

Payroll Deduction - The Hartford Union Group Insurance Plan

Payroll deduction is not offered as a payment option for the BLET UP Eastern District GCA insurance plan.

Currently there are two payment options:

1. Automatic draft from your personal checking or savings account. This is called an ACH (Automated Clearing House) payment. This is a very secure form of payment which is regulated by the Federal Reserve and the NACHA.
2. Annual payment made with a check. Checks need to be made out to Cornerstone Assurance Group. Note: You will not receive a bill every year. However, you will receive a phone call reminding you if an annual payment is not received in February of the following year.

Why is payroll deduction not an option?

In order to maintain coverage one must be actively employed by the UP but most importantly one must be a full dues paying member of the Brotherhood of Locomotive Engineers and Trainmen. While coverage is dependent on your employment with the UP, the insurance policy holder is the BLET. This means all of the policy information and policy holder information is retained by the union and not shared with UP management. In fact the UP has no involvement, influence or knowledge of any BLET member's insurance coverage. If payroll deduction became an option all of the member's private policy information would be made available to UP management. This would make it easy for UP managers to find out which coverage a BLET member may or may not have. Keeping this information private is particularly important in cases where an injury is caused by an unsafe work condition.

Payroll deduction also creates problems within union accounting and reporting. The Department of Labor and the BLET National Division have discovered a number of alarming issues caused by unions comingling insurance premiums and union dues. This process is frowned upon and is now considered a Red Flag.

The solution to avoiding these issues was to create an insurance premium payment system that took the UP and the union out of the equation. All payments are the individual responsibility of each member who elects to purchase insurance coverage. Member's individual premium payments go directly to a designated premium trust account.

Once all members' monthly premium payments have been collected a payment is made to the Hartford on behalf of the group.