

Retirement

Flight Attendant Benefits



Retirement Seminar April/May 2012



Retirement eligibility

Who can retire?

Requirements to retire

- ▶ Company service minimum
 - 10 years of Company Service
 - Company Service Includes Pan Am Service for Pacific and London Transactions
- ▶ Age requirement
 - Age 55



Terminated Pension/PBGC

Defined Benefit Pension Plan

Effect of Plan Termination

- ▶ Plan terminated as of June 30, 2005. After, no further benefits are accrued
- ▶ All participants received a letter of determination of benefit amount
- ▶ **Participants not Eligible to retire at time of Plan termination become Terminated Vested Participants** (Age 50/frozen benefit exception)
- ▶ All Participants must wait until employment with United ends, or age 65 (normal retirement age) to start taking pension benefits
- ▶ To get a pension estimate You can call the PBGC (1-800-400-7242)
- ▶ or go to www.pbgc.gov to request a pension benefit estimate



Benefits in Retirement

Retiree Medical
Retiree Dental
Retiree Vision
Other Insurance
401K
Social Security
Retiree Travel



Benefits in Retirement

Retiree Medical

Before Medicare

- ▶ Same Coverage as Active Employees
- ▶ Same yearly open enrollment for HMO/Traditional PPO
- ▶ Medicare eligibility (usually) begins at age 65
- ▶ Starts at retirement, and ends when eligible for Medicare
- ▶ Retiree monthly contribution based on years of service (2012)
 - Fewer than 20 80% (\$465.21 – \$1395.62)
 - 20 – 24 60% (\$348.91 – \$1046.72)
 - 25 and over 40% (\$232.60 – \$697.81)
- ▶ Cost to the employee increases annually as the cost of coverage increases
- ▶ Those not eligible for Medicare may continue on this plan indefinitely



Benefits in Retirement

Retiree Medical

After Medicare

- ▶ At age 65, when you become eligible for Medicare, United offers two Medicare supplemental plans through BC/BS, and Medicare Select HMO plans are offered in certain areas
- ▶ These plans are based on the Retiree taking Medicare Part A (free) and Part B (\$99.90 per month – 2012)
- ▶ Plan premiums based on the total cost of coverage, less United's \$90 contribution
- ▶ **Medical PPO option** \$181.71 per month per person (2012)
 - supplements Medicare to bring coverage up United Medical PPO (Traditional) plan of current employees
- ▶ **Drug-Only option** \$60.27 per month per person (2012)
 - Adds mail order and retail prescription drugs to Medicare. At Retail retiree pays 10% generic, 30% brand name, with \$150,000 lifetime maximum per person



Benefits in Retirement

Retiree Medical

After Medicare

- ▶ Other Medicare supplement or Medigap Plans are available on the open market. Their costs and benefits may be better than United's plans
- ▶ Because Post 65 Plans are based on the full cost of coverage, less company contribution of \$90 per person, per month, the costs increase annually as the cost of coverage increases
- ▶ A retiree may voluntarily suspend medical coverage (VSOP) at open enrollment or time of retirement. To re-enroll at a later date (during open enrollment or a life event) proof of creditable coverage under another qualified plan is required



Benefits in Retirement

Retiree Dental

- ▶ There is no retiree dental coverage
- ▶ If you are enrolled in dental coverage as an active employee, dental COBRA coverage is available for a period of 18 months following retirement. The cost to the individual is the employer's cost plus a 2% administration fee. The employer's annual cost is subject to increase each year
- ▶ 2012 Dental COBRA Rates:
 - ▶ 1 Adult \$45.33
 - ▶ 2 Adults \$95.19
 - ▶ 1 Adult + Child(ren) \$99.73
 - ▶ 2 Adults + Child(ren) \$149.58



Benefits in Retirement

Retiree Vision

- ▶ Retirees may continue the VSP vision coverage by paying the full premium

- ▶ 2012 Cost for Vision Coverage
 - Retiree only \$15.65
 - Retiree+ Spouse \$26.72
 - Retiree + Children \$27.26
 - Family \$34.56



Benefits in Retirement

Other Insurance

Retiree Life benefit

▶ **\$10,000**

- Provided at no cost to retiree
- Must be 55 Years of Age with 10 Years Service, or you were age 50 with 10 years of service as of 01 May 2003
- If your spouse/domestic partner dies, you may be paid part of your retiree life benefit – 30% up to \$3000.00. Your Retiree life benefit will continue, less any amount paid



Benefits in Retirement

Other Insurance

- ▶ **Company Paid Life Insurance \$40,000 for employee**
 - It may be converted to an Individual Policy at Retirement (expensive)

- ▶ **Supplemental Insurance Options**

These supplemental options may be continued by paying premiums

- Supplemental life insurance: GUL(Group Universal Life) must have been enrolled prior to retiring – Met Life (800 438-6388)
- High Limit 24 hour Personal Accident insurance: May be converted to Group All Conveyance Accident Insurance Met Life (800 438-6388)
- CNA Long Term Care (800 339-9527)



Benefits in Retirement

401(k)

United's plan is run by Fidelity

- ▶ Fidelity has advisors available (free service) to help you make decisions about your 401(k) and other retirement planning activities
- ▶ www.401k.com
- ▶ 1-800-245-9034
- ▶ 1-508-787-9902
- ▶ At retirement many options are available for determining the disbursement of your 401(k) funds starting at age 59 1/2
- ▶ Disbursements must be made by age 70 1/2, unless you are still working for United



Benefits in Retirement

Retiree Travel

United's Eligibility Policy for Retiree Travel (only)

- ▶ Effective December 1, 2011
- ▶ The new retiree travel policy will provide that retiree status for pass privileges occurs when an employee reaches the following age and active service requirements:
 - 45–50 years of age and 20 years of service
 - 51 years of age and 18 years of service
 - 52 years of age and 16 years of service
 - 53 years of age and 14 years of service
 - 54 years of age and 12 years of service
 - 55 years of age and 10 years of service



Benefits in Retirement

Retiree Travel

Highlights

- ▶ Retirees pay the same service charges as active employees
- ▶ More than 25 years of service = service charges are waived (but pay taxes)
- ▶ Retirees have enrolled friends instead of buddy passes
- ▶ Many other airlines offer reciprocal agreements for retirees via ZED and ID tickets

Travel information and policies can be found on Flying together, Travel tab

<https://skynet.ual.com/web/travel.jsp>



