



IAM-TWU 2021 Disability Benefits

June, 2020

Plan Design and Rates

- Plan design will be the same as the current CWA-IBT LTD Plan excluding the current Severe Condition Benefit which is a \$5,000 lump sum benefit for severe conditions including, but not limited to cancer, heart attack, kidney or other major organ failure requiring transplant

| Plan Provision | Plan Provision |
|---|---|
| Eligibility | All team members on active payroll with a disability date <i>on or after</i> 1/1/2021 |
| Elimination Period | Later of 4 months or off payroll |
| Monthly Benefit Amount | 60% of Benefits Salary |
| Disability Definition (1 st 24 months) | Not gainfully employed in any job |
| Disability Definition (After 24 months) | Unable to secure gainful employment |
| Benefits Salary Definition | Base pay plus skill / license premium |
| Benefits Duration | < 60 at disability = To age 65 > 60 at disability = 5 years |
| Return to Work Program | Voluntary |
| Offsets | Unemployment, SSDI, Workers' Comp, Outside employment earnings, Pension |
| Benefit Limitations | 24 months for soft tissue and/or musculoskeletal |
| Mental Illness/Substance Abuse | 24 months lifetime |

Rates Comparison Illustration & 2021 Rates

| Plan | Rate | Monthly Rate |
|-------------------|--|--------------|
| Final IAM-TWU LTD | \$1.116 / \$100 of covered benefits salary | \$60.45 |
| Current IAM LTD | \$1.59 / \$100 of covered monthly benefit | \$51.68 |
| Current TWU LTD | \$0.97 / \$100 for first \$1,250 of covered benefits salary \$2.02 / \$100 for covered benefits salary over \$1,250 | \$96.29 |

- Assumptions applied to all plans
 - Benefits Salary = \$65,000
- IAM LTD Assumptions
 - Monthly Benefit = 60%
 - Elimination Period = 90 days
 - Age = 45
- TWU LTD Assumptions
 - Age = 45

| Final 2021 Rates | |
|------------------|----------|
| Age Band | Rate |
| < 35 | \$ 0.203 |
| 35 to 39 | \$ 0.595 |
| 40 to 44 | \$ 0.825 |
| 45 to 49 | \$ 1.116 |
| 50 to 54 | \$ 1.493 |
| 55 to 59 | \$ 1.720 |
| 60 to 64 | \$ 1.641 |
| 65+ | \$ 0.589 |