

THE LONG ISLAND RAIL ROAD COMPANY

2008 BENEFITS PACKAGE OVERVIEW

FOR RETIRED REPRESENTED EMPLOYEES

Minimum of 10 years of service to qualify for Health & Welfare Benefits

BENEFIT COVERAGE & INSURER	PLAN DESCRIPTION	ELIGIBILITY	COST/RETIREE
<p>Hospital Empire Blue Cross Blue Shield</p> <p style="text-align: center;">1-877-769-7447</p> <p>For Pre-Admission/MRI: 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>Coverage upon retirement until Medicare-eligible age for LIRR retiree & eligible dependents.</p> <p>Upon death of retiree, for dependent survivors, coverage continues until retiree would have been age 65.</p>	<p>LIRR pays the entire cost until Medicare-eligible age.</p> <p>Co-payments & deductibles are the responsibility of the retiree.</p> <p>Upon Medicare-eligible age, NYSHIP will terminate & retiree will receive \$100 single/\$200 family monthly premium allowance to purchase health coverage.</p> <p>If retiree's spouse is not Medicare eligible or eligible dependents, HIP/HMO at Company cost will be reimbursed for alternate health plan.</p>
<p>Basic Medical United Health Care 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 \$1,676 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>Coverage upon retirement until Medicare – eligible age for LIRR retirees & eligible dependents.</p> <p>Upon death of retiree, for dependent survivors, coverage will continue until retiree would have been age 65.</p>	<p>LIRR pays the entire cost until Medicare-eligible age.</p> <p>Co-payments & deductibles are the responsibility of the retiree.</p>

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<p>Basic Medical (Continued)</p>	<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.</p> <p><u>Adult Immunizations</u> \$18 co-pay for certain immunizations including influenza & pneumonia and the cost of oral and injectable substances received from a Participating Provider.</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 max. Reimbursement of \$1,500, per hearing aid, once every 4 yrs; children 12 yrs. and under covered up to \$1,500 every 2 yrs. If existing hearing aid can no longer compensate for child's hearing per ear 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 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>	<p>Coverage upon retirement until Medicare-eligible age for LIRR retiree & eligible dependents.</p> <p>Upon death of retiree, for dependent survivors, coverage continues until retiree would have been age 65.</p>	<p>LIRR pays the entire cost until Medicare-eligible age.</p> <p>Co-payments & deductibles are the responsibility of the retiree.</p>

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Basic Medical (Continued)	<p><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</p>	<p>Coverage upon retirement until Medicare-eligible age for LIRR retiree & eligible dependents.</p>	<p>Co-payments & deductibles are the responsibility of the retiree.</p>
Home Care Services, Skilled Nursing Services & Medical Equipment/ Supplies	<p><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.</p>	<p>For diabetic supplies (except insulin pumps & Medijectors) call 1-888-306-7337 For ostomy supplies call 1-800-354-4054</p>	<p>You must call for prior authorization to receive paid-in-full benefit.</p>
Mental Health/ Substance Abuse Group Health, Inc. ValueOptions (GHI) 1-877-769-7447	<p>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.</p> <p><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.</p> <p><u>Outpatient:</u> Unlimited when medically necessary. Co-pay: Mental Health-\$18/Substance Abuse-\$18 Annual Deductible: None</p> <p><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.</p> <p><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.</p> <p>\$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.</p>	<p>Coverage upon retirement until Medicare-eligible age for LIRR retiree & eligible dependents.</p>	<p>Co-payments & deductibles are the responsibility of the retiree.</p>

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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	Coverage upon retirement until Medicare-eligible age for LIRR retiree & eligible dependents	Co-payments & deductibles are the responsibility of the retiree																
HMO Various	HMOs are a pre-paid medical plan that provides 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	Coverage upon retirement until Medicare-eligible age for LIRR retiree & eligible dependents.	Retiree responsible for cost of HMO if greater than cost of Empire Plan. Co-payments & deductibles are the responsibility of the retiree																
Prescription Drugs Medco/Empire Plan 1-877-769-7447	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;">\$30</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;">\$60</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;">\$55</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	\$30	31-90 day supply from participating retail pharmacy	\$10	\$30	\$60	31-90 day supply from Medco Mail Service	\$5	\$20	\$55	Coverage upon retirement until Medicare-eligible age for LIRR retiree & eligible dependents	Co-payments & deductibles are the responsibility of the retiree.
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Sick Leave Buy-out	Employees with more than 10 years of service, upon termination, separation or retirement without fault, paid 50% of the value of all accumulated but unused sick leave days. Payment at the rate in effect on the date of separation.	Number of accumulated but unused sick days must be at least 50% of total number posted to bank. If employees does not qualify, new bank est. w/accrual effective 1/1/04.	LIRR pays the entire cost.																
Life Insurance MetLife	\$5,000 to a designated beneficiary. \$28,500 to a designated beneficiary of a Gang Foreman. Conversion available for balance of life insurance being lost.	Effective the first day of your retirement from the LIRR. Must make application for conversion within 31 days of separation.	LIRR pays the entire cost.																

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Medicare Part A & B	<p>NYSHIP regulations require that all retirees and eligible dependents must elect Medicare if offered in retirement, regardless of age.</p> <p>If dependent was eligible for Medicare Part A due to a SSA disability or age 65 when retiree was active, they must now apply for Medicare Part B when you retire.</p>	<p>Effective the first day of your retirement with the LIRR.</p> <p>Retiree must notify LIRR & show proof of Medicare eligibility.</p>	<p>Employee is reimbursed the entire cost of Medicare contribution if eligible, while under NYSHIP.</p>
Premium Allowance ("Pop Up")	<p>Retirees who are Medicare eligible age shall no longer be covered by NYSHIP. Such retiree shall receive \$100 single/\$200 family per month premium allowance to be used to purchase health insurance.</p> <p>BLE employees hired on and after 7/1/74 and retire after 3/28/00 shall not receive the \$100/\$200 medical reimbursement ("pop up") at Medicare eligible age.</p> <p>BLE employees hired prior to 7/1/74 shall receive "pop up" benefit upon retirement after reaching Medicare eligible age.</p> <p>If retiree's spouse or eligible dependents are under the age of 65, HIP/HMO at Company cost will be offered. If not taken, Company cost may be reimbursed for alternate health plan.</p>	<p>Effective the first day of your retirement from the LIRR.</p> <p>Upon death of retiree, benefits are terminated.</p>	<p>\$100/\$200 paid by the LIRR. Retiree responsible for balance to obtain medical coverage.</p>
Transportation Pass	<p>The Company grants free transportation privileges as a benefit to its retirees and their legal spouse.</p> <p>The pass is the property of the Company, must be displayed when requested and must be surrendered upon demand.</p>	<p>Effective the first day of your retirement from the LIRR until death of employee.</p>	<p>LIRR pays the entire cost.</p>

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.