

AMERICAN AIRLINES LAST BEST AND FINAL OFFER TO
THE ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS
JULY 19, 2012
(this page updated 7-27-2012 – supersedes previous version)

ATTACHMENT G
RETIREE MEDICAL & LIFE – FLIGHT ATTENDANTS

1. Amend the collective bargaining agreement, any letter agreements and any ancillary documents so that the Company is not required to maintain, fund, or provide for retiree medical or retiree life benefits, including elimination of the retiree medical and retiree life insurance references.
2. Early retirees age 55 – 64 will have access to a company sponsored retiree medical option. Contributions for this coverage will be 100% of projected annual expenses (which includes administrative expenses) using data, assumptions, and methodologies for calculating future retiree healthcare costs. For 2012, the Company will offer the pre-65 plan design (which includes a provider network) offered to management employees.
3. Retiree medical option for age 65 and over will cease. Retirees will be offered access to purchase a guaranteed issue Medicare supplement plan through a third party administrator to the extent available.
4. A participant who currently prefunds for retiree medical will be refunded the employee's prefunding account (which reflects investment experience).
5. Contingent on the successful resolution of the Section 1114 process, as soon as practicable after termination of the Trust Agreement for the Group Life and Health Benefits Plan for Employees of Participating AMR Corporation Subsidiaries (Union Employees), the Company prefunding contributions for each participating active employee, and investment earnings attributable thereto, will be distributed to the employee (subject to applicable tax withholdings), excluding employees who have already received refunds of their employee prefunding accounts.
6. Although it is the Company's intention to continue to make available access to early retiree medical coverage (age 55 – 64), the Company will reserve the right to modify, amend, or terminate the plan at any time.
7. Retiree life insurance benefit will be discontinued.