

Calculating Extra Board Guarantee

January 31, 2005

This week's field communications message focuses on extra board guarantee.

Guarantee is calculated either on a weekly, semi-monthly or monthly basis for TYE employees. The payment of extra board guarantee can be broken down into three components: 1) the maximum guarantee amount an employee can achieve in the pay period, 2) the number of times the employee laid off during the pay period, and 3) the earnings the employee made while assigned to the extra board during the pay period.

The maximum potential guarantee for an employee who is marked up on the conductors' extra board at Bakersfield, CA for 15 days in the pay half where the guarantee is calculated on a pay period basis is \$3,485.29. Unpaid absences during the pay period, like layoffs, reduce the maximum potential guarantee, and laying off more than two times in a pay half causes the employee to completely forfeit his/her potential guarantee.

If an employee lays off one time (one layoff event) for a total of 2 days during a pay period and the employee is marked up and available during the remaining 13 days, this employee's maximum potential guarantee for the pay half will be reduced by two fifteenths to \$3,020.59.

After this employee's maximum potential guarantee of \$3,020.59 is calculated, we determine how much was earned for working in covered service. Covered service is defined as the service the extra board normally protects. If the employee in our example earned \$2,400 in covered service, this employee would receive \$620.59 in guarantee for this pay half.

Each guaranteed extra board is governed by a collective bargaining agreement that defines the applicable offset for not being available for covered service, and these offsets vary in some cases. Please contact Labor Relations to determine the details associated with the extra boards at your location.

When an employee assigned to an extra board protects non-covered service, service that is not normally protected by this extra board, the earnings for this non-covered service are usually not used to offset guarantee. These earnings are often referred to as being paid above the guarantee. Non-covered service varies from extra board to extra board, so you should contact the Special Claims Compensation Specialist for your division to find out what is considered to be non-covered service for the extra boards at your location.

Another feature of road guaranteed extra boards is how we count a day for guarantee purposes. Generally, on former Santa Fe extra boards, a day is defined as 12:01 a.m. until 11:59 p.m., and an employee has to be available for that full period of time in order to be considered available for that day. With most former BN road extra boards, a day is defined as a twenty-four hour floating period. For example, if extra board conductor Jeff Wright marks to the board at 6:00 a.m. today, he has to be available until 5:59 a.m. tomorrow in order to be considered available for service for one day for guarantee purposes.

At our company, we have 480 TYE guaranteed extra boards which vary in the amount of maximum potential guarantee as well as other conditions, and you might be surprised to know that in 2004, we paid over \$22.6 million dollars in guarantee payments.

Guarantee is certainly one of the expenses we need to continue to manage very closely, and your efforts in managing guarantee make a real difference.