

THE LONG ISLAND RAIL ROAD COMPANY

2008 BENEFITS PACKAGE OVERVIEW

FOR REPRESENTED EMPLOYEES

BENEFIT COVERAGE & INSURER	PLAN DESCRIPTION	ELIGIBILITY	COST/EMPLOYEE
<p>Hospital Empire Blue Cross Blue Shield</p> <p style="text-align: center;">1-877-769-7447</p>	<p><u>Network Benefits</u> <u>In Hospital:</u> Paid-in-full benefits for inpatient hospital, hospice or skilled nursing facility care at a network facility. Services provided by an anesthesiologist, radiologist or pathologist that are related to your hospital service but billed separately are paid in full. <u>Out-Patient:</u> \$60 co-payment for emergency medical care (within 72 hours for accidental injury, within 24 hours for illness). Includes hospital, staffed & salaried emergency room physician, AND providers who administer or interpret radiological exams, electrocardiograms and pathology services. (co-pay is waived if patient is admitted) \$35 co-payment for outpatient diagnostic lab tests, diagnostic radiology, mammography screening, administration of Deferral for Cooley's Anemia. No co-payment for outpatient radiation therapy, hemodialysis or chemotherapy. <u>Non-network Benefits</u> <u>In Hospital:</u> Reimbursement for 90% of charges. Remaining 10% paid by member until co-insurance maximum of \$1,500. After \$500 out-of-pocket may file a claim w/United Health Care for reimbursement of next \$1,000. <u>Out-Patient:</u> Emergency or urgent care services payment direct to member and is not subject annual co-insurance. Member pays emergency room co-payment.</p>	<p>Effective the first day of the next month after your employment with the LIRR for active employees & eligible dependents.</p> <p>Pre-admission certification is required before a maternity or scheduled hospital admission, within 48 hours after an emergency or urgent hospital admission or for admission or transfer to a skilled nursing facility.</p>	<p>For all represented employees. LIRR pays the entire cost.</p> <p>Co-payments & deductibles are the responsibility of the employee.</p>
<p>Basic Medical United Health Care</p> <p style="text-align: center;">1-877-769-7447</p>	<p style="text-align: center;"><u>NON-PARTICIPATING PROVIDERS</u></p> <p>Deductible of \$349 enrollee; \$349 enrolled spouse/domestic partner; \$349 all dependent children.</p> <p>Co-insurance - 80% of R&C after deductible is met.</p> <p>If in a calendar year \$1,675 of Major Medical expenses, including co-payments for Participating Providers, are paid by the employee and his/her dependents, 100% of R&C for remainder of year for the employee and dependents.</p>	<p>Effective the first day of the next month after your employment with the LIRR for active employees & eligible dependents.</p>	<p>For represented employees, LIRR pays the entire cost.</p> <p>Co-payments & deductibles are the responsibility of the employee.</p>

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Basic Medical (Continued)	<p style="text-align: center;"><u>PARTICIPATING PROVIDERS</u></p> <p><u>Doctor's Office Visit/Office Surgery/Laboratory/Radiology</u> Each covered service is subject to \$18 co-payment per visit to a Participating Provider. Maximum of 2 co-payments per visit.</p> <p><u>Physician/Surgical</u> Surgical - \$18 co-payment for Participating Provider Basic Medical provisions for Non-Participating Providers</p> <p><u>Routine Physical</u> Covered services subject to \$18 co-payment per visit to Participating Provider. For Non-Participating Providers, \$250 once every calendar year for employees age 50 or older, and for covered spouse/domestic partner age 50 or older.</p> <p><u>Adult Immunizations</u> Influenza, pneumonia, measles, mumps, rubella, varicella, & tetanus covered under Participating Provider with \$18 co-payment.</p> <p><u>Routine Pediatric Care</u> Paid-in-full benefit for routine well care, including exams, immunizations & cost of oral & injectable substances from a Participating Provider. Non-Participating - \$150 not subject to co-insurance & deductible.</p> <p><u>Pediatric Immunizations for Dependent Children</u> Routine pediatric immunizations and cost of injectable substances covered through Participating and Non-Participating Providers. No co-payment for Participating Providers.</p> <p><u>Hearing Aids</u> Hearing aid evaluation, fitting & purchase of hearing aids covered up to a maximum reimbursement of \$1,500, per hearing aid, once every 4 yrs; children 12 yrs. and under covered up to \$1,500, per hearing aid, every 2 yrs., if existing hearing aid can no longer compensate for child's hearing loss. This benefit is not subject to deductible or co-insurance</p> <p><u>Ambulatory Surgical Center</u> \$18 co-payment covers facility, the same-day on-site testing & anesthesiology charges for covered services at participating surgical centers.</p> <p><u>Infertility Treatment</u> Call United HealthCare at 1-800-638-9918 for prior authorization & a list of qualified procedures for treatment prior to receiving services. Lifetime maximum for authorized qualified procedures is \$50,000 per covered person.</p>	Effective the first day of the next month after your employment with the LIRR for active employees & eligible dependents.	For all represented employees. LIRR pays the entire cost. Co-payments & deductibles are the responsibility of the employee.

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Basic Medical (Continued)	<u>Ambulance Service</u> Local, professional/commercial ambulance covered under basic medical, subject only to \$35 co-payment. Volunteer Ambulance Service: Reimbursed for donation up to \$50 for services under 50 miles; \$75 for services over 50 miles. Not subject to deductible and co-insurance	Effective the first day of the next month after your employment with the LIRR for active employees and eligible dependents.	Co-payments & deductibles are the responsibility of the employee.
Home Care Services, Skilled Nursing Services & Medical Equipment/ Supplies	<u>Home Care Advocacy Program (HCAP)</u> Home care services, nursing services, and durable medical equipment & supplies call HCAP at 1-877-769-7447. Covered services & supplies are covered in full when HCAP pre-certifies & makes or helps make arrangements.	For diabetic supplies (except insulin pumps & Medijectors) call 1-888-306-7337 For ostomy supplies call 1-800-354-4054.	You must call for prior authorization to receive paid-in-full benefit.
Mental Health/ Substance Abuse Group Health, Inc. ValueOptions (GHI) 1-877-769-7447	Plan includes managed care to control costs in/out of the hospital for treatment of medical conditions, mental or emotional illness, alcoholism, or other substance abuse. <u>Network Coverage</u> <u>Inpatient:</u> Mental Health: Unlimited when medically necessary. Substance Abuse: 3 stays per lifetime, additional stays reviewed on a case-by-case basis. <u>Outpatient:</u> Unlimited when medically necessary. Co-pay: Mental Health-\$18/Substance Abuse-\$18 Annual Deductible: None <u>Non-Network Coverage</u> <u>Inpatient:</u> Plan pays 50% of network allowance after deductible. Mental Health: Maximum 30-day stay per year. Substance Abuse: 1 stay per year, 3 stays per lifetime. <u>Outpatient:</u> Plan pays 50% of network allowance after deductible. Mental Health and Substance Abuse: Limit 30 visits per year. Annual Deductible: Inpatient/\$2,000 – Outpatient/\$500 per enrollee, per spouse, per all children. \$50,000 annual maximum, \$250,000 lifetime maximum. Ambulance service to a hospital where you will be receiving mental health or substance abuse treatment in or out of network is covered when medically necessary, as determined by ValueOptions.	Effective the first day of the next month after your employment with the LIRR for active employees and eligible dependents. Must call Value Options before beginning any treatment including substance abuse or alcoholism.	Co-payments & deductibles are the responsibility of the employee.

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Chiropractor/ Physical Therapist United Health Care 1-877-769-7447	<u>Managed Physical Network (MPN) Provider</u> \$18 co-pay per visit for medically necessary chiropractic treatment or physical therapy. <u>Non-Network Provider</u> \$250 Managed Physical Medicine Program deductible, 50% co-insurance, \$1,500 annual maximum.	Effective the first day of the next month of your employment with the LIRR for active employees and eligible dependents.	Co-payments & deductibles are the responsibility of the employee.																
HMO Various	HMOs are a pre-paid medical plan that provide a pre-determined medical care package. Participating HMOs are listed below: Aetna, Blue Choice, Community Blue, HMO Blue, Empire BlueCross BlueShield HMO, Independent Health, Preferred Care, Univera Health Care, Capital District Physicians' Health Plan, MVP Health Care, GHI HMO, HIP Health Plan of New York, Vytra	Effective the first day of the next month of your employment with the LIRR for active employees and eligible dependents. Open Enrollment November/December	Employee responsible for the cost of HMO if greater than cost of the Empire Plan. Co-payments & deductibles are the responsibility of the employee.																
Prescription Drugs Medco/Empire Plan	Prescription Drug Co-payment Chart <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Supply Dispensed</th> <th style="text-align: center;">Generic</th> <th style="text-align: center;">Preferred Brand-name</th> <th style="text-align: center;">Non Preferred Brand-name</th> </tr> </thead> <tbody> <tr> <td>Up to 30 day supply from a participating pharmacy</td> <td style="text-align: center;">\$5</td> <td style="text-align: center;">\$15</td> <td style="text-align: center;">\$40</td> </tr> <tr> <td>31-90 day supply from participating retail pharmacy</td> <td style="text-align: center;">\$10</td> <td style="text-align: center;">\$30</td> <td style="text-align: center;">\$70</td> </tr> <tr> <td>31-90 day supply from Medco Mail Service</td> <td style="text-align: center;">\$5</td> <td style="text-align: center;">\$20</td> <td style="text-align: center;">\$65</td> </tr> </tbody> </table>	Supply Dispensed	Generic	Preferred Brand-name	Non Preferred Brand-name	Up to 30 day supply from a participating pharmacy	\$5	\$15	\$40	31-90 day supply from participating retail pharmacy	\$10	\$30	\$70	31-90 day supply from Medco Mail Service	\$5	\$20	\$65	Effective the first day of the next month of your employment with the LIRR for active employees and eligible dependents.	If you choose to purchase a brand-name drug, which has a generic equivalent, you pay the non-preferred brand-name co-payment plus the difference in cost between the brand-name drug and the generic.
Supply Dispensed	Generic	Preferred Brand-name	Non Preferred Brand-name																
Up to 30 day supply from a participating pharmacy	\$5	\$15	\$40																
31-90 day supply from participating retail pharmacy	\$10	\$30	\$70																
31-90 day supply from Medco Mail Service	\$5	\$20	\$65																
OPT-OUT INCENTIVE PROGRAM	Employees who drop NYSHIP coverage for one year beginning January 1, will receive an incentive payment at the end of the year. <ul style="list-style-type: none"> • \$550 if currently enrolled in individual coverage • \$1,100 if currently enrolled in family coverage Employees who opt-out during the year will receive a pro-rated reimbursement. Payments subject to applicable federal, state & local taxes.	Effective the first day of the next month of your employment with the LIRR for active employees and eligible dependents.																	

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Life Insurance Metropolitan Life	<u>Life Insurance Provided as Listed Below</u> TCU (Hired prior to 1/1/88) BLE, BRS - \$28,000 per employee. UTU & YDM \$100,000 per employee. F&O, IAM, SMW & IBEW - \$50,000 per employee. GANG FOREMEN - \$92,000 per employee.	Effective after two months of service with the LIRR. TCU members not eligible unless hired prior to 1/1/88.	LIRR pays the entire cost.
Accidental Death & Dismemberment Metropolitan Life	\$10,000 in addition to life insurance.	Effective after two months of service with the LIRR.	LIRR pays the entire cost.
Dependent Life Insurance Metropolitan Life	Your spouse and each of your eligible dependents 14 days or older are eligible for the following amounts: Spouse - \$4,000 Children 14 days – 6 months - \$400 Children 6 months – 19 years - \$2,000	Effective after two months of service with the LIRR.	LIRR pays the entire cost.
Hearing Aid LIRR	The purchase of hearing aid for each ear if medically necessary once in every 3 calendar years. <ul style="list-style-type: none"> • Basic comprehensive Audiological evaluation • Complete hearing aid reflecting the latest state-of-the-art technology • \$500 per hearing aid each ear once every 3 calendar years 	Effective after two months of service with the LIRR. Employee must first submit application through NYSHIP and then to the LIRR.	LIRR pays the entire cost.
Dental Metropolitan Life 1-800-942-0854	Paid as per schedule of benefits listed in the SPD. No deductible. BLE - \$1,000 max for prosthetics per calendar year. \$1,500 max for Orthodontia BRS - \$1,100 max for prosthetics per calendar year. \$1,650 max for Orthodontia F&O, IAM, IBEW, SMW, TCU, UTU, YDM & GANG FOREMEN \$1,210 max for prosthetics per year \$1,815 max for Orthodontia	Effective after two months of service with the LIRR.	LIRR pays the entire cost.
Vision EyeMed Vision Plan 1-800-334-7591	BLE - Complete eye exam and 1 pair of glasses per individual, per calendar year – Max \$36. BRS, F&O, IAM, IBEW, SMW, TCU, UTU, YDM & GANG FOREMEN - Complete eye exam and 1 pair of glasses per individual, per calendar year – Max \$46.	Effective after two months of service with the LIRR.	LIRR pays the entire cost.

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MTA Flexible Spending Account (FSA) Wage Works	The FSA allows you to set aside pre-tax dollars for eligible health and dependent health care expenses for the calendar year.	Open Enrollment November/December with an effective date of January 1 st .	The LIRR pay the administrative cost. Employee contributes weekly through payroll deductions.
NY College Savings Program U-Promise	Provides tax benefits & professional investment management to save for your children's, grandchildren's, relatives', and/or friends' college education through payroll deduction.	Effective the first day of your employment with the LIRR.	Employee contributes monthly through payroll deductions.
Bereavement Leave	Represented employees may request and will be allowed up to a maximum of three (3) working days off without loss of pay at the time a death occurs in their immediate family. Proof of death in family is required in the form of a death certificate or note from the funeral director.	Effective the first day of your employment with the LIRR.	LIRR pays the entire cost.
Jury Duty	A Represented employee required to be absent from work in order to perform jury duty will have their pay continued. Employees have the responsibility to show their supervisor the summons to serve on a jury at least three days prior to the date they are scheduled to serve. After completion of jury duty, the employee should furnish his supervisor with evidence of having served (certificate of service) during the time claimed. Employees will not be required to perform work duties and responsibilities during the normal period of jury duty assignment. Employees on jury duty are expected to report for work at any time they are temporarily or finally excused during the scheduled period of such service.	Effective after one year of service with the LIRR.	LIRR pays the entire cost.

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<p>Employee Assistance Program</p>	<p>A confidential and comprehensive counseling program for work related and/or personal problems is available for LIRR employees and their families. The Employee Assistance Office is located at: 173 Mineola Blvd., Suite 205, Mineola, NY 11501 The Phone Number is: 516-248-3434</p>	<p>Effective the first day of your employment with the LIRR.</p>	<p>LIRR pays the entire cost.</p>
<p>Tuition Reimbursement</p>	<p>The program is designed to develop employee advancement through attainment of specific degree programs in fields relevant to their current or potential future job responsibilities.</p> <p>The program covers courses and curricula at accredited colleges and universities, including two year community and vocational colleges; accredited vocational/trade schools & technical institutions; and professional societies or associations.</p> <p>Employees hired may be reimbursed for educational expenses up to a maximum of \$4,000 in a calendar year (January – December).</p>	<p>Represented applicant must have completed twelve months of continuous service before the date on which the class commences.</p> <p>The Department Head must deem the proposed course of study program to be job-related/career related.</p> <p>Your application must be approved before the class begins.</p>	<p>LIRR may provide payment to employees upon submission of:</p> <ol style="list-style-type: none"> (1) original bursar's receipt for all eligible expenses; (2) original official grade report(s) or a registrar's transcript. <p>Receipts & other documentation must be presented within six (6) months of receipt of final grade.</p>

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<p>Railroad Retirement Act</p> <p>Railroad Retirement Board 1400 Old Country Road Suite 204 Westbury, NY 11590-5130</p> <p>516-334-5940</p>	<p>A Federal Law that provides Retirement and Disability Annuities for qualified railroad Employees, Spousal Annuities and Survivor benefits for the families of deceased employees who were insured under the Act.</p> <p>Benefits are paid at the following levels:</p> <p>Age 65-67 (100%)* for employees with less than 360 months of service.</p> <p>Age 62 (70-80%)* for employees with less than 360 months of service.</p> <p>Age 60 (100%)* for employees with 360 or more months of service.</p> <p>Spousal Annuities are payable upon meeting the required age requirements.</p> <p>*Benefit levels and contribution levels are set by the Railroad Retirement Board in accordance with the appropriate law.</p>	<p>Effective the first day of your employment with the LIRR.</p> <p>Five years (60 months) of creditable service rendered after 1995 for a Service & Age Annuity</p> <p>Five years (60 months) creditable service rendered after 1995 for a Total & Permanent Disability Annuity</p> <p style="text-align: center;">or</p> <p>Twenty years (240 months) of creditable service for an Occupational Disability Annuity</p>	<p>Shared Cost LIRR/Employee</p> <p>Tier I – (2008) 6.20% rate until \$102,000 of compensation. Annual amount each - \$6,324.00 maximum.</p> <p>Upon reaching Tier I max. of 102,000, the Medicare tax rate of 1.45% will continue with no max. limit on compensation.</p> <p>Tier II – (2008) 3.90% tax rate until \$75,900 for Employee. Annual \$2,960.10 maximum.</p>
<p>Railroad Unemployment Insurance Act (RUIA)</p>	<p>Provides unemployment insurance or railroad sickness insurance benefits. The Railroad Retirement Board must be contacted for unemployment and sickness benefits.</p> <p>The level of benefits provided is subject to change by the Railroad Retirement Board.</p>	<p>Benefit Year-July 1– June 30</p> <p>Benefits are payable to you if you had at least 5 Months of Credited Service in the prior calendar year which is called the “base year”.</p>	<p>LIRR pays the entire cost.</p>

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<p>Long Island Rail Road Company Pension Plan</p> <p style="text-align: center;">&</p> <p>Long Island Rail Road Company Plan for Additional Pensions</p>	<p><u>THE LONG ISLAND RAIL ROAD DEFINED BENEFIT PLAN</u> Credited Service – generally all service rendered by an employee with the Railroad (Employees hired prior to 12/31/87)</p> <p>Benefit Formula: 2% of final average earnings times years of service (maximum of 25 years), plus 1.5% of final average earnings times years of service in excess of 25.</p> <p>At age 65 offset for Railroad Retirement at a rate of 25% or 50% depending on date of hire.</p>	<p>Current Employees Age 65 & 5 years of service or Age 50 & 20 years of service or Age 65 and vestee with at least 10 years of service, but less than 20 years.</p>	<p>LIRR pays the entire cost, except a 3% contribution is required for those employees hired after 7/1/78.</p>
<p>MTA Defined Benefit Pension Plan</p>	<p><u>MTA DEFINED BENEFIT PENSION PLAN</u> Credited Service – generally all service rendered by an employee with the Railroad (Employees hired after January 1, 1988)</p> <p>Benefit Formula: 1.67% of Final Average Compensation (FAC) (highest 3 consecutive years in last 10 years) times years of credited service up to 20 years. If over 20 years, 2.0% of FAC times years of credited service up to 30 years, plus 1.5% of FAC times years of credited service in excess of 30 years.</p> <p>Offset by Tier II Railroad Retirement Annuity when Tier II benefit payable.</p>	<p>Age 60 & 5 years of service For employees hired prior 1/31/08</p> <p style="text-align: center;">Or</p> <p>Age 62 & 5 years of service For employees hired after 1/31/08</p> <p>Age 55 & 30 years of service</p> <p style="text-align: center;">or</p> <p>Reduced pension available at age 55 with minimum of 10 years of service but less than 30 years.</p>	<p>LIRR pays the entire cost except a 3% employee contribution is required for 10 years from the date of participation in the Pension Plan for those employees prior 1/31/08</p> <p>LIRR pays the entire cost except a 4% employee contribution is required for 10 years from the date of participation in the Pension Plan for those employees after 1/31/08</p>

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401(k) Plan FAS Corp.	This is a tax-deferred retirement savings plan. You may defer income by electing any percentage of your annual salary through payroll deductions up to a maximum of \$15,500 per year. Participants who will be age 50 or over in 2007 limits set at \$20,500. You have a choice of sixteen investment funds available for your contributions.	Effective the first day of your employment with the LIRR.	Employee contributes through weekly payroll deductions.
457 Plan FAS Corp.	This is a tax-deferred retirement savings plan. You may defer income by electing any percentage of your annual salary through payroll deductions up to a maximum of \$15,500 per year. Participants who will be age 50 or over in 2007 limits set at \$20,500. The plan allows participants to “catch up” on underutilized deferrals up to a maximum of double the normal dollar limit each year during the last three years prior to retirement. You have a choice of sixteen investment funds available for your contributions.	Effective the first day of your employment with the LIRR.	Employee contributes weekly through payroll deductions.

OFFICIAL PLAN OR POLICY DESCRIPTION TAKES PRECEDENCE OVER ALL NON-OFFICIAL MATERIAL AND WILL BE THE DETERMINING DOCUMENT ON ANY QUESTIONS OF POLICY OR PRACTICE. THE COMPANY RESERVES THE RIGHT, ON ITS SOLE AND UNLIMITED DISCRETION, TO AMEND, ALTER, CHANGE, MODIFY, SUSPEND, SUBSTITUTE, REVOKE OR TERMINATE THE PLAN, IN WHOLE OR IN PART, IN ANY RESPECT, INCLUDING TO INCREASE THE LEVEL OF REQUIRED PARTICIPANT CONTRIBUTIONS, AT ANY TIME AND FOR ANY REASON, WITHOUT NOTICE TO AND WITHOUT THE CONSENT OF ANY CURRENT, FUTURE OR FORMER RETIREE.