



FEDEX PILOTS POST-MEDICARE RETIREE PREMIUM REIMBURSEMENT PLAN (PRP)



FREQUENTLY ASKED QUESTIONS

NOTE: The group health plans sponsored by Federal Express Corporation are subject to the terms of those plans. If any statement below conflicts with a provision of a Federal Express Corporation Plan or the PRP that Plan will control.

Q. What is the FedEx Pilots Post-Medicare Retiree Premium Reimbursement Plan (PRP)?

A. The PRP was negotiated pursuant to the Collective Bargaining Agreement between Federal Express Corporation (the Company) and the Air Line Pilots Association, International (the Association). The PRP is sponsored by the Association and funded by Company contributions that are taken from active pilot payroll. The PRP reimburses certain insurance premium expenses incurred by eligible retirees, their eligible spouse, eligible domestic partner and/or eligible disabled child who have reached Medicare Age.

Q. What benefit does the PRP provide?

A. Specifically, the PRP allows participants to receive a reimbursement on a tax-free basis from the PRP for premiums paid for Medicare Part B, Medicare Supplement, Medicare Advantage, Medicare Part D coverage and for any Tricare for Life premium or enrollment fees. *Note: Prior to January 1, 2016 Medicare Part B premium was not a reimbursable expense – Part B claims must be for expenses incurred on or after January 1, 2016.*

Q. How much is my reimbursement from the PRP?

A. Prior to each calendar year, the FedEx Pilots Post-Medicare Administrative Board determines the maximum monthly amount of reimbursement available to a participant. In 2017 the monthly maximum reimbursement amount is **\$116.00**.

Effective for pilots with retirement dates on or after November 3, 2015, the maximum monthly benefit will be pro-rated 4% per year of service. For example, a pilot with 15 years of service will receive a maximum of 60% of the annual maximum benefit for the year to which the claim relates.

Q. Will the maximum reimbursement amount ever change?

A. The Premium Reimbursement Maximum is set by the Plan's Administrative Board. It is based on the amount of funds available, the performance of invested funds, the cost of maintaining this PRP and other factors. The reimbursement rate is reviewed annually and is subject to change in the future.

Q. I understand that I must be Medicare Eligible based on age (currently age 65) to be eligible to claim a reimbursement from the PRP. What happens to my eligible spouse or eligible domestic partner if they are not yet 65, or if they turn 65 before me?

A. You and your eligible spouse or eligible domestic partner become eligible to claim for the PRP independently as each attains age 65. Generally, if

either you or your spouse/domestic partner are not yet 65, the individual who is not yet 65 may remain covered in the Pre-65 FedEx Group Health Plan until they attain age 65. Generally, if you work to or past age 65 --- your spouse/domestic partner will remain in the FedEx plan with you until you retire, and then you both become eligible for this PRP benefits together on your retirement date.

If your retirement date is prior to November 3, 2015 – separate welcome kits will be sent to you and your spouse as each becomes eligible to participate, and each must remain covered under a FedEx health plan until attainment of age 65 to qualify for the PRP.

If your retirement date is on or after November 3, 2015 - the pilot will receive a welcome kit including a participant verification form that is pre-filled with information on the pilot and any dependent information we are aware of. Review this form carefully certifying it is complete and accurate and return it with any corrections as soon as possible (but no later than with your initial claim for premium reimbursement). To activate your status – simply complete and return a claim form any time after your 65th birthday when you have a claim for Medicare Part B, D or Medicare Supplement or Advantage premium.

Q. Is my domestic partner eligible to participate?

A. The PRP receives monthly eligibility lists from the

Company. If your family member, including a domestic partner, was recognized as such just prior to the pilot's retirement date such person will be eligible to participate.

Q. I have a disabled child who meets Federal Express Corporation's guidelines for mental or physical incapacitation. What happens to my disabled child's coverage when I turn Medicare Age?

A. Generally, your disabled child may remain covered under the Federal Express Corporation Group Health Plan for Pilots until such time as the pilot retires, then may be covered under the Federal Express Corporation Retiree Group Health Plan for Pilots until the disabled child attains Medicare Age. Upon attaining Medicare Age, the disabled child will become eligible for the PRP. For complete information on your disabled child's coverage prior to Medicare Age, please contact Federal Express Corporation directly. The disabled child of a pilot who retired prior to November 3, 2015 must remain covered under a Federal Express Corporation group health plan to be eligible to participate in the PRP upon their attainment of Medicare Age.

Q. My spouse and/or I are covered under Tricare for Life (TFL). What are my benefits under the PRP?

A. Effective January 1, 2016, Medicare Part B premium became recognized as an eligible expense under the PRP. As you must maintain Medicare Part B to remain eligible for TRICARE after age 65 (TFL) – you may claim your Medicare Part B premium under the PRP.

Q. My spouse, my domestic partner, my disabled child and/or I are covered under another employer-sponsored health coverage. What are our options for coverage under the PRP?

A. Simply submit a claim when you have a claim for premium for Medicare Part B, Part D, Medicare Supplement or Medicare Advantage.

Q. How do I enroll in the PRP?

A. Enrollment is automatic. However, towards the end of the month following your retirement you will receive a pre-filled Participant Verification Form. You must certify that the participant verification form is complete and accurate by signing and returning it as soon as possible, but no later than with your initial claim for premium reimbursement. Make any corrections prior to signing and returning the form. File your claim for premium reimbursement when you attain age 65 and are paying premium for Medicare Part B, D, Medicare Supplement or Medicare Advantage. Claims must be made annually, and must be received by March 31 of the year following the year the premium was incurred. We strongly suggest that you file your claim for the current year in January each year and elect direct deposit.

Q. Does ALPA have personnel who can explain Medicare and assist me in making my decision when choosing among plans supplemental to Medicare?

A. No. There are simply too many geographic variations, plan possibilities and specific family concerns for ALPA to provide any advice or comparison on plans supplemental to Medicare. The Medicare website, www.medicare.gov, is an excellent resource to educate yourself about your

choices and has tools to compare plans that supplement Medicare. You may also wish to talk to an independent insurance agent or seek advice from a Medicare Exchange such as AON Navigators or Extend Health. However, you should understand an exchange will only provide you with information on plans that are contracted with their exchange.

Q. Do my eligible spouse, eligible domestic partner and/or eligible disabled child and I need to be in the same supplemental Medicare health plan to receive reimbursements under the PRP?

A. No, you each must file your own claim on a separate Claim for Reimbursement form. You may each choose separate plans of coverage.

Q. If I decide not to enroll in the PRP (opt-out), will I have the opportunity to enroll in the PRP later?

A. Effective January 1, 2017 participation is automatic without any requirement to enroll in the plan. However, you still must review the participant verification form sign and return it. Also, you must file a claim for reimbursement annually.

Q. What is NOT covered under the PRP?

A. - Premium payments you or your spouse pay for employer-sponsored health coverage.
- No double dipping. For example: if you have the Health Reimbursement Account (HRA) for Retired Pilots through FedEx or any other HRA and you receive a premium reimbursement from that HRA, you cannot claim a premium reimbursement under this PRP.
- Long Term Care Premium.
- Premium for separate dental or vision plans. (However if your

Medicare Advantage Plan or Medicare Supplement Policy plan also provides dental and/or vision, and that premium is paid directly to the same health plan that supplements Medicare, such premium may be reimbursable.)

- Deductibles, co-pays, and out-of-pocket expenses.

- COBRA Premium.

- Medicare Part B Premium for coverage before 2016. This includes the Medicare Part B amount under a Medicare Advantage Plan that was incurred prior to January 1, 2016.

Q. How do I enroll in a Dental Plan?

A. ALPA has arranged, without endorsement, for MetLife to offer FedEx retired pilots and their spouses a post-65 Dental Plan at group rates. On a monthly basis, FedEx provides the Association with a list of pilots/spouses turning age 65. The Association provides this list to MetLife, who will contact you directly with group rates and options for dental coverage. **The cost of the MetLife Dental Program is not reimbursable under the PRP.** Met Life will be sending you information directly. You may contact MetLife directly at 1-800-Get-Met8. NOTE: If you or your spouse are not yet 65, the one who is under 65 may remain covered by the FedEx Plan.

ALPA National also offers a dental plan through Delta Dental and will contact you directly with enrollment information.

Q. Is the MetLife Dental Plan provided under the PRP?

A. No. Effective January 1, 2014 the dental benefits are available, but not endorsed or sponsored by the Association.

They are no longer provided under the PRP.

Q. Do I have to enroll in the PRP to enroll in for MetLife Dental Plan?

A. No. This program has rules that MetLife will send you, but enrollment in the PRP or dental plan are independent of each other.

Q. How do I receive reimbursements from the PRP?

A. The PRP is administered by Med-Pay.

Claim Forms may be submitted to Med-Pay by mail, fax, scan/email or scan/upload to web site. (Refer to the Claim Form available at <https://hrbenefitsdirect.com/med-pay>.)

The reimbursements will be made via direct deposit or check. If you prefer direct deposit, the form provided in the initial packet or on the web site must be returned to Med-Pay. This option can be chosen or revoked at any time.

Q. How often do I have to file my claim?

A. Once you file the first claim, a recurring claim for the remainder of the Plan Year (ending December 31st) is created by Med-Pay and reimbursement will automatically occur on the first of the month for the appropriate amount. If your reimbursement is under the maximum monthly amount and your premium amount changes during the course of the year you will need to submit a new statement of proof of coverage and claim form to Med-Pay to revise the recurring claim. *A new claim will be required for January 1st of each subsequent year.*

Q. Are there any rules that must be followed in order to

receive these tax-free reimbursements?

A. Yes. The PRP requires that in addition to the Claim Form, participants must also provide documentation to Med-Pay that proves that the expenses were for eligible health care insurance premiums purchased specifically for themselves. The documentation, which can be a copy of the enrollment letter from your supplemental Medicare health plan provider verifying the effective date of coverage, or a copy of the bill that details the effective date of coverage, must also clearly show:

1. the type of policy for which the premium applies (e.g., Medicare Part B, Medicare Supplement, Medicare Advantage, Tricare for Life and/or Medicare Part D),
2. the name of the policy owner (i.e., the participant),
3. the amount of the premium,
4. and the period of coverage.

Failure to provide adequate documentation will result in the denial of the claim and will delay the receipt of your reimbursement.

We only need a copy of the documentation, keep the original for your files (we cannot return copies to you). Also, in order to expedite your reimbursement, please make sure that the copy is legible.

Q. What if I only receive a quarterly or an annual premium statement for my eligible coverages?

A. Send a copy of the documentation required for filing a claim along with a claim form to Med-Pay. The quarterly or annual statement will be divided into the appropriate number of months and a recurring claim will be entered for each month. Reimbursement will occur as if

the claim had been filed as a monthly premium.

Q. How much will I receive when I submit a claim?

A. The amount of your reimbursement will be the lesser of the maximum monthly amount available or the actual amount of your premium. For those who retired on or after November 3, 2015, your benefit will be pro-rated at 4% per year of pilot service (up to 25 years). For example, if you have 15 years of pilot service, your maximum benefit will be 60% of the monthly maximum benefit.

Q. How long will it take to get reimbursed when I submit claims?

A. Checks are issued according to the reimbursement schedule posted on our web site. Your reimbursement checks will be sent to your home address. You can expect to receive the checks less than 2 weeks after the reimbursement request deadline indicated on the reimbursement schedule. If desired, you can elect to have the reimbursement automatically deposited to a bank account that you designate instead of receiving the reimbursement by check. To do so, you must complete the "Direct Deposit Authorization Form" that Med-Pay provided to you when you first joined the plan and return it to Med-Pay. This form is also available on the website at: <https://hrbenefitsdirect.com/med-pay>.

Q. Will I receive any other information along with my reimbursement?

A. Yes. Each time you receive a reimbursement from Med-Pay, whether it is by check or by direct deposit, you will also receive a statement that shows you your balance and activity on your "account". NOTE: The account is owned by the PRP,

not the participant, and is simply a means to show your progress towards your annual maximum reimbursement. If you do not have premium to claim or if you fail to submit a claim for premium reimbursement prior to March 31 of the year following the year the premium was incurred, the notional amount tentatively allocated to that account is extinguished.

Q. How long after the end of a calendar year do I have to get my claims in for that year?

A. You must submit all of your claims for each calendar year to Med-Pay by March 31 following the calendar year in which the premium was incurred.

Q. Can I request reimbursement of my eligible premium expenses from the PRP and also be reimbursed by another expense reimbursement plan?

A. No. The IRS strictly forbids "double-dipping." That means that if you participate in more than one plan that would reimburse this expense, you must choose only one of these plans from which to receive your reimbursement. When you sign your Claim Form and send it in to Med-Pay, you are also certifying that you will not be reimbursed for this premium expense from any other plan.

Q. How do I access my PRP information?

A. You can access your PRP information by logging on to <https://hrbenefitsdirect.com/med-pay>. On the website you will be able to view your claims, your payments, and your notional balance. 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.

Please Note: These questions and answers represent a brief summary of the PRP rules. They are not intended to provide legal or tax advice. If any statement in this document conflicts with the provisions of your formal Plan document or summary, the formal Plan document or summary will control.

Your ALPA Premium Reimbursement Plan is administered by:

Med-Pay

**1650 East Battlefield St, Suite 300
Springfield, MO 65804**

**(Mailing address: PO Box 10909,
Springfield, MO 65808)**

(417) 841-4134 or (800) 777-9087

Flexcs@Med-Pay.com

<https://hrbenefitsdirect.com/med-pay>

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