

Retirement Eligibility

To be a retiree or not to be? That has been an ongoing question since the merger as we reviewed the various retirement eligibility requirements used by each legacy company. Admittedly, they're all a little confusing and require you to remember a combination of your years of service and age – like, “55 & 10,” “50-55 program,” “55 & 5” and the “65 Point Plan.” Making the decision to retire is already a big enough one to make. You don't need the added complication of multiple programs to determine if you qualify and for what you qualify.

That's why we're standardizing and simplifying retiree eligibility requirements across our airline. Beginning Jan. 1, 2017, we will use the 65 Point Plan to determine retirement eligibility. Sound familiar? That's because it's been our requirement for retiree travel for some time. To qualify for the 65 Point Plan, you must have at least 10 years of company service and your age plus years of company service must equal 65 or more when you leave the company. Those eligible for the 65 Point Plan will have retiree status which includes:

- Retiree travel
- Payout of accrued sick bank, if applicable (unless your collective bargaining agreement has different requirements to be used instead of the 65 Point Plan)
- Retirement gift
- Retiree identification card
- Prorated profit sharing payment for the year in which you retire

Eligibility for retiree medical benefits will remain the same as it is today for all employee groups – you must be at least age 55 with at least 10 years of company seniority when you leave the company. The only exceptions to this are outlined in some collective bargaining agreements which may provide retiree travel and access to retiree medical/dental coverage using other eligibility criteria.

Eligibility for pension and 401(k) benefits varies by workgroup as these benefits are governed by the respective plan documents for your workgroup. We encourage you to review your pension plan's Summary Plan Description on the Pension Service Center, which is available on Jetnet [[LINK TO JETNET](#)], as well as your 401(k) Summary Plan Description on Fidelity's [NetBenefits](#) site. And because both can be a little confusing, we encourage you to speak with a retirement counselor by calling 800-447-2000 for assistance with your retirement planning or visit Jetnet for Retirement Planning [[LINK TO JETNET](#)] support.

Becoming an official retiree of American is a big deal. It's something you've worked your career for and status we don't take lightly. We're hopeful that with these streamlined guidelines, you'll find your retirement planning process is a little easier and clearer.

Questions

Q. Why are we eliminating the 55 & 10 program?

A. Legacy American required employees to be at least age 55 with at least 10 years of company seniority to be eligible for retiree status. Now, if you're eligible for the 55 & 10, you're also eligible for the 65 Point Plan. We're trying to simplify the program by standardizing retiree status with the 65 Point Plan. This gives employees who have many years of seniority more flexibility to leave before age 55 and still be eligible for retiree travel, gift, identification card and sick bank payouts.

Q. Why are we eliminating the 50-55 program?

A. The 50-55 program was a legacy American plan that provided a bridge to retirement status (previously the 55 & 10) for those who left the company between the ages of 50 and 55 with at least 15 years of

service. Since all people who are eligible for the 50-55 program are also eligible to leave under the 65 Point Plan, the 50-55 retirement bridge isn't necessary anymore.

Q. Will I have access to the retiree medical plan if I leave under the 65 Point Plan?

A. It depends on your age when you leave American. You must be at least age 55 when you leave the company and have at least 10 years of company seniority to have access to American's retiree medical plan. If you leave under the 65 Point Plan before you are age 55, you will not have access to American's retiree medical plan.

Q. As a pilot, may I get my sick bank funded to a Health Reimbursement Account (HRA) if I leave under the 65 Point Plan?

A. No, the APA agreement has specific eligibility requirements for HRA funding which will govern payout of a pilot's sick bank.

Q. Previously, legacy US Airways had a 55 & 5 plan (age 55 with at least 5 years of service) which provided retiree travel and access to retiree medical/dental. Is that plan still in effect?

A. The 55 & 5 plan has been eliminated. Certain collective bargaining agreements may have provisions that provide you access to retiree medical/dental and retiree travel, please check your agreement. Legacy US Airways management and support staff employees were previously notified of their eligibility under this plan and received individual correspondence from Human Resources.

Letter to Agents and TWU about their sick bank payouts

September , 2016

Dear xxxx

Our records indicate you left the company under the 50-55 Rule. Under the terms of this retirement rule, you would have full retiree status when you reached age 55, at which time you would receive your accrued sick bank payout and access to American's retiree medical plan. You were previously granted retiree travel privileges when we adopted the 65 Point Plan at merger with U.S. Airways.

This letter is to inform you that we are eliminating the 50-55 Rule effective January 1, 2017. As part of the change, we are pleased to inform you that we are paying out your accrued sick now. You will receive a check for your accrued sick bank in October.

You will still have access to retiree medical when you reach age 55. You can find out more about the retiree medical plan, including monthly rates, by visiting <http://my.aa.com> or you may contact the Benefits Service Center at 888-860-6178 about enrolling in American's retiree medical plan.

If you have any questions about this letter, please call Human Resources at 844-543-5747.

Sincerely,

Mary Anderson
Managing Director Health & Wellness