

NATIONAL RAILWAY LABOR CONFERENCE

EMPLOYEE BENEFITS DEPARTMENT

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November 17, 2015

CONTINUED PARTICIPATION IN
THE RAILROAD EMPLOYEES NATIONAL HEALTH AND WELFARE PLAN (“NH&W”)
NATIONAL RAILWAY CARRIERS and UNITED TRANSPORTATION UNION
HEALTH & WELFARE PLAN (“NRC/UTU”)
EFFECTIVE JANUARY 1, 2016

CIRCULAR NO. 504-41-54
CIRCULAR NO. 843-1-24

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 contract/premium/ payment rates.

The rates are the same for both Plans. Attached are tables providing details for rates effective January 1, 2016 based on December 2015 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.

The 2016 monthly inflow factor has been increased to \$7.07 per Qualifying Employee per month.

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

The payment dates for the year 2016 are:

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

Late payment charges will accrue with respect to payments received after the payment dates listed above. When sending an EFT, your Monthly Payment Report form should be faxed to 860-702-5336, Attn: Sue Skidgel or emailed to susan_skidgel@uhc.com. **Please note, any EFT received without a signed Monthly Payment Report form, or any Monthly Payment Report form received without payment, will not be processed. Wires must be received at JP Morgan Chase Bank no later than 3:00 pm eastern time on or before the Due Date or a late charge will apply.**

Most railroads make a single, aggregate, monthly payment that our collection agent (UnitedHealthcare) 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 National Vision Plan Payment Due Date 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 dates 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 due date shown above for that month.

David B. Marcus

DBM/sep
Attachments

**National Health and Welfare & NRC/UTU Plans
2016 Contract Rates and Payment Rates**

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

All Rates Shown Are Monthly Rates per QE

	2015 CY	2016 CY	% Change
<i>Non-Hospital Association Railroad Employees</i>			
<u>Other Than On-Duty Injury Coverage (FO)</u>			
Medical Contract Rate	\$1,436.41	\$1,518.99	5.7%
Amount Available from Trust	<u>(170.85)</u>	<u>(69.99)</u>	
Medical Payment Rate	\$1,265.56	\$1,449.00	14.5%
Life/AD&D Rate	\$12.30	\$12.30	0.0%
Total FO Payment Rate	\$1,277.86	\$1,461.30	14.4%
<u>Employee On-Duty Injury Coverage (AO)</u>			
Contract Rate	\$12.95	\$12.11	-6.5%
Amount Available from Trust	<u>(0.89)</u>	<u>(0.88)</u>	
Total AO Payment Rate	\$12.06	\$11.23	-6.9%
<u>Total NHR Payment Rate</u>			
Payment Rate (FO and AO benefits)	\$1,289.92	\$1,472.53	14.2%
Monthly Inflow Factor	\$6.96	\$7.07	1.6%
NRLC Administrative Fee	\$1.40	\$1.45	3.6%
Total NHR Payment Rate	\$1,298.28	\$1,481.05	14.1%
<i>Hospital Association Railroad Employees</i>			
Medical Contract Rate	\$1,013.83	\$1,068.85	5.4%
Amount Available from Trust	<u>(\$170.85)</u>	<u>(\$69.99)</u>	
Medical Payment Rate	\$842.98	\$998.86	18.5%
Life/AD&D Rate	\$12.30	\$12.30	0.0%
<u>Total HR Payment Rate</u>			
Payment Rate (benefits)	\$855.28	\$1,011.16	18.2%
Monthly Inflow Factor	\$6.96	\$7.07	1.6%
NRLC Administrative Fee	\$1.40	\$1.45	3.6%
Total HR Payment Rate	\$863.64	\$1,019.68	18.1%
HR Rate Differential	\$422.58	\$450.14	6.5%
HR Dues Offset	\$422.41	\$449.97	6.5%

**National Health and Welfare & NRC/UTU Plans
2016 Contract Rates and Payment Rates**

Rates to be Applied to QEs Opting Out of Medical Coverage

All Rates Shown Are Monthly Rates per QE

	2015	2016 CY	% 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	\$12.95	\$12.11	-6.5%
Amount Available from Trust	(\$0.89)	(\$0.88)	
Total AO Payment Rate	\$12.06	\$11.23	-6.9%
<u>Total NHR Payment Rate</u>			
Life/AD&D and AO Payment Rate	\$24.36	\$23.53	-3.4%
NRLC Administrative Fee	\$1.40	\$1.45	3.6%
Total NHR Payment Rate	\$25.76	\$24.98	-3.0%
<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	\$1.40	\$1.45	3.6%
Total HR Payment Rate	\$13.70	\$13.75	0.4%

2016 "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	\$ 17.32	*
For other benefits	<u>\$620.89</u>	<u>\$420.37</u>
TOTAL	\$638.21	\$420.37
<u>ON TRANSFER FROM HOSPITAL ASSOCIATION TO NON-HOSPITAL ASSOCIATION BASIS OF COVERAGE:</u>		
<u>Employees at work²:</u>		
For on-duty injury	\$ 24.56	
For other benefits	<u>\$352.82</u>	
Total	\$377.38	
<u>Furloughed employees:</u>		
Single Payment ³	\$368.51	
Monthly Payment ⁴	\$457.63	

* 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 of coverage.
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, but not in the month of transfer.
4. Payable in relation to each furloughed employee who did not render compensated service 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.

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November 17, 2015

CONTINUED PARTICIPATION IN THE RAILROAD EMPLOYEES NATIONAL EARLY RETIREMENT MAJOR MEDICAL BENEFIT PLAN ("ERMA") EFFECTIVE JANUARY 1, 2016

CIRCULAR NO. 679-2-51

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 Payment Rates.

The Early Retirement Major Medical Benefit Plan is 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 UnitedHealthcare 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 include those Qualifying Employees who have opted out. (Note that railroads reporting Canadian employees will receive separate notice of applicable rates.)

For 2016, the Payment Rates for ERMA reflect an increase when compared to 2015. The new *Employer Payment Rate* per qualifying employee per month for Non-Hospital Roads is **\$134.70**, and for Hospital Roads **\$71.10**. The Hospital Association dues offset will be **\$63.60** 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 2016 are:

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

The 2016 "pick-up" obligation for groups transferring from Hospital Association to Non-Hospital Association coverage is \$190.80 per active employee.

UnitedHealthcare will send revised monthly report forms reflecting the new payment schedule. Attached is a table providing details.

David B. Marcus

**National Early Retirement Major Medical Benefit Plan (ERMA)
2016 Payment Rates**

Rates to be applied to Total QEs (including opt outs)			
All Rates Shown Are Monthly Rates per QE			
	2015 CY	2016 CY	% Change
<i>Non-Hospital Association Railroad Employees</i>			
Payment Rate	\$109.90	\$134.70	22.6%
<i>Hospital Association Railroad Employees</i>			
Payment Rate	\$58.01	\$71.10	22.6%
HR Dues Offset	\$51.89	\$63.60	22.6%

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CONTINUED PARTICIPATION IN THE RAILROAD EMPLOYEES NATIONAL DENTAL PLAN (GP-12000) EFFECTIVE JANUARY 1, 2016

CIRCULAR NO. 636-14-40

TO: MEMBER ROADS AND OTHER PARTICIPATING RAILROADS

Our Circulars of the 636-14 series provide information about the continuation of the Railroad Employees National Dental Plan administered by Aetna and the Contract and Payment Rates.

The current basic Contract Rate of \$58.63 per employee per month will increase to \$59.47 and the Payment Rate will increase to \$56.97. Included in the Payment Rate are \$.04 per employee per month to fund administration of dental benefit continuation as required by COBRA and a \$.50 per employee per month NRLC administrative services fee. Attached is a table providing Contract and Payment Rate details.

The payment dates for the year 2016 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	01/14/16	July	07/14/16
February	02/16/16	August	08/15/16
March	03/15/16	September	09/15/16
April	04/14/16	October	10/13/16
May	05/16/16	November	11/15/16
June	06/15/16	December	12/15/16

The January statement will show contributions due January 15, 2016 for compensated service rendered in December 2015. Payments *must be posted on or before the Due Dates shown above or late penalties will be charged.* 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

**2015 vs. 2016 Contract and Payment Rates
Railroad Employees National Dental Plan**

1.	2015 Monthly Rates	
	Contract Rate*	\$58.63
	Offset Due to Reserves	-8.30
	Administrative Services Fee	<u>+ .50</u>
	Payment Rate	\$50.83
2.	2016 Monthly Rates	
	Contract Rate*	\$59.47
	Offset Due to Reserves	-3.00
	Administrative Services Fee	<u>+ .50</u>
	Payment Rate	\$56.97

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

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CONTINUED PARTICIPATION IN THE SUPPLEMENTAL SICKNESS BENEFIT PLAN COVERING SHOP CRAFT EMPLOYEES EFFECTIVE JANUARY 1, 2016

CIRCULAR NO. 592-24-76

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, 2016** based on December 2015 compensated service will be decreased over the 2015 payment rate of \$53.18. The 2016 Payment Rate will be \$49.11 per employee per month.

Remember that payments must be posted by Aetna on or before the 15th of the month. There is a 10 calendar day grace period, but if payments are not posted by the 25th of the month, late fees are calculated retroactively to the 15th.

The payment rate for Canadian employees is also \$49.11. Any employer reporting Canadian employees should continue to report the number of employees separately.

You will receive payment instructions for 2016 by mid-December directly from Aetna.

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CONTINUED PARTICIPATION IN THE SUPPLEMENTAL SICKNESS BENEFIT PLAN COVERING SIGNAL EMPLOYEES EFFECTIVE JANUARY 1, 2016

CIRCULAR NO. 592-24-77

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, 2016** based on December 2015 compensated service will be decreased over the 2015 payment rate of \$30.74. The 2016 Payment Rate will be \$29.48 per employee per month.

Remember that payments must be posted by Aetna on or before the 15th of the month. There is a 10 calendar day grace period, but if payments are not posted by the 25th of the month, late fees are calculated retroactively to the 15th.

The payment rate for Canadian employees is also \$29.48. Any employer reporting Canadian employees should continue to report the number of employees separately.

You will receive payment instructions for 2016 by mid-December directly from Aetna.

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CONTINUED PARTICIPATION IN THE SUPPLEMENTAL SICKNESS BENEFIT PLAN COVERING MAINTENANCE OF WAY EMPLOYEES EFFECTIVE JANUARY 1, 2015

CIRCULAR NO. 597-20-39

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, 2016** based on December 2015 compensated service will be unchanged from the 2015 rate. The Payment Rate will continue as \$32.87 per employee per month.

Remember that payments must be posted by Aetna on or before the 15th of the month. There is a 10 calendar day grace period, but if payments are not posted by the 25th of the month, late fees are calculated retroactively to the 15th.

The payment rate for Canadian employees also remains unchanged. Any employer reporting Canadian employees should continue to report the number of employees separately.

You will receive payment instructions for 2016 by mid-December directly from Aetna.

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CONTINUED PARTICIPATION IN THE SUPPLEMENTAL SICKNESS BENEFIT PLAN COVERING YARDMASTER EMPLOYEES EFFECTIVE JANUARY 1, 2016

CIRCULAR NO. 692-4-35

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 premium due by **January 15, 2016** based on December 2015 service is decreased \$.56 from 2015. The Payment Rate will be \$34.22 which includes \$.17 per employee per month for administrative services performed by the NRLC.

Remember that payments must be posted by Trustmark on or before the 15th of the month. There is a 10 calendar day grace period, but if payments are not posted by the 25th of the month, late fees are calculated retroactively to the 15th.

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

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CONTINUED PARTICIPATION IN THE RAILROAD EMPLOYEES NATIONAL VISION PLAN EFFECTIVE JANUARY 1, 2016

CIRCULAR NO. 825-5-24

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 EyeMed Vision Care 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 2016 will be **\$8.16** plus the NRLC Administrative Fee of \$.25 for a **Payment Rate of \$8.41** per employee per month. You will pay **\$8.41** 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 indicated in Circular 504-41-54, dated this same date, premium payments for the Vision Plan are made to UnitedHealthcare and 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 noted below.

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

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