



AIR TRANSPORT



DISTRICT LODGE 142

2017-63

AFL-CIO

April 7, 2017

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IAM/BRITISH AIRWAYS PRE-65 RETIREE HEALTH INSURANCE UPDATE

The International Association of Machinists and Aerospace Workers, District Lodge 142, AFL-CIO and British Airways are pleased to announce that they have reached a settlement of the Union's grievance(s) challenging changes which BA made to its Pre-65 Retiree Medical Program, originally announced on June 30, 2016. The Agreement Settling Pre-65 Retiree Medical Grievance(s) and Arbitration effective April 7, 2017 (the "April 7, 2017 Agreement") is the result of intensive and good faith negotiations, in which both the Union and BA were represented by counsel, focused on providing improved benefits to our current Union pre-65 retirees, against a background of the financial basis for making changes and an uncertain outcome if the grievance(s) were arbitrated. Under the April 7, 2017 Agreement, all Union pre-65 retirees who retired on or before June 30, 2016 and their dependents will be entitled to pre-65 retiree medical benefits which are significantly higher than those announced last June. With the April 7, 2017 Agreement, the grievance(s)/arbitration challenging the changes as a violation of our Collective Bargaining Agreement have been cancelled and will not be re-filed.

Below are the highlights of the April 7, 2017 Agreement as it affects our current Union pre-65 retirees who, in any given year, do not elect tax credits under the Affordable Care Act (or any replacement law or regulation which it does not allow a tax credit if a private subsidy is accepted):

1. For 2017, all Union pre-65 retirees who had been notified that they were going to be moved to a Retiree Reimbursement Account ("RRA") for 2017 and thereafter notified that they would remain in the Aetna plan for 2017, and currently are in the Aetna plan, will remain in that plan for the rest of the year.
2. For 2017, all Union pre-65 retirees who have enrolled to receive RRA payments will have those payments increased for 2017 from \$4000 maximum per family to: \$5250 (single), \$10,000 (single plus one), or \$15,000 (family, that is single plus 2 or more), whichever is applicable.
3. For 2018 and thereafter, the Aetna plan no longer will be available to Union pre-65 retirees who will, instead, move to the new RRA program. Under the new RRA program, RRA payments will increase from \$4000 maximum per family (originally for 2018 only) to: \$5250 (single), or \$10,000 (single plus one), or \$15,000 (family, that is single plus 2 or more), as applicable, for each year until each Union pre-65 retiree or dependent "Ages Out" (that is, at age 65 for retirees and spousal dependents, and at age 26 for non-disabled child dependents).
4. To receive the increased benefits identified in 2 and 3 above, Union pre-65 retirees and their dependents will be required to sign and return a Pre-65 Retiree Medical Program Agreement and Release ("Release") by June 9, 2017. No one is required to sign the Release; however, to receive the benefits of the April 7, 2017 Agreement, the Release must be timely signed and returned. Anyone who prefers not to sign the Release will still get the 2017 benefits identified in the IAM's December 12, 2016 Update for 2017; in 2018, such persons will be eligible for a \$4000 RRA only.
5. The benefits of BA's post-65 RRA program are unaffected by the April 7, 2017 Agreement. As always, those benefits remain subject to change or termination by BA.

It is expected that each pre-65 retiree and/or eligible spousal dependent will receive a Release for review by mid-April. The Release explains the terms applicable to each of you and contains a personalized calculation of the pre-65 RRA benefits to which you will be entitled until such point as you "Age Out". In addition, a copy of the April 7, 2017 Agreement is being posted on the Union's website. In the event of a conflict between this joint announcement and the terms of the Release and/or the April 7, 2017 Agreement, those documents will govern.

We are pleased that we have been able to come to terms on the April 7, 2017 Agreement which provides significantly improved pre-65 retiree benefits for our current pre-65 retirees.

Of course, if you have any questions about these changes and their impact on you, you can call or email James M. Samuel at (859) 653-4037 or jsamuel@iamdl142.org, or Barbara Kumerle at (212)716-0557 or barbara.kumerle@ba.com. With best wishes, I remain

Sincerely and fraternally,

James M. Samuel
GENERAL CHAIR

JS/slb

cc: S. Pantoja
J. Tiberi
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142 Executive Board

opeiu #277

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