



CANADIAN NATIONAL RAILWAY COMPANY

EXTENDED HEALTH CARE PLAN

FOR

**CLERICAL, INTERMODAL AND SHOPCRAFT EMPLOYEES
REPRESENTED BY THE**

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW – Canada)
Agreements 5.1, 5.55 and 12**

Effective 2011–2014

CAW CLERICAL, INTERMODAL AND SHOPCRAFT EMPLOYEES EXTENDED HEALTH CARE PLAN

FOREWORD

This booklet explains the **Extended Health Care Plan** for railway employees represented by the **National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW – Canada)** in Canada and their dependents, put in place as the result of negotiations between CN and your labour union.

The cost of the Extended Health Care Plan is currently paid by the Company and provides a wide range of medical benefits. It is administered by Green Shield Canada.

What follows is a summary of the main features of the Plan. While every effort has been made to ensure that this booklet is accurate, the Plan Contract CNR– is the governing document. The program is also intended to comply with all federal and provincial laws. In the event of any conflict, the terms of any applicable laws will govern.

Please read this booklet carefully and keep it as a reference. If any other information is required, contact the Payroll and Benefits Administration Group at 1-800-363-6060. Ask for Payroll and select option 5 (Benefits and Pension Administration).

NOTE: The Extended Health Care Plan for employees represented by a bargaining agent in Canada conforms to minimum requirements under applicable legislation.

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ELIGIBILITY

You and your eligible dependents are covered on the first day of employment.

You remain covered during each month in which you have compensated service until coverage terminates as explained in the “Termination of Coverage” section of this booklet.

Enrolment in the Plan is automatic.

Eligible Dependents

The following members of your family are considered eligible dependents:

- your spouse (if you and your spouse are separated, your spouse must be supported by you in order to be considered eligible);
- your unemployed, unmarried children and stepchildren dependent on you for financial support, and who are:
 - under age 21 and living with you or your eligible spouse (or shared custody);
 - under age 25 (under age 26 if a resident of Quebec), if registered as a full-time college or university student in an educational institution recognized under the Income Tax Act (Canada). A child who works less than 15 hours a week is also considered entirely dependent on the employee for financial support;
 - handicapped before age 21, continue to qualify as long as they
 - are incapable of self-support because of a physical or mental disability,
 - depend on you for financial support and maintenance, and
 - remain unmarried.

NOTE 1: “Spouse” means:

- (i) The person who is legally married to the employee and who is residing with or supported by the employee; or
- (ii) if there is no legally married spouse that is eligible, the person, with whom the employee has been cohabiting for at least one year (sooner if a child is born of their union), and both are free to marry; or

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- (iii) the person, with whom the employee has been cohabiting for at least three years (sooner if a child is born of their union) if one or the other is, by law, prohibited from marrying by reason of a previous marriage.

NOTE 2: The spouse of a CN employee who is covered under this plan as an employee can be designated as a dependent of the employee for Extended Health Care coverage if such spouse loses his or her own coverage.

PLAN PROVISIONS

The Plan provides you and your eligible dependents with financial assistance for medically necessary health care expenses not covered by your provincial or territorial hospital and Medicare plans.

Deductible

After an annual deductible of \$25 per family has been paid, the Plan reimburses eligible hospital, drugs, medical and vision care expenses.

The deductible is the amount of eligible expenses you pay each year before the Plan begins to reimburse you.

The deductible does not apply to hospital expenses in your province of residence.

Covered Percentage

The Plan reimburses 100% of eligible hospital expenses in your province of residence and 80% of the eligible expenses you incur in excess of the annual deductible for major medical, prescription drugs and vision care, subject to applicable maximum eligible expenses or reimbursements.

For Quebec residents, the reimbursement level is increased to 100% once the out-of-pocket maximum as defined under the Prescription Drug legislation, has been reached per adult, per year.

Maximum

The current lifetime maximum that can be reimbursed to you or any of your eligible dependents is \$46,000. For drugs only, this provision is not applicable to Quebec residents.

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Hospital Expenses

In your province of residence, the Plan provides reimbursement of:

- 100% of the charges for the average cost of a semi-private room that exceed the amount paid by the government plan. There is no limit on the duration of the hospital stay;
- Out-patient services in a hospital.

Outside your province of residence, the Plan reimburses:

- 80% of the charges, in excess of the deductible, that exceed the amount covered by the provincial government plan, for the following services in case of an emergency for up to 180 days per calendar year:
 - semi-private hospital room;
 - hospital out-patient services.

Outside Canada, for emergency medical treatment of illness or injury sustained while travelling outside of Canada, the Plan reimburses:

- 80% of the charges, in excess of the deductible, that exceed the amount covered by the provincial government plan, for the following services in case of an emergency for up to 180 days per calendar year:
 - semi-private hospital room;
 - other hospital services;
 - hospital out-patient services.

A hospital is defined as a legally-operated institution primarily engaged in providing medical, diagnostic and surgical facilities for the care and treatment of sick and injured persons on an in-patient basis and that provides such services under the supervision of a staff of doctors with a 24-hour-a-day nursing service provided by registered nurses.

Under this definition, none of the following is considered a hospital:

- a home for the aged;
- a rest home or nursing home;
- an institution providing psychiatric care;
- an institution for the treatment of substance abuse.

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Prescription Drugs

If you live in a province where the provincial government provides a prescription drug plan, benefits under the Railway Plan will be coordinated with the government plan.

As of June 1, 2011, you are able to use a pay-direct card with Green Shield Canada (GSC). This card can be used for the purchase of medical supplies and equipment, health services, prescription drugs and vision claims. Present your Green Shield Identification card to your provider, and after you pay any applicable amount (deductible and/or co-insurance), they may bill GSC directly.

When you use your GSC card to pick up a prescription at the pharmacy, after you have paid the \$25 deductible, you will only have to pay 20% of the eligible drug cost and a \$2.50 charge for each prescription filled. The remainder of the cost will be reimbursed by GSC directly to the pharmacy.

If your provider does not accept a pay-direct card, you will need to file a paper claim with Green Shield Canada.

If an interchangeable generic version of the drug is available, the plan will reimburse 80%, after a \$2.50 charge per prescription, at the price of the lower cost generic drug unless the physician indicates no substitution on the prescription.

Covered expenses:

- Drugs, serums and vaccines available only by prescription when prescribed by a physician or dentist for the treatment of an illness and dispensed by a licensed pharmacist;
- Diabetic supplies;
- Supplies for the treatment of parkinsonism and cystic fibrosis;
- Colostomy supplies;
- Oral contraceptives;
- Nicotine substitutes (Quebec only).

For Quebec employees and their eligible dependents, any conditions under this plan that do not meet the requirements under the Quebec drug insurance plan are automatically adjusted to meet those requirements.

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Expenses not covered:

Payment is not made for:

- Drugs that can be purchased without a prescription, such as: patent and proprietary medicines, cough and cold medicines, baby foods and formula, minerals, vitamins, health foods and collagen treatments;
- Nicotine substitutes (excluding Quebec);
- Growth hormones;
- Any charge for the administration of serums, vaccines and injectable drugs;
- Anti-obesity treatments including drugs, proteins and dietary or food supplements, whether or not prescribed for medical reasons.

Vision Care

Covered expenses:

- Services of an ophthalmologist or a licensed optometrist, where not covered by Medicare, up to a maximum amount payable of \$25 per person in any two consecutive calendar years;
- Charges for contact lenses or eyeglasses (including frames, shatterproof lenses and sunglasses) and their replacement, provided there is a need for a change in their magnifying strength, or laser eye surgery.

Only one claim for eyeglasses, contact lenses (except disposable), or laser eye surgery can be made in any 12 month period for a person under age 18 or in any 24 month period for any other person up to a maximum reimbursement of \$250.

Supplies must be prescribed in writing by an ophthalmologist or a licensed optometrist and dispensed by such specialists or by a qualified optician.

Expenses not covered:

Payment is not made for any device worn for the purpose of eye protection only, and not for vision correction.

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Major Medical

Covered expenses:

- Ambulance:

Professional ambulance services not reimbursed by your government health plan for local transportation, including inter-hospital transfers to and from the nearest hospital able to provide essential care, when recommended by a physician as medically necessary. This includes, in case of emergency, air ambulance service or any other vehicle normally used for public transportation.

- Private Duty Nurse:

Services of a private duty registered nurse or a registered nursing assistant, other than a close relative, in the patient's home, when medically required. Prior approval must be obtained from Green Shield Canada.

- Laboratory Tests:

Charges for laboratory tests done in a commercial laboratory for diagnosis of an illness, but excluding any tests performed in a pharmacy.

- Physiotherapist:

Services of a licensed physiotherapist who is not a close relative and is prescribed in writing by a physician.

- Accidental Dental:

Dental treatment required for the repair of damage to natural teeth resulting from an accidental blow to the mouth that occurs while the person is covered under the Plan. Treatment must be approved in advance by Green Shield Canada and provided within six months of the accident.

- Durable Equipment:

Rental or, if the Company so chooses, purchase of a wheelchair, hospital bed, iron lung or other similar equipment for therapeutic use. Prior approval must be obtained by Green Shield Canada.

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- Hearing Aids:

Hearing aids, not covered by Workers' Compensation, when prescribed in writing by an Ear-nose-throat (ENT) Specialist. The maximum amount payable is \$300 per person in any five consecutive calendar years.

- Orthopaedic Shoes:

Orthopaedic shoes, when prescribed by a doctor, limited to one pair per person in each calendar year.

- Support Stockings:

Elastic support stockings prescribed by a doctor, up to a maximum amount of \$50 per person in each calendar year.

- Mammary Prosthesis:

Mammary prostheses required as a result of surgery when ordered or provided by a Doctor, up to a maximum amount of \$200 per person in each calendar year.

- Doctor's Fees:

Services of a doctor for emergency medical treatment while you are outside your province of residence.

- Prosthetic Appliances:

Artificial limbs and eyes, including replacements when medically necessary.

- Supplies:

Casts, splints, trusses, braces or crutches.

- Transfusions:

Oxygen, plasma and blood transfusions and their administration.

- X-Rays:

Diagnostic and X-ray services.

- Convalescent Hospital:

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Charges for convalescent hospital confinement in your province or territory of residence. Such confinement must be ordered by a physician, be preceded by at least five consecutive days of hospital confinement, commence within 14 days of that hospital confinement and be for rehabilitation and not primarily for custodial care. The maximum amount payable will be \$20 per day for each period of disability for a maximum of 120 days of confinement.

A convalescent hospital is a legally operated institution which is entitled to a daily allowance under the provincial hospital plan where it is located.

Expenses not covered:

Payment is not made for:

- The difference in cost between a semi-private and a private hospital room.
- Treatment by chiropractors, osteopaths, podiatrists, speech therapists, and psychologists.
- Orthopaedic mattresses, exercise equipment, air conditioning or air-purifying equipment, and whirlpools.
- Charges for experimental services and treatment, and those attributed to the application of new processes or treatment not yet in current use.
- Any expenses in excess of the reasonable and customary charges in the locality where the service is rendered.
- Injury you sustain while working for pay or profit other than with CN.
- Injury your eligible dependent sustain while he or she is working for pay or profit.
- Any portion of medical expenses covered under Workers' Compensation or similar program.
- Services to which you or your eligible dependents are entitled without charge, or for which there would be no charge if you were not covered by this EHC Plan.
- Services or portions of services, provided under government sponsored programs.
- A service covered by a government sponsored program which is suspended.

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COORDINATION OF BENEFITS

If you and your spouse are covered for extended health under more than one plan, your benefits under this plan will be coordinated with the other plan so that you may be reimbursed up to 100% of the eligible expense incurred. The combined benefits from the two plans cannot exceed the expenses actually incurred. They are coordinated as follows:

- Expenses incurred by your spouse are reimbursed first by your spouse's plan and then by this Plan if a balance remains.
- Expenses incurred for eligible children are first reimbursed by the plan of the parent whose birthday falls earliest in the year, and then by the other parent's plan.

TERMINATION OF COVERAGE

Your coverage and coverage for your dependents under the Extended Health Care Plan terminates as follows:

In the case of:

- (1) **resignation or dismissal**, on the date the employment relationship ends;
- (2) **retirement**, at the end of the month in which you retire under the pension plan rules;
- (3) **layoff, suspension, or voluntary leave of absence without pay**, (except as indicated in the next section entitled "Continuation of Coverage"), at the end of the month in which the event occurs;
- (4) **strike or lock-out**, on the last day worked (for Quebec residents, plus 30 days for drugs only)

Coverage for dependents ends on the date your coverage ends (except in case of death, at the end of the month in which you die) or on the date the dependent ceases to meet the eligibility criteria outlined in the "Eligibility" section of this booklet.

If you are transferred out of a bargaining unit covered by this Plan into another position in the Company, where the Plan does not apply, your coverage terminates on the last day of the month in which you work in the bargaining unit.

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CONTINUATION OF COVERAGE

- 1) In cases of leave of absence due to disability covered by Workers' Compensation Authority, your coverage will be maintained for the entire period during which you are receiving Workers' Compensation benefits and undergoing treatment and rehabilitation at the expense of a Workers' Compensation authority, but not beyond the end of the month in which you attain age 65.
- 2) In cases of leave of absence due to disability, illness or injury, not covered by Workers' Compensation Authority, coverage will be maintained at no cost to you for the duration of your leave from the end of the month in which the disability occurs, provided you are receiving Short-Term Disability benefits or Employment Insurance Sickness Benefits.
- 3) In cases of a maternity, parental and compassionate care leave, your coverage will be continued for the duration of the leave.
- 4) In case of layoff and in any of the above cases, an employee who continues on leave of absence after eligibility terminates may maintain coverage at their own cost, by signing and returning the premium repayment agreement form to CN within the required time limit. This option expires after a 12-month period following the end of the month in which the leave of absence began.

NOTE: Details on premium repayment are outlined in the "Repayment of Premiums" section of this booklet.

REINSTATEMENT OF COVERAGE

You are automatically covered from the date you return to active work if your coverage has been terminated while you were on leave of absence, on strike, suspended or dismissed but reinstated.

If you are laid off and your coverage terminates, you will be covered automatically from the first day of the month in which you return to active work.

HOW TO MAKE A CLAIM

When you wish to file a claim:

A. For Hospital Benefits:

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1. Tell the hospital admitting staff that Green Shield Canada administers your Plan under Contract number “CNR-“. Also, tell them your participant number (“CNR-“ & your PIN).
2. The hospital may accept your card as payment (if applicable), may send the claim directly to Green Shield Canada or bill you directly.
 - a) If the hospital sends the claim directly to Green Shield Canada, you will receive a statement showing the amounts charged and the amounts reimbursed by the insurer. Please verify that the charges listed are for services actually rendered.
 - b) If the hospital is unable or unwilling to send the bill directly to Green Shield Canada, you are to make a claim to the insurer by following the procedures described below.

B. For Extended Health and Vision Care Expenses:

1. Obtain the claim form from CN’s ePortal or from your administrative office.
2. Complete all applicable sections on the claim form, attaching all applicable receipts.
3. Send the completed form to the Green Shield Canada office according to the type of expense submitted (vision, drugs, etc...). Addresses are listed in the section of this booklet called “Green Shield Canada Claims Offices” or on the claim form.

NOTE: Green Shield Canada MUST receive your claim no later than 90 days after the end of the calendar year during which you incur the expense.

How to Make a Claim

You should make a claim only after you have accumulated receipts for eligible expenses totalling in excess of the deductible amount for the year.

Reimbursement of expenses for prescription drugs, vision care and major medical benefits will be sent to you or by direct deposit.

Reimbursement of hospital expenses will be made directly to the hospital or to you, depending upon the arrangements you have made with the hospital.

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To benefit from direct deposit or other plan member services, you must register yourself on the Green Shield Canada Web site (www.greenshield.ca). For more information, contact Green Shield Canada at 1-888-711-1119.

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Prompt Handling of your Claim

Did you answer every question on the claim form?

Did you, the employee, sign the claim form?

Did you attach all required receipts?

If you did, you will help Green Shield Canada to review your claim quickly and to process any reimbursement due to you.

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GREEN SHIELD CANADA CLAIM OFFICES

To claim professional services:

Green Shield Canada
P.O. Box 1699
Windsor, Ontario
N9A 7G6
Toll-free: 1-888-711-1119

To claim medical supplies:

Green Shield Canada
P.O. Box 1623
Windsor, Ontario
N9A 7B3
Toll-free: 1-888-711-1119

To claim vision and hospital
charges:

Green Shield Canada
P.O. Box 1615
Windsor, Ontario
N9A 7J3
Toll-free: 1-888-711-1119

To claim for prescription drugs:

Green Shield Canada
P.O. Box 1652
Windsor, Ontario
N9A 7G5
Toll-free: 1-888-711-1119

To claim all other expenses:

Green Shield Canada
P.O. Box 1606
Windsor, Ontario
N9A 6W1
Toll-free: 1-888-711-1119

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REPAYMENT OF PREMIUMS

If you are laid off or if you take a leave of absence during which the Company does not maintain your coverage in force without payment of premium, you may keep your coverage in force by signing and returning the Premium Repayment Agreement form.

You should obtain from CN's Workforce Management group (1-800-220-2745) a copy of the current year circular entitled *Benefits Coverage During a Leave of Absence* and carefully follow the instructions. It is also available on CN's ePortal.

DISPUTE OF CLAIMS

You are responsible for the completion of the claim forms and furnishing proof of expenses incurred as deemed necessary and appropriate by Green Shield Canada.

If you are denied all or any part of a claim, you will receive a notice, in writing, giving the specific reasons for such denial and a description of any additional material necessary in support of the claim.

You have 60 calendar days from the day of denial in which to take action.

If the denial is on the basis of specific expenses, submit the necessary documentation to the appropriate Green Shield Canada Claims office for review.

If denial is on the basis of eligibility, contact the Payroll and Benefits Administration Group at 1-800-363-6060. Ask for Payroll and select option 5 (Benefits and Pension Administration). If they cannot resolve the issue within the 60 days, you may request that it be submitted by the Company and union officers concerned to CN's Benefits Administrative Committee for review.

SIGNATORY RAILWAY AND SIGNATORY UNION

Signatory Railway:

Canadian National Railway Company (CN)

Signatory Union:

National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW - Canada)

ADMITTED GROUPS

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In addition to the signatory railway and union, there are other groups of employees and railways that have been admitted to coverage under the Plan. The terms and conditions of their admittance permit them to participate in the Plan to the same extent as the signatory groups of employees. The following group has been admitted to the Extended Health Care Plan.

Joint Company

Union

The Toronto Terminals Railway Company

CAW