

Brotherhood's Relief & Compensation Fund



THE HIGHBALL

Spring 2024

A MESSAGE FROM YOUR PRESIDENT

Real-Time Payment Comes to Canada

The Fund is now capable of providing benefits in real-time to our Canadian members safely and securely via Interac e-Transfer. The point of utilizing a real-time payment (RTP) service is to provide BR&CF members access to their benefit payments within **ONE HOUR** of the submission of an application for "Held Out of Service" benefits. The Fund has consistently delivered this level of service in the United States. RTP is just another example of the organization's commitment to returning the highest value to the members of this brotherhood.

Scholarship Deadline March 1, 2024

The deadline to apply for a Luther G. Smith Scholarship Award is **March 1, 2024**. The application is available at www.brcf.org. The application process is entirely electronic.

Twenty (20) scholarships in the amount of \$2,500.00 each will be awarded. An independent committee of educators will select the recipients. Award winners will be notified in April and funds dispersed via direct deposit in July.

Having been a full-time BR&CF officer for twenty years, I have become accustomed to constant changes to carrier discipline policies. Some changes are positive, others, not so much. An example of change that is not positive is Union Pacific's (UP) recent implementation of the TE&Y Critical Safety Rules Policy, applicable to all TE&Y crafts. This policy identifies twelve rules that UP has designated as critical safety rules. No formal discipline (but potentially a revocation) will be assessed for the first violation; however, a second violation within the applicable retention period will result in dismissal. While the rules have not changed, management's approach has. This policy reflects a decision to implement a more punitive policy specific to violations of these critical safety rules.

In contrast, Norfolk Southern may be going in a different direction after many years of aggressively issuing excessive discipline. Since 2006, NS TE&Y employees have endured the "Manion Rule" (technically not a rule – it was a letter penned September 26, 2006). This "rule" was synonymous with the policy of issuing a *dismissal for any stop signal violation* regardless of the tenure and service record of the employees involved. Many of our NS brothers and sisters were adversely affected by this draconian policy. It appears this practice has stopped, at least temporarily, while NS rolls out a root cause analysis and corrective action approach to rule violations. I remain cautiously optimistic about this change but choose to reserve judgment until an official discipline policy is implemented. As a point of information, if your engineer or conductor certification is revoked, and you work as a brakeman or switchman during the revocation period, you are still eligible for full benefits during the entire revocation period regardless of your employer.

While writing this message, an application for "Held Out of Service" benefits was received from a member working for Union Pacific in Texas. The first thing I noted was that his BR&CF member indicated that he had just recently joined. Upon further review, I found that his effective date of membership was February 1st. I was relieved to discover his occurrence date was also February 1st, which meant he was "In Good and Regular Standing" at the time of his occurrence and eligible for benefits. I immediately sent a thank you message to BR&CF member Todd Mohlenhoff for referring this member. I encourage each of you to take the same course of action as Brother Mohlenhoff and refer a coworker to this organization. A simple referral will earn you \$250.00, but most importantly, a referral to a BR&CF membership has the potential to positively impact a fellow coworker should they find themselves "Held Out of Service" because of suspension or termination.



J. E. Taylor

J. E. Taylor
International
President

**BROTHERHOOD'S
RELIEF AND
COMPENSATION FUND**

Statements of Assets, Liabilities, and
Fund Balances – Income Tax Basis
September 30, 2023 and 2022
(Presented in U.S. Dollars)

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 1,302,242	\$ 821,798
Interest Receivable	167,190	148,204
Investments	77,663,952	74,051,829
Investments Designated for Deferred Compensation	37,049	43,394
Property and Equipment, Net	71,268	97,675
Total Assets	\$ 79,241,701	\$ 75,162,900
<u>Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 429,376	\$ 390,816
Dues Received in Advance	930,930	838,532
Held-Out-of-Service Payable	139,612	103,043
Total Liabilities	1,499,918	1,332,391
<u>Fund Balances</u>		
Fund Balance	77,707,732	73,788,522
Currency Valuation	34,051	41,987
Total Fund Balances	77,741,783	73,830,509
Total Liabilities and Fund Balances	\$ 79,241,701	\$ 75,162,900

ANNUAL AUDIT

The Fund engaged the accounting firm of Boyer & Ritter LLC to audit its 2023 fiscal year financial statements. The annual audit is conducted in accordance with Article XXII Section 1 of the BR&CF *Constitution*. The financial statements comprise the statement of assets, liabilities, and fund balances.

Boyer & Ritter reported at the January board of directors meeting that there were no exceptions taken or material issues encountered during the audit and an unmodified opinion was provided. The auditors complemented the organization for the strength of its internal controls, segregation of duties, and high degree of accuracy present in the Fund's accounting system.

The key takeaways of the audit were that the organization's assets exceeded liabilities, and that a positive net cash flow generated by operations contributed to a net addition to the total fund balance year-over-year.

PREPARING YOUR INCOME TAX RETURN

The IRS requires the BR&CF to issue a 1099 Tax Form if a U. S. resident receives \$600 or more in benefits or a combination of benefits and referral fees. For BR&CF purposes, the 1099-NEC Tax Form is used to report Referral Fee payments. The 1099-MISC is for reporting "Held Out of Service" and "Retirement" benefit payments.

How might this impact you? If you receive Referral Fee payments and "Held Out of Service" or "Retirement" benefits totaling \$600 or more, a 1099-MISC and a 1099-NEC will be issued.

All 1099's were mailed in early January. If you receive a 1099-MISC, we encourage you to visit our website to retrieve your dues payment history. Your tax consultant will likely need this information to properly complete your tax return. After logging in, select "Actions," and then select "Dues Payment History." Your dues payment history may be printed for your convenience. Be sure to make your tax consultant aware of the following:

→ The BR&CF is **NOT** an insurance company. → Members pay dues **NOT** insurance premiums.

ENGINEER OR CONDUCTOR CERTIFICATION REVOKED?

The BR&CF Board of Directors adopted a resolution that expanded member benefits in 2016. Under this resolution, the organization is permitted to provide members “Held Out of Service” benefits at their **full** daily benefit level while working as a brakeman or switchman during a period of revocation. This resolution was adopted in response to a common hardship faced by members when their engineer or conductor’s certification was revoked, and the carrier subsequently required them to exercise their brakeman or switchman seniority.

The hardship continues to this day. For example, an engineer or conductor working in interdivisional (ID) service who has their certification revoked and is required to exercise their seniority will typically earn far less in wages while working a 5-day assignment, with possibly no opportunity for overtime pay.

The decision of the board of directors to take action and expand member benefits reflects BR&CF’s commitment to adapting to the needs of the membership. It should not come as a surprise that the BR&CF was the first Job Income Protection provider to offer this expanded benefit. Some lead - others follow!

REFERRAL PROGRAM



Railroads across the U.S. and Canada continue to hire. Please take this opportunity to introduce a new hire to the BR&CF. A simple referral can earn you \$250.00.

Visit www.brcf.org and select “Referral Program” for additional information. A supply order form is available if you wish to order brochures and posters.

The “Text an Application” feature is also available on the supply order form. This feature allows a member to text a coworker a link to a membership application that has the referring member’s name and member number automatically inserted in the referral section.

ANNUAL MEETING OF THE MEMBERS

The date of the annual meeting has changed as a result of the amendment to the BR&CF *Constitution* effective December 1, 2023. The annual meeting of the members is scheduled to convene at 2:00 p.m. on October 17, 2024, in the principal office in Mechanicsburg, PA. If you plan to attend the annual meeting, please contact the BR&CF office and ask for International Secretary-Treasurer Brian J. Penfield. Brother Penfield will provide additional details regarding the meeting, including hotel options.

The notice of annual meeting and instruction of proxy assignment will be emailed in early September to all members “In Good and Regular Standing” at the close of business on August 6, 2024, the date of record established in accordance with Article XVI Section 4 of the BR&CF Constitution.

The Fund must achieve a quorum of the membership present in person or represented by proxy to convene the annual meeting. Please exercise your proxy by using the link provided in the notice of annual meeting email. The process is simple and will only require a couple of minutes to complete.

NOT WORKING?

If you are off work a complete calendar month (except when “Held Out of Service”), you may be relieved of dues for the following reasons:

**Furlough – Sick – Injured – Management – Parental Leave
Military Service – Ineligible Occurrence – Leave of Absence**

Visit www.brcf.org, select “Electronic Forms,” and submit a Complete Relief of Dues Form.

Division Meetings

Please contact the office if you would like a BR&CF officer to attend a division meeting. Our attendance is an opportunity for an officer of the Fund to answer questions and address any concerns of the membership. Please provide as much advance notice as possible to avoid scheduling conflicts.

Update Personal information

It is important that your contact information is complete and up to date to ensure your receipt of important communication from the organization. Please log in at www.brcf.org and select “Personal Information” to review and update your email address, mobile telephone number, and mailing address.

Dates to Remember

**March 1, 2024 - Scholarship Applications Due
April 16, 2024 - Board of Directors Meeting**

Office Closed

**February 19, 2024 - Presidents’ Day
March 29, 2024 - Good Friday
May 27, 2024 - Memorial Day**

Contact the Office

**Canada: (800) 233-7080
US: (717) 657-1890**

**Hours: 8:00 a.m. - 4:00 p.m.
Eastern Time**

**Address: 300 Sterling Pkwy, Suite 105
Mechanicsburg PA 17050**

Website: www.brcf.org

