

November 26, 2008

Q&A: BLET Short Term Disability program

<http://www.ble.org/pr/news/newsflash.asp?id=4740>

What follows are answers to frequently asked questions regarding changes to the BLET's Short Term Disability Plan, which will become effective January 1, 2009.

1. Why is there a need for a change in the Plan?

With the rising cost of benefits, the changes were made pursuant to a decision by the STD Trustees in order to ensure the plan would remain solvent in the future. As trustees, fiduciary responsibility is to the Trust, which means that they have a legal obligation to take reasonable steps to assure that the Plan pays benefits in line with the total premiums paid. The Trustees exercised their best judgment in providing the membership with the maximum benefit for the money available.

2. Do I already have coverage under Part A?

If you are an engineer working on a participating railroad, you do have coverage. The \$40 was negotiated in the 2003 National Wage package and that \$40 as of January 1, 2009, will buy Part A which is "non-occupational" coverage. This benefit is not based on membership in the BLET.

3. What is the difference between Part A and Part B?

Part A is for non-occupational illness or injury and Part B is for occupational.

4. What do I have to do if I want Part B?

If you are a locomotive engineer in the BLET, the Secretary-Treasurer of your division will automatically deduct \$23 a month from your payroll.

5. Why were we not given a longer period of time in which to decide if we want to participate in Part B?

The Trustees attempted for as long as possible to negotiate the best set of benefits available. Even after notification went out, we continued to work to get an extension of time for opting out, and were successful.

6. By when do I need to submit the "opt out" form if I choose NOT to participate in Part B?

The timeline has been extended one month beyond December 1, 2008. However, engineers should make the decision as soon as possible and submit the form to their Division Secretary-Treasurer. No one else is authorized to receive the form. Your decision to "opt out" must be in writing.

7. If I choose to "opt out" of Part B at this time, when could I "opt" back in?

Not until the next annual open enrollment period.

8. May I "opt out" of Part B at any time in the future?

Yes.

9. Why were we not given the option to "opt in" rather than to "opt out"?

You are NOT required to participate. However, it has been our experience that members tend to put aside information of this nature and not respond in a timely manner. Hence, we have had situations when an injury or illness has occurred and the member had failed to respond. It is a difficult situation when we must explain to a spouse that his/her spouse has no coverage because the necessary paperwork was not returned.

10. Am I covered if I am an engineer who belongs to the UTU?

You are covered for Part A if you are an engineer on a participating railroad. If you desire to participate in Part B, you will need to download the form on the BLET website and "opt in" to the program. Instructions are on the form.

11. Are conductors eligible for the Plan?

Conductors who have not been promoted to the craft of locomotive engineers are not eligible, regardless of whether they belong to the BLET or to the UTU.

12. If I have both Part A and Part B, do I qualify for \$100,000 AD&D?

Yes. Part A has a \$50,000 maximum benefit, and Part B also has a \$50,000 maximum benefit.

13. Will the Part B benefit be subject to repayment upon receipt of a FELA settlement?

Unlike occupational disability benefits paid under the current plan, they are not.

14. Will the Part B benefit be considered taxable income?

Unlike occupational disability benefits paid under the current plan, they are not taxable income.

15. How do I keep my eligibility if I am an engineer who is set back to train service?

You have two options, just as you always have had: (1) you must work at least seven starts in a month with one of those starts as an engineer, OR (2) you must make arrangements to pay \$40 directly to the BLET Trust Fund by the 10th of the month and an additional \$23, if you are participating

in Part B. You may choose to "opt out" of Part B at that time. Coverage for Part A and Part B can be continued for up to six months by paying the necessary premiums.

16. How do I qualify for Part B?

You must be eligible for Part A to qualify for Part B.

17. What does the Plan pay?

After January 1, 2009, the benefit under Part A and under Part B will be \$402 per week, after a 14-day wait, for a maximum of 52 weeks. You cannot draw on both parts simultaneously.

18. Do I have to pay premiums if I am drawing STD benefits?

No.

19. What happens if the railroad offers me light duty, wage continuation or an advancement following my injury?

If you are receiving any type of light duty, wage continuation, or any form of payment from the railroad, you will not be able to collect benefits under the terms of the policy.

20. Will we receive a copy of the new plan?

A copy will be posted on the BLET website in the near future.

21. If I am currently participating in the STD Plan that will be in effect until January 1, 2009, will my claim be impacted?

No. Those members with a date of disability prior to January 1, 2009 will continue to qualify for the \$362 per week benefit for occupational or non-occupational benefits as determined by the Plan. Claims for occupational disabilities prior to January 1, 2009 will continue to be administered as they are today, making them subject to repayment upon receipt of a FELA settlement (repayment after a personal injury settlement). The benefit will be subject to taxes.