

## **SECTION 26 - INSURANCE, RETIREMENT, AND OTHER BENEFITS**

The following represents the terms of the medical and life coverage for eligible active Flight Attendants under The American Airlines, Inc. Health & Welfare Plan for Active Employees ("Medical Plan") (with said medical coverage being referred to herein as "Active Medical Coverage") and, Flight Attendants retiring on or after November 1, 2012 under The Group Life and Health Benefits Plan for Retirees of American Airlines, Inc. ("Retiree Medical Plan")(with said medical coverage being referred to herein as "Retiree Medical Coverage").

### **A. LIFE INSURANCE**

For an employee whose base monthly salary is one thousand five hundred dollars (\$1,500) or over, their basic coverage shall be two (2) times their base annual salary taken to the next higher multiple of one hundred dollars (\$100), but not more than seventy thousand dollars (\$70,000).

### **B. MEDICAL AND DENTAL PLAN**

Active Flight Attendant Medical Coverage shall continue in effect according to the following provisions:

1. The Company will offer two (2) medical options in the Medical Plan subject to Paragraph 9: (i) the Standard option; and, (ii) the Core medical option which is a Health Savings Account-compatible medical option. The Company reserves the right to amend the Medical Plan at the Company's sole discretion, with the exception of:
  - a. The Standard medical option design features in the Chart of Active Medical Coverage Option Design Features in Paragraph B.9;
  - b. The employee contribution methodology for the Standard and Core medical options described in Paragraphs B.4 and B.6;
  - c. The right to purchase dental coverage on similar terms as the "Plus" or "Basic" dental plans in effect for the 2020 plan year.
2. To the extent the Company is offering the High Cost Coverage medical option in any plan year to employees, employees eligible to enroll in the Standard or Core medical options will be eligible to enroll in the High Cost Coverage medical option. The Company reserves the right to amend or terminate the High Cost Coverage medical option, at its sole discretion.
3. To the extent feasible, advance notice of material Medical Plan changes will be provided to the APFA prior to implementation. At least thirty (30) days prior to the distribution of the Active Medical Coverage annual enrollment materials, the Company will provide the APFA with a copy of the data, assumptions and methodologies used to calculate employee contributions under the Standard and Core medical options.
4. Aggregate employee contributions for the Standard and Core medical options will be twenty-one percent (21%) of the total projected cost of each forecasted year of healthcare expenses for these two (2) medical options (which include medical/prescription and administrative expenses) as calculated by the Company. Employee contributions for the Standard and Core medical options will increase with medical inflation with employee contributions set as explained above. The High Cost Coverage medical option inflation and employee contributions will be calculated separately from the Standard and Core medical options.

5. The Standard medical option annual In-Network deductible will be eight hundred and fifty dollars (\$850.00) for single coverage and two thousand five hundred and fifty dollars (\$2,550) for family coverage.
6. Chart of Coverage Tiers:

Current Coverage Tiers	New Coverage Tiers	Contribution Multiplier
Employee Only	Employee Only	1.0
Employee + 1	Employee + Spouse/Domestic Partner	2.6
	Employee + Child(ren)	1.8
Employee + 2 or more	Employee + Family	3.5

The multiplier for the New Coverage Tiers is based on the Employee Only coverage tier.

7. New employees eligible for healthcare coverage will default to the Core medical option for Employee Only coverage on their eligibility date, unless the employee waives coverage or elects another option or level during the initial enrollment period.
8. To the extent the Company is offering incentives in any plan year to employees for participating in a wellness program, employees enrolled in the Standard and Core medical options will be eligible for those incentives provided they meet the criteria (as established by the Company at its sole discretion) for earning the incentive.
9. Chart of Active Medical Coverage Option Design Features:

	Standard	Core
Current Plan Design Features		
Health Spending Accounts	HRA	
In Network Deductible (Single/Family)	\$850/\$2550	
Out of Network Deductible (Single/Family)	\$3,000/\$9,000	
Coinsurance (In/Out)**	20%/40%	
In Network Out of Pocket Max (Single/Family)	\$2,000/\$5,000	
Out of Network Out of Pocket Max (Single/Family)	\$6,000/\$15,000	
Primary Care Physician Copay (In Network only)	\$30*	
Specialist Copay (In/Out)	20%/40%	
Retail Clinics Copay (In/Out)	20%/40%	
Preventive Care	\$0	
Emergency Room	Ded/Coins/\$100 CoPay	
Pharmacy (Retail)		
Generic	20% (\$10 min/\$40 max)	
Formulary Brand	30% (\$30 min/\$100 max)	
Non-Formulary Brand	50% (\$45 min/\$150 max)	
Pharmacy (Mail)		
Generic	20% (\$5 min/\$80 max)	
Formulary Brand	30% (\$60 min/\$200 max)	
Non-Formulary Brand	50% (\$90 min/\$300 max)	
2024 Monthly Contributions		
EE Only	\$154.11	\$95.89
EE + Spouse/DP	\$400.70	\$249.34

EE + Child(ren)	\$277.41	\$172.62
EE + Family	\$539.42	\$335.65

\*Deductibles and co-insurance apply if provider is out of network.

\*\* (In/Out) when used in the chart means In-Network and Out-of-Network, respectively.

The following provisions apply to the Standard medical option:

- a. Deductibles do not apply toward Out of Pocket maximum;
  - b. Medical coinsurance applies towards Out of Pocket maximums;
  - c. Pharmacy coinsurances do not apply towards deductibles, but do apply towards Out of Pocket maximums;
  - d. Co-pays do not apply to the Deductible.
10. The Company will also retain the right to amend any provision in the Medical Plan for the purpose of complying with applicable laws and regulations.
11. Flight Attendants will be required to timely pay for all benefits, including Flexible Spending Account contributions, in order to maintain coverage, including while on a Leave of Absence, through payroll deduction, the direct bill process or other collection process as applicable.

**C. DISABILITY COVERAGE**

The Company agrees to offer, at the employee's expense, an Optional Short Term Disability Plan, a Long Term Disability Plan and Optional Voluntary Personal Accident Insurance (VPAI).

**D. RETIREE HEALTH CARE**

**Retiree Medical Coverage for Flight Attendants**

(Including LAA Retiring On or After November 1, 2012 and LUS Retiring On or After January 1, 2016)

1. Notwithstanding any other collective bargaining agreement provisions, and all other agreements, past practices, and arbitration awards between the parties, the Company is not required to maintain, fund, or provide for retiree medical or retiree life insurance benefits.
2. Retiree Medical Coverage For Flight Attendants Ages 55 through 64  
(Including LAA Retiring On or After November 1, 2012 and LUS Retiring On or After January 1, 2016)

Flight Attendants retiring on or after age fifty-five (55) and through age sixty-four (64) will have access to a Company-sponsored retiree medical option. Retiree contribution rates for this coverage will be one hundred percent (100%) of projected annual expenses (which includes administrative expenses) using data, assumptions, and methodologies for calculating future retiree healthcare costs. Although it is the Company's intention to continue to make available access to medical coverage for retirees from age fifty-five (55) through age sixty-four (64), the Company reserves the right to modify, amend, or terminate the Retiree Medical Plan at any time.

3. Retiree Medical Coverage For Flight Attendants Age 65 and Older  
(Including LAA Retiring On or After November 1, 2012 and LUS Retiring On or After January 1, 2016)

Retiree Medical Coverage shall cease when the retired Flight Attendant attains age sixty-five

(65). Retirees age sixty-five (65) and over will be offered access to purchase, at the retiree's expense, a guaranteed issue Medicare supplement plan through a third party administrator, to the extent available.

4. To the extent feasible, at least thirty (30) days prior to the distribution of the Retiree Medical Coverage annual enrollment materials, the Company will provide the APFA with a copy of the data, assumptions and methodologies used to calculate the medical inflation rate and retiree contributions under the Retiree Medical Coverage.

#### **E. NON-INCORPORATION**

The Medical Plan and the Retiree Medical Plan are not incorporated in this Agreement.

#### **F. RETIREMENT PLAN**

All eligible Flight Attendant employees will participate in the American Airlines, Inc. 401(k) Plan ("American 401(k) Plan"), a tax qualified, defined contribution retirement plan under Section 401(a) of the Internal Revenue Code ("Code"), with a cash or deferred arrangement that qualifies under Section 401(k) of the Code, that complies with the requirements of Section 404(c) of the Employee Retirement Income Security Act of 1974, as by amended ("ERISA"), or an equivalent plan.

1. The Company, subject to any laws limiting the amount of benefit which can be contributed to or accrued under a plan qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended from time to time, and its regulations, will provide contributions under the American 401(k) Plan.
2. Flight Attendants shall be auto-enrolled at an Employee Before-tax Elective Contribution rate of three percent (3%) of Compensation, as defined in the American 401(k) Plan. Auto-enrollment will occur as soon as administratively feasible but not less than thirty (30) days following the Flight Attendant's hire date.
3. Flight Attendants shall receive the following Company Contributions for pay received each payment date:
  - a. Company Non-Elective Contributions in an amount equal to five percent (5%) of the Flight Attendant's Eligible Compensation; plus,
  - b. Employer Matching Contributions in an amount equal to one hundred percent (100%) of the Flight Attendant's Employee Before-tax Contributions and Employee Designated Roth Contributions up to a maximum Employer Matching Contribution equal to four percent (4%) of the Eligible Compensation;
  - c. however, under no circumstance will the total amount contributed by the Company exceed nine percent (9%) of the Flight Attendant's Eligible Compensation determined on a year-to-date basis.
4. The Company reserves the right to amend the American 401(k) Plan at the Company's sole discretion. For avoidance of doubt, the Company will also retain the right to amend any provision in the American 401(k) Plan for the purpose of complying with applicable laws and regulations.
5. The American 401(k) Plan is not incorporated in this Agreement.

#### **G. RETIREE SICK BANK OPTIONS**

1. Upon retirement, pursuant to Company policy, a Flight Attendant at their election will be paid eight dollars and sixty-five cents (\$8.65) per hour for accrued sick leave in their sick bank, or credited to a notional HRA subject to the provisions of Paragraph G.3 below. If a Flight Attendant does not timely notify the Company of their intent to retire in accordance with Paragraph G.2.b below, then the employee will be paid out their sick leave accrual hours as outlined in this Paragraph. In no case shall an eligible Flight Attendant retiree be paid out or credited for more than the maximum sick leave accrual specified in Sick Leave, Section 9.
2. The Company shall establish a Retiree Health Reimbursement Arrangement (“RHRA”) for eligible APFA-represented Flight Attendant retirees who:
  - a. Meet the retirement criteria of the 65-Point Plan or equivalent policy and retire from the Company;  
and
  - b. Give the Company at least four (4) months’ advance notice of the Flight Attendant’s intent to retire.
3. For such eligible Flight Attendant retiree, the Company will credit to a notional RHRA account, the Company will credit the value of the eligible retiree’s accumulated unused sick leave hours at the time of retirement multiplied by fifty percent (50%) of the hourly base wage rate at the time of retirement. The RHRA account credits may be used for qualified retiree medical expenses for any qualified retiree medical plan. The RHRA account credits may only be used to reimburse the retiree for unreimbursed, substantiated, qualified medical expenses of the retiree and/or eligible dependents up to the retiree’s RHRA account credit balance.
4. The RHRA must comply with all applicable laws and regulations. The Company will be responsible for drafting and maintaining the RHRA plan document(s) and will have discretion over all plan-related items not addressed in the CBA. The Company shall have the right to amend any provision of the RHRA plan that is required by applicable law or is necessary to maintain the tax qualified status of the plan.