

Operating Policy

Title: **MEDICAL INSURANCE PROGRAM OPT-OUT**
Effective Date: January 1, 1997

Number: **21-019**
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A. POLICY

1. Some Metro-North employees are eligible for medical coverage through their spouses' employers. A financial incentive will be paid to management employees and persons in technically covered TCU positions who "opt-out" of participation in the Company's group health insurance plan.
2. Employees who opt-out of medical coverage and their dependents remain eligible for all other group insurance offered by the Company.
3. Employees must be in active service as of January 1 and remain in active service for that full calendar year.
4. The amount of the incentive payment for opting-out of either individual or family coverage is specified each year by the MTA. There is no incentive payment for changing from family to individual coverage. All payments are subject to applicable federal, state and local taxes.
5. The election to opt-out of the plan must be made during the annual open enrollment period in the late fall for the following calendar year. Incentive payments will be made in the year subsequent to the one that was elected.
6. Employees who change their status at any time during the "opt-out" year lose the entire payment they would have received. There are no pro rata payments for portions of an elected year.

B. STEPS

1. During the open enrollment periods, an employee may arrange to opt-out by contacting the Benefits Unit of the Human Resources Department. Open enrollment periods will generally be held in November or December for the following calendar year, except as modified from time to time by the State of New York.
2. The Human Resources Department will confirm the employee's entitlement to the opt-out payment at the end of the relevant calendar year and will authorize payment.

C. ADMINISTRATION

1. The Director, Human Resources is responsible for the administration of this policy.

This Policy sets forth only guidelines and does not constitute a contract, express or implied. Metro-North expressly reserves the right to change or cancel this Policy at its sole discretion at any time.

Approved: *Signed by Celia Ussak, Director, Human Resources, on 3/4/98*

Signed by Genevieve Firnhaber, Executive Vice President, on 3/18/98

