

REDUCED COSTS FOR MEDICAL COVERAGE ON AN OVERAGE LEAVE – PROFFERS REOPENED

Were you considering taking an Overage Leave but were concerned about the cost of your health benefits? There is good news for you. The COBRA subsidy provided in the *American Recovery and Reinvestment Act (ARRA)* applies to those taking a voluntary leave which prevents a furlough. This means you would only pay 35% of the cost of COBRA for your health benefits. This subsidy also applies to someone electing the Travel Separation Program (TSP).

You may be eligible for 9 months of subsidy if you experience an involuntary termination (*voluntarily taking an overage leave which prevents a furlough qualifies*) prior to December 31, 2009. This means Auxiliary blocks C, D and E would not be eligible for the subsidy.

What is meant by “may” be eligible for the subsidy? According to the ARRA you are not eligible for the subsidy if your modified adjusted gross income is greater than \$125,000 (\$250,000 for married filing jointly) or if you are eligible or become eligible for other group health plan coverage (e.g. a spouse, another employer, Medicare, or AA retiree medical). Please see Q 3 & 9 from the DOL FAQs for more detailed information.

The full Q and A can be viewed by clicking on (or pasting into your web browser) the following link:
<http://www.efast.dol.gov/ebsa/faqs/faq-cobra-premiumreductionEE.html>

DEADLINES:

- Overage Leave & Modified Partnership Flying – Wednesday, August 26 at 0830 Central
- Travel Separation Program – Tuesday, August 25 at 2300 Central

There is no need to submit a new ballot if you do not want to make any changes to the ballot you previously submitted.

COBRA covers the following benefits:	COBRA does <i>not</i> cover the following benefits: *
Medical Dental Vision Supplemental Medical Flexible Spending Account (FSA)(not ARRA eligible)	Long Term/Short Term Disability Life Insurance Voluntary Personal Accident Insurance (VPAI) Prefunding * <i>you will receive information on how to continue these coverages separate from your COBRA election. See the Travel Separation packet for details on continuing these optional benefits if electing the TSP.</i>

The amount you would end up paying for your benefits will be different for each person based on the current coverage elected and number of dependents covered. You can find the full cost of your benefits on Jetnet. The information provided on Jetnet shows the full cost of your benefits(100%). Remember you would only pay 35% of the COBRA cost (102%). Use the following “path” in Jetnet to find the full cost rates (100%).

Jetnet (login to www.jetnet.aa.com)

Go to: Benefits > Benefits Service Center > My Benefits > Model a Life Status Change
 > Personal Rate Leave > continue/next > download form

Example: If the Medical, Dental, Vision and Supplemental Medical you have elected would normally cost you \$1000 per month on a Leave, then normal COBRA cost would be \$1020 (COBRA is normally 102% of the cost of your benefits). With the subsidy you would end up paying just \$357 (35% of \$1020) for these benefits due to the COBRA subsidy.

The company will provide each person commencing an Overage Leave with specific information on what to expect regarding optional and COBRA-eligible coverages.

* **REMINDER** * – Flight Attendants bidding the following AUX blocks *will receive reserve credit for fulfilling their reserve rotation* if it is their regular reserve rotation and their seniority is subject to reserve:
reserve: AUX block F(OCT-NOV) AUX block G (OCT) AUX block H (NOV)

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UNEMPLOYMENT INSURANCE

Many Flight Attendants have asked if it is possible to collect unemployment while on an Overage Leave, or whether the likelihood of collecting unemployment would increase if the leaves were termed “Voluntary Furlough.” While laws regarding unemployment vary greatly from one state to another, they tend to be consistent in basing eligibility on the purpose of the leave rather than the name of the leave.

Some states focus on the issue of whether you are on a leave solely for the purpose of preventing someone else from being furloughed and—in these cases—have ultimately granted unemployment insurance. California, Illinois and Massachusetts are examples of states that tend to take this view.

Other states focus on whether there was work specifically available for you and whether you voluntarily choose not to do that work. In these states, unemployment is generally not granted. Texas is one example of a state which takes this view.

Any Flight Attendant can *file* for unemployment if they take an Overage Leave. However, AA has stated they will contest the claim. If they were to contest the claim, you have the ability to appeal in most states. It is in the appeal process that Flight Attendants are sometimes able to prevail on getting unemployment while on an Overage Leave.

Be sure the state understands the reason for the leave is to prevent someone else from being involuntarily furloughed.