

The following is an excerpt from the Railroad Maintenance and Industrial Health and Welfare Fund's Plan D Summary Plan Description which may be viewed on the Fund's website at www.rrfunds.org.

Rules of Eligibility

Who Is Eligible

All employees who fulfill the eligibility rules specified below will be eligible for the benefits described in this booklet.

When Your Benefits Commence

You will be covered on the date you become eligible.

General Provisions

Eligibility is based on your work for which contributions are paid to the Railroad Maintenance and Industrial Health and Welfare Fund ("the Fund") by your employer as required by the collective bargaining agreements, acceptable to the Fund, entered into between your employer and the local unions, or as required by other written agreements between your employer and the Fund. Most employees that are covered under the Plan work under a collective bargaining agreement requiring a contribution to the Fund at either a fixed rate for each hour worked or a flat monthly rate. These rates are established under the applicable collective bargaining agreement.

In addition to collectively bargained employees, the Fund covers certain non-collectively bargained employees who are affiliated with the Fund or with employers that contribute to the Fund for collectively bargained employees. The rules of participation of non-collectively bargained employees are defined in their participation agreements with the Fund. The rates are established by the Trustees. It is expected that different employers participating in the Fund may negotiate different rates of contribution to the Fund subject to the approval of the Board of Trustees. Therefore, the Plan has been established to provide benefit programs supported by different contribution rates. The Plan of benefits for which an employee will qualify will be determined by the contribution rate paid to the Fund on his behalf due to his employment; an employee who meets the eligibility requirements as set forth on the following pages and who has contributions made to the Fund on his behalf at the contribution rate(s) required by the Trustees for Plan D benefits will be eligible for Plan D benefits.

Eligibility: Collectively Bargained Employees – Hourly Rate

Initial Eligibility

For you to become eligible for benefits, employer contributions must be paid to the Fund for at least 300 hours of your work within a three consecutive month period. Your benefits will become effective as of the first day of the second month following completion of this initial eligibility

requirement. For example, if you are credited with at least 300 hours of contributions for your work in January, February, and March combined, you will be eligible for benefits in May; if you are credited with a least 300 hours of contributions for work in January and February, you will be eligible for benefits in April.

Continued Eligibility

Once you become eligible for benefits, your eligibility will continue from month to month as long as at least 100 hours of contributions are received on your behalf from a contributing employer for your work during the preceding month. If you do not meet the requirement of 100 hours of contributions, you will continue to be eligible for benefit coverage if at least 1,000 hours of contributions are received on your behalf from a contributing employer for work performed in the preceding consecutive twelve-month period. Your coverage will be continued for up to a maximum of four consecutive months based on the 1,000 hours rollback rule.

This rollback rule does not apply to termination of collective bargaining units.

Eligibility Termination

Your eligibility will terminate on the last day of the second month following the month in which you no longer meet the Continued Eligibility requirement. For example, if you fail to receive credit for at least 100 hours of work in June and you failed to meet the 1,000-hour rule, your eligibility for benefits will end as of August 31.

Eligibility Reinstatement

If your eligibility terminates in accordance with these rules, you can again become eligible for benefits by meeting the requirements described under the “Initial Eligibility” section.

Termination of Plan Participation by Collective Bargaining Unit

When a collective bargaining unit terminates participation in the Railroad Maintenance and Industrial Health and Welfare Fund, the eligibility of any employee covered under the bargaining unit will terminate at the end of the month following the month in which the Fund first receives less than 100 hours of contributions for that employee. If a collective bargaining unit terminates participation in the Fund, for any reason other than the employer’s cessation of business, then the continued eligibility of the employer’s employees under the 1,000-hour rollback rule will be determined without reference to any time worked for the terminated employer.

For this purpose, a bargaining unit will be considered terminated as of the last date of its collective bargaining agreement with the Union which requires employer contributions to the Fund.

This rule supersedes the Plan rules governing an individual’s termination of participation in the Plan.

Eligibility of Disabled Employees (Applicable to All Eligible Employees)

An employee who becomes disabled while eligible under the Plan and who was employed by a participating employer at the time such disability commenced may be entitled to a continuation of his eligibility for a maximum period of three months per period of disability, at no charge to the employee, provided he satisfies the requirements set forth below. An eligible employee who qualifies for such continuation and for whom contributions are paid into the Plan on an hourly basis will be credited with 100 hours per month of disability, such credit to be awarded in weekly increments for each week or partial week of disability. An eligible employee for whom contributions are paid based upon a flat monthly amount will be awarded such credits in monthly increments for each consecutive month in which the employee is continuously disabled for a period of not less than two weeks, but only if the employee's employer is not otherwise obligated to remit a contribution to the Plan for such month(s).

An eligible employee will be considered disabled for this purpose if he becomes continuously disabled while eligible because of an occupational or non-occupational accidental bodily injury or illness which prevents him from working at his regular occupation and which requires the regular care of a Physician. A determination of "disability" under this provision can only be made by a Physician or by a finding of disability by the Social Security Administration, subject to the provisions outlined in the previous sentence. Neither the Fund office nor the Board of Trustees can make a determination of disability. Successive periods of disability not separated by a return to active employment will be considered as one continuous period of disability.

Credits will be granted under this provision only for disabilities which continue for more than seven consecutive days. However, credits will be granted to employees who qualify beginning with the first day of disability. Such credits will be limited to three months for each continuous period of disability.

Military Service and Eligibility (Applicable to All Eligible Employees)

If you are inducted or enlist or are otherwise called to active duty in the uniformed services of the United States of America, you will be entitled to continued coverage or the right to make self-contributions for continued coverage as set forth below:

1. For active uniformed service of less than 31 days – your coverage will be continued without charge to you, provided you report to work no later than the first regularly scheduled working period one week after termination of active duty.
2. For active uniformed service of 31 days or more – all benefits for you and your Dependents will be terminated on the date you enter active uniformed service for a period of service of 31 days or more, except as follows:

- a. You may choose to continue coverage based on hours you have already worked. You may elect to use your accumulated eligibility to continue coverage under the Fund or may elect to defer the use of your eligibility until your reemployment as described below. Failure to elect continued coverage under this provision will result in an automatic deferral of any accumulated eligibility.
- b. Upon termination of coverage as provided in this section, you may elect to continue coverage for the period of active uniformed service, not to exceed 24 months, by making COBRA continuation coverage payments. In order to be entitled to make COBRA payments, you must notify the Fund office in writing within 60 days following the date on which your coverage would otherwise terminate.

If you are discharged from active uniformed service of 60 months or less, you will be reinstated for benefits provided you submit an application for reemployment or seek reemployment through a participating local union within 14 days (if the active uniformed service is for 31 to 181 days) or 90 days (if the active uniformed service is more than 181 days) from the date of the discharge.

The time for reemployment application will be extended in the event of injury or hospitalization as further provided in the Uniformed Services Employment and Reemployment Rights Act of 1994.

If you have chosen to use your accumulated eligibility as explained above and, as a result, do not have enough hours accumulated to continue your coverage under the Fund upon reemployment, you will be required to make monthly self-payments to the Fund in order to regain and continue your coverage. Monthly payments will be required until you have worked enough hours to satisfy the requirements for Continued Eligibility.

The term active uniformed service includes active duty with the Armed Forces, the Army National Guard and the Air National Guard (when engaged in active-duty training, inactive duty training or full time National Guard duty), the commissioned corps of the Public Health Service and any other category of persons designated by the President of the United States in the time of war or emergency.

Eligibility Continuation Rules (Applicable to All Eligible Employees)

If eligibility terminates, you may elect to continue your benefits under the Plan in accordance with the Continuation of Coverage (COBRA) rules, described in the Summary Plan Description of the Railroad Maintenance and Industrial Health and Welfare Fund beginning on page 48. This document may be viewed on the Fund's website at www.rrfunds.org.

Eligibility and Effective Date

You will be eligible for benefits on the date you become eligible according to the Rules of Eligibility. Your noncontributory Death Benefit, Accidental Death and Dismemberment Benefits, Medical Benefits and Dental Benefits will become effective on the date you are eligible.