

AGENDA FOR PHASE FOUR OUT **THE DOOR APFA BRIEFING**

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We hope you find the information in these briefings and hand outs helpful. Keep in mind, it is offered for your assistance and guidance only. Please be sure to check everything in foundation documents and in Jetnet. Check with your financial and legal advisers before making any decisions. Keep in mind that APFA and/or its representatives are not your attorney or your financial adviser. These handouts and/or these briefings do not create any obligation or rights.

WHEN CAN I LEAVE? WHAT WILL I GET?

Note: With any of these options, you are eligible for COBRA

IF YOU ARE THIS AGE	WITH THIS COMPANY SENIORITY	YEARS OF CREDITED SERVICE	YOU CAN LEAVE UNDER:	BRIEF DESCRIPTION	MORE INFO:
45 - 55	20+ YEARS	N/A	Article 30	A. \$25,000 minus taxes B. Twenty, one-way D2 passes a year*	Contract Article 30
50 - 55	15+ YEARS	N/A	50 - 55 Rule - Company Policy	Nothing, but a "voucher" (a right to return at age 55 and retire)	Jetnet
55 +	10+ YEARS	N/A	Early Retirement	A. Access to buy Retiree Medical till age 65 B. Full Retiree Travel	Contract Article 36 & Jetnet
55 +	10+ YEARS	15+ YEARS	Early Retirement w/Pension Immediately	A. Access to buy Retiree Medical till age 65 B. Full Retiree Travel C. Pension 3% reduction for each year < age 60 (prorated to month, ie: age 58.5 = 4.5% reduction)	Contract Article 36 & Jetnet
60 +	10+ YEARS	10+ YEARS	Normal Retirement w/Pension	A. Access to buy Retiree Medical till age 65 B. Full Retiree Travel C. Pension	Contract Article 36 & Jetnet

* Article 30 D2 Passes are for Employee, Spouse/Domestic Partner, Dependent Children only

Article 30

Eligible: 20 years of company seniority between age 45-54.99. You can find company seniority in DECS using HI8 or on your ID badge.

Money: \$25,000 minus tax withholding. Money is not eligible to go to 401k.

Time frame: available any time, no deadline for putting in application. Must give 6 months notice, but you can rescind in the first 90 days. After that it is irrevocable. If you revoke in time, you can resubmit and start a new 6 month window.

How to apply: Go to your supervisor. Supervisors have the form to fill out. A copy of this form is located on page 4.

Passes: 20 D2 one way passes each year. D2 includes employee, dependent children, spouse, and effective with Article 30 commencing on or after 9/1/2012 domestic partner. Service charge is the same as when employee separated from the company. See page 39 for how to pay your service charges.

NO Registered Companion, D3, ID20, D1, or Jumpseat travel

Benefits: **Sick time**-any unused sick time in your bank is lost. **Vacation** will be paid out at 2 hours 22 minutes flight pay for each day of vacation. **Flex spending**-see page 36.

QPSA form: See pages 15 and 43.

Insurance: No company funded insurance, and you will never be eligible to purchase retiree medical, however people who take Article 30 are eligible for COBRA. See pages 25 thru 29.

Equity Claim: Yes – see pages 41 thru 42.

Jetnet Access: Limited Jetnet access, only NRTP and travel page. Be sure to print up any information you will need after separation, including paycheck stubs, pension estimate, contact phone numbers and addresses. Don't forget to print up and fill out QPSA form.

Pension: Although you are not retiring, if you are vested in the pension plan, you will eventually be eligible for a pension. Don't forget to apply for pension at least 45 days before you are ready to begin receiving your pension. Keep in mind that you can take your pension as early as age 55 if you have 15 Years of Retirement Eligibility Service. Pension benefits always begin on the first of the month. Don't forget to keep an updated QPSA form on file with the Company if this form applies to you. Make sure the Company always has an up to date address on file for you.

RESIGNATION UNDER ARTICLE 30

Under the provisions of Article 30.A of the agreement between the Company and the Association of Professional Flight Attendants, I elect to resign.

At the time of my resignation, I will be 45 years of age or older, but less than 55 and will have at least 20 years of company seniority.

I acknowledge that my benefits are limited to those described in Article 30 of the AA/APFA Agreement and include:

1. A lump sum payment of \$25,000 (minus appropriate taxes).
2. Ten (10) roundtrip D2 passes each calendar year for use by me and eligible family members as outlined in Article 30.
3. Deferred pension benefit, if applicable, as outlined in Article 36 of the AA/APFA Agreement.

Date Notice Given: _____

Name: _____

Deadline to Rescind: _____

(Date Notice Given + 3 months)

Resignation Effective Date: _____

(Must be the first day of the *contractual month* following the six month notice period)

I understand that if I do not cancel this notice in writing by _____, my resignation is irrevocable.

I further understand that by electing benefits under Article 30.A. of the AA/APFA Agreement, I will not be eligible for other special payments and benefits.

Signature of Flight Attendant
Mailing Address

Date

THIS FORM TO BE COMPLETED BY FLIGHT SERVICE MANAGER EXCEPT FOR FLIGHT ATTENDANT SIGNATURE.

COPIES TO:

1 – FLIGHT ATTENDANT

2 – PERSONNEL FILE

3 – FLIGHT ATTENDANT SERVICE CENTER (FASC)

50-55 Rule

Eligible: At least 50 and not yet 55 with 15 years of company seniority. You are quitting not retiring at this time, but you get to come back and retire at age 55.

Money: None

******VEOP ALERT****** *unless you are taking the VEOP AND leaving under the 50-55 rule in which case you will get money promised in early out offer.*

Time Frame: any time as long as you meet eligibility requirements.

How to apply: 1. The 50-55 rule is automatic if you qualify. Tell your supervisor. You can do so in writing and keep a copy for yourself, but a written notice is not required. 2. Contact HR through phone call or live chat and let them know you are leaving under 50-55 rule. Try to get something in writing, either note from your supervisor, a live chat you have copy pasted to your records, or a reference # created by HR from your phone call to them. 3. Print up a copy of 50-55 rule for your records. You can find that by following this path in Jetnet: Benefits> EhrCenter> Career> Leaving the Company> Resignation and Discharge> 50-55 rule. A link to 50-55 rule can also be found in the retiree checklist under retirement planning under Benefits in Jetnet.

Passes: At separation you will not receive passes. You will be eligible for retiree passes offered by the Company to retirees at the time you become eligible to retire.

******VEOP Alert****** *You will receive passes as part of your VEOP package. However, full retiree passes will not be available until you are eligible and contact HR and become a retiree.*

Benefits at separation: Any sick time in your bank at separation is lost. Accrued and unused vacation will be paid out at 2:22 per day. Be careful not to use too many pvds before leaving. PVDs may be donated to Wings.

QPSA: pages 15 and 43

Insurance at separation: No subsidized company medical insurance will be available, although you will have the opportunity to continue your active coverage in effect at time of separation under COBRA- see pages 25 thru 29. At age 55 you may be eligible to purchase the retiree medical offered by the Company at that time. You may continue ancillary coverage i.e. Hyatt Legal, Met Life Long Term Care, etc. by contacting the provider and making continuation of coverage arrangements with them directly. You may convert your company funded term life

into whole life by contacting Met Life directly. This must be done within 30 days of the time you separate from the company.

Equity Claim: Yes – see pages 41 thru 42.

Jetnet Access: At separation you will have no access. At age 55 you will receive the access of a retired employee including non rev travel planner. Make sure before your separation date that you pull up any information you think you will need from Jetnet including copies of paychecks (especially those at the end of each year) and copies of pension estimates. See the pension section of this packet for instructions on how to pull up pension estimates.

Pension: Although you are not retiring at this time, if you are vested in the pension plan, you will eventually be eligible for a pension. Don't forget to apply for your pension at least 45 days before you are ready to begin receiving your pension. Keep in mind that you can take your pension as early as age 55 if you have 15 years of retirement eligibility service. Pension benefits always begin on the first day of any month. Make sure you keep the pension section of this packet for future reference.

Retirement: Keep in mind that retirement is not automatic. Thirty days before you become eligible to retire, you will need to contact HR and tell them that you will be retiring and give them your date. In addition, you should set up a retirement counseling session appointment to make sure that you don't miss any important information. Keep in touch with APFA to check on future retirement briefings so you can stay up on any changes that may occur between the time you leave and the time you get ready to retire.

SHOW ME THE MONEY

INCOME SOURCES IN RETIREMENT

PENSION

HOW DO I FIND OUT HOW MUCH MY PENSION WILL BE?

1. Log in to Jetnet
2. Go to “*Benefits*” tab
3. In the left column click on “*Benefits Service Center*”
4. Click on tab at the top that says “*My Pension*”
5. Click on “*Estimate My Pension*” and then “*Get Started with My Pension Estimate*”
6. You will be presented three questions asking for dates. (The Estimator lets you put in an age or a date, use the date options, ages seem to confuse it.) For the first question, LAST DAY WORKED, use the LAST DAY OF THE CALENDAR MONTH IN WHICH YOU PLAN TO LEAVE. Don’t put in your age, just put in a date.
7. The next question is BENEFIT COMMENCEMENT DATE. What Date will you begin to Draw Your Pension? It’s a good idea to do two estimates-one for when you are 60 so that you will see an unreduced amount, and one for when you are 55 which is the earliest you can draw a pension. This estimate will reflect the fact that you take a 3% reduction per year for each year you draw your pension earlier than 60. You can only do one estimate at a time, so you will need to complete the first estimate and then begin another one. The dates you put in should be the first of the month following your 55th and 60th birthdays.
8. The third question is JOINT ANNUITANT DATE OF BIRTH. If you want your pension to continue to be paid to someone after your death, put their date of birth in here. Note, leaving a benefit for someone else reduces your benefit while you are alive.
9. It will take a few minutes as the computer is researching to find what your best 48 consecutive months are out of the last 120 months and figuring your years of credited service.
10. Once it is complete, it will show you the different amount of pension payments available to you depending on how you decide you want to take your pension.
11. If you want to see how this pension amount is calculated and see your best 48 consecutive months, click “*email*” or “*chat*” at the top and request The Plan Calculations for this Estimate. It will show your best 48 consecutive months and how that pension estimate was calculated. Mercer will send you a report for this estimate via US Mail in about two to three weeks.

WHEN CAN I START MY PENSION?

IF YOU LEAVE AT THIS AGE	ARE YOU VESTED*?	R.E.S. Retirement Eligibility Service **	YOU CAN START YOUR PENSION AT THIS AGE WITH THIS REDUCTION	MORE INFO:
65+	Yes (Age 65 = Automatically vested)	N/A	Unreduced Pension immediately	Contract Jetnet
Less than 65	No	N/A	No pension	Jetnet
Less than 65	Yes	Less than 10 years	Unreduced Pension at age 65	Contract Jetnet
60+	Yes	10+ Years	Unreduced Pension immediately	Contract Jetnet
Less than 60	Yes	10 - 15 Years	Unreduced Pension @ age 65, or any age 60-65 with Pension actuarially reduced	Contract Jetnet
55+	Yes	15+ Years	Unreduced Pension @ age 60, or any age 55-59, with Pension reduced 3% for each year less than age 60	Contract Jetnet
Less than 55	Yes	15+ Years	Unreduced Pension @ age 60, or any age 55-59, with Pension reduced 3% for each year less than age 60	Contract Jetnet

*You are vested when you have 5 or more years of "vesting service."

Vested means your pension is "locked in" you cannot lose it. You WILL get a pension at age 65, maybe sooner.

** You earn one full year of Retirement Eligibility Service for each calendar year you are paid 734 or more flight hours.

If you had less than 734 paid hours, you get a partial year of credit = paid hours / 734.

Definitions relating to Pension (you really will need these)

Thanks to Jill Frank Smoak, our past National Retirement Specialist for APFA for much of this information- previously published in "Retirement Made Easy".

ANNUITY : A specific amount is contributed to a retirement fund. Each employee has an account balance in the fund and typically can select from several investment choices. In some cases a company will contribute a percentage of workers earnings, in other cases the employer will match an employee's contribution (this requires that an employee contribute in order to realize any benefit from the employer). In other situations an employer is the plan sponsor but all contributions are made by the employee. The principle is a series of payments determined by the retirement plan formula which are paid at specific intervals, in our case monthly for the pensioner's lifetime.

CALENDAR YEAR : January 1 to December 31. American uses the pay (up to 1020 hours) you receive in a calendar year to be applied to pension calculations.

CAREER AVERAGE RETIREMENT BENEFIT : One of three formulas used to calculate a retirement benefit. Under this formula you receive credit toward your pension based upon career earnings, subject to limits.*

COMPLETED: Term used in our Contract and in the Retirement Plan to identify measures of time for determining years of credited service, vesting eligibility, and final average compensation. Throughout this booklet, the words "paid" and "completed" are used interchangeably, in accordance with the manner in which American is administering our Retirement Plan.

DEFINED BENEFIT PLAN: Retiree is provided a specific annuity for life based on the retirement plan formula. For us, the terms of this are negotiated and described in Article 36 of our Contract. The Retirement Benefit Plan of American Airlines, Inc. for Flight Attendants is a Defined Benefit Plan and is paid for completely by American Airlines. The SPD (Summary Plan Description) is available on JETNET.

DEFINED CONTRIBUTION PLAN subject to losses as well as gain, such as our 401k plan.

EARLY RETIREMENT AGE: Any age prior to age 65 that a Flight Attendant can elect to retire and begin receiving retirement benefits. The minimum age to begin collecting any benefits is 55. Our Contract allows early retirement with pension at age 55 with 15 years of credited service or at age 60 with 10 years of credited service. If you leave before age 60 with less than 15 YCS your pension annuity would be permanently reduced if you elected to commence it prior to 65. Health and travel benefits are based upon age and Company Seniority – the earliest age is 55 with 10 years of Company Seniority.

EARLY OUT: An exit prior to retirement age based upon contractual agreements. Various limited time offers of early out have been made over the years, usually with some type of severance and/or travel benefits. If fully vested, a pension benefit will be available in the future; the age would be dependent upon the years of retirement eligibility service accrued prior to resigning.

FINAL AVERAGE RETIREMENT BENEFIT FORMULA: Formula to determine annuity based on 1.667% of the member's final average compensation multiplied by the years of credited service.*

FINAL AVERAGE COMPENSATION (FAC): The average earnings used in determining your pension benefit. This is computed using the eligible annual earnings for the highest 48 consecutive months out of the last 120 months worked.*

MINIMUM RETIREMENT BENEFIT FORMULA : A set amount, currently \$23.50, multiplied by years of credited service. This is always calculated and only used if the yield would be higher than the amount determined under the other Plan formulas.*

RETIREMENT ELIGIBILITY SERVICE (RES): The combined number of years credited from work at AA and other carriers that were absorbed through acquisitions and mergers (Reno Air, Air Cal and TWA). It is used to determine ELIGIBILITY ONLY (not value) for pension benefits. Our plan allows us to continue to accrue retirement eligibility service, but **NOT** years of credited service since the pension freeze.

SENIORITY: There are six measures of service that are used for various purposes in your employment. The three "seniorities" are described below; the other three are Years of Credited Service, Retirement Eligibility Service and Vesting.

- Company Seniority (benefits) – Starts out as date of hire but is adjusted for certain specified absences from active status.
- Classification Seniority (pay) – Begins accruing when placed on line as Flight Attendant and determines pay step as Flight Attendant.
- Occupational Seniority (bidding) – Based upon length of service as a Flight Attendant. This is bidding seniority and is updated annually in June. It is also referred to as "Union Seniority."

VESTING SERVICE: Time accrued towards determining if you have a "right" to a pension benefit. Vesting credit begins on date of hire. One year is earned for each calendar year that you are paid 386 hours. There are no proportionate accruals, so if you aren't

paid at least 386 hours in a year you receive no credit. Five years are necessary to be fully vested and to be eligible to receive a pension benefit. Once you are fully vested, you are

entitled to your pension benefit and cannot lose it regardless of when you leave the Company. If you stay with the Company until age 65, you are fully vested at age 65 regardless of your years of vesting.

YEARS OF CREDITED SERVICE (YCS): This is a measure used to determine the amount of your retirement benefit. It is also used to determine the earliest age at which you can commence your pension. Accrual and entry into the Plan begin after completion of one year of service with American Airlines if you are paid at least 386 hours in that year. If not, accrual and entry into the Plan begin on January 1 after any calendar year in which you were paid 386 hours. After Plan entry, a Flight Attendant earns one year of credited service for each calendar year in which s/he is paid 734 or more hours of service.

Pay for less than 734 hours in a calendar year will result in a partial accrual for that year. Currently, the Company notifies you of your accrued YCS through your annual pension statement on JETNET.

Pension Q & A's:

HOW DO THEY DETERMINE HOW MUCH MY PENSION WILL BE?

Your pension formula is described in Article 36 of the Contract or in The Summary Plan Description (SPD) found on JETNET. The formula in this plan cannot be reduced without a negotiated agreement ratified by the membership of APFA.

WHEN I RETIRE WILL I HAVE AN INCOME?

If you are fully vested in the pension plan you are entitled to a pension in the form of a monthly annuity payable for your lifetime.

WHAT DOES BEING FULLY VESTED MEAN?

You are vested if you have qualified for a pension benefit. When you can begin receiving your pension benefits depends upon when you stop working and your RES/YCS. You become vested when you:

- Complete five years of Vesting service or
- Reach age 65 or
- Are found to be totally and permanently disabled

Vesting service ends when your employment ends. You begin earning vesting credit from your date of hire. It is necessary to be paid 386 hours in a calendar year, and the credit is "all or nothing." If you are paid less than that, the year is not counted.

HOW DO I EARN A YEAR OF CREDITED SERVICE?

A YCS is based upon being paid 734 hours in a calendar year. However, this measure is not "all or nothing" like vesting, so if you are paid for less than 734 hours, you earn a partial year of credit. Since the pension freeze, you are no longer accruing years of credited service.

WHEN DO I BEGIN EARNING YCS?

Your first rolling year, from date of hire for 12 months, with American is your “qualifying” year. You must be paid 386 hours in that year to gain entrance into the pension program. If you are paid less than 386 hours in your first year, you must be paid at least 386 hours in any calendar year to qualify on the next January 1. Once you qualify you are entered into the Plan. TWA/LLC Flight Attendants began accruing YCS under the American Airlines Retirement Plan on January 1, 2002. Accrual of years of credited service ceased on November 1, 2012 with the freeze of the pension plan.

HOW DOES THIS END UP BEING COUNTED ON A CALENDAR YEAR?

Once you have satisfied the entrance requirement from date of hire, you are now on a calendar year basis. EXAMPLE: You were hired in June 1969. From June 1969 until June 1970, you were qualifying for entry. Upon completion of your year you have the 386 hours necessary to join the Plan; your entry date would be July 1, 1970. However many hours you flew between July and December 31 would be counted towards a proportion of a year. If you were paid for 367 hours in those six months you would accrue half of a YCS. Then, beginning January 1, 1971, your accrual would be on a calendar year basis and every year that you were paid 734 hours (an average of 61.17 9 hours per month) you would accrue a YCS. If you earned a YCS every year, you would have accrued 35.5 YCS at the end of 2005 based upon the June 1969 date of hire.

HOW MUCH OF AN ANNUITY CAN I ANTICIPATE?

Your annuity is based upon a negotiated formula, which considers your FAC and your YCS multiplied by a fixed number. You can create an estimate of your pension by using the instructions found earlier in this packet.

WHAT IS MY FAC BASED ON?

Your FAC is based on the average of your eligible pay for the highest consecutive 48 months out of the last 120 consecutive months that you work.

WHAT IS INCLUDED IN MY “ELIGIBLE” EARNINGS?

Up to 1020 hours worth of pay per year (no more than 216 of which are incentive rates) are included in your eligible earnings as well as purser, language, narrowbody lead, galley, longevity pay, lump sums and retroactive pay. Because all eligible pay is averaged over the course of a calendar year it is not important which months have higher earnings

HOW DOES THAT WORK?

The Company takes your eligible annual earnings from payroll records, disregards any months with no activity, and then divides the income by the total by the number of months worked that year. That gives each month an average value. The 120 last consecutive months worked (the ones with no activity drop away) are then placed “end to end,” and the highest 48 consecutive months are identified.

ONCE THEY HAVE IDENTIFIED MY BEST 48 CONSECUTIVE MONTHS, WHAT’S NEXT?

The eligible earnings for the 48 months are used to determine a monthly average, which is then multiplied by 12 to produce an annual amount.

WHAT IS THE NEXT STEP?

The FAC is multiplied by the set multiplier, which is 1.667%. EXAMPLE: After all of the calculations, your FAC equals \$47,000. When multiplied by 1.667% you get the number \$783.49.

WHAT DOES THAT NUMBER REPRESENT?

That is what each of your YCS is going to be worth. EXAMPLE: Using the number we determined in the above example for FAC for someone who had 35.5 YCS the total would be \$27813.89 for your annual pension value. (Multiply 33.5 YCS by \$783.49). Divided by 12 this would be \$2317.82 per month.

When can I begin taking my pension?

See When Can I Start My Pension at the beginning of this section on Pension

CAN I TAKE MY PENSION EARLIER THAN 65?

If you have 10 RES service, you can get an unreduced pension as early as age 60.

WHAT IF I WANT TO BEGIN MY PENSION AT AGE 55?

If you have a minimum of 15 RES and are at least age 55 you may take “early retirement”. You will be eligible for retiree travel and health and your pension. However, if you begin your pension prior to age 60 there is a reduction in your benefit depending upon the age you begin your pension. The reduction is 3% per year but is calculated on a monthly basis of .025%, so if you begin 2 1/2 years before age 60 (at 57 1/2) your reduction will be 7.5% for your lifetime.

WHY CAN'T I HAVE MY ENTIRE PENSION AT AGE 55?

The pension Plan is funded by AMR based upon the assumption that a full benefit will be available beginning at age 60, and on an assumption as to how long you will continue to receive such benefits after age 60. When you begin taking it early you will be receiving it for that many years longer than the calculations are based on. It is customary in pension plans to have a reduced annuity to compensate for the fact that you are likely to be receiving benefits for a longer period of time.

WHAT IF I HAVE LESS THAN 15 YEARS OF RETIREMENT ELIGIBILITY SERVICE WHEN I LEAVE?

If you leave before age 60 and are fully vested but don't have at least 15 RES, you will still receive a pension but you must wait to start it. If you have less than RES you must wait until age 65 to start your pension and then you will receive the full amount. If you have at least 10 RES, you can start your pension as early as age 60 but there is a reduction depending upon your age when you start because you left the Company before being eligible for early retirement. It is an actuarial calculation based on how many years before age 65 you start your pension.

ARE THERE ANY CHOICES ABOUT HOW MY PENSION IS PAID?

Yes, there are a number of choices. To begin with, the Lifetime Annuity calculated above is the highest benefit level. It is the basic calculation from which all other forms are determined. It is paid for the lifetime of the retiree but does not provide a survivor benefit. All payments cease upon the death of the retiree. The Lifetime Annuity is the default form of benefit paid to a single employee.

WHAT ARE THE OTHER FORMS OF PAYMENTS?

You have a choice of the following different forms of payments besides the single life annuity discussed above.

- **SPOUSE 50% JOINT ANNUITY** – This is the automatic method of payment for a married employee. The calculation for the single lifetime annuity is done, and then a permanent reduction is applied to the calculation based upon the age of the retiree and spouse at the time of retirement. In the event of the death of the retiree, the spouse will receive a payment equal to 50% of the amount that was being paid to the employee. A married employee may elect the lifetime annuity or any of the other forms of payment; however a notarized consent of the spouse is required to do this.
- **JOINT AND SURVIVOR ANNUITY (50%, 66 2/3%, 75% OR 100%)** – This payment method allows an employee to designate a beneficiary to receive the selected level of benefit payable in the event of the retiree predeceases the beneficiary. This method of payment also has a permanent reduction based upon age of the retiree and beneficiary. It is paid for the lifetime of the retiree and provides a lifetime survivor benefit to the beneficiary at the designated level of payment.
- **POP UP OPTION (50%, 66 2/3%, 75% OR 100%)** – The “Pop Up” payment method is much the same as the Joint and Survivor Annuities described above, however, if the designated beneficiary predeceases the retiree, the amount of the pension benefit “pops up” to the amount it would have been if no beneficiary calculations had been applied. There is a slightly higher reduction in the initial calculation to pay for this.

NOTE: In the three methods described above there can be no change of beneficiary should the named beneficiary predecease the retiree.

- **PERIOD CERTAIN (GUARANTEED FOR 10, 15, OR 20 YEARS)** – This method also has a permanent reduction applied to the pension calculation. This method of payment is paid for the lifetime of the retiree and provides a possible survivor benefit for a specified period of time. Should the retiree pre-decease the beneficiary; the beneficiary will receive the full amount for the remaining portion of the designated period of time. Should the beneficiary pre-decease the retiree before the end of the specified period; a new beneficiary may be named. If the retiree is

still collecting their pension when the specified time has elapsed, there will be no survivor benefit.

MAY I TAKE MY PENSION AS A LUMP SUM?

No, our plan has no provisions for a lump sum payout.

HOW DO I DECIDE WHICH METHOD IS RIGHT FOR ME?

Your estimates are available on JETNET. Make copies of them and discuss with your spouse/partner or potential beneficiary. It is also a good idea to consult a financial adviser when making decisions such as these because the elections are final once made.

QPSA

Your selection of a Joint Annuitant determines how you would leave your pension to a survivor once you are retired. What happens if you were to pass away before you retire? Does anyone inherit your pension?

Federal law requires that a pension plan must allow a pension to be inherited by a spouse (of the opposite gender.) The default amount mandated by federal law is for the surviving spouse to get 50% of your pension.

APFA negotiated for a better benefit. If you file the form called a QPSA (qualified pre-retirement survivor annuity) you can designate that your spouse can get up to 100% of your pension should you die before you retire. For Flight Attendants, this benefit is at no cost to you. If you do not fill out this form, should you die before you begin collecting your pension, your spouse will only receive 50% of your pension. Once you make your selections for form of benefit at retirement, this form is replaced by your new selections. There is a copy of this form at the back of this packet on page 43 and on the APFA website.

Link to form on Jetnet:

<https://p40web.mercerhrs.com/amr/PM/Forms/QPSAWaiverForm-FA.pdf>

QDRO

If you are divorced you may have a QDRO on file that tells the company if your ex spouse is to receive any of your pension. Make sure you have a copy of your complete divorce decree to send in with your pension information. Incomplete forms of any kind will delay your pension. The company does not pay pension until all forms are complete and in their hands.

HOW DO I START THE PROCESS OF RETIRING AND APPLYING FOR MY PENSION?

It is a multi step process. To apply for your pension: Go to Jetnet –Benefits-Benefits Service Center-Pension-apply for pension benefits and follow the prompts. This needs to be done no later than 45 days prior to date you wish to begin collecting you pension. Contact your supervisor and tell them you are retiring and give them the date. Contact HR and tell them you are retiring, give them the date and set up a retirement counseling session. Call the Flight Attendant Service Center at 1 800 vip crew, log in, hit # then 6 then 3. This will put you in

contact with administration who you will tell that you are retiring and give them your date. Don't forget when picking your exit date, that pensions only start on the first of the month. If you retire on the second, you miss a whole month of pension payments! It is a good idea to leave at the end of the calendar month and retire on the last day of calendar month or the first day of next calendar month. (not bid month!) unless there is some very compelling reason not to. There is a checklist to follow at the back of this packet.

The second source of income in retirement is your 401K.

401k-JP Morgan

The most effective and commonly used retirement savings tool is a 401(k) account. **But it's only good if you take advantage of it.** We have the ability to contribute to either a pre tax regular 401k account that earns investment returns tax free until it is withdrawn, or a Roth 401 k account in which all future investment earnings are tax free, but what you contribute goes in as a post tax contribution. The maximum employee contribution for 2013 is \$17,500 with an additional \$5,500 allowable "catch up" contribution for those over 50. A 401(k) plan has an unbeatable combination of advantages - payroll deduction and employer-matching contributions.

Get the Match

Under the plan, American will match your pre-tax and/or Roth 401(k) contributions to your Super Saver account - dollar for dollar - **up to 5.5% of your eligible pay (contributions will change with the Bridge Agreement).**

You must contribute money (as a deduction from your paycheck) to your Super Saver account in order to obtain the company match. By not contributing even a small amount of savings, you're missing out on the company-matching funds. That's the same as leaving money on the table.

It's Never Too Late to Start

Investing in a 401(k) is a wise thing to do. If you don't know where to start, or are unsure about what options are right for you, J.P. Morgan Retirement Services has loads of educational resources and tools at www.retireonline.com.

For example, the 401(k) Contribution Calculator in the [Financial Tools](#) provides a summary of how employees' paychecks may be affected by their retirement savings plan contributions. If you have never visited Retireonline.com or don't remember your password, please call J.P. Morgan at 1-800-345-2345, 7 a.m. - 8 p.m. Central time. Enter #0 for assistance.

You cannot move or withdraw from your 401k for 60 days following your retirement. Make sure you have sufficient funds that you do not need to make a withdrawal. Also, remember to make arrangements to make payments manually for any 401k loan you have. If you default it is considered a withdrawal and if you are below age 59.5 you may also have to pay 10% penalty

on the amount in addition to any income taxes that will come due. Talk to your financial planner about what to do with this money. Contact information for JP Morgan is at the back of this packet in the contract information section.

The third source of income in retirement is Social Security

The information below is copy/pasted from the Social Security website at: www.ssa.gov

Full retirement age is the age at which a person may first become entitled to full or unreduced Social Security retirement benefits. No matter what your full retirement age (also called "normal retirement age") is, you may start receiving benefits as early as age 62 or as late as age 70.

If You Retire Early

You can retire at any time between age 62 and full retirement age. However, if you start benefits early, your benefits are reduced a fraction of a percent for each month before your full retirement age.

The chart below lists age 62 reduction amounts and includes examples based on an estimated monthly benefit of \$1000 at full retirement age.

Full Retirement and Age 62 Benefit By Year Of Birth						
Year of Birth ^{1.}	Full (normal) Retirement Age	Months between age 62 and full retirement age ^{2.}	At Age 62 ^{3.}			
			A \$1000 retirement benefit would be reduced to	The retirement benefit is reduced by ^{4.}	A \$500 spouse's benefit would be reduced to	The spouse's benefit is reduced by ^{5.}
1937 or earlier	65	36	\$800	20.00%	\$375	25.00%
1938	65 and 2 months	38	\$791	20.83%	\$370	25.83%
1939	65 and 4 months	40	\$783	21.67%	\$366	26.67%

Full Retirement and Age 62 Benefit By Year Of Birth

Year of Birth ^{1.}	Full (normal) Retirement Age	Months between age 62 and full retirement age ^{2.}	At Age 62 ^{3.}			
			A \$1000 retirement benefit would be reduced to	The retirement benefit is reduced by ^{4.}	A \$500 spouse's benefit would be reduced to	The spouse's benefit is reduced by ^{5.}
1940	65 and 6 months	42	\$775	22.50%	\$362	27.50%
1941	65 and 8 months	44	\$766	23.33%	\$358	28.33%
1942	65 and 10 months	46	\$758	24.17%	\$354	29.17%
1943-1954	66	48	\$750	25.00%	\$350	30.00%
1955	66 and 2 months	50	\$741	25.83%	\$345	30.83%
1956	66 and 4 months	52	\$733	26.67%	\$341	31.67%
1957	66 and 6 months	54	\$725	27.50%	\$337	32.50%
1958	66 and 8 months	56	\$716	28.33%	\$333	33.33%
1959	66 and 10 months	58	\$708	29.17%	\$329	34.17%
1960 and later	67	60	\$700	30.00%	\$325	35.00%

Pros And Cons of when to begin taking your Social Security payments

As a general rule, early or late retirement will give you about the same total Social Security benefits over your lifetime. If you retire early, the monthly benefit amounts will be smaller to take into account the longer period you will receive them. If you retire late, you will get benefits for a shorter period of time but the monthly amounts will be larger to make up for the months when you did not receive anything.

There are advantages and disadvantages to taking your benefit before your full retirement age. The advantage is that you collect benefits for a longer period of time. The disadvantage is your benefit is reduced. Each person's situation is different, so

- remember that, if you delay your benefits until after full retirement age, you may be eligible for delayed retirement credits that would increase your monthly benefit;
- keep in mind that there are other things to consider when making the correct decision about your retirement benefits.

If you decide to take your benefits early, you can continue to work but you are limited in how much you can earn while getting early Social Security benefits.

You can work while you receive Social Security retirement (or survivors) benefits. When you do, it could mean a higher benefit for you in the future. Higher benefits can be important to you later in life and increase the future benefit amounts your family and your survivors could receive.

Note: If you are outside the United States, the rules for receiving benefits while you are working are different.

While you are working, your earnings will reduce your benefit amount only until you reach **your full retirement age**. After you reach full retirement age we recalculate your benefit amount to leave out the months when we reduced or withheld benefits due to your excess earnings.

We use a formula to determine how much your benefit must be reduced:

- **If you are under full retirement age for the entire year**, we deduct \$1 from your benefit payments for every \$2 you earn above the annual limit.

For 2013, that limit is \$15,120.

- **In the year you reach full retirement age**, we deduct
- \$1 in benefits for every \$3 you earn above a different limit, but **we only count earnings before the month you reach your full retirement age.**

If you will reach full retirement age in 2013, the limit on your earnings for the months before full retirement age is \$40,080. (If you were born in 1947 or 1948, your full retirement age is 66 years.)

- **Starting with the month you reach full retirement age, you can get your benefits with no limit on your earnings.**

As you can see, when to take to decide to retire and begin receiving any of these forms of income is a complex decision. We urge you to talk to financial planners about when and how to take your pension, 401k or IRA distributions, and Social Security benefits.

One of the things to remember about all of the types of income that we are discussing in this section is that although these types of income are all subject to income taxes, none of these sources of income are subject to payroll taxes which are deducted from your paycheck(earned income) at a rate of 7 5/8%.

Retiree Benefits

Medical Options in Retirement

Retiree Medical Insurance

You are eligible to purchase retiree medical benefits at age 55 with 10 years of company seniority. American will no longer subsidize the cost of retiree medical insurance.

Per Jetnet at <http://my.aa.com/en/retiree-benefits>

You will see some changes to retiree medical benefits if you retire on or after November 1, 2012:

- If you are under age 65, you will have access to two options: Retiree Standard and Retiree Value Plus.
- Starting January 1, 2013, you will pay the full contribution cost for the pre-65 retiree medical coverage if you choose to enroll.
- American will no longer provide retiree medical coverage to retirees age 65 and above. Instead, you will be offered access to purchase a Medicare supplement plan provided by a third party vendor. A vendor offering American Airlines retirees guaranteed issue for Medicare supplemental coverage is UnitedHealthcare. Regardless of your health status as long as you enroll when first eligible for the Medicare supplement plan you are guaranteed coverage. Visit the **United HealthCare Medicare Solutions** link "Get Help Finding a Plan" to use the Plan Selector tool. It will take you through a series of simple questions. In just a few minutes, you'll be shown UnitedHealthcare Medicare plans that may be right for you, based on your individual needs.
- Retiree spouses will be able to purchase the pre-65 plan from American even though the retiree is over age 65 and unable to enroll in the plan.

Retiree medical coverage will be offered only through the preferred administrator for your state. You may be eligible for Transition of Care if you are currently receiving care from a Tier 1 or Tier 2 network provider.

You will receive a packet with enrollment information and plan details after you retire. You can enroll in retiree medical any time after retirement. If you miss the 30-day online retiree medical enrollment window, just call HR Services.

American reserves the right to amend or terminate the retiree medical plan at any time.

Paying for Coverage

To maintain your coverage, you'll need to pay your retiree medical contributions each month by the due date. If your payment is late, your coverage will be terminated and you will not be able to re-enroll.

Payflex, the billing administrator, will bill you for Retiree Medical one month in advance. It's important that you make timely payments so that your coverage does not terminate. Make sure your payment gets there on time. PayFlex makes it easy. Using the Automatic Billing Payment (ACH) feature to pay your contribution costs ensures your payments are always on time.

Please see the chart below for the full medical options summary. Check for accuracy and additional plan details before making any decisions at: <http://my.aa.com/en/retiree-benefits>

Retiree Medical Options Summary, Age 55-65 Proposed Design for 2012 / 2013		
	Retiree Value Plus	Retiree Standard
Individual Medical Maximum Benefit	\$1,000,000	\$300,000
In Network Deductible	\$250 per person	\$150 per person / \$400 family
Out of Network Deductible	\$750 per person	\$150 per person / \$400 family
Coinsurance (In/Out)	15% / 35%	20% / 40%
In Network Out of Pocket Max (Single/Family)	\$1,750 per person	\$1,000 / \$3,000
Out of Network Out of Pocket Max (Single/Family)	Unlimited	\$1,000 / \$3,000

Primary Care Physician Copay (In/Out)	\$30*	20% / 40%
Specialist Copay (In/Out)	\$40*	20% / 40%
Pharmacy (Retail)		
Generic	\$10	20% in-network
Formulary Brand	30% (\$20 min/\$75 max)*	Medco Drug Card
Non-Formulary Brand	50% (\$35 min/\$90 max)*	Required
Pharmacy (Mail)*		
Generic	20% (no min/\$80 max)	\$25 co-pay
Formulary Brand	30% (\$40 min/\$150 max)	25% when no generic is avail
Non-Formulary Brand	50% (\$70 min/\$180 max)	\$25 when no generic plus cost difference
2013 Monthly Premiums		
Retiree Only	\$667.94	\$461.96
Retiree + 1	\$1,335.87	\$923.93
Retiree + 2 or more dependents	\$2,003.81	\$1,385.89

*If you select a brand name drug (formulary or non-formulary) when a generic is available, you will pay the \$10 generic retail co-pay plus the cost difference between generic and brand prices. Maximums do not apply.

**If you select a brand name drug (formulary or non-formulary) when a generic is available, you will pay the 20% generic mail order co-insurance plus the cost difference between generic and brand prices. Maximums do not apply.

This chart provides an overview of the retiree medical benefit options. The complete provisions of the plans are set forth in the plan documents and insurance contracts. If the information in this chart is inconsistent with the plan documents, the plan documents will govern. The plan sponsor(s) reserve the right to amend or terminate each plan at any time.

What happens to my retiree medical coverage after I turn 65?

When you reach age 65, Medicare becomes your primary coverage. You are not eligible for American Airlines Retiree Medical Benefits once you reach age 65. However, you may be eligible to purchase Medicare Supplement insurance from UnitedHealthcare.

Eligibility for Pre-65 Spouse and Dependents of Over 65 Retirees who retire on or after November 1, 2012

Beginning January 1, 2013, if the spouse of a Over 65 Retiree is under the age of 65, the spouse or domestic partner is eligible for coverage and can enroll in Pre-65 Retiree Medical benefits. Dependent Children will be eligible under the spouse's coverage until either the spouse turns 65, the spouse reaches their lifetime maximum, or the dependent turns age 23 - whichever occurs first.

Dependent Eligibility

Under the Retiree Medical Benefit, an eligible dependent is an individual (other than the retiree covered by the Retiree Medical Benefit) who is related to the retiree in one of the following ways:

Spouse or Company-recognized Domestic Partner not covered as an employee or retiree under a medical benefit sponsored by the Company

For retirees under age 65, an eligible dependent may also include:

Unmarried child under age 19

Unmarried incapacitated child age 19 + who maintains legal residence with you

Unmarried child age 19 through 22, if the child is registered as a full-time student at a school/educational institution in a program of study leading to a degree or certification (proof of continuing eligibility will be required from time to time) and either: The child maintains legal residence with you; or You are required to provide coverage under a Qualified Medical Child Support Order (QMCSO) that is issued by the court or a state agency. If, for medical reasons, the child is required to reduce or terminate his or her studies, coverage will be continued for up to 12 months (one year). The child must be under a physician's care and statements must be provided from the attending physician and school/educational institution to your network/claims administrator. After 12 months (one year), coverage will end unless the child returns to school school/education institution full-time or meets the definition of an incapacitated child.

Other options for medical insurance upon retirement

COBRA-continuation of your active medical after retirement

You may continue your active medical for 18 months after you leave the company. However, if you decide to do this you will need to accomplish this within the **first 60 days** of your last day of employment. In addition, under certain circumstances of disability, COBRA coverage can be extended past the 18 month continuation of coverage up to a maximum of 36 months.

Per Jetnet: [Home](#) » [Health & Welfare](#) » [Additional Health Benefit Rules](#) » Continuation of Coverage-COBRA Continuation

Continuation of Coverage-COBRA Continuation

If your employment terminates for any reason (i.e., furlough, resignation, etc.), your health benefits are cancelled, along with your other benefits. You may elect to continue your health benefits as part of your continuation of coverage options available through Benefit Concepts, Inc., the COBRA administrator. Benefit Concepts, Inc. will mail a COBRA package to your home address (or to the address you provide) after your termination is processed. If you do not continue your medical coverage through COBRA, claims incurred after the date of your termination are not payable.

Several of American Airlines, Inc. benefits or plans (STANDARD Medical Option, CORE Medical Option, VALUE Medical Option, OUT-OF-AREA Medical Option, Dental Benefits, Vision Insurance Benefits, HMOs and the Health Care Flexible Spending Account) provide for continuation of coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) in case of certain Qualifying Events. If you and/or your dependents have coverage at the time of the Qualifying Event, you may be eligible to elect continuation of coverage under the following:

Medical Benefits

Dental Benefits

Vision Insurance Benefits

Health Care Flexible Spending Account Benefit, for the remainder of the calendar year in which you became eligible for continuation of coverage. (Although you would not be able to make contributions on a pre-tax basis, by electing continuation of coverage for this account, you would still have the opportunity to file claims for reimbursement based on your account balance for the year.)

The coverage under COBRA is identical to coverage provided under the benefits or plans for similarly situated employees or their dependents, including future changes. Although your Company-recognized Domestic Partner and his or her children do not have rights to COBRA coverage under existing federal law, AMR currently offers them the opportunity to continue health coverage that would be lost when certain events occur. This is subject to change.

Benefit Concepts Inc., the COBRA billing administrator, handles solicitation and enrollment. You will receive a COBRA solicitation via mail within three weeks following your retirement. If you continue active coverage through COBRA, you will have no lapse of coverage of medical insurance, but until the coverage is entered into the system upon your enrollment, you will pay for medical care out of your pocket and apply for reimbursement. If you want to avoid out of pocket expenditures, you can contact Benefits Concepts immediately upon leaving and get started with the enrollment instead of waiting for them to solicit you through the mail.

Benefit Concept Inc.

1-866-629-0274

www.avantserve.com

There are two ways in which you can make the elections:

Complete and mail the election form back to BCI. Once BCI receives the election notice, their system will be updated within 72 hours to show the elections. After elections are in the system you can make a payment. Once payment is made and posted eligibility will be sent to your claims administrators.

Or you can

Complete and fax the election form to BCI at (866) 629-6390. Once BCI receives the election notice their system will be updated within 48 hours. After elections are in the system you can make a payment. Once payment is made and posted eligibility will be sent to your claims administrators.

Additional information about continuation of active coverage under COBRA can be found on Jetnet at: <https://ehrk.b.ihost.com/aa/document.do?DOC=KBDOC%2FMIC11606.xml>

or by following the hot path on Jetnet- Benefits –e HR center (link is on left in blue area)- Health & Welfare » Additional Health Benefit Rules » Continuation of Coverage-COBRA Continuation

COBRA IS NOT CONSIDERED CREDIBLE COVERAGE AS DEFINED BY MEDICARE, AND WILL BECOME SECONDARY COVERAGE TO MEDICARE. IF YOU ARE 65 OR OVER WHEN YOU RETIRE, MEDICARE WILL BECOME YOUR PRIMARY COVERAGE EXCEPT FOR A FEW OF EXCEPTIONS. CHECK WITH LEGAL AND FINANCIAL ADVISERS ABOUT MEDICAL COVERAGE OPTIONS IF YOU ARE OVER 65 TO AVOID SUBSTANTIAL FINANCIAL PENALTIES/REDUCTION IN COVERAGE IF YOU MAKE THE WRONG CHOICES!!

What is the importance of continuing some type of medical coverage if you have a preexisting condition?:

Besides the obvious reasons for wanting to make sure you have health insurance, there is an additional reason you may not be aware of having to do with preexisting conditions.

Jetnet Link: after login click

<https://ehrkb.ihost.com/aa/document.do?DOC=KBDOC%2FMIC11606.xml>

Impact of Failing to Elect Continuation of Coverage on Future Coverage: In considering whether to elect continuation of coverage, or making sure you have medical coverage that does not lapse, you should take into account that a failure to continue your coverage will affect your future rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied to you by other group health plans if you have more than a 63-day gap in health coverage, and election of continuation of coverage may help you not have such a gap. Consult a financial/legal adviser if you have questions concerning how this federal law could apply to you if you have a preexisting condition.

What does COBRA cost and how do I pay for it?

Since COBRA is a continuation of your active medical, the cost is the total cost of your health insurance. That means it includes what you now pay through payroll deduction, what the company pays on your behalf as part of your benefits package, plus a 2% administration fee to cover the cost of administering COBRA benefits.

It is very important to make your payments to Benefits Concepts on time as once COBRA coverage is lost due to late payment, it will not be reinstated!!

From Jetnet: “To maintain COBRA continuation of coverage, you must pay the full cost of continuation of coverage on time, including any additional expenses permitted by law. Your first payment is due within 45 days after you elect continuation of coverage. Premiums for subsequent months of coverage are due on the first day of each month for that month's coverage. If you elect continuation of coverage, you will receive payment coupons or invoices from Benefit Concepts, Inc. indicating when each payment is due. Contributions are due even if you have not received your payment coupons. Failure to pay the required contribution on or before the due date, or by the end of the grace period will result in termination of COBRA

coverage, without the possibility of reinstatement. All checks shall be made payable to Benefit Concepts, Inc. “

Important: The charts below provide contribution costs for medical coverage. Healthmatters Reward Contribution Credits do not apply and will cease on your last day worked. Please see your COBRA solicitation package from Benefits Concepts for additional rate information.

Cost of COBRA coverage for 2013:

<u>Plan</u>	Emp only	Emp+Spouse	Emp+Child	Emp+Family
<u>Value Medical Benefit</u>				
Preferred	\$ 579.30	\$ 1,332.39	\$1,042.74	\$1,795.83
Tier 1	\$ 607.99	\$ 1,406.98	\$1,094.38	\$1,896.24
Tier 2	\$ 636.67	\$ 1,481.57	\$1,146.02	\$1,996.64

Standard Medical Benefit

<u>Preferred</u>	\$ 446.54	\$1,027.04	\$803.77	\$1,384.27
Tier 1	\$ 464.57	\$1,073.91	\$836.22	\$1,447.36
Tier2	\$ 482.59	\$1,120.78	\$868.66	\$1,510.46

<u>Core Medical Option</u>	\$ 355.99	\$ 818.78	\$640.78	\$1,103.57
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<u>Vision</u>	\$ 7.45	\$ 14.42	\$ 14.15	\$ 20.24
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<u>Dental</u> (plan 11)	\$ 22.47 Employee	\$ 43.41 employee +1	\$ 61.81 employee +2or more
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Can I defer my retiree medical and go on other medical insurance coverage?

Yes, you may go on other medical coverage including coverage provided by a spouse or domestic partner here at American Airlines by having your spouse file a life event at your exit. You may be getting another job which has insurance. Your spouse/partner may have insurance at their job that they can file for a life event to begin coverage for you. When you get ready to begin retiree medical coverage, just call HR to inform them. **Make sure you make this call in plenty of time to insure no lapse in coverage.**

Your ability and the time frame in which to apply for other insurance under a spouse/partner's plan through a life event is defined by federal law:

On Jetnet: after login

<https://ehrbk.ihost.com/aa/document.do?DOC=KBDOC%2FMIC11606.xml>

“...you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within **30 days** after your Plan coverage ends because of the Qualifying Event listed above. You will also have the same special enrollment rights at the end of continuation of coverage if you get continuation of coverage for the maximum time available to you. “

Remember that 30 day deadline to enroll under a life event!

If I am 65 what coverage is available to me?

Retiree medical insurance is not available to you once you turn 65, and COBRA is considered secondary to Medicare, therefore, unless you are going on some other active medical insurance that is considered creditable coverage by Medicare, you will be going to Medicare. If you will be 65 or over at your exit date, you will want to begin researching the type of coverage you will want to purchase with Medicare. There are numerous books out on Medicare as well as lots of information on the Medicare website at www.medicare.gov.

Briefly:

Part A covers hospitalization and for most people has no cost.

Part B covers physician care.

If you don't sign up for Part B when you're first eligible, you may have to pay a late enrollment penalty for as long as you have Medicare. Your monthly premium for Part B may go up 10% for each full 12-month period that you could have had Part B, but didn't sign up for it.

If your modified adjusted gross income as reported on your IRS tax return from 2 years ago (the most recent tax return information provided to Social Security by the IRS) is above a certain amount, you may pay more.

Part B premiums by income

If your yearly income in 2011 was		You pay (in 2013)
File individual tax return	File joint tax return	
\$85,000 or less	\$170,000 or less	\$104.90
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	\$146.90
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	\$209.80
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	\$272.70
above \$214,000	above \$428,000	\$335.70

Part D is the Medicare plan that covers prescription drug benefits.

Medicare offers prescription drug coverage to everyone with Medicare. If you decide not to join a Medicare Prescription Drug Plan when you're first eligible, and you don't have other creditable prescription drug coverage, or you don't get Extra Help, you'll likely pay a late enrollment penalty.

To get Medicare drug coverage, you must join a plan run by an insurance company or other private company approved by Medicare. Each plan can vary in cost and drugs covered.

Medicare Prescription Drug Plan (Part D). These plans (sometimes called "PDPs") add drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private Fee-for-Service (PFFS) Plans, and Medicare Medical Savings Account (MSA) Plans.

Another option is to buy your Medicare through a Medicare Advantage Plan (Part C) (like an HMO or PPO) or other Medicare health plan that offers Medicare prescription drug coverage. You get all of your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage, and prescription drug coverage (Part D), through these plans that are called Medicare Advantage Plan (Part C).

What is a Medicare health plan? A plan offered by a private company that contracts with Medicare to provide Part A and Part B benefits to people with Medicare who enroll in the plan. Medicare health plans include all Medicare Advantage Plans, Medicare Cost Plans, Demonstration/Pilot Programs, and Programs of All-inclusive Care for the Elderly (PACE).

In all types of Medicare Advantage Plans, you're always covered for emergency and urgently needed care. Medicare Advantage Plans must cover all of the services that Original Medicare covers except hospice care. Original Medicare covers hospice care even if you're in a Medicare Advantage Plan.

The plan can choose not to cover the costs of services that aren't medically necessary under Medicare. If you're not sure whether a service is covered or not, check with your provider before you get the service.

Medicare Advantage Plans may offer extra coverage, like vision, hearing, dental, and/or health and wellness programs. Most include Medicare prescription drug coverage (Part D). In addition to your Part B premium, you usually pay a monthly premium for the Medicare Advantage Plan.

If you need a service that the plan says isn't medically necessary, you may have to pay all the costs of the service, but you have the right to appeal the decision.

You can also ask the plan for a written advance coverage decision to make sure a service is medically necessary and will be covered. If the plan won't pay for a service you think you need, you'll have to pay all of

Supplement plans which are also called a Medigap policy which covers the things that their Medicare A,B, and D plans or their Medicare Part C plans do not.

What's Medicare supplement (Medigap) insurance?

A Medicare supplement (Medigap) insurance, sold by private companies, can help pay some of the health care costs that Original Medicare doesn't cover, like copayments, coinsurance, and deductibles.

Some Medigap policies also offer coverage for services that Original Medicare doesn't cover, like medical care when you travel outside the U.S. If you have Original Medicare and you buy a Medigap policy, Medicare will pay its share of the Medicare-approved amount for covered health care costs. Then your Medigap policy pays its share.

A Medigap policy is different from a Medicare Advantage Plan. Those plans are ways to get Medicare benefits, while a Medigap policy only supplements your Original Medicare benefits.

8 things to know about Medigap policies

1. You must have Medicare Part A and Part B.
2. If you have a Medicare Advantage Plan, you can apply for a Medigap policy, but make sure you can leave the Medicare Advantage Plan before your Medigap policy begins.
3. You pay the private insurance company a monthly premium for your Medigap policy in addition to the monthly Part B premium that you pay to Medicare.
4. A Medigap policy only covers one person. If you and your spouse both want Medigap coverage, you'll each have to buy separate policies.
5. You can buy a Medigap policy from any insurance company that's licensed in your state to sell one.
6. Any standardized Medigap policy is guaranteed renewable even if you have health problems. This means the insurance company can't cancel your Medigap policy as long as you pay the premium.
7. Some Medigap policies sold in the past cover prescription drugs, but Medigap policies sold after January 1, 2006 aren't allowed to include prescription drug coverage. If you want prescription drug coverage, you can join a Medicare Prescription Drug Plan (Part D).
8. It's illegal for anyone to sell you a Medigap policy if you have a Medicare Medical Savings
- 9.

Medigap Plans

Compare Medigap plans side-by-side

The chart below shows basic information about the different benefits Medigap policies cover.

Yes = the plan covers 100% of this benefit

No = the policy doesn't cover that benefit

% = the plan covers that percentage of this benefit

N/A = not applicable

Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Part B coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes ^{***}
Blood (first 3 pints)	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A hospice care coinsurance /copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes

Skilled nursing facility care coinsurance	No	No	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A deductible	No	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Part B deductible	No	No	Yes	No	Yes	No	No	No	No	No
Part B excess charges	No	No	No	No	Yes	Yes	No	No	No	No
Foreign travel exchange (up to plan limits)	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$4,800	\$2,400	N/A	N/A

10. * Plan F also offers a high-deductible plan. If you choose this option, this means you must pay for Medicare-covered costs up to the deductible amount of \$2,110 for 2013 before your Medigap plan pays anything.
11. ** After you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plan pays 100% of covered services for the rest of the calendar year.
12. *** Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in inpatient admission.

All of the above information is found on the Medicare website at www.medicare.gov.

In addition, since American will no longer provide retiree medical coverage to retirees age 65 and above, you will be offered access to purchase a Medicare supplement plan (Medigap) provided by a third party vendor. A vendor offering American Airlines retirees guaranteed issue

for Medicare supplemental coverage is UnitedHealthcare. Regardless of your health status as long as you enroll when first eligible for the Medicare supplement plan you are guaranteed coverage. Visit the **United HealthCare Medicare Solutions** link "Get Help Finding a Plan" to use the Plan Selector tool. It will take you through a series of questions. You'll be shown UnitedHealthcare Medicare plans. The website is:

<https://www.uhcmedicareolutions.com/health-plans.html>

Make sure you shop a variety of Medigap and Part D drug plans to make sure you get the plans that are right for your needs. There is a plan finder on the Medicare website:

<https://www.medicare.gov/find-a-plan/questions/home.aspx>

One of the things Medicare does not cover is hearing aids. Your active medical insurance does cover the cost in some cases. We recommend that you check to see if you need hearing aids prior to leaving the company, especially if you are going on Medicare.

Health Care Tax Credit for former TWA/Eastern Flight attendants:

[http://www.irs.gov/Individuals/The-Health-Coverage-Tax-Credit-\(HCTC\)-Program](http://www.irs.gov/Individuals/The-Health-Coverage-Tax-Credit-(HCTC)-Program)

You can receive up to a 72.5% tax credit for health care insurance premiums if your pension has been taken over by the PBGC. Please see the website in the above link for more information.

Retiree Dental Plan: You will be offered retiree dental insurance. And, just like your retiree medical, you have the option of a one time deferral of that retiree dental plan. The cost of the retiree dental plan is determined by the zip code where you live. In most cases COBRA coverage that offers a continuation of your active dental will be less expensive and will be better coverage. The 18 months of COBRA dental coverage will give you time to shop dental plans including the retiree dental plan. The AA credit union has a dental club which gives you a network to choose dentists who will give you a discount on services. Dental insurance is difficult to find and expensive.

Retiree Life Insurance: Retiree Life Insurance is no longer provided by AMR.

Life Insurance: Your current employee term life insurance ends at retirement. Employee term life insurance includes portability and conversion rights that allow you to continue coverage at preferred group rates or convert coverage to a personal policy (other than term life insurance) without providing proof of good health. To apply, contact MetLife at 1-877-275-6387 within 31 days of your last day on payroll.

Accident Insurance: Your employee accident insurance includes conversion rights that allow you to convert the coverage to a personal policy. To apply, contact CIGNA at 1-800-441-1832 within 31 days of retirement.

Continuation of other Types of Insurance Coverage

You may continue your Long Term Care insurance, Hyatt Legal Plan, and other voluntary coverage with the exception of LTD and STD. Please refer to contact page at the back of the packet for phone numbers to discuss continuation of these types of coverage..

Supplemental coverage as backup to Retiree Medical

DO NOT CONFUSE THIS COVERAGE WITH MEDIGAP/SUPPLEMENTAL POLICIES TO MEDICARE THAT WILL BE OFFERED TO YOU BY UHC IF YOU ARE OVER AGE 65. THIS SUPPLEMENTAL POLICY IS A SUPPLEMENT TO RETIREE MEDICAL AND WILL NOT BE AVAILABLE TO ANYONE OVER AGE 65.

Supplemental Medical Plan

The Supplemental Medical Plan pays a percentage of eligible expenses for medically necessary care, treatment and supplies up to the usual and prevailing fee limits.

You must enroll when you are first eligible as a retiree. You must maintain coverage as a retiree.

There are three situations where a participant will use their Supplemental Medical Plan benefits:

1. When you or your covered spouse exhausts your maximum medical benefit under your selected Retiree Medical Benefit Option.
2. If you are the surviving spouse of a retired employee who dies while you are both covered under this Plan.
3. If you die while you and your Company-recognized Domestic Partner are covered under the Supplemental Medical Plan, coverage for your Company-recognized Domestic Partner continues for 90 days from the date of your death, provided he or she pays the plan contribution rate to continue coverage. At the end of the 90-day period, Supplemental Medical Plan coverage ends and is not available through COBRA.

HealthFirst TPA is the administrator of the Supplemental Medical

Contact information: HealthFirst TPA at 1-800-711-7083.

You can find information about the Supplemental medical coverage on Jetnet at:

https://ehrbk.ihost.com/aa/account/en_US/Forms/12216_12275_rbg_jan_2012.pdf

on page 127 of the employee benefit guide. The company has indicated they will be deleting this coverage effective January 1, 2014. Below is brief description of the coverage and contact information should you be interested in purchasing this coverage.

What happens to my flexible spending account (HCFSA)?

There are three possible scenarios concerning your flexible spending account.

1. You leave the company with money unused in the account in which case American gets to keep the money. **For example:** you elect to place \$2500 in your account for 2013, you leave at the end of March, 2013 and you have contributed \$625 at that point, but have only used \$400, American gets to keep the \$225 already on deposit in the account. However, in this example you could continue your flexible spending account through COBRA. Although you could not continue to contribute pretax dollars, you would not necessarily lose the amount that you have already put in.
2. You leave the company with zero in your account and you are leaving on December 31 of any year. In that case you have contributed all that you indicated you would for the calendar year as the money is payroll deducted and you spent all of those funds. **For example:** you opted to put \$2500 in your account, you have contributed through payroll deduction the entire amount because it is the end of the year, and you have been paid out the entire \$2500 in the account.
3. You leave the company with a zero balance in your flexible spending account and you leave prior to December 31. In this scenario, you have been paid out more than you have contributed to the account thus far. You have not contributed all the funds for the year because you are leaving after a partial year, but American has paid out to you the entire year's contributions. You do not have to repay American the difference. **For example:** In the case of this option 3, you make a selection to place \$2,500 in your flexible spending account for 2013 (the maximum allowed for 2013). In January you have dental work done which requires all \$2,500 from your flexible spending account. You receive the check in February. You separate from the company and retire March 31, 2013. At that time in March, you have only contributed \$625 to your flexible spending account through payroll deduction, but you have been paid \$2,500. You will not have to reimburse American the difference of \$1,875.

What Happens to my new type of Health Spending Account when I retire?

With the new medical options, we also have three new types of health spending accounts besides the HCFSA (health care flexible spending account) that we have had in the past and that was discussed above. The Limited Purpose Flexible Spending Account works the same way upon your retirement as the HCFSA. The chart below tells you about each account and what will happen to those funds once you leave the company.

As you can see by the chart on the next page, the only Health Spending account you can take with you is the one affiliated with the CORE Medical option (the HSA). The accounts that are with both the Standard Medical Plan (HRA) and the Value Plan (HIA) will be forfeited unless you continue with that Medical plan after you leave by continuing your medical coverage through COBRA.

Health Spending Accounts

An Overview of the Health Spending Accounts

Type of Health Spending Account	Health Reimbursement Account (HRA)	Health Savings Account (HSA)	Health Incentive Account (HIA)	Health Care Flexible Spending Account	Limited Purpose Flexible Spending Account
Works with this medical option	Standard Out-of-Area	Core	Value	Standard Out-of-Area Value	Core
How it's funded	Healthmatters Rewards + AA introductory contribution*	Healthmatters Rewards + Employee pre-tax deductions	Healthmatters Rewards	Employee pre-tax deductions	Employee pre-tax deductions
2013 contributions	<p>Healthmatters Rewards: Employee Only amount: Up to \$250 Employee + Covered Spouse/Domestic Partner: Up to \$500</p> <p>AA introductory contribution*: Employee Only coverage: \$375 Employee + Covered Spouse/Domestic Partner: \$750</p>	<p>Healthmatters: Rewards Employee Only amount: Up to \$250 Employee + Covered Spouse/Domestic Partner: Up to \$500</p> <p>Pre-tax deductions: Individual coverage: Up to \$3,000** Family coverage: Up to \$5,950** If age 55 or over: Additional \$1,000</p>	Healthmatters Rewards: Employee Only amount: Up to \$250 Employee + Covered Spouse/DP: Up to \$500	Up to \$2,500	Up to \$2,500
Can be used to pay	Eligible medical and prescription drug out-of-pocket expenses	Eligible health care out-of-pocket expenses ... now or in the future	Eligible medical and prescription drug out-of-pocket expenses	Eligible health care out-of-pocket expenses Funds must be used first before HIA or HRA	Eligible dental and vision out-of-pocket expenses Pays dental and vision expenses and the HSA pays medical and prescription drug expenses
For a list of eligible expenses, see:	Medical section of Employee Benefits Guide on eHR	Medical section of Employee Benefits Guide on eHR	Medical section of Employee Benefits Guide on eHR	IRS Publication 502	IRS Publication 969 and IRS Publication 502
If you leave American	Remaining account balance is forfeited unless you are enrolled in the Standard medical option through COBRA. Then you can continue to use the remaining funds in the account for eligible medical expenses.	Remaining account balance is yours to take with you	Remaining account balance is forfeited unless you are enrolled in the Value medical option through COBRA. Then you can continue to use the remaining funds in the account for eligible medical expenses.	May submit claims for eligible expenses incurred through the end of the month in which you leave AA or incurred through March 15 of the year after you leave AA if you continue FSA coverage under COBRA; any remaining account balance is forfeited	
<p>* For 2013 only. ** Assumes you will earn the maximum Healthmatters Rewards in 2013: \$250 for Employee and \$500 for Employee + Spouse/Domestic Partner</p>					

Vacation and sick time

If you are retiring, (not Article 30 or 50-55 Rule) American will pay you \$3.75 for each hour of sick time left in your bank. The money must go into your 401k.

Unused vacation is paid out at 2 hours and 22 minutes for each day of unused vacation. Ten unused days are 10 x 2:22. It is paid at your hourly flight rate. Keep in mind that you are accruing vacation right now that will be bid next spring, and cannot be taken until next May to April the following year. Also keep in mind that if you were to use all six PVDs for family leave in January and were to leave at the end of January, you would not have accrued enough vacation time to cover those PVDs. You would be required to pay American back for any un-accrued time that you had been paid for. Effective with the LBFO, all PVDs will be paid for three flight hours per PVD used.

WINGS can accept donations of PVDs before you depart the company. They need about four weeks notice. Their contact information is available on the contact pages at the end of this packet.

Retiree Pass Benefits Retirees have all the same pass benefits that they had while they were active with the exception of jumpseat/reciprocal cabin jumpseat privileges. Their service charges will be identical with the level of service charges they had on their day they separate from the company. Service charges are paid by check, until you set up an online payment option. They are not deducted from your pension. See the information in the contact section at the back for NRSA office in Tulsa.

Included: D1, D2, D2P, D3, ID 20 travel, Registered Companion if unmarried.

Not included: jumpseat travel, reciprocal cabin seat travel, and promotional ID20 discounts on AAdvantage tickets.

Per Jetnet

<https://ehrbk.ihost.com/aa/document.do?DOC=KBD0C%2FAAI10376.xml>

“****If you are a retiree or other former employee with travel privileges, in the U.S., European, Pacific, or Canadian regions, you will be invoiced for NRSA charges. Invoices are sent to your address on file with the Company at the end of the month and generally cover travel and payment activity through the 25th of each month. The invoice total is due within 30 days of the invoice date. *Includes retirees, service retirees, Appendix T, and Article 30 pass travelers, Leave of Absence (LOAs), employees affected by Reductions in Force, and on-payroll employees with charges that remain un-deducted after 60 days.

Along with your first invoice, you will receive instructions on how to set up an online payment account.

You can set up an account for online payment after you make your first payment.

Payment of all service charges, taxes, and fees are payable upon receipt of your invoice. Failure to pay within 30 days of the invoice date will result in the suspension of your travel privilege. A \$40 late fee will be assessed and added to the next monthly invoice. After your payment and late fee have been processed, your travel privileges will be reinstated (**allow 1 to 3 business days for reinstatement**).

Note: Be certain to put your six digit employee ID number with an E on the front of your payment (for example - E123456).

Past Due Charges

If a payment has not been posted to your NRSA account, you may first check to see if the check/payment has cleared your bank account. If the payment has cleared your bank, you may send an e-mail to [NRSA Refunds](#) to determine the disposition of the check. If the payment has not cleared your bank, you should contact your banking institution.

If your travel privileges have been suspended for non-payment of NRSA charges, payment along with any late fees, must be received and processed before travel is reinstated. You must allow 1 to 3 business days for reinstatement of your travel privileges.

Paying your invoice charges on time will ensure that there is no interruption to your travel privileges. For this reason, it is especially important to keep your mailing address information updated.

See contact information for non rev refunds/billing at back of packet in contact

Procedures for the Distribution of APFA 3% Equity Claim

APFA will be receiving 3% of the equity issued by American Airlines to holders of unsecured claims (“Equity Claim”) as part of the Company’s Plan of Reorganization in the pending bankruptcy proceedings. APFA intends to distribute that Equity Claim as follows:

Eligibility: Flight Attendants in the service of American Airlines (“American” or “Company”) as of the date of the ratification of the LBFO, August 19, 2012, will be eligible to participate in the distribution.

W-2 Earnings Basis: The distribution formula will be based on each Flight Attendant’s W-2 earnings. W-2 earnings will be defined as total gross earnings paid by American and APFA for service during the applicable measurement period. APFA will rely on records provided by American and its own payroll records in order to determine W-2 earnings.

Measurement Period: The applicable measurement period will run from January 1, 2009 to August 31, 2012. This measurement period is intended to the extent administratively feasible to coincide with the period from the amendable date of the APFA CBA (May 1, 2008) to the ratification date of the LBFO (August 19, 2012).

Distribution Formula: An individual Flight Attendant’s share of the distribution will be equal to her/his total W-2 earnings during the measurement period divided by the aggregate total W-2 earnings of all eligible Flight Attendants during the measurement period.

Claims for Prior Early-Out Payments: Upon filing for bankruptcy, American ceased making monthly payments to individuals entitled to benefits under the 1995 Special Early Out Bridge to Retirement Program and the 1996 Early Out program, in violation of the APFA CBA. APFA asserted claims on behalf of these individuals in its proof of claim filed in the bankruptcy proceeding and therefore these claims were settled as part of the LBFO. The amount of these claims can be ascertained from the terms of the APFA CBA. Accordingly, these claims will be paid from the Equity Claim at the same pro rata rate as generally paid by American to unsecured claimants in the bankruptcy proceeding. These claims will be paid before the W-2 based distribution formula is applied to allocate the Equity Claim.

Form of Distribution: APFA intends to arrange for the distribution of the claim to eligible Flight Attendants in the form of stock in the reorganized Company. If it is not administratively feasible for APFA to make the distribution in the form of stock, APFA will arrange for the liquidation of American-issued stock at the earliest time practicable and arrange for distribution to eligible Flight Attendants in dollars and subject to any applicable withholdings.

Timing of Distribution(s): The timing of distribution(s) of equity by American will be dictated by the Company’s Plan of Reorganization and the timing is currently unknown to APFA. APFA will endeavor to make distributed amounts, whether in stock or dollars, available to eligible

Flight Attendants as soon as practicable after distribution by American.

Administrative Costs: To the extent that there are administrative costs associated with the distribution of the claim, such as fees associated with maintaining stock accounts for the purposes of the distribution, the Equity Claim amount may be used to cover these administrative costs.

Unclaimed/Undeliverable Distributions: APFA will make reasonable best efforts to insure that all distribution amounts are received by eligible Flight Attendants. If distributions remain unclaimed or undeliverable six months following the final distribution of any amounts from the Equity Claim, then these unclaimed or undeliverable amounts will revert to APFA to be used for the general benefit of the membership.

De Minimis Distributions: APFA may determine not to make de minimis distributions. A de minimis distribution is defined as a distribution where the value of the amount to be distributed does not exceed the administrative costs associated with making the distribution. The value of any de minimis distributions may be reallocated based upon the distribution formula if practicable, or otherwise will revert to the APFA to be used for the general benefit of the membership.

Amendments to the Equity Claim Procedures: In the event of a material change in circumstances related to the Equity Claim or the discovery of facts presently unknown to APFA, the APFA Executive Committee, subject to the approval of the Board of Directors, reserves the right to amend these procedures as may be appropriate in light of the changed circumstances or new information.

American Airlines, Inc.

American Airlines HR Services
P.O. Box 9741 Providence, RI 02940-9741

Enhanced Pre-Retirement Survivor Annuity Retirement Benefit Plan of American Airlines, Inc. for Flight Attendants (Participants who were actively employed on or after 9/12/2001)

Employee Number: _____ Social Security Number: _____

Employee Name: _____

If you die before you begin receiving your retirement benefit, the Plan automatically provides a pre-retirement survivor benefit for your spouse through a Qualified Pre-Retirement Survivor Annuity (QPSA) if you are vested and you have been married at least one year at the time of your death. The QPSA provides your surviving spouse a lifetime monthly benefit equal to the surviving spouse's portion of a 50% Joint and Survivor Annuity based on your accrued benefit at the time of your death. In lieu of the QPSA benefit automatically provided by the Plan, you may elect an enhanced benefit that provides your spouse with a greater lifetime monthly benefit by checking one of the boxes below.

I elect the following Enhanced Pre-Retirement Survivor Annuity benefit to be provided for my surviving spouse, if eligible, in the event of my death prior to commencement of my benefit from the Plan.

66 $\frac{2}{3}$ % 75% 100%

Spouse Name: _____

Spouse Social Security Number: _____ Marriage Date: _____

I understand that I have elected a benefit for my spouse, if eligible, that is greater than the QPSA benefit automatically provided by the Plan. The Enhanced Pre-Retirement Survivor benefit shall be payable to my surviving spouse, if eligible, in the event of my death prior to commencing my pension benefit. Once my benefit commencement date has passed, this election is no longer valid. Should I wish to waive this benefit in the future, I may do so by completing the proper form and obtaining my spouse's notarized consent.

Signature of employee: _____ Date: _____

Daytime phone number: _____

Return the completed form to:

American Airlines HR Services
P.O. Box 9741
Providence, RI 02940-9741



**FLIGHT ATTENDANT
RETIREE ID REQUEST FORM**

Retiree IDs are provided at no cost in order that you may continue to enjoy the discounts and benefits associated with being an airline employee; however, they are not required for air travel.

You can request a retiree ID by sending this form along with a self-addressed stamped envelope to the address below:

Flight Academy
Flight Service @ IOC
4601 Highway 360
MD 875 GSW
Fort Worth, Texas 76155

- A copy of your photo identification (i.e., Driver's License, Passport)
- If you retired prior to 2011, please include a head/shoulder color photograph
- Please provide an email if you would like a shipment notice when your ID is sent:

Email: _____

- Employee Number: _____
 - Company Seniority Date: _____
 - Name as you would like it to appear on your ID:
-

Retiree IDs are printed and mailed upon receipt of the request.

Congratulations and enjoy your retirement!

16-May-13

Checklist: Before I leave I need to:

1. Between 90 and 30 days prior to your exit

- a. Upon deciding your exit date, **contact your supervisor** and let them know you will be leaving and give them your exit date.
- b. Go to the retirement planning section in Jetnet. Much of the information available in this packet is available online in that section.
- c. In addition, if you are **leaving under the 50-55 rule**, write your supervisor a note or an email that says you are also leaving under the 50-55 rule on your exit date. In addition, contact HR and let them know you are leaving under the 50-55 rule.
- d. **Apply for your pension** if you plan to collect immediately after leaving the company. You can apply online by using the following path on Jetnet> Jetnet> Benefits> Benefits Service Center> Pension >Request my Pension. You may also call HR at the contact number in the back of this packet. Applying for your pension should be done a minimum of 45 days before leaving if you plan to take your pension immediately after leaving the company.
- e. *****VEOP ALERT******Flight attendants wishing to **commence their pension right away** must bid or adjust their schedule to have their last day worked (LDW) to be the next to the last day of the **CALENDAR** month. Their departure (EO) day will be the day after the LDW (the last day of the Calendar month) and their Pension will be the 1st day of the next **CALENDAR** month. Keep in mind that you are obligated to complete fly-thru trips. If you have a fly-thru trip, you must complete the trip and the EO will be the day following the fly thru. Your Pension can only start on the 1st day of the next calendar month and you will have missed a pension check. (Consider the possibilities of reassignment and cancellation problems when bidding or keeping trips that are late in the month.) See page 49.*
- f. If you plan to take **COBRA benefits** when you leave, you will keep the same coverage you had as an active employee.
- g. **Consult with financial advisers** concerning available pension, , and 401k options.
- h. If you are legally married to a spouse of the opposite gender, make sure you have an up-to-date **QPSA form** on file. You can find the form on the APFA website by clicking National Departments, then Retirement, then QPSA.

2. During the last month you are employed:

- a. **Pull up any contact information**, forms or information on Jetnet you might need in the future.
- b. If you have coverage such as **life insurance, Hyatt Legal, Long Term Care** etc. that you wish to continue after you leave the company, **contact those companies** and make those arrangements. They will not send you the paperwork until after you have left the company, but it must be accomplished within the first 30 days after you leave.
- c. **Pull up any paycheck information** that you might need. It is a good idea to at least print up your December 31 pay check for all the years available.
- d. Everyone should pull up a **pension estimate**. If you are less than 55 years old on your exit date and have 15+ years of retirement eligibility in the plan, pull up two estimates. One should have you commencing your pension on the first of the month after your 55th birthday and one should have you commencing your pension on the first of the month after your 60th birthday. Print and keep with your retirement files. If you are not eligible to get a pension at 55 or at 60 due to too few years of retirement eligibility, use the first day of the month after you turn 65 as the date to commence collecting your pension.
- e. Contact HR to give them your retirement date and set up a **retirement counseling session appointment**. Make a list of questions you wish to ask during the counseling session.
- f. Call the flight attendant service center and let them know your last day worked and that you plan to retire. The number is the same as crew schedule, 817 956 2739 then hit #, then 6, then 3.
- g. **Consider giving uniforms to Wings, such as the “Old Navy” store in DFW**. Call Wings and see if the PVD program is still in affect if you would like to donate some of your pvds to the program.
- h. Get any **medical, dental, or vision needs** taken care of.
- i. **Your 401 k funds cannot be moved or adjusted** during the first 60 days after exit. Make any adjustments in investment choices prior to exit date, or if you plan to roll over into IRA, either do it before exit or realize that you cannot do so until 60 days after leaving the company. Talk to JP Morgan about arrangements to repay any outstanding loans from your 401k Plan. If you close your 401K, you will not be cashed out on any sick time.
- j. **If you have collected Long Term Disability payments** before January 1, 2004, you may be eligible for an additional check. If you collected Long Term Disability between January 1, 1998 and January 1, 2004, you will need to contact Met Life at 1 888 533 6287 to check about eligibility/possibly receiving a check. If you collected Long Term Disability prior to January 1, 1998, you will need to contact Prudential at 800 842 1718 to check on the possibility of receiving a benefit check. You will need to advise them of your

pension commencement date and ask them about receiving the LTD supplemental benefit check to your defined pension benefit.

- k. **Pick out your retirement gift or donate the value of your gift to Wings** by contacting your flight service manager.
- l. Make arrangements with your flight service manager to **return your keys, manual, and ID badge**. Ask about returning any airport access id as well.
- m. **Contact the AA credit union** about new repayment arrangements for loans as they will no longer be payroll deducted.
- n. **Research medical insurance coverage** choices available for purchase after you exit the company i.e. COBRA, AA retiree medical (Retiree standard plan and Value Plus), coverage under spouse if they are an AMR employee, other insurance available from your spouse's medical coverage, Medicare, state insurance programs, or Health Choice(www.infohealthchoice.info) Health Choice's phone number is 877 803 2473. You will be solicited for coverage by both Benefits Concepts for COBRA and by Health Choice.

3. Within the first 30 days after I leave-Medical Insurance in retirement.

- a. **If your spouse/partner works for AMR** and you wish to be covered under their plan, they will need to add you by processing a "life event" on the benefits center in Jetnet. This cannot be done until you leave but needs to be done within **60 days** after the event occurs.
- b. Coverage from your spouse/partner who works for another company will need to be filed as a life event. Check for that company's policies and deadlines.
- c. If you are planning on keeping any of your active coverage available under **COBRA**, you must sign up within 60 days of your exit date. Contact Benefits Concepts (1 866 629 0274) if you have not been solicited for COBRA coverage in the first 45 days after your exit.
- d. **Over 65**-AA sponsored retiree medical coverage ends at age 65. You may continue to purchase AA retiree medical (under the current coverage plan) for a younger spouse until they reach 65 and (under the current plan) a dependent child until they are 23 as long as AA continues to offer retiree medical coverage for sale. Retirees age 65+ and eligible spouses/domestic partners age 65+ will be solicited to purchase Medicare "**Medigap**" Insurance directly from UnitedHealthcare Medicare Solutions. You may purchase coverage with UHC or a provider of your choice.

Within the first 30 days after I leave-misc.

- a. Complete and submit a **retiree id form**. You can find this form on the APFA website by clicking National Departments, then Retirement, then Retiree ID Form
- b. Make sure both AMR and the APFA have your **correct address, phone number** and email. Keep this updated at all times. Keep in mind that if the union cannot contact you, they have no ability to send you your equity stake.
- c. If you have any **optional insurance coverage** you wish to keep after exit, i.e. Long Term Care, Hyatt Legal, Met Life for life insurance, Group Homeowners and Auto Insurance, you must contact the specific provider to establish a new payment plan.
- d. Make sure to file any **outstanding active medical, dental, or vision claims** as well as receipts to flex spending before deadlines expire for reimbursement.

60 days and later after you leave

- a. Your 401k is now available for changes or transfers.
- b. Keep your contact information updated
- c. Don't forget to pay your travel service charges on time to avoid disruption of travel privileges and late fees.
- d. Don't forget to pay your medical insurance premiums (Retiree Medical or COBRA).
- e. If you are purchasing retiree medical, keep in mind coverage may change each year, so don't forget to check in each October during benefits enrollment.
- f.

Best wishes in you new adventures. You will be missed!

VEOP ALERT!!!

This section applies to VEOP folks and may not apply to those retiring after September 30, 2013.

Flight attendants wishing to commence their pension immediately must bid or adjust their schedule to have their last day worked (LDW) to be the next to the last day of the **calendar** month.

- Their Departure (EO) day will be the day after the LDW and their Retirement/Pension will be the 1st day of the **calendar** month.

For example: For Flight attendants awarded **MAR** as their departure month, the LDW needs to be 27Feb and the EO day needs to be 28Feb so they can RT or commence pension on 01Mar. If this flight attendant's LDW is on 28Feb, then their EO day will be 01Mar and RT/Pension will commence the 1st day of the **next calendar** month, 01Apr.

· Flight Attendants are obligated to complete carry-over trips. If you are pension eligible and you have a carry-over trip, you must complete the trip and the EO will be the day following the carry-over. This includes anyone removed from a carry-over for VC or sick. Your RT/Pension will be effective on the 1st day of the **next calendar** month.

Please note: Flight Attendants in their grace month who hold a carry-over will be removed without pay on the 16th day of each month since they will not be qualified to fly the trip. The EO day cannot be moved for carry-over removals.

· Below is a table outlining all departure months. If you are pension eligible, the LDW, EO and RT/Pension effective days are listed below for you to consider:

VEOP Departure	EO Date	IF PENSION ELIGIBLE: LDW	IF PENSION ELIGIBLE: EO	IF PENSION ELIGIBLE: RT/PENSION START
MAY	02MAY13	29APR13	30APR13	01MAY13
JUNE	02JUN13	30MAY13	31MAY13	01JUN13
AUG	01AUG13	30JUL13	31JUL13	01AUG13
SEP A	31AUG13	30AUG13	31AUG13	01SEP13
SEP B	30SEP13	29SEP13	30SEP13	01OCT13

Q. What is the difference between retirement and pension?

A. Retirement is one's status that provides access to retiree medical benefits and retiree travel privileges. Pension is a defined pension payment, and a kit must be mailed out to the employee to complete, they return it and then a payment is made.

As a reminder: You must contact HR Services to initiate Retirement.

To ensure a smooth transition into Retirement, please visit the Retirement Checklist on the Retirement Page on Jetnet. This is a comprehensive checklist to help you understand about your benefits and privileges into retirement. You must contact HR Services at 1-800-447-2000

to request your Retirement Payroll Transaction Record (PTR) and you may request to have a one on one Retirement Counseling session. This may take up to an hour.

You must also request your Pension Kit, via the Benefits Service Center on Jetnet, My Pension Tab at least **45 days** prior to your desired commencement date. This kit will provide you your estimated monthly pension amount as well as all the pension paperwork you need to commence your pension.

Q. Am I required to initiate retirement or commence my pension upon my departure date?

A. No. Eligible Flight Attendants may choose to retire and/or commence pension at a later date. Pension and retirement benefits can commence on different dates if the employee chooses.

Q. If I choose to commence my retirement and /or pension in conjunction with my voluntary early out date, what should I do?

A. - **First**, make sure you visit the Retirement Planning page on Jetnet and have contacted HR Services for your retirement counseling session at 1-800-447-2000.

- **Second**, make sure you request your Pension Kit via the Benefits Service Center on Jetnet, My Pension Tab at least 45 days prior to your desired commencement date. (Please note: Pensions always commences on the 1st day of the **calendar** month.

- **Third**, make sure you bid according to the instructions to the left of this page. As recommended, your LDW must be the same as the day listed in the table to be eligible for your retirement and/or pension to commence in conjunction with your EO day.

- **Fourth**, if your LDW is on or before the date listed in the table, contact the Flight Attendant Service Center at 1-800-VIP-Crew, Log-in, hit # then 6, then 3. Advise the Flight Attendant Service Center representative that you have contacted HR Services and/or sent in your Pension Kit. The representative will move your EO day to the date shown in the table so your retirement/pension can commence on the 1st **calendar** day of your departure month

Planning For the Future -- Contacts

American Airlines Federal Credit Union

P.O. Box 619001 MD 2100, HDQ
DFW Airport, TX 75261-9001
(800) 533-0035
(817) 952-4500

Social Security

1 800 772 1213

To apply online go to:

<http://www.socialsecurity.gov/planners/about.htm>

to get an estimate of your social security benefits go to:

<http://www.socialsecurity.gov/estimator/>

Home page: www.socialsecurity.gov

Medicare

1 800 medicare or 1 800 633 4227

www.medicare.gov

To sign up or change plans:

<http://www.medicare.gov/sign-up-change-plan/index.html>

Link to Medicare and You 2013

<http://www.medicare.gov/Library/PDFNavigation/PDFInterim.asp?Language=English&Type=Pub&PubID=10050>

Who You Gonna Call?

References, Contacts, and Links

Health and Welfare Benefits General questions, dependent eligibility, information updates,	HR Services AMR Corporation MD 5141-HDQ1 P.O. Box 619616 DFW Airport, TX 75261-9616	1-800-447-2000 Website: http://www.jetnet.aa.com/ Chat live with HR Services: Click on the “Start a Chat” button on the top of this page. Chat hours are 8:00 a.m. to 5:00 p.m. CT, Monday through Friday.
<u>Medical and Mental Health/Chemical Dependency Coverage</u>		
§ Retiree Standard Medical Option § Retiree Value Plus Option Network/claims administrator	UnitedHealthcare AMR Medical Claim Unit P.O. Box 30551 Salt Lake City, UT 84130-0551	For information about:
§ Retiree Standard Medical Option § Retiree Value Plus Option Network/claims administrator	Aetna P.O. Box 981106 El Paso, TX 79998-1106	1-800-572-2908 Website: https://www.jetnet.aa.com/jetnet/go/ssoaetna.asp Provider directory: http://www.aetna.com/docfind/custom/americanairlines
§ Retiree Standard Medical Option § Retiree Value Plus Option Network/claims administrator	Blue Cross and Blue Shield of Texas P.O. Box 660044 Dallas, TX 75266-0044	1-877-235-9258 Website: https://www.jetnet.aa.com/jetnet/go/ssobcbs.asp Provider directory: http://www.bcbstx.com/americanairlines
<u>Prescription Drugs</u>		
Mail Service Drug Option (Mail Order Pharmacy Service)	Medco P.O. Box 3938 Spokane, WA 99220-3938	1-800-988-4125 Website: https://www.jetnet.aa.com/jetnet/go/ssomedco.asp
Prescriptions-Prior Authorization	Medco 8111 Royal Ridge Parkway, Suite 101 Irving, TX 75063	1-800-988-4125

Prescriptions-Retail Standard Medical Options Value Plus	Medco Member Services - Phone Inquiries	1-800-988-4125
Filing Retail Prescription Claims Standard Medical Options and Value Plus Option	Medco P.O. Box 2160 Lee's Summit, MO 64063-2160	1-800-988-4125 Website: https://www.jetnet.aa.com/jetnet/go/ssomedco.asp
Life Insurance		
Retiree Insurance Benefit-conversion of current policy-monthly fee required	MetLife American Airlines Customer Unit P.O. Box 3016 Utica, NY 13504-3016	1-800-638-6420
Long-Term Care Insurance Plan		
Long-Term Care Insurance Plan	MetLife Long-Term Care 57 Greens Farms Road Westport, CT 06880	1-888-526-8495
Cobra (continuation of active coverage)		
Continuation of Coverage (COBRA Administrator)	Benefit Concepts Inc. P.O. Box 246 Barrington, RI 02806- 0246	1-866-629-0274 Website: http://www.benefitconcepts.com/
Other American Airlines sites		
Pension Benefits Administration Committee (Information about appeals)	PBAC American Airlines MD 5134-HDQ1 P.O. Box 619616 DFW Airport, TX 75261-9616	ICS or 1-817-967-1412
Non revenue travel	American Airlines Attn: NRSA P.O. Box 582859 Tulsa, Ok 74158- 2859	800 447 2000 Fax 918 254 3454 lcs: 918 254 3433
Group Prepaid Legal Services	Hyatt Legal Plans, Inc. 1111 Superior Avenue Cleveland, OH 44114-2507	1-800-821-6400

J. P. Morgan	J.P. Morgan Retirement Plan Services LLC ATTN: Super Saver 401(k) Plan P. O. Box 419784 Kansas City, MO 64141-6784	Phone information		
		Service	Number	Availability
		Automated service	1-800-345-2345	24 hours a day, 7 days a week
		Representatives	1-800-345-2345	Weekdays between 7am - 8pm CT
		International phone number	1-847-857-3000	Automated service 24 hours a day, 7 days a week Representatives weekdays between 7am - 8pm CT
Telecommunication Device for the Deaf (TDD)	1-800-345-1833	Weekdays between 7am - 8pm CT		

Wings		Wings PO Box 610563 DFW Airport, Texas 75261-0563 817 571 7083
Health First TPA Supplemental Medical Plan/back up to retiree medical	Claims: P.O. Box 130217 Tyler, Tex 75713-0217 Enrollment P.O. Box 130187 Tyler, Texas 75713-0187	1 800 477 2287 www.hftpa.com customer service customerservice@hftpa.com

Additional contacts important to you
