

NATIONAL RAILWAY LABOR CONFERENCE

EMPLOYEE BENEFITS DEPARTMENT

1901 L STREET, N.W., WASHINGTON, D.C. 20036-3514◆◆◆ PHONE: (202) 862-7200 FAX: (202) 862-7253
DAVID B. MARCUS
Director Employee Benefits
(202) 862-7244
E-mail: dmarcus@rrnrlc.org

SUSAN E. PARKS, CEBS
Benefits Administrator
(202) 862-7225
E-mail: sparks@rrnrlc.org

November 6, 2009

CONTINUED PARTICIPATION IN THE RAILROAD EMPLOYEES NATIONAL HEALTH AND WELFARE PLAN NATIONAL RAILWAY CARRIERS and UNITED TRANSPORTATION UNION HEALTH & WELFARE PLAN EFFECTIVE JANUARY 1, 2010

CIRCULAR NO. 504-41-43
CIRCULAR NO. 843-1-13

TO: MEMBER ROADS AND OTHER PARTICIPATING RAILROADS

Our Circulars of the 504-41 and 843-1 series provide information about the continuation of The Railroad Employees National Health and Welfare Plan ("NH&W") and the National Railway Carriers and United Transportation Union ("NRC/UTU") Health and Welfare Plan and the applicable contribution/premium payment rates. Railroads with Canadian Qualifying Employees will be notified separately of applicable rates.

The rates are the same for both Plans. Attached are tables providing details for rates effective January 1, 2010 based on December 2009 compensated service. Since employees who opt out of coverage must still be provided with life and AD&D insurance and on-duty injury coverage, the tables provide the rates to be applied to Qualifying Employees who elect medical coverage and those who opt out.

Since it is financially advantageous to the Plan that employees covered by Hospital Associations continue that coverage, the monthly inflow factor was created to fund payments to Hospital Associations as credits against the dues of members who are also required to make contributions to The Railroad Employees National Health and Welfare Plan. The 2010 monthly inflow factor will be \$7.44 per Qualifying Employee per month.

The cost to administer the health benefit continuation as required by COBRA is also included in the rates. United Healthcare will send revised monthly report forms reflecting the new payment rates as described above.

The payment dates for the year 2010 are:

<u>Payment Month</u>	<u>Due Date</u>	<u>Payment Month</u>	<u>Due Date</u>
January	01/14/10	July	07/15/10
February	02/16/10	August	08/16/10
March	03/15/10	September	09/15/10
April	04/15/10	October	10/14/10
May	05/13/10	November	11/15/10
June	06/15/10	December	12/15/10

Late payment charges will accrue with respect to payments received after the payment dates listed

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above.

Most railroads make a single, aggregate, monthly payment that our collection agent (United Healthcare) divides into contributions to the National Health and Welfare Plan, the NRC/UTU Plan, the Railroad Employees National Early Retirement Major Benefit Plan (“ERMA”) and the Railroad Employees National Vision Plan. Note that the monthly payment dates for ERMA are the same as the due dates noted above for the health and welfare plans. The payment due date for the National Vision Plan remains the last day of each month. Thus, a railroad making one aggregate monthly payment in connection with all four plans could choose instead to make two monthly payments: one in connection with the Health and Welfare Plan, ERMA and the NRC/UTU Plan by the payment date specified above, and one for the Vision Plan by the last day of each month. Alternatively, the road could choose to continue to make a single aggregate monthly payment, but it would have to be made on or before the payment date shown above for that month.

David B. Marcus

DBM/sep

Attachments

National Health and Welfare & NRC/UTU Plans
2010 Contract Rates and Payment Rates
Contribution, Premium, Trust Deposit and Related Rates Commencing January 1, 2010
In Connection with the NH&W Plan and the NRC/UTU Plan
In relation to each Qualifying Employee who elects medical coverage (i.e. excluding opt outs)
and in the aggregate rendered the requisite amount of compensated service or received the
requisite amount of vacation pay in the preceding month.

Rates to be Applied to QEs Electing Medical Coverage (i.e., excluding opt outs)

All Rates Shown Are Monthly Rates per QE

	2009 CY	2010 CY	'09-'10 % Change
<i>Non-Hospital Association Railroad Employees</i>			
<u>Other Than On-Duty Injury Coverage (FO)</u>			
Medical Contract Rate	\$1,149.58	\$1,233.96	7.3%
Amount Available From Trust	<u>(88.12)</u>	<u>27.15</u>	
Medical Payment Rate	\$1,061.46	\$1,261.11	18.8%
Life/AD&D Rate	\$12.30	\$12.30	0.0%
Total FO Payment Rate	\$1,073.76	\$1,273.41	18.6%
<u>Employee On-Duty Injury Coverage (AO)</u>			
Contract Rate	\$27.02	\$26.13	-3.3%
Amount Available From Trust	<u>3.15</u>	<u>(2.05)</u>	
Total AO Payment Rate	\$30.17	\$24.08	-20.2%
<u>Total NHR Payment Rate</u>			
Payment Rate (FO and AO benefits)	\$1,103.93	\$1,297.49	17.5%
Monthly Inflow Factor	\$7.30	\$7.44	1.9%
NRLC Administrative Fee	\$0.98	\$0.98	0.0%
Total NHR Payment Rate	\$1,112.21	\$1,305.91	17.4%
<i>Hospital Association Railroad Employees*</i>			
Medical Contract Rate	\$787.56	\$843.17	7.1%
Amount Available From Trust	<u>(\$88.12)</u>	<u>\$27.15</u>	
Medical Payment Rate	\$699.44	\$870.32	24.4%
Life/AD&D Rate	\$12.30	\$12.30	0.0%
<u>Total HR Payment Rate</u>			
Payment Rate (benefits)	\$711.74	\$882.62	24.0%
Monthly Inflow Factor	\$7.30	\$7.44	NA
NRLC Administrative Fee	\$0.98	\$0.98	0.0%
Total HR Payment Rate	\$720.02	\$891.04	23.8%
HR Rate Differential	\$362.02	\$390.79	7.9%
HR Dues Offset	\$361.85	\$390.62	8.0%

National Health and Welfare & NRC/UTU Plans			
2010 Contract Rates and Payment Rates			
Rates to be Applied to QEs Opting Out of Medical Coverage			
All Rates Shown Are Monthly Rates per QE			
	2009 CY	2010 CY	'09-'10 % Change
<i>Non-Hospital Association Railroad Employees</i>			
<u>Life/AD&D Rate</u>			
Life/AD&D Rate	\$12.30	\$12.30	0.0%
<u>Employee On-Duty Injury Coverage</u>			
Contract Rate	\$27.02	\$26.13	-3.3%
Amount Available From Trust	\$3.15	(\$2.05)	
Total AO Payment Rate	\$30.17	\$24.08	-20.2%
<u>Total NHR Payment Rate</u>			
Life/AD&D and AO Payment Rate	\$42.47	\$36.38	-14.3%
NRLC Administrative Fee	\$0.98	\$0.98	0.0%
Total NHR Payment Rate	\$43.45	\$37.36	-14.0%
<i>Hospital Association Railroad Employees*</i>			
<u>Life/AD&D Rate</u>			
Life/AD&D Rate	\$12.30	\$12.30	0.0%
<u>Total HR Payment Rate</u>			
Life/AD&D Payment Rate	\$12.30	\$12.30	0.0%
NRLC Administrative Fee	\$0.98	\$0.98	0.0%
Total HR Payment Rate	\$13.28	\$13.28	0.0%

* These railroads provide treatment for on-duty injuries at their own expense. Their on-duty injuries cost is not reflected in the figures in this table.

Under Article IV, 3 of the February 24, 1972 Agreement, hospital association railroads have the option of providing extended hospital care for furloughed qualifying employees through arrangements made between the railroad and the hospital association; in the absence of such arrangements, they are required to pay full hospital association dues for up to three months of a furlough. These obligations are continued.

"Pick-Up" Obligation		
Item	Non-Hospital Association Railroad Per Q.E.	Hospital Association Railroad * Per Q.E.
<u>NEWLY COVERED GROUPS¹:</u>		
For on-duty injuries	\$ 37.37	*
For other benefits	<u>\$504.74</u>	<u>\$331.73</u>
TOTAL	\$542.11	\$331.73
<u>ON TRANSFER FROM HOSPITAL ASSOCIATION TO NON-HOSPITAL ASSOCIATION BASIS OF COVERAGE:</u>		
<u>Employees at work²:</u>		
For on-duty injury	\$ 53.01	
For other benefits	<u>\$286.80</u>	
Total	\$339.81	
<u>Furloughed employees:</u>		
Single Payment ³	\$299.56	
Monthly Payment ⁴	\$372.01	

* These railroads provide treatment for on-duty injuries at their own expense. Their on-duty injuries cost is not reflected in the figures in this table.

1. Payable in relation to each employee in the group involved who in the aggregate rendered the requisite amount of compensated service or received the requisite amount of vacation pay in the month preceding the effective date. The covered employees include those who worked or received vacation pay in the month preceding date of coverage, plus those employees who because of disability did not work in such month but had performed the requisite amount of compensated service in one of the two prior months.

2. Payable in relation to each employee in the group involved who in the aggregate rendered the requisite amount of compensated service or received the requisite amount of vacation pay in the month preceding the effective date.

3. Payable in relation to each furloughed employee who rendered compensated service in the fourth, third or second month preceding date of transfer.

4. Payable in relation to each furloughed employee who did not work in the month preceding date of transfer, for each month, commencing with the month in which the transfer takes place, through the fourth month following the last month prior to the transfer in which he worked. Covers for employee benefits those employees who are already covered for dependent benefits but who did not work or receive vacation pay in the month preceding the date of transfer.

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Director Employee Benefits

(202) 862-7244

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Benefits Administrator

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November 6, 2009

CONTINUED PARTICIPATION IN THE RAILROAD EMPLOYEES NATIONAL EARLY RETIREMENT MAJOR MEDICAL BENEFIT PLAN EFFECTIVE JANUARY 1, 2010

CIRCULAR NO. 679-2-40

TO: MEMBER ROADS AND OTHER PARTICIPATING RAILROADS

Our Circulars of the 679-2 series provide information about the continuation of The Railroad Employees National Early Retirement Major Medical Benefit Plan ("ERMA"), and the applicable Contract/Payment Rates.

The Early Retirement Major Medical Benefit Plan is entirely separate and distinct from The Railroad Employees National Health and Welfare Plan and the National Railway Carriers and United Transportation Union Health & Welfare Plan and the remittances to United Healthcare with respect to the plans are identified separately. However, remittances under ERMA are calculated on exactly the same per employee per month basis as under the combined health and welfare plans which includes those Qualifying Employees who have opted out. (Note that railroads reporting Canadian employees will receive separate notice of both health and retiree premiums.)

For 2010, the Employer Obligation/Contract and Payment Rates for ERMA reflect an increase when compared to 2009. The new *Employer Payment Rate* per qualifying employee per month for Non-Hospital Roads is **\$155.96**, and for Hospital Roads is **\$82.32**. The Hospital Association dues offset is **\$73.64** per employee per month.

The ERMA payment will be due the same date as the health and welfare plan payments.

The payment dates for the year 2010 are:

<u>Payment Month</u>	<u>Due Date</u>	<u>Payment Month</u>	<u>Due Date</u>
January	01/14/10	July	07/15/10
February	02/16/10	August	08/16/10
March	03/15/10	September	09/15/10
April	04/15/10	October	10/14/10
May	05/13/10	November	11/15/10
June	06/15/10	December	12/15/10

The 2010 "pick-up" obligation for groups transferring from Hospital Association to Non-Hospital Association coverage is \$220.92 per active employee.

United Healthcare will send revised monthly report forms reflecting the new payment schedules. Attached are tables providing details.

David B. Marcus

**National Early Retirement Major Medical Benefit Plan (ERMA)
2010 Contract Rates and Payment Rates**

Rates to be applied to Total QEs (including opt outs)

All Rates Shown Are Monthly Rates per QE

ERMA			
	2009 CY	2010 CY	'09-'10 % Change
<i>Non-Hospital Association Railroad Employees</i>			
Contract Rate	\$126.24	\$155.24	23.0%
Amount Available From Trust	(8.68)	0.72	
Payment Rate	\$117.56	\$155.96	32.7%
<i>Hospital Association Railroad Employees</i>			
Contract Rate	\$70.73	\$81.60	15.4%
Amount Available From Trust	(8.68)	0.72	
Payment Rate	\$62.05	\$82.32	32.7%
HR Dues Offset	\$55.51	\$73.64	32.7%

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CONTINUED PARTICIPATION IN THE RAILROAD EMPLOYEES NATIONAL DENTAL PLAN (GP-12000) EFFECTIVE JANUARY 1, 2010

CIRCULAR NO. 636-14-33

TO: MEMBER ROADS AND OTHER PARTICIPATING RAILROADS

This Circular serves to correct Our Circulars of the 636-14 series provide information about the continuation of the Railroad Employees National Dental Plan administered by Aetna and the Contribution/Payment Rates.

The current basic Contract Rate of \$55.98 per employee per month will increase to \$56.96. The Payment Rate will be \$57.29. Included in these rates are \$.04 per employee per month to fund administration of dental benefit continuation as required by COBRA and a \$.33 per employee per month NRLC administrative services fee. Attached is a table providing Contract and Payment Rate details.

The payment dates for the year 2010 are the same as for the Health & Welfare Plans and are:

<u>Payment Month</u>	<u>Due Date</u>	<u>Payment Month</u>	<u>Due Date</u>
January	01/14/10	July	07/15/10
February	02/16/10	August	08/16/10
March	03/15/10	September	09/15/10
April	04/15/10	October	10/14/10
May	05/13/10	November	11/15/10
June	06/15/10	December	12/15/10

The January statement will show contributions due January 14, 2010 for compensated service rendered in December, 2009. Payments *must be received on or before the Due Dates shown above to avoid late penalties*. Aetna will send participating railroads billing statements which reflect the monthly Due Dates.

Employers with Canadian employees will continue to report them with a separate account number and will receive payment rate information in a separate mailing.

David B. Marcus

DBM/sep
Attachment

2009 vs. 2010 Contract and Payment Rates Railroad Employees National Dental Plan

1. 2009 Monthly Rates (US and Canadian employees)

Contract Rate*	\$55.98
Offset Due to Reserves	0
Administrative Services Fee	<u>+ .33</u>
Payment Rate	\$56.31

2. 2010 Monthly Rates

Contract Rate*	\$56.96
Offset Due to Reserves	0
Administrative Services Fee	<u>+ .33</u>
Payment Rate	\$57.29

* Contract Rates include COBRA Administration Fee of \$0.04 per employee per month.

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CONTINUED PARTICIPATION IN THE RAILROAD EMPLOYEES NATIONAL VISION PLAN EFFECTIVE JANUARY 1, 2010

CIRCULAR NO. 825-5-13

TO: MEMBER ROADS AND ALL OTHER PARTICIPATING RAILROADS

Our Circulars of the 825-5 series provide information about the continuation of the Railroad Employees National Vision Plan which is insured by Vision Service Plan (VSP) and forwards the Premium/Payment Rates for the Plan each year.

As a reminder, the National Vision Plan is a fully insured plan. Therefore, although (like the National Dental Plan) there is a requirement that new employees complete a year of service to be eligible, unlike the National Dental Plan, ***Carriers are not required to pay a premium during the one year waiting period.***

The Premium Rate for 2010 will be **\$10.25** plus the NRLC Administrative Fee of \$.16 for a **Payment Rate of \$10.41** per employee per month. You will pay **\$10.41** per employee per month only for those employees who have rendered the Requisite Amount of Compensated Service and/or received Vacation Pay and who have completed the one year service requirement.

As noted in Circular 504-41-43, dated this same date, premium payments for the Vision Plan may be made separately by the last day of the month or aggregated along with the health and welfare plans' contributions being paid on the earlier due dates.

David B. Marcus

DBM/sep

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CONTINUED PARTICIPATION IN THE SUPPLEMENTAL SICKNESS BENEFIT PLAN COVERING SHOP CRAFT EMPLOYEES EFFECTIVE JANUARY 1, 2010

CIRCULAR NO. 592-24-62

TO: MEMBER ROADS AND OTHER PARTICIPATING RAILROADS

Our Circulars of the 592-24 series provide information about the continuation of the above referenced Supplemental Sickness Benefit Plan.

The employer contribution due by **January 15, 2010** based on December 2009 compensated service is decreased by \$4.33 from 2009. The Payment Rate will be \$25.71 per employee per month which includes \$.11 per employee per month for administrative services performed by the NRLC.

The payment rate for Canadian employees is exactly the same including the NRLC administrative fee. Any employer reporting Canadian employees should continue to report the number of employees separately.

You will receive payment instructions for 2010 by mid-December directly from Aetna.

David B. Marcus

DBM/sep

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CONTINUED PARTICIPATION IN THE SUPPLEMENTAL SICKNESS BENEFIT PLAN COVERING SIGNALMEN EFFECTIVE JANUARY 1, 2010

CIRCULAR NO. 592-24-63

TO: MEMBER ROADS AND OTHER PARTICIPATING RAILROADS

Our Circulars of the 592-24 series provide information about the continuation of the above referenced Supplemental Sickness Benefit Plan.

The employer contribution due by **January 15, 2010** based on December 2009 compensated service is increased by \$.10 from 2009. The Payment Rate will be \$8.65 per employee per month which includes \$.11 per employee per month for administrative services performed by the NRLC.

The payment rate for Canadian employees is exactly the same including the NRLC administrative fee. Any employer reporting Canadian employees should continue to report the number of employees separately.

You will receive payment instructions for 2010 by mid-December directly from Aetna.

David B. Marcus

DBM/sep

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CONTINUED PARTICIPATION IN THE SUPPLEMENTAL SICKNESS BENEFIT PLAN COVERING MAINTENANCE OF WAY EMPLOYEES EFFECTIVE JANUARY 1, 2010

CIRCULAR NO. 597-20-32

TO: MEMBER ROADS AND OTHER PARTICIPATING RAILROADS

Our Circulars of the 597-20 series provide information about the continuation of the above referenced Supplemental Sickness Benefit Plan.

The employer contribution due by **January 15, 2010** based on December 2009 compensated service will be increased \$10.01 over the contribution made in 2009. The new Payment Rate will be \$24.90 per employee per month which includes \$.11 per employee per month for administrative services performed by the NRLC.

The payment rate for Canadian employees is exactly the same including the NRLC administrative fee. Any employer reporting Canadian employees should continue to report the number of employees separately.

You will receive payment instructions for 2010 by mid-December directly from Aetna.

David B. Marcus

DBM/sep

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CONTINUED PARTICIPATION IN THE SUPPLEMENTAL SICKNESS BENEFIT PLAN COVERING YARDMASTER EMPLOYEES EFFECTIVE JANUARY 1, 2010

CIRCULAR NO. 692-4-28

TO: MEMBER ROADS AND OTHER PARTICIPATING RAILROADS

Our Circulars of the 692-4 series provide information about the continuation of Group Policy 9000 of the Trustmark Insurance Company and the Premium/Payment Rates.

The new employer contribution due by **January 15, 2010** based on December 2009 service is increased by \$3.27 from 2009. The Payment Rate will be \$32.16 which includes \$.11 per employee per month for administrative services performed by the NRLC.

Trustmark will be sending each road a supply of the Monthly Payment Report Forms reflecting the new payment rate.

David B. Marcus

DBM/sep