

Monthly Healthcare Cost-sharing Contribution for the 2010 Calendar Year

The monthly employee cost-sharing contribution for the 2010 calendar year for the Railroad Employees National Healthcare Plan will be \$200.00. This represents an increase of \$29.04 over the 2009 contribution rate of \$170.96.

A steep increase in premium rates was caused by the substantial drop in the number of employees actively employed in the industry. Furloughed employees receive extended coverage after furlough while no premium payments are made on their behalf. Put simply, the number of claimants did not drop significantly; however, the contributions into the fund did because of the furloughs.

The actual cost-sharing increase would have been higher had the unions not secured a cost-sharing cap under the July 1, 2007 National Agreement.