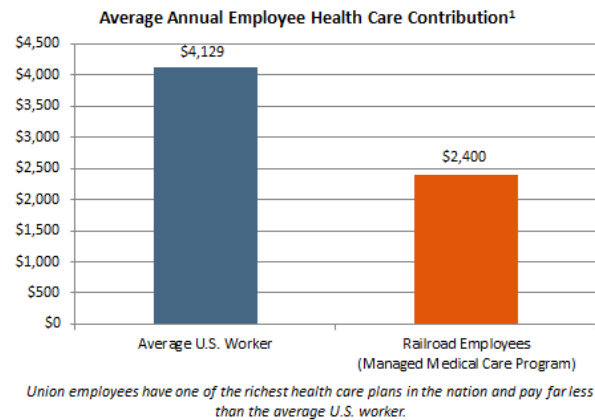


Key Issues: Health Care

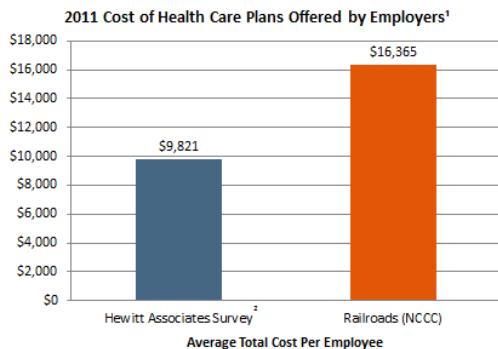
Unionized rail employees have one of the richest health care plans in the nation; in 2010, rail employees paid about \$1,700 less than the average U.S. worker for family coverage – about \$2,400¹ compared to \$4,129². In addition, most railroad employees pay no deductibles or co-insurance.³



Health care costs are rising dramatically. In 2010, the railroads paid about \$1.8 billion to provide health care benefits to employees and their families. Without changes to the plan, the railroads would have paid \$3 billion for medical, dental and vision benefits in 2015, tripling their costs per employee since 1999.

Agreement Terms

All of the unions' agreements provide excellent health care benefits at a below-average cost to employees. The agreements freeze employees' health care contributions – family coverage for only \$200/month – until 2016.



¹ Total cost of health care benefits (medical only, not dental or vision), including employee's contribution
² Hewitt Health Value Initiative™ database, September 27, 2010

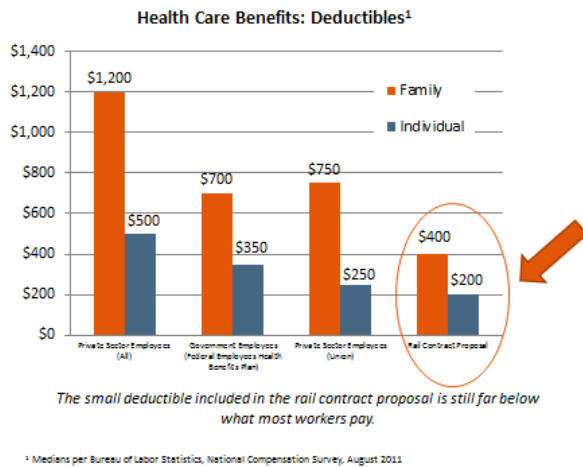
Railroad employees' rich health care plan is significantly more expensive than most employer health care plans. In 2011, the total cost of an individual rail union member's medical plan – not including dental or vision – was \$16,365; that's 66% more expensive than the \$9,821 employer plan average.

In addition to a rich medical plan, railroad employees also receive vision and dental coverage, 100% of which is paid for by the railroads. When you factor in this additional coverage, the total cost of family health care coverage for a railroad employee in 2011 was about \$17,197. Railroads pay a significantly higher percentage of that – about 85% (\$14,797 per employee) – than other U.S. companies, which pay only 72% on

¹ NRLC

² Kaiser Family Foundation Employer Health Benefits Survey, 2011

³ NRLC



average.⁴ The agreements help bring the health care plan closer to the mainstream by introducing small deductibles and co-insurance. Under the rail plan's tiered copayment program for prescription drugs, the employee's copayment for generic drugs purchased at retail stores will be cut in half (from \$10 to \$5) and by 75% (from \$20 to \$5) for drugs ordered by mail.

The agreements phase in 5% co-insurance, capped at \$1,000 (individual)/\$2,000

(family), as well as a modest deductible. As shown here, this deductible is still far below what most workers pay.

To read about the railroad workers' wages, click [here](#).

⁴ Kaiser Family Foundation Employer Health Benefits Survey, 2011