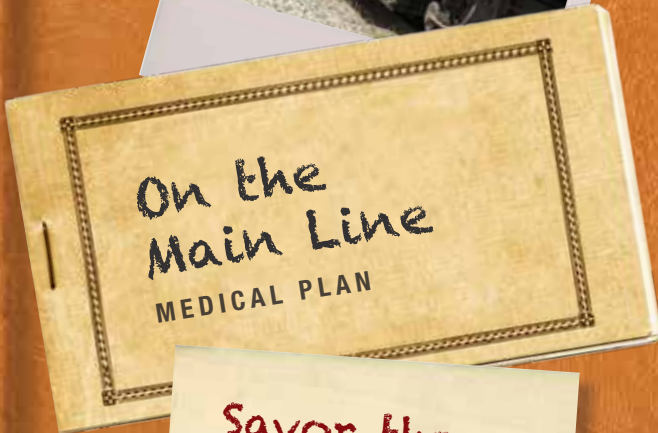


MY BENEFITS Journal

2016 Alaska Railroad Corporation Benefits
for Non-Represented, and
ARW- and TCU-Represented Employees





welcome

to My Benefits Journal

As an Alaska Railroad Corporation employee, you make an important contribution to Alaska's transportation system and the lives of all Alaskans every day. Your dedication makes the Alaska Railroad Corporation a great place to work.

It's our goal to provide you with affordable, high-value benefits, which is why you have two medical plans from which to choose, depending on what's best for you and your family. Our dental coverage is a separate plan, so you have the option of waiving dental coverage.

As always, we continue to offer retirement plans, life insurance options, and many other valuable benefits.

We make a significant investment in your benefits, and believe it's important to help you understand them. To that end, this guide provides easy-to-understand information about ARRC's benefits that will help you choose what's best for you and your family.

After you've reviewed *My Benefits Journal*, hold on to it so you can refer to it later if you need to.

Thank you for your service to ARRC and for helping to keep Alaska moving.

In good health,



Bill O'Leary
ARRC President & CEO

table of contents

All Aboard! – Enrollment.....2

Planning Your Journey – All the Benefits Available to You....4

The Rail System – Health Plan.....6

On the Main Line – Medical Plan.....8

Choosing Your Ride – Prescription Drug Plan.....23

The Branch Line – Wellness, Dental, Vision Plans.....24

Extra Support – Flexible Spending Accounts.....27

Traveling the Trestle – Life Insurance.....29

Staying on Track – Employee Assistance Program.....31

Savor the Scenery – Retirement.....32

Regular Maintenance – Retiree Medical Plan.....36

Bells and Whistles – Other Benefits.....37

Legal Notices.....38

Benefits Directory..... Back Cover

Sneak peek at what's inside!



ON THE MAIN LINE
Medical | 8

CHOOSING YOUR RIDE
Prescription Drug | 23

THE BRANCH LINE
Wellness, Dental, Vision | 24

SAVOR THE SCENERY
Retirement | 32



all aboard!

Enrollment

Before you start your journey, make sure you have your ticket, luggage, camera, money, itinerary and everything else you need for your adventure.

When you travel, you have many decisions to make, before and during your trip. The same level of planning and care goes into managing your benefits, too. This guide is your map through the benefits available to you; it will help you navigate all of the plans' features.

How to Enroll

If you're enrolling in benefits with Alaska Railroad Corporation for the first time, you will receive your enrollment materials at the new-employee orientation. You may then submit your benefits enrollment forms and separate FSA or HSA forms to Human Resources in one of four ways (see the back page of *My Benefits Journal* for contact information):

1. Mail — interoffice or U.S. mail
2. Fax
3. Email
4. Hand deliver

Qualified Life Event

You can make certain benefit changes throughout the year when something significant happens in your life. Examples of qualified life events include:

- Marriage
- Divorce
- Birth or adoption of a child
- Death of legal spouse or dependent
- Employment change for legal spouse or dependent

If you experience a qualified life event and want to enroll or change your enrollment, you must submit new benefits, FSA or HSA enrollment forms and proof of the event to HR within 31 days from the date of the event. If you don't, you must wait until the next Open Window period to change your benefits.

Even if you don't make any enrollment changes, you must notify HR if you get married, divorced or widowed.

OPEN WINDOW FOR BENEFITS ENROLLMENT

Once a year during Open Window, which is typically in the fall, you can review your benefits and coverage, and make changes for the coming year.

You may enroll or make changes:

- Within 31 days from your eligibility date;
- During the annual Open Window; or
- Within 31 days from a qualified life event (see page 2).

SAVE MONEY WITH THE PRETAX PREMIUM ONLY PLAN (POP)

If you'd like to have more take-home pay, there is a way: You may have your share of some insurance premiums deducted from your paycheck before income tax is calculated. That means taxes are calculated on a smaller chunk of your income so you pay less tax and have more pay to take home.

Plan premiums that qualify for POP:

- Health Plan
- Railroad Employees' National Dental plan
- ARRC Optional Dental Plan
- Basic Life and AD&D





planning your journey

All the Benefits Available to You

Before you begin your adventure, you pick a destination, decide what you need to take and what you want to explore.

Planning is important when you're considering your benefits adventure, too. When you start your journey, your needs are different from what they are at the end — and they may change a few times along the way. That's why it's important to review your benefits every year, even if you don't make any changes.

ARRC's benefits include:

- **Health Plan** — Two options for medical, prescription drug and hearing coverage, plus vision coverage
- **Dental Plan** — ARRC Optional and Railroad Employees' National Plan (represented employees only)
- **Health Savings Account** — Gold Plan only
- **Flexible Spending Accounts** — Health Care FSA (Blue Plan only), Dependent Care FSA
- **Life Insurance** — Basic Life and AD&D, Optional, Standard and Dependent Life
- **Employee Assistance Program**
- **Retirement Plans** — ARRC Pension, 401(k) Savings Plan, 457 Deferred Compensation Plan
- **Retiree Medical Plan** — Not available to ARW- and non-represented employees hired after November 4, 2014, and TCU-represented employees hired after March 31, 2015
- **Paid time off** — Annual leave, sick leave, holidays
- **Free travel on Alaska Railroad**

Summary Plan Descriptions (SPDs), which provide more information and detail, are available on ARRC's intranet for:

- Health Plan (also see your Summaries of Benefits and Coverage)
- Dental Plan
- Life Insurance Plan
- Pension Plan
- 401(k) Savings Plan
- 457 Deferred Compensation Plan
- Flexible Spending Accounts

You can access SPDs on the ARRC InsideTrack/Benefits/Insurance. The Pension Plan is available at myatessa.com; the Tax Deferred Savings Plan is available at vanguard.com, and the Health Plan, at Premera.com.

Have you checked your beneficiaries lately?

Deciding who should receive your Life Insurance and Pension or Savings Plan benefits ensures your benefits go to the person — or people — you intend.

We encourage you to check your beneficiaries once a year. When life changes course, it's easy to forget this small but important detail. You may change your beneficiary any time during the year.

You can update your ARRC Pension Plan beneficiaries by downloading, printing and filling out the Beneficiary Designation for Pre-Retirement Death Benefits form at myatessa.com. Or, you can get the form from HR. Mail the form to Atessa Benefits (see address on page 23).

For your 401(k) and 457 plans, update your beneficiaries at vanguard.com.

To change your life insurance or unpaid compensation beneficiaries, download, fill out and submit the Beneficiary Designation forms from InsideTrack/Benefits/Insurance, or contact HR.

the rail system



Health Plan

A comprehensive rail system comprises main lines, spurs and branch lines, whistle stops and large rail yards in order to transport important cargo: people and freight.

ARRC's Health Plan also is comprehensive. Coverage includes:

- Medical and prescription drug — Blue and Gold plans
- Vision
- Hearing

Our health plan is “self-funded.” This means ARRC is financially responsible for paying medical claims. We contract with Premera Blue Cross Blue Shield of Alaska to administer the plan. This arrangement provides ARRC flexibility in the kinds of benefits we can offer you without the limitations of state mandates or insured products. It also means that we all play an important role in controlling overall costs.

In addition, ARRC pays the largest part of your premiums every pay period — more than 80 percent for both the Blue and Gold plans.

We encourage you to engage in your health and wellness. An easy way to do that is to take advantage of preventive health care, which both plans cover at 100 percent when you visit a preferred provider. You won't pay any out-of-pocket fees for services like annual checkups or screening mammograms.

WHO'S ELIGIBLE?

Employees

Represented and non-represented employees have different eligibility dates, as shown in this table::

EMPLOYEE GROUP	ELIGIBILITY
Non-represented employees	Eligible on hire date. Must enroll within 31 days.
Represented employees	Eligible after 90 days of cumulative service. Must enroll within 31 days.

Dependents

Eligible dependents are your:

- Legal spouse (must provide marriage certificate)
- Adult children up to age 26 (must provide birth or adoption certificate)
- Dependent children (must provide birth certificate or adoption certificate):
 - Biological children
 - Stepchildren
 - Adopted children and children placed with you for adoption
 - A child for whom you have court-appointed guardianship or custody

KEY TERMS

Knowing the vocabulary and your medical care options before you need help are important steps to becoming a wise health care consumer.

We'll define some common terms, and then take you on a tour of your health plan benefits.

Deductible — A fixed amount of money you must spend for health care before ARRC's medical plan starts paying. You must meet a new deductible each year. Once you meet it, you're only responsible for paying copays and coinsurance.

Coinsurance — The portion of a health care provider's fee that you must pay after you meet the deductible. For example, if the plan's allowed amount for an office visit is \$100, your coinsurance payment of 20 percent is \$20. Your health care plan pays the rest.

Out-of-pocket maximum — The yearly out-of-pocket maximum is the most your ARRC medical plan requires you to pay toward the cost of your health care.

Out-of-pocket expenses include the annual deductible plus coinsurance. When you reach this maximum, the plan pays 100 percent of covered services for the rest of the calendar year.

Copay — Blue Plan only: A fixed amount that you pay only on some generic prescription drugs when you have them filled. The plan pays the balance owed. The copay doesn't apply to your deductible but it does count toward your out-of-pocket maximum.



on the main line

Medical Plan

Just as the main line is a railway system's primary channel between stations, the medical plans are your main lines to staying healthy. They provide solid, affordable benefits that keep you and your family on track.

For 2016, ARRC offers two plans from which you may choose:

1. **Gold Plan** — High-deductible health plan (HDHP) with Health Savings Account
2. **Blue Plan** — A preferred provider plan (PPO)

WAIVING COVERAGE

You may waive ARRC's medical or dental coverage by checking the appropriate box on the enrollment form. If you waived 2015 medical coverage, your waiver will continue unless you submit an enrollment form electing coverage.

The table on page 9 shows which features are the same for both plans, and which ones are different. We'll explore the common features first, then review the details of each plan.

Selecting a provider

You may use any provider (doctor or hospital) you want, but you'll pay less coinsurance when you use preferred providers:

Preferred providers – 20 percent
(ARRC pays 80 percent)

Participating providers – 40 percent
(ARRC pays 60 percent)

Non-contracted providers – 50 percent
(ARRC pays 50 percent)

✓ = benefit is the same for both plans

✓ = benefit is different in each plan

BENEFIT	FOR MORE INFORMATION, SEE PAGE ...	GOLD PLAN HDHP	BLUE PLAN PPO
Premera Blue Cross Blue Shield of Alaska administers	Back cover	✓	✓
Covers 100% preventive care from a preferred provider	10	✓	✓
Prescription drug coverage	13, 16, 23	✓	✓
Hearing coverage	13, 16	✓	✓
Vision coverage	26	✓	✓
Dental coverage	25		
NurseLine – 24/7 advice	20	✓	✓
Teladoc – virtual medical care	14	✓	✓
May use any provider, but you pay less with “preferred” and “participating” providers	10	✓	✓
Additional emergency room deductible	16		✓
Hospital admission deductible	16		✓
Health Savings Account (HSA)	12	✓	
Tobacco-user surcharge	10	✓	✓
Enhanced wellness program	24	✓	✓
Voluntary medical travel	10	✓	✓
Access to Premera mobile site, website, and tools	21	✓	✓
Prior authorization for certain procedures	11	✓	✓
May enroll in Health Care FSA	27		✓
May enroll in Dependent Care FSA	27	✓	✓
Premiums deducted from paycheck pretax (POP)	3	✓	✓

FEATURES OF BOTH PLANS

Preventive care

Both plans pay 100 percent of preventive care when you visit a preferred provider, even if you haven't met your deductible. Examples of preventive care include:

- Annual checkups
- Mammograms
- Colonoscopies
- Prostate exams
- Skin cancer screenings
- Pap tests
- Flu shots

Provider tiers

With each plan, you may use any provider you choose — hospitals, doctors, other service providers — but you'll pay less when you use a preferred or participating provider.

Both plans have these three provider tiers:

- 1. Preferred provider** – Provides a discounted fee; your lowest out-of-pocket expense.
- 2. Participating provider** – Accepts Premera's allowable charges, but doesn't have a discounted fee schedule.
- 3. Non-contracted provider** – Doesn't have a contract or agreement with Premera.

	PREFERRED PROVIDER	PARTICIPATING PROVIDER	NON-CONTRACTED PROVIDER
After you meet your deductible, ARRC will pay (coinsurance) ...	80%	60%	50%

If you cannot find a preferred or participating provider within 50 miles from your home, contact Premera before your appointment and ask for a benefit level exception. You also can get exceptions for services provided by orthopedists; gastroenterologists; and ear, nose and throat specialists (ENTs). Premera will then pay 80 percent coinsurance.

Tobacco-use fee

If you use tobacco, you'll pay a \$25 per pay period surcharge — \$650 a year — deducted on an after-tax basis.

You don't have to pay this fee if you:

- have not used tobacco or e-cigarettes during the 90 days before you enroll, and
- don't intend to use them in the future

If you start using tobacco, you must notify HR so the surcharge can be deducted from your paycheck.

Voluntary medical travel

If you need to have surgery and decide to have it done somewhere else because it costs less than having it done locally, the plan will pay your travel and lodging costs up to the IRS limits. In addition, ARRC will waive the Blue Plan's deductible, and the coinsurance in both plans.

Both plans provide expanded coverage, which includes hundreds of procedures that can be done at any in-network facility.

For a list of all approved procedures and providers, call Premera for more information.

Prior authorization requirement

For certain procedures, such as inpatient hospitalization and elective surgery, you must get authorization from Premera before the procedure is done. If you don't, you'll pay a penalty of 50 percent of allowable charges, up to a maximum of \$1,500 after you meet the deductible.

Usually, your provider will get prior authorization on your behalf, but you're responsible for making sure they do. Verify that your provider completes this process, or, you can get prior authorization for the procedure by contacting Premera online or by phone.

Other features

Preventive drugs — Each plan covers preventive prescription drugs differently.

Hearing — Hearing tests and hearing aids are covered under both plans but the amount of coverage is different for each plan.

Dental — Dental coverage is not included in either plan, but you may enroll in ARRC's Optional Dental Plan (see page 25).

Gold Plan

The Gold Plan is a high-deductible health plan, which means it has a higher deductible than a PPO plan, but you may be eligible to participate in a Health Savings Account (HSA) to help you pay the higher deductible. It can be a good plan option for people who don't use a lot of health care.

You pay 15 percent of your biweekly premium; ARRC pays 85 percent.

	YOUR BIWEEKLY COST	ARRC'S BIWEEKLY COST
You only	\$45.03	\$255.17
You + 1	\$104.89	\$594.39
You + 2 or more	\$137.27	\$777.89

Below are the annual deductibles and out-of-pocket maximums for the Gold Plan.

	ANNUAL DEDUCTIBLE	INDIVIDUAL OUT-OF-POCKET MAXIMUM	FAMILY OUT-OF-POCKET MAXIMUM
You only	\$1,300	\$5,300	N/A
You + 1	\$3,900	\$5,300	\$12,900
You + 2 or more	\$3,900	\$5,300	\$12,900

FAMILY OUT-OF-POCKET MAXIMUM

If you enroll in family coverage, once one of your covered family members meets the \$5,300 individual OOP maximum, the plan pays 100 percent of their qualified medical costs for the rest of the plan year.

When your family meets the \$12,900 OOP maximum, the plan pays 100 percent of qualified medical costs for all family members for the rest of the plan year.

To reach your deductible, you pay the full fee for doctor visits and most prescriptions. To help you pay these costs, you may open a Health Savings Account (HSA).

HEALTH SAVINGS ACCOUNT

Because HDHPs have higher deductibles and no copays, you may enroll in a tax-free HSA to help you pay those costs. You can put money into your HSA every pay period — whatever amount you choose up to the annual limit — so that it's there when you need it. ARRC will contribute to your account, too.

You can use the money in your HSA tax free only for eligible medical expenses, but the money rolls over every year and earns interest. And, the account is yours, even if you retire or leave ARRC for any reason.

Premera's partner, ConnectYourCare (CYC), administers the HSA.

Triple tax advantage

The money you put into the account from your paycheck is deducted before taxes are calculated on your income. Your HSA contributions are tax-free — and as long as you use the money in your account to pay for qualified health care expenses, it's tax-free, too.

Like a “regular” savings account, the HSA earns interest and is protected by the FDIC. You may invest your unused HSA dollars when your balance reaches \$1,000 so you can earn even more. The interest and investment dollars you earn are tax-free, too.

What are qualified health care expenses?

You may use your HSA to pay health care costs that count toward your deductible and to pay your coinsurance. You also may use the money for prescription drugs, and eligible dental and vision costs, like eyeglasses or contacts.

For a complete list of qualified expenses, visit www.irs.gov, Publication 502.

HSA contribution limits

The IRS sets the limits on how much can be contributed to an HSA each year. In 2016, the limits are:

- You only: \$3,350
- You plus one or more (family): \$6,750

	ARRC CONTRIBUTION	YOUR CONTRIBUTION	2016 MAXIMUM CONTRIBUTION
You only	\$500	Up to \$2,850	\$3,350
You + 1 (family)	\$1,000	Up to \$5,750	\$6,750
You + 2 or more (family)	\$1,500	Up to \$5,250	\$6,750

For most participants, ARRC will contribute 50 percent in January and 50 percent in July. Contributions will be prorated for new and seasonal employees, and for employees returning from layoff.

Important HSA details

Here are some key things to know about HSAs:

- You cannot enroll in an HSA if you're:
 - covered under another health plan that doesn't qualify for an HSA — traditional PPO plan, Medicare, Medicaid, TRICARE, Indian Health Services
 - claimed as a dependent on another person's tax return
- Special rules apply if you use VA health services — contact Premera if you have questions
- You must be able to open a bank account in the United States

- If you don't open your HSA by the end of 2016, your contributions will be returned to you as taxable income
- You can pay your eligible medical expenses:
 - With the debit card you receive when you open your HSA
 - By online bill pay
 - With online reimbursement
- You can only spend the amount of money in your account
- You must save your medical receipts for your tax records
- You're responsible for understanding HSA-related tax rules — visit www.irs.gov, Publication 969, or seek advice from a tax advisor
- You cannot be enrolled in a Health Care FSA and an HSA
 - If you're enrolled in a 2016 Health Care FSA, you must end your FSA enrollment December 31, 2015, so you can enroll in the HSA January 1, 2016
 - You cannot transfer FSA funds to an HSA
- You can only use HSA funds to pay for qualified health care expenses of you and your tax dependents
 - If you enroll a family member in your Gold Plan, but they don't qualify as your tax dependent, you cannot use your HSA funds to pay their medical expenses
 - ◇ For example, your adult child under age 26 may be enrolled on the Gold Plan, but may not be your tax dependent
 - ◇ In that case, they may open their own HSA and contribute up to the annual family maximum (contributions are after-tax and are tax deductible)
 - If you don't enroll a family member in your Gold Plan, but they do qualify as your tax dependent, you may use HSA funds to pay their medical expenses
 - ◇ For example, your spouse may be covered under their employer's health plan, but if he or she is your tax dependent, you can use your HSA to pay for their qualified expenses

PRESCRIPTION DRUGS

The Gold Plan covers 100 percent of the cost of preventive maintenance drugs. For all other prescriptions, you pay the full cost until your medical plan deductible is met, then you pay 20 percent of the cost until you reach the out-of-pocket maximum. You may buy your prescriptions through the mail order program. The cost of mail order prescriptions is usually less than retail costs.

Examples of preventive drugs include prescriptions for managing blood pressure and cholesterol, and for tobacco cessation. See page 23 for more information about prescription drugs.

Visit Premera.com for a complete list of preventive medications the plan covers at 100 percent.

HEARING

Hearing exams are covered. There's no deductible but there is a coinsurance. There's also allowance for hearing aids.

DEDUCTIBLE	EXAMS	HARDWARE ²	FREQUENCY
None	80% Of UCR ¹	\$1,500 Maximum	Every 3 years

¹ Usual, customary and reasonable charges.

² Includes hearing aids and hearing aid maintenance.

TELADOC VIRTUAL MEDICAL CARE

Medical issues don't always happen when it's easy to get to a doctor. With Teladoc virtual medical care, you get immediate, convenient access to care — consultations, diagnoses and prescriptions — whenever and wherever you need it.

Care is provided online or by phone. In remote Alaska locations, Teladoc can be a time-saving, cost-saving alternative to traditional face-to-face doctor visits. You can get care either from your regular doctor, if they provide virtual care, or from a board-certified doctor who's part of Teladoc's network.

You typically pay around \$40 per visit. These expenses are subject to the same in-network coinsurance and deductible you would pay for an office visit.

Primary care provider vs. Teladoc

Virtual care is not meant to replace your primary care provider (PCP) or in-person, face-to-face visits. But, when you can't get to your doctor because you're away from home, the weather is bad, or your doctor is booked, Teladoc is a convenient alternative to an urgent care clinic and a lower-cost alternative to an ER when your medical need isn't an emergency.

Here's how it works:

1. **Register** — Log on to teladoc.com/premeraAK or call **855-332-4059** to create an account. Fill out a health history, like you would at a doctor's office, and register your covered family members.
2. **Consult a physician** — You can talk to a Teladoc physician any time by logging into your online account, or by calling. Provide your contact information and current location (Virtual care services aren't available in all states). A doctor will call you back right away or at a time you request.
3. **Benefits and payment** — Teladoc will know what coinsurance and deductible apply. You can pay by credit or debit card, HSA or FSA card, or through PayPal.
4. **Continuity of care with PCP** — After your appointment, Teladoc will send a record of the consult to your PCP to keep your regular doctor in the loop on your health and medical care.



Blue Plan

If you enroll in the Blue Plan, you'll pay a higher biweekly premium than the Gold Plan, but your deductible and coinsurance will be lower. You will pay 20 percent of your biweekly premium; ARRC pays the other 80 percent.

PREMIUM ADJUSTMENT

To help you meet the higher premium, ARRC will provide a premium adjustment that will gradually decrease.

ARW-represented and non-represented employees — The premium adjustment runs through 2017. It will gradually decrease each year through 2017 and will no longer be offered starting November 2017.

TCU-represented employees — The premium adjustment runs through the month before the labor contract ends in 2018, gradually decreasing each year.

ARRC BIWEEKLY PREMIUM ADJUSTMENTS				
ARW, non-rep.	N/A	2016 plan year	2017 plan year	2018 plan year
TCU	Through April 16, 2016	April 17, 2016 – April 15, 2017	April 16, 2017 – month before labor contract ends in 2018	End of labor contract through remainder of 2018 plan year
You only	\$15	\$10	\$5	\$0
You + 1	\$30	\$25	\$20	\$0
You + 2 or more	\$50	\$45	\$40	\$0

YOUR 2016 BIWEEKLY COST			
	BEFORE PREMIUM ADJUSTMENT	AFTER PREMIUM ADJUSTMENT ARW, NON-REP: 2016 TCU: After April 16, 2016	ARRC'S BIWEEKLY COST
You only	\$64.49	\$54.49	\$257.95
You + 1	\$152.05	\$127.05	\$608.20
You + 2 or more	\$199.42	\$154.42	\$797.66

Below are the annual deductibles and out-of-pocket maximums for the Blue Plan.

OUT-OF-POCKET COSTS	MAXIMUM YEARLY AMOUNT
INDIVIDUAL	
Calendar-year deductible ¹	\$1,000 per person
Out-of-pocket maximum – deductible ¹ and coinsurance/copay ²	\$3,500 per year
FAMILY	
Calendar-year deductible ¹	\$3,000 per year
Out-of-pocket maximum – deductible ¹ and coinsurance/copay ²	\$10,500 per year

¹ Does not include separate deductibles for being admitted to a hospital and for visiting an emergency room (see page 16).

² Copays for generic prescription drugs count toward your out-of-pocket maximum.

PRESCRIPTION DRUGS

Under the Blue Plan, you'll pay a copay for some generic drugs and coinsurance for brand name drugs. Your coinsurance amount is based on whether the prescription is for a:

- Preferred brand name drug — Drugs on Premera's formulary (list of preferred drugs)
- Non-preferred brand name drug — Drugs not on Premera's formulary
- Specialty drug

TIER 1 – GENERICS		
	Retail	Mail order
30-day supply	\$15	N/A
90-day supply	\$45	\$30
TIER 2 – PREFERRED BRAND NAME		
	90-day supply: You pay 20%, not to exceed \$75 per 30-day supply	90-day supply: You pay 20%, not to exceed \$75 per prescription
TIER 3 – NON-PREFERRED BRAND NAME		
	90-day supply: You pay 50%, not to exceed \$75 per 30-day supply	90-day supply: You pay 50%, not to exceed \$75 per prescription
TIER 4 – SPECIALTY DRUGS		
	30-day supply: You pay 50%, not to exceed \$100 per prescription	30-day supply: You pay 50%, not to exceed \$100 per prescription

Prescription drugs for tobacco cessation and contraceptives are covered at 100 percent. See page 23 for more information about prescription drugs.

HEARING

The Blue Plan covers hearing tests and hearing aids. There's no deductible; you receive an allowance for hearing aids.

DEDUCTIBLE	EXAMS	HARDWARE ²	FREQUENCY
None	80% Of UCR ¹	\$800 Maximum	Every 3 years

¹ Usual, customary and reasonable charges.

² Includes hearing aids and hearing aid maintenance.

ER AND HOSPITAL ADMISSION DEDUCTIBLES³

Did you know that visiting the emergency room can cost up to 12 times more than going to your doctor or an urgent care clinic? To encourage the use of more cost-effective medical care in non-emergencies, the Blue Plan has an additional \$100 emergency room deductible. You'll also pay a separate \$250 deductible each time you're admitted to a hospital; however, if you're admitted to the hospital from the ER, your ER deductible will be waived.

When you're not sure if you should use Teladoc, or visit your doctor, urgent care or emergency room, call the 24-hour NurseLine for advice on what kind of care you need for your illness or injury. See page 20 for more information.

³ Federal law does not allow additional deductibles for the Gold Plan.

Comparing Plans

GOLD AND BLUE PLAN COMPARISON CHART

	GOLD PLAN	BLUE PLAN ¹
BENEFIT		
Preventive care from preferred provider	Plan covers 100%	Plan covers 100%
Preventive maintenance prescription drugs	Plan covers 100%	Costs and coverage vary
Deductible	Higher	Lower
Biweekly premiums	Lower	Higher
Hearing coverage	\$1,500 allowance every 3 years for hearing aids and maintenance	\$800 allowance every 3 years for hearing aids and maintenance
Separate ER deductible	No	\$100 per visit
Separate hospital admission deductible	No	\$250 per admission
Percent you pay of premiums	15%	20% (with a premium adjustment, see page 15)
Copays	None	On most generic drug prescriptions
Voluntary medical travel	Expanded	Expanded
Teladoc virtual care	Yes	Yes
Includes dental coverage	No	No
BIWEEKLY PREMIUMS		
You only	\$45.03	\$64.49
You + 1	\$104.89	\$152.05
You + 2 or more	\$137.27	\$199.42

¹ Biweekly premiums shown here are before the premium adjustment. See page 15.



PEOPLE LIKE ME

When you consider your next adventure, you probably compare the cost of transportation, lodging and food. You may need to make trade-offs based on your needs. When choosing a health plan, it helps to consider the health care needs of you and your family. The following examples show the approximate out-of-pocket expenses under each plan for various situations — including one that may be similar to you. *Estimated costs shown are for these illustrations and should not be considered exact pricing.*

Meet James – You only	GOLD PLAN	BLUE PLAN	
James is a healthy, active 20-something. During the year, he will:	Annual medical plan premium (includes Blue Plan premium adjustment)	\$1,171	\$1,417
<ul style="list-style-type: none"> • get an annual physical • visit his family doctor once • need two generic prescriptions 	Participant's HSA contributions	\$500	N/A
Because James doesn't need much medical care, he won't meet his annual deductible. Under each of the medical options using preferred providers, James will pay approximately:	Out-of-pocket costs:		
	• Annual exam – preventive (estimated cost: \$200)	\$0	\$0
	• Family doctor visit (estimated cost: \$165)	\$165	\$165
	• Prescriptions – 2 monthly generic retail; 1 preventive, 1 not (estimated cost: \$720)	\$360	\$360
	HSA account reimbursement of participant contributions	-\$500	N/A
	ARRC HSA contributions	-\$500	N/A
	TOTAL ANNUAL COST	\$1,196¹	\$1,942

¹ HSA rollover to 2016: \$475.

Meet Marshall and Mia — You + 1 dependent	GOLD PLAN	BLUE PLAN	
Marshall and Mia are in their early 50s. They both get annual physical exams. Marshall will have a diagnostic colonoscopy (not preventive) and Mia, a preventive mammogram. In May, Marshall will suffer a heart attack requiring bypass surgery.	Annual medical plan premium (includes Blue Plan premium adjustment)	\$2,727	\$3,303
Marshall takes generic cholesterol medication. Mia takes medication for her thyroid.	Participant's HSA contributions	\$2,000	N/A
Under each medical plan option using preferred providers, Marshall and Mia will pay:	Out-of-pocket costs:		
	• Annual exams – 2 preventive (estimated cost: \$400)	\$0	\$0
	• Mammogram – preventive (est. cost: \$138)	\$0	\$0
	• Colonoscopy – diagnostic (estimated cost: \$4,050)	\$3,930	\$1,610
	• Heart attack, bypass surgery – 4 days inpatient stay and inpatient surgery (estimated cost: \$82,400)	\$1,370	\$1,815
	• Prescriptions – 1 monthly generic retail (cholesterol), 1 monthly brand formulary retail (thyroid RBF, not preventive) (estimated cost: \$744)	\$205	\$152
	HSA account reimbursement of participant contributions	-\$2,000	N/A
	ARRC HSA contribution	-\$1,000	N/A
	TOTAL ANNUAL COST	\$7,232	\$6,880

Meet the Smiths – You + 2 or more dependents

Anne and Doug are in their mid-30s with a son and daughter, and a baby on the way this year.

Each person gets an annual checkup. The youngest child will have two urgent care visits for ear infections.

The family will need four prescriptions this year, which they'll fill through mail-order service.

Under each of the medical options using preferred providers, Anne and Doug will pay:

	GOLD PLAN	BLUE PLAN
Annual medical plan premium (includes Blue Plan premium adjustment)	\$3,569	\$4,015
Participant's HSA contributions	\$2,000	N/A
Out-of-pocket costs:		
• Annual exams – 4 preventive (estimated cost: \$800)	\$0	\$0
• Prenatal care – 6 doctor visits (estimated cost: \$180)	\$1,077	\$1,015
• Urgent care – 2 visits (estimated cost: \$419)	\$419	\$419
• Hospital stays – 2 days (estimated cost: \$27,000)	\$3,503	\$2,005
• Prescriptions – 4 monthly generic mail order; 2 preventive, 2 not (estimated cost: \$1,440)	\$720	\$480
HSA account reimbursement of participant contributions	-\$2,000	N/A
ARRC HSA contribution	-\$1,500	N/A
TOTAL ANNUAL COST	\$7,788	\$7,933

IMPORTANT TAX FORMS

In January 2016, ARRC will send you Form 1095-C related to your health care coverage. The IRS doesn't require you to submit documentation of health coverage with your tax return; however, you must keep all forms in case you're audited.

If you're enrolled in the Gold Plan and have an HSA, CYC, the HSA administrator, will send you one or two additional forms. You must file HSA-related Form 8889 with your tax return.

FEDERAL TAX FORM	WHAT IT'S FOR	FILE IT?	GOLD PLAN	BLUE PLAN
1095-C	ARRC will send to you; shows you worked full time in 2015 and were offered medical insurance.	No	✓	✓
5498-SA	CYC will send to you; shows all contributions made to your HSA in 2015.	No	✓	
1099-SA	CYC will send to you; shows how much HSA money you spent in 2015.	No	✓	
8889	You must prepare and file this form with information from forms 5498-SA and 1099-SA.	Yes	✓	

OTHER THINGS TO CONSIDER

Choosing care wisely

When you need to see a health care provider, you have these options:

- Primary care physician
- Urgent care clinic
- Teladoc virtual care
- Hospital emergency room

Use this list to help you decide the best care options for your situation.

YOUR DOCTOR	URGENT CARE CLINIC	EMERGENCY ROOM	TELADOC	NURSELINE
Preventive care	Bladder infection	Chest pain, breathing problems	Bladder infection	If you're not sure which option is best for you, call NurseLine for advice 24/7 — 800-841-8343
Manage existing conditions	Ear or eye infections, cough, sore throat, congestion	Broken bones	Ear or eye infections, cough, sore throat, congestion	
Follow-up care	Insect bites, minor burns, rashes	Extreme pain	Insect bites, minor burns, rashes	
Referrals to specialists	Mild fever	Loss of consciousness	Mild fever	
Undiagnosed problems	Sprains, minor injuries	Severe burns	Shingles	
Prescriptions	Prescriptions	Head injuries, sudden vision loss	Fungal infections	
And more	And more	Suspected drug or alcohol overdose, or poisoning	Behavioral health	
		Infants under 3 months old with high fever or who need immediate care	Prescriptions	
			And more	
AVERAGE COST PER VISIT				
\$176	\$176	\$2,135	\$40	FREE

NurseLine

Real emergencies do happen. When they do, call 911; however, if it's not an emergency, going to a hospital emergency room usually isn't your best option. A visit with Teladoc, or with your primary care provider or an urgent care clinic costs much less.

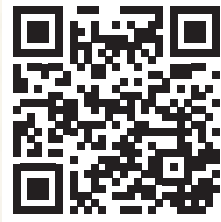
If you're not sure what to do or where to go for help, and you need some advice, call NurseLine, Premera's 24/7 service for help.

PREMERA ONLINE

Premera Mobile App — With Premera Mobile, you can find a doctor, have a one-touch connection to the NurseLine and customer service, and email proof of coverage to your provider. The app is available for iPhones, Windows phones and Androids.

Premera Website — You may register on Premera's website — **Premera.com** — as soon as you have your member ID card. Some of the things you can do online are:

- Check your benefits and eligibility
- Check your claims activity
- Find a doctor and pharmacy
- Order and refill prescriptions
- Read about treatment options
- Review your personal health record
- Take quizzes to test your health and wellness IQ
- Look through a medical library that includes videos, photos and information about common health issues
- Go paperless: Get your explanations of benefits and other documents electronically. This also helps reduce ARRC plan administrative expenses.



Scan this QR code with your smartphone to access Premera's mobile website

Premera's app for most smartphones



ALL ABOARD PREMERA.COM

Getting started on **Premera.com** starts with creating an account so that you can access all the great tools the website offers.

1. Go to **www.Premera.com**
2. Click Create Account
3. Create a user ID and password, provide your email address and set up security questions
4. Sign on using your new sign-on credentials
5. Fill in the member ID information, which is on your Premera ID card

A screenshot of the 'Create New Account' form on the Premera website. The form includes fields for Name, Email Address, Password, and Security Questions. It also has a 'Create Account' button and a 'Cancel' link.

After you create your account, you can access claims and prescription drug information, and find network providers.

You also can access Premera's robust wellness program. There are links to member discounts on products and services, and wellness tools and support.



Premera.com has many other user-friendly features that make staying up on your health and wellness easier than ever.

CARE COMPASS 360°

To help you be “the little engine that could,” Premera’s CareCompass360° provides holistic support if you have complex or chronic medical conditions. Your participation in the program is voluntary. There is no cost to you.

If you have a health condition that requires coordinated care from more than one provider, CareCompass360° will set you on the right track with its “whole person” approach to health support, including:

- Disease management
- Substance abuse management
- Case management services
- Care transition management services

Whole Care

In addition to the services listed above, CareCompass360°’s program provides pain management, oncology resources and behavioral support to serve you and your family, no matter what kind of care you need.

The goal is to help you improve the quality of your life while reducing the amount you spend on health care.

What you can expect from CareCompass360°:

- Single point of contact for all of your care
- Easy-to-use and accessible resources, including telephonic coaching
- Help you need when you need it
- More active support to make improving your health easier
- Outreach and care that’s personalized just for you

To find out if CareCompass360° is right for you, visit **Premera.com**.



choosing ^{your} ride

Prescription Drug Plan

One of the best things about traveling by train is choosing which car to ride in. Do you sit in the dome car to get the best views or have a snack in the club car?

While the Blue and Gold plans cover prescription drugs a little differently, there are these common features:

Step therapy — Some conditions, like arthritis, high blood pressure and allergies, require long-term medications. Step therapy is a way to start with medications at the lowest cost and lowest risk “step,” gradually “stepping up” to more expensive — and sometimes more risky — drugs, if necessary.

If you’re starting a long-term medication that requires step therapy, we encourage you to learn as much as you can about your condition and medications so that you’re an active participant in managing your care.

“Dispense as written” — If your doctor writes a prescription with this on it, your pharmacist cannot substitute a generic drug, even if one is available. You’ll pay the coinsurance and the difference in cost between the generic drug and brand name drug.

Specialty Drugs — These are medications that typically cost more and treat complex conditions that require special handling and monitoring. If your doctor prescribes a specialty drug, you must fill that prescription through an Alaska Railroad Company specialty pharmacy — Walgreens or Accredo — but you may fill it at a retail pharmacy up to two times.

Also, you may only fill up to a 20-day supply at non-specialty retail pharmacies. If your prescription falls into the specialty category, you will receive a letter from Premera instructing you to use specialty pharmacies.



the branch line

Wellness, Dental and Vision Plans

Main lines are essential to move people and goods from place to place. Branch lines play an important role because they connect to major routes. Keeping them in working order is important.

It's like that with your dental, vision and hearing, too. Maintaining those systems supports your overall health, which helps everything run smoothly.

WELLNESS PLAN

Engaging in your wellness helps you stay in good working order. And, because your good health improves your overall well being and helps us all spend less on health care, ARRC is enhancing employee wellness opportunities.

Some of the exciting new wellness features are:

- Tobacco cessation programs
- Health risk assessments
- Biometric screenings
- Integrated health portal
- Health coaching
- Wellness incentives

Watch for more information about these programs.

DENTAL PLANS

Maintaining your oral health supports your overall health, which helps everything run smoothly.

ARRC Optional Dental Plan

You may enroll yourself and eligible family members in the ARRC Optional Dental Plan. The dental plan is separate from the medical plans, so you can enroll in the dental plan even if you waive medical coverage. The annual maximum is \$2,000.

Railroad Employees' National Dental Plan

If you're a represented employee, your union requires you to enroll in the Railroad Employees' National Dental Plan, offered to railroads throughout the U.S. and administered by Aetna.

Premium deductions begin on your date of hire; benefits begin after 12 months of cumulative service.

If you enroll in the Optional Dental Plan, you'll be covered by two plans. Once National Dental coverage starts, it's the primary dental plan for represented employees.

Dental Eligibility Timelines

Non-Represented Employees



Day 1: May enroll in the medical plan and/or the dental plan.

Represented Employees



Day 1: Enrolled in the National Dental Plan. Premiums deducted from day one.

Day 90: Eligible to participate in the ARRC medical and/or dental plans.

Day 91: Premiums for National Dental Plan convert to pretax deductions if you choose pretax coverage in the POP Plan.

12 months: National Dental benefits start. If you enroll in ARRC dental plan, you will have dental coverage under both plans. National Dental is primary.

Optional Dental Plan and National Dental Plan biweekly contributions

COVERAGE TIER	OPTIONAL DENTAL PLAN		RAILROAD EMPLOYEES' NATIONAL DENTAL PLAN
	YOUR COST	ARRC'S COST	
You only	\$2.47	\$9.88	\$23.46 ¹
You + 1	\$5.86	\$23.42	
You + 2 or more	\$7.71	\$30.84	

¹ This is the 2015 rate for reference. At press time, the National Dental Plan rate wasn't available.

Optional Dental Plan and National Dental Plan benefits

	OPTIONAL DENTAL PLAN	RAILROAD EMPLOYEES' NATIONAL DENTAL PLAN
Annual deductible	None	\$50 per person; \$100 per family
Annual maximum benefit per person	\$2,000	\$1,500
Preventive care ²	100% of UCR ³	100% of UCR
Routine services	90% of UCR	80% of UCR
Major services	50% of UCR	50% of UCR
Orthodontia (children only)	\$2,000 lifetime maximum	50% of UCR; \$1,000 maximum every 5 years

² Optional Dental Plan: Includes sealants in permanent teeth of dependents up to age 19.

³ Usual, customary and reasonable charges.

VISION

Vision is covered under both plans and there's no deductible. You receive an allowance for prescription glasses or contacts.

When you enroll for medical coverage, you must check vision coverage on your enrollment form to get vision coverage. Your premiums won't increase.

VISION COVERAGE			
DEDUCTIBLE	EXAMS	HARDWARE ³	FREQUENCY
None	90% Of UCR ⁴	\$200 Maximum	Each Calendar Year

³ Includes eyeglass frames and lenses, and contact lenses.

⁴ Usual, customary and reasonable charges.





extra support

Flexible Spending Accounts

To make sure rail lines can support tons of moving steel, the foundation and support — subgrade, ballast and ties — must be sturdy and reliable.

Flexible Spending Accounts (FSAs) keep your financial foundation strong by allowing you to set aside pretax money every paycheck to pay for expected out-of-pocket medical and dependent care costs. Then, when you incur unreimbursed medical costs or dependent care expenses, you can use the money tax-free.

There are two types of FSAs:

- Health Care FSA — If you have an HSA, you cannot enroll in a Health Care FSA
- Dependent Care FSA (DCAP)

Just as laying rail lines properly is an important investment in the safety of train travel, carefully calculating how much to put into your FSAs is an important investment in your financial security. FSAs are “use it or lose it”: Any money remaining in your account at the end of the year goes away; however, you may use the previous year’s FSA funds for eligible expenses you incur through March 15, 2017. You must file claims for reimbursement by April 30, 2017.

Because FSA money doesn’t roll over, you must re-enroll every year you want to participate. Consider your needs carefully before choosing how much to contribute so you don’t lose any unused funds.

FLEXIBLE SPENDING ACCOUNT BIWEEKLY ADMINISTRATIVE FEES

One account (Health Care FSA or DCAP)	\$2.54
Both accounts — Health Care FSA and DCAP	\$3.46

WHO'S ELIGIBLE?

	NON-REPRESENTED	REPRESENTED
Eligibility dates	<p>Eligible as of hire date</p> <p>Enroll within 31 days from:</p> <ul style="list-style-type: none"> • Hire date • Qualified life event, or • During Open Window 	<p>To become eligible, you must:</p> <ul style="list-style-type: none"> • Be employed in a year-round job • Have 12 months of continuous employment before new plan year with no unpaid leaves or layoffs • Anticipate continuous employment for next 12 months <p>Once eligible, enroll within 31 days from a qualified life event or during Open Window</p>
Health Care FSA annual contribution limit	\$2,550	\$1,500 ARW-represented \$2,550 TCU-represented
Dependent Care FSA annual contribution limit	\$5,000	

HEALTH CARE FSA

You can use your Health Care FSA to pay out-of-pocket medical, dental, vision and hearing expenses. Some examples include:

- Your health plan deductibles and coinsurance
- Laser eye surgery
- Hearing aids
- Adult orthodontia

You cannot use your Health Care FSA to pay for over-the-counter medication.

DEPENDENT CARE FSA

You can use the money you put into this account to pay eligible dependent care costs so you and your spouse can work, look for work or attend school full time. The maximum Dependent Care FSA contribution is \$5,000 per year (married filing jointly).

Generally, an eligible dependent is:

- Your child under 13 years old
- A disabled spouse or dependent of any age who lives with you

Eligible expenses include:

- Private child care
- Child care at a day camp or preschool
- After-school care
- Elder care for an incapacitated adult who lives with you

The two kinds of FSAs are separate accounts. You may contribute to both but you can't use Health Care FSAs to pay for dependent care costs or vice versa.



traveling the trestle

Life Insurance

Trestles have enabled trains to traverse steep canyons, rapid rivers and placid lakes for two centuries. Without this framework, trains could not have touched so many lives.

Life insurance can be your family’s “trestle” if you die, or suffer loss of a limb or eyesight; it can help carry your loved ones through difficult times. Your Life Insurance needs may change over time, so check your benefits every year to make sure they are still appropriate.

New employees may enroll within 31 days from their eligibility date. If you wish to enroll or increase coverage later, you must submit Evidence of Insurability to the insurance company. The insurance company may approve or deny your request, or approve a lower benefit.

WHO’S ELIGIBLE?

There are four life insurance plan options; however, you must enroll in Basic Life and Accidental Death and Dismemberment (AD&D) if you want to enroll in any of the others.

	NON-REPRESENTED	REPRESENTED
Eligibility dates	Eligible on hire date. Enroll within 31 days.	Eligible 90 days after hire date. Enroll within 31 days.
	Once eligible, and with approved Evidence of Insurability, may enroll in Basic Life/AD&D within 31 days from qualified life event or during Open Window. If enrolled in Basic Life, may add after-tax options (Optional Life, Standard Life, Dependent Life) any time of year with approved Evidence of Insurability.	

2016 LIFE INSURANCE OPTIONS, AT A GLANCE

TYPE OF INSURANCE	WHO'S COVERED	BENEFIT	
Basic Life ¹ AD&D ¹	Employee	<ul style="list-style-type: none"> Under age 35: 2 x basic annual pay rounded to next \$1,000 + \$2,000 Age 35 & up: as above, with 10% per year reduction. Will not reduce below 1 x basic annual pay. 	
		Maximum: \$75,000 / Minimum: \$10,000	
		Accidental death: Basic Life amount Dismemberment: Benefits vary	
Optional Life: 1–5x salary options ²	Employee	1x salary: \$50,000 max 2x salary: \$100,000 max 3x salary: \$150,000 max	4x salary: \$200,000 max 5x salary: \$250,000 max (no AD&D)
Standard Life ²	Employee	\$10,000 (no AD&D)	
Dependent Life ²	Legal spouse	\$5,000	
	Dependent children	\$100 – \$2,500 (depending on age)	

1 Employee and ARRC share the premium cost. Employee's cost is approximately 2/3 of the total; qualifies for POP pretax payment.

2 Employee pays full cost of premium; payment is after tax.

BASIC LIFE AND AD&D EMPLOYEE'S BIWEEKLY COST (PER \$1,000 OF COVERAGE)

Non-tobacco user rate	Tobacco user rate
\$.095	\$.125

OPTIONAL LIFE EMPLOYEE'S BIWEEKLY COST (PER \$1,000 OF COVERAGE)

	Non-tobacco user rate	Tobacco user rate
Under 35	\$.027	\$.036
35 – 39	\$.036	\$.045
40 – 44	\$.059	\$.082
45 – 49	\$.091	\$.127
50 – 54	\$.141	\$.195
55 – 59	\$.264	\$.370
60 & over	\$.410	\$.580

STANDARD LIFE EMPLOYEE'S BIWEEKLY COST (FLAT RATE)

Non-tobacco user rate	Tobacco user rate
\$1.12	\$1.52

DEPENDENT LIFE EMPLOYEE'S BIWEEKLY COST (FLAT RATE)

\$.52

staying on track



Employee Assistance Program

Track ties, train cars, signals, knuckles, switches, brakes — they all need maintenance and repair to stay in working order.

Sometimes, we may need to do a little repair in our lives to stay on track. ARRC's Employee Assistance Program (EAP) can help with life's "derailments" — big and small.

Magellan Behavioral Health provides ARRC's EAP services. The EAP is a free, confidential counseling and referral service that can help you deal with life's challenges such as:

- Changes in your financial situation
- Family or relationship problems
- Over-work or conflicts at work
- Feeling depressed or anxious
- Quitting tobacco
- Substance abuse
- Caring for children or aging parents

You, your spouse and dependent children up to age 26 are covered as of your hire date. Each person is eligible for up to eight face-to-face counseling visits per issue each year. The EAP also provides support and guidance to supervisors and managers who need help dealing with workplace issues.

Through Magellan, all employees and covered family members have access to free legal and financial services consultations.

Magellan Behavioral Health provides licensed, experienced counselors in Anchorage, Fairbanks, Eagle River and the Mat-Su Valley. EAP counselors also are available by phone 24 hours a day, seven days a week (see back cover for contact information).

For more information and tools, such as self-assessments, depression screenings, wellness tips and community resources, visit magellanassist.com.

Savor the Scenery



Retirement Plans

When you travel by airplane, you don't get to see much. When you take a train, the experience is all yours; you can relax, take in the countryside — and enjoy the moment.

When you have financial peace of mind, you can truly appreciate the view from your retirement. Saving early can help you reach your retirement goals so you can maintain your current lifestyle, live your dreams — and enjoy the moment.

ARRC provides two retirement plans to represented employees, and a third plan to non-represented employees. Experts say you will probably need a combination of plans to be truly prepared for retirement. Atéssa Benefits, Inc., administers the pension plan; The Vanguard Group administers the 401(k) and 457 plans (see back cover).

ARRC's plans are:

- Alaska Railroad Corporation Pension Plan
- 401(k) Tax Deferred Savings Plan
- 457 Deferred Compensation Plan (non-represented employees only)

Once you start participating in the pension plan, no Social Security is deducted from your pay; however, the Medicare tax (currently 1.45 percent) is withheld.

WHO'S ELIGIBLE?

PLAN	NON-REPRESENTED	ARW	TCU
ARRC Pension Plan	Hire date	Hire date	After 1,056 STR ¹ hours
401(k) Tax Deferred Savings Plan	Hire date	Hire date	After 182 cumulative calendar days of service
457 Deferred Compensation Plan	Hire date	N/A	N/A

¹ Subject-to-retirement hours.

RETIREMENT PLAN CONTRIBUTIONS

PLAN	NON-REPRESENTED	REPRESENTED
ARRC Pension Plan	Pretax 9% of base annual earnings	Pretax 9% of base annual earnings
401(k) Tax Deferred Savings Plan	<ul style="list-style-type: none"> • Pretax or Roth after tax • 1-50% of base annual earnings • ARRC match: 50% of first 4% of earnings you contribute each pay period • Vest in employer match at 1 year of service 	<ul style="list-style-type: none"> • Pretax or Roth after tax • 1-50% of base annual earnings • ARRC match: <ul style="list-style-type: none"> • ARW – 70% up to the first 5% of participant pay period compensation • TCU – 66% up to the first 9% of participant pay period compensation • Vest in employer match at 10,400 STR¹ hours
457 Deferred Compensation Plan	<ul style="list-style-type: none"> • Pretax 1-100% of base annual earnings • No ARRC match 	N/A

¹ Subject-to-retirement hours.

ALASKA RAILROAD CORPORATION PENSION PLAN (ALL EMPLOYEES)

You must participate in and contribute to this plan. The table above shows the different eligibility dates for represented employees and non-represented employees.

All ARW, TCU and non-represented employees hired for the first time after June 30, 2015, will participate in Tier 2 of the pension plan.

The plan is a defined benefit plan that helps provide you with financial security in your retirement. If vested, you may receive a pension at retirement age.

Normal retirement age is 62 for Tier 1, and age 65 for Tier 2 participants; however, Tier 1 participants may retire at age 58 with early unreduced benefits. Tier 1 participants may retire at age 55 and Tier 2 participants at age 60 with reduced early retirement benefits.

Participants vest with five years of eligible vesting service. Survivor and disability benefits are available after you're vested.

The difference between vested service and credited service

Vested service — You are vested in the Alaska Railroad Corporation Pension Plan after you earn five years of eligible vesting service. This means once you are vested, if you leave your job for any reason, you are guaranteed to receive a future benefit for the years and months of service earned before you ended your employment, unless you withdraw your contributions. No vesting service is earned while in layoff status.

Credited service — This is used to calculate the amount of your actual pension benefit. It includes your years of service during which you participated in the Plan *and* contributed. You cannot earn credited service while on leave of absence, workers' compensation or layoff.

The formulas

The Tier 1 formula for a monthly normal retirement benefit is the sum of:

- 2 percent x final average earnings x credited service

PLUS

- 0.5 percent x final average earnings x credited service that is earned after 2005 and after completing 10 years of credited service.

Final average earnings are figured from the three highest consecutive years of earnings as defined by the plan.

Tier 2 formula for a normal monthly retirement benefit is:

- 2 percent x final average earnings x credited service.

For both tiers, your final average earnings are figured from the three highest consecutive years of earnings as defined by the plan.

Termination of Employment

If you're vested, you have three options:

1. You may start receiving the monthly pension benefit if you're at early, early unreduced (Tier 1 only), or normal retirement age.
2. You may leave your contributions in the plan if you're not at a retirement age, then request benefits when you reach early retirement age, early unreduced (Tier 1 only), or normal retirement age.

3. You may withdraw your contributions plus 4.5 percent interest (3-month Treasury rate for Tier 2). If you choose this option, you will not receive a monthly pension benefit.

If you aren't vested, you have two options:

1. You may withdraw your contributions plus 4.5 percent interest (3-month Treasury rate for Tier 2).
2. You may delay withdrawing your contribution amount (no later than age 70 ½) if your account balance is more than \$1,000.

ATÉSSA BENEFITS

Participants are also encouraged to register to use Atéssa's website, myatessa.com for access to their Corporation Pension Plan information.

See your contribution account balance, confirm beneficiaries, request retirement estimates and retirement paperwork.

Contact Atéssa online, by phone or in writing:

Atéssa Benefits, Inc.

ATTN: ARRC Pension Plan Administration
10815 Rancho Bernardo Road, Suite 110
San Diego, CA 92127-2187

myatessa.com

Phone: 888-309-0041

7:00 a.m. to 4:30 p.m. PT

Fax: 858-673-4120

401(K) SAVINGS PLAN

To sweeten your retirement, ARRC offers another way to save — and will even chip in. Once you're eligible for this tax-deferred plan, you may enroll at any time. The Vanguard Group administers this plan.

Cost

Fees depend on your investment fund choices.

Features

You may save for retirement on a pretax or Roth after-tax basis. Saving is easy because

your contributions are made directly from your paycheck. The plan offers more than 20 investment options.

You choose the amount you want to save — from 1 to 50 percent of your annual regular earnings, up to the 2016 annual dollar limit of \$18,000.¹ Participants age 50 and older can make "catch-up" contributions of up to an extra \$6,000.¹

¹ Limit is unchanged from 2015.

In addition, ARRC provides match contributions for non-represented, and for ARW- and TCU-represented employees. There is a vesting period for the company match of 10,400 subject-to-retirement hours for represented employees and one year for non-represented employees.

If you need investment assistance, Vanguard provides these services:

1. Financial Engines (free service)
2. Age 50+ Advice (free service)
3. Managed Accounts (fee charged)

457 DEFERRED COMPENSATION PLAN

This plan is available only to non-represented employees.

Cost

Fees depend on your investment fund choices.

Features

The 457 plan is similar to the pretax 401(k) plan. It allows you to accumulate tax-deferred savings for retirement or other financial needs beyond the limits of your 401(k) Plan or other employee retirement plans.

You may save from 1 to 100 percent of your annual earnings, up to the 2016 annual limit of \$18,000.¹ Participants age 50 and older can make “catch-up” contributions of up to an extra \$6,000.¹

There is no employer match, and the plan doesn't allow hardship withdrawals or loans; however, there is no early withdrawal penalty. The 457 Plan offers the same investment options as the 401(k) Plan.

1 Limit is unchanged from 2015.

VANGUARD ONLINE AND VOICE NETWORK

Participants are encouraged to register to use Vanguard's website, vanguard.com, to access their 401(k) and 457 savings plans.

You can enjoy immediate access to your account information and conduct most transactions 24 hours a day, seven days a week. You also can take advantage of these other convenient features:

401(k)/457 account changes and requests

– Change your 401(k) and 457 deferral percentage, and sign up for automatic deferral increases. You also can change your investment options or allocation, and request loans and hardship distributions from your 401(k) Plan.

Extensive portfolio analysis – Find easy-to-read graphs and charts showing your portfolio's asset allocation, industry weightings, investment styles and many other factors that may affect your retirement.

Comprehensive performance reports – View your personal rate of return and other up-to-date performance data.

Convenient e-delivery – View fund reports, prospectuses, trade confirmations, proxy materials and most types of account statements online.

Managed Account Program (MAP) – If you want to delegate ongoing discretionary investment management to a professional investment advisor, you can take advantage of Vanguard's portfolio management services.

Vanguard Online Institutional Communications Exchange (VOICE) Network

– Enables you to monitor the activity in your plan accounts, and obtain fund price and yield information. You can obtain your account balance, confirm your investment allocations for future contributions or request a transaction.

regular maintenance

Retiree Medical Plan

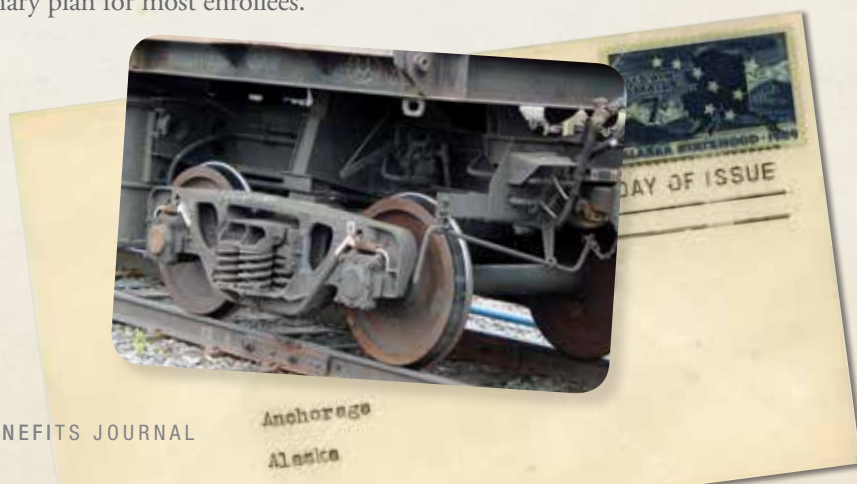
Tracks, cars and locomotives can last a long time with routine maintenance and some extra care.

Continuing your medical coverage when you retire can help keep you rolling along, too. Retiree medical coverage is available to TCU-represented employees hired on or before March 31, 2015, and to non-represented and ARW-represented employees hired on or before November 4, 2014. It's also available to eligible family members enrolled in the ARRC Health Plan at the time of the employee's retirement or at the beginning of Corporate Pension disability benefits. You have 60 days from the date of retirement, or the date disability benefits start, to enroll in the plan.

The retiree plan includes the same benefits provided to active employees, except vision and hearing coverage. You'll be enrolled in the same health plan — Gold or Blue — that you were in at the time of retirement. There will be annual Open Enrollment periods when you can select the coverage you want for the upcoming year. There is no HSA contribution made for retirees, but you can use any funds remaining in your HSA if you contributed while an active employee.

ARRC pays 40 percent of a represented retiree's premium cost, starting at age 62. Non-represented retirees receive 40 percent premium cost sharing from age 58. Pension participants receiving disability benefits receive the 40 percent cost share at any age, regardless of union or management status. Early retirees can participate in the plan by paying 100 percent of the premium until they reach the age threshold for premium cost sharing.

The benefits are coordinated with Medicare; at age 65, the cost of the premium decreases as Medicare becomes the primary plan for most enrollees.



bells and whistles



Other Benefits

Whether you're a passenger on a day-long tour or riding cross-country in a berth, it's the extras that make traveling by train so much fun.

The bells and whistles of our benefits include:

- Leave and holidays
- Rail Travel Program

LEAVE AND HOLIDAYS

All employees start accruing leave starting on their hire date; however, the accrual rate is different for represented and non-represented employees.

YEARS OF SERVICE	BIWEEKLY ACCRUAL RATE			
	NON-REPRESENTED	REPRESENTED		
Annual Leave				
0-3 years of service	6 hours	4 hours		
3-15 years of service	8 hours	6 hours (10 hours in 25th pay period)		
15 years +	10 hours	8 hours		
Maximum annual leave carryover from year to year	480 hours	240 hours		
Sick Leave				
No accrual limit	2 hours	4 hours		
PAID HOLIDAYS				
New Year's Day	Memorial Day	Labor Day	Veterans Day	Thanksgiving Friday
Presidents Day	4th of July	Columbus Day	Thanksgiving	Christmas Day

RAIL TRAVEL PROGRAM

All employees, their spouses, dependent children, parents and parents-in-law may ride the Alaska Railroad free on a space-available basis. You're eligible for free travel as of your hire date. Retirees and their spouses also are eligible for free travel.

To take advantage of this great program and get your rail pass, just fill out the Rail Pass Request Form from HR.

LEGAL NOTICES

Alaska Railroad is required by federal law to provide benefit plan participants with certain legal notices each year. This document fulfills that obligation and does not require you to act, unless you wish to exercise one or more of the rights explained in this document.

Please read this notice carefully and keep it where you can find it. If you have any questions regarding these legal notices, please contact Human Resources at 907-265-2220.

HIPAA SPECIAL ENROLLMENT RIGHTS

If you decline enrollment for yourself or your dependents (including your spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents in the Alaska Railroad medical plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing toward your or your dependents' other coverage). You must request enrollment within 31 days after your or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage).

The plan will also allow a special enrollment opportunity if you or your eligible dependents either:

- Lose Medicaid or Children's Health Insurance Program (CHIP) coverage because you are no longer eligible, or
- Become eligible for a state's premium assistance program under Medicaid or CHIP.

For these enrollment opportunities, you will have 60 days — instead of 31 — from the date of the Medicaid/CHIP eligibility change to request enrollment in the plan. Note that this

new 60-day extension doesn't apply to enrollment opportunities other than the Medicaid/CHIP eligibility change.

Also, if you have a new dependent as a result of marriage, birth, adoption or placement for adoption, you may be able to enroll yourself, your spouse and/or your new dependent in the Alaska Railroad plan. You must request enrollment within 31 days from the marriage, birth, adoption or placement for adoption. To request special enrollment or to learn more, contact Human Resources at 907-265-2220.

WOMEN'S HEALTH AND CANCER RIGHTS ACT OF 1998 NOTICE

As specified in the Women's Health and Cancer Rights Act of 1998, each medical plan sponsored by the Alaska Railroad provides coverage for the following breast reconstruction procedures in connection with mastectomies:

- Reconstruction of the breast that was operated on;

- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- Prostheses and treatment of physical complications at all stages of the mastectomy, including lymphedemas.

Of course, coverage is provided in a manner determined in consultation

with the attending physician and the patient. The deductible and the copayment requirements that apply to other covered services also apply to these post-mastectomy reconstructive and treatment services.

IMPORTANT NOTICE FROM ALASKA RAILROAD CORPORATION ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE

If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a federal law gives you more choices about your prescription drug coverage. It is your responsibility to share this notice with any dependents who may qualify for Medicare.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Alaska Railroad Corporation and about your

options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current

coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

2. Alaska Railroad Corporation has determined that the prescription drug coverage offered by the Alaska Railroad Corporation Health Plan and Retiree Medical Plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join a Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens to Your Current Coverage if You Decide to Join a Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Alaska Railroad Corporation coverage will not be affected. You can keep this coverage if you elect part D and this plan will coordinate with Part D coverage. However, if you enroll in Part D coverage, the Alaska Railroad Corporation will not receive a subsidy toward the cost of your prescription drug costs.

If you do decide to join a Medicare drug plan and drop your current Alaska Railroad Corporation coverage, be aware that you and your dependents *will not* be able to get this coverage back. Note that you would have to drop your *entire* ARRC medical plan coverage, which pays for other health expenses, in order to drop ARRC prescription drug coverage.

When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with Alaska Railroad Corporation and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1 percent of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go 19 months without creditable coverage, your premium may consistently be at least 19 percent higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information about This Notice or Your Current Prescription Drug Coverage

Contact the person listed below for further information. NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Alaska Railroad Corporation changes. You also may request a copy of this notice at any time.

For More Information about Your Options under Medicare Prescription Drug Coverage

More detailed information about Medicare plans that offer prescription drug coverage is in the *Medicare & You* handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the Medicare & You handbook for their telephone number) for personalized help
- Call **800-MEDICARE (800-633-4227)**. TTY users should call **877-486-2048**

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at **800-772-1213 (TTY 800-325-0778)**.

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Name of Entity/Sender: Alaska Railroad Corporation

Contact — Position: Michael Humphrey, Benefits & Records Manager

Address: 327 W. Ship Creek Avenue
PO Box 107500
Anchorage, AK 99510-7500

Phone Number: 907-265-2537

Email: Humphreym@akrr.com

Alternative Contact — Position: Pamela Reil, Retirement Specialist

Address: 327 W. Ship Creek Avenue
PO Box 107500
Anchorage, AK 99510-7500

Phone Number: 907-265-2273

Email: reilp@akrr.com

NOTICE OF PRIVACY PRACTICES — GROUP HEALTH PLAN BENEFITS

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

This notice applies to the Group Health Plan benefits provided under:

- The Alaska Railroad Corporation Welfare Benefits Plan
- The Alaska Railroad Corporation Retiree Benefits Plan

These Benefits currently include medical and prescription drug for active employees and retirees; dental, vision, employee assistance and health care flexible spending account benefits for active employees.

You are receiving this Notice from the Group Health Plan Benefits of the Plan described above, which is sponsored by Alaska Railroad Corporation.

The Health Insurance Portability & Accountability Act of 1996 (“HIPAA”) is a federal law that requires all medical records and other individually identifiable health information used or disclosed by us in any form, whether electronically, on paper, or orally, be kept properly confidential. HIPAA gives you significant rights to understand and control how your health information is used, and provides penalties for covered entities that misuse personal health information. As required by regulations under HIPAA (the “HIPAA Privacy Rule”), we have prepared this explanation of how we will maintain the privacy of your health information and how we may use and disclose your health information. This Notice pertains to you and your covered dependents. Please share it with them.

OUR PLEDGE REGARDING YOUR MEDICAL INFORMATION

We understand that medical information about you and your health is personal. We are committed to protecting medical information about you. The Group Health Plan protects and holds confidential information that relates (1) to your past, present, or future physical or mental health or condition; (2) the provision of health care to you; or (3) the past, present, or future payment for your health care. For example, we create a record of the health care claims reimbursed under the Group Health Plan for Plan administration purposes. This Notice applies to all of the medical records we create, maintain, receive, use, transmit, or disclose. Such information is PHI during your lifetime and remains PHI for a period of 50 years after your death. Your personal doctor or health care provider may have different policies or notices regarding the doctor’s use and disclosure of your medical

information created in the doctor’s office or clinic.

The HIPAA Privacy Rule requires that we protect the privacy of medical information that identifies a participant, or where there is a reasonable basis to believe the information can be used to identify a participant. This information is called “protected health information” or “PHI.” This Notice describes your rights as a Group Health Plan participant and our obligations regarding the use and disclosure of PHI. We are required by law to:

- maintain the privacy of your PHI;
- provide you with certain rights with respect to your PHI;
- provide you with a copy of this Notice of our legal duties and privacy practices with respect to your PHI; and

- follow the terms of the Notice that is in effect.

In some situations, federal and state laws provide special protections for specific kinds of PHI and require authorization from you before we can disclose specially protected PHI. In these situations, we will contact you for the necessary authorization.

We reserve the right to make changes to this Notice and to make such changes effective for all PHI we may already have about you as well as any information we receive in the future. If and when a significant change is made, we will provide you with the new Notice either (1) within 60 days from the change; or (2) by prominently posting the new Privacy Notice on the ARRC Intranet at <http://web.akrr.com/divisions/executive/employee/inslist.htm>, and then providing a hard copy of the new Privacy Notice in our next annual mailing to you.

HOW WE MAY USE AND DISCLOSE PROTECTED HEALTH INFORMATION ABOUT YOU

Under the law, we may use or disclose your PHI without your specific authorization for the purposes described below. All other uses and disclosures of PHI about you will only

be made with your written permission (an “Authorization”). If you have given us written permission to use or disclose your PHI, you may take back (“revoke”) your written permission

at any time, except to the extent that we have already acted based on your permission. The examples that may be included in each category do not list every type of use or disclosure that fall

within that category.

USES AND DISCLOSURES NOT REQUIRING AN AUTHORIZATION FROM YOU:

For Payment. We may use or disclose your PHI for payment purposes, including to determine eligibility for Group Health Plan benefits, to facilitate payment for the treatment and services you receive from health care providers, to determine benefit responsibility under the Group Health Plan, or to coordinate Group Health Plan coverage. For example, we may tell your health care provider about your medical history to determine whether a particular treatment is experimental, investigational, or medically necessary or to determine whether the Group Health Plan will cover the treatment. We may also share medical information with a utilization review or pre-certification service provider. Likewise, we may share medical information with another entity to assist with the adjudication or subrogation of health claims or to another health plan to coordinate benefit payments.

For Health Care Operations. We may use and disclose your PHI for other Group Health Plan operations. These uses and disclosures are necessary to run the Group Health Plan. For example, we may use medical information in connection with:

- conducting quality assessment and improvement activities;
- underwriting, premium rating, and other activities relating to Group Health Plan coverage;
- submitting claims for stop-loss (or excess loss) coverage;
- conducting or arranging for medical review, legal services, audit services, and fraud and abuse detection programs;
- business planning and development such as cost management; and
- business management and general plan administrative activities, including customer service and the resolution of internal grievances.

However, the Group Health Plan will never use or disclose your genetic information for underwriting purposes.

To Business Associates. We may contract with third parties known as

Business Associates to perform various functions on our behalf or to provide certain types of services. In order to perform these functions or to provide these services, Subcontractors of these third parties also may be our Business Associates in certain cases. Business Associates will receive, create, maintain, use and/or disclose your PHI, but only after they agree in writing with us to implement appropriate safeguards regarding your PHI. In addition, Business Associates are directly subject to many of the provisions of HIPAA which protect the privacy and security of protected health information.

As Required by Law. We will disclose your PHI when required to do so by federal, state, or local law. For example, we may disclose your protected health information when required by national security laws or public health disclosure laws.

To Avert a Serious Threat to Health or Safety. We may use and disclose your PHI when necessary to prevent a threat to your health and safety, or the health and safety of the public or another person. Any disclosure, however, would only be to someone able to help prevent the threat. For example, we may disclose your protected health information in a proceeding regarding the licensure of a physician.

Disclosure to the Plan Sponsor. For the purpose of administering the Plan, we may disclose your PHI to certain employees of Alaska Railroad Corporation. However, those employees will only use or disclose that information as necessary to perform plan administration functions or as otherwise required by HIPAA, unless you have authorized further disclosures. Your PHI cannot be used for employment purposes without your specific Authorization.

Organ and Tissue Donation. If you are an organ donor, we may use or disclose PHI to organizations that handle organ procurement or organ, eye, or tissue transplantation or to an organ donation bank, as necessary to facilitate an organ, eye, or tissue donation and transplantation.

Military and Veterans. If you are a member of the armed forces, we may

disclose PHI about you as required by military command authorities.

Workers' Compensation. We may disclose PHI about you for workers' compensation or similar programs. These programs provide benefits for work-related injuries or illnesses.

Public Health Risks. We may use and disclose PHI about you for public health activities. These activities generally include the following:

- to prevent or control disease, injury, or disability;
- to report births or deaths;
- to report child abuse or neglect;
- to report reactions to medications or problems with products or devices regulated by the federal Food and Drug Administration or other activities related to quality, safety, or effectiveness of FDA-regulated products or activities;
- to locate and notify persons of recalls of products they may be using;
- to notify a person who may have been exposed to a communicable disease in order to control whom may be at risk of contracting or spreading the disease; or
- to notify the appropriate government authority if we believe a patient has been the victim of abuse, neglect or domestic violence. We will only make this disclosure if you agree or when required or authorized by law.

Health Research. We are allowed to use or share your PHI in ways that contribute to the public good, such as health research.

Health Oversight Activities. We may disclose your PHI to a health oversight agency for activities authorized by law. These oversight activities include, for example, audits, investigations, inspections, and licensure. These activities are necessary for the government to monitor the health care system, government health care programs, and compliance with civil rights laws.

Lawsuits and Disputes. If you are involved in a lawsuit or a dispute, we may disclose your PHI in response to a court or administrative order. We may

also disclose PHI about you in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request or to obtain an order protecting the information requested.

Law Enforcement. We may use and disclose your PHI if asked to do so by a law enforcement official:

- in response to a court order, subpoena, warrant, summons, or similar process;
- to identify or locate a suspect, fugitive, material witness, or missing person;
- about the victim of a crime if, under certain limited circumstances, we are unable to obtain the victim's agreement;
- about a death we believe may be the result of criminal conduct;
- about criminal conduct; and
- in emergency circumstances to report a crime, the location of a crime or victims, or the identity, description, or location of the person who committed the crime.

Coroners, Medical Examiners, and Funeral Directors. We may release PHI to a coroner or medical examiner. This may be necessary, for example, to identify a deceased person or determine the cause of death. We may also release medical information about patients to funeral directors as necessary to carry out their duties.

National Security and Intelligence Activities. We may release your PHI to authorized federal officials for intelligence, counterintelligence, and other national security activities authorized by law.

Inmates. If you are an inmate of a correctional institution or are under the custody of a law enforcement official, we may disclose your PHI to the correctional institution or law enforcement official if necessary (1) for the institution to provide you with health care; (2) to protect your health and safety or the health and safety of others; or (3) for the safety and security of the correctional institution.

Where Required by the HIPAA Privacy Rule. We are required to disclose PHI to the Secretary of the U.S. Department of Health and Human Services when requested by the Secretary to review our compliance with the HIPAA Privacy Rule.

Minimum Necessary Standard. To the extent possible, when using or disclosing your PHI or when requesting your PHI from another organization subject to HIPAA, we will not use, disclose, or request more than the minimum amount of your PHI necessary to accomplish the intended purpose of the use, disclosure, or request, taking into consideration practical and technological limitations.

However, the minimum necessary standard will not apply to:

- disclosures to or requests by a health care provider for treatment;
- uses by you or disclosures to you of your own protected health information;
- disclosures made to the Secretary of the Department of Health and Human Services;
- uses or disclosures that may be required by law;
- uses or disclosures that are required by the Plan's compliance with legal regulations; and
- uses and disclosures for which the Plan has obtained your authorization.

Personal Representatives and Family Members

Personal Representatives. The Group Health Plan will disclose your PHI to individuals who are your personal representatives under state law. For example, the Group Health Plan will disclose PHI of minor children to the parents of such children. The Group Health Plan will also disclose your PHI to other persons authorized by you in writing to receive your PHI, such as your representative under a medical power of attorney, as long as we are provided with a written notice/ authorization and any supporting documents (i.e., power of attorney).

Note: Under the HIPAA Privacy Rule, we do not have to disclose information to a personal representative if we have a reasonable belief that:

- you have been, or may be, subjected to domestic violence, abuse, or neglect by such person;
- treating such person as your personal representative could endanger you; or in the exercise of professional judgment, it is not in your best interest to treat the person as your personal representative.

Family Members. Unless otherwise allowed by the HIPAA rules, the Group Health Plan will not orally disclose your PHI to your spouse or to your parent (if you are an adult child), unless you have agreed to such disclosure. However, with only limited exceptions, the Group Health Plan will send all mail to the employee. This includes mail relating to the employee's family members (spouse and children (including adult children)) who are covered under the Group Health Plan, and includes mail with information on the use of the Group Health Plan's benefits by the employee's family members and information on the denial of any of the Group Health Plan benefits to the employee's family members. If a person covered under the Group Health Plan has requested restrictions on uses and disclosures of PHI (see Right to Request Restrictions below under "Your Rights Regarding Your PHI"), and if the Group Health Plan has agreed to the request, the Group Health Plan will send mail as provided by the request.

Upon your death, the Group Health Plan may disclose your PHI to a family member (or other relative or close friend) involved in your health care or payment for your health care prior to your death, to the extent the PHI is relevant to such person's involvement, unless such disclosure is inconsistent with your prior expressed preference that is known to the Group Health Plan.

YOUR RIGHTS REGARDING YOUR PHI

Under federal law, you have the following rights regarding PHI about you:

Right to Inspect and Copy. You have the right to inspect and copy certain PHI that may be used to make decisions about your health care benefits. To inspect and copy your PHI, you must submit your request in writing to the individual identified in the Contact Information section below. We will provide a copy or a summary of your health and claims records, usually within 30 days of your request. If you request a copy of your PHI, we may charge you a reasonable, cost-based fee for the copying, mailing, or other supplies associated with your request.

We may deny your request to inspect and copy your PHI in certain very limited circumstances. If you are denied access to your medical information, you may request that the denial be reviewed by submitting a written request to the individual identified in the Contact Information section below.

If the information you request is maintained electronically, and you request an electronic copy, the Group Health Plan will provide a copy in the electronic form and format you request, if the information can be readily produced in that form and format. If the information cannot be readily produced in that electronic form and format, we will work with you to come to an agreement on another electronic form and format. If we cannot agree on an electronic form and format, the Group Health Plan will provide you with a paper copy.

Right to Amend. If you feel that the protected health information we have about you is incorrect or incomplete, you may ask us to amend the information. You have the right to request an amendment for as long as the information is kept by or for the Group Health Plan. To request an amendment, your request must be made in writing and submitted to the individual identified in the Contact Information section below. In addition, you must provide a reason that supports your request.

We may deny your request for an amendment, but we will provide a written explanation within 60 days. For example, we may deny your request if it is not in writing or does not include a reason to support the request. In addition, we may deny your request if you ask us to amend information that:

- is not part of the medical information kept by or for the Group Health Plan;
- was not created by us, unless the person or entity that created the information is no longer available to make the amendment;
- is not part of the information that you would be permitted to inspect and copy; or
- is already accurate and complete.

If we deny your request, you have the right to file a statement of disagreement with us and any future disclosures of the disputed information will include your statement.

Right to Receive an Accounting of Disclosures. You have the right to request an “accounting” of certain disclosures that we have made of your PHI. The accounting will not include (1) disclosures for purposes of treatment, payment, or health care operations; (2) disclosures made to you; (3) disclosures made pursuant to your Authorization; (4) disclosures made to friends or family in your presence or because of an emergency; (5) disclosures for national security purposes; and (6) disclosures incidental to otherwise permissible disclosures.

To request this list or accounting of disclosures, you must submit your request in writing to the individual identified in the Contact Information section below. Your request must state a time period which may not be longer than six years prior to the date of the request. Your request should indicate in what form you want the list (for example, paper or electronic). The first list you request within a 12 month period will be free. For additional lists, we may charge you for the costs of providing the list. We will notify you of the cost involved and you may choose to withdraw or modify your

request at that time before any costs are incurred.

Right to Request Restrictions. You have the right to request a restriction or limitation on your PHI that we may use for payment and health care operations. You also have the right to request a limit on your PHI that we disclose to someone who is involved in your care or the payment for your care, like a family member or friend. For example, you could ask that we not use or disclose information about a surgery that you had.

We are not required to agree to your request except in limited circumstances. We will agree to your request if the PHI pertains solely to a health care item or service for which the health care provider has been paid out of pocket in full. In other instances, such as where your care would be affected, we are not required to agree to your request. If we do agree to your request, we are required to comply with our agreement, except in certain cases, including where the information is needed to treat you in the case of an emergency. To request restrictions, you must make your request in writing to the individual identified in the Contact Information section below. In your request, you must tell us (1) what information you want to limit; (2) whether you want to limit our use, disclosure or both; and (3) to whom you want the limits to apply, for example, disclosures to your spouse.

Right to Receive Confidential Communications. You have the right to request that we communicate with you about medical matters in a certain way or at a certain location. For example, you may ask that we only contact you at work or by mail.

To request confidential communications, you must make your request in writing to the individual identified in the Contact Information section below.

We will not ask you the reason for your request. Your request must specify how or where you wish to be contacted. We will accommodate all reasonable requests if you clearly provide

information that the disclosure of all or part of your PHI could endanger you.

Right to Share Certain Health

Information. For certain health information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the following situations, tell us what you want us to do and we will follow your instructions:

- Share information with your family, close friends, or others involved in payment for your care;
- Share information in a disaster relief situation.

We will never share your PHI for marketing purposes or sell your PHI

unless you give us written permission.

Breach Notification. If and when required by HIPAA, we will notify you of a breach of the HIPAA privacy rules which involves your PHI considered to be “unsecure” under applicable HIPAA regulations. If HIPAA requires us to send you a notice, the notice will contain:

- a description of the breach;
- the type of PHI that was breached;
- what steps you could take to protect yourself from potential harm;
- what steps we are taking to investigate the breach, mitigate harm, and protect from further

breaches; and

- who to contact for additional information.

Right to a Paper Copy of this Notice.

You have a right to receive a paper copy of this Notice. You may ask us to give you a copy of this Notice at any time. Even if you have agreed to receive this Notice electronically, you are still entitled to a paper copy of this Notice. You also may obtain a copy of this Notice on the ARRC Intranet at <http://web.akrr.com/divisions/executive/employee/inclist.htm>. To obtain a paper copy of this Notice, contact the individual identified in the Contact Information section below.

COMPLAINTS

If you believe your privacy rights have been violated, or if you disagree with a decision we made about a request, you may file a written complaint with the Group Health Plan or with the Office for Civil Rights of the U.S. Department of Health and Human Services. To file a complaint with

the Group Health Plan, please direct your complaint to the individual identified in the Contact Information section below. All complaints must be submitted in writing. Alternatively, you may file a complaint with the Office for Civil Rights, by sending a letter to 200 Independence Avenue, S.W.,

Washington, D.C., 20201, calling 1-877-696-6775, or visiting www.hhs.gov/ocr/privacy/hipaa/complaints/. You will not be penalized, or in any other way retaliated against, for filing a complaint.

OTHER USES OF MEDICAL INFORMATION

Other uses and disclosures of medical information not covered by this Notice or the laws that apply to us will be made only with your written permission. If you provide us

permission to use or disclose medical information about you, you may revoke that permission, in writing, at any time. If you revoke your permission, we will no longer use or disclose medical

information about you for the reasons covered by your written Authorization. However, we are unable to take back any disclosures we have already made with your permission.

CONTACT INFORMATION

If you have any questions about this Notice or wish to exercise the rights described in this Notice, please contact the Privacy Official at the address and telephone number listed below. The Privacy Official may require that any request be made in writing.

Michael Humphrey
Manager, Benefits & Records
Alaska Railroad Corporation
327 W. Ship Creek Avenue
Anchorage, AK 99510-7500
907-265-2537

Notes

1 2 3 4 5 6



How to Enroll

You may submit your Benefits Enrollment Information/Election Form and FSA Enrollment Form one of four ways:

1. Mail or interoffice mail:
Alaska Railroad Corporation
PO Box 107500
Anchorage, AK 99510-7500
2. Fax: 907-265-2542
3. Email: HRBenefits@akrr.com
4. Hand deliver: Human Resources/GOB

Benefits Directory

SERVICE	ADMINISTRATOR	WEBSITE/EMAIL	PHONE
ARRC Health Plan, Group 1038789 (Medical; prescription drug, including mail order; dental; vision; and hearing)	Premera Blue Cross Blue Shield of Alaska	Premera.com	Customer Service 8 a.m. – 5 p.m. Monday – Friday 800-508-4722 24-hour NurseLine 800-841-8343
RR Employees' National Dental Plan Group 12000 (represented employees)	Aetna for National Railway Labor Conference	Aetnnavigator.com	877-277-3368
EAP	Magellan Behavioral Health	Magellanassist.com	800-478-2812
Flexible Spending or Health Savings Accounts	Premera/CYC	Premera.com	800-941-6121
Life insurance	Aetna Life Insurance Co.	HRBenefits@akrr.com	907-265-2220
Pension Plan	Atéssa Benefits, Inc.	Myatessa.com	888-309-0041
401(k) Savings Plan 090587	The Vanguard Group	Vanguard.com	800-523-1188
457 Deferred Compensation Plan 078043			
Customer service for ARRC employees	ARRC Human Resources	HRBenefits@akrr.com	907-265-2220
Any benefit plan enrollment	ARRC Human Resources	HRBenefits@akrr.com	907-265-2220