



**INTERNATIONAL  
BROTHERHOOD  
OF ELECTRICAL  
WORKERS®**

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July 22, 2025

To: All IBEW Railroad Members Working for Union Pacific Railroad

Dear Sisters and Brothers:

The International Brotherhood of Electrical Workers (IBEW) has been in negotiations with Union Pacific Railroad (UP) for months to secure the best possible agreement for the members. As a result of these negotiations, the parties have reached the enclosed tentative agreement, which is now before you for ratification. A summary of the tentative agreement's most significant terms is below.

Wages

The tentative agreement provides for a 17.5% (18.77% compounded) general wage increase (GWI) over its five-year term. The average basic rate of pay for an IBEW member will go from \$41.03 per hour to \$48.72 per hour over the term of the agreement, as detailed in the following table:

Effective Date	Previous Rate*	General Wage Increase	New Pay Rate*
July 1, 2025	\$41.03	4.0%	\$42.67
July 1, 2026	\$42.67	3.75%	\$44.27
July 1, 2027	\$44.27	3.50%	\$45.82
July 1, 2028	\$45.82	3.25%	\$47.31
July 1, 2029	\$47.31	3.0%	\$48.73

\* Rates of pay may vary by classification.

The average member will realize a cumulative income gain of over \$16,000.00 during the contract's life.

In addition to the GWI's detailed above, employees will receive retroactive wage increases from July 1, 2025. See the attached retroactive wage calculation sheet for more information.

Vacation for New Hires

Effective January 1, 2025, new hire employees working full-time will receive paid vacation days, to be taken as a single day vacation, subject to all applicable rules, based on their date of hire month (in year 0) as follows:

- January/February - 5 days
- March/April - 4 days
- May/June - 3 days
- July/August - 2 days
- September/October - 1 day



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\*Employees working alternative work schedules will earn this entitlement in accordance with local agreement rules.

#### Vacation Accrual Acceleration

Effective January 1, 2025, employees will accrue vacation more quickly under the following accrual schedules:

- |  |           |
|--|-----------|
| ▪ Two (2) or more years                            | - 10 days |
| ▪ Eight (8) Six (6) or more years                  | - 15 days |
| ▪ Seventeen (17) Fifteen (15) or more years        | - 20 days |
| ▪ Twenty-five (25) Twenty-three (23) or more years | - 25 days |

#### Enhanced Vacation for 2025

Current employees who would have been eligible for vacation enhancements under Sections 1-3 of Article II of the tentative agreement will receive three (3) days prorated vacation for 2025.

#### Health & Welfare

The tentative agreement includes the following improvements in the health and welfare plan.

- Effective January 1, 2025, coverage for surviving dependents will be extended through the end of the sixth (6<sup>th</sup>) month following the month in which the employee dies.
- Effective January 1, 2025, plan benefits will include male sterilization procedures (i.e., vasectomy), not including reversals.
- Effective January 1, 2025, the individual annual maximum dental benefit will be increased from \$1,500.00 to \$2,500.00, and the individual lifetime maximum orthodontia benefit will be increased from \$1,000.00 to \$2,500.00.
- Effective January 1, 2025, the vision frame allowance will be increased from \$115.00 every two years to \$250.00 every two years.
- Effective January 1, 2025, the monthly payment for employees who elect to opt-out of coverage under the National Health and Welfare Plan will be increased from \$100.00 to \$200.00.



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Under the tentative agreement, monthly employee contributions to the traditional health and welfare plan will continue to be 15% of the monthly cost, with the remaining 85% borne by the carrier. For 2025, the monthly contributions for the traditional MMCP Health Plan will continue to be \$277.54.

At the urging of other labor organizations, the tentative agreement includes a new, reduced, employee-only health plan tier. We believe that most IBEW-represented workers will choose to remain in the traditional health and welfare plan because it provides superior coverage and lower out-of-pocket costs. Under the proposed employee-only reduced-rate plan, an employee's monthly contribution rate will be 10% of the carrier's monthly payment rate. The plan design features of the employee-only plan, which include higher deductibles and out-of-pocket limits, are listed in the attached tentative agreement.

Based on the 10% payment rate for 2025, the monthly contributions for the reduced, employee-only rate plan would be \$185.03, but individuals in this plan will have higher out of pocket costs in addition to the monthly contribution.

### Banking of Paid Sick Leave

We have agreed that IBEW-represented employees will have the option to "bank" up to thirty-two (32) hours of unused paid sick leave in any calendar year to a maximum bank of one hundred sixty (160) hours. Banked sick leave days may be used for critical or long-term injury or illness after all current year paid sick leave days are exhausted. Employees with at least 32 hours of banked sick leave will be notified every September of their option to carry-over their banked time to the following year. Banked time in excess of 32 hours can be paid out, in 8-hour increments, at the employee's current straight-time rate. Unused banked paid sick leave days will be paid out at 100% of the value upon the employee's resignation, retirement, or death.

UP will substitute unused sick leave, including banked time, when an employee uses FMLA leave, as permitted by law.

A list of Questions & Answers regarding unused banked sick leave is included in the attached tentative agreement.

### Work Rule Changes

The IBEW and UP have agreed to the following work rule changes:

- Bereavement Leave: Leave is expanded to include the employee's grandparents and grandchildren.



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- **Paying Off:** All employees will be paid by direct deposit, unless prohibited by law. Employees must enroll by August 15, 2025.
- **Discipline-Investigation Proceedings:** The primary, default method for conducting investigative hearings will be via virtual means. Upon request by either party, an in-person hearing will be held.
- **Differentials:** Beginning in the calendar year 2025, differentials outlined in the rule will be subject to all future general wage increases (GWI's).
- **Shop Craft Holiday Provisions:** Regularly assigned employees will qualify for holiday pay when service is performed and compensated at a minimum of four (4) hours for the workdays immediately preceding and following such holiday.
- **Leave of Absence/Absence from Work:** An employee failing to report for duty at the expiration of a leave of absence will forfeit their seniority and terminate their service. Any employee absent except in case of illness or physical disability, without proper leave of absence (in writing if more than ten (10) days), will be considered resigned from service with seniority rights terminated.
- **Pay Equalization:** IBEW hourly rated positions that are currently \$0.04 less than the machinist equivalent position as of June 30, 2025, will be increased by \$0.04, effective the date of this agreement.

This round of bargaining has been unusual. Because many other labor organizations have already reached similar agreements, our options are limited. Before you vote on whether to ratify the agreement, I believe you should be aware of the options and the potential consequences that could result. If the agreement is rejected, that would most likely lead to longer periods of negotiations. And if unsuccessful, we could end up in mediation. Once in mediation, it's difficult to get a release. We all remember what happened during the last round. If there is a possibility of getting released, and a strike occurs, the President and Congress, especially in light of today's economy and supply chain issues, would most likely intervene to prevent it, and final resolution of the dispute would then be in the hands of Congress, who could impose terms less favorable than those in this tentative agreement, although historically they have imposed the recommendations set forth by the Presidential Emergency Board.

If the tentative agreement is ratified, that will end bargaining with UP for this round of negotiations, and the terms of the tentative agreement will go into effect, and you will receive a wage increase retroactive to July 1, 2025. You will also begin to benefit from the changes to vacation accrual, the health and welfare plan, and the ability to roll over paid sick leave.



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Enclosed for your review and action, you will find a copy of the tentative agreement, voting instructions, voting ballot, ballot envelope, and postage-paid return envelope. Please follow the instructions carefully so that your vote will count. Please note that this agreement will remain in effect through December 31, 2029.

I and System Council 2 General Chair Rick Reynoso, recommend ratification of this tentative agreement. I would like to thank General Chair Reynoso for his efforts in securing this agreement on behalf of IBEW members.

Thank you for your patience, cooperation, and solidarity. If you have any questions regarding the agreement, please do not hesitate to contact your General Chair or Railroad Department Director Danielle Eckert by email to [Danielle\\_Eckert@ibew.org](mailto:Danielle_Eckert@ibew.org).

With best wishes, I am

In Solidarity,

Kenneth W. Cooper  
International President

KWC:rmd  
Enclosures

Copy to Rick Reynoso, General Chair, IBEW System Council 2