

**Retirement Resource Guide for
The Airline Technicians
And
Related Employees
And
Flight Simulator Technicians
And
Related Employees
In the Service of
United Airlines
As Represented By
The International Brotherhood of Teamsters**



The International Brotherhood of Teamsters Benefits Committee at United Airlines has put together this informational and resource package to assist you in understanding your retirement benefits and to provide you with a quick-reference to help employees with retirement questions. Additionally, this “Resource guide” does not constitute legal, tax, investment, or other advice to any individual. The materials contained are intended only as a summary. In the event, there is any conflict between the materials and the terms of the actual plan or policies, the plan or policy will govern.

This presentation was prepared with information current on March 2017.

Fraternally,
Your Benefits Committee

TABLE OF CONTENTS

• <u>Retirement Eligibility</u>	4
• <u>The Process</u>	4
• <u>Retirement Benefit Selection Packet</u>	4
• <u>Effects of Retirement on Active Employee Benefits</u>	5
• <u>Vacations</u>	
• <u>Floating Holidays</u>	
• <u>Flexible Spending</u>	
• <u>Health Care Reimbursement Account (HRA,RHA)</u>	5
• <u>Monthly Payments out of Check Stop</u>	5
• <u>Flight Privileges</u>	5
• <u>Family Member Eligibility</u>	5
• <u>Retiree Medical Enrollment</u>	6
• <u>Retiree Medical</u>	6
• <u>Medicare/Medicare Advantage/Select Plan</u>	6
• <u>Preferred Provider Option (PPO)</u>	6
• <u>HMO</u>	6
• <u>Retiree Bridge Medical</u>	7
• <u>Medicare U.S. Government</u>	8
• <u>Dental Coverage</u>	8
• <u>Life Insurance</u>	8
• <u>Conversion of Active Life Insurance</u>	9
• <u>Cost of Conversion</u>	9
• <u>All Conveyance Insurance</u>	9
• <u>Survivor Benefits</u>	9
• <u>Retiree Pass Travel: (as of 7/15)</u>	10
• <u>Can the retire still use the 20% discount</u>	10
• <u>Other Airline Agreements</u>	10
• <u>Pass Travel</u>	10
• <u>Retiree Listing</u>	11
• <u>Enrolled Friend Program</u>	11
• <u>Retiree Badge</u>	11
• <u>Possible Sources of Retirement</u>	11
• <u>401k</u>	12
• <u>PBGC Requirements</u>	13
• <u>PBGC Benefits are based on</u>	13
• <u>Retirement Options for PBGC</u>	13
• <u>Individual PBGC Benefit Estimate</u>	13
• <u>HCTC Health Care Tax Credit</u>	14
• <u>Pan Am Annuity</u>	14
• <u>CARP Requirements</u>	14
• <u>CARP Benefits</u>	15
• <u>IAM National Pension Fund</u>	15
• <u>Pension Benefits are Taxable</u>	15
• <u>Social Security</u>	15

Retirement Eligibility:

Must be an Active Employee or on Approved Leave of Absence.

Age 50 w / 20 years of service

Age 55 w / 10 years of service

Age 60 w/ 10 years of service

United Benefits Service Center / Employee Service Center

1-800-651-1007 1-877-UAL-ESC9 (825-3729)

Call the Benefit Service Center for...

Retiree medical premiums, enrollment, dependent eligibility rules

Forms for change of address

Life insurance forms

Call the Employee Service Center to...

Report death of retiree/spouse or family member

Update Beneficiaries

Notify United of Life Changing Event

The Process:

Your supervisor requests retirement UG/Employment History update from United Airlines as soon as possible before your retirement date.

Employee's supervisor receives verification from final UG/ Employment History (p-file) that confirms retirement date age, marital status and credited service.

60 to 90 days before your retirement date request to start retirement benefits: PBGC 1-800-400-7242; Met Life Annuities 1-800-638-2432 (Pre 1985); CARP 1-800-651-1007
www.flyingtogether@ual.com

UAL/ PBGC and Met Life retirement benefits will take effect the first of the month following your last day worked.

Normally, you will receive your first check Approximately 6 to 8 weeks after your ASD (Annuity Start Date)/RSD (Retirement Start Date).

Retirement Benefit Selection Packet:

Forms will be mailed to employee's home by way of first class mail within 14 days after retirement. The benefit selection forms should be returned to the United Benefit Service Center as soon as possible.

Once your retirement benefit selections are finalized and authorized, they cannot be changed or modified.

Effects of Retirement on Active Employee Benefits:

Vacations

Paid for unused vacations

Floating Holidays

Paid for unused Floating Holidays

Flexible Spending

Contributions stop with last paycheck.

Claims may be filed no later than April 30 of the following year.

Health Care Reimbursement Account (HRA)

Transfers to a **Retiree Health Care Account (RHA)**

These funds are used for qualified medical expenses under Section 213(d) of the IRS Code.

How does the RHA work?

When you leave United your participation in the HRA ends and your YSA (Your Spending Account) card will be suspended. You will have 60 days to submit any of your claims for when you were covered by the active HRA. After the 60-day run out period, YSA will transfer your remaining Active HRA funds to your retiree RHA. For more information go to,

Flying together>Employee Services>Benefits/YBR>Other Benefits>>Spending Accounts

Monthly Payments out of Check Stop

Bank/Credit Union, Insurance, House, Investments etc.

Flight Privileges

Boarding Priority Changes

Family Member Eligibility:

Your spouse or qualified domestic partner. (A domestic partner is an employee's partner who is of the same sex as the employee and who has been enrolled by the employee with the company as his or her domestic partner This may change due to new marriage laws.)

Your children from birth until age 26.

Change dependents by calling the Employee Service Center within 30 days of change in family status at 1-877-UAL-ESC9 (1-877-825-3729).

Retiree Medical Enrollment:

Enroll for coverage at the time of your retirement.

Cancel coverage or delete family members by completing a cancellation form.

Once you cancel you cannot re-enroll.

You can switch between Traditional, Core PPO, Select regional plans and HMOs during annual open enrollment periods.

Retiree Medical:

Medicare/Medicare Advantage/Select Plan

After age 65 or when Medicare-eligible

You must sign up for Medicare at age 65 or you could receive a penalty of increased premiums .

Signing up does not mean you must use this benefit, you can postpone using Medicare.

Preferred Provider Option (PPO)

Same as active employee traditional plan, currently Blue Cross Blue Shield of Illinois.

HMO

Same as active employee plans. Specific features vary among HMOs

Below are some of the Company offered following medical plans:

BYO EPO, Core PPO, Core EPO, Core High Deductible plan with Health Savings Account and the Traditional Medical PPO, NetCare Guam Health Plan Plus.

Select Regional Medical Plans include: Kaiser HMOs, NetCare Guam HMO, HMO Illinois, HMO Colorado, HMSA Hawaii and Group Health Washington and Aetna Select.

For more plan options and details go to: **Flying Together>Employee Services>Your Benefits Resource (YBR)> show more> Plan Documents**. You can also look at Appendix 16-A1 and A2 in the CBA.

Retiree Bridge Medical

At the time of retirement, the employee's sick leave balance will permit the employee to maintain medical benefits.

To be eligible to use the bridge, the following criteria must be met:

At least 60 years of age at retirement.

Minimum 10 years of service.

Sick bank hours (amount of sick bank hours determines length of medical bridge – 11 hours per month of Bridge Medical, must have minimum of 11 hours, whole months only)

Have active medical coverage with United as of retirement date (COBRA coverage does not apply)

11 hours of sick leave per month covers the complete payment obligation for the retiree and any eligible dependents. Effective upon retirement, retiree may elect to contribute their accrued vacation hours to either their 401k or to their sick bank.

Example; to get one year of your medical covered you would need 132 hours of sick time, 11 hours x 12 months = 132 hours.

For 5 years of coverage you would need 660 hours in your sick bank

Prior to your retirement date, you must notify your department manager that you want to use your sick time for bridge medical. Your manager then will contact payroll and verify your sick bank hours.

If the retiree has insufficient sick leave remaining in his/her bank or retires after 10 years from the effective date of the agreement (eligibility period) he/she may obtain coverage at the non-contributory rate during the duration of the eligibility period.

Once the sick bank hours are exhausted, the retiree moves to regular retiree medical and pays full costs of premiums. Retirees who are Medicare eligible (currently age 65) are not eligible for Retiree Bridge Medical or Regular Retiree medical. However, their eligible dependents who are covered on the employee's medical plan as of the date of retirement date* may use the employee's sick bank hours to bridge their medical coverage until one of the following occurs:

Sick bank hours exhausted, or;

Dependent no longer meets the criteria of an eligible dependent (i.e. ages out of plan, becomes Medicare eligible), at which time COBRA will be offered, or;

retiree dies, except that upon the retiree's death, the spouse/dependent may elect to use any remaining sick leave in the manner described above, and then will be eligible for COBRA coverage.

*Spouse must be covered at the time of retirement. A retiree cannot later get married and add a new spouse to coverage, but can add newborns or adopted children.

Under Article 9 current year vacation accruals can be transferred to the sick bank for retiree bridge medical use. Depending on accrued number of weeks this could add more than two years of coverage.

The cost of the coverage to the retiree will increase annually as the cost of the premium increases, if you have payments coming out of your personal Banking account or you pay by check you must increase payments each year as needed or coverage will be cancelled.

Call UAL Benefits 1-800-651-1007 to confirm your actual cost

Medicare U.S. Government:

Part A: Free - pays a portion of hospital costs (Co pay for services).

Part B: Monthly Premium based on MAGI - pays a portion of the doctor bills, outpatient services and medical supplies.

Medicare HMOs – You pay part B premium, plus possible additional premiums.

Part C: Covers all the services that original Medicare Plans cover except hospice care, and may cover other services, (dental, and health wellness).

Part D: Covers prescription drug plans.

1-800-MEDICARE (800-633-4227)

www.medicare.gov

Dental Coverage:

Your dental coverage ends the last day of the month in which you retire.

You can extend dental coverage for up to 18 months through **Cobra** Coverage (Consolidated Omnibus Budget Reconciliation Act) if enrolled at the time of retirement.

You pay full premium plus 2 percent administration fee.

Call UAL Benefits at 1-800-651-1007 for actual costs.

Life Insurance:

You may be eligible to convert your Company-provided life insurance if application is made within 31 days from the date that your employment with United ends. You should receive conversion information from Met Life or Securian. (Minnesota life is now a subsidiary of Securian.)

However, if you do not receive the conversion information within 21 days following your retirement, call Met Life at 877-275-6387 or Securian at 1-800-651-1007 to request the information.

Conversion of Active Life Insurance:

You can convert you or your dependents' active life insurance policy (company paid or contributory) to an individual policy. This must be done within 31 days of your retirement date

Premiums are higher, but no physical is required

Cost of Conversion:

Call **UAL Benefits** at 1-800-651-1007

All Conveyance Insurance:

Your 24 Hour PAI Policy may be converted to an All Conveyance Insurance Policy. You must enroll within 31 days of retirement. The Conveyance Insurance Policy Covers death or dismemberment if a result of a travel-related accident.

Costs:

Call NEBCO at 1-800-759-0101 (NEBCO is the 3rd party that UAL uses for converting the policy)

Survivor Benefits:

If the Retiree Dies

Medical Continues until spouse / domestic partner remarries / re-registers, moves outside the U.S. or Canada, becomes employed by United or dies.

The spouse/dependent may elect to use the retirees sick leave balance during the eligibility period. However, when sick leave balance is insufficient, then the spouse/dependent will be eligible for COBRA. (See retiree bridge medical)

Travel Continues until spouse / domestic partner remarries / re-registers

Interline reduced fare benefits not provided except on United Express.

Pension This depends on which option the retiree selects upon retirement. PBGC 1-800-400-7242 or **CARP** 1-800-651-1007.

Retiree Pass Travel: (as of 7/15)

Must be age 45–50 with 20 years of service

51 with 18 years, 52 with 16 years

53 with 14 years, 54 with 12 years

55 with 10 years

Unlimited space available

Service charge for Premium Cabin Domestic travel

Service charge for International travel with Less than 25 years

Service charge is waived Economy Class system wide

8 one way Vacation Passes each year

2 Enrolled Friends

Can the retiree still use the 20% My UAdiscount?

My UAdiscount: Retirees and their eligible pass riders may purchase revenue-confirmed tickets for system-wide travel in any cabin by using the My UAdiscount program. The discount of 20 percent is taken off the fare at the time of purchase and is available on most published fares. Refunds and change fees will depend on the fare paid. MileagePlus accrual is permitted. Denied boarding compensation is permitted. First and second checked-bag fees are waived. Retiree will pre-pay with Credit Card all service charges, taxes and fees at the time booking is made.

Other Airline Agreements:

These privileges are based on terms and eligibility requirements as outlined on **Flying Together > Travel > Other Airline/Interline Travel**

Pass Travel:

There are 4 Boarding Priorities for Retirees and their Spouse or Domestic Partner and eligible pass riders:

SA0V: Travel using Vacation Passes (8 one way passes each year) Retiree/Spouse and accompanied eligible riders.

SA2R: Retirees/Spouses and their accompanied eligible pass riders on Leisure Pass.

SA3V: Unaccompanied eligible pass riders (including Enrolled Friends) traveling on a Vacation Pass.

SA4P: Unaccompanied eligible pass riders (including Enrolled Friends) traveling on Leisure Pass.

SA5P: Early Out Participants until Retiree Pass Travel Eligible.

Retiree Listing

Retirees can list online at www.flyingtogether.ual.com through Employee Res.

For questions regarding Pass Travel you can call the Employee Service Center at 1-877-825-3729 and follow the prompts.

You can also list for Domestic or International flights by calling E-Pass at 1-866-FLY-EPAS (359-3727)

International locations call 1-713-324-PASS (7277)

There is a \$25.00 charge to list by phone through reservations

The Procedure for reduced fare travel on other airlines can be found on www.flyingtogether.ual.com >Travel Tab>Other Airline/Interline Travel

Enrolled Friend Program:

Retirees may register up to 2 enrolled friends in addition to their spouse/domestic partner. They have Unlimited, mainline, space available personal pass travel privileges.

Retiree Badge: Retirees are not required to have a United Airlines retiree badge for travel. However, car rental, cruise lines and other interline discount companies may require a retiree badge to obtain discounts. Retirees may order a retiree badge by going to **Flying Together > Travel > employeeRES > Quick Links > Employee Profile**. The badge associated cost is \$35 and has no expiration date.

Possible Sources of Retirement:

United:

PBGC
Pan Am Annuity
401k
CARP
Western Conference Pension Plan

Other:

Social Security
IRAs
Personal 401K
Personal savings
ASU Trust

VA Pension, Veterans could possibly receive additional Social Security benefits for veterans that served between 1957 and 2001. You must bring your DD214 to the Social Security office and ask to receive the benefit.

<http://www.ssa.gov/retire2/military.htm>

United Airlines Employees Retiree Association
www.ruaea.org

Teamster Privilege Program <https://teamster.org/benefits/teamster-privilege>
Offers Medicare Supplemental insurance and Medicare Part D prescription drug program.

Some locals have a small death benefits written into their bylaws, employees should check with his/her locals.

For more information concerning Benefit contacts please go to the **Flying Together>Employee services>YBR**, in the upper right corner click on “contacts”. You can also visit **teamsterair.org>united banner>Pay and Benefits**.

Personal 401k

At retirement, you may elect:

Lump sum, partial, or periodic withdrawals.

Roll Over to IRA.

Postpone benefits until maximum age of 70½.

Personal 401K Tax Implications:

If you retire from UAL (age 55 with 10 years of service) you may withdraw money from your account without penalty.

Active employees must be age 59½ to withdraw funds without penalty.

Federal income tax will be withheld from cash distributions (currently 20%)

Taxes will be deferred by rolling account proceeds into an IRA or other qualified tax deferred plan.

Personal 401K Contacts:

Fidelity Investments: 1-800-245-9034 or online at www.401k.com

401K distribution forms

Update Beneficiaries

Other 401k questions: Contact your Tax Advisor

Guam employees have their 401k administered by ASC trust

<https://www.asctrust.com>

671-477-2724

PBGC Requirements:

To receive a PBGC pension benefit, you must be 100% vested.

The employee needs at least five years of active service before United filed Bankruptcy to be eligible for benefits.

Participation in the plan begins the first of the month following one year of service.

Must be at least 21 years old.

PBGC Benefits are based on:

Years and months of participation. (Any month in which pay is received from UAL (after Eligibility) is credited to participation.)

Your age at retirement – years and months of service when plan was terminated.

Retirement Options for PBGC:

Single Life and Joint Survivor Annuity

Option 1: 100% Straight Life Annuity

Option 2: 50% Joint / Survivor

Option 3: 50% Joint / Survivor w pop-up clause

Option 4: 75% Joint / Survivor

Option 5: 100% Joint Survivor

Time Certain Annuity

Option 6: 5 year certain

Option 7: 10 year certain

Option 8: 15 year certain

Individual PBGC Benefit Estimate:

Go online at www.pbgc.gov/mypba

Call the PBGC at 1-800-400-7242 to request an estimate three months prior to collecting benefits.

New estimates contain more information than before. Employees may request one estimate per year

The United Airlines plan number is 19922400

You may not collect your PBGC benefit if you are an Active employee of UAL unless you are age 65 or older.

Health Coverage Tax Credit

The Health Coverage Tax Credit is a tax credit that pays 72.5 percent of qualified health insurance premiums for eligible PBGC individuals and their families. The HCTC acts as partial reimbursement for premiums paid for qualified health insurance coverage and can now be claimed for qualified coverage through 2019. HCTC toll free line: 1-866-626-4282

Pan Am Annuity

sUA employees can call Met Life at 1-800-560-5001 or 1-800-842-9406
You must have your contract number or your Social Security number

Guam employees' pension is covered under the Western Conference Pension plan.
<http://www.wctpension.org/>

CARP Requirements

Employees governed under the sUA Collective Bargaining Agreement immediately prior to the effective date of the current CBA with more than 5 years of company service will be fully vested and commence participation in CARP effective Jan 1, 2017.

Requires 5 years to vest for all other employees

Normal Retirement age is 65.

You may retire as early as age 50 and receive a reduced benefit- If you are 50 with 20 years vested service or 55 with 10 years vested service.

The Plan will first calculate your normal retirement benefit, as of age 65, then reduce this benefit for each year you begin to receive benefits before age 65. The chart below shows how your benefit would be reduced at different ages.

Actual retirement age	Percentage of age 65 benefit
50	19.18%
51	21.17%
52	23.40%
53	25.90%
54	28.69%
55	31.84%
56	35.39%
57	39.39%
58	43.93%
59	49.07%
60	54.93%
61	61.63%
62	69.29%
63	78.10%
64	88.25%

You may wait to take a benefit from the Plan. If you continue to work beyond your normal retirement age, your benefit will be calculated using your compensation and benefit service as your actual retirement date.

CARP Benefits

$$\text{FAE} \times 1.19\% + (\text{FAE} - \text{Cov Comp}) \times 0.45\% \times \text{Service}$$

12

Final Average Earnings: The highest 5 consecutive years out of the last 10 years

Covered Compensation: The average Social Security Wage based on 35 years prior to retirement

CARP Calculations and SPD (Summary Plan Description) will be available on www.flyingtogether@ual.com or teamsterair.org>United banner>pay and benefits

IAM National Pension Fund

1-800-424-9608

Pension Benefits are Taxable:

Benefit checks are federally taxable (withheld from checks)

State taxation levels vary by state, so these taxes may not be automatically withheld from pension checks.

State and Federal tax withholding forms are included in the retirement benefits packet from the PBGC.

Consult a tax specialist or financial advisor if you have tax questions.

Social Security:

Call Social Security for details on your Social Security Benefit.

Phone number 1-800-772-1213

Internet address www.ssa.gov

Request a Personal Earnings and Benefit Estimate Statement.

Verify your wage history and see an estimate of your monthly retirement benefit.