

Understanding Health and Welfare Benefits and Implementation Under the New Agreement

Under our new collective bargaining agreement we have changed the way in which our cost for medical benefits will be determined. In the past regardless of how many hours we flew everyone received the same cost for their health and welfare benefits. Effective January 1, 2013, we will embark upon a new method by which our health and welfare benefits cost structure will be calculated. It can be difficult to understand because the benefits accrual determination period runs July 1st each year through June 30th of the following year and is based upon the amount of hours each Flight Attendant has been credited.

The initial application of this new accrual system required a one-time alternate solution in order to work because the new contract was implemented on January 1, 2013. As such we were unable to use the value of a full year benefit accrual period (July 1 - June 30). The benefits accrual period used to determine your 2014 Health and Welfare benefit costs will be from January 1, 2013 through June 30, 2013. The pro-ration chart found in Section 20.C.3.b. will be used to determine how many credit hours you'll need to accumulate in order to determine the cost of your Health and Welfare benefits in accordance with Section 20.

0-174 Credit Hours	175-269 Credit Hours	270 + Credit Hours
No 2014 Health and Welfare Benefits	Cost for Health and Welfare benefits at Part-Time Employee Rate.	Cost at Full Time Rate

The 2015 Health and Welfare benefits hourly accrual period will run from July 1, 2013 through June 30, 2014. The Chart in Section 20.C.2.b. will be used to determine how many credit hours you'll need to accumulate in order to determine the cost of your Health and Welfare benefits. The hours are as follows:

0-349 Credit Hours	250-539 Credit Hours	540 + Credit Hours
No 2014 Health and Welfare Benefits	Cost for Health and Welfare benefits at Part-Time Employee Rate.	Cost at Full Time Rate

Many Flight Attendants have asked if there is a monthly amount of credit hours that must be accrued for benefit determination. The answer is **NO**, there is no monthly amount of hours required, only an annual amount of hours. This means that if you choose to fly low time one month and fly higher time in another

month you can do so, as long as your annual hours meet the required amount as set forth in Section 20.