



TWU Quick Look Retirement Reference Guide

TWU

Provided by International Benefit Committee

Please contact for further technical assistance, when needed.

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Retirement Overview

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Retirement Definitions



- **Retirement Eligibility Service**

Is the time period used to determine when you can receive your retirement benefit from the Plan. After you become a member in the Plan, you earn Retirement Eligibility Service the same way you earn credited service. However, Retirement Eligibility Service is not used to determine the amount of your retirement benefit and it may include additional time not counted in credited service, such as:

- Time while a participant in SuperSaver Plus (while in a nonunion work group)
Certain service for former employees of TWA Airlines, LLC, Reno Air and AirCal.

- **Credited Service**

Is the time period used to determine the amount of your pension benefit payable from the Plan. There is no cap on credited service. Generally, the more years of Credited Service you have at retirement, the larger the benefit you will receive.

- **Eligibility Service**

Is used to determine when you are eligible to participate in the Plan. You earn a year of Eligibility Service and become a Plan Member if you complete at least the Hours of Service required for your job classification during the initial 12-month period starting with your hire date. The required Hours of Service for each job classification is listed in the Pension Summary Plan Description, which is available online in JetNet. If you do not work at least the required Hours of Service during your first year of employment, you must complete at least the required Hours of Service in a subsequent Plan Year (January – December) to earn one year of Eligibility Service.



Retirement Overview

- **Per the AA Policy, an employee age 50-55 years, with at least 15 years of company seniority, may resign from AA and continue to prefund for 10 consecutive years or since first eligible, and retire at age 55 with retiree medical. With 15 years Retirement Eligibility, at age 55 he/she may also commence pension at a reduced rate. (see Q/A #1)**
 - Pension is reduced by 3% for each year under 60 years of age.
- **AA Policy allows an employee to retire with 10 years of company seniority and at least age 55. An employee less than age 60 with at least 10 years, but less than 15 years of Retirement Eligibility service, may commence pension at age 60. (see Q/A #1)**
 - Benefit is actuarially reduced from age 65.
- **AA Policy allows an employee age 60+ with at least 10 years of company seniority and at least 10 years of Retirement Eligibility service to retire from the company with full benefits, as long as the employee prefunded for 10 consecutive years or since first eligible. Pension commencement is at an unreduced rate. (Retirement Eligibility Service 10 years for pension) (see Q/A #1)**



Retirement

Questions & Answers

Q.) I have been with American 15 years and I am 55 years old, do I have enough credit service to receive my pension?

A.) You can collect your pension at age 60, it will be actuarially calculated and benefit is reduced from age 65 of age. You must remember your first year with the company does not count towards credit service. An employee must work a minimum of 1000 hours per year (including first year) to accrue one year of credited service. (Retirement Eligibility)

**At 55 you will be entitled to all your Retiree Medical, as long as you have prefunded 10 years preceding retirement, or continue to prefund after leaving the company until they become eligible for medical coverage.
(Some work groups prefund since first eligible until age 55 of age)**

At 55 you will be entitled to all your Travel, Sick time, Gift and other benefits

Q.) I am 50 years old, with 10 credited service; can I retire?

A.) No, you must have 15 years credited service, then you can leave the company under the 50-to-55 rule. You will have to continue prefunding until age 55; you will also have to continue paying your Supplemental Medical. At that point, you will be eligible for retiree benefits; your pension will be reduced by 3% for every year under age 60.

Q.) I am 55 years old, with 13 years of service; what am I entitled to?

A.) You will be entitled to all your benefits; your pension cannot be started until age 60 years old; it will be actuarially calculated and benefit is reduced from age 65 of age.



Retirement

Questions & Answers

Q.) Do I have to pay for my Medical coverage?

A.) No, as long as you have prefunded continuously for the 10 years immediately preceding retirement, (or) you began prefunding when first eligible and prefunded until you retired, and meet all other criteria for retiree medical coverage (age and seniority). Standard Medical Plan at no cost.

A.) You will have an option to go into the RPOS plan; if you opt for this plan, your prefunding monies will be returned, and you will have to pay \$50.00 a month for each person until age 65. RPOS, cost are not guaranteed, raises in premiums are subject to plan cost. The plan is not contractual and can be canceled at any time. At age 65, you will revert back to the Standard Plan but you will have to pay \$50.00 dollars per person for the rest of your life.

Q.) How long do I have to pay Supplemental Medical ?

A.) You will pay \$60.00 per person for the rest of your life, otherwise you will lose coverage.



Retiree Medical Plan Comparison

RSMD PLAN VS RPOS PLAN

Retiree Standard Medical Plan (No Cost)

- Lifetime maximum \$300,000 to age 65- \$3,500 replaced at end of each year- until age 65
- Discount Network
- \$150 deductible
- Coinsurance plan, member pays 20%
- Out of pocket maximum \$1k
- No preventative care
- Continues after 65 with lifetime max of \$50,000 dollars

Retiree Point of Service

RPOS, cost are not guaranteed, raises in premiums are subject to plan cost. The plan is not contractual and can be canceled at any time

Must opt out of Pre-Funding; will cost \$70 per-person-a-month at this time.

- Lifetime maximum \$1 million to age 65
- Network steered plan
- No deductible for most in-network coverage
- Co-Pay plan
- No out-of-pocket maximum
- Preventative Care
- Must return at age 65 to RSDP at cost of \$50.00 per month per person with lifetime max \$50,000 dollars



Retirement



Medicare Part D

- **Medicare Part D program. As of January 1, 2006 all Medicare Eligible retirees must have enrolled**
- **You must enroll in Medicare Part D Plan when eligible for Medicare**
- **Please refer to TWU Medicare Part Guide**
- **American Airlines Retiree Standard Medical Plan**
 - **Coverage Pays secondary to Medicare**
 - **Pays 80% after you meet \$150 deductible – Picks up 5% of 25% - level 1**
 - **Pays 100% after you meet \$1,150 out of pocket – remaining part of year.**
 - **United HealthCare coordinates with Medicare**



AA Retirement Medical Plan Secondary to Medicare



- American Airlines Retiree Medical is **Secondary**
 - You are required by company policy to sign up for Medicare A,B & D when **first eligible** if on retiree medical.
 - When you become eligible for Medicare Part A,B & now D, your American Airlines retiree medical became secondary. This process will automatically take affect Medical Plan will not process claims until Medicare process 1st.
 - Medicare Part D prescription plan will now be your primary, you will only be **reimbursed** by your retiree medical plan for prescriptions after Medicare processes.
 - Enrollment November 15 through December 31st every year for Medicare Prescription “D” Plan. You can change plans every year.
 - If you choose **not** to take Medicare Part D, you are taking responsibility for all prescription cost Medicare would have covered if you had taken coverage. American will apply the Government Standard set forth in Medicare Part D Policy (75%/25%).
 - So PLEASE give careful consideration before you choose not to take Medicare A,B & Part D – PDP.



American Retiree Standard Medical Plan & Medicare

- **American Airlines Retiree Standard Medical Plan and Part “D”**
 - AA reimburses you up to 80% of your out of pocket costs, after you satisfy a \$150 deductible. No reimbursement if Medicare pays 80% of PDP Drug Retail Cost.
 - (In Step 2 \$265 to \$2,400, AA reimburses at 5% since Plan pays 75%).
 - Your Medicare Part A & B and Medicare Part D Prescription Drug costs all count toward satisfying your \$150 deductible, and \$1,150 annual maximum out of pocket limit. But your Medicare and Part D Premiums **do not count towards reimbursement.**
 - AA reimburses you at 100% of your out of pocket costs for the remainder of the year, after you have satisfied the Plan’s \$1,150 annual maximum out of pocket limit.
 - The Medicare Crossover Provision does not apply to retirees eligible for the Medicare Part D Prescription Drug Plan, since the Part D Plan providers are individual insurance companies.
 - A current **Medicare Part D Prescription Drug Plan Reimbursement Claim Form** must be used, for Part D Prescription Drug out of pocket cost reimbursement. It can be downloaded from the Jetnet web site using the Form Finder link on the Retiree Benefits web page, or call AA at 1-800-447-2000 to request a Claim Form.



American Retiree Standard Medical Plan

- **What I need to Know as American Retiree?**
 - **Age 64 or less not Medicare Eligible**
 - **Medical Coverage - \$300,000 Life Time Max (\$3,500 yearly replenish)**
 - **80/20 coverage with \$150 deductible, max out of pocket \$1,150**
 - **Retail Prescriptions – reimburse 80/20 after \$150 deductible met**
 - **Mail – In Prescriptions not counted against Deductible or Out of Pocket Maximum – not reimbursed**
 - **No yearly preventive coverage, must be Medically required**



AA Retirement Medical Plan Secondary to Medicare



- **Special Notice to those Medicare eligible on retiree medical no matter what your age. You must enroll when first eligible.**
 - **Under Age 64 Medicare Eligible; (Disability)**
 - **Medical Coverage Secondary to Medicare- \$300,000 Life Time Max (\$3,500 yearly replenish)**
 - **Must be enroll in Medicare Part A,B,D when eligible**
 - **AA secondary to Medicare – No Duplication of Benefits**
 - **80/20 coverage with \$150 deductible, max out of pocket \$1,150**
 - **Must have Medicare Part D PDP Plan or AA will apply as if Medicare paid;**
 - **How plan “D” works with retiree insurance;**
 - » **Reimbursement with copy of EOB from PDP with your payment history (send complete EOB, itemized and totals)**
 - » **Retail and Mail-In count towards Deductible & Out Of Pocket**
 - » **80 % paid after \$150 deductible has been met**
 - » **100% reimbursement after \$1,150 is met for remainder of the year**



American Retiree Standard Medical Plan

- **What I need to Know as American Retiree?**

- **Age 65 Medicare Eligible**

- **Medical Coverage – \$50,000 Life Time Max (Spouse also reduced to \$50,000 LTM when Retiree reaches age 65, even if younger than retiree)**
- **Must be enroll in Medicare Part A,B,D**
 - **AA secondary to Medicare – No Duplication of Benefits**
 - **80/20 coverage with \$150 deductible, max out of pocket \$1,150**
 - **Must have Medicare Part D PDP Plan or AA will apply as if Medicare paid;**
 - **How plan works with retiree insurance;**
 - » **Reimbursement with copy of EOB from PDP with your payment (send complete EOB, itemized and totals)**
 - » **Retail and Mail-In count towards Deductible & Out Of Pocket**
 - » **80 % paid after \$150 deductible has been met**
 - » **100% reimbursement after \$1,150 is met for remainder of the year**



AA Retiree Information

- **Transition from Standard Retiree Medical Plan Coverage to the Supplemental Medical Plan**
- **Medical Plan Coverage**
 - Contact UHC for Letter of Confirmation that you have exhausted your \$50,000 Plan Coverage. (Audit currently takes 4 to 6 weeks). **(If Necessary, only request if you disagree. Can delay process and delay needed coverage)**
 - Send the Confirmation Letter to HealthFirst TPA/Golden Wings to initiate Supplemental - Medical Plan Coverage and request a Supplemental Medical Claim Form.
- **Important Phone Numbers**
 - HealthFirst TPA– **1- 800 - 711 - 7083**
 - Golden Wings – **1 – 800 - 521-2510**



AA Retiree Information

- **JetNet - Retiree Benefit Information**
 - JetNet Help Desk - (866) 538-6384 - To obtain Password, etc.
 - Web Site - www.jetnet.aa.com
- **Standard Retiree Medical Plan or Supplemental Medical Plan Account Balance**
 - Call UHC at (800) 638-9599 to check the amount remaining of your \$50,000 Standard Retiree Medical Plan Coverage.
 - Call Health First TPA at (800) 711-7083 to check the amount remaining of your \$500,000 Supplemental Medical Plan Coverage.
 - Call Golden Wings (800) 521-2510 to check the amount remaining of your \$500,000 Supplemental Medical Plan Coverage.



Survivor Benefits



- **Retiree Medical Plan Coverage**

- Spouse is under 65 – coverage plans continue until the spouse reaches age 65 or remarries- whichever comes first; dependent child coverage ends upon retiree death, Supplemental medical would continue
- Spouse is over 65 – 6 months of plan coverage at the time of death or remarriage, whichever comes first, Supplemental Medical would continue
- Domestic Partner – 6 months of coverage at the time of death or until entering a new relationship- whichever comes first, Supplemental Medical would continue

- **Retiree Travel**

- Travel eligibility for surviving spouse and Domestic Partner cease when:
 - Surviving spouse remarries or DP enters into another domestic partnership
 - Surviving spouse or DP dies



Life Insurance Benefits



- **Retiree Life Insurance**

- Your active policy, less the amount of Retiree Life Insurance, can be converted without proof of good health through MetLife (costs will vary, contact MetLife directly)
- The amount of Life Insurance is determined by your date of hire and marital status. American Airlines provides this coverage to you free of charge
 - All single employees, regardless of date of hire, receive \$5,000
 - Married Flight Attendants and TWU employees hired after 5/27/74 and Management or Support Staff Employees hired after 11/1/74 have \$5,000 in coverage
 - Married Flight Attendants and TWU hired before 5/27/74 and Management and Support Staff hired before 11/1/74 have \$30,000 of coverage, decreasing by \$5,000 each year until a total of \$5,000 remains



AA Retiree Information

- **General Information**

- Update your Beneficiary Designation if necessary
- Contact your local retiree group for up to date information
- Review your Insurance Coverage, Documents, and Contact Phone Numbers and their location, with your spouse or other family members.
It is important to let others know how to access your benefit information.
- In the event of the death of a retiree, the Spouse or other family member should contact American Airlines Survivor Services at (800) 447-2000, option 5 for assistance.