

Signed

MAY 23 1978

Director of Data Processing and Accounts

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General Counsel

Sickness benefits - Agreements between the Union
Railroad Company and the United Steelworkers of
America

This is in response to your memorandum of January 17, 1978, in which you request an opinion as to whether the sick leave provisions in the above agreements would qualify as "plans" or "systems" under section 1(h)(6)(vi) of the Railroad Retirement Act of 1974 (45 U.S.C. § 231(h)(6)(vi)).

The Agreements include provisions covering Local 3263 of the Union, representing clerical employees, and Local 5697, representing foremen, according to a letter dated December 30, 1977, from Mr. M. E. Lantz, the Railroad Company's Comptroller. These identical provisions state that salary shall be continued during disability at the employee's applicable monthly rate in accordance with the following table:

<u>Length of Continuous Service</u>	<u>Salary Continuance</u>
0 but less than 6 months	0
6 months but less than 1 year	5 working days
1 year but less than 5 years	10 working days
5 years but less than 10 years	15 working days
10 years but less than 15 years	20 working days
15 years but less than 20 years	25 working days
20 years and over	30 working days

The provisions also state that eligibility for the sick pay benefits shall arise if an employee's absence from work results from "personal disability caused by non-occupational accident or sickness (excluding pregnancy)."

In light of the above I am of the opinion that these provisions of the Agreements are "plans" or "systems" within the meaning of the above-cited section of the Railroad

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Retirement Act, and, therefore, benefits paid pursuant to these provisions, when paid for days of bona fide sickness, are excludable from compensation under the Act.

Dale G. Zimmerman

LRS:das