



Railroad Accounts
185 Asylum Street, Hartford, CT 06103
PO Box 150453
Hartford, CT 06115-0453

November 21, 2011

Mr. David Marcus
Director Employee Benefits
National Railway Labor Conference
1901 L Street, N.W., Suite 500
Washington, D.C. 20036

Dear Mr. Marcus:

**The Railroad Employees National Early Retirement Major Medical Benefit (ERMA) Plan
2012 Lifetime Maximum**

At the end of 2001, Labor and Management had agreed on various procedures to administer the annual changes in the amount of the lifetime maximum benefit under the ERMA Plan. This letter provides information for 2011 consistent with these procedures.

1. In conjunction with the formula established in 2001, we have calculated the new lifetime maximum by utilizing the October 2011 CPI data for Hospital and Related Services and Physician Services. We weighted these individual components using Plan specific types of service and applied this composite product to the current lifetime maximum to obtain the incremental value for the upcoming year. The result is a lifetime maximum for 2012 of \$131,500.
2. For individuals who have reached the lifetime maximum, the incremental maximum available is applied to eligible expenses submitted for dates of service on or after the effective date of the new maximum. For 2012, this amount will be \$5,300.
3. This change will apply to all railroads and crafts participating in ERMA.

This information will be communicated to our service center operations so that they may respond to inquiries on behalf of railroad employees seeking to understand the changes in the lifetime maximum and their retirement plans.

Under separate correspondence we will be providing a draft news article to communicate the lifetime maximum increase to all Labor Organizations.

I hope this information is helpful. If you have any questions, please let me know.

Very truly yours,

A handwritten signature in black ink that reads 'Frances P. Hart'.

Frances P. Hart
Account Director
(860) 702-5304

cc: JPC Subcommittee