

Republic Airways



Benefits Guide 2016

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INTRODUCTION

Welcome to your Republic Airways Holdings Associates Benefits Program, effective January 1, 2016. The following pages provide detailed information on our various benefit programs and options. Please carefully review this guide prior to enrolling for benefits or if you have questions throughout the year.

Due to legal and contractual guidelines, the plans that we offer have specific rules regarding eligibility, time frames for enrolling and making changes, when deductions start and end, etc. Please carefully review the following pages so you are aware of these rules.

ELIGIBILITY NOTES

Eligibility for Benefit Coverage

- Any regular Associate regardless of hours worked is eligible to enroll in most benefits. Temporary associates, contractors and interns are **not** eligible for benefits.
- Your legal spouse (as defined by Federal Law), your common law spouse (if recognized by your state of residence), or your same-sex domestic partner (SSDP). A spouse includes a same sex individual whom you married in any jurisdiction that recognizes same-sex marriages. By enrolling your spouse for coverage, you are certifying that you are legally married to that individual.
- Your biological children, stepchildren, legally adopted children, or a child for whom you have legal guardianship, up to the age of 26.
- Your unmarried, disabled child(ren) who are under your care.

You may be required to provide documentation of marriage, paternity, adoption, age or other eligibility criteria to document your relationship with any person you have enrolled for coverage. You must provide that documentation upon the request of the plan administrator.

Documentation of Dependent Status

Proof of dependent eligibility may be requested at any time. Failure to provide documentation, if requested, will result in cancellation of dependent coverage. Enrollees will be notified when a dependent audit is being conducted. Falsification of documentation, misrepresentation of dependent status, or other fraudulent actions to obtain coverage not otherwise allowed may constitute a criminal act.

Common Law Spouse

To add a Common Law Spouse during the annual Open Enrollment period, no documentation is required (however, as with any dependent, proof of dependent eligibility may be requested from time to time). To add a Common Law Spouse as the result of a Qualified Life Event you must submit the Company-approved, "Affidavit Declaring Common Law Marriage" form. This form is available upon request or can be found in the Electronic Forms section of UltiPro.

Same Sex Domestic Partner

Due to the recent Supreme Court ruling regarding same sex marriage, many companies are removing Same Sex Domestic Partner "SSDP" coverage beginning in 2016. Republic will continue to offer coverage to SSDPs for 2016. To add a SSDP during the annual Open Enrollment period, no documentation is required (however, as with any dependent, proof of dependent eligibility may be requested from time to time). To add a SSDP as the result of a Qualified Life Event you must submit the Company-approved, "Affidavit Declaring Domestic Partnership Coverage Request" form along with the required documentation. Acceptable documents include a notarized copy of an Affidavit Declaration or Registration of Domestic Partnership that has been filed with the appropriate County or State Clerk's Office. If such a document is not recognized in the jurisdiction in which you live, you must provide copies of **at least two** of the supporting documents listed below to verify the authenticity of your lifetime partnership.

- A. Deed showing joint ownership of property
- B. Lease stating both partner's names as lessees
- C. Joint credit cards
- D. Joint checking account
- E. A will which designates the other as a primary beneficiary or grants them a durable power of attorney.

Important Note About Tax Implications for Domestic Partner Coverage: If you enroll your SSDP and/or any of your SSDP's children in Medical, Dental or Vision coverage, you will pay for that coverage with after-tax payroll deductions. Keep in mind that because of Internal Revenue Code restrictions, in most cases the value of coverage for your SSDP and/or your SSDP's covered children will be taxable to you as income. This means you will owe additional federal and state income taxes, as well as Social Security and Medicare (FICA) taxes.

If Both You and Your Spouse/SSDP Work for Republic Airways

If you and your spouse/SSDP both work for Republic Airways, you cannot be covered as both an Associate and a dependent under any plan(s). In addition, your eligible dependent children can be covered under either your plan or your spouse/SSDP's plan, but not both. If you and your spouse/SSDP enroll in each other's plans and/or you both enroll dependent children on your plan(s), you may only receive benefit payments from one plan and no refund of payroll deductions will be made. As a result, it is important that you and your spouse/SSDP coordinate enrollments with each other.

Change of Dependent Status

You are responsible for notifying the Benefits Department of a dependent's ineligibility due to divorce or age within 60 days of the date it occurs. No premium refund will be available for any notice that occurs after 60 days. In addition, you will forfeit your right to COBRA coverage. This is different than a Qualified Life Event which requires notification within 30 days. See section [Changing Coverage During the Year](#) for more information.

Enrolling or Making Changes to Your Benefits

Mid year plan changes are allowed to the extent permitted by law and plan requirements. Generally, there are only certain times during the year that you can enroll, make changes, or cancel benefits. Those opportunities include:

- As a newly hired Associate
- During the annual Open Enrollment period
- Upon experiencing a Qualified Life Event.

Please contact the Benefits Department for more information about making midyear changes to your benefits.

You must enroll or make changes using the UltiPro online system. In addition, there are time limits associated with each, and there are some benefits that cannot be elected, changed or cancelled midyear for any reason. Refer to the section titled [Changing Coverage During the Year](#) for more details.

Changing Coverage During the Year

Pay special attention and consider your options carefully before enrolling, because generally once your initial eligibility period has expired or Open Enrollment has ended, you will not be able to change your elections or enroll in benefits until the next open enrollment period. An exception to this is if you should have a Qualified Life Event.

Qualified Life Events include:

- Marriage, legal separation, divorce (a common-law spouse may not be dropped from coverage mid year without proof of a legal separation or divorce) or dissolution of a partnership with a SSDP
- Birth, adoption or gaining legal guardianship of a child
- Death of a dependent
- Termination or commencement of employment of your spouse/SSDP, resulting in either loss of coverage or enrollment in new coverage
- Switching from part-time to full-time employment status or from full-time to part-time status (including the start or end of an unpaid leave of absence)
- Your spouse/SSDP switching from part-time to full-time employment status
- Significant change in your spouse/SSDP's health coverage

- Loss of COBRA eligibility under another plan
- Loss of dependent's eligibility through loss of custody or dependents exceeding the age limit, marrying or entering military service
- Change in cost or hours of dependent day care (Dependent Care FSAs only)
- Judgment, decree or court order that requires or ends coverage
- Gain of Medicare or Medicaid eligibility by a dependent

You must make any changes in the UltiPro online system **and** supply the required documentation* to the Benefits Department **within 30 days** of the Qualified Life Event. The change to your elections will not be processed until both requirements have been met. The only exception is if you need to change coverage because your Medicaid or state children's health insurance plan coverage was terminated, or if you become eligible for premium assistance under Medicaid or a state children's health insurance program. In those instances you have 60 days to make changes.

*Contact the Benefits Department at benefits@rjet.com or 317-471-2285 to find out what documentation is required to make coverage changes after a Qualified Life Event. Do **NOT** wait for the receipt of an official birth certificate, marriage license, Social Security card, etc., before submitting a life event. Contact the Benefits Department and we will provide you with a list of acceptable alternative documents. Cancellation of some benefits requires no documentation.

Enrolling for Benefits Using the UltiPro Online System

It is your responsibility to enroll in the benefit plans of your choice using the UltiPro online system. Instructions for enrolling using this system can be found in the Electronic Forms section of UltiPro. To enroll you will need:

- Your Associate ID number and your network password. If you do not know your password, call (317) 484-6074. This line is answered 24/7.
- Your dependent and beneficiary's information, including dates of birth and social security numbers.
- A printer so you can print your confirmation statement.

When Your Coverage Begins

- As a new hire your elected coverage(s) begins after 30 days of employment.
- If you make changes due to a Qualified Life Event your coverage will begin on the effective date of that event. For example, if your Qualified Life Event is marriage and you elect to enroll your new spouse, his/her coverage would begin on the date of your marriage. Refer to the section titled, [Changing Coverage During the Year](#) earlier in this document for more details.

Paying for coverage

Some of the benefits offered to you are entirely paid by Republic, others are a shared responsibility requiring contributions by both you and Republic, and others, if elected, are fully paid by you. Please review the following information for clarification on paying for your benefits.

- Premiums (your contributions toward the cost of coverage) are deducted equally from twenty-four paychecks per year. The only exception are 401(k) and Flexible Spending Account (FSA) deductions which are withheld 26 times per year for those associates paid on a biweekly basis.
- Premium deductions are never prorated.
- If you are a new hire and enroll late in your 30-day eligibility period or if you make changes due to a Qualified Life Event you may owe for missed premiums. If this happens, we will adjust your next check for any missed premium(s). This may require a double deduction from your paycheck(s) to “catch up” on premiums owed. If you change or drop coverage due to a Qualified Life Event resulting in an end or reduction in your premiums, we will refund you those amounts on the first possible paycheck.
- Associates who do not receive a paycheck or receive a reduced paycheck (e.g., associates on leave without pay or part-time associates with no hours during the payroll period) will owe for any missed premiums. This may require a double deduction from future paychecks to “catch up” on premiums owed or you may be required to send payments in to the Benefits Department in order to retain your coverage. Failure to pay for your benefits, or allowing your benefits payments to go into arrears, may result in retroactive cancellation of your coverage. Cancellation of coverage for non-payment may not be a COBRA qualifying event. In addition, if you are a participant in the Legacy Plan and you lose that coverage due to non-payment you may not be able to return to the Legacy Plan.

When Your Coverage Ends

- Your benefits coverage ends on the last day of the month in which your employment ends or changes to an ineligible status. If your employment termination date is the last day of a month, your benefits end on that date. Examples:
 - If your last day of employment is June 12, your benefits will end on June 30.
 - If your last day of employment is June 30, your benefits will end on June 30.
- Benefits coverage for dependents who no longer meet eligibility requirements ends on the last day of the month in which they lose eligibility. For example, a child’s coverage would end on the last day of the month of their 26th birthday; an ex-spouse’s coverage would end on the last day of the month the divorce is finalized; or in the event of an associate’s death, dependents would be covered until the last day of the month of the associate’s death.

- If your coverage ends due to a Qualified Life Event wherein you became eligible for other coverage (e.g., you get married and go on your new spouse's plan or you enroll in other coverage) your coverage ends on the day before your new coverage starts.



2016 BENEFITS HIGHLIGHTS

An overview of our 2016 Benefits Program is presented in the table below. More details about each of these plans are presented on the following pages. The entire provisions of benefits, limitations, maximums and exclusions are contained in the Summary Plan Descriptions for each plan (found in the Electronic Forms section of UltiPro). In the event of a conflict between the Summary Plan Description and these summaries, the terms of the Summary Plan Description will prevail.

Benefit	Provider	Eligibility	Coverage Options	Cost Share Arrangement
Medical	Anthem BCBS	30 days	Legacy Plan*	Republic pays a significant portion of cost. The Company contributes to the HSA for participants enrolled in the Value CDHP and the PHP. You pay your share of coverage (premiums) on a pre-tax basis.
			Traditional Plan	
			Value CDHP (Consumer Driven Health Plan) with HSA	
			Pilot Health Plan (PHP) with HSA**	
Dental	MetLife	30 days	Standard Plan	Republic pays for Associate Only coverage on the Standard Dental Plan. Otherwise you pay your share of coverage (premiums) on a pre-tax basis.
			Plus Plan	
Vision	Anthem BCBS	30 days	Reimbursement Plan	Republic pays the full cost of either plan for associate and, if applicable, dependent coverage. However, you must elect coverage when you enroll.
			Comprehensive Plan	

Benefit	Provider	Eligibility	Coverage Options	Cost Share Arrangement
Life & AD&D Insurance*** «	Symetra	30 days	2 x base pay to \$500,000 maximum	Republic pays the full cost of this coverage. No enrollment is required.
			Amount doubles upon accidental death.	
			You may be eligible for a portion of your AD&D benefits in the event of a serious injury.	
Supplemental Life Insurance***	Symetra	30 days	\$10,000 increments to \$500,000 maximum. Up to \$250,000 may be elected without Evidence of Insurability.	If elected, you pay the full cost of this coverage. Costs are based on age and deducted on a post-tax basis.
Dependent Life Insurance***	Symetra	30 days	\$5,000 spouse; \$2,500 each child from 6 months to age 26; \$1,000 each child from birth to 6 months.	Republic pays the full cost of this benefit; however you must elect coverage.
Short-Term Disability***^	Symetra	30 days	50% of base pay (Maximum weekly benefit: \$700).	If elected, costs are based on age and salary and deducted on a pre-tax basis. Benefits paid while on leave are taxable.
			Benefits begin on 8th day of disability; can last up to 26 weeks.	
			Coverage does NOT include loss of pilot's medical.	

Benefit	Provider	Eligibility	Coverage Options	Cost Share Arrangement
Long-Term Disability***	Symetra	30 days	60% of base pay (Maximum monthly benefit \$5,000)	If elected, you pay the full cost of this coverage. Costs are based on age and salary and deducted on a post-tax basis. Benefits received while on LTD are tax free.
			You must be disabled for 180 days for benefits to begin.	
			Coverage does NOT include loss of pilot's medical.	
Employee Assistance Program	Anthem BCBS	Upon Hire	Available to all associates and their family members.	Republic pays the full cost of this coverage. No enrollment is required.
Flexible Spending Accounts	Anthem BCBS	30 days	Health Care FSA	If elected, you contribute to your account(s) on a pre-tax basis. Annual minimum: \$120 each. Annual maximum: \$2,500 for health care accounts; \$5,000 for dependent care account.
			Dependent Day Care FSA	
			Limited-purpose Health Care FSA: Can be used for dental and vision expenses only	
<p>* Not all Associates are eligible for the Legacy Plan</p> <p>** Offering of the Pilot Health Plan is contingent upon the ratification of the pilot Tentative Agreement (TA).</p> <p>*** You must be considered to be Actively at Work on the day your coverage takes effect. You must work a minimum of 15 hours per week on a regular basis to be eligible for this benefit.</p> <p>« Imputed income must be applied for amounts in excess of \$50,000. See section on Life Insurance Imputed Income for more information.</p> <p>^ State exclusions apply. See section on Short Term Disability (STD) later in this document for details.</p>				

MEDICAL

Medical insurance is the cornerstone of all benefits programs. In an effort to accommodate the varied needs of our associates, Republic Airways offers four medical plan options: the Legacy PPO Plan*, the Traditional Medical PPO Plan, the Value Medical Consumer Driven Health Plan (CDHP) with HSA (this is a name change from High Deductible Health Plan—HDHP) and the Pilots Health Plan (PHP) with Health Savings Account (HSA)**.

Review this section of the guide and all available options carefully before making your medical plan selection. All plans offer access to the same Anthem BCBS nationwide network of providers, and all cover the same medical conditions. However, each option is different, so you should carefully consider your personal circumstances when deciding which option best meets your needs and the needs of your eligible dependents.

Anthem administers all medical plans. All plans utilize the same schedule of covered charges and exclusions and provide regular medical care and pharmacy benefits for the diagnosis and treatment of most illnesses and injuries. The major differences in the plans can be found in deductibles, coinsurance, copayments, out-of-pocket maximums and the premiums you pay for the coverage.

When you enroll in any of the Anthem medical plans, you also receive comprehensive prescription drug coverage.

For a complete summary of benefits, limitations, exclusions and formularies, or to find an in-network provider, visit www.anthem.com. This website requires no password or log-in ID. If you have additional questions, refer to the Summary of Benefits and Coverage for these medical plans in the Electronic Forms section of UltiPro.

* The Legacy Plan is currently available only to those Pilots and Flight Attendants enrolled in the Legacy Plan on Dec. 31, 2014, and newly hired pilots who elected coverage in 2015. If you choose to leave the Legacy Plan at any point, you will not be able to return to that plan.

** Offering of the Pilot Health Plan (PHP) is contingent upon the ratification of the pilot TA.



HIGHLIGHTS OF COVERED MEDICAL SERVICES

Plans	Legacy Plan		Traditional Plan		Value CDHP w/HSA		Pilot Health Plan w/HSA*	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Sample of Covered Services								
Annual Deductible ¹ Individual/Family	\$0/ \$0	\$200/ \$600	\$500/ \$1,000	\$1,000/ \$2,000	\$1,300/ \$2,600	\$2,600/ \$5,200	\$1,300/ \$2,600	\$2,600/ \$5,200
Annual Out-of-pocket Maximum ² Individual/Family	\$1,000/ \$3,000	\$1,000/ \$3,000	\$2,500/ \$5,000	\$5,000/ \$10,000	\$3,750/ \$7,500	\$7,500/ \$15,000	\$3,750/ \$7,500	\$7,500/ \$15,000
Employer HSA Contribution Associate Only/Associate+1 or more	n/a		n/a		\$800/\$1,600		\$800/\$1,600	
PCP/Specialist office visits ³	\$10	30%	\$25	40%	20%	40%	20%	40%
Well visit	\$0	30%	\$0	40%	\$0	40%	\$0	40%
Immunizations	\$0	30%	\$0	40%	\$0	40%	\$0	40%
Inpatient Services	10% ⁴	30%	20%	40%	20%	40%	20%	40%
Outpatient Services ⁵	10% ⁴	30%	20%	40%	20%	40%	20%	40%
Emergency Room ⁶	10% ⁴	10%	\$100 plus 20%	\$100 plus 20%	20%	20%	20%	20%
Urgent Care ⁷	10%	30%	\$25	40%	20%	40%	20%	40%
Lab and X-Ray	10% ⁴	30%	20%	40%	20%	40%	20%	40%
Chiropractic Services	50% ⁴	50%	50%	50%	50%	50%	50%	50%
Pharmacy								
Retail—(34 day supply) Generic/Brand/ Non-formulary	\$5/\$10/ \$10	\$5/\$10/ \$10 plus 50%	\$10/\$30/ \$50	\$10/\$30/ \$50 plus 50%	20%	40%	20%	40%
Mail Order—(90 day supply) Generic/Brand/ Non-formulary	\$5/\$10/ \$10	N/A	\$20/\$60/ \$100	N/A	20%	N/A	20%	N/A

The percentages represent the portion of the cost (co-insurance) that is your responsibility AFTER the deductible has been met.

* Offering the Pilot Health Plan is contingent upon ratification of the Pilot TA.

¹ For the Value CDHP w/HSA Plan and the Pilots Health Plan with Associate+1 or more coverage only the Family deductible applies to all, that is, there is no individual deductible. Copays do NOT apply to the deductible.

² The Out-of-Pocket Maximum is the total amount that you must pay in a calendar year before the plan covers the full cost (100%) of eligible expenses. Individual out-of-pocket costs apply. For all plans the out-of-pocket costs include all eligible medical and prescription expenses.

³ Office visits only. All other services in office subject to deductible and coinsurance.

⁴ Deductible does not apply.

⁵ Outpatient services include physical, occupational, respiratory, inhalation, and IV therapy. Calendar year visit limits apply. Occupational therapy combined limit of 30 visits per calendar year.

⁶ Emergency Room co-payment is waived if admitted.

⁷ If invoiced as outpatient services coverage will be paid at outpatient services level.

HEALTH SAVINGS ACCOUNTS

A Health Savings Account (HSA) is a bank or investment account from which you can deposit and withdraw money on a tax-free basis (subject to state law) to pay for current and future qualified medical, dental or vision expenses.

To participate in the HSA you must be enrolled in either the Value Consumer Driven Health Plan (CDHP) or the Pilot Health Plan (PHP).

The funds (both Republic Airways' contributions and your contributions) earn tax free interest and are portable (meaning if you leave Republic you do not forfeit the contributions or interest earnings). The funds carry over from year-to-year and can be used in future years to pay for eligible medical expenses for both yourself and your dependents. Please note that the age limit for dependents for HSA reimbursements is 24, that is, although you can enroll your dependent on the medical plan up to the age of 26 due to IRS regulations you cannot use HSA funds toward their eligible expenses past the age of 24. Distributions from your account are tax-free if used for qualified expenses. Qualified medical expenses are generally described in Section 213(d) of the Internal Revenue Service Tax Code (viewable at www.irs.gov and also in the Electronic Forms section of UltiPro). There is a penalty for distributions for non-eligible expenses.

Republic's HSA plan is administered by HSA Bank.



Republic's Contribution and Opening an HSA Account

Participants in the Value CDHP or the Pilots Health Plan will receive the entire annual allotment (\$800 for Associate Only coverage or \$1,600 for Associate+1 or Family) on the first business day of the calendar year. Participants who enroll later in the year will receive a prorated annual amount based on their eligibility date (or the first business day after that).

For example, you are eligible for benefits effective May 1, 2016, and elect the Value CDHP Plan for family coverage. Republic will deposit \$1,067 ($\$1,600/24 \times 16$ the number of deductions remaining in the year) into your HSA account on May 1.

Republic's contribution will be made in an account opened on your behalf at HSA Bank. In order for Republic to open an account for you, you must answer eligibility questions which are in the health care election section of Ultipro. You also have the option of opening an account on your own. Simply go to: https://secure.hsabank.com/group_enrollment/enrollment.aspx?id=611449146.

Until your HSA account is open, Republic’s contribution cannot be made on your behalf. If you do not open the account prior to February 28, 2017, your 2016 company contribution will be forfeited. If you open the account prior to the February 28 deadline you will receive your prorated contribution.

Your Contribution to Your HSA Account

You can also contribute funds to your HSA on a pre-tax basis. Either elect this option when you initially enroll, or log into UltiPro at any time and select the “I Want to Change my HSA Contribution” Life Event. **You can start, change, or stop your contributions at any time during the year. If you elect to contribute, you must contribute a minimum of \$5.00 per pay, which equates to \$120 annually.**

The 2016 annual IRS limits are:

	Company Contribution	Your Maximum Contribution	IRS Annual Maximum*
Associate Only	\$800	\$2,550	\$3,350
Associate+1, Family	\$1,600	\$5,150	\$6,750
*Catch Up Contributions for Associates age 55 and older are an additional \$1,000			

You may NOT be eligible to receive HSA contributions if you:

1. Are enrolled in another health plan that is not a CDHP
2. Are enrolled in Medicare
3. Are enrolled in Tri-Care
4. Have received VA benefits in the last three months
5. Can be claimed as a dependent on someone else’s tax return
6. Are enrolled in a Medical Flexible Spending Account.



DECIDING WHICH MEDICAL PLAN IS BEST FOR YOU

Although we offer different plan options to meet the varied needs of our associates, there are commonalities between the plans.

- All give you access to the same network of physicians, hospitals, laboratories, etc. around the country.
- Under all plans you can visit any doctor – even a specialist without a referral.
- All plans provide the opportunity to visit a virtual doctor with LiveHealthOnline.com.
- Under all plans you receive the negotiated discounts when utilizing in-network providers and pay more if you visit an out-of-network provider.
- All plans cover the same medical conditions.
- Under all plans routine preventive services are covered at 100%.

When deciding which plan is best for you consider:

- 1) your medical needs: how often do you typically visit the doctor, do you take prescriptions on a regular basis, etc.
- 2) the costs associated with each plan: co-pays, deductibles, out-of-pocket maximums, etc.
- 3) the associated premiums (the amount that comes out of your pay check).

 **The plan with the least premium is not necessarily the best option nor is the plan with the highest premium always the best coverage.**

Try our [Insurance Calculator](#) on the Intranet for guidance on the best plan for you.

DECIDING WHICH MEDICAL PLAN IS BEST FOR YOU

LEGACY PLAN	TRADITIONAL PLAN	VALUE CDHP W/HSA	PHP W/HSA
Poor option – scheduled to be subject to excise taxes	May be beneficial if you have a unique mix of prescription medications or specialty services, but low utilization of other medical services	Most appropriate decision for substantially all of our associates	Most appropriate decision for substantially all of our Pilots
		Provides opportunity to save funds for years with significant medical expenses	Provides opportunity to save funds for years with significant medical expenses

MEDICAL PLANS RATES

Medical plan costs continue to rise at alarming rates well above the general economic inflation rate. Despite these tremendous costs, Republic Airways associates only contribute an average of 35% or less of the total premium for Republic's sponsored medical plans.

Premium contributions are taken from each paycheck (24 times per year) on a pre-tax basis. Associates who are paid biweekly will have no medical deductions on the two payrolls per year that occur on the third pay of the month.

If you elect medical benefits for 2016 you will not be able to cancel or change your coverage until January 2017, unless you experience a Qualified Life Event (refer to the section titled, [Changing Coverage During the Year](#), earlier in this document for more details).

2016 Medical Rates

Per-pay Premium					
	Legacy Plan* 1 st Year Pilot	Legacy Plan*	Traditional Plan	Value CDHP w/HSA Plan	Pilot Health Plan**
Associate Only	\$220.00	\$220.00	\$95.00	\$62.50	\$49.50
Associate + 1	\$466.00	\$284.00	\$152.00	\$95.00	\$95.00
Family	\$500.00	\$353.00	\$228.50	\$140.00	\$140.00
HSA Contribution:					
Associate Only	n/a	n/a	n/a	\$800/yr	\$800/yr
Associate + 1	n/a	n/a	n/a	\$1,600/yr	\$1,600/yr
Family	n/a	n/a	n/a	\$1,600/yr	\$1,600/yr
*Not all Associates are eligible to participate in the Legacy Plan.					
**Offering of the Pilot Health Plan is contingent upon ratification of the Pilot TA.					


Per-pay Deduction – Guaranteed Limited Time (GLT) Flight Attendants			
	Legacy Plan*	Traditional Plan	Value CDHP w/HSA Plan
Associate Only	\$428.31	\$190.00	\$125.00
Associate + 1	\$568.00	\$304.00	\$190.00
Family	\$706.00	\$457.00	\$280.00
HSA Contribution:			
Associate Only	n/a	n/a	\$800/yr
Associate + 1	n/a	n/a	\$1,600/yr
Family	n/a	n/a	\$1,600/yr
*Not all Associates are eligible to participate in the Legacy Plan.			

Try our [Insurance Calculator](#) on the Intranet for guidance on the best plan for you.



MEDICAL COVERAGE – EXAMPLE COMPARISONS

The plan scenarios below can help you choose which medical plan works best for you and your family. These are for example purposes only:


 Todd	Coverage Level	Associate Only
	Health Expenses for 2016	One Preventive Office Visit: \$90 charge
		Sick Office Visit: \$90 charge
		One Generic Antibiotic: \$22 charge

Associate Only, In-Network Coverage				
	Legacy Plan	Traditional Plan	Value CDHP Plan w/HSA	Pilot Health Plan w/HSA
Sick Office Visit Co-pay	\$10	\$25	n/a	n/a
Coinsurance	10%	20%	20%	20%
Deductible	\$0	\$500	\$1,300	\$1,300
Out-of-pocket Maximum	\$1,000	\$2,500	\$3,750	\$3,750

Example: Todd, Associate Only, In-Network Coverage				
	Legacy Plan	Traditional Plan	Value CDHP Plan w/HSA	Pilot Health Plan w/HSA
Preventive Office Visit	\$0	\$0	\$0	\$0
Sick Visit w/physician	\$10	\$25	\$90	\$90
Generic Rx	\$5	\$10	\$22	\$22
Subtotal Medical Expenses	\$15	\$35	\$112	\$112
Republic's HSA Contribution	N/A	N/A	(\$800)*	(\$800)*
Annual Premium	\$5,280	\$2,280	\$1,500	\$1,188
Total Annual Cost	\$5,295	\$2,315	\$1,500	\$1,188

*Todd has \$688 of his HSA balance remaining which will roll over to 2017. Amounts are rounded to the nearest dollar for example purposes.

MEDICAL COVERAGE – EXAMPLE COMPARISONS

 Caroline	Coverage Level	Family
	Health Expenses for 2016	Five Preventive Office Visits: \$90 each
		Two Physician Visits: \$90 each
		Two Strep tests: \$30 each
		Two Brand Name Prescriptions @ \$125 each

Family, In-Network Coverage				
	Legacy Plan	Traditional Plan	Value CDHP Plan w/HSA	Pilot Health Plan w/HSA
Sick Office Visit Co-pay	\$10	\$25	n/a	n/a
Coinsurance	10%	20%	20%	20%
Deductible	\$0	\$1,000	\$2,600	\$2,600
Out-of-pocket max	\$3,000	\$5,000	\$7,500	\$7,500

Example: Caroline, Family, In-Network Coverage				
	Legacy Plan	Traditional Plan	Value CDHP Plan w/HSA	Pilot Health Plan w/HSA
5 Preventive Office Visits	\$0	\$0	\$0	\$0
2 Sick Visits w/physician	\$20	\$50	\$180	\$180
Strep Test Lab Work*	\$6	\$60	\$60	\$60
2 Brand Rx's	\$20	\$60	\$250	\$250
Subtotal Medical Expenses	\$46	\$170	\$490	\$490
Republic's HSA Contribution	\$0	\$0	(\$1,600)**	(\$1,600)**
Annual Premium	\$8,472	\$5,484	\$3,360	\$3,360
Total Annual Cost	\$8,518	\$5,654	\$3,360	\$3,360
* Deductible and coinsurance applies				
**Caroline has \$1,110 of her HSA balance remaining which will roll over to 2017.				
Amounts are rounded to the nearest dollar for example purposes.				

DENTAL BENEFITS

Dental benefits are best used as a preventive measure with regular exams, x-rays and cleanings. However, if you find yourself in need of more than just a cleaning, Republic Airways offers two comprehensive dental options. Associates can choose the Standard Dental plan, or pay the difference in cost to enroll in the Dental Plus plan. The Dental Plus plan provides increased coverage per participant, enhanced out-of-network coverage, and orthodontia coverage for children up to age 19.

Both dental plans are administered by MetLife and utilize the MetLife dental network. With MetLife, you can go to the dentist of your choosing, even if he or she is not in the MetLife network. However, if you choose a dentist who does not participate in the MetLife PDP, your out-of-pocket expenses may be higher, since you will be responsible to pay for any difference between the dentist's fee and the plan's payment for the approved service.

You can receive a list of participating PDP dentists online at www.metlife.com/mybenefits. or call 1-800-942-0854 to have a list faxed or mailed to you.

The chart below provides details on how the two dental options compare. For a complete summary of benefits, limitations, and exclusions refer to the Summary Plan Description in the Electronic Forms section of UltiPro.

DENTAL PLANS COMPARISON

	Standard Dental Plan		Dental Plus Plan	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Annual Deductible Individual/Family	\$50/\$150	\$75/\$225	\$50/\$150	\$50/\$150
Annual per member maximum	\$1,000	\$1,000	\$2,000	\$2,000
Diagnostic/Preventive Services ¹	100% (no deductible)	80% of R&C fee*	100% (no deductible)	100% of R&C fee*
Basic Restorative Services ²	80%	80% of R&C fee*	80%	80% of R&C fee*
Major Restorative Services ³	50%	50% of R&C fee*	50%	50% of R&C fee*
Orthodontia ⁴	N/A	N/A	50% (no ded) ⁵	50% (no ded) ⁵
¹ Diagnostic/preventive services are not subject to the deductible. Services include exams, x-rays, cleaning & fluoride treatments, sealants (to age 19) and space maintainers (to age 19) ² Basic restorative services include: fillings, endodontic, crown, dentures and bridge repair/recommendations ³ Major restorative services include: inlays, onlays, crowns, prosthetics (bridges and dentures), implants ⁴ Coverage applies to covered children up to age 19. ⁵ Orthodontia limited to \$1,500 lifetime maximum per member. * Reasonable and Customary (R&C) charges are based on the lowest of (1) the dentist's actual charge; (2) the dentist's usual charge for the same or similar services, or (3) the charge of most dentists in the same geographic area for the same or similar services as determined by MetLife.				

DECIDING WHICH DENTAL PLAN IS BEST FOR YOU

STANDARD DENTAL	DENTAL PLUS
Most appropriate option for most of our associates	Appropriate if major dental work is planned
	Appropriate if braces are needed by child/children

DENTAL PLAN RATES

Premium contributions are taken from each paycheck (24 times per year) on a pre-tax basis. Associates on the biweekly payroll will have no dental deductions on the two payrolls per year that are on the third pay of the month.

If you elect dental benefits for the plan year you will not be able to cancel or change your coverage until Jan. 1, 2017, unless you experience a Qualified Life Event (refer to the section titled [Changing Coverage During the Year](#) earlier in this document for more details).

2016 Dental Rates

		Per Pay Premiums	
		All Others	Job Share
Standard	Associate Only	Free-Paid by RAH	Free-Paid by RAH
	Associate +1	\$20.00	\$25.19
	Family	\$25.00	\$29.99
Dental Plus	Associate Only	\$6.00	\$12.00
	Associate + 1	\$35.00	\$36.90
	Family	\$40.00	\$43.93



VISION BENEFITS

Republic Airways offers two different vision plans; both plans are administered through Anthem BCBS and utilize the BCBS network of vision providers. For a complete summary of benefits, limitations, and exclusions or to find an in-network provider, visit: www.anthem.com

VISION PLANS COMPARISON

	Reimbursement Plan [◇]		Comprehensive Plan	
	In-Network	Out-of-Network	In-Network	Out-of-Network [◇]
Annual Deductible	\$0	\$0	\$0	\$0
Vision Exam-Optometrist or Ophthalmologist.	100%	100%	100% after \$10 co-pay	Up to \$42
Contact Lens Fitting (specialty)	Up to \$125	Up to \$125	\$50 retail allowance after \$25 co-pay	Not Covered
Frames [∞]			\$130 [•] and 20% off remaining balance	Up to \$68
Contact Lenses			\$130 retail allowance	Up to \$105
Lenses* - per pair				
Single Vision			100% after \$25 co-pay	Up to \$40
Lined Bifocal			100% after \$25 co-pay	Up to \$60
Lined Trifocal			100% after \$25 co-pay	Up to \$80
Lenticular			100% after \$25 co-pay	Up to \$60
Standard Progressive			Covered at lined trifocal level after \$25 co-pay	Up to \$49

Comprehensive In-Network vision participants can receive both lenses and contact lenses in the same calendar year (up to \$130 each).

- ◇ Members are required to pay in full for services at the time they are rendered and then submit a claim for reimbursement from the plan.
- ∞ Frames are covered once per *every other* calendar year under the Comprehensive Plan. The \$125 allowance for the Reimbursement Plan can be used for any covered expense annually.
- The \$130 retail frames allowance must be used in one transaction.
- * Members are limited to one set of eye glass lenses per calendar year under the Comprehensive Plan. The \$125 allowance for the Reimbursement Plan can be used for any covered expense annually.

VISION PLANS RATES

Both vision plans at all tier levels (Associate only, Associate + 1, Family) are fully paid by Republic Airways. However, you do need to elect coverage and you will not be able to cancel or change your coverage until January, 2017, unless you experience a Qualified Life Event (refer to the section titled, [Changing Coverage During the Year](#), earlier in this document for more details).

DECIDING WHICH VISION PLAN IS BEST FOR YOU

Reimbursement Plan	Comprehensive Plan
If your vision provider is out-of-network	If your vision provider is in network
	If you wear contacts or glasses
	If you don't want to have to pre-pay and wait for a reimbursement

VISION PLANS - EXAMPLE COMPARISONS

Example 1

	Amount Paid by You	
	Reimbursement Plan	Comprehensive Plan (In-Network)
Exam (avg. cost = \$68)	\$68	\$10
Frames (avg. cost = \$70)	\$70 (\$125-\$70 = \$55 left)	\$0
Lenses (avg. cost = \$67)	\$67 (Plan will reimburse \$55 of this amount)	\$25
Contacts (avg. cost = \$83)	\$83 (Plan will not reimburse any of this because already exhausted annual \$125)	\$0
Total Out of Pocket Paid by You	\$288	\$35
Reimbursement check (exam + \$125 for materials)	(\$193)	N/A
Final Amount You Pay	\$95	\$35

Example 2

Out-of-network Exam and Materials		
	Amount Paid by You	
	Reimbursement Plan	Comprehensive Plan
Exam (avg cost = \$150)	\$150 (Total amount reimbursed)	\$150 (Only \$42 reimbursed)
Frames (avg cost = \$70)	\$70 (\$125 - \$70 = \$55 left)	\$70 (All by \$2 reimbursed)
Lenses (avg cost = \$67)	\$67 (Plan will reimburse \$55 of this amount)	\$67 (Plan will reimburse \$40 of this amount)
Total	\$287	\$287
Reimbursement check	(\$275)	(\$150)
FINAL AMOUNT YOU PAY:	\$12	\$137



SHORT-TERM DISABILITY

Short-term Disability (STD) coverage is designed to replace a portion of your income to help meet your financial obligations should you be unable to work for an extended period of time due to a **non work-related** accident or illness.

You are eligible for Republic Airways' disability benefits if you work at least 15 hours per week on a regular basis. Interns, contractors and temporary associates are not eligible.

Benefits begin on your 8th consecutive day of total disability and coverage can last for up to 26 weeks. The plan pays 50% of your weekly pay (as defined by the plan) up to a maximum weekly benefit of \$700. To qualify for benefits, you must meet the plan's definition of disability.

Your premium for STD coverage is based on your pay. If you elect coverage, Republic Airways contributes \$2.42 per month toward the cost of your coverage. Use the following formula to calculate your **per-pay** premium:

$$\begin{array}{cccccccc}
 \underline{\hspace{2cm}} & \div 52 = & \underline{\hspace{2cm}} & \times 50\% = & \underline{\hspace{2cm}} & \div 10 = & \underline{\hspace{2cm}} & \times .605 = & \underline{\hspace{2cm}} & - \$2.42 = & \underline{\hspace{2cm}} & \div 2 = & \underline{\hspace{2cm}} \\
 \text{Annual} & & \text{Weekly} & & \text{Weekly} & & & \text{STD Rate} & & \text{Subtract} & \text{Your} & & \text{Your Per} \\
 \text{Salary} & & \text{Salary} & & \text{STD} & & & & & \text{Republic's} & \text{Monthly} & & \text{Pay} \\
 & & & & \text{Benefit (or} & & & & & \text{Contribution} & \text{Contribution} & & \text{Contribution} \\
 & & & & \text{\$700,} & & & & & & & & \\
 & & & & \text{whichever} & & & & & & & & \\
 & & & & \text{is less)} & & & & & & & & \\
 \end{array}$$

For example, if your annual salary is \$30,000, your per pay contribution would be:

$$\begin{array}{cccccccc}
 \underline{\$30,000} & \div 52 = & \underline{\$576.92} & \times 50\% = & \underline{\$288.46} & \div 10 = & \underline{\$28.846} & \times .605 = & \underline{\$17.45} & - \$2.42 = & \underline{\$15.03} & \div 2 = & \underline{\$7.52} \\
 \text{Annual} & & \text{Weekly} & & \text{Weekly} & & & \text{STD Rate} & & \text{Subtract} & \text{Your} & & \text{Your Per} \\
 \text{Salary} & & \text{Salary} & & \text{STD} & & & & & \text{Republic's} & \text{Monthly} & & \text{Pay} \\
 & & & & \text{Benefit (or} & & & & & \text{Contribution} & \text{Contribution} & & \text{Contribution} \\
 & & & & \text{\$700,} & & & & & & & & \\
 & & & & \text{whichever} & & & & & & & & \\
 & & & & \text{is less)} & & & & & & & & \\
 \end{array}$$

Example STD Per-pay Premiums

Annual Pay	Per Pay Premium
\$20,000	\$4.61
\$25,000	\$6.06
\$30,000	\$7.52
\$40,000	\$10.42
\$50,000	\$13.33
\$60,000	\$16.24
\$70,000	\$19.15
\$72,800 and up	\$19.97

STD claims are filed by telephone by calling Symetra directly. For more information on the STD plan, refer to the Certificate of Coverage posted in the Electronic Forms section of UltiPro.



Keep in mind that premiums for the option STD plan are paid on a pre-tax basis. Therefore, benefits you receive from STD may be subject to all normal income taxes.

SHORT-TERM DISABILITY SPECIAL NOTES

Harvey Watt – Pilot’s Plan

The Symetra Short-Term Disability plan described in this document and available to all associates is separate and distinct from the Symetra short-term disability plan available for purchase by pilots through the Pilot’s union. The Company’s short-term disability plan does not cover loss of pilot’s medical.

New York Associates

The state of New York requires New York workers to be covered by specific disability insurance. Therefore, you will be enrolled in a separate New York STD plan through Symetra and sponsored by Republic. This statutory benefit provides a 50% benefit to a maximum weekly benefit of \$170. Your cost for this plan is determined by the State of New York and is \$1.20 per pay.

In addition to the statutory benefits that you are required to carry, you also may choose to enroll in Republic’s optional Short-Term Disability Plan. The benefits will be offset, meaning you will receive the statutory benefits first, and then the optional plan (if elected) will begin.

New Jersey Associates

New Jersey state law requires employers to provide temporary disability benefits which covers associates should they become disabled by a non-occupational job injury or illness. Republic provides this coverage through Symetra. The benefits provided through the New Jersey Short-Term Disability Plan are 66 ⅔% of average weekly wages up to \$615 (for 2016).

New Jersey based associates should not enroll in the voluntary Short Term Disability plan discussed above. If you transfer out of the New Jersey you can then elect Republic’s voluntary Short-Term Disability plan by completing the appropriate Life Event in UltiPro.



LONG-TERM DISABILITY

Long Term Disability (LTD) benefits are designed to ensure you and your family's financial safety should you be unable to work for more than 180 days because of a disabling (as defined by the plan) illness or injury. Refer to the Summary Plan Description in the Electronic forms section of UltiPro for more information. The Company's LTD plan does not cover loss of pilot's medical.

You are eligible for Republic Airways' disability benefits if you work at least 15 hours per week on a regular basis. Interns, contractors and temporary associates are not eligible.

If eligible you may purchase coverage that pays you a benefit of 60% of your earnings (as defined by the plan) to a maximum monthly benefit of \$5,000 per month. This plan also includes a minimum benefit.

The premiums for this plan are based on your age and salary and are withheld on a **post-tax** basis. Although you may enroll in the plan as a new hire without any requirement to provide evidence of insurability, the plan does include a pre-existing condition limitation. Refer to the Summary Plan Description in the Electronic forms section of UltiPro for more information about pre-existing conditions. Any enrollments after your initial opportunity to enroll will require you to furnish Evidence of Insurability. You may or may not be approved for coverage based on Symetra's review of your medical history, therefore we strongly encourage associates to enroll in this benefit as a new hire.



Long-Term Disability Premiums

Your contribution for LTD coverage is based on your annual salary and your age. Use the following table and formula on the next page to calculate your **per-pay** premium:

Age	Rate per \$100 of Covered Payroll
< 25	\$0.213
25-29	\$0.236
30-34	\$0.294
35-39	\$0.426
40-44	\$0.760
45-49	\$1.198
50-54	\$1.655
55-59	\$1.913
60-64	\$1.857
65-69	\$1.902

To calculate your per pay premium:

$$\begin{array}{ccccccc}
 \underline{\hspace{2cm}} & \div 12 = & \underline{\hspace{2cm}} & \times \text{Rate} & = & \underline{\hspace{2cm}} & \div 100 = & \underline{\hspace{2cm}} & \div 2 = & \boxed{\underline{\hspace{2cm}}} \\
 \text{Annual Salary} & & \text{Monthly} & \text{See} & & & & \text{Your} & & \text{Your Per-} \\
 \text{(maximum of} & & \text{Salary} & \text{chart} & & & & \text{Monthly} & & \text{Pay} \\
 \text{\$100,000)} & & & \text{above} & & & & \text{Premium} & & \text{Premium}
 \end{array}$$

For example, if your annual salary is \$55,000, and you are 30 years old, your per-pay LTD premium would be:

$$\begin{array}{ccccccc}
 \underline{\$55,000} & \div 12 = & \underline{\$4,583} & \times \text{Rate} & = & \underline{\$1,347} & \div 100 = & \underline{\$13.47} & \div 2 = & \boxed{\underline{\$6.74}} \\
 \text{Annual Salary} & & \text{Monthly} & \text{(See} & & & & \text{Your} & & \text{Your Per-} \\
 \text{(maximum of} & & \text{Salary} & \text{chart} & & & & \text{Monthly} & & \text{Pay} \\
 \text{\$100,000)} & & \text{(maximum} & \text{above)} & & & & \text{Premium} & & \text{Premium} \\
 & & \text{of \$8333)} & & & & & & &
 \end{array}$$

Your benefit payments **will be reduced** by other income you receive or are eligible to receive due to your disability, such as Social Security Disability insurance, workers' compensation, other employer-based Insurance coverage, unemployment benefits, settlements or judgments for income loss, retirement benefits (such as a pension plan). See LTD Summary of Benefits and Coverages posted in the Electronic Forms section in UltiPro.

LIFE INSURANCE

Republic's life insurance program is administered by Symetra and offers protection for your family in the event of your death. Life insurance is available to associates after 30 days of employment.

You are eligible for Republic Airways' Life Insurance benefits if you work at least 15 hours per week on a regular basis. Interns, contractors and temporary associates are not eligible.

These Life Insurance benefits may be convertible and/or portable. For more details refer to the Symetra Life & Supplemental Life SPD in the Electronic Forms section of UltiPro.

Basic Life/Accidental Death and Dismemberment Insurance

- Republic Airways provides basic life insurance for you in an amount equal to 2 times your base pay (rounded up to the next \$1,000). The maximum basic life insurance benefit is \$500,000.
- Republic Airways also provides Accidental Death and Dismemberment (AD&D) insurance equal to two times your base pay (rounded up to the next \$1,000) to a maximum of \$500,000 at no cost to you. AD&D insurance offers additional protection for your family in the event of your accidental death or serious injury. If your death is due to an accident, AD&D benefits are paid **in addition to** your Basic Life Insurance. You may be eligible to receive a portion of your AD&D benefits for certain losses within 365 days of a covered accident.
- Benefits are reduced by 35% at age 65, an additional 35% at age 70, an additional 35% at age 75, an additional 25% at 80, etc.

Life insurance benefits are paid to the beneficiary you designate in the UltiPro system. You can change your beneficiary at any time by completing the Life Event in UltiPro. If you designate yourself as a beneficiary, life insurance is paid to your estate.

Supplemental Voluntary Life

In addition to basic life/AD&D insurance, which is provided by Republic Airways, you may purchase additional life insurance to fit your needs. Our Supplemental Life Insurance program is administered by Symetra. If you elect voluntary life insurance, you pay for the coverage on a **post-tax** basis. You may elect coverage between \$10,000 and \$500,000 in increments of \$10,000.

As a new hire you can elect up to \$250,000 in supplemental voluntary life coverage with no Evidence of Insurability (EOI) required. However, you will be required to complete and submit EOI to Symetra for any amount you elect in excess of \$250,000. If an EOI is required, you will

receive information via email. Symetra will notify you directly if you should qualify for additional supplemental life insurance coverage. If approved, your supplemental voluntary life insurance coverage, in excess of \$250,000, will become effective and the appropriate payroll deductions will begin.

If you elect to enroll in or increase your Supplemental Life Coverage during an open enrollment period you will be required to complete an EOI. You will automatically receive information via email following the open enrollment period with details. Symetra will notify you directly if you should qualify for the additional coverage. If approved, your supplemental voluntary life insurance coverage will become effective and the appropriate payroll deductions will begin; you will not have payroll deductions for the requested amount unless or until you are approved.

Supplemental Life Coverage Costs

Your Age	Per Pay Cost for \$10,000 Unit
< 25	\$.28
25-29	\$.26
30-34	\$.30
35-39	\$.44
40-44	\$.70
45-49	\$1.16
50-54	\$2.04
55-59	\$3.34
60-64	\$4.44
65-69	\$6.98
70-74	\$12.28
75+	\$20.38
Available in amounts from \$10,000 - \$500,000 in \$10,000 units, for example: \$10,000 = 1 unit \$20,000 = 2 units \$50,000 = 5 units \$150,000 = 15 units \$200,000 = 20 units \$250,000 = 25 units—New hires only may elect up to this amount without completing an evidence of insurability. Associates electing for the first time or increasing coverage during open enrollment must complete an EOI for any election amount. \$300,000 = 30 units \$500,000 = 50 units	

To calculate your per pay premium, simply multiply the number of units of supplemental life you wish to purchase by the cost for one unit. For example, \$40,000 equals 4 units. If you are 40 years of age \$40,000 in supplemental life would cost you \$2.80 per pay (\$.70 x 4.) If you are 64 years of age \$200,000 in supplemental life would cost you \$88.80 per pay (\$4.44 x 20.) Due to rounding, your actual per-pay deduction could be slightly different.

DEPENDENT LIFE INSURANCE

Republic Airways pays the premium for your dependent life insurance; **however, you must enroll for this benefit**. If you enroll your eligible dependents, they will be covered for the following amount in life insurance*:

- Spouse/SSDP: \$5,000
- Your dependent children 6 months - 26 years (or any age, if disabled): \$2,500
- Your dependent children from birth up to age 6 months: \$1,000

Your spouse's life benefits are reduced by 35% when **you** reach age 65, an additional 35% at age 70, an additional 35% at age 75, an additional 25% at 80, etc.

You will automatically be designated as the beneficiary for any dependent life claim submitted.

*These amounts will be increased if the Pilot's TA is ratified.

Life Insurance Imputed Income

Due to IRS regulations the value of some life insurance benefits is taxable. The IRS allows companies to provide associates up to \$50,000 in life insurance tax-free. If the amount of basic life insurance exceeds \$50,000, the IRS considers the cost of providing this additional amount of insurance as taxable wages, or "imputed income". For example, assume your base salary is \$30,000 and the amount of your Company provided life insurance is \$60,000. The cost to provide \$10,000 of life insurance (the amount over \$50,000) is determined by an IRS table based on your age. This amount is your imputed income and is added to your taxable wages. Tax on your imputed income is then deducted from your paycheck each pay period. Imputed income on your paycheck is denoted as GTL (Group Term Life.)

This information is an overview of the Life Insurance being offered and is provided for illustrative purposes only and is not a contract. It in no way changes or affects the policy as actually issued. Only the Insurance policy issued to the policyholder can fully describe all of the provisions, terms, conditions, limitations and exclusions of Insurance coverage. In the event of any difference between this document and the insurance policy, the terms of the insurance policy apply. The Life Insurance certificate is posted in the Electronic Forms section of UltiPro.



FLEXIBLE SPENDING ACCOUNTS

A Flexible Spending Account (FSA) offers you a way to save money on eligible dependent care and/or health care expenses for yourself and/or your dependents. The money you put in to a flexible spending account reduces your taxable income. For example, if your pay is \$500, and you put \$100 into a flexible spending account, your taxable wages are now \$400.

Types of FSA Accounts

1. Health Care FSA (able to roll up to \$500 of unused funds to next calendar year), or
2. Limited-Purpose Health Care FSA (for vision/dental-able to roll up to \$500 of unused funds to next calendar year)
3. Dependent Care FSA (not eligible for rollover).

The two types of Health Care FSAs (regular and limited-purpose) work with the medical plans as follows:

	Health Care FSA*	Limited-purpose Health Care FSA**
Legacy Plan	Yes	No
Traditional Plan	Yes	No
Value CDHP w/HSA	No	Yes
Pilot Health Plan w/HSA	No	Yes


*You do not have to be enrolled in one of Republic's medical plan to participate in the FSA accounts.

**The limited-purpose Health Care FSA covers eligible dental and vision expenses only. Eligible medical expenses are reimbursed through the HSA account.

Although the three plans are separate and used for different types of expenses, they share some common features.

- Anthem BCBS administers the FSA program.
- Upon hire, during Open Enrollment, or after a Qualified Life Event, you may enroll and designate how much to contribute to an FSA account for the remaining/upcoming calendar year.
- The minimum amount you may contribute is \$120 per year, which equates to \$5 per pay for 24 pays (or \$4.61 for biweekly associates.)
- The amount you elect to contribute is deducted in equal amounts from your 24 (or 26 for biweekly Associates) paychecks on a **pre-tax** basis.

- You must actively re-enroll in the FSA plan(s) each calendar year. You are never automatically re-enrolled.
- You may monitor your account via Anthem's website www.anthem.com.
- Anthem's website also provides much more information, including a complete, up-to-date listing of eligible expenses, educational materials and other features.
- You may access your health care funds using a plan debit card. That is, whenever you incur an eligible medical, you may elect to use your plan debit card as payment. As long as you have sufficient funds on the card your expense will simply be deducted from your outstanding card balance. The debit card cannot be used for dependent day care expenses.

 If requested, you must supply documentation that the expenses were eligible, so save your receipts. Failure to supply the requested documentation may result in your debit card being turned off or the amounts becoming taxable to you.

Health Care Flexible Spending Account

The health care flexible spending account can be paired with the Traditional or Legacy medical plans (although you do not need to be enrolled in either medical plan to participate.)

Even if you are covered by one or more insurance plans, you probably will have health care costs that you must pay out of your own pocket. You can contribute up to \$2,500 to the health care FSA for 2016. The minimum allowed amount is \$120/year. Your annual election will be spread out through payroll deduction over the 24 deduction periods (or 26 for biweekly Associates.) Your full annual election is accessible on January 1st (or the first banking day of the year.) Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible health care expenses immediately. The money you contribute can be used to cover your out-of-pocket costs not covered by insurance such as*:

- Medical Expenses – co-pays, deductibles, coinsurance
- Dental Expenses – co-pays, deductibles, coinsurance
- Vision Expenses – co-pays and other out-of-pocket costs
- Prescription Drug Costs
- Medical Supplies
- Orthodontia

* As allowed by the IRS, please see IRS Publication 502 for further information at <http://www.irs.gov/pub/irs-pdf/p502.pdf>.

Limited-purpose Health Care Flexible Spending Account

Can be paired with the Value CHDHP or the Pilot Health Plan (although you do not need to be enrolled in either medical plan to participate.)

A Limited-Purpose Health Care FSA is designed specifically for associates who wish to take advantage of a Health Savings Account (HSA), while continuing to enjoy the tax savings of an FSA. With the Limited-Purpose Health Care FSA you can contribute up to \$2,500 annually and funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free. However, the funds in a Limited-Purpose Health Care FSA can only be used for **dental and vision expenses** not covered by your dental or vision plan. Your HSA is designed to be used for all your medical-related expenses. The minimum allowed amount is \$120/year. Your annual election will be spread out through payroll deduction over the 24 deduction periods (or 26 for biweekly associates.)

Roll Over up to \$500 of unused FSA Health Care Funds

The IRS has authorized rollover of unused contributions up to \$500 of your health care or limited-purpose health care FSA account. This is automatically done for our associates and the rollover funds are available after April 1 of the following year. Any monies greater than \$500 will not be rolled over and will be forfeited. Rollover of unused Dependent Care FSA monies is not allowed by the IRS.

Dependent Care Flexible Spending Account

Whether it is day care for children or special care for a disabled person of any age, dependent care is expensive. A Dependent Care FSA can help! You may elect to participate in the Dependent Care FSA whether you are single or married. Unlike the Health Care FSA, **you can only access the money that is currently in your account**. If you are married, your spouse/domestic partner must work, or be a full-time student at least five months during the year, or disabled in order for you to be eligible for this plan. Money you contribute to a Dependent Care FSA can be used toward day care expenses for a child under age 13 who requires care in order for you to work, or a physically or mentally disabled child of any age, spouse/SSDP, or parent who requires care in order for you to work. You cannot pay a provider in your immediate family from this account.

You can make pre-tax contributions to the Dependent Care FSA up to a maximum of:

- \$5,000 (if you are single or married and filing jointly), or
- \$2,500 (if you are married and filing separately)
- If either you or your spouse/SSDP earns less than \$5,000 a year, your maximum annual contribution is equal to the lower of your two incomes.
- The minimum allowed amount is \$120/year.

- Your annual election will be spread out through payroll deduction over the 24 deduction periods (or 26 for biweekly associates.)
- No rollover of unused funds is authorized by the IRS.

Things to Consider Before Enrolling in a Flexible Spending Account

Because Flexible Spending Accounts are governed by Section 125 of the Internal Revenue Service (IRS) code, there are specific rules and regulations that affect the way the accounts operate:

- Elections must be made in advance. You must decide at the time of enrollment how much you want to contribute to your FSA account(s) for the remainder of or next calendar year.
- You must contribute a minimum of \$120 per year for each FSA you elect.
- Once you have made your election for the year, you can change it only if you have a Qualified Life Event (refer to the section titled, [Changing Coverage During the Year](#), earlier in this document). The change in your election must coincide with the event.
- Be prepared to budget carefully. You will, however, have a run-out period after the end of the year (until March 31) to get reimbursed for any expenses you **incurred** during the plan year. After March 31, up to \$500 for the Health Care FSA or Limited-Purpose Health Care FSA may be rolled over to the next calendar year. The IRS mandates that any money over the \$500 limit in your Health Care FSA or Limited-Purpose Health Care FSA account at the end of the year will be forfeited. All monies left in the Dependent Care FSA after the run-out period are forfeited.
- Money from one account cannot be used for the other account's expenses. That is, health care account money can only be used for health care expenses and dependent care account money can only be used for dependent care expenses.

Coverage for Dependents up to Age 26

Eligible health care expenses for your children up to the age of 26 can be submitted and reimbursed through your Health Care FSA or Limited-purpose Health Care FSA. Your dependents up to age 26 do not need to be enrolled in your health plan for you to use your Health Care FSA to pay for their eligible health care expenses.



OTHER BENEFITS AVAILABLE ANYTIME

401(k)

As an associate, you may elect to participate in the Republic Airways Holdings, Inc. 401(k) Plan. The 401(k) Plan allows you to save for your retirement on a before-tax basis or through the Roth after-tax option and has the advantage of helping you save on your state and federal taxes.

Eligibility

- You are eligible to participate upon hire if you are age 18 or older. You may enroll in the plan or change your contribution percentage at any time.
- If you are a newly hired or rehired, non-union associate, you will automatically be enrolled at 6% after one month of employment if you do not affirmatively elect a different contribution rate or elect to “opt-out” of the plan.

Investing: There are numerous investment selections to choose from. There is a useful guide which details the plan investment options in the Electronic Forms section of Ultipro. Scroll down to Benefits—Retirement Plans and click on [Schwab Retirement Plan Enrollment Guide](#).

You can check on your account by reviewing the quarterly statements at Schwab’s website www.Schwab.com/workplace. You can make changes via the internet or by calling Schwab directly at (800) 724-7526.

Contribution: You may elect to contribute from 1% to 90% of your pay each pay period (up to the federal annual maximum allowed).

Matching: At your one year anniversary with the Company, Republic matches 100% of your contributions, up to the maximum below:

COMPANY MATCH SCHEDULE	
1-6 years of service	100% of the first 2.5% contributed
6-13 years of service	100% of the first 4% contributed
13+ years of service	100% of the first 6% contributed

Vesting: You are always 100% vested in the money you contribute. After three years of service (from date of hire), you are 100% vested in the company match.

Enrollment in the 401(k) plan is quick and easy. You can enroll via the internet or by phone. Please don’t forget to add your beneficiary!

<p>Enroll at www.schwab.com/workplace</p> <ol style="list-style-type: none"> 1. Click on "Participant Login." 2. Enter your Social Security number as your Login ID. 3. Enter your default password, which is your four-digit month and day of birth (example: if your birthday is Nov 30, your default password is 1130) 4. Click "Login." 	<p>OR</p>	<p>Call (800) 724-7526 to speak with a Schwab Participant Services Representative from 7:00 a.m. to 11:00 p.m. ET, Monday through Friday.</p>
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EMPLOYEE ASSISTANCE PROGRAM

We are pleased to offer Anthem's Employee Assistance Program (EAP) free of charge to all associates and their dependents. The EAP can be accessed at www.AnthemEAP.com or by calling (800) 865-1044 and entering Republic Airways. Both the website and the phone line are available 24/7/365.

The Anthem EAP, provides solutions to help you balance work and life through confidential and easily accessible services.

- **Web-based Information, Tools and Resources**

You and your family members have access to multiple resources at www.AnthemEAP.com. The site provides extensive EAP and Work Life information with links to resources and thousands of current articles and tips on managing personal and professional situations. It also offers interactive tools including self-assessments and dependent care searches.

- **Telephone Counseling & Referral Services**

You and your family members have unlimited access to Anthem's EAP for information, referrals, and crisis assistance.

- **Face-to-Face Counseling Visits**

You and/or your family member will be connected to a local qualified and reputable provider in the Anthem EAP network. You and/or your family members may receive up to three face-to-face visits per issue per year, at no cost to you. If you need ongoing assistance, the EAP will help you connect with a qualified resource.

- **Other Services:**

- **Legal & Financial Referral & Consultation**

You and/or your family members will receive a referral and telephone consultation free of charge for legal or financial concerns like divorce, financial planning, or credit issues.

- **Convenience Services**
As a member, you may receive information on recreational activities, education, household needs, pet services, home improvement, wellness and prevention, etc.
- **Elder Care & Child Care Referral**
As a member, you can access a list of care resources in your area. With the EAP you can conduct a search or request assistance over the phone. One of Anthem's specialists will find resources that meet your specific needs and supply you with information you need including hours of operation, availability, contact information, and verified resources along with relevant articles.
- **Children and Families**
Information and services are available regarding adoption support, special needs support, help for teens, help for non-traditional families, family communication skills training, camps, school issues, college selection, financial aid assistance and more.
- **Elder Services**
Medicare/Medicaid support, transportation, retirement planning, legal services, respite care, and support services information are all available.

COMMUTER BENEFITS

A Commuter Expense Reimbursement Account allows you to use your pre-tax dollars to pay for parking and commuting expenses that you incur in order to work. Following is a description of this plan as administered by Anthem. Enrollment in this plan is available at any time during the year.

How the plan works:

- Q You can elect to participate in the plan at any time during the year. You can also opt in or out of the plan, or change your election amount on a monthly basis. In order to have your benefits begin on the first of the month, the election must be made by the 10th day of the previous month.
- Q Enrollment:
 - Log in to your account at anthem.com .
 - Click "Enroll/Update Commuter Election."
 - Find your metropolitan area and transit or parking vendor.
 - Select from the available products.
- Q You can choose to participate in the Transit & Vanpool Option and/or the Parking Option. These elections are completely independent and funds cannot be transferred between the two.
- Q Monthly Maximum Statutory limits:
 - **Parking:** \$250 per month
 - **Transit:** \$130 per month
- Q For more information, see the [Commuter Benefits "How To" Guide](#) in the Electronic Forms section of UltiPro.

EMPLOYEE DISCOUNTS

Republic Airways offers an associate discount marketplace through BenefitHub. To enroll, go to www.rjet.benefithub.com. BenefitHub features:

Exclusives—Discounts arranged for associates by the Company, such as Amusement Parks, Ski Resorts, Cell Phone Plans, Electronics, Lodging, Airport Parking, etc.

BenefitHub Discount Deals on 100,000+ products and services:

Apparel	Auto	Beauty & Fragrance	Business & Office	Electronics
Finance	Food	Pet Care	Flowers/Gifts	Home & Family
Tickets	Travel	Games & Movies	Books & Music	Fitness
Sports & Outdoors				

Local Deals—Groupon, Living Social—50,000 local offers, regardless of employee's location + cash back

