



NATIONAL ASSOCIATION OF LETTER CARRIERS
HEALTH BENEFIT PLAN



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Dear NALC Member:

Over the past few weeks you have received correspondence from the Postal Service regarding health insurance coverage in 2014. I also sent you a brochure on the NALC Health Benefit Plan's new Consumer-Driven and Value Option health plans. This information may be a bit confusing to new City Carrier Assistants; therefore, I am writing in my capacity as NALC Director of Health Benefits to clarify the issues surrounding CCA health insurance, and to ensure that you fully understand your options and rights under the NALC's National Agreement with the Postal Service.

The scope of your health care options in 2014 depends on two factors: First, on whether you have completed a 360-term of service with the Postal Service (counting any prior service as a Transitional Employee), and second, on the resolution of a dispute we have with the Postal Service on the meaning of language in the Das interest arbitration award that set the terms and conditions for CCA employees. To help you understand your health care options, I will explain the language in the Das Award and then summarize the choices you face.

The Health Insurance section of Appendix B of the 2011-2016 Collective Bargaining Agreement between the NALC and the USPS contains the following three paragraphs on health benefits coverage for City Carrier Assistants (CCAs): (See <http://www.nalc.org/depart/cau/pdf/agreemnt/na2011.pdf> -- page 144.)

- 1. After an initial appointment for a 360-day term and upon reappointment to another 360-day term, any eligible noncareer CCA employee who wants to pay health premiums to participate in the Federal Employees Health Benefits (FEHB) Program on a pre-tax basis will be required to make an election to do so in accordance with applicable procedures. A previous appointment as a transitional employee will count toward qualifying for participation in FEHB, in accordance with the Office of Personnel Management (OPM) regulations. The total cost of health insurance is the responsibility of the noncareer employee except as provided below.*

Paragraph #1 provides for the health care option that was previously available to NALC transitional employees. Under this option, CCAs reappointed to another 360-day term after serving an initial 360-day term (let's call them 360-day CCAs), have full Open Season rights to choose any available plan in FEHB (including those offered by the NALC HBP), but they must pay the total cost of the plan as there is no Postal Service contribution toward the premium.

- 2. Beginning in Plan Year 2014, the Postal Service will make a bi-weekly contribution to the total premium for any CCA employee who wishes to participate in the USPS Noncareer Health Care Plan (USPS Plan) equal to the greater of (a) \$125, or (b) the minimum required by the Patient Protection and Affordable Care Act, and applicable regulations, for self-only. The CCA employee is fully responsible for the cost of premiums for any health insurance plan beyond a self-only plan. Any CCA employee wishing to make their health care contribution on a pre-tax basis will be required to make an election to do so in accordance with applicable procedures. All CCA employees will be eligible for the USPS Plan within a reasonable period from the date of hire and entry into a pay status, consistent with the requirements established under the Patient Protection and Affordable Care Act.*

Paragraph #2 provides for CCA participation in the USPS Noncareer Health Care Plan. CCAs who select self-only coverage and want to receive a bi-weekly contribution of \$125 from the Postal Service toward

their health insurance premium must select the USPS Plan. The Postal Service has indicated that all CCAs are eligible for the plan, and that self & family coverage is also available. However, keep in mind that the Postal Service contribution is \$125 regardless of whether you elect self-only or self & family coverage.

- 3. If for any reason the USPS Plan is not available to a CCA, or if a CCA elects more than self-only coverage, the Postal Service will make a bi-weekly contribution for any eligible CCA who selects an NALC Consumer Driven Plan or Value Option Plan equal to the greater of (a) \$125, or (b) the minimum required by the Patient Protection and Affordable Care Act, and applicable regulations, for self-only.*

Paragraph # 3 covers CCAs who want self & family coverage and protects CCAs in the event that the USPS Plan is not available to them for any reason. As mentioned above, the USPS has advised the NALC that all CCAs are eligible for participation in the USPS Non-career plan in 2014. So for the coming year, paragraph #3 effectively addresses the options available to CCAs who want self & family coverage. The NALC Health Benefit Plan offers two variations of a consumer driven plan. CCAs may select the NALC Consumer Driven Plan or Value Option Plan instead of the USPS noncareer plan. A CCA who selects an NALC Plan because they want self & family coverage will receive the \$125 bi-weekly Postal Service contribution. (In future years, if the USPS Plan is not available for any reason, CCAs will also receive the \$125 contribution for either self-only or family coverage under either of the NALC Consumer Driven plans.)

Please note that the NALC and the USPS have a dispute with regard to the implementation of Paragraph #3. The NALC believes it applies to all CCAs who want self & family coverage, regardless of their length of service. The Postal Service has taken the position that only CCAs who have completed a 360-day period of service and who want self & family coverage are eligible to enroll in one of the NALC Consumer Driven Plans and to receive a contribution of \$125 every two weeks. Pending resolution of this dispute the Postal Service will only make the \$125 contribution for 360-day CCAs who select self & family coverage from either of the NALC Consumer Driven Plans.

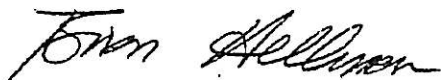
In summary, what this means for now is that CCAs have the following options for health benefits coverage next year (2014):

If you are a 360-day CCA, you have three options: (1) You can choose self-only or self & family coverage in the USPS Noncareer Plan and receive a \$125 contribution to the premium every two weeks; (2) As a NALC member, you can choose to become a member and select self & family coverage (not self-only) from the NALC Consumer Driven Plan or Value Option Plan and receive the \$125 bi-weekly contribution from USPS; or (3) You can choose self-only or self & family coverage in any plan offered through the FEHB Program, but receive no contribution toward premium costs.

If you have not completed a 360-day period of service, you have only one plan option: You can choose to enroll in USPS Noncareer plan (with either self-only or family coverage) and receive the \$125 bi-weekly premium contribution from the Postal Service. However, if the NALC prevails in its dispute with the USPS, you may also have the option in the future to choose self & family coverage under either version of the NALC Consumer Driven Plan or Value Option Plan and receive the \$125 bi-weekly contribution from USPS.

I hope this clarifies a very complicated issue and helps you make the right decision for you and your family. If you have any questions, feel free to call (888) 636-6252 for assistance.

Sincerely,



Brian Hellman
Director of Health Benefits