be out of equalization limits with one another, the Company shall have 90 calendar days from the date the equalization problem is brought to the supervisor's attention to correct the problem by offering the employee or employees reasonable overtime opportunity (not to exceed (20) hours per week) that brings the employee(s) back within the thirty (30) hour equalization guideline.
- J. If this has not been done within the 90 calendar days, the employee(s) who has not been offered enough overtime to be equalized within thirty (30) hours, shall receive pay in the amount equal to the difference due the employee(s). The employee(s) shall be credited with the equivalent hours on the roster.
- K. If, at the expiration date of this Labor Agreement, there are any employees who are not within the thirty (30) hour equalization

guideline, the following restitution shall apply:

1. The Company shall have thirty (30) calendar days in which to make the affected employee(s) reasonable overtime offers (not more than 16 hours per week).
2. At the end of the thirty (30) calendar days, any employee(s) not within the thirty (30) hour equalization guideline shall be paid an amount equal to the hours required to bring him/her within the thirty (30) hour equalization guideline. The employee(s) shall be credited with the equivalent hours on the roster.

Section 5 Overtime Avoidance

- A. The Company shall not, to avoid paying overtime, assign an exempt employee (as defined in Article 2) to perform regularly assigned functions of a bargaining unit employee(s) or to take over an assignment of a bargaining unit employee(s) at the end of the employee's shift, except as provided in Article 4, Section 1, point 9.
- B. Furthermore, the Company shall not, to avoid paying overtime, assign an individual in another labor organization within the Company to perform regularly assigned functions of a bargaining unit employee(s) or to take over an assignment of a bargaining unit employee(s) at the end of the employee's shift.

Section 6 Report-In Pay

- A. If an employee reports for work at the scheduled time and the Company decides the work is not needed, the employee shall receive pay for the hours the employee was

scheduled to work, up to a maximum of four (4) hours pay at his/her applicable hourly rate except:

- (1) in cases of a previously announced general plant or department shutdown, or
- (2) in cases where the Company is unable to provide work because of reasons beyond its control, such as:
 - a. Acts of God
 - b. Utility Breakdowns
 - c. Civil Disorder; Fire

B. If the Company pays such report-in pay, the employee may be required to perform any type work for the hours for which the employee is paid. An employee who is absent from work at the time a general plant or department shutdown is announced, shall not be eligible for report-in pay if he/she reports for work at what would have been the regularly scheduled time except for such announced shutdown.

Section 7 Overtime Without Advance Notification

Any employee called in to work during hours outside his/her regular working hours, with no advance notice, shall receive a minimum of four (4) hours pay at his/her applicable hourly rate of pay in the event he/she is not assigned to work a sufficient number of hours to earn a like amount at his/her applicable overtime rate. An employee called in to work may, when the job for which he/she is called in is finished, elect to waive the four (4) hour minimum call-in pay and be paid only for actual time worked, after notifying his/her supervisor.

Section 8 Abnormal Work Week

For exceptions to the normal work week as defined in Section 1 of this article, the following rules shall apply:

- A. An employee regularly assigned to work in necessary continuous seven (7) day operations shall be paid time and one-half only for the time worked in excess of forty (40) hours in the employee's work week, for which overtime has not already been earned, except as otherwise provided below:
- (1) The schedule for an employee regularly assigned to work in necessary continuous seven-day operations shall be established in writing prior to the beginning of the work week.
 - (2) Time and one-half shall be paid for all hours worked on the first scheduled off day in a scheduled work week in excess of 40 hours.
 - (3) Double time shall be paid for all hours worked on the second scheduled off day in a scheduled work week in excess of 40 hours.
 - (4) Time paid for a holiday to an employee regularly assigned to necessary continuous seven-day operations shall be deemed the equivalent of hours worked for the purpose of computing overtime hours provided such holidays, or the days on which they are celebrated, would otherwise have been scheduled work days if they had not been observed as a holiday. In the event the employee works on the holiday, no more than his/her actual hours worked will be credited toward the accumulation of hours worked for the purpose of computing overtime.

(5) The Company will notify the Union one (1) month in advance of commencement of any new continuous operations for the purpose of thoroughly discussing the process for implementation and giving the business reasons for the need.

(6) In discussions relating to the commencement of a new continuous operation, the Company and the Union may agree to conditions that are specific to a particular department, as opposed to the provisions noted above. The conditions may include, but are not limited to, working hours, holidays, schedules, overtime, placement, attendance, etc. If both parties agree, the arrangement can be implemented without separate ratification by the Union membership. Changes desired after implementation of such an arrangement may also be negotiated by the parties and implemented in like manner.

B. The Company may decide to place a particular department or several departments on a regular weekly schedule which is different from the normal eight (8) hours per day schedule defined in Section 1 of this Article. In that case, all pay and benefits for time not worked (including but not limited to vacation time and holiday pay) provided for under this Agreement shall, if necessary, be adjusted for the employees in the department(s) involved to assure that they are neither adversely affected nor unjustly enriched as compared to employees who work a normal five (5) day, eight (8) hour work week.

Section 9 Subcontracting

- A. It is agreed that the Company will not assign persons from outside the bargaining unit into a department within the bargaining unit for the purpose of reducing a backlog of work normally performed by employees within that department unless the bargaining unit employees within that department who normally and regularly perform the work involved have been and are being offered at least ten (10) hours of overtime per week, or would have been offered such overtime except for absence of the employee, while the persons from outside are assigned.
- B. This section does not apply if work that is contracted out is done at the contractor's place of business whether or not such work is backlogged work. Furthermore, it is understood that this section does not apply to maintenance, construction, installation, and renovation work performed by outside contractors within the Company whether or not such work is back logged work including the management and direction of such work.
- C. Paragraph A of Article 13, Section 9 does not apply to work absorbed by or assigned to jobs performed by OCU employees in accordance with the provision of Article 4, Section 3.

Section 10 Twenty-Four (24) Hour Coverage

In the event the Company designates a particular position have twenty-four (24) hour coverage, with the employee or employees covering such position using a "pager" and working from their homes outside of their normal work hours, the following conditions will apply:

- A. Employees shall be asked to volunteer to be assigned to this type of work. If a sufficient number of employees do not choose to volunteer for this type of work, the Company may require the five (5) least senior employees to perform such work on a rotating basis.
- B. When an employee is assigned to perform this type of work, the employee shall be paid Seventy Dollars (\$70.00) per week for each week the employee is required to make himself or herself available for contacts through the "pager."
- C. In addition to this seventy dollars (\$70.00), an employee who is required to make himself or herself available, shall also receive a minimum of one hour's pay, or the time worked, whichever is longer, at the applicable overtime rate of pay for each call outside of regular working hours which he or she receives.
- D. If an employee receives a call outside of regular working hours and completes the work associated with that call within an hour and receives and then completes an additional call within that same hour, the employee shall not receive double compensation for the second call. If a call is received and completed in one hour and a second call is received in that same hour, but is not completed until after the end of the hour, then the

employee shall be paid from the receipt of the first call until the completion of the second call. If a call is received and completed within one hour, and at the end of that first hour a second call is received which is completed during the second hour, then, the employee shall receive a minimum of one hour at the applicable overtime rate of pay for each call.

ARTICLE 14 POSITION PLACEMENT - PROMOTION AND DEMOTION

Section 1 Position Selection

- A. The Company will make selections for filling vacancies by giving consideration to the selection factors of overall job performance, demonstrated skill and ability, related experience, formalized training, attendance and structured interviews. These selection factors will be considered in determining which applicants meet the qualifications for the vacancy with demonstrated skill and ability to perform the work being the most important factor.
- B. The most senior applicant of those determined qualified for the vacancy shall be selected.
- C. Skills tests and/or work samples, proficiency tests and/or validated aptitude tests may be given as deemed necessary by the Company to determine an applicant's knowledge, skills, ability, and aptitude to develop and perform the specific skills of the work of the vacancy.
 - 1. In order to be selected for a vacancy which requires a work sample, an employee must pass any required work sample

which he/she has not passed within the prior twelve (12) month period.

2. An employee who successfully passes a skills test will not be required to retake the test to qualify for a vacancy unless the test has been changed since the employee passed it.
- D. In the event there is no applicant who meets the required qualifications, the Company may elect not to fill the vacancy; to post it again; to fill it with a qualified employee who is available, who has reinstatement rights, or who has recall rights; or to hire a qualified employee from outside the bargaining unit.

In addition, the Company may elect to identify one or more most nearly qualified applicants; the senior of the identified applicants who meets the required qualifications may be selected.

Section 2 Position Posting Exceptions

- A. All positions shall be posted unless there are available employees or qualified employees with reinstatement who are qualified to fill the vacancies.
- B. As specified in Article 22, Section 2.
- C. As specified in Article 15, Section 5.

Section 3 Position Posting/Selection Procedure

The position posting procedure shall be as follows:

- A. Position vacancies shall be posted on office bulletin boards once each week on Thursday and will be removed the following Tuesday.
- B. To apply for a posted position, an employee must submit a completed application form. The application form must be received by the Office Placement department by 8:30 a.m. Wednesday of the week the posting is removed from the bulletin boards. Late or incomplete applications will not be accepted, except as noted in Section 3.C below.
- C. An employee working under a bidding restriction must submit a completed application form to OCU Placement and his/her supervisor by 8:30 a.m. on the Tuesday the posting is removed from the office bulletin boards. In the event the supervisor does not waive the bidding restriction, he/she must advise the employee and OCU Placement within the time limits specified in Section 3.B of this article. Absent this notification, the employee's application will be considered valid for that posting.
- D. Selections will be made within twenty (20) working days of the day the posting is removed from the bulletin boards except as provided in Section 1, D.
- E. Selections for posted positions, including bargaining unit seniority, shall be posted on office bulletin boards. If there are no applicants for a posted position, the notice shall so state.

- F. Once an offer has been accepted, the employee will move to the position on a Monday no later than the second Monday after the offer was accepted.
- G. Within three (3) working days following a selection, Office Placement will send the Union a memorandum which lists the applicants and the employee selected. The Union will be notified by the Company when a posted position is to be filled from outside the bargaining unit.

Section 4 Apprenticeship Program Openings

Vacancies in the Apprenticeship Programs shall be filled according to the procedure set forth in the document entitled Office Apprenticeship Standards, which document is made a part of this Agreement by reference. However, it is understood that the Company reserves the right to hire skilled trades technicians from outside the bargaining unit.

Section 5 Position Selection for Officers and Employee Relations

All vacancies for Administrative Support Specialists reporting to Officers of the Company and vacancies in Employee Relations departments will be posted with the understanding that only qualified applicants may be selected, but the selections need not be according to seniority and the selections will not be subject to the grievance and arbitration provisions of this Agreement. Such vacancies may not be filled by placing available employees on them or through reinstatement.

Section 6 Bidding Restrictions

A Employees who are currently assigned to positions for which they were selected through the posting procedure shall not be eligible to make application for any posted position as indicated:

Level 1 - 6 Months

Level 2 - 9 Months

Level 3 - 12 Months

Level 4 - 15 Months

Level 5 - 18 Months

This waiting period may be waived by the employee's supervisor.

B. Employees who are removed from positions under the provisions of Article 11, Section 3, may not bid into the position from which they were removed for a period of one (1) year.

Section 7 Bidding Restrictions Exceptions

The bidding restrictions shall apply in all situations except the following:

A. An available employee who is placed on a position will not be restricted from bidding from that position to another position.

Section 8 Available Employee Definitions

An employee will be considered as available when:

- A. Accumulating 12 weeks or longer of any approved leave of absence within a 15 week period, commencing on the first day of the initial approved leave of absence;
- B. Being transferred because of a permanent physical restriction;
- C. Being demoted;
- D. The position to which an employee is assigned is re-evaluated to a lower level and the employee elects not to remain on the re-evaluated position;
- E. The position to which the employee is assigned is abolished;
- F. Withdrawing from or being removed from an apprenticeship program.

Section 9 Position Abolishment

In the event a department abolishes a position which will result in making an employee available, the following procedure will be used:

- A. *The employees performing the same kind of work in that department will be given the opportunity in seniority order to become available.*
- B. An employee who volunteers to become available waives the right to reinstatement.
- C. If there is no volunteer, the least senior employee performing that work in that department shall be made available.

Section 10 Available Employee Placement

Employees who are available at a time other than when a layoff is being processed shall be placed as follows:

- A. Each available employee will be temporarily assigned while awaiting permanent placement and will be paid the rate of the employee's former position during the available period.
- B. Available employees may participate in skills assessment and development opportunities provided by the Company for the purpose of acquiring the skills necessary for timely placement into open positions and to pass any proficiency/skill tests that the employee has not previously passed.
- C. Available employees may bid on posted positions.
- D. The parties recognize the mutual benefit of placing available employees as soon as practicable. To this end, the following procedure shall apply:
 - 1. During the first 4 work weeks of the available period, the employee will be offered the opportunity to qualify for any position at his/her current level on his/her current shift prior to posting.

The employee may decline any such opportunity.

- 2. During weeks 5 through 8 of the available period, the employee shall be placed on any position at his/her current level or below on his/her current shift, for which he/she is qualified.

3. After week 8 of the available period, the employee shall be placed on any position at his/her current level or below on any shift, for which he/she is qualified.
 4. Qualified employees beyond week 8 of the available period shall be given first priority of placement over all other employees. Qualified employees in weeks 5 through 8 of the available period shall be given priority of placement over available employees in weeks 1 through 4 and all other employees.
- E. For the purpose of this section "work week" is defined as a calendar week, beginning with a Monday, during which the majority of the employees in the unit are scheduled to work at least two days.

Section 11 Medically Restricted Employees

After it has been determined an employee cannot be reasonably accommodated on any vacancy which is available to him/her through the placement procedure, he/she will be placed on weekly indemnity benefits as defined in the Group Insurance Plan.

Section 12 Reinstatement Rights

When an employee is placed at a lower level because his/her job was abolished according to Article 14, Section 8, or because he/she is medically restricted and placed according to Article 14, Section 10, or because he/she was made available due to an approved Leave of Absence of 12 weeks or longer within a fifteen (15) week period the employee will have reinstatement rights as provided below:

- A. Reinstatement will be limited to vacancies at his/her former level within his/her former department on any shift and on his/her original shift.
- B. An employee with reinstatement will maintain his/her rate of pay.
- C. Both provisions A. and B. will apply for twelve (12) months from the date the employee was made available except as provided below in Subsection E.
- D. Offers of reinstatement may only be made for vacancies described in Section 2.A.
- E. Acceptance of a reinstatement offer shall be voluntary; however, if an employee declines reinstatement on his/her original shift, his/her pay shall decrease the following Monday to that of the level at which he/she is working and the employee's reinstatement rights will expire immediately.
- F. If the employee accepts an offer of reinstatement but is unable to qualify for the vacancy, he/she shall not lose reinstatement rights or the higher level pay until the expiration of the twelve (12) month period unless he/she subsequently declines reinstatement.

Section 13 Area Preference

An employee may submit an area preference to Office Placement to be moved to the Madison and/or Seymour areas. The area preference shall be used for placement of available employees and reinstatement.

An employee who does not have a Madison or Seymour area preference will not be placed on or offered a vacancy in the Madison or Seymour area unless the posting procedure has been used and the vacancy cannot be filled without recall or hiring. The Company and Union agree the intent is that no employee will be forced to the Madison or Seymour area unless the internal placement procedures have been exhausted. Should these procedures be exhausted, the least senior qualified employee who has reinstatement or who would be placed as an available employee shall be assigned.

Section 14 Effective Date of Wages

Any employee transferring to a permanent position through the posting process, the reinstatement process, as an available employee or as a displaced employee shall be transferred and receive the appropriate wage adjustment on a Monday no later than the second Monday after the offer was accepted except as provided in Article 14.12B and Article 11.7.

Section 15 Relocation of Work (Poll and Draft)

When employees positions are moved along with the work as a result of a reorganization or a reallocation of work to a different department and/or shift or a relocation of work from one of the three (3) areas (the areas are Columbus/Walesboro, Seymour, Madison) to another, the following procedures shall apply.

- A. If the work of all the employees within a position, within a department on a shift are being moved, the employees will be transferred with the work.
- B. If some of the work performed by employees within a position within a department on a shift are being moved the employees performing that work will be given the opportunity in seniority order to transfer with the work; if there is no volunteer the least senior employee(s) performing that work will be transferred with the work.

Section 16 Procedures for Filling Vacancies on an Adjacent Shift

Once the position posting procedure has been exhausted and vacancies remain on an adjacent shift, the following procedures will be used to fill the vacancies:

- A. The Company will ask for qualified volunteers to be assigned to the work.
- B. If there are no qualified volunteers, the least senior employees who are qualified and currently performing work in that position will be placed on the vacancies remaining on the adjacent shift.

- C. Vacancies created by using the above procedure will be filled, if necessary, using poll and draft provisions in Departments which the Company designates.

Section 17 Temporary Assignments

Permanently assigned employees may be temporarily assigned on a full time basis to work in a *different department and/or on a different shift*. These temporary assignments will be made based on ability to perform the necessary work and shall last no longer than three (3) consecutive months. This limitation does not apply to persons assigned to the Central Support department.

Section 18 Special Improvement Assignments

Special improvement project assignments generally will last no more than 12 months. The Company will discuss with the Union the reasons for assignments that may last longer than 12 months. The Company will notify the Union of all special assignments.

Section 19 Trading Positions

Within a position, two employees who are performing the same work but are in different departments and/or on different shifts may trade positions if both employees and both supervisors agree. A supervisor may agree to a trade if the employee transferring into the position is qualified. There is no obligation on the part of any employee or supervisor to agree to such a trade.

ARTICLE 15 SENIORITY, LAYOFF AND RECALL

Section 1 Seniority

- A. The seniority of all employees, other than probationary employees, shall be established on a bargaining unit and plant-wide basis. Bargaining unit seniority shall be a factor in position selection, placement of available employees, reinstatement, layoff and recall. Plant-wide seniority shall be used for purposes of computing fringe benefits where applicable.
- B. Bargaining unit seniority shall include plant-wide seniority to May 26, 1969, plus actual time assigned to a position within the bargaining unit thereafter for all employees who had been assigned in the bargaining unit prior to or on May 26, 1969. Bargaining unit seniority for employees entering the unit after May 26, 1969, shall include time assigned on a position with the unit, on a confidential position, or on an approved leave of absence. Bargaining unit seniority shall be used for the purposes listed in Section 1.A above with the following exception:

An employee who transferred into the bargaining unit from the production and maintenance unit during the period May 16, 1969, to May 22, 1972, shall after April 27, 1973, have his/her plant-wide seniority considered as bargaining unit seniority for the purpose of layoff and transfer at time of layoff.

- C. Beginning calendar year 1996, an employee with a broken service history will receive credit for all previous Company service for vacation purposes. Credit for service for vacation purposes will be earned for each

month that one (1) day is worked and for each full month while on layoff (up to a maximum of 24 months) or approved leave of absence if the employee returns to active employment at the conclusion of the layoff or leave.

- D. An employee on a maternity, paternity or adoption leave of absence after December 31, 1984 who does not return to active employment shall receive retirement credit for up to 3 months.
- E. An employee on layoff or leave after January 1, 1976, who does not return to active employment with the Company at the conclusion of the layoff or leave shall earn one credit year for retirement vesting purposes if he/she had worked at least 1000 hours in the calendar year in which the layoff or leave commenced. If an employee is on approved medical leave he/she will earn credit for vesting and retirement benefit purposes for the period of time that he/she is on approved medical leave even if he/she does not return to work.
- F. No employee shall lose retirement service credit already earned. An employee on long-term disability which commenced prior to and continued through June 21, 1987 will receive additional retirement service credit for vesting and benefit purposes after June 21, 1987 which is no greater than the number of years and months of service he/she had as of the last day worked prior to commencement of such period of disability. Any employee who is placed on long term disability after June 21, 1987 shall receive retirement service credit for vesting and benefit purposes for the number of years and

months on long term disability no greater than the number of years and months of service he/she had as of the last day worked prior to the commencement of such period of disability. Return to active employment is not required for an employee on long term disability to receive the retirement service credit specified in this paragraph.

- G. All periods of employment are used for calculating credited service for retirement vesting and benefit purposes. Each month that one (1) day is worked and each month while on an approved leave of absence or layoff (up to a maximum of 24 months) earns one month service if the employee returns to active employment at the conclusion of the leave or layoff.

Section 2 Recall Rights

An employee shall lose all seniority and all rights to recall, in the event any of the following occurs:

- A. The employee quits or is discharged.
- B. The employee fails to respond to an offer of recall within two (2) working days of notification or after accepting an offer of recall, fails to return to work within ten (10) working days of notification unless an earlier date is mutually agreed to by the employee and the Company or a later date is specified by the Company.

The Company shall have fulfilled the recall obligation if it gives notice by certified mail, return receipt requested, to the last address filed by the employee with the Company. It is the responsibility of the employee to notify the Company of any such change in address.

- C. The employee overstays a leave of absence or is absent from work without leave for five (5) working days.
- D. The employee is laid off for 24 months and at the time of layoff had less than 3 years of bargaining unit seniority; or is laid off for 36 months and at the time of layoff had 3 or more but less than 6 years of bargaining unit seniority; or is laid off for 48 months and at the time of layoff had 6 or more years of bargaining unit seniority. Seniority shall accumulate for twenty-four (24) months following a layoff.
- E. The employee refuses the position to which he/she is assigned after return from leave of absence or recall from a layoff.

Section 3 Returning From Military Service

The Company and the Union agree to be governed by any Acts of Congress pertaining to the rehiring and accumulation of seniority of men and women returning from military service.

Section 4 Transfers From/To Bargaining Unit

At any time when a layoff has been declared or when a member of the bargaining unit has been laid off and has recall rights, no employee who is not represented by the bargaining unit shall be permitted to transfer into the bargaining unit. An employee who transfers from the bargaining unit will not accumulate bargaining unit seniority while on that status. In the event an employee transfers into the bargaining unit, the employee's bargaining unit seniority shall begin as of the transfer date.

Section 5 Layoff Procedure

In the event of a layoff, the Company will decide the total number of employees to be laid off. The following procedure will be used to determine which employees will be laid off.

- A. The Company will decide from which groups or positions employees will be removed and how many employees will be removed in each case. Employees will be designated for removal from each group or position as specified below:
1. In each affected apprenticeable occupation, the least senior Technical Support Specialist(s) shall be removed. Thereafter, in the event additional employees are to be removed, apprentices shall be removed as provided in the Apprenticeship Standards. After all apprentices have been removed, the least senior technician(s) shall be removed until a sufficient number of employees have been removed from that occupation.
 2. For each affected Salaried Associate Position, the least senior employee(s) on that position will be removed.
 3. For Occupational Nurses, X-Ray Technicians, Occupational Health Therapists, Medical Specialists, Clinical Lab Specialists, Aircraft Mechanics and Skilled Printers, the least senior employee(s) in each affected group shall be removed.
- B. All employees designated for removal from their groups or positions shall be added to the list of employees in levels 1, 2 and 3. The least senior employees in that overall group, up to the total number to be laid off, shall be

laid off. These employees shall be ineligible to participate in the procedures listed in Section 6 below.

- C. *Employees designated for removal from their own groups or positions who are more senior than those laid off shall be considered available for placement.*
- D. The Company will give the Union five (5) days notice in the event of a reduction in force and will give two (2) working days notice to an employee who is to be laid off in a normal reduction in force.

Section 6 Filling Vacancies at Time of Layoff

After it has been determined which employees will be laid off, the Company will designate any *additional employees to be made available* and any vacancies to be filled. The following procedure will be used to fill the vacancies and place the available employees:

- A. The available employees will be temporarily placed while awaiting permanent placement. Article 14, Section 10 will not apply to employees who are made available at the time of layoff.
- B. *The available employees will be given three (3) working days to apply for the vacancies. Selections shall be made according to the provision of Article 14, Section 1; however, the selections must be made within seven (7) working days of the end of the application period.*
- C. Any vacancies which have not been filled according to B. above, shall be posted bargaining unit wide for three (3) working days.

Selections shall be made according to Article 14, Section 1; however, the selections must be made within seven (7) working days of the end of the posting period.

D. The employees who are still available shall be placed on the vacancies which remain through the following procedure:

- 1) Senior qualified employees will be placed on vacancies at their level and on the same shift.
- 2) Senior qualified employees will be placed on vacancies at the next lower level on the same shift; and then on vacancies on the same shift at each successive lower level.
- 3) After the senior qualified employees are placed on vacancies on the same shift, if there is a vacancy that has been posted and remains unfilled, it shall be filled immediately according to the procedure described in Article 14, Section 10.

Section 7 Filling Remaining Vacancies at Time of Layoff

After the procedures in Section 6 above have been completed, if a vacancy remains which has not already been posted for the bargaining unit, it shall be posted as described in Section 6, C. above. If it is not filled through that posting process or if it had already been posted, the Company may recall the senior laid off employee with recall rights who meets the qualifications for the vacancy.

Section 8 Layoff Recall to Fill Vacancy

When an employee is recalled under Section 7 above, the Company may layoff the least senior level 1 employee.

Section 9 Temporary Layoff

- A. In the event of a temporary layoff not anticipated to exceed ten (10) days duration, the layoff and transfer procedures of Sections 6, 7, 8 and 9 will not apply. If such temporary layoff exceeds ten (10) days, the layoff and transfer procedures of Sections 6, 7, 8 and 9 shall be implemented.
- B. If the Company decides that some employees are needed to work during a temporary layoff, the decisions about which employees will be laid off in each affected department will be made as follows:
- 1) The employees performing the same kind of work in that department on that shift will be given the opportunity to volunteer to be laid off.
 - 2) If there is no volunteer, the least senior employee(s) performing that work in that department on that shift shall be laid off.

Section 10 Union Officials Seniority at Time of Layoff

The Bargaining Committee members, during their tenure of office, hold seniority rights over any other employee in the bargaining unit in the event of layoff or transfer resulting from reduction in force. Each Area Representative with six (6) or more years of bargaining unit seniority will hold seniority rights over all employees in the area he/she represents in the event of layoff or

transfers resulting from a reduction in force. However, in the event an Area Representative's position is abolished, he/she shall be placed within his/her area according to the provisions of Section 6 above. If an Area Representative is not qualified for any vacancy within his/her area, he/she will be placed according to his/her actual bargaining unit seniority on a vacancy for which he/she is qualified in a different area or laid off if his/her seniority is less than that of the senior laid off employee.

Section 11 Recall

When the internal placement procedures have been exhausted and the Company decides to recall an employee to fill a vacancy, recall shall be offered under the following provisions:

- A. Employees with recall rights are responsible to keep Office Placement informed of any education, training, applicable licenses and experience obtained while on layoff.
- B. Recall to vacancies requiring testable skills, licenses, medical training, skilled printing training, or technician status shall only be offered to employees whose personnel record indicates such skills, licenses, training or status. The senior employee who is qualified shall be offered recall.
- C. Opportunities to qualify for recall to a vacancy requiring work samples, and/or aptitude tests will be offered in seniority order. The senior employee who qualifies shall be offered recall.
 - 1) Employees must respond to an opportunity to qualify for recall to a level 2 or 3 vacancy within two (2) working days of

notification; an employee who fails to respond within this time limit shall not forfeit recall rights but shall forfeit eligibility for that vacancy.

2) An employee who declines such an opportunity shall not forfeit recall rights.

D. Recall to vacancies not included in B or C above shall be in seniority order, provided the employee is qualified.

E. An employee who declines recall or who does not comply with the time limits in Section 2.B. of this article, shall forfeit recall rights.

ARTICLE 16 WAGES AND REVIEWS

Section 1 Wages

Effective 11:00 p.m., June 20, 1999, the salaries or hourly rates applicable to the various pay levels shall be as follows:

	Old Rate	COLA Fold-In <u>6/1999</u>	New Rate <u>6/1999</u>	2% Base Increase <u>7/1999</u>	New Rate <u>7/1999</u>
(Engineering Associate)	\$845/wk	\$37	\$882	\$18	\$900
Administrative Associate)	\$798/wk	\$37	\$835	\$17	\$852
(Engineering Technician, Occupational Nurse, Occupational Health Therapist, Aircraft Technician, X-Ray Technician)	\$20.21/hr*	\$0.94	\$21.15*	\$0.42	\$21.57
Technical Support Specialist)	\$17.82/hr*	\$0.94	\$18.76*	\$0.38	\$19.14
(Analyst, Medical Specialist, Clinical Lab Specialist)	\$19.51/hr*	\$0.94	\$20.45*	\$0.41	\$20.86
(Administrative Support Specialist, Facility Support Specialist, Engineering Support Specialist)	\$17.82/hr*	\$0.94	\$18.76*	\$0.38	\$19.14
(Operations Support Person)	\$15.51/hr*	\$0.94	\$16.45*	\$0.33	\$16.78

Effective the Monday following January 1, 2002, each employee on the payroll will receive a 2% base wage increase.

The COLA hourly rate in effect on June 24, 2002 shall be added to the base hourly rates listed in the new January, 2002 base wage.

Effective the Monday following January 1, 2004, each employee on the payroll will receive a 1% base wage increase.

*A premium of fifty (50) cents per hour will be paid to persons who are designated by the Company as team leaders.

Section 2 Shift Premium

A. A premium of one (1) dollar per hour shall be paid for regular second and third shift work.

Section 3 Temporary Pay Adjustment

A. In the event an employee is temporarily assigned to perform the work of a higher pay level as defined by the pay level criteria, the following provisions shall apply:

1. If such an assignment is for less than four (4) hours in any one (1) work week as defined in Article 14, Section 10.E, no wage adjustment will be made.
2. If such an assignment is for more than four (4) hours in one (1) work week, the employee shall be paid the rate of the higher pay level for all the hours worked in the higher pay level.
3. Wage adjustments in this section are not applicable to temporary assignments held by available employees awaiting permanent placement.

Section 4 Bi-Weekly Direct Deposit

During the course of this Agreement, the Company may elect to implement a bi-weekly direct deposit payroll system. This system will be offered to employees hired prior to June 27, 1993 as a voluntary alternative to the manual

payroll policy. It will be mandatory for those hired afterwards.

ARTICLE 17 VACATIONS AND HOLIDAYS

Section 1 Vacation Eligibility - General

- A. The vacation year shall be January 1 to December 31. Vacation shall be paid in accordance with the provisions of the following sections. Either Schedule No. 1 or No. 2, whichever provides the greater vacation pay, shall apply.
- B. The eligibility date for determining weeks of vacation to which the employee is entitled shall be December 31 of the vacation year.
- C. Accumulated vacation pay shall be paid to all nonprobationary employees upon termination of employment according to the method described in this article.
- D. Beginning calendar year 1996, an employee with broken service history will receive credit for all previous Company service for vacation purposes. Credit for service will be earned for each month that one day is worked and for each full month while on lay-off (up to a maximum of 24 months) or approved leave of absence if the employee returns to active employment at the conclusion of the layoff or leave.

Section 2 Vacation Days and Pay

The schedules by which vacation shall be computed are:

A. Schedule No. 1

<i>Length of Service From Last Hiring Date To December 31 of Vacation Year</i>	<i>Number of Work Days Off For Vacation</i>	<i>Number of Hours Payable</i>
Up to 2 Years	5	
2 Years to 5 Years	10	100
5 Years to 15 Years	15	150
Years to 20 Years	20	200
Years and Over	25	250

1. Vacation pay shall be calculated by multiplying the employee's basic straight-time hourly rate, including night shift premium, on January 1, of the vacation year times fifty (50) hours for each week of vacation.
2. An employee must have worked 1,040 hours or more during the calendar year immediately preceding the vacation year to be eligible for full vacation pay. An employee who has worked 500 hours but less than 1,040 hours during the calendar year immediately preceding the vacation year shall be eligible for fifty percent (50%) of the vacation pay for which he/she otherwise would have been eligible. Under such circumstances, an employee may waive the vacation time off for which he/she does not receive pay. An employee who has worked less than 500 hours during the calendar year immediately preceding the vacation year shall not be entitled to any vacation pay under this schedule.

3. A long service supplemental payment shall be paid to an employee who has satisfied the 1,040 hours requirement and who has five (5) years or more seniority on December 31 of the vacation year. Such payment shall be made as follows:

Years of Service	Effective 1/1/93
5-9	\$ 20
10-14	40
15-19	60
20-24	80
25-29	100
30-34	120
35-39	140
40-44	160

B. SCHEDULE NO. 2

<u>Length of Service*</u>	<u>Number of Work Days Off For Vacation</u>	<u>Vacation Pay or % of Gross Earnings</u>
Up to 2 Years	5	2.75%
2 Years to 5 Years	10	5.5%
5 Years to 15 Years	15	8.25%
15 Years to 20 Years	20	11.00%
20 Years or Over	25	13.75%

*Length of service from last hiring date to December 31 of the vacation year.

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Vacation pay shall be computed on the basis of gross earnings, excluding vacation payments and awards or bonus, if any, actually paid to each employee during the calendar year immediately preceding the year in which the vacation is taken.

Section 3 Vacation Eligibility While on Leave or Layoff

An employee who is on layoff or leave of absence on June 30 of the vacation year shall be eligible for vacation pay in accordance with the provisions of this Article. Payment of such vacation pay shall be made on September 1 of the vacation year. An employee receiving such vacation pay shall not be entitled to time off for vacation later in that year.

Section 4 Shutdowns

- A. *If the Company schedules a complete or partial plant shutdown, employees whose departments are not scheduled to work may be required by the Company to take an equivalent amount of vacation during the shutdown but in no cases will employees be required to take more than two (2) weeks. All other vacation time to which an employee is entitled may be taken at any time during the year convenient to the employee and the Company.*
- B. *In the event an employee is called in to work a portion of his/her time off for a regularly scheduled paid vacation, he/she shall be paid double time for all hours worked, in addition to vacation pay.*

Section 5 Vacation Scheduling

The Company will attempt, insofar as practical and consistent with efficient operation of the Company, to give preference as to choice of vacation time to persons with the greatest seniority.

Section 6 Vacation Period Notification

- A. The Union recognizes that the Company will have to limit the number of persons it can release for vacation at any one time from any one section of the Company.
- B. The Company agrees to notify the Union in writing, thirty (30) days in advance of the proposed vacation period, insofar as possible.

Section 7 Use of Vacation

A. Waiving of vacations

Vacations may not be waived by any employee to receive extra pay for that period except any employee entitled to four (4) or five (5) weeks of vacation may waive the fourth and fifth week of vacation and receive the extra pay for that week. All vacations must be approved in advance.

B. Vacation day-at-a-time

An employee may take all vacation a day-at-a-time with prior approval from his/her supervisor

C. Banking Vacation Days and Pay

Vacation may be banked up to a maximum of 40 hours total. Banked vacation will be paid at the wage rate in effect at the time the vacation is taken. Banked vacation may not be waived; it shall be paid only at the time it is taken.

Section 8 Production Schedule and Vacation

In the event the Company's production schedule prevents the granting of vacations, the Company, in lieu thereof, will pay each employee eligible for a vacation the amount of vacation pay which the employee is entitled, with such payment to be made at the end of the first payroll period in September of the vacation year.

Section 9 Weekly Benefits and Vacation

If an employee becomes ill and qualifies for weekly benefits during a scheduled vacation, the employee shall be eligible for earned vacation time off, without pay, at a later date. The deferred time off shall be equal to the number of days covered by weekly benefits, but shall not exceed the allowed vacation time off as described in this Article.

Section 10 Holiday Pay

- A. Employees shall be paid for and not required to work on the following legal holidays: Good Friday, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Friday after Thanksgiving, and a seven day holiday period between and including Christmas Eve and New Year's Day, December 23, 2002 and January 2, 2004.
- B. All hours of work performed on a holiday or during the seven (7) day Christmas holiday period will be paid at two (2) times the normal rate of pay, in addition to the normal holiday pay for the above designated days.

C. The above holidays are subject to the following conditions:

1. When one (1) of the above holidays falls within an eligible employee's approved vacation period, and he/she is absent from work during this regularly scheduled work week because of such vacation, he/she shall be paid for such holiday in addition to vacation pay, and may have a day off without pay adjacent to such vacation period, or at a later date.
2. Employees who are otherwise eligible, who have been laid off in a reduction in force during the work week prior to, or during the work week in which the holiday falls, shall receive pay for such holiday.
3. When the above holidays fall on a Sunday (except the Christmas Eve through New Year's Day holiday period), Monday will be observed as the holiday.
4. An employee shall receive holiday pay while on an approved medical leave of absence of twelve (12) weeks or less, and while on short term disability up to 26 weeks.
5. An employee who has been granted a leave of absence (other than in 4 above) prior to the work week in which the holiday is observed and who is on such leave of absence at the time of the holiday shall not receive pay for such holiday.

Section 11 Absenteeism Days Before and After Holiday

If absenteeism increases as a result of not having a requirement that the employee must work on the last regularly scheduled workday before

the holiday and also on the first regularly scheduled workday following the holiday in order to be eligible for holiday pay, the Company may, at any time during the term of this Agreement, insert the attendance requirement in order to maintain the production schedule by notifying the Union at least one (1) week in advance of the holiday.

Section 12 Holiday Work Pay

In the event the Company requires the services of an employee on any of the above mentioned holidays, the employee will receive payment for the holiday as though he/she had not worked, plus double time for all actual hours worked. A minimum of four (4) hours work opportunity shall be provided.

Section 13 Floating Holiday

Each seniority employee on the payroll as of the beginning of the calendar year will be entitled to three (3) regular work days paid absence each calendar year. Such days shall be scheduled by mutual agreement between the employee and the employee's supervisor. Pay for such days shall be at the employee's regular straight-time hourly rate. The supervisor shall determine how many employees may be permitted to be out of the department on any day. Declined permission to be absent on any particular day is not subject to the grievance procedure.

Section 14 Holiday Pay For Night Shift Employees

Night shift employees will be paid for holidays at the same rate they would have earned if they had worked a straight-time day.

ARTICLE 18 LEAVES OF ABSENCE

Section 1 Personal Leave

Personal Leaves of Absence. A personal leave of absence may be granted for personal reasons if the request for the leave is submitted in writing and approved by the Company.

Section 2 Medical Leave

Medical Leave of Absence. A medical leave of absence shall be granted to any employee who becomes disabled so as to be unable to properly perform the duties of his/her position. This includes temporary medical disabilities caused by pregnancy.

Return from a medical leave of absence will be subject to a physical examination by the Company Medical Department.

Section 3 Civic Duty Leave

Civic Duty Leaves of Absence. An employee with two or more years of seniority elected to public office may make written application for a leave of absence and extensions of the leave of absence for the period of the first term of active duty in such elective office.

Section 4 Unapproved Leave

No leave of absence shall be granted to enter self-employment or to accept employment elsewhere.

Section 5 Absence Notice

Whenever practical, an employee shall give notice to his/her supervisor prior to any absence. Absence due to illness or injury shall

be reported to the employee's supervisor within the first two (2) hours of the employee's shift, if possible. No employee shall be absent from work more than five (5) working days, except for absence covered by the Weekly Benefit Plan, without having applied for and received a leave of absence. Where practical, the employee shall apply for a leave of absence two (2) weeks in advance of the date on which he/she wishes the leave to begin.

Section 6 Military Leave

- A. *Military Leaves of Absence.* An employee who is inducted into or enlists voluntarily in the Armed Services of the United States, in accordance with the provisions of the Universal Military Training and Service Act, 1951, as amended, shall be granted a leave of absence and his/her seniority shall continue to accumulate during such period of induction or enlistment. Upon termination of such period of induction or enlistment, in accordance with the provisions of said Act, he/she shall have such reemployment and other rights as may be provided for under applicable Federal laws in effect at the time.
- B. Employees who are required to attend two (2) weeks military training activities as part of a National Guard or reserve training unit will be granted a leave of absence to participate in such activities.
 - 1. The employee shall submit a written request for such leave of absence to the Company, along with a copy of the military orders requiring him/her to report for the training program.

2. An employee will not forfeit his/her regular vacation allowance to participate in part-time military training.
 3. An employee will be reimbursed for time lost because of absence for military training, provided he/she has completed at least one (1) year of seniority with the Company prior to beginning the training period. Reimbursement will be made upon the employee's return to his/her regular position by paying the difference, if any, between two (2) weeks straight-time wages and the total amount of military pay and allowances received by the employee (travel pay excluded).
 4. This policy applies only to two-week training activities with the National Guard or military reserve components. If a leave of absence is granted an employee for purposes of attending other military training schools or courses, no compensation adjustments will be made by the Company for the time lost.
- C. Employees who are activated for duty in the National Guard during a major community disaster shall be reimbursed for the difference, if any, between his/her regular straight-time pay and the total amount of military pay and allowances received by the employee (excluding travel pay) upon his/her return to his/her regular position. Such reimbursement shall be for a period of not more than five (5) working days.

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Section 7 Voluntary Leaves of Absence

The Company may elect to grant voluntary leaves of absence to applying employees as an alternative to layoff.

- A. The Company will determine eligibility for voluntary leaves based on business conditions. The length of the voluntary leave shall be defined and shall not exceed twelve (12) weeks.
- B. The Company shall notify the Union of the voluntary leave opportunity. Following Union notification, the Company shall communicate the voluntary leave to the affected employees.
- C. Affected employees will have five (5) working days, from the date of notification, to submit applications for voluntary leave.
- D. Voluntary leaves will be in seniority order within department, shift and position classification designated by Management as eligible for leaves.
- E. Seniority will continue to accumulate during a period of voluntary leave.
- F. Employees participating in the voluntary leave of absence program will return from leave per the provisions of Section 8.A. below.
- G. The Company may elect to temporarily assign an employee to fill the position vacated due to an employee accepting a voluntary leave of absence.

Section 8 Return From Leave

- A. An employee returning from a leave of absence within twelve (12) weeks of the beginning of the leave of absence shall be returned to the position held immediately prior to the leave of absence, if the position has not been abolished. If the position has been abolished, the employee shall become available and Article 14, Section 10, shall apply.
- B. An employee on a leave of absence must notify the Company in writing at least five (5) days prior to return to work of the intent to return to work in order for the Company to make arrangements to place the employee on a position.

Section 9 Leave of Absence General

- A. All leaves of absence shall be without pay from the Company except as provided in the above sections of this article.
- B. Seniority shall continue to accumulate during approved leaves of absence and extensions of leaves of absence if the employee returns to active employment with the Company.
- C. Insurance benefit programs which are provided by the Company shall continue to be provided for an employee on a medical leave of absence. Contributory insurance programs will also continue if the employee makes the monthly contributions.
- D. Insurance benefit programs which are provided by the Company shall continue to be provided for an employee on a voluntary leave of absence in accordance with Section 7 above. Other contributory programs will

continue if the employee makes the appropriate contributions.

ARTICLE 19 JURY AND PANEL DUTY

Section 1 Jury Duty

- A. Both parties to this Agreement subscribe to the view that employees should be encouraged to discharge their civic duties in connection with serving on juries. In order to effectuate this policy, it is agreed that any *employee who is required to serve on a jury* by any court and who would have worked at his/her usual duties for the Company, except for such services, will be compensated for the time lost from his/her regular duties by reason of his/her jury service computed in the following manner.
- B. The number of hours' work lost during the first five (5) scheduled workdays, not *exceeding eight (8) hours in any day or forty (40) hours in any week*, shall be multiplied by the employee's regular straight-time hourly rate of pay in effect at the time of such lost working time, and from the resulting amount, there shall be deducted the per diem amount the employee is entitled to receive for jury service, with a *maximum deduction of five (5) consecutive per diem amounts deducted in any one (1) calendar week*. The difference shall be paid by the Company to the employee. For persons working on a schedule other than 5 days per week, 8 hours a day, the number of hours per day or week for which they will be compensated under this formula will be adjusted to reflect the normal and current scheduled number of hours worked per day and week by such persons.

Section 2 Panel Duty

- A. Panel duty is when an employee's name is selected for jury duty and he/she is then called for examination. In general, the same principles for compensating an employee for time lost in connection with jury duty will apply to compensate the employee for time lost due to panel duty.
- B. Jury duty and panel duty shall be counted as hours worked for the purpose of computing overtime pay.

ARTICLE 20 BEREAVEMENT COMPENSATION

Section 1 Up To 3 Day Absence

Emergency absence shall be considered as absence from work because of the death of members of the employee's immediate family (spouse, children, stepchildren, mother, father, or foster parents, brother, sister, current mother-in-law, father-in-law, grandchildren, son-in-law, daughter-in-law). An employee who is absent from work solely because of such an emergency shall be compensated for such time as the employee was regularly scheduled to work but which the employee was required to miss from the day of the death through the day following the day of the funeral. Such compensation will not exceed three (3) days' pay to be calculated by multiplying the number of hours the employee was regularly scheduled to work on those days' times the employee's basic straight-time hourly rate.

Section 2 Up To 1 Day Absence

Emergency absence pay will also be granted to an employee to attend the funeral of his/her stepmother, stepfather, current stepmother-in-law or stepfather-in-law, grandmother, grandfather, spouse's grandparents, brother-in-law, sister-in-law if the funeral is conducted on a day the employee is regularly scheduled to work and the employee is not absent for any other reason. The paid absence for this purpose shall not exceed one day's pay calculated as described in Section 1 of this article.

ARTICLE 21 DISCIPLINE AND DISCHARGE

Section 1 Discipline

- A. The Company shall establish and enforce reasonable rules of conduct. The Company shall provide a copy of the rules to the employees and the Union and shall notify the Union when and if the rules of conduct are modified. Once advance notice has been given, implementation will take place unless the Union elects to grieve the reasonableness of the rule or procedure changes within fourteen (14) days of the Company's notification. If the Union elects to grieve the reasonableness of the work rule change or procedure change the Company will delay implementation until the Arbitrator has rendered a decision.

- B. When an infraction occurs the Company must assume the responsibility and authority to discuss with the employee, in a fair and confidential manner, his or her failure to meet the rules. The number of times a situation can be handled in this manner before resort-

ing to disciplinary action is left to the judgment of the Company, based on the evaluation of the severity of the infraction and the past record of the individual. The Company recognizes and shall honor the right of bargaining unit employees to request Union representation at any investigatory interviews and discipline meetings conducted by the Company.

- C. Disciplinary action, when required, shall be in writing and shall normally follow graduated steps until the employee corrects his/her problem(s) or he/she is separated. Disciplinary meetings shall be held in a fair, confidential and private manner.

ARTICLE 22 TRAINING

Section 1 Tuition Reimbursement

- A. The Company will provide a program designed to assist an employee in educational self-improvement. This program will consist of at least the following:
 - (1) A plan to pay tuition costs on selected and work related high school adult education courses, technical institute courses and college courses.
 - (2) Information and counsel regarding higher educational opportunities.

Section 2 Apprenticeship Standards

The Apprenticeship Standards agreed to by the Company and the Union and approved by the Department of Labor are contained in a separate document and are made a part of this Agreement by reference. A copy of this document is contained in the back of this book.

Section 3 Memberships

The Company shall reimburse bargaining unit employees a sum equal to one-half (1/2) the membership fee for membership in professional societies when such membership is at the request of or with the approval of the Public Relations Department of the Company. Such payment will be subject to participation by the employee.

Section 4 Required Training

- A. Approved courses related to an employee's position may be required as specified for that position.
- B. Hours spent in required classroom training shall be paid at the straight-time rate and shall not be counted in computing hours worked for overtime purposes. Employees attending classroom training will be expected to work a normal full number of hours according to the shift and schedule to which he/she is assigned.

ARTICLE 23 WORK SYSTEMS

A. Work Improvements/Work Groups

The Company and the Union mutually agree that to increase productivity and to remain competitive in the worldwide markets we must change and improve the way we perform work. In recognition of the need to change the way that work is performed the parties agree to actively support work improvement processes, the redesign of work, and the formation of work groups.

Whether formal or informal, a work group exists when two (2) or more individuals shar-

ing similar and connected work objectives examine the process through which their work is accomplished including customer and supplier relationships. The goal is to develop a more effective and productive means to accomplish work in order to better meet customer requirements. This work flow analysis may result in the redesign of work. The Company and the Union expect all employees to support and initiate continuous improvement in the work system.

The parties expect that in the work group process that there will be work sharing among OCU members and exempt employees and other OCU members. Such work sharing shall not constitute a permanent reassignment of the work, or a violation of the Labor Agreement.

While continuous improvement is an integral part of each employee's position, the Company may select employees for special improvement projects. If an employee accepts one of these positions on a temporary basis, he/she will return to his/her original assignment once the special assignment is completed.

B. Teams and Team-Based Work Systems

In order to improve the quality and effectiveness of our work, Cummins Engine Company is moving toward teams and team-based work systems. Teams and team-based work systems are fundamental principles of CPS and CTS, and are essential to the future viability of the Company.

A team is a group of employees who are responsible for a "whole" work process or segment that delivers a product or service.

Team members bring specialized skills to the team, but also work together to integrate their skills into a cooperative work flow. Workers in teams know their work flows and products better than anyone else and, therefore, are the right people to plan and improve their work processes. In a team environment, all employees:

- Work effectively across organizational and Company boundaries, subject to provisions of the Labor Agreement and Company policy
- Work together to continuously improve delivery to the customer
- *Understand teams and team-based work systems, and continuously develop their skills and capabilities to support that system*

Teams are not permitted to:

- Make collective decisions that violate the terms and conditions of our existing Labor Agreements
- Make collective decisions regarding matters reserved for collective bargaining
- *Permanently reassign jobs currently or normally performed by members of the Office Committee Union to employees who are members of the Diesel Workers Union.*

The Company and the Union mutually agree to support teams and team-based work systems *within the OCU and all areas of work.* The parties recognize that a team-based work system challenges, develops, and utilizes the skills and abilities of all employees, creates opportunities for personal and professional growth, and results in a more effective work environment.

ARTICLE 24 GENERAL

Section 1 Bulletin Board Space And Distribution of Literature

The Company shall afford the Union reasonable space on office bulletin boards for the posting of notices addressed to its members. Only notices by designated Union officials pertinent to Union business shall be posted. Notices shall not contain anything reflecting upon the Company, any of its employees or any other labor organization. There shall be no other posting or distribution of literature by the Union on Company property unless prior approval is obtained from the Employee Relations Department.

Section 2 Personnel Status Report

Notification of the status of employees in the office work force will be sent to the Union as soon as possible.

ARTICLE 25 PENSIONS

Section 1 Pensions

The Cummins Retirement Plan of 1975, as amended, is made a part of this Agreement by reference.

ARTICLE 26 WEEKLY BENEFIT PLAN

Section 1 Weekly Benefit Plan

Each employee covered by this contract shall be entitled to payment for time lost due to his/her inability to work resulting from his/her personal sickness, in accordance with the Weekly Benefit Plan which is made a part of this Agreement by reference.

ARTICLE 27 INSURANCE

Section 1 Introduction

The Group Insurance Plan is made a part of this Agreement by reference.

Section 2 Provider

It is understood that during the life of this Agreement the Company may change the insurance provider, but will not reduce the level of benefit negotiated as a part of this Agreement.

Section 3 Cobra

Several sections of this Agreement provide the opportunity for continued participation in the Company's group health insurance plans to which COBRA (Consolidated Omnibus Budget Reconciliation Act) applies. All such sections shall be considered amended as provided below to allow them to be administered consistently with COBRA, as it has been amended, or as it may be amended in the future when those amendments become applicable to collectively bargained agreements.

1. Whenever this Agreement requires the Company to continue to pay, in whole or in part, group health insurance premiums on behalf of an individual employee not actively at work (e.g., when an employee is on layoff) the coverage provided shall constitute satisfaction, in whole or in part, of the Company's obligation to provide the opportunity for continued group health insurance coverage following a qualifying event.
2. Whenever this Agreement permits an individual employee not actively at work to continue group health insurance coverage, in

whole or in part, at his/her own expense, this coverage shall constitute satisfaction, in whole or in part, of the Company's obligation to provide the opportunity for continued group health insurance coverage following a qualifying event.

3. If disputes concerning group health coverage arise under provisions of this Agreement and are subject to resolution under the grievance procedure of Articles 7 and 8, and such disputes also involve a question of whether the Company has complied with its COBRA obligations referred to above, only disputes concerning COBRA rights involving individual employees covered by this Agreement are subject to resolution under Articles 7 and 8.

ARTICLE 28 COST OF LIVING

Section 1

Each employee covered by this Agreement, except employees hired after June 19, 1990, shall receive a cost-of-living allowance; hereinafter referred to as "the allowance" as provided in this Article.

Section 2

The allowance shall not be added to the base rate then applicable to a given pay level, but only to the straight time hourly earnings as provided below in Section 3.

Section 3

The allowance shall be added to the hourly base rate for hours actually worked and overtime but shall not be added to the base rate for holiday pay, vacation pay, military pay and jury duty.

Section 4

The amount of the allowance shall be determined as provided below on the basis of the new series All Urban Consumer's (CPI-U), published by the Bureau of Labor Statistics, U.S. Department of Labor (1967 = 100), and referred hereinafter as the "Index".

Section 5

Continuance of the allowance shall be contingent upon the availability of the Index in its present form and calculated on the same basis as the Index for April 1999.

Section 6

If the Bureau of Labor Statistics changes the form and/or calculation of the Index, the parties agree to request the Bureau to make available for the term of this Agreement, a monthly Index in the same form calculated on the same basis as the Index for October, April 1999.

Section 7

Adjustments in the allowance will be made at the following adjustment dates and in the amount of 1 cent for each full 0.4 increase in the Index over and above the April, 1999 Base Index Month. Adjustments will be credited toward the difference between the Index Month and the April, 1999 Base Index Month.

EFFECTIVE DATE OF ADJUSTMENTS	INDEX MONTH	BASE INDEX MONTH
September 6, 1999	July, 1999	April, 1999
December 6, 1999	October, 1999	April, 1999
March 6, 2000	January, 2000	April, 1999
June 5, 2000	April, 2000	April, 1999
September 4, 2000	July, 2000	April, 1999
December 4, 2000	October, 2000	April, 1999
March 5, 2001	January, 2001	April, 1999
June 4, 2001	April, 2001	April, 1999
September 3, 2001	July, 2001	April, 1999
December 3, 2001	October, 2001	April, 1999
March 4, 2002	January, 2002	April, 1999
June 3, 2002	April, 2002	April, 1999
September 2, 2002	July, 2002	April, 2002
December 2, 2002	October, 2002	April, 2002
March 3, 2003	January, 2003	April, 2002
June 2, 2003	April, 2003	April, 2002
September 1, 2003	July, 2003	April, 2002
December 1, 2003	October, 2003	April, 2002
March 1, 2004	January, 2004	April, 2002
June 7, 2004	April, 2004	April, 2002

Section 8

In the event the Bureau of Labor Statistics shall not issue the appropriate Indexes on or before the beginning of one (1) of the pay periods referred to in Section 7 above, any adjustment in the allowance required by such Index shall be effective at the beginning of the first pay period after receipt of such Index.

Section 9

No adjustments, retroactive or otherwise, shall be made in the amount of the allowance due to any revision which later may be made in the published figures used in the calculation of the Index for any month on the basis of which the allowance shall have been determined.

ARTICLE 29 CORPORATE TARGET BONUS PLAN

Section 1 Corporate Target Bonus Plan

- A. Effective Q2, 1999, employees are eligible for the Corporate Target Bonus Plan following the close of each fiscal quarter.
- B. The plan is subject to approval of Cummins Senior Management, who will resolve all issues regarding plan interpretation, administration, and consideration of unusual business circumstances that may substantially impact the plan.
- C. Cummins Management maintains the authority to amend or modify the plan at any time. Cummins Management will provide notification to the OCU Board in advance of any changes. All amendments or modifications of the plan must be consistent for all (OCU and exempt) employees covered by the plan.
- D. Any change in participation rate is subject to negotiations pursuant to this agreement for OCU members.

Section 2 Participation Rate

OCU-represented employees are eligible for the Corporate Target Bonus Plan at a participation rate of 4%.

ARTICLE 30 EMPLOYMENT STABILIZATION

Section 1 Employment Stability

- A. The parties recognize that the exercise by the Company of its management rights to make technological improvements and change the methods, processes or means of performing work may make unnecessary or eliminate tasks traditionally performed by unit personnel or result in tasks being absorbed within positions held by non-unit employees. The parties further recognize that in order to achieve the cost, quality and delivery goals essential for the survival of the Union and the Company, and in order to bring about the flexibility and productivity necessary to achieve such goals, the employees covered by this Agreement must not fear loss of employment as a result of technological improvements and/or changes in the methods, processes or means of performing work. Rather, employees must support such improvements and changes. The parties therefore agree as follows.
- B. In exchange for (1) the Union's recognition of the need to change and improve the way work is performed and its commitment to actively support such changes, and (2) the Union's agreement to cooperate fully in implementing and supporting technological improvements and changes in methods, processes and/or means of performing work, the Company has agreed, during the term of this Labor Agreement, to take the following measures to minimize involuntary layoffs that might have otherwise occurred because of the elimination of tasks or absorption of tasks within positions held by non-unit employees or because of productivity improvements

that have resulted from the formation of work groups, the redesign of work or technology improvements.

Section 2 Strategy to Provide Employment Opportunities

A. Continuous Improvement

It is understood and agreed that we can best meet the employment security needs of our people through our mutual effort to provide the highest quality services and products at the lowest cost in a timely manner to our customers. Ultimately we will provide the most meaningful form of employment security to our employees through our customers' increased demand for our products and services.

We have the potential today to significantly improve our market share for all our products and services and thereby provide jobs.

B. Expanding the Role of the OCU

A cornerstone of our Labor Agreement is the language that enables our employees in the OCU to take on roles and responsibilities not traditionally performed by their predecessors. We have made improvements to the Associate Program which may result in increased opportunities through on the job advancements. In addition, we will continue with the team leader position to offer opportunities for our employees to take on leadership positions as well as potentially create employment opportunities.

Section 3 Strategy to Provide Stability

The Company and the Union have agreed to a number of procedures which will enable us to reduce the need for layoffs during business downturns. The following summarizes various approaches to employment stabilization that are included in our Agreement.

A. Operational Flexibility

An important element in providing employment stability to our people is the ability to use resources where they are needed most and in a responsive manner. As people move to the work we are able to avoid having excess staffing in one area while we cover shortages in another through overtime, sourcing or backlogging of work. Maintaining operational flexibility helps to avoid layoffs.

1. Personal Unpaid Time

As we grow in diversification of markets and customers it becomes increasingly important for us to be able to respond to variations in business conditions that affect different people within the bargaining unit.

The Company and the Union have agreed to use Personal Unpaid Time (PUT) in order to reduce the need for layoff. An individual will not be required to take more than 60 unpaid hours in a three (3) month period for no more than a cumulative total of twelve (12) months during the life of this agreement.

2. Voluntary Leaves of Absence

The Company may elect to grant voluntary leaves of absence to applying employees as an alternative to layoff. Voluntary leaves would be up to ten (10) weeks and would be

administered according to Article 18 of the Labor Agreement.

Summary

The Company and the Union agree to work together to stabilize employment through using the various mechanisms outlined above if possible. If a layoff is necessary the procedures defined in this agreement will apply.

ARTICLE 31 SAFETY

Section 1 Safety

The Company and Union recognize that safety is of mutual interest to both parties and to all employees. The parties agree to continue joint efforts and employee involvement to ensure a safe working environment for all employees.

Section 2 Protective Equipment

- A. The Company may require the wearing of personal protective equipment by employees in designated areas in order to ensure compliance with OSHA standards and/or Company policies. Required personal protective equipment is normally provided by the Company. If the equipment is not provided by the Company, employees are reimbursed in accordance with applicable policies.
- B. Employees who are required to wear personal protective footwear will be reimbursed by the Company up to a total of \$60 per year for the purchase of safety shoes that conform to the ANSI standard for protective footwear.

Section 3 Changes to Safety Policies

Changes to existing Safety policies and/or the implementation of new Safety policies are subject to the provisions of Article 21, Section 1.A.

ARTICLE 32 EFFECTIVE DATE AND TERM OF AGREEMENT

- A. This Agreement shall become effective on the 20th day of June, 1999 at 11:00 p.m. and continue in full force and effect through June 20, 2004, 11:00 p.m., and from year to year thereafter, unless written notice is given by one (1) party to the other of an intention to terminate, modify or amend this Agreement seventy (70) calendar days prior to the expiration date or subsequent anniversary date thereof. If such notice is given, this Agreement shall terminate at the expiration date.
- B. IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

CUMMINS ENGINE COMPANY, INC. OFFICE
COMMITTEE UNION

Jean Blackwell	Cecilia Banks
Duane Carter	Tom Day
Jill Cook	Mark Fear
Don Graham	Jim Garvin
Kevin Graham	Roberta Ingram
Brad Karch	
Sean Milloy	
Jerry Sharp	
John Wall	

**APPRENTICESHIP
STANDARDS
FOR**

**CUMMINS ENGINE COMPANY,
INCORPORATED/
OFFICE COMMITTEE UNION**

**IN COOPERATION
WITH**

**BUREAU OF APPRENTICESHIP
AND TRAINING**

**UNITED STATES
DEPARTMENT OF LABOR**

June 20, 1999

BLS
FILE COPY

APPRENTICESHIP STANDARDS

The following standards of Apprenticeship covering the employment and training of Apprentices in the Engineering Technician occupations included in these standards have been agreed to by the Office Committee Union and Cummins Engine Company, Inc.

PURPOSE OF THE STANDARDS

The purpose of these standards is to make certain that proper care is exercised in the recruitment, employment, selection and training of Apprentices in order to develop proficient Technicians for the Company.

THESE STANDARDS OF APPRENTICESHIP ARE TO BE UNDER THE SUPERVISION OF A JOINT APPRENTICESHIP COMMITTEE REPRESENTING THE COMPANY THE UNION

THE COMPANY

THE UNION

CONSULTANTS:

Representing the Registration Agency

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DEFINITIONS

- A. The term "Company" means Cummins Engine Company, Inc.
- B. The term "Union" or "Bargaining Unit" means the Office Committee Union.
- C. "Registration Agency" means the Bureau of Apprenticeship and Training, U.S. Department of Labor, Indianapolis office.
- D. "Apprentice Agreement" means a written agreement between the Company and the person employed as an Apprentice, approved and signed by the Apprentice Program Administrator, and registered with the Registration Agency.
- E. "Apprentice" means a person engaged in learning and assisting in the occupation to which he/she has been assigned under these standards, who is covered by a written agreement providing for his/her training in accordance with these standards, and who is registered with the Registration Agency.
- F. "JAC" means the Joint Apprenticeship Committee organized under these standards.
- G. "Apprentice Program Administrator" means the person employed by the Company who is assigned the responsibility to perform the duties outlined in these standards.
- H. "On Job Training" (OJT) means actual hours worked.
- I. "Standards of Apprenticeship" means this entire document, including these definitions.
- J. The term "Technician" shall mean an employee (male or female) who has completed the requirements in one of the specific Engineering Technician occupations.

APPRENTICESHIP STANDARDS

The Apprenticeship Program is governed by the Labor Agreement except where specified in the *Apprenticeship Standards*. The *Apprenticeship Standards* apply to the following Engineering Technician occupations:

1. Electrical Technician
2. Experimental Machinist Technician
3. Facilities Engineering Drafting Technician
4. Facilities Maintenance Technician
5. Mechanical Engineering Drafting Technician
6. Tool Design Drafting Technician
7. Mechanical Engineering Technician
8. Instrumentation Technician
9. Chemical Technician
10. Metallurgical Technician
11. Engineering Model Maker Technician
12. Electronic Engineering Technician
13. Software Engineering Technician

If in the future, the Company decides to add, eliminate or combine one or more of the occupations, the Company will inform the Union thirty (30) days in advance as to the business reasons for, and the nature of such changes.

Section 1 Purpose

The purpose of the Apprenticeship Program is to train Apprentices in Engineering Technician occupations through scheduled on-the-job and classroom-related training assignments. The on-the-job skills are gained through the guidance of skilled personnel in daily work experiences, and the necessary classroom training is provided by qualified instructors.

This program, through the cooperation of the Company and the Union, enables people to establish themselves in a skilled occupation and provides the Company with skilled personnel.

The recruitment, selection, employment and training of Apprentices during their apprenticeship will be without discrimination because of race, color, religion, national origin or sex. The Company will establish and make every effort to meet affirmative action goals in apprenticeship in order to increase the representation of women and minorities in the Engineering Technician occupations.

Section 2 Eligibility

To be eligible to apply for an Apprenticeship, the applicant must meet the following qualifications:

1. Must be at least eighteen years of age at the time of placement in the program.
2. Must have a high school diploma or equivalent (G.E.D.).
3. Must meet physical requirements.
4. Must submit an application containing all necessary data to the Apprentice Program Administrator.
5. Must meet classroom entry requirements of current academic supplier.

Section 3 Application Procedures

1. Notice will be given to the Registration Agency and posted on all Company bulletin boards. When hiring outside, 30 days advance notice will be given to the Agency concerning:
 - The nature of apprenticeship.
 - The availability of apprenticeship opportunities. The sources of apprenticeship applications and information.
 - The equal opportunity policy of the Company.
 - The eligibility requirements.
2. Applications will be available for at least two weeks and will be accepted from all persons who meet the eligibility requirements in Section 2 of the Standards.
3. Applications will be taken as often as necessary or at least once per year.

Section 4 Qualification Procedures

Eligible applicants will be evaluated to determine their qualifications.

1. Assessments will consist of screening procedures appropriate to the individual occupation such as: job trials, work samples, interviews, validated aptitude tests, application data, past attendance record, etc.
2. Technicians must be at Technician status in their current occupation for a minimum of four years in order to be eligible to apply for open apprenticeship positions.

3. Applicants will be notified of their acceptance or rejection as determined by the assessment procedure. If the applicant is rejected he/she will be given the reasons for his/her rejection. Applicants may not participate in the selection process for the same occupation more than once every 12 months.
4. For all programs, qualified applicants will be placed on a waiting list for a period not to exceed two years. After two years, eligibility expires.
5. Applicants may be removed from the list at an earlier date by their request or following their failure to respond to an apprentice job opportunity given by certified return receipt mail notice.

Section 5 Selection Procedures

1. Selections are usually made from the Bargaining Unit; however, selections may be made from any source.
2. When a selection is made from within the Bargaining Unit to fill a vacancy, the most senior qualified applicant to the occupation will be offered the position. The requirement to meet affirmative action goals may mean selections are not made in order of seniority.
3. Records of the selection process and selection criteria, including the interview, will be kept for a five-year period.
4. A meeting will be held with the qualified applicant at the time of the job offer to assure his/her understanding of the program.

Section 6 Registration and Terms of Apprenticeship

1. All Apprentices will sign an Apprenticeship Agreement.
2. The Apprenticeship Program, including length and content of on-the-job and classroom training, will generally comply with the recommendations of the Registration Agency.
3. The basic length of the program will be 8,000 hours of on-the-job training and approximately 720 hours related classroom instruction.

Section 7 Reporting Procedures

Each Apprentice will be required to submit a weekly report to the Apprenticeship Program Administrator. This report will account for the hours worked at each specific task, or area, to which the Apprentice was assigned during the week.

These reports will be condensed and retained in the Apprenticeship Program Administrator files as part of the permanent record of each Apprentice, as required by the Registration Agency.

Section 8 On-The-Job Training

Each Apprenticeship program will be broken down into hourly requirements for the basic skills, or areas, required for that occupation. During the learning period, Technicians of the same occupation will be available to provide guidance for each Apprentice. During the last half of their apprenticeship, these Apprentices, under Supervisors' discretion, may work individually on projects with which they are familiar.

An Apprentice may notify his/her supervisor and/or the JAC

of any on-the-job training problems. It will be the responsibility of the JAC to investigate all such problems.

Section 9 Related Classroom Training

1. The JAC may approve deviations to the classroom training schedules to insure quality education for the Apprentice. Any deviations must be approved in advance by the JAC.
2. The classroom grading system will be A, B, C, D, and F, based on 4.0 System (A 4.0; B 3.0; C 2.0; D 1.0; F 0). A semester/quarter average of "C" (2.0) or above must be maintained. Failure to achieve this average in any semester/quarter will automatically place the Apprentice on probation. The Apprentice Program Administrator will give written notification to each Apprentice and his/her Supervisor when placed on probation and removed from probation.
3. When there are two consecutive semesters/quarters of less than a 2.0 average, the Apprentice will be removed from the program. Failing grades (F) in required courses must be erased by successfully completing the failed courses the next time they are offered. In the event a course is failed and is not again offered during his/her term of apprenticeship, alternate courses may be taken if approved in advance by the JAC. If an Apprentice fails the same course twice (including a direct substitute) he/she will be removed from the program.

4. In the event an Apprentice fails to maintain a cumulative grade score of 1.5, he/she will be put on probation, and counseled. In the event an Apprentice fails to raise his/her cumulative grade point above 1.5 by the next semester, or falls below 1.5 cumulative in a future semester, he/she will be removed from the program.
5. In the event an Apprentice fails to maintain status as a student in good standing at an educational institution approved by the JAC, and there are no alternatives the JAC can recommend, the Apprentice will be removed from the program.
6. In the event an Apprentice fails to enroll in and complete required courses, without the prior approval of the JAC, he/she will be removed from the program.
7. Final grades will be submitted to the *Apprentice Program Administrator* by each Apprentice no later than 15 working days after the date of the final exam. These final grades and all credit hours will be recorded as part of the permanent record of each Apprentice.
8. Apprentices will not receive straight-time pay for classroom hours.
9. The Company will pay tuition cost as outlined by the OCU Apprenticeship Tuition Advancement Policy for classroom instruction given by outside educational agencies. These courses must be approved by the JAC prior to enrollment in the course.
10. The location and quality of the classroom instruction will be approved by the JAC.

11. Apprentices will provide the JAC tentative classroom schedules at least one month prior to the starting of the next semester.
12. Inability to attend school for personal hardship reasons must be approved by the JAC. Normally the JAC may only grant an approval for a maximum of two semesters. OJT will continue during this time.

Section 10 Safety

Safety will be an important factor during the entire apprenticeship. The Apprentice will receive instruction in safety practices and he/she is required to observe all safety rules.

Section 11 Credit for Previous Experience

- A. Classroom Credit - An Apprentice may receive credit toward the completion of the program for previous accredited course work directly relating to the specific program.
 1. Credit for previous course work may be granted by the JAC upon request of the Apprentice within one year of completion of a course, or acceptance into the program. If the approved courses change, credit for previous course work may be granted at any time.
 2. Credit will only be given for required and preferred courses in the Apprentice's respective occupation.
 3. All credit is subject to approval by the JAC. Any documentation of verification needed by the JAC is to be furnished by the Apprentice.

4. Credit for course work obtained during times of layoff may be granted upon request of the Apprentice and/or the JAC within 60 days of recall to his/her specific occupation.
- B. Job-Related Credit - An Apprentice may receive credit toward the completion of the program for previous job related experience relating to the specific program.
1. Credit for previous job-related experience may be granted by the JAC upon request of the Apprentice within one year after acceptance. If approved requirements change, credit for previous work experience may be granted at any time.
 2. All credit is subject to approval by the JAC. Any documentation of verification needed by the JAC is to be furnished by the Apprentice.
 3. Credit for job related experience during times of layoff may be granted by the JAC upon request by the Apprentice and/or JAC within 60 days of recall to his/her specific occupation.

Section 12 Wages

1. Apprentices' wages will be based on the wage scale of the period for which they are being trained. Wage increases will be made on the Monday following the completion of the minimum on-the-job training and related classroom hours. In order to be eligible for an increase in pay, an Apprentice must meet minimum percentage requirements for OJT or related classroom hours in each training period and must be able to demonstrate they have acquired the necessary knowledge and skills for the applicable training period.

<u>OJT Training Period</u>	<u>Percent of Pay</u>	<u>Minimum % of OJT or Related classroom Required to Advance To The Next Period</u>
1	76%	12.5%
2	79%	25.0%
3	82%	37.5%
4	85%	50.0%
5	88%	62.5%
6	91%	75.0%
7	94%	87.5%
8	97%	100%

2. Should a new Apprentice be transferred from a job with a higher pay scale, he/she will retain his/her wage rate until such time as the regular periodic progression increases equal or exceed that wage rate.
3. All Apprentices will receive that percentage of the annual increase according to the period to which they are assigned. However, no Apprentice will receive less than the minimum annual increase according to the current contract.
4. When credit is granted for OJT and related classroom hours, the Apprentice will be paid not less than the wages of the period to which he/she has advanced.
5. Apprentices will be governed by the Labor Agreement provisions concerning working hours and overtime.

Section 13 Ratios

There will be no more Apprentices permanently assigned to any occupation than there are qualified Technicians in that occupation.

When an Apprentice returns from military duty, he/she may be re-employed as an Apprentice even if his/her reinstatement raises the number of Apprentices above the maximum allowed.

Section 14 Supervision of Apprentices

An Apprentice will be under the direction of the Supervisor of the department to which he/she is assigned. Each Apprentice is also responsible, indirectly, to the JAC and the Apprenticeship Program Administrator.

Section 15 Apprentice Progress Review/Performance Review

1. Progress Reviews will be completed by the Supervisor and the Apprentice and submitted to the Apprentice Program Administrator for each Apprentice prior to the completion of each training period of OJT or the completion of an OJT assignment in an area, whichever time is less. These reports will provide detailed information concerning the on-the-job training for each Apprentice. The JAC will periodically review the Progress Review with the Apprentice and the Supervisor.
2. Assessment tools will be developed by a committee having hourly area experts, hourly and exempt JAC members representing the area, a Training Department member, and a member of Area Management.

Supervision shall notify the Joint Apprenticeship Committee of any on-the-job performance problems with their Apprentices. The Joint Apprenticeship Committee will begin to counsel with the Apprentice and Supervisor to help correct these problems before corrective action may be taken.

In the event an Apprentice fails to meet the standards of the OJT requirement, he/she will be put on probation and counseled by the JAC. The Apprentice will not be allowed to move to the next OJT assignment, will not advance in pay, and will retake the current OJT assignment. Failure to meet the standards of the OJT requirement a second time will result in removal from the Program.

Section 16 Counseling

The Supervisor and/or Apprentice will notify the JAC of any on-the-job training problems. The JAC will offer academic and OJT counseling if appropriate.

Section 17 Withdrawal or Removal

1. Apprentices may not bid on other Bargaining Unit positions while in the program.
2. An Apprentice wishing to withdraw from the Apprentice Program will notify his/her Supervisor, the Apprentice Program Administrator and the JAC in writing.
3. Apprentices may be removed from the program under the provision of Article 11, Section 3.B of the Labor Agreement (Remedial Process).

Apprentices may be removed from the program if their absenteeism exceeds 5% in a twelve month period.

4. An apprentice who is removed from the program for failure to meet attendance requirements, may re-apply to his/her occupation after his/her absenteeism has improved to less than 3% in the preceding twelve month period.

5. Apprentices will be removed from the program for failure to meet academic course or OJT requirements.
6. An Apprentice who is removed from the program for failure to meet academic or OJT requirements, may not return to his/her occupation.

Section 18 Work Reduction

1. When Apprentice positions are abolished, Apprentices will be removed from the Apprentice Program in reverse order of entry into that specific occupation. (Last in, first out). When more than one person enters an Apprentice position on the same date, bargaining unit seniority will govern.
2. The requirement to meet affirmative action goals may mean that Apprentices will not be removed in reverse order of entering, by occupation.
3. Apprentices may be laid off or retained as determined by the Labor Agreement.
4. In the event of a layoff, Apprentices shall be added to the list of employees in levels 1, 2 and 3, as outlined in Article 15, Section B.5 of this Agreement.

Section 19 Re-Entering Program

When the Company reopens previously abolished positions,

Apprentices will re-enter the program in reverse order of leaving, by occupation (last out, first in).

Section 20 Discipline

An Apprentice will be subject to provisions of Article 21 of the Labor Agreement.

Section 21 Placement

1. The Company will declare a vacancy nine to five weeks prior to graduation of an Apprentice within the applicable occupation.
2. The Company will create a special posting for the purpose of placing graduating Apprentices within the applicable occupation. Apprentices for whom the postings were created will become automatic bidders and will be placed on the posted positions, or position openings created by an existing technician active within the occupation who bids on the special posting.
3. The graduating Apprentice, for the purpose of filling the posted vacancy, will be considered to have the full rights of a Technician within the applicable occupation with regard to bidding rights and seniority. In the event there are no qualified bidders within the occupation, the graduating Apprentices will be selected and placed by seniority. If he/she is unsuccessful in bidding, he/she will be placed on the job the successful bidder vacates.

Section 22 Certificate of Completion of Apprenticeship

Upon completion of the Apprenticeship under these Apprenticeship standards, the JAC will recommend to the Registration Agency that a certificate and card signifying completion of the Apprenticeship be issued to the Apprentice.

Section 23 Joint Apprenticeship Committee Responsibility

The JAC will be the governing body for all OCU Apprenticeship programs.

The JAC will be composed as follows:

7 management members (voting)

7 technician members appointed by the union (voting)

JAC chairperson (votes only in case of tie)

Apprentice Program Coordinator
(non-voting)

The role of the JAC chairperson is to achieve consensus among voting members.

The apprentice program administrator will substitute for the JAC chairperson when absent.

A quorum will be established when three Technicians, three management representatives, and the Apprentice Program Administrator or the JAC Chairperson are present.

Each member of the JAC will be paid his/her regular rate for time spent working on business of the JAC for the hours he/she would otherwise have worked.

Committee representatives will be one management and one Technician representative from each of the seven groups as shown below:

- Mechanical Engineering Drafting Technician
- Tool Design Drafting Technician
- Facility Engineering Drafting Technician
- Mechanical Engineering Technician
- Engineering Model Maker Technician

- Instrumentation Technician
- Electrical Technician
- Experimental Machinist Technician
- Facilities Maintenance Technician
- Chemical Technician
- Metallurgical Technician
- Electronic Engineering Technician
- Software Engineering Technician

The JAC will have the authority and responsibility for administering the Apprenticeship Standards. These duties include, but are not limited to the following:

1. Planning and making changes in the training schedule for the program; to include hours, skills to be learned in each assigned training area or module, and related classroom instruction.
2. Approving and implementing course substitutions which are consistent with the intent and purposes of the Apprenticeship Program.
3. Recommending changes in the Labor Agreement governing the Apprentice Program.
4. Providing direction and guidance to insure that the program structure and implementation meet the goals of the program.
5. Reviewing class availability regularly.
6. Approving the granting of OJT and scholastic credit within the guidelines of the Apprenticeship Standards.

7. Conducting a discussion with every Apprentice at least once a year to see how he/she is progressing.
8. Approving the granting of certificates of completion.
9. Bringing problems to the attention of management and/or the Union to insure the smooth operation of the Apprentice Program.
10. Recommending removal of an Apprentice from the program for academic reasons.
11. Counseling with Apprentices and Supervisors to help resolve performance problems.
12. Recommending changes in the minimum requirements for entrance into the Apprentice Program for each occupation.
13. Approving and implementing programs for existing Technicians who wish to be government card holders.

PROGRAM CLARIFICATION

The Union and the Company agree to meet as needed to resolve any issues that arise within the Apprenticeship Standards, about the interpretation of these Standards, or about the application of other provisions of the Labor Agreement to the Apprenticeship Standards.

June 20, 1999

**NON-TRADITIONAL OCCUPATION
APPRENTICESHIP
STANDARDS**

FOR

**CUMMINS ENGINE COMPANY,
INCORPORATED/
OFFICE COMMITTEE UNION**

IN COOPERATION

WITH

**BUREAU OF APPRENTICESHIP
AND TRAINING**

**UNITED STATES DEPARTMENT OF LABOR
(if appropriate)**

NON-TRADITIONAL OCCUPATION APPRENTICESHIP STANDARDS POLICY GUIDELINES

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NON-TRADITIONAL OCCUPATION APPRENTICESHIP STANDARDS

The following standards of Apprenticeship cover the employment and training of Apprentices in the non-traditional occupations which have been included in these standards and which have been agreed to by the Office Committee Union and Cummins Engine Company, Inc.

PURPOSE OF THE STANDARDS

The purpose of these standards is to make certain that proper care is exercised in the recruitment, employment, selection, and training of Apprentices in order to develop proficient Analysts for the Company.

THESE STANDARDS OF APPRENTICESHIP ARE TO BE UNDER THE SUPERVISION OF AN NTOA PROGRAM ADMINISTRATOR REPRESENTING:

THE COMPANY

THE UNION

CONSULTANTS:

Representing the Registration Agency.

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**NON-TRADITIONAL OCCUPATION
APPRENTICE (NTOA) PROGRAM
DEFINITIONS:**

- A. The term "Company" means Cummins Engine Company, Inc.
- B. The term "Union" or "Bargaining Unit" means the Office Committee Union.
- C. "Registration Agency" means the Bureau of Apprenticeship and Training, U.S. Department of Labor, Indianapolis office (if appropriate).
- D. "NTOA" means *Non-Traditional Occupation Apprenticeship*
- E. "Apprentice Agreement" means a written agreement between the Company and the person employed as an Apprentice, approved and signed by the NTOA Program Administrator and registered with the Registration Agency.
- F. "Apprentice" means a person engaged in learning and assisting in the non-traditional occupation to which she/he has been assigned under these standards, who is covered by a written agreement providing for his/her training in accordance with these standards, and who is registered with the Registration Agency.
- G. "Analyst" is the name of the position held by a graduated Non-Traditional Occupation Apprentice.
- H. "NTOA Program Administrator" means the person employed by the Company who is assigned the responsibility to perform the duties outlined in these standards.

- I. "On-The-Job Training" (OJT) means actual hours worked.
- J. "Non-Traditional Occupation Standards of Apprenticeship" means this entire document, including these definitions.

NON-TRADITIONAL OCCUPATION APPRENTICESHIP STANDARDS

The Company and OCU Bargaining Committee mutually agree to discuss the establishment of a Joint Occupational Apprenticeship Committee (JOAC) for the purpose of administering the Non-Traditional Occupational Apprenticeship Standards. If, during these discussions, the establishment of a JOAC is deemed appropriate, the parties shall discuss and determine the composition, purpose and scope of authority of the JOAC.

The preceding paragraph neither states nor implies an obligation on the part of either party to agree to the establishment of a JOAC.

The Non-Traditional Occupation Apprenticeship Programs are governed by the Labor Agreement except where specified in the NTOA Standards. The NTOA Standards will apply to any non-traditional occupation that Company deems necessary.

When the Company decides to add, eliminate, or combine one or more occupations, the Company will inform the Union thirty (30) days in advance as to the business reasons for, and the nature of, such changes.

Section 1 Purpose

The purpose of the NTOA Program is to train Apprentices in occupations not traditionally apprenticed through scheduled on-the-job and classroom-related training assignments. The on-the-job skills are gained through the guidance of skilled personnel in daily work experiences and the necessary classroom training is provided by qualified instructors.

This program, through the cooperation of the Company and the Union, enables people to establish themselves in a skilled occupation(s) and provides the Company with skilled personnel in these occupations.

The recruitment, selection, employment and training of

Apprentices during their Apprenticeship shall be without discrimination because of race, color, religion, national origin or sex. The Company will establish and make every effort to meet affirmative action goals in apprenticeship in order to increase the representation of women and minorities in skilled occupations.

Section 2 Eligibility

To be eligible to apply for the Non-Traditional Occupation

Apprenticeship, the applicant *must meet* the following qualifications:

1. Must be at least eighteen (18) years of age, except in an office environment which is *seventeen (17)*, at the time of placement in the program.
2. Must have a high school diploma or equivalent (G.E.D.).

3. Must meet physical requirements.
4. Must submit Training Application containing all necessary data to the NTOA Program Administrator.
5. Must meet classroom entry requirements of current academic supplier.

Section 3 NTOA Application Procedures

1. Notice will be given to the Registration Agency and posted on all Company bulletin boards. When hiring outside, 30 days advance notice will be given to the agency concerning:
 - The nature of Non-Traditional Occupation
 - Apprenticeship.
 - The availability of apprenticeship opportunities.
 - The sources of apprenticeship applications and information.
 - The equal opportunity policy of the Company.

The eligibility requirements.

2. Applications will be available for at least two (2) weeks and will be accepted from all persons who meet the eligibility requirements in Section 2 of the NTOA Standards.
3. Applications will be taken as often as necessary.

Section 4 Qualification Procedures

Eligible applicants will be evaluated to determine their qualifications.

1. Graduated Analysts must remain in the occupation for which they were trained for a minimum of four(4) years before being eligible for another NTOA apprenticeship position.
2. Applicants will be notified of their acceptance or rejection as determined by the assessment procedure. If the applicant is rejected, he/she will be given the reasons for his/her rejection. Applicants may not participate in the selection process more than once every six (6) months.
3. For all programs, qualified applicants will be placed in a pool for a period not to exceed two years. After two years, eligibility expires.
4. Applicants may be removed from the pool at an earlier date by their request or following their failure to respond to an NTOA job opportunity given by certified return receipt mail.

Section 5 Selection Procedure

1. Selections are usually made from the Bargaining Unit; however, selections may be made from any source.
2. As vacancies occur, the most senior qualified applicant in each occupation will be offered the position. The requirement to meet Affirmative Action goals may mean selections are not made in order of seniority.
3. Records of the selection process will be kept for a five (5) year period.

4. A meeting will be held with the qualified applicant at the time of job offer to assure his/her understanding of the Non-Traditional Occupation Apprenticeship Program.

Section 6 Registration and Terms of Non-Traditional Occupation Apprenticeship

1. All Apprentices will sign an Apprentice Agreement.
2. The NTOA Program, including length and content of the on-the-job and classroom training, will generally comply with the recommendations of the Registration Agency.
3. The basic length of the program will be 4,000 hours of on-the-job training and approximately 360 hours related classroom instruction.

Section 7 Reporting Procedures

Each Apprentice will be required to document her/his on-the-job training time. This report will account for the hours trained in each area of OJT to which the Apprentice was assigned during the week.

Reports will be condensed and retained in the file of the NTOA Program Administrator as part of the permanent record of each Apprentice, as required by the Registration Agency.

Section 8 On-The-Job Training

Each NTOA Program will be broken down into hourly requirements for the basic skills, or areas, required for that occupation. During the learning period, incumbent or graduate Analysts in the same occupation will be available to provide

guidance for each Apprentice. Apprentices, under the Supervisor's discretion, may work individually on projects with which they are familiar or coach other apprentice Analysts. Apprentices may be offered overtime opportunities as determined by the Labor Agreement.

An apprentice may notify his/her supervisor or the NTOA Program Administrator of any on-the-job training problems. It will be the responsibility of the administrator to investigate all such problems.

Section 9 Related Classroom Training

1. The NTOA Program Administrator may approve deviations to the classroom training schedules to insure quality education for the Apprentice. Any deviations must be approved in advance by the Administrator.
2. The classroom grading system will be A, B, C, D, and F, based on a 4.0 System. A semester/quarter average of "C" (2.0) or above must be maintained. Failure to achieve this average in any semester/quarter will automatically place the Apprentice on probation. The NTOA Program Administrator will give written notification to each Apprentice and his/her Supervisor when placed on probation and when removed from probation.
3. When there are two consecutive semesters/quarters of less than a 2.0 average, the Apprentice will be removed from the program. Failing grades (F) in required courses must be erased by successfully completing the failed courses the next time they are offered. In the event a class is failed and is not again offered during his/her term of

apprenticeship, alternate courses may be taken if approved in advance by the NTOA Program Administrator. If an Apprentice fails the same course twice (including a direct substitute) he/she will be removed from the program.

4. In the event an Apprentice fails to maintain accumulative grade score of 1.5, he/she will be put on probation and counseled. In the event an Apprentice fails to raise her/his cumulative grade point above 1.5 by the next semester, or falls below 1.5 cumulative in a future semester, he/she will be removed from the program.
5. A final grade shall be submitted to the NTOA Program Administrator for/by each Apprentice. These final grades are part of the permanent record of each Apprentice. Completion of a course means that the NTOA Program Administrator is in receipt of the final course grade. Effective date of such completion will be the date of completion, not the date of receipt.
6. In the event an Apprentice fails to maintain status as a student in good standing at an educational institution approved by the NTOA Administrator, and there are no alternatives the Administrator can recommend, the Apprentice will be removed from the program.
7. In the event an Apprentice fails to enroll in and complete required courses, without the prior approval of the NTOA Program Administrator, he/she will be removed from the program.
8. Final grades will be submitted to the NTOA Program Administrator by each Apprentice

no later than 15 working days after the date of the final exam. These final grades and all credit hours will be recorded as part of the permanent record of each Apprentice.

9. Books used in OJT will be provided by the Company.
10. The Company will pay tuition cost as outlined by the Tuition Reimbursement Policy for classroom instruction given by outside educational agencies. These courses must be approved by the NTOA Program Administrator prior to enrollment in the course.
11. The location and quality of the classroom instruction will be approved by the NTOA Program Administrator.
12. Apprentices will provide the NTOA Program Administrator tentative classroom schedules at least one month prior to the starting of the next semester.
13. Inability to attend school for personal hardship reasons must be approved by the NTOA Program Administrator. The Administrator may only grant an approval for a maximum of two semesters. OJT may continue during this time.

Section 10 Safety

Safety will be an important factor during the entire apprenticeship. The Apprentice will receive instruction in safety practices and she/he is required to observe all safety rules.

Section 11 Credit for Previous Experience

A. Classroom Credit - An Apprentice may receive credit toward the completion of the program for previous accredited course work directly relating to the specific program.

1. Credit for previous course work may be granted upon request of the Apprentice and/or the NTOA Program Administrator within one year of completion of a course, or acceptance into the program. If the approved courses change, credit for previous course work may be granted at any time.
2. Credit will only be given for required and preferred courses in the Apprentice's respective occupation.
3. All credit is subject to approval by the NTOA Program Administrator. Any documentation of verification needed by the Administrator is to be furnished by the Apprentice.
4. Credit for course work obtained during times of layoff may be granted upon request of the Apprentice and/or the NTOA Program Administrator within 60 days of recall to her/his specific occupation.

B. Job-Related Credit - An Apprentice may receive credit toward the completion of the program for previous job related experience relating to the specific program.

1. Credit for previous job-related experience may be granted upon request of the Apprentice and/or his/her supervisor within one year from entrance into the program. If the required training changes the

Apprentice may submit a request for credit at any time.

- All credit is subject to approval by the NTOA Program Administrator. Any documentation of verification needed by the Administrator is to be furnished by the Apprentice.
- Credit for job related experience during times of layoff may be granted by the NTOA Administrator upon request by the Apprentice and/or her/his Supervisor within sixty (60) days of recall to his/her specific NTOA Program.

Section 12 NTOA Wages

- NTOA Apprentice wages will be based on the wage scale of the period for which they are being trained. Wage increases will be made on the Monday following the completion of the minimum on-the-job training or related classroom hours. In order to be eligible for an increase in pay, an Apprentice must meet minimum percentage requirements for OJT or related classroom hours in each training period and must be able to demonstrate they have acquired the necessary knowledge and skills for the applicable training period.

<u>Training Period required</u>	<u>Percent of Pay</u>	<u>Min. % of OJT or classroom hours to advance to the Next Period.</u>
1	88%	25.0%
2	91%	50.0%
3	94%	75.0%
4	97%	100.0%

- Should a new Apprentice be transferred from a job with a higher pay scale, he/she will retain his/her wage rate until such time as the

regular periodic progression increases equal or exceeds that wage rate.

3. All Apprentices will receive that percentage of the annual increase according to the period to which they are assigned. However, no Apprentice will receive less than the minimum annual increase according to the current contract.
4. When credit is granted for OJT and related classroom hours, the Apprentice will be paid not less than the wages of the period to which he/she has advanced.
5. Apprentices will be governed by the Labor Agreement provisions concerning working hours and overtime.

Section 13 Ratios

There will be no more Apprentices permanently assigned to any occupation than there are qualified analysts in that occupation.

Section 14 Supervision of NTOA Apprentices

An NTOA Apprentice will be under the direction of the Supervisor of the department to which he/she is assigned. Each Apprentice is also responsible, indirectly, to the NTOA Program Administrator.

Section 15 NTOA Apprentice Progress Review/Performance Review/Competency Testing

1. Progress Reviews will be completed by the Supervisor and the NTOA Apprentice and submitted to the NTOA Program Administrator for each Apprentice prior to the completion of each OJT period or the completion of an OJT assignment in an area, whichever time is less. These reports will provide detailed information concerning the on-the-job training for each Apprentice. The NTOA Program Administrator will periodically review the Progress Review with the Apprentice and the Supervisor.
2. Competency testing will be developed and successful demonstration of required skills *learned during each OJT period* will be required before advancement to the next period or graduation. An Apprentice will be removed from the Program if the requirements are not met within three (3) months of initial administration of the competency test.
3. The Supervisor will notify the NTOA Program Administrator of any performance problems with an Apprentice.

Section 16 Counseling

The Supervisor and/or NTOA Apprentice will notify the NTOA Program Administrator of any on-the-job training problems. Upon request, the Administrator will offer academic/OJT counseling if appropriate.

Section 17 Withdrawal or Removal

1. An Apprentice may not bid on other Bargaining Unit jobs while in the program.
2. An Apprentice wishing to withdraw from the Apprentice Program will notify his/her Supervisor and the NTOA Program Administrator in writing.
3. An Apprentice may be removed from the program if his/her absenteeism exceeds 5% in a twelve (12) month period. An Apprentice who is removed from the program for failure to meet attendance requirements may re-apply to his/her occupation after his/her absenteeism has improved to less than 3% in the preceding twelve (12) month period.
4. An Apprentice may be removed from the program for failure to meet academic course or OJT requirements.
5. An Apprentice will be removed from the program for failure to meet academic course requirements as stated in Section 9 of the NTOA Standards.
6. An Apprentice who is removed from the program for failure to meet academic or work requirements may not return to the apprenticeable occupation.

Section 18 Workforce Reduction

1. When Apprentice positions are abolished, Apprentices will be removed from the Apprentice Program in reverse order of entry into that specific occupation. (Last in, first out). When more than one person enters an Apprentice position on the same date, bargaining unit seniority will govern.

2. The requirement to meet affirmative action goals may mean that Apprentices will not be removed in reverse order of entering, by trade.
3. Apprentices may be laid off or retained as determined by the Labor Agreement.
4. In the event of a layoff, Apprentices shall be added to the list of employees in levels 1, 2 and 3, as outlined in Article 15, Section 5.B of this Agreement.

Section 19 Re-Entering Program

When the Company reopens previously abolished NTOA positions, Apprentices will re-enter the program in reverse order of leaving, by occupation. (Last out, first in).

Section 20 Discipline

An apprentice will be subject to provisions of Article 21 of the Labor Agreement.

Section 21 Placement

1. The Company will declare a vacancy nine to five weeks prior to graduation of an Apprentice within the applicable occupation.
2. The Company will create a special posting for the purpose of placing graduating Apprentices within the applicable occupation. Apprentices for whom the postings were created will become automatic bidders and will be placed on the posted positions, or position openings created by an existing analyst active within the occupation who bids on the special posting.

3. The graduating Apprentice, for the purpose of filling the posted vacancy, will be considered to have the full rights of an Analyst within the applicable occupation with regard to bidding rights and seniority. In the event there are no qualified bidders within the occupation, the graduating Apprentices will be selected and placed by seniority. If he/she is unsuccessful in bidding, he/she will be placed on the job the successful bidder vacates.

Section 22 Certificate of Completion of NTOA Program

Upon completion of the Non-Traditional Occupation Apprenticeship under these Apprenticeship Standards, the NTOA Program Administrator will recommend to the Registration Agency that a certificate signifying completion of the Apprenticeship be issued to the Apprentice.

Section 23 NTOA Administrator Responsibility

The NTOA Administrator will be the person responsible for administering, and at times developing with knowledgeable assistance, Non-Traditional Occupation Apprenticeship programs.

The NTOA Program Administrator will have the authority and responsibility of administering the NTOA Standards. These duties include, but are not limited to, the following:

1. Planning and making changes in the training schedule for the Program, to include hours and skills to be learned in each assigned training area or module, and related classroom instruction.

2. Approving and implementing course substitutions which are consistent with the intent and purposes of the NTOA Program.
3. Recommending changes in the Labor Agreement governing the NTOA Program.
4. Providing direction and guidance to insure that the program structure and implementation meet the goals of the Program.
5. Reviewing class availability regularly.
6. Approving the granting of OJT and scholastic credit with the guidelines of the NTOA Standards.
7. Conducting discussions with every Apprentice at least once a year to see how he/she is progressing.
8. Approving the granting of certificates of completion.
9. Bringing Program problems to the attention of management and/or the Union to insure the smooth operation of the Apprentice Program.
10. Recommending removal of an Apprentice from the Program for academic reasons.
11. Counseling with Apprentices and Supervisors to help resolve performance problems.
12. Recommending changes in the minimum requirement for entrance into the Apprentice Program for each occupation.
13. Approving and implementing a process for existing Analysts who wish to receive government certification of their skills through the NTOA Program.

PROGRAM CLARIFICATION

The Union and the Company agree to meet as needed to resolve any issues that arise within the Non-Traditional Occupation Apprenticeship Standards, about the interpretation of these Standards, or about the application of other provisions of the Labor Agreement to the Apprenticeship Standards.

TRIP GUIDELINES

The following are suggested guidelines for offering employees the opportunity to take trips outside of Southern Indiana. These guidelines are not to be considered all inclusive but are for the purpose of creating a consistent practice.

1. A departmental roster will be established and will normally be maintained by seniority.
2. The most senior qualified employee will be selected on a rotational basis and the supervisor will determine who meets the qualifications.
3. Anyone who turns down a trip will be charged and not scheduled again until they come up in the rotation.
4. When an employee is not qualified to perform the work they will be charged and scheduling will continue in rotation until a qualified employee has accepted the trip.
5. The following are examples of legitimate reasons for going out of rotation and offering a trip to a specific employee:

If the employee has -

- a unique business relationship with the customer or supplier

- a specific level skill which must be used on the trip
 - a training need which will be met on the trip
6. Overtime worked on a trip will not be maintained on any roster.

N Q FOR OVERTIME GUIDELINES

The following are guidelines regarding the disqualification of employees for overtime opportunities. These guidelines should cover most situations but should not be considered all inclusive.

1. Employees must be able to perform all aspects of the work satisfactorily.
2. Management has the right to disqualify an employee for an overtime opportunity. On the next working day from the date of disqualification, the employee may choose to challenge management's decision by demonstrating his/her capability to perform the work in question. If he/she does so to the satisfaction of the supervisor, the employee will be offered an equivalent amount of overtime. This overtime offer will not go on the roster.
3. Anytime an employee has been disqualified for an overtime assignment in their core work the supervisor must state the reason(s). The employee may then tell their supervisor that he/she would like to be trained in order to become qualified. The supervisor and the employee will then work out the best way to insure the employee has the opportunity to learn the needed skills within a reasonable time frame. The employee is expected to take the initiative in this process. The core work of a position is that work that an

employee spends the majority of his/her work day performing.

4. It is the responsibility of the employee to notify the supervisor when he/she can demonstrate the capability to perform the work for which he/she had previously been disqualified.
5. When an employee accepts an overtime assignment and cannot successfully complete the work the employee will be sent home. The employee will be charged for the full overtime assignment.

APPENDIX LETTERS OF AGREEMENT

Section 1 Amendment to Attendance System

Section 2 *School-to-Work Program*

Section 3 Interview Process

Section 4 *SIHO Board Position*

Section 5 Selection and Placement

Section 6 *Extended Life Insurance*

Section 7 Benefits Ombudsman

Section 1 AMENDMENT TO THE ATTENDANCE SYSTEM

The Company has mutually agreed with the OCU Bargaining Committee to revise the current Attendance System. The revised system will operate on a rolling twelve-month period with the oldest month dropping off as of the first of each new month. (Example: Occurrences accumulated in January of 1985, would "roll-off" the first day of January 1986.)

The revised system will contain a sixty-day "statute of limitations" for submitting coverage for absences. Any occurrences of absence not covered within sixty days can only be removed by "roll-off" or the accumulation of a credit. Employees who accumulate five excessive occurrences will be subject to discharge within two weeks after notification by Employee Relations. Coverage submitted after discharge will not be accepted.

The revised system will allow a "credit" to be used only once. Once a credit has been applied to an excessive occurrence, it will be deleted.

The revised system will be administered retroactively to January 1, 1985. As of January 1, 1985, all employees with four or less excessive occurrences will start the new system with zero occurrences. Employees will retain any credits accumulated under the present system. Employees with five or more excessive occurrences as of January 1, 1985, will be notified in writing of their status. These employees must provide sufficient coverage within two weeks from the date of notification or be subject to discharge.

In addition, the Company and the Office Committee Union have agreed to the following revision to the definition of an occurrence under the current Attendance System. This revision will be effective August 31, 1987.

An occurrence is defined as any absence from work for more than two hours on any regularly scheduled work day which is not made up by additional hours worked that day or some other day in that work week, and which did not have prior approval of the supervisor.

If this "flexing" is not approved by the supervisor prior to the absence and if the employee did not work at least 38 hours in that week, the absence will be considered an occurrence whether or not the time is made up. In computing the 38 hours, contractually paid absences (vacations, holidays, jury duty) will be counted as hours worked.

All provisions of the current Attendance System not explicitly mentioned in this agreement will continue in effect in the revised system.

Section 2 School-To-Work Program

LETTER OF AGREEMENT

The Office Committee Union (OCU) and Cummins Management agree to establish a "School-to-Work Program" that would have the following characteristics:

Purpose:

Improve our ability to identify, secure, and develop the best skilled talent available.

Give high school and other post high school students a path into Cummins apprenticeable occupations programs and other technical work areas (NTOA).

- Work with other local industry to encourage excellence in secondary education.

Objectives:

- Identify high potential candidates while they are still in school.
- Prepare high potential candidates for the demands of our apprenticeable occupations programs and other technical work (NTOA).
- Encourage potential candidates to consider our apprenticeable occupations, technical work areas (NTOA) and Cummins as a career possibility.
- Working with local industry, assist post-secondary and local high schools in their education of students with technical or skilled trade interests and potential.

Scope:

- Approximately 15-30 students per year.
- Involvement in any of our apprenticeable occupations or technical work (NTOA).
- Work assignments will be chosen to vary the student's exposure to work content to the extent practicable within the scope of available work.
- The scope of the program may be expanded to other areas of work by mutual agreement of the Company and the Union.
- Students would be part-time employees over an extended period or temporary employees over a shorter period of time.
- Students would be selected based on personal interviews, grades and test scores, and recommendations by the instructors.
- Emphasis would be placed on affirmative action and the development of local youth.
- The OCU Executive Board will be notified of students who are selected and the positions into which they will be placed.
- The OCU Executive Board will be updated quarterly on the status of the School-to-Work Program. The agenda for this quarterly meeting will be established cooperatively by the OCU Board and the Company.
- The program would be overseen by the JAC and the Technical Development and Training Department.
- Students who elect to enter a four-year engineering program, or another educational program with the intention of moving into an exempt position, will be transferred out of this

program. They may be moved into the appropriate college intern or co-op program, subject to their being accepted into the exempt-path program.

Compensation:

Students in the School-to-Work Program shall be compensated at no less than the rates contained in the following schedule:

Analytical (NTOA-type work):

Initial assignment: 75% of entry NTOA wage rate

Second assignment: 75% of 12 month NTOA rate

Third assignment: 75% of 24 month NTOA rate

Technical (level 4-type work):

Initial assignment: 75% of entry level TSS wage rate

Second Assignment: 75% of 12 month TSS rate

Third Assignment: 75% of 24 month TSS rate

Contract Language:

OCU contract language will be amended as follows:

"The Company and the Union agree to allow students enrolled in post-secondary and high school-to-work and School-to-Work type programs to work part-time and/or temporarily in our apprenticeable occupations and technical work areas (NTOA) for the purpose of training. These students may become candidates for our apprentice programs or for other technical work.

For the Company

Date

For the Union

Date

Section 3 Letter of Agreement Interview Process

To improve the quality of the OCU selection process, the Company plans to design and implement a new interview process to be used to select OCU members for open positions. The process will be developed by a team of management and OCU representatives. The OCU Board will designate its representatives on the team.

For the Company Date

For the Union Date

Section 4 SIHO Board Position

The Executive Board of the Office Committee Union will designate its ex-official representative on the SIHO Board. The Company will work in good faith to continue such representation on the SIHO Board.

Section 5 Selection and Placement

A. CRITERIA FOR SELECTION AND PLACEMENT

One of the keys to improving the effectiveness and perceived fairness of testing and work samples is to focus on the measurement of the knowledge, skills, abilities and aptitude of the candidates.

A candidate's ability to develop and perform specific job skills is best determined by considering all of the existing selection criteria contained in Article 14, Section 1.A of the Agreement, as outlined below:

1.A. The Company will make selections for filling vacancies by giving consideration to the selection factors of overall job performance, demonstrated skill and ability, related experience, formalized training, attendance and structured interviews.

Selections will continue to be made on the basis of Article 14, Section 1.B, which states:

1.B. The most senior applicant of those determined qualified for the vacancy shall be selected.

B. THE ROLE OF WORK SAMPLES

In this context, the use of tests and/or work samples is only one indicator of a candidate's qualification for an open position. The purpose of tests and/or work samples is to measure the candidate's knowledge, skills, abilities and aptitude required to develop and perform specific job skills, rather than measure the candidate's current, complete knowledge and ability to perform the specific job skills.

C. AGREEMENT ON USE OF WORK SAMPLES

The Company is currently reviewing all work samples. Until the Company completes this review, the Training and Development and Hourly Staffing department will review and approve work samples required for every posting to ensure the work samples are consistent with our testing philosophy and work sample guidelines.

Section 6 Extended Life Insurance

Cummins Engine Company and the Office Committee Union are jointly announcing extended life insurance benefits for those employees who are eligible for full retirement and give 90 days advance notice of their retirement date.

Life insurance will be extended for those who can and do retire starting July 1, 1999, through the life of the contract.

The Company will extend life insurance benefits to age 62 for all employees eligible for full retirement who sign up and take retirement starting July 1, 1999, after giving the Company 90 calendar days notice.

For the Company

Date

For the Union

Date

Section 7 Benefits Ombudsman

On or before January 1, 2000, the Vice President of Human Resources will designate an *employee* to serve as the liaison for employees to obtain answers to questions on and assist in the administration of policies, procedures and benefits. The employee will also provide periodic benefits updates and updated listings to the OCU Executive Board.

Such employee may be an employee of either Human Resources or Cummins Business Services, and such employee's work shall be *reevaluated* by the Vice President of Human Resources to determine if it is necessary and if the Cummins Business Services' processes adequately address this issue. This position will continue for the duration of the Agreement unless mutually agreed by the parties that the ombudsman position is no longer necessary.

**SUPPLEMENT FOR EMPLOYEES HIRED
AFTER JUNE 19, 1990**

ARTICLE 1

All language herein applies to employees hired after June 19, 1990. Anything that is not expressly covered in this supplement, that is covered in the Labor Agreement, shall apply.

ARTICLE 2 SENIORITY

A. Probationary Period

All employees hired after June 19, 1990 shall have a probationary period of four (4) months. During this time, they may be laid off or discharged, irrespective of length of employment. Retention of a probationary employee shall be at the discretion of the Company, and is not subject to the grievance or arbitration procedures.

B. Employees on Layoff

Seniority rights for employees on layoff who have completed their probationary period shall accumulate for the first twelve (12) consecutive months of layoff.

Recall rights for employees on layoff will be for twelve (12) months once the probationary period is completed.

ARTICLE 3 PROMOTIONS, TRANSFERS AND DEMOTIONS

A. Bidding Procedures

An employee will not be allowed to bid for two (2) years without the approval of his/her supervisor. The provisions of Article 14, Section 3.C shall apply to employees hired after June 19, 1990.

B Temporary Pay Adjustments

Article 16, Section 3 does not apply. Employees hired after June 19, 1990 will be paid in accordance with the pay schedule contained in Article 5 of this Supplement.

ARTICLE 4 LAYOFF AND RECALL

A. Recall Procedures

Probationary employees who are laid off will have no recall rights and will lose seniority on the date of layoff.

ARTICLE 5 PAY PROGRESSION

(Article 16, Sections 1 and 3 and Article 28 Cost of Living, shall not apply to employees hired after June 19, 1990. Article 29 Corporate Target Bonus Plan shall apply to all employees.)

- All employees covered by this Supplement will receive a base wage rate adjustment effective June 21, 1999, according to the following schedule:

Level 1:	\$0.50/hr
Level 2:	\$0.50/hr
Level 3:	\$0.50/hr
Level 4 TSS:	\$1.00/hr
Level 4 Technician:	\$0.50/hr
Level 5 Administrative:	\$20.00/week
Level 5 Engineering:	\$20.00/week
- Employees hired at the entry rate during the term of this Agreement shall receive a \$0.50 per hour base wage adjustment on the Monday following six (6) months after their hire-in.
- Effective the Monday following January 1, 2002, each employee on the payroll will receive a 2% base wage increase.
- All employees hired after June 19, 1990 shall receive a \$0.25 per hour base wage rate adjustment on the Monday following the anniversary date of their employment.
- In addition, all employees hired after June 19, 1990 are eligible to earn \$0.25 per hour per year for increasing their level of skills and assuming increased responsibilities. If skills/responsibilities requirements are met, annual increases will be effective July 1, or the following Monday if July 1 is not a Monday.

- Entry-level candidates will receive the entry-level rates listed below.

Level 1:	\$7.50
Level 2:	\$8.50
Level 3:	\$9.50
Level 3 NTOA:	\$11.00
Level 4 TSS:	\$13.00
Level 4 Technician:	\$17.00
Level 5 Admin:	\$465/week
Level 5 Eng:	\$720/week

- Experienced candidates, upon completion of their probationary period, may be "slotted" at a wage rate equivalent to the applicable 36 month rate. Each candidate will then progress according to the applicable wage progression.
- The Company will pay no less than these rates per hour for each pay level. The Company will provide advance notice to the Union in the event it increases the wage rate for any specific position within a level during the term of this Agreement.

Level 1 - Operations Support Person

LEVEL	6	12	24	36	48	60	72	84	96
ENTRY	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.
\$7.50/hr	8.00	8.25	8.50	8.75	9.00	9.25	9.50	9.75	
10.00									
With skill/ resp pay+		+	+	+	+	+	+	+	+

Level 2 - Administrative Support Specialist, Facility Support Specialist, Engineering Support Specialist

LEVEL	6	12	24	36	48	60	72	84	96
ENTRY	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.
\$8.50/hr	9.00	9.25	9.50	9.75	10.00	10.25	10.50	10.75	11.00
With skill/ resp pay+		+	+	+	+	+	+	+	+

Level 3 - Analyst, Medical Specialist, Clinical Lab Specialist

LEVEL	6	12	24	36	48	60	72	84	96
ENTRY	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.
\$9.50/hr	10.00	10.25	10.50	10.75	11.00	11.25	11.50	11.75	12.00
With skill/ resp pay+		+	+	+	+	+	+	+	+

Level 3 - NTOA Analyst

Level	6	12	24	36	48	60	72	84	96
ENTRY	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.
\$11.00/hr	11.50	11.75	12.00	12.25	12.50	12.75	13.00	13.25	13.50
With skill/ resp pay+		+	+	+	+	+	+	+	+

Level 4

(A) Engineering Technician, Occupational Nurse, Occupational Health Therapist, Aircraft Technician, X-Ray Technician

LEVEL	6	12	24	36	48	60	72	84	96
ENTRY	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.
\$17.00/hr	17.50	17.75	18.00	18.25	18.50	18.75	19.00	19.25	19.50
With skill/ resp pay+		+	+	+	+	+	+	+	+

(B) Apprentice

Training Period	Percent of Level 4(A) Entry Pay.**
1	76% -Entry into Apprenticeship
2	79%
3	82%
4	85%
5	88%
6	91%
7	94%
8	97%

** Entry level apprentices are paid at a percent of the entry level rate for technicians. They receive pay increases according to the percent schedule for their corresponding training period,

based on the rate of pay for a technician receiving annual base rate increases. Upon graduation, the apprentice receives 100% of the rate a technician receives at 48 months (excluding Skills/Responsibility pay).

(C) Technical Support Specialist

LEVEL	6	12	24	36	48	60	72	84	96
ENTRY	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.
\$13.00/hr	13.50	13.75	14.00	14.25	14.50	14.75	15.00	15.25	15.50
With skill/ resp pay +		+	+	+	+	+	+	+	+

Level 5 - Engineering Associate

LEVEL	6	12	24	36	48	60	72	84	96
ENTRY	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.
\$720/wk	740	750	760	770	780	790	800	810	820
With skill/ resp pay +		+	+	+	+	+	+	+	+

Level 5 - Administrative Associate

LEVEL	6	12	24	36	48	60	72	84	96
ENTRY	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.	Mo.
\$465/wk	485	495	505	515	525	535	545	555	565
With skill/ resp pay +		+	+	+	+	+	+	+	+

ARTICLE 6 HOLIDAYS

A. (Article 17 does not apply with the following exceptions: Sections 10.C.1, 2, 4 and 5; Section 11, 12 and 14 do apply)

- Good Friday
- Memorial Day
- July 4
- Labor Day
- Thanksgiving Day
- Friday after Thanksgiving
- December 23, 2002
and January 2, 2004

Pay for such days shall be at the employee's regular straight time base rate X 8. When the above Holidays fall on a Sunday, Monday will be observed as the Holiday.

- B. Employees hired after June 19, 1990 shall be paid for normal working days during the holiday period between and including Christmas Eve and New Year's Day. Employees will not be required to work during this holiday period.
- C. Effective January 1, 2002, employees will receive one (1) floating holiday each calendar year during the term of this Agreement, subject to the conditions outlined in Article 17, Section 13.

ARTICLE 7 VACATIONS

Article 17 does not apply with the exception of Section 1.D, 2.A.2, 3, 5, 7, 8 and 9.)

<u>Length of Service</u>	<u>Number of Work Days off for Vacation</u>	<u>Vacation Pay Entitlement</u>
Up to 2 years	5	40 x Base Rate
2 yrs. up to 5 yrs.	10	80 x Base Rate
5 years up to 15	15	120 x Base Rate
15 years up to 20	20	160 x Base Rate
20 years and over	25	200 x Base Rate

Length of service from last hiring date to December 31 of the vacation year.

* Eligibility for work days off is dependent on completion of probationary period.

- B. Employees hired prior to June 1 each year shall be eligible for five (5) days of paid vacation time off for the remainder of that calendar year. Employees hired after June 1 of each year are eligible for five (5) paid vacation days off during their first full calendar

year of employment. Thereafter, employees' eligibility for paid vacation time off shall be determined in accordance with Article 7.A of this Supplement.

ARTICLE 8 RETIREMENT

Provisions of the 401K Retirement Plan will be provided in a separate booklet. During the term of the Agreement, the Company may not reduce the level of benefits negotiated into this Agreement.

The Company will contribute an amount equal to 4% of the employee's gross pay (including overtime) into their tax deferred Cash Balance Account. The Company guarantees the annual rate of return for the account.

The Company will match \$1/\$1 an amount equal to 2% of the employee's gross pay (including overtime) and \$0.25/\$1 up to the next 4% of employee contributions into the pre-tax account in their RSP.

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