

**NATIONAL RAILWAY CARRIERS
AND
UNITED TRANSPORTATION UNION
(NRC/UTU)
HEALTH AND WELFARE PLAN**

Effective January 1, 2000

**CONTINUATION OF EMPLOYEE AND DEPENDENT HEALTH CARE BENEFITS UNDER
VARIOUS CIRCUMSTANCES PURSUANT TO THE PROVISIONS OF THE NRC/UTU AND
RAILROAD EMPLOYEES NATIONAL HEALTH AND WELFARE PLANS AFTER YOU LAST
RENDER COMPENSATED SERVICE**

Furloughed Employees

If the employee has rendered compensated service for three months, coverage continues for employee and eligible dependents through the end of the fourth month in which the employee last rendered compensated service. For example, if last compensated service is rendered in April, coverage continues through May, June, July and August. Receipt of vacation pay during a period of furlough will not extend coverage.

If the employee returns to work during the four month period described above, coverage continues during that month.

If the employee returns to work after the four month period described above, coverage begins the first day of the month following the month in which the employee renders the requisite amount of compensated service.

If the employee becomes disabled prior to coverage ending, see the section applicable to disabled employees below.

Suspended or Dismissed Employees

If the employee has had an employment relationship with the employer for at least six months and has rendered compensated service for three months, coverage continues for the employee and eligible dependents through the end of the fourth month following the months in which compensated service was last rendered as described above.

If vacation pay is received before the date of dismissal, but after the month in which compensated service was last rendered, the four month continuation of coverage is measured from the month in which vacation pay is received. For example, last service is rendered in April and the employee is removed from service. Vacation pay is received in May and the dismissal occurs in June. The four months continuation of coverage is June, July, August and September.

If no vacation pay is received prior to the dismissal, the four months continuation of coverage is measured from April.

If reinstated to service following suspension or dismissal with full back pay, coverage will be provided as if the employee had not been suspended or dismissed in the first place.

If the employee becomes disabled prior to coverage ending, see the section applicable to disabled employees below.

Pregnant Employees

Coverage for employees and eligible dependent benefits continues through the end of the fifth month following the month in which the employee last rendered compensated service.

If the employee returns to work prior to the coverage ending, coverage continues during that month.

If the employee returns to work after coverage ends, coverage begins the first day of the month following the month in which the requisite amount of compensated service is rendered.

Disabled Employees

If the employee ceases to render compensated service solely as a result of disability, including pregnancy, or if the employee becomes disabled by reason of pregnancy or otherwise before coverage as a Furloughed, Suspended or Dismissed Employee ends, and provided that the employee remain continuously disabled, coverage for the employee and the eligible dependents continue through the end of the calendar year following the year in which the employee last rendered compensated service and through the end of the next calendar year for the employee only. For example, the employee last rendered compensated service in April 2002, and becomes disabled. Coverage for the employee and eligible dependents will continue through December 31, 2003 and for the employee through December 31, 2004.

If the employee receives vacation pay during the period of time coverage is continuing due to disability, the continuation described above is measured from the year in which vacation pay is received. Using the above example, if vacation is received by the employee in 2003, dependent coverage continues through 2004 and employee coverage through 2005.

Coverage ends the same time the disability ends, unless the employee returns to work and renders compensated service.

The employee may be required to submit proof of disability from time to time. Failure to do so will cause coverage to end immediately, however, coverage will be reestablished once the proof of disability is furnished.

All coverage will end if the employment relationship terminates for reasons other than retirement or dismissal.

Retired Employees

Coverage continues through the end of the month following the month in which you last render compensated service. For example, if the employee retires in April, coverage continues through the end of May.

If vacation pay is received before the employee retires, but after last rendered compensated service, the continued coverage described above will be measured from the month in which vacation pay is received.

Deceased Employees

Dependent health care benefits continue through the end of the fourth month following the employee's death.

All of this information can be found on pages 13 through 17 of the NRC/UTU Health and Welfare Plan booklet and pages 10 through 13 of the Railroad Employee's National Health and Welfare Plan booklet.