



# **SUMMARY PLAN DESCRIPTION**

**for the**

**FedEx Pilots Post-Medicare Retiree  
Premium Reimbursement Plan (PRP)**

**As Amended and Restated Effective January 1, 2017**



## Introduction

This Summary Plan Description summarizes the provisions of the FedEx Pilots Post-Medicare Premium Reimbursement Plan (the Plan). The Plan document is the sole document used in determining benefits available under the Plan and controls in the event of any inconsistency which exists with this Summary Plan Description or any other document determining benefits available under the Plan.

The purpose of this Plan is to provide tax-exempt premium reimbursements to eligible FedEx pilot retirees, their eligible spouse, eligible domestic partner and eligible disabled children who incur premium or enrollment charges for Medicare Part B coverage, Medicare Supplement Plans, Medicare Advantage Plans and/or Medicare Part D Plans.

## Definitions

**Active Employee Health Plan** means the Federal Express Corporation Group Health Plan for Pilots effective as of January 1, 2008, the Federal Express Corporation Group Health Plan, or any other group health plan sponsored by the Company that provides comprehensive medical benefits for active employees of the Company.

**Administrative Board** means the committee appointed by the Association to administer the Plan.

**Association** means the Air Line Pilots Association, International.

**Bargaining Agreement** means the collective bargaining agreement between the Company and the Association.

**Claim Administrator** means the vendor(s) engaged by the Administrative Board to perform the enrollment and claims adjudication of the Plan, currently MedPay, Inc.

**Company** means Federal Express Corporation.

**Dependent** means a Pilot's Spouse, Domestic Partner or Disabled Child, on or after the date on which the Pilot has provided all such information and/or documentation regarding the Spouse, Domestic Partner or Disabled Child as required by the Administrative Board, excluding in any case the following:

- (1) A person who has ceased to be a Spouse or Domestic Partner; or
- (2) A person who has ceased to be a Disabled Child; or
- (3) A Spouse or Domestic Partner who is a Pilot under the Plan or covered as an employee under the Federal Express Corporation Group Health Plan; or
- (4) A person who becomes a Spouse or Domestic Partner of a Pilot after the date the Pilot first becomes covered under the Plan.

**Disabled Child** means a person who is treated as a Disabled Child under the Retiree Health Plan and who is recognized as a child of an Eligible Pilot immediately prior to such person becoming Medicare Eligible.

**Domestic Partner** means a person who meets the definition of Domestic Partner under the Retiree Health plan and who is an Eligible Pilot's domestic partner immediately prior to such person becoming Medicare Eligible.

**Eligible Pilot** means a Pilot who has satisfied the age and service requirements for participation in the Retiree Health Plan.

**Medicare Eligible** means a person is eligible to receive Medicare Part A and to elect Medicare Part B benefits pursuant to 42 U.S.C. Section 426 based on age. Currently this is age 65.

**Participant** means an individual who has met the eligibility and enrollment requirements for participation in the Plan.

**Pilot** means any individual who retired from the Company, and who was covered by the Bargaining Agreement.

**Plan** means the FedEx Pilots Post-Medicare Retiree Premium Reimbursement Plan, also referred to as the Premium Reimbursement Plan or PRP.

**Retiree Health Plan** means the Federal Express Corporation Group Retiree Health Plan for Pilots effective as of January 1, 2008, as amended from time to time. (Note: The Federal Express Corporation Health Reimbursement Arrangement for Retired Pilots is *not* a Retiree Health Plan as defined by the PRP. The Pre-Medicare Retiree HRA Only Option, also known as the HRA Retiree Only Option under the Federal Express Corporation Retiree Group Health Plan for Pilots, *is* a Retiree Health Plan as defined by the PRP because it is an option under the Federal Express Corporation Retiree Group Health Plan for Pilots).

**Spouse** means a person who is treated as a spouse under the Retiree Health Plan and who is an Eligible Pilot's spouse immediately prior to such person becoming Medicare Eligible.

**Years of Pilot Service** means years of pilot service at the Company determined as follows: date of retirement from the Company minus the date of hire as a Pilot at the Company (or date of hire as a pilot at another company that was acquired or merged with the Company) represented as a number of days, divided by 365, then rounded up to the nearest integer.

## Eligibility to Participate

**General** - You will be eligible to participate in this Plan if you are an Eligible Pilot, or you are the Spouse, Domestic Partner or Disabled Child of an Eligible Pilot and you meet the following:

If you are an Eligible Pilot, or if you are a Dependent of an Eligible Pilot who retired or died prior to November 3, 2015, you must also meet the requirement that immediately prior to coverage under this Plan you were covered under either the Active Pilot Health Plan or the Retiree Health Plan through the last day of the month prior to the month in which you attain Medicare Eligibility, *and* you must satisfy the requirements of one of the following:

**Pilot** - you must meet the age and service requirements to participate in the Federal Express Corporation Group Retiree Health Plan for Pilots effective as of January 1, 2008, or the plan sponsored by the Company for retired Pilots after January 1, 2008, as such plan is amended from time to time, you must be Medicare Eligible, and you must have retired on or after February 4, 1999.

**Spouse or Domestic Partner** - you must be Medicare Eligible *and* you must be married to, or in a recognized Domestic Partnership with, an Eligible Pilot who retired on or after February 4, 1999.

- If you are Medicare Eligible prior to an active Eligible Pilot becoming Medicare Eligible you will not be eligible for the PRP until the Pilot retires.
- If you are Medicare Eligible prior to a retired Eligible Pilot becoming Medicare Eligible, you will be eligible to participate upon becoming Medicare Eligible.
- If you are not yet Medicare Eligible when the Eligible Pilot becomes Medicare Eligible you will be eligible to participate upon becoming Medicare Eligible.

**Disabled Child** – you must be Medicare Eligible and a Dependent of an Eligible Pilot.

**Surviving Spouse or Surviving Domestic Partner** - you must be Medicare Eligible and the surviving Spouse or surviving Domestic Partner of an Eligible Pilot who died on or after October 30, 2006, while on the seniority list.

- A surviving Spouse or surviving Domestic Partner of an Eligible Pilot who retired on or after February 4, 1999, will be eligible to participate in the Plan upon becoming Medicare Eligible.
- A Spouse or Domestic Partner who is a Participant in this Plan upon the Eligible Pilot's death will continue to participate in this Plan after the Eligible Pilot's Death.

**Surviving Disabled Child** – you must be Medicare Eligible and the surviving Disabled Child of an Eligible Pilot who died on or after October 30, 2006, while on the seniority list.

- A Disabled Child who was a Participant in the Plan prior to the Pilot's death will continue to be a Participant after the Pilot's death.
- A surviving Disabled Child of an Eligible Pilot who retired on or after February 4, 1999, will be eligible to participate in the Plan upon becoming Medicare Eligible.

**Automatic Participation** -You and/or your Spouse, Domestic Partner or Disabled Child will automatically be enrolled in the Plan upon the Eligible Pilot's retirement. Shortly after you retire, you will receive a welcome kit from the PRP. The kit will include this Summary Plan Description, a welcome letter, Participation Verification Form, a Claim Form and Authorization for Direct Deposit Form. You must review the Participant Verification Form carefully, certify that it is correct and complete (correcting any missing or incorrect information), sign and return it as soon as possible, but no later than with your initial claim for premium reimbursement.

### **Termination of Participation**

**Your participation** in the Plan will terminate upon your death.

**Your Spouse's or Domestic Partner's participation** in the Plan will terminate at the earliest of:

- (i) your Spouse's or Domestic Partner's death,
- (ii) divorce from the Pilot, or
- (iii) termination of the domestic partnership.

**Your Disabled Child's participation** in the Plan will terminate at the earliest of:

- (i) the Disabled Child's death, or
- (ii) the child ceases to be a Disabled Child.

### **Qualifying Health Coverage Premium Reimbursements under the Plan**

The Plan will reimburse you the cost of your health care premium expense each year, up to the Premium Reimbursement Maximum for premiums, for the following Qualifying Health Coverage:

- Medicare Part B Premium,
- Medicare Advantage Plans,
- Medicare Supplement Policies (also known as Medigap policies),
- Medicare Part D (Prescription Drug Policies),
- Tricare for Life premium or enrollment fees.

The Premium Reimbursement Maximum amount will be determined annually prior to the beginning of each Plan Year by the Plan's Administrative Board and will be communicated to you in a letter or e-mail. Be sure to notify the Plan if your mailing address or e-mail address changes.

If you are an Eligible Pilot, or the Spouse, Domestic Partner or Dependent Child of an Eligible Pilot who retired or died in active service on or after November 3, 2015, your monthly Premium Reimbursement Maximum will be pro-rated 4% per Year of Pilot Service (up to 25 Years of Pilot Service).

The Plan will reimburse premium on a monthly basis. You must submit your claim by March 31 of the year following the year the premium was incurred in order to receive reimbursement for that year.

If you participate in the Plan for a portion of the year, your annual per participant reimbursement will be prorated by the number of months in which you participate in the Plan for the year.

The Plan will not reimburse premium for separate policies for dental, vision or other ancillary benefits. However, if your Medicare Advantage Plan or Medicare Supplement Policy includes dental, vision or other ancillary benefits as part of the plan of benefits, such premium may be reimbursable, up to the maximum benefit, if the premium is paid to the same provider that is providing your health coverage.

The Plan will not reimburse any premium paid for Medicare Part B coverage that was incurred prior to January 1, 2016.

### **Funding of the Plan**

The Company funds the Plan by having made an initial lump sum contribution to establish the Trust and by making ongoing monthly contributions to the Trust.

### **Recoupment of Erroneous Payments and Overpayments**

If you receive an erroneous payment from the Plan, you must return it. Failure to do so may result in the withholding of future reimbursements until the overpayment has been paid in full, including interest. If you fail to repay the erroneous payment, the Plan may seek legal action, such as set off, garnishment, and other collection remedies to obtain the overpayment payment plus any interest.

## How to File a Claim

When you become eligible to participate in the Plan, you will receive a welcome packet that will contain a Participant Verification Form, a Direct Deposit Authorization Form and a Claim Form, along with detailed information on how to file a claim.

Once you attain age 65, you may file your claim for premium reimbursement by submitting your completed claim form and supporting documentation to MedPay. You may submit your claim by mail, fax, scan/email or scan/upload to web site. (Refer to the Claim Form available at <https://hrbenefitsdirect.com/med-pay> for specific information on addresses and fax numbers.)

Supporting documentation can be your social security benefits letter detailing your Part B premium amount, an invoice or a premium statement for your Medicare Supplement, Medicare Advantage, Medicare Part D premium, and/or Tricare for Life premium, and must clearly identify:

- The type of policy (Medicare Part B, Medicare Supplement, Medicare Advantage, Medicare Part D, and/or Tricare for Life)
- The name of the policy owner (you or your Dependent)
- The amount of premium reimbursement you are claiming
- The period of coverage

Each Participant (Pilot and Dependent) must complete their own claim form each year to receive premium reimbursement. The Participant Verification Form must be signed and returned in order for your first claim to be processed.

Additional claim forms will be sent at the end of each year for the following year, and will also be posted online at <https://hrbenefitsdirect.com/Med-Pay>.

The reimbursements will be made via direct deposit or check. If you prefer direct deposit, you must complete the “Direct Deposit Authorization Form” and return it to Med-Pay. This form is provided with the initial welcome kit, and is also available on the website at: <https://hrbenefitsdirect.com/med-pay>. This option can be chosen or revoked at any time. If it is chosen, a direct deposit confirmation will be provided to you by mail or email.

You can access your PRP information to view your claims, payments and notional balance by logging on to <https://hrbenefitsdirect.com/med-pay>. The Claim Forms and Direct Deposit Authorization Form can also be printed from this site. If you wish to speak to your Med-Pay representative, you may call MPI at (417) 841-4134 or (800) 777-9087 between 8:00 AM and 5:00 PM Central Time.

## **How to Appeal the Denial of Claims**

**Premium Reimbursement Claims.** The Administrative Board has hired MedPay, Inc., to serve as the Claim Administrator responsible for deciding individual premium reimbursement claims under the Plan and performing other administrative services for the Plan. Each Participant must file his or her individual premium reimbursement claims with MedPay by March 31 of the year after the premium for Qualifying Health coverage is incurred. MedPay will decide all claims according to its standard procedures. If you disagree with a decision, you may file an appeal with the Administrative Board within 60 days from the date of MedPay's decision.

**Other Claims.** If you have a claim under the Plan that is not a premium reimbursement claim, including a claim that involves the application, interpretation or administration of the Plan, your claim must be filed with the Administrative Board within 60 days of the date the claim arose, and the Administrative Board will determine the claim.

### **Disposition of Initial Claims before the Administrative Board.**

The Administrative Board will notify you of its determination with respect to a claim filed for the Administrative Board's review no later than 90 calendar days after the Administrative Board receives the claim.

If the decision is adverse, you will be notified in writing of:

- the specific reasons for the determination;
- references to specific Plan provisions on which the determination is based;
- a description of any additional information necessary to perfect the claim and an explanation of why such material or information is necessary.

If the Administrative Board determines that more time is necessary due to matters beyond its control, the Administrative Board may extend this 90-day period one time, for up to an additional 90 days. The Administrative Board will notify you before the end of the initial 90-day period if an extension is necessary, the circumstances necessitating the extension and the date by which it expects to render a decision.

If the extension is necessary because required information was not submitted, the Administrative Board will specifically describe the required information and will provide you with an additional 45 calendar days to provide the information.

The Administrative Board has the full discretionary authority to decide all claims under the Plan and the Administrative Board's decision on all claims is final and binding.

### **Disposition of Appeals before the Administrative Board.**

If you filed an appeal of MedPay's decision, the Administrative Board will notify you of its decision on appeal no later than 60 calendar days after it receives the appeal.

If the Administrative Board's decision is adverse, the notice will be in writing and will include:

- the specific reasons for the determination;
- references to specific Plan provisions on which the determination is based;
- a description of any additional information necessary to perfect the claim and an explanation of why such material or information is necessary.

If the Administrative Board determines that more time is necessary due to matters beyond its control, the Administrative Board may extend this 60-day period one time, for up to an additional 15 days. The Administrative Board will notify you before the end of the initial 60-day period if an extension is necessary, the circumstances necessitating the extension and the date by which it expects to render a decision.

If an extension is necessary because required information was not submitted, the Administrative Board will specifically describe the required information and will provide an additional 45 calendar days in order to provide the information.

The Administrative Board has the full discretionary authority to decide all claims under the Plan and the Administrative Board's decision is final and binding on all parties.

Written notice to the Administrative Board must be made to:
FedEx Pilots PRP Administrative Board Manager - Retirement & Insurance Air Line Pilots Association, International Retirement & Insurance Department 535 Herndon Parkway Herndon, VA 20170

### **Amendment of Plan**

The Plan may be amended at any time by the Association, in writing, upon recommendation of the Administrative Board, provided that no amendment will be effective unless the Plan continues to be for the exclusive benefit of Participants, and that no amendment will conflict with the Bargaining Agreement or increase the Company's obligations under the Bargaining Agreement without the Company's consent.

### **Termination of Plan**

The Association may, upon recommendation of the FedEx MEC, terminate the Plan at any time. In the event of Plan termination, any assets remaining in the Plan will be distributed to Participants and active pilots as provided in the Plan.

## **Assignment**

The benefits payable under the Plan are provided exclusively for the benefit of Participants. No benefit payable at any time under the Plan will be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, or encumbrance of any kind.

## **Certain Events Affecting the Association**

In the event the Association should dissolve or otherwise cease to do business, the Association will determine whether this Plan should terminate or whether it should be continued.

## **Inability to Locate Payee**

If the Plan Administrator is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain such person's identity or whereabouts after reasonable efforts have been made to identify or locate such person, the payment and all subsequent payments otherwise due to such person will be forfeited after a reasonable time following the date any such payment first became due.

## **Governing Law**

Except as preempted by federal law, the validity of the Plan will be determined and the Plan will be construed and interpreted in accordance with Virginia law.

## **Your Rights Under ERISA**

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all Plan participants are entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the plan, with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## General Information

<b>Name of Plan:</b>	FedEx Pilots Post-Medicare Retiree Premium Reimbursement Plan (PRP)
<b>Plan Number:</b>	530
<b>Plan Year:</b>	January 1 – December 31
<b>Taxpayer ID Number:</b>	65-1297729
<b>Employer ID Number:</b>	36-0710830
<b>Type of Plan:</b>	Medical Expense Reimbursement Plan under Section 105 of the Internal Revenue Code - Retiree Health Premium Reimbursement Plan
<b>Funding:</b>	The Company makes contributions to a Voluntary Employees' Beneficiary Association (VEBA) established under IRC 501(c)(9)
<b>Plan Administrator and Plan Sponsor:</b>	Air Line Pilots Association, International 535 Herndon Parkway Herndon, VA 20170 703-689-4220  Claims are administered by a third-party administrator.
<b>Agent for Legal Service:</b>	Air Line Pilots Association, International Retirement and Insurance Department 535 Herndon Parkway Herndon, VA 20170 703-689-4220
<b>Sources of Contributions:</b>	Contributions are made by the Company pursuant to the Bargaining Agreement.
<b>Trustees:</b>	The Northern Trust Company 50 South LaSalle Street Chicago, IL 60675
<b>Collectively Bargained:</b>	The Plan is maintained pursuant to the Bargaining Agreement between the Air Line Pilots Association, International and Federal Express Corporation. A copy of the Bargaining Agreement may be obtained upon written request to the Plan Administrator.