



PANTEX GUARDS UNION

PO Box 31234 Amarillo, TX 79120-1234 Phone
806-477-5748 Fax 477-6748



October 29, 2007

To: Dan Swaim
General Plant Manager
BWXT Pantex, LLC PO
Box 30020
Amarillo, TX 79120-0020

From: Leo T. Salazar
PGU Business Agent

Dear Dan,

As Business Agent of the Pantex Guards Union ("PGU"), I am writing to express our organization's serious concern over a recent policy change that adversely affects our Collective Bargaining Agreement (CBA), and ultimately our membership. The serious concern affecting our CBA involves **Appendix B "PENSION AND INSURANCE SYNOPSIS" "Eligible Dependent Coverage"**, quote "Grandchildren are eligible for benefits if the employee is the legal guardian for grandchild". Our point of contention specifically is the **interpretation of the meaning of legal guardian**. The Union's interpretation of what constitutes "**legal guardian**" are legal custody by court order in family court by a Judge and/or documented as a dependant by the Internal Revenue Service (IRS) under the Internal Revenue Code (IRC) Title 26 of the U.S. Code, containing all current federal tax laws. Under the IRS income tax return form when filing as an exemption; which is a legal document and falsifying a record can lead to a crime of "making false entries or otherwise tampering with public record with the intent to deceive or injure", or to, "conceal wrongdoing under the U.S. Penal Code", can lead to conviction. Understanding the law's interpretation I believe no one in the PGU would make false entries. It has been brought to my attention however, that BWXT Pantex will no longer continue to accept the IRS tax form as a legal document for the PGU members, but exempt personnel will be allowed to continue this practice, which is discriminatory and hypocritical under the law in itself. This policy change will have a tremendous negative impact on the PGU membership and will violate our CBA. I do not believe anyone who has taken on the responsibility of raising their grandchildren should now or ever be denied benefits.

I urge you to take a serious look at the new policy, Mrs. Hampton is trying to implement. I am confident that you will conclude that the right decision is to continue with the past practice in accepting the IRS form as a legal document and proof for dependant eligibility.

I hope you are open minded on the concern I have raised. Mr. White and I are available to meet with you and Mr. Meyer to further discuss this important issue.

Sincerely,

Leo T. Salazar
PGU, Business Agent

Cc: Greg Meyer, Deputy General Plant Manager
Cc: Frank White, PGU President

BWXT
PANTEX P.O. Box 30020 Amarillo. Texas 79120 806/477 -3000

November 20, 2007

Leo Salazar
Business Agent Pantex
Guards Union P.O.
Box 31234
Amarillo, TX 79120-0184

Subject: Eligible Dependent Health Insurance Coverage

Dear Mr. Salazar:

This letter is in response to your letter dated October 29, 2007, wherein you expressed concern regarding the Company's definition of dependents eligible for coverage under the BWXT Pantex Group Health Insurance Plan. Specifically, your concern was the Company's interpretation of eligible dependent coverage for grandchildren.

During FY2007 negotiations, the parties agreed that BWXT Pantex employees who have legal guardianship of their grandchild(ren), *as appointed by the courts*, may consider those grandchildren eligible for coverage. The current Appendix B, Pension and Insurance Synopsis, of the 2007-2012 PGU Articles of Agreement states, "Grandchildren are eligible for benefits if the employee is the legal guardian for the grandchild."

Subsequent to PGU negotiations, the Company learned of situations where a BWXT Pantex employee may be financially responsible for a grandchild, yet not be the child's legal guardian. Therefore, in an effort to continue to provide a quality health care program at a reasonable cost, the Company is willing to expand the definition of an eligible dependent to include grandchildren in certain situations.

Attached is a Letter of Understanding defining the Company's expanded definition of eligible dependents for coverage under the group health plan. With your concurrence and signature, the Company will agree to expand the coverage for eligible dependent grandchildren, as defined for PGU members for the duration of the current contract.

Very truly yours,
Donna J. Hampton
Division Manager
Human Resources

cc: R. Fry, HR Site Support Services
G. Woodall, HR Operations Support C.
Prosser, HR Operations Support
DJ. Shead, HR Generalist, Safeguards & Security File

November 20, 2007

Leo Salazar
Business Agent
Pantex Guards Unit
P.O. Box 31234 Amarillo,
TX 79120-0184

Subject: Letter of Understanding, Eligible Dependent Health Insurance Coverage

Dear Mr. Salazar:


With your concurrence below, the Company will agree to expand eligible dependents as defined in Appendix B, Pension and Insurance Synopsis, of the 2007-2012 PGU Articles of Agreement to the following:

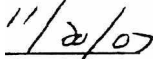
1. Grandchildren are eligible for benefits if the employee is the legal guardian for the grandchild, or if the employee is financially responsible for the grandchild and the child is claimed as a dependent on the employ(ee's) income taxes.
2. Documentation (either a copy of the legal guardian ruling, or signed affidavit certifying financial responsibility) must be provided.
3. Grandchildren must be recertified annually in order for coverage to continue.
4. Falsification of informatioj1 regarding eligible dependents may be grounds for disciplinary action, up to, and including termination.

Concurrence:

Leo T. Salazar, Business Agent
Pantex Guards Union

Date


Dorna J. Hampton, Manager
Human Resources


Date

cc: R. Fry, HR Site Support Services
C. Prosser, HR Operations Support G.
Woodall, HR Operations Support
D.J. Shead, HR Generalist, Safeguards & Security

BWXT P ANTEX, LLC

**AFFIDAVIT FOR GROUP HEALTH INSURANCE COVERAGE
FOR GRANDCHILD OF EMPLOYEE**

I understand that it is the policy of BWXT Pantex, LLC to offer health insurance coverage only for the immediate family (including children and legal dependents) of its employees. I further understand that the immediate family includes eligible grandchild(ren) for whom the employee is providing support as defined by the United States Internal Revenue Code, applicable federal regulations and BWXT Pantex's Group Health Insurance Plan.

I, the undersigned, do hereby swear and affirm the following:

1. That the individual(s) listed below is/are my grandchild(ren):

CHILD'S FULL LEGAL NAME	SEX	BIRTHDAY	SOCIAL SECURITY #
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2. That I am financially responsible for the care of my aforementioned grandchild(ren), and that I meet the criteria set out by the Internal Revenue Code to claim my aforementioned grandchild(ren) as my dependent(s) for federal income tax return purposes and that I actually do claim my aforementioned grandchild(ren) for that purpose.

3. That my aforementioned grandchild(ren) is/are unmarried and is/are under 19 years of age or, if a full or parttime student, under 25 years of age.

I understand that in the event any of the above affirmations are no longer correct in respect of any of my aforementioned grandchild(ren), such grandchild(ren) will be ineligible for BWXT Pantex's Group Health Insurance Plan. In such event, I must immediately notify BWXT Pantex, LLC and my failure to provide such notice could result in disciplinary action, up to and including discharge, and subrogation is possible against me for all medical claims paid by the insurance provider for such ineligible grandchild(ren). Further, failure to provide such notice could result in unnecessary payroll deductions of insurance premiums and such deductions are not reimbursable.