

## **CONSOLIDATED COST-SHARING GUIDELINES WITH EXAMPLES OF THEIR APPLICATION**

Employee cost-sharing is required for each month that a carrier is required to make a contribution to the Railroad Employees National Health and Welfare Plan (the "Plan") on the employee's behalf for foreign-to-occupation health benefit coverage for himself/herself and/or his/her dependents.

### General Principles

1. A carrier is required to make a Plan contribution regarding an employee (thus triggering an employee cost-sharing contribution) for each calendar month immediately following a calendar month in which the employee rendered the Requisite Amount of Compensated Service or received the Requisite Amount of Vacation Pay or a combination of both. A carrier is also required to make a Plan contribution when the "Opportunity Rule" applies and an employee is treated as if he/she had rendered the Requisite Amount of Compensated Service. See General Principle 5.
2. The Requisite Amount of Compensated Service is compensated service rendered for an aggregate of at least seven calendar days during a calendar month if the employee is covered under the Plan pursuant to a collective bargaining agreement that provides for such a "seven-day" rule; otherwise, the Requisite Amount of Compensated Service is compensated service rendered for at least one day during the month.

3. The Requisite Amount of Vacation Pay is vacation pay received for an aggregate of at least seven calendar days during a calendar month if the employee is covered under the Plan pursuant to a collective bargaining agreement that provides for such a "seven-day" rule; otherwise, the Requisite Amount of Vacation Pay is vacation pay received for at least one day during the month. This General Principle is subject to the following exceptions:
- a) Vacation pay received by a furloughed employee after the start of his/her furlough will not be considered vacation pay for purposes of determining Plan coverage or required carrier or employee cost-sharing contributions.
  - b) Vacation pay received by an employee after termination of his/her employment relationship (*i.e.*, resignation, dismissal and retirement) will not be considered vacation pay for purposes of determining Plan coverage or required carrier or employee cost-sharing contributions.
  - c) Vacation pay received by an employee while covered by the Plan as a disabled employee will be considered vacation pay for purposes of determining Plan coverage but not for purposes of determining carrier or employee cost-sharing contributions.

4. Where the seven-day rule applies, an employee continues to be covered by the Plan during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding month only if he/she rendered compensated service on, or received vacation pay for, an aggregate of at least seven calendar days during such preceding month.
5. If an employee returns to work from furlough, suspension, dismissal or disability (including pregnancy), or commences work as a new hire, at a time during a month when there is not an opportunity to render compensated service on at least seven calendar days during that month, the employee will be deemed to have satisfied the seven-day rule, provided that he/she is available to work, or actually works, every available work opportunity during that month. Carriers refer to this principle as the "Opportunity Rule." It does not apply to an employee who will be covered by the Plan during the immediately following month under any of the Plan's extended coverage provisions, such as furlough, suspension, dismissal, disability, etc.
6. For all unions that have agreed to the seven-day rule, except for the BLET and the UTU (including Yardmasters), where the regular work day consists of more than eight hours, each such day actually worked or for which vacation pay is received is treated as one and a fraction days, *i.e.*, a regular assignment of ten hours is treated as 1.25 calendar days for purposes of determining whether or not the seven-day rule has been satisfied.

7. Compensated service includes time actually worked and time that the carrier has customarily treated as if it were time actually worked. In addition, compensated service includes days of FMLA leave unless the employee is covered by the Plan during the immediately following month for any reason other than rendering the Requisite Amount of Compensated Service or receiving the Requisite Amount of Vacation Pay, or a combination of both, during the current month (*i.e.*, coverage during the immediately following month by reason of furlough, dismissal, suspension, etc.).
8. Where an employee has coverage in the immediately succeeding month by reason of any of the extended coverage provisions of the Plan, no carrier or employee cost-sharing contributions are required for that month unless the employee rendered the Requisite Amount of Compensated Service or received the Requisite Amount of Vacation Pay, or a combination of both, in the current month or experienced a situation where the "Opportunity Rule" (see General Principle 5) was applicable for the current month.

Side Letters of the 1996 National Agreements confirm understandings with respect to application of the seven-calendar-day-per-month requirement for benefit coverage and also impact when coverage is established.

#### Assumptions

The specific rules set forth below incorporate the following assumptions:

- a) Newly hired employees are not subject to any waiting period.



- b) References to "vacation pay," "vacation" and the like mean days for which the employee received vacation pay.
- c) All employees are subject to the seven-day rule.
- d) Unless specified otherwise, all vacation pay was received prior to furlough, retirement, dismissal or disability, as the case may be.
- e) In cases where the employee returns to work from furlough, suspension, dismissal or disability when less than seven calendar days remain in the month, the employee is available to work, or actually works, every available opportunity during that month.
- f) All disabled employees have provided satisfactory proof of disability. Unless specified otherwise, disabled employees are continuously disabled and have retained their employment relationship.
- g) In cases where a disabled employee received vacation pay after becoming disabled, the vacation pay was received in the same year as the disability began.

## Examples

### 1. New Hire

- a. Employee hires out January 27 and works all the remaining days in January – coverage begins February 1, and cost-sharing and carrier contributions are required for February because the employee was treated as if he/she rendered the Requisite Amount of Compensated Service in January pursuant to the "Opportunity Rule." See General Principle 5.
- b. Employee hires out January 3 and works at least seven days in January – coverage begins February 1. Cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in January.

### 2. Furloughed Employee

- a. Employee is furloughed January 15 after working seven days in January and remains furloughed through May – has coverage through May. Cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in January. No cost-sharing and carrier contributions are required for March-May.
- b. Employee is furloughed January 5 after working three days in January and remains furloughed through May – has coverage through May. No

cost-sharing and carrier contributions are required for February, since in January employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay or a combination of both. See General Principle 8. No cost-sharing and carrier contributions are required for March-May.

- c. (i) Employee is furloughed January 15 after working seven days in January – would (if he/she remained furloughed) have coverage through May. However, employee returns to work on March 29 (prior to end of 4<sup>th</sup> month) and works all available work opportunities through the end of the month. Cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in January. Employee will have coverage in March as a result of the furlough until his/her furlough ends and, since he/she rendered compensated service by working in March, for the rest of that month. The employee will also have coverage in April pursuant to the “Opportunity Rule.” See General Principle 5 and Assumption e.
- (ii) In Example (i) above, no cost-sharing or carrier contributions are required for March as employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay or a combination of both in February. The employee will have coverage in April, and carrier and employee cost-sharing contributions are required for April, because the employee was treated as if he/she rendered the

Requisite Amount of Compensated Service in March pursuant to the "Opportunity Rule." See General Principle 5 and Assumption e.

- d. (i) Employee is furloughed January 5 after working three days in January – would (if he/she remained furloughed) have coverage through May. However, employee returns to work on March 29 (prior to end of 4<sup>th</sup> month) and works all available work opportunities through the end of the month. The employee will have coverage in April, and carrier and employee cost-sharing contributions are required for April, because the employee was treated as if he/she rendered the Requisite Amount of Compensated Service pursuant to the "Opportunity Rule." See General Principle 5 and Assumption e.
- (ii) In Example (i) above, cost-sharing and carrier contributions are not required for February or March as employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay or a combination of both in January or February, respectively.
- e. (i) Employee is furloughed January 15 after working seven days in January and, because he/she remains furloughed through May, has coverage through that month. The employee returns to work June 15 (after end of 4<sup>th</sup> month) and renders the Requisite Amount of Compensated Service in June. Coverage will begin again July 1. The employee will not have coverage in June.

(ii) In Example (i) above, cost-sharing and carrier contributions are required for February as employee rendered the Requisite Amount of Compensated Service in January. No cost-sharing and carrier contributions are required for March-June.

(iii) In Example (i) above, cost-sharing and carrier contributions are required for July as the employee rendered the Requisite Amount of Compensated Service in June.

f. (i) Employee is furloughed January 15 after working seven days in January and, because he/she remains furloughed through May, has coverage through that month. The employee returns to work June 28 (after end of 4<sup>th</sup> month) and works all available work opportunities through the end of the month. Coverage for the employee will begin July 1 because he/she was treated as if he/she rendered the Requisite Amount of Compensated Service in June pursuant to the "Opportunity Rule." See General Principles 5 & 8 and Assumption e. The employee will not have coverage in June.

(ii) In Example (i) above, cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in January. No cost-sharing and carrier contributions are required for March-June.

(iii) In Example (i) above, cost-sharing and carrier contributions are required for July because the employee was treated as if he/she

rendered the Requisite Amount of Compensated Service in June pursuant to the "Opportunity Rule." See General Principles 5 & 8 and Assumption e.

- g. (i) If during any period of furlough an employee renders at least one day of compensated service, the furlough period will be extended four (4) months from the month in which the employee rendered such compensated service. For example, an employee last works January 15 after working seven days in January, coverage would (if he/she remains furloughed) continue through May. However, the employee returns to work in March and renders one day of compensated service and is again furloughed and remains furloughed through July, coverage would continue through July.
- (ii) In Example (i) above, cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in January. No cost-sharing and carrier contributions are required for March-July. See General Principles 5 & 8.
- h. (i) Employee works seven days in January and receives one day of vacation pay in February. Employee is then furloughed later in February and remains furloughed. The employee would have coverage through June.

(ii) In Example (i) above, cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in January.

(iii) In Example (i) above, no cost-sharing and carrier contributions are required for March-June. See General Principles 5 & 8.

i. (i) Employee is furloughed December 24 after working 20 days in December and remains furloughed. The employee would have coverage through April. In January the employee is paid for the January 1 holiday. The receipt of holiday pay in January does not count as compensated service and therefore, does not extend coverage. The employee's coverage would still terminate in April. See General Principles 5 & 8.

(ii) In Example (i) above, cost-sharing and carrier contributions are required for January as the employee rendered the Requisite Amount of Compensated Service in December. Cost-sharing and carrier contributions are not required for February. See General Principles 5 & 8.

### 3. Suspended Employee

a. Employee is suspended January 15 after working seven days in January and remains suspended through May – has coverage through May. Cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in

January. No cost-sharing and carrier contributions are required for March-May.

- b. Employee is suspended January 5 after working three days in January and remains suspended through May – has coverage through May. No cost-sharing and carrier contributions are required for February, since in January employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay or a combination of both. See General Principles 5 & 8. No cost-sharing and carrier contributions are required for March-May.
- c.
  - (i) Employee is suspended January 15 after working seven days in January – would (if he/she remained suspended) have coverage through May. However, employee returns to work on March 29 (prior to end of 4<sup>th</sup> month) and works all available work opportunities through the end of the month. The employee will have coverage in March until his/her suspension ends and, since he/she rendered compensated service by working in March, for the rest of that month.
  - (ii) In Example (i) above, cost-sharing and carrier contributions are required for February as employee rendered the Requisite Amount of Compensated Service in January. No cost-sharing and carrier contributions are required for March as no days were worked in February.



Carrier and employee cost-sharing contributions are required for April because the employee was treated as if he/she rendered the Requisite Amount of Compensated Service in March pursuant to the "Opportunity Rule." See General Principles 5 & 8 and Assumption e.

- d. (i) Employee is suspended January 5 after working three days in January – would (if he/she remained suspended) have coverage through May. However, the employee returns to work on March 15 (prior to end of 4<sup>th</sup> month) and works at least seven days in March. The employee will have coverage in March until his/her suspension ends and, since he/she rendered compensated service by working in March, for the rest of that month.

- (ii) In Example (i) above, cost-sharing and carrier contributions are not required for February as in January employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay or a combination of both. No cost-sharing or carrier contributions are required for March as no days were worked in February. Cost-sharing and carrier contributions are required for April as seven days were worked in March. See General Principles 5 & 8.

- e. (i) Employee is suspended January 15 after working seven days in January – would (if he/she remained suspended) have coverage through May. However, the employee returns to work June 28 (after end of 4<sup>th</sup> month) and works all available work opportunities through the end of the

month. The employee will have coverage again beginning July 1 because he/she was treated as if he/she rendered the Requisite Amount of Compensated Service in June pursuant to the "Opportunity Rule." See General Principles 5 & 8 and Assumption e. The employee will not have coverage in June.

(ii) In Example (i) above, cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in January. No cost-sharing and carrier contributions are required for March-June.

(iii) In Example (i) above, cost-sharing and carrier contributions are required for July because the employee was treated as if he/she rendered the Requisite Amount of Compensated Service in June pursuant to the "Opportunity Rule." See General Principles 5 & 8 and Assumption e.

f. (i) Employee is suspended on January 15 – would (if he/she remains suspended) have coverage through May. Employee receives two days of vacation in April and remains suspended. The receipt of such vacation pay extends coverage through August.

(ii) In Example (i) above, cost-sharing and carrier contributions are required for February if in January the employee rendered the Requisite Amount of Compensated Service or received the Requisite Amount of Vacation Pay, or a combination of both. If in January the employee did

not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay, or a combination of both, no cost-sharing and carrier contributions are required for February. See General Principles 5 & 8.

(iii) In Example (i) above, the receipt of any vacation in April triggers an extension of benefits through August. No cost-sharing or carrier contributions are required for May because two days of vacation does not constitute the Requisite Amount of Vacation Pay. See General Principles 5 & 8.

- g. If an employee is awarded full back pay for all time lost as a result of suspension, coverage will be provided as if he/she had not been suspended. All cost-sharing and carrier contributions would then be required for retroactive months on the same basis as would have been required of an active employee.

#### 4. Dismissed Employee

- a. Employee is dismissed January 15 after working seven days in January – would (if he/she remains dismissed) have coverage through May. Cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in January. No cost-sharing and carrier contributions are required for March-May.

- b. Employee is dismissed January 5 after working three days in January – would (if he/she remains dismissed) have coverage through May. No cost-sharing and carrier contribution are required for February, since in January, employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay or a combination of both. See General Principles 5 & 8. No cost-sharing and carrier contributions are required for March-May.
- c. (i) Employee is dismissed January 15 after working seven days in January – would (if he/she remained dismissed) have coverage through May. However, the employee returns to work on March 29 (prior to end of 4<sup>th</sup> month) and works all available work opportunities through the end of the month. The employee will have coverage in March until his/her dismissal ends and, since he/she rendered compensated service by working in March, for the rest of that month.
- (ii) In Example (i) above, cost-sharing and carrier contributions are required for February as seven days worked in January. No cost-sharing and carrier contributions are required for March as no days were worked in February. Cost-sharing and carrier contributions are required for April because the employee was treated as if he/she rendered the Requisite Amount of Compensated Service in March pursuant to the "Opportunity Rule." See General Principles 5 & 8 and Assumption e.

- d. (i) Employee is dismissed January 5 after working three days in January – would (if he/she remained dismissed) have coverage through May. However, the employee returns to work on March 15 (prior to end of 4<sup>th</sup> month) and works at least seven days in March. The employee will have coverage in March until his/her dismissal ends and, since he/she rendered compensated service by working in March, for the rest of that month.
- (ii) In Example (i) above, no cost-sharing and carrier contributions are required for February or March, since the employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay or a combination of both, in January or February. Cost-sharing and carrier contributions are required for April as employee rendered the Requisite Amount of Compensated Service in March. See General Principles 5 & 8.
- e. (i) Employee is dismissed January 15 after working seven days in January – would (if he/she remained dismissed) have coverage through May. However, the employee returns to work June 28 (after end of 4<sup>th</sup> month) and works all available work opportunities through the end of the month. Coverage for the employee will begin July 1 because he/she was treated as if he/she rendered the Requisite Amount of Compensated Service in June pursuant to the "Opportunity Rule." See General Principles 5 & 8 and Assumption e. The employee will not have coverage in June.

(ii) In Example (i) above, cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in January. No cost-sharing and carrier contribution are required for March-June.

(iii) In Example (i) above, cost-sharing and carrier contributions are required for July because the employee was treated as if he/she rendered the Requisite Amount of Compensated Service in June pursuant to the "Opportunity Rule." See General Principles 5 & 8 and Assumption e.

f. (i) Employee works seven days in January, receives one day of vacation on February 1 and is then dismissed on February 2 – would (if he/she remains dismissed) have coverage through June.

(ii) In Example (i) above, cost-sharing and carrier contributions are required for February as employee rendered the Requisite Amount of Compensated Service in January.

(iii) In Example (i) above, no cost-sharing and carrier contributions are required for March as the employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay or a combination of both in February. No cost-sharing or carrier contributions are required for April-June. See General Principles 5 & 8.

g. (i) Employee is dismissed on January 15 after working seven days in January – would (if he/she remains dismissed) have coverage through May. Employee, while covered under the Plan as a dismissed employee, receives two weeks of vacation pay in March.

(ii) In Example (i) above, cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in January. See General Principles 5 & 8.

(iii) In Example (i) above, vacation paid after the dismissal date is not considered vacation pay for purposes of determining Plan coverage or required employee cost-sharing and carrier contributions and, therefore, does not extend the period of coverage beyond May or trigger a cost-sharing or carrier contribution for April. See General Principle 3(b).

h. If an employee is awarded full back pay for all time lost as a result of dismissal, coverage will be provided as if he/she had not been dismissed. All cost-sharing and carrier contributions would then be required for retroactive months on the same basis as would have been required of an active employee.

## 5. Disabled Employee

a. (i) Employee becomes disabled January 15 after working seven days in January – would (if he/she remains continuously disabled) have coverage for employee benefits through the end of the 2<sup>nd</sup> calendar year

following the year in which the employee last rendered compensated service or received vacation pay.

(ii) In Example (i) above, cost-sharing and carrier contributions are required for February as the employee rendered the Requisite Amount of Compensated Service in January. No cost-sharing and carrier contributions are required for the remaining months of coverage for employee benefits by reason of disability.

b. (i) Employee becomes disabled January 5 after working three days in January – would (if he/she remains continuously disabled) have coverage for employee benefits through the end of the 2<sup>nd</sup> calendar year following the year in which the employee last rendered compensated service or received vacation pay.

(ii) In Example (i) above, no cost-sharing and carrier contributions are required for February as in January the employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay, or a combination of both. No cost-sharing and carrier contributions are required for the remaining months of coverage for employee benefits by reason of disability.

c. (i) Employee becomes disabled January 15 after working seven days in January – would (if he/she remains continuously disabled) have coverage for employee benefits through the end of the 2<sup>nd</sup> calendar year following the year in which the employee last rendered compensated



service or received vacation pay. Cost-sharing and carrier contributions are required for February.

(ii) In Example (i) above, however, employee returns to work before the end of the 2<sup>nd</sup> calendar year. Coverage by reason of disability will continue until the end of the month in which the employee's disability ends. Coverage as a returning employee will begin on the first day of the next month, and cost-sharing and carrier contributions will be required for that month, if the employee rendered the Requisite Amount of Compensated Service, or the "Opportunity Rule" applied, in the month in which he/she returned to work. See General Principles 5 & 8 and Assumption e. No cost-sharing or carrier contribution is required for the month in which the employee returns to work since he/she did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay, or a combination of both, in the prior month. For example, employee returns and works seven days in June – he/she has coverage in July. No carrier or cost-sharing contributions are required for June as no days were worked in May, but carrier and cost-sharing contributions are required for July since the employee rendered the Requisite Amount of Compensated Service in June. See General Principal 5.

- d. (i) Employee becomes disabled January 5 after working three days in January – would (if he/she remains continuously disabled) have coverage for employee benefits through the end of the 2<sup>nd</sup> calendar year

following the year in which the employee last rendered compensated service or received vacation pay. Cost-sharing and carrier contributions are not required for February as in January the employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay, or a combination of both. See General Principles 5 & 8.

(ii) In Example (i) above, however, employee returns to work before the end of the 2<sup>nd</sup> calendar year. Coverage by reason of disability will continue until the end of the month in which the employee's disability ends. Coverage as a returning employee will begin on the first day of the next month, and carrier and cost-sharing contribution will be required for that month, if the employee rendered the Requisite Amount of Compensated Service, or the "Opportunity Rule" applied, in the month in which he/she returned to work. For example, employee returns on June 29, coverage begins July 1, no cost-sharing or carrier contribution is required for June as no days worked in May but cost-sharing and carrier contributions are required for July because the employee was treated as if he/she rendered the Requested Amount of Compensated Service in June pursuant to the "Opportunity Rule." See General Principles 5 & 8 and Assumption e.

- e. (i) Employee becomes disabled January 5 after working three days in January – would (if he/she remains continuously disabled) have coverage for employee benefits through the end of the 2<sup>nd</sup> calendar year

following the year in which the employee last rendered compensated service or received vacation pay. Employee receives one day of vacation in immediately subsequent year.

(ii) In Example (i) above, cost-sharing and carrier contributions are not required for February as in January the employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay, or a combination of both. No cost-sharing or carrier contributions are required for remaining period of coverage for employee benefits by reason of disability. Receipt of vacation thereafter will not require a cost-sharing or carrier contribution but coverage will be extended from the receipt of any vacation. Coverage will extend through the end of the second calendar year following the year in which the employee received vacation pay. See General Principle 3(c) and Assumption f.

6. Retired Employees

- a. Employee retires January 5 after working three days in January, coverage is provided until the end of February. Cost-sharing and carrier contributions are not required for February as in January the employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay, or a combination of both.
- b. Employee retires January 15 after working seven days in January, coverage is provided until the end of February. Cost-sharing and carrier

contributions are required for February as employee rendered the Requisite Amount of Compensated Service worked in January.

7. Leave of Absence

- a. Employee takes leave of absence January 5. Coverage would be provided in January, and cost-sharing and carrier contributions would be required for January, only if the employee rendered the Requisite Amount of Compensated Service or received the Requisite Amount of Vacation Pay, or a combination of both, in December. In such a case, coverage would terminate on January 31. No coverage is provided to the employee in February as the employee did not render the Requisite Amount of Compensated Service or receive the Requisite Amount of Vacation Pay, or a combination of both, in January. No cost-sharing or carrier contributions are required for February.
- b. Employee takes leave of absence January 15 after working seven days in January. Coverage is provided until the end of the month following the month in which the employee last rendered the Requisite Amount of Compensated Service or received the Requisite Amount of Vacation Pay or a combination of both. Coverage is provided to the employee through February as the employee rendered the Requisite Amount of Compensated Service in January. Cost-sharing and carrier contributions are required for February.

8. Family or Medical Leave (FMLA)

Any day of FMLA leave taken in a month immediately preceding a month during which the employee has Plan coverage by virtue of any of the extended coverage provisions of the Plan (usually disability where the employee takes FMLA for his/her own disability) is not counted as a day of compensated service. All other days of FMLA leave are counted as days of compensated service. Accordingly, if the employee has rendered the Requisite Amount of Compensated Service or received the Requisite Amount of Vacation Pay, or a combination of both, during June (including days of FMLA leave where the employee does not have coverage in July under any of the Plan's extended coverage provisions), carrier and employee cost-sharing contributions would be required, and the employee would be covered, in July. If the employee has coverage in July by reason of a Plan extended coverage provision, (e.g., disability), FMLA leave in June is not counted as compensated service. Thus, unless the employee has rendered the Requisite Amount of Compensated Service (not including his/her FMLA leave) or received the Requisite Amount of Vacation Pay, or a combination of both, in June, no cost-sharing or carrier contributions are required in July.

9. Death of Employee

Cost-sharing and carrier contributions are not required in the month following the employee's death unless the employee rendered the Requisite Amount of Compensated Service or received the Requisite Amount of Vacation Pay, or a combination of both, in the month in which he/she died.

10. Dismissed or Retired Employee

In cases of dismissal or retirement where there's an insufficient amount in the employee's next paycheck to pay any cost-sharing contribution then due from the employee, the excess of the unpaid employee contribution over the amount of the employee's pay available to satisfy his/her contribution obligation will be deemed in arrears and deducted from compensation of any sort subsequently payable to the employee. No other efforts are made to collect the unpaid employee contribution.

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