

**Memorandum of Agreement
between
Southeastern Pennsylvania Transportation Authority
and
Transport Workers Union, Local 234**

December 8, 2025

The Southeastern Pennsylvania Transportation Authority (SEPTA) and the Transport Workers Local Union 234 (Union or Local 234) have reached the following tentative agreement, pending ratification by the Union and Board approval by the Authority, for a collective bargaining agreement to succeed the agreement covering the City Transit Division (and the Frontier and Suburban Divisions) that expired on November 7, 2025 at midnight.

Items withdrawn from the parties' initial proposals are being withdrawn for the sole purpose of facilitating the resolution of a short-term agreement and are withdrawn without prejudice and with the right to again raise the same items in any future negotiations by and between the parties.

1. Sections 408, 413, 427. Rates of Pay: Amend to reflect:

- 3.5% general wage increase effective the first Sunday following ratification by the Union and approval by the SEPTA Board.
- 3.5% general wage increase effective December 6, 2026

Direct Deposit for salary paychecks: See side letter

2. Section 701. Pensions: The monthly pension benefit (\$94/\$100 calculation) shall be increased by six percent (6%) for employees who retire on or after January 1, 2026 and prior to November 7, 2027.

The Parties agree to establish a Pension Reform Advisory Committee which, with a third-party facilitator, will consist of two (2) representatives appointed by the President of the Union and two (2) representatives appointed by the General Manager of the Authority to consider issues related to pension reform. The President of the Union will develop and propose committee bylaws, subject to approval by the committee.

3. Section 417.F(5). Assignment of Work to Extra Persons: Amend to read: "The Authority will provide individualized preprinted schedules to slate employees when requested."
4. Section 433. Night Shift Premium: Increase from fifteen cents (\$.15) to one dollar (\$1.00)
5. Section 436. Tool and Clothing Allowance: Increase by five dollars (\$5.00)
6. Section 504(III)(5). IOD Leave: Add sentence: "When an employee has thirty (30) days of IOD leave remaining, the employee and the Union will be notified."

7. Autonomous Vehicles — See side letter

8. Section 302 (g) Seniority (Other than Authority): Add the following subsection:

(4) Maintenance employees will not be assigned to backfill supervisory employees in their assigned location.

9. Section 1003(d): Amend Section 1003(d) to read:

“When an employee has successfully completed the previous 730 calendar days without being issued a suspension in progressive discipline procedures, progressive discipline will start anew. For verbal and written warnings, progressive discipline will start anew following 365 calendar days.”

The Union agrees to withdraw grievance 12-B-3403 and any other grievances protesting Section 1003(d) from arbitration.

10. Section 501. Sick Leave: Amend/Add the following subsections:

(v) A surface operator who requests to take a day off or any portion of the remainder of their day due to illness and advises the dispatcher during the initial call that he/she will be reporting to work the next day for his/her next assigned run or work assignment will be permitted to work his/her next assigned run or assignment the next day without any further notice to the Authority.

(w) Maintenance employees who report off sick are no longer required to physically report for work to come out of sick status. Maintenance employees may take themselves out of sick status by contacting the location and advising management that they are no longer sick; thus, making themselves available for work. No more than one time per calendar month, employees who work on one of their days off after having turned in sick that week can opt to be treated as having switched their days off and be paid at straight time for the work on their scheduled day off or be paid overtime for the work on their scheduled day off and assessed points for non-attendance.

11. Section 502. Sick Benefits: Amend the following subsections:

(b) Payments will commence on the fourth day of illness provided an employee executes a fully completed sick benefit application within 20 days of the commencement of the disability. For purposes of this subsection, fully completed will mean that the employee has provided the Authority’s Third Party Administrator (TPA) with all the information it needs to initiate the application. Any sick benefit application not fully completed within 20 days of the commencement of the disability will only be paid from the date the fully completed application is received by the Authority’s Third Party Administrator (TPA). If an employee is hospitalized and unable to submit the request for sick benefits on or before the 20th calendar day of illness, the employee may submit the request no later than 20 calendar days following the date of discharge

from the hospital. Any requests not so received will become effective for benefits only on and from the date received.

(c) Reporting off sick to a Dispatcher/Location Management/Medical Department, etc. will not be construed as an application for sick benefits. The responsibility for requesting sick benefits is strictly up to the employee.

(d) Employee portals will be provided by the Third-Party Administrator (TPA). Employees can view the status of their application within the portal.

(e) Delete

Direct Deposit for Sick Pay Checks: See side letter

12. Section 504(I)(2). Alternate Duty Program: Amend the second sentence as follows:

“Employees eligible for this classification will be those with IOD injuries regardless of seniority and sick employees with three (3) or more years of seniority at the time of disqualification.”

13. Section 601. Vacations: The Parties agree to codify the October 27, 2023 side letter (attached) regarding Rail and Bus Maintenance Vacation Quotas into the CTD CBA.

14. Section 804(a). Medical Benefits: Amend the following subsections:

(a) Add the following clinical management programs for all active employees and retirees:

- Prudent RX
- Mandatory Maintenance Choice
- Transform Diabetes Care
- Drug Savings Review

*See attached program descriptions

15. Section 805(c). Dental Benefits: Change to read: Effective January 1, 2026, employees with more than ninety (90) days of service will become eligible for dental benefit coverage.

16. Section 806(c). Vision Benefits: Change to read: Effective January 1, 2026, employees with more than ninety (90) days of service will become eligible for vision benefit coverage.

17. Section 903. Failure to Report to Work: The Parties agree to codify the November 13, 2023 settlement agreement regarding incarcerated employees into the CTD CBA by replacing the existing Section 903-Failure to Report to Work with the attached settlement.

18. Section 1601. Term of Agreement: The terms of this agreement will commence November 8, 2025 and end November 7, 2027 at 11:59 p.m.; however, all provisions of this agreement take effect upon ratification of the agreement by the Union and Board approval by the Authority, unless otherwise set forth herein.

Frontier, Suburban: All of the above terms and conditions shall apply to Local 234's contracts with the Frontier and Red Arrow/Suburban Divisions of the Authority, if applicable, with the wage increases as provided to the equivalent classifications of the City Transit Division on a cents-per-hour basis.

And now, this 8th day of December 2025:

For SEPTA

For TWU Local 234

Brooke Minor, Chief Labor Relations Officer

Will Vera, President

Susan Sanderson, Manager - Labor Relations

Bill Bannon, Exec. Vice President

Andrew Montagna, Manager - Labor Relations



Southeastern Pennsylvania Transportation Authority

1234 Market Street • Philadelphia, PA 19107-3780

December 8, 2025

Mr. Will Vera
President, TWU-234
500 N. 2nd Street
Philadelphia, PA 19123

Dear Mr. Vera:

The following understanding has been reached between the Parties regarding direct deposit for employee wages:

Effective January 1, 2026 for all employees currently receiving direct deposit and all new hires, salaries will only be paid to the employees' designated institution. Any current employee who has not previously enrolled in direct deposit will continue to receive a paper check.

If you concur with this understanding, please indicate by signing below.

Respectfully,

Brooke C. Minor
Chief Labor Relations Officer

CONCUR: _____
Will Vera, President, TWU-234



Southeastern Pennsylvania Transportation Authority

1234 Market Street • Philadelphia, PA 19107-3780

December 8, 2025

Mr. Will Vera
President, TWU-234
500 N. 2nd Street
Philadelphia, PA 19123

Re: Autonomous Vehicles

Dear Mr. Vera:

This letter confirms our understanding regarding autonomous vehicles during the term of this agreement.

In the event the Authority exercises its management prerogative to implement autonomous driverless vehicles during the term of this agreement, the Authority will, upon request by the Union, engage in negotiations over the impact of that decision to the extent that such bargaining is required by the Pennsylvania Public Employee Relations Action ("PERA"). Nothing in the agreement is intended to change or alter the parties' obligations under the contract, PERA, or any other relevant law.

This side letter will sunset and no longer be part of this agreement after November 7, 2027.

Respectfully,

Brooke C. Minor
Chief Labor Relations Officer

Agreed:

Will Vera, President- TWU-234

Date: _____

Cc: LR Staff



Southeastern Pennsylvania Transportation Authority

1234 Market Street • Philadelphia, PA 19107-3780

December 8, 2025

Mr. Will Vera
President, TWU-234
500 N. 2nd Street
Philadelphia, PA 19123

Dear Mr. Vera:

The following understanding has been reached between the Parties regarding direct deposit for employee sick pay benefits:

1. The Authority agrees to implement, on a test basis, the payment of sick pay through direct deposit beginning in the first quarter of 2026.
2. If for any reason the testing period is unsuccessful, the Authority will provide the Union with 30 days' written notice of its intent to discontinue distribution of sick pay benefits through direct deposit and will deliver sick pay checks to the employee's work location.

If you concur with this understanding, please indicate by signing below.

Respectfully,

Brooke C. Minor
Chief Labor Relations Officer

CONCUR: _____
Will Vera, President, TWU-234



Southeastern Pennsylvania Transportation Authority

1234 Market Street • Philadelphia, PA 19107-3780

November 13, 2023

Mr. Brian Pollitt, President
Transport Workers Union – Local 234
500 N. 2nd Street
Philadelphia, PA 19123

Re: PERA-C-23-83-E

Dear Mr. Pollitt:

Pursuant to a settlement reached between the Authority and the Union, attached please find a **NOTICE** which incorporates the final understanding of the parties. Kindly have your Counsel take the necessary steps to have this matter withdrawn from the Pennsylvania Relations Board as soon as possible.

Please feel free to contact me if you have any questions.

Sincerely,

Michael J. Feinberg

Michael J. Feinberg
Manager, Labor Advocacy
MJF/dk

Attachment

cc: S. Sauer, C. Cuneo, D. Johns, K. Kindig

NOVEMBER 13, 2023

Incarcerated employees must notify the Office of the Inspector General and location management of their status and the charges filed against them as soon as practicable and in accordance with Section IV. AWOL of the Labor Agreement but no later than the close of the next business day following their release from custody. During the period of incarceration, the employee shall be placed on unpaid leave for a period of up to forty-five (45) days, unless they elect to utilize unused paid leave, excluding any form of sick leave, in whole or in part. An employee whose absence due to incarceration exceeds forty-five (45) days will be dropped from the rolls. However, such an employee will have a right to be reinstated to his or former position if said incarceration is for a period not exceeding six (6) months, and he or she contacts location management within one (1) week of release. Nothing in this agreement shall preclude the Authority from disciplining the formerly incarcerated employee if it has just cause to do so based on the conduct which led to the arrest.

POST: IMMEDIATELY

October 27, 2023

Mr. Brian Pollitt
President
Transport Workers Union, Local 234
500 N. 2nd Street
Philadelphia, Pa 19123

SIDE LETTER

Rail and Bus Maintenance Vacation Pilot Program

This letter confirms our understanding regarding the pilot program expanding the number of vacation weeks available for picking during the summer months of the term of this agreement.

1. Each Rail and Bus Maintenance location will apply a classification-based vacation quota for vacation weeks using the actual headcount in each job classification.

Quotas for vacation weeks (for Bus and Rail Locations) and picked vacation days (for Rail locations only) during the summer months (which will be considered Memorial Day week through Labor Day week) will be based on 10% of the number of employees in each classification, rounded up as follows:

| | |
|---------|---|
| 0 - 11 | 1 |
| 12 - 21 | 2 |
| 23 - 31 | 3 |
| Over 31 | 4 |

2. The quota for vacation weeks (for Bus and Rail Locations) and days-off (for Rail locations only) during the remainder of the calendar year will be based on the following formula, 10% of the number of employees in each classification rounded up, as follows:

| | |
|-------------|---|
| 0 - 14 | 1 |
| 15 - 24 | 2 |
| 25 - 34 | 3 |
| 35 - 44 | 4 |
| 45 and over | 5 |

In the Rail Locations, the current quota for individual days off shall remain in place for the duration of the pilot program.

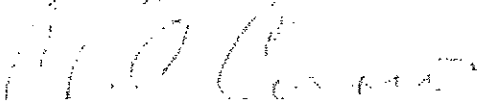
In Bus Maintenance, the quota for individual days-off, year-round, including vacation days, shall be based on a formula which allows five (5) percent of the actual location headcount to be off per day. This will increase the number of employees who are permitted off per day. If there are any locations where this is not the case, the current quota will remain in effect and the number of those permitted off will not be decreased.

At the conclusion of the picking for vacation weeks, employees in the location (other than VRCs) who opted to take a vacation week in days, shall, in seniority order, be allowed to pick specific vacation days, subject to the location-based quota set forth above. Subsequent to the picking for vacation days, all individual days off shall be granted on a first-come, first-serve basis, subject to the above quota.

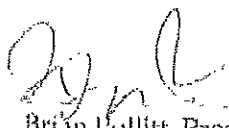
The "remainder of the year" vacation quota rounding method prescribed in paragraph "2" of this agreement will apply to Berridge shop year round.

This pilot program sunsets on November 7, 2024.

Respectfully,


Chad Cuneo
Chief Labor Relations Officer

AGREED:


Brian Pollitt, President, TWU Local 234

_____ Date



December 8, 2025

Mr. Will Vera, President
Transport Workers Union, Local 234
500 N. 2nd Street
Philadelphia, PA 19123

RE: Suburban and Frontier Transit Divisions Terms of Agreement and General Wage Increase Dates

Dear Mr. Vera:

This letter will confirm our understanding that the new terms of agreement and dates for the General Wage Increases for the Suburban and Frontier Transit Divisions will be as follows:

Suburban Transit Division:

- Two year term commencing November 19, 2025 and expiring 11:59 p.m. on November 18, 2027.
- January 11, 2026: All employees will receive a 3.5% general wage increase.
- January 10, 2027: All employees will receive a 3.5% general wage increase

Frontier Transit Division:

- Two year term commencing November 24, 2025 and expiring 11:59 p.m. on November 23, 2027.
- January 11, 2026: All employees will receive a 3.5% general wage increase.
- January 10, 2027: All employees will receive a 3.5% general wage increase.

If this is your understanding, please indicate your concurrence by signing in the space provided below.

Sincerely,

Brooke C. Minor
Chief Labor Relations Officer

Will Vera, TWU-234 President