

Chicago Transit Authority Retiree Health Care Trust

Funding Valuation as of January 1, 2011

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November 8, 2011

*Board of Trustees
Chicago Transit Authority Retiree Health Care Trust
Chicago, Illinois*

Dear Trustees:

We are pleased to submit this valuation regarding Retiree Health Care Trust funding as of January 1, 2011.

This report is based on information received from Group Administrators and the Retiree Health Care Trust. The actuarial projections are based on the assumptions and methods described in Exhibit I and on the plan of benefits as summarized in Exhibit II.

We look forward to discussing this material with you at your next meeting.

Sincerely,

THE SEGAL COMPANY

By: Barbara Zaveduk
Barbara Zaveduk, EA MAAA
Vice President and Actuary

Christopher Heppner
Christopher Heppner, ASA MAAA
Vice President and Health Actuary

cc: *Mr. John V. Kallianis
James O'Connell, Esq.
Ms. Ruth Donahue
Mr. Mitch Bramstaedt*

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SECTION 1: Introduction for the Chicago Transit Authority Retiree Health Care Trust Funding Valuation as of January 1, 2011

INTRODUCTION

This report presents funding results as of January 1, 2011 for the Chicago Transit Authority Retiree Health Care Trust.

Section 22-101B (b)(3)(iii) of the Illinois Pension Code requires the Board of Trustees of the Retiree Health Care Trust to make an annual assessment of the funding levels of the Retiree Health Care Trust and to submit a report to the Auditor General at least 90 days prior to the end of the fiscal year (i.e. by October 2).

The report must demonstrate that the present value of projected benefits is exceeded by the present value of projected contributions and income plus assets in excess of the statutory reserve. If there is a shortfall, the report must describe a plan to eliminate the shortfall.

The projected present value of income and payments shown in this report are contingent upon a variety of assumptions about future events. Actual experience is likely to vary from these assumptions.

Basis for Valuation

This year's funding results are affected by a number of changes since last year's valuation. These include:

- Updated census data, including more complete data on first-year employees, part-time employees, and full-time temporary employees;
- Assets more than expected;
- Updated claim experience and HMO premiums;
- Changes to plan and vendors effective January 1, 2012 (Medicare Advantage plans, EGWP with wrap, eliminate Classic Blue HMO for all retirees and HMO Illinois for Medicare retirees, add dental for Medicare retirees and their dependents, etc.);
- Changes to retiree self-pay schedule;
- Changes to projected active contribution rates;
- Trustee decisions regarding disability eligibility, and adding an assumption regarding the percentage of disability pensioners who will be eligible for Medicare;
- Trustee decisions regarding accrual of service for determining eligibility and retiree self-pay rates;
- Plan changes to comply with MHPEA;
- An adjusted salary scale with smaller increases over the next several years; and
- Changes in some trend rates.

**SECTION 1: Introduction for the Chicago Transit Authority Retiree Health Care Trust
Funding Valuation as of January 1, 2011**

The Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) of 2010 creates a temporary reinsurance program for eligible health care coverage for pre-Medicare retirees over age 55. The program will reimburse the plan sponsor for 80% of the retiree claims between \$15,000 and \$90,000.

The plan has received \$5,405,700 under this program so far. Due to the short nature of this program, the limited financing, and uncertainty of qualifying and receiving payment (the program will be on a first come first served basis until financing runs out), we have not reflected any future payments from this program in the valuation.

Since this is a retiree-only plan, other aspects of the Acts do not apply.

**SECTION 2: Valuation Details for the Chicago Transit Authority Retiree Health Care Trust
Funding Valuation as of January 1, 2011**

Table A
1/1/2011 Funding Assessment

Actuarial Present Value of Projected Benefits		Actuarial Present Value of Projected Income and Assets	
Current retirees			
Present value of benefits	\$527,410,703	Present value of active contributions	\$217,774,766
Less: Retiree self-payments	<u>(199,053,351)</u>	Less: Value of health-savings-type accounts	<u>(33,386,818)</u>
Net present value	\$328,357,352	Net active contributions	\$184,387,948
Future retirees		Assets	586,961,435
Present value of benefits	582,596,247	ERRP payments*	5,405,700
Less: Retiree self-payments	<u>(217,405,796)</u>	Less: Statutory reserve	<u>(38,834,808)</u>
Net present value	<u>365,190,451</u>	Total income and assets	<u>\$737,920,275</u>
Total present value of projected benefits	<u>\$693,547,803</u>	Income and assets as a percentage of projected benefits	<u>106.4%</u>

* EERP payments received since the valuation date.

**SECTION 2: Valuation Details for the Chicago Transit Authority Retiree Health Care Trust
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Table B
Summary of Participant Data as of January 1, 2011

Retirees and Disableds

Number of retirees	6,916
Average age of retirees	68.4
Number of spouses (not including dependent children)	2,180
Average age of spouses	66.1

Surviving Spouses

Number	758
Average age	78.8

Active Employees (including those not accruing service under the Retirement Plan)

Number	10,026
Average age	46.2
Average years of service for contribution schedule	11.7

Inactive Vested Participants

Number	69
Average age	54.7

**SECTION 2: Valuation Details for the Chicago Transit Authority Retiree Health Care Trust
Funding Valuation as of January 1, 2011**

Table C
Calculation of 1/1/2011 Statutory Reserve

1. 12 months of expected claims and administrative expenses	\$57,882,799
2. Less: 12 months of expected retiree and dependent contributions	<u>(22,362,791)</u>
3. 12 months of net expected claims and administrative expenses	35,460,008
4. Incurred and unreported claims*	<u>3,374,800</u>
5. Total statutory reserve: (3) + (4)	<u>\$38,834,808</u>

* *Incurred but not reported claims represents the amount of claims that were incurred during a certain time period but have not yet been paid due to the timing difference between when the services were rendered and day the claim was actually paid.*

SECTION 3: Appendices for the Chicago Transit Authority Retiree Health Care Trust
Funding Valuation as of January 1, 2011

EXHIBIT I

Actuarial Assumptions

Valuation Date:	January 1, 2011
Data:	Claims experience and premiums were provided by the Retiree Health Care Trust and by vendors hired by the Trust. Detailed census data was provided by Group Administrators and the Trust.
Net Investment Return:	7.00%
Salary Scale:	According to the following table, compounded annually, including a wage inflation assumption of 2.75% for 2011, 1.75% for 2012 – 2014, and 4.00% thereafter:

Year	Salary Increase
2011	2.75%
2012 – 2014	1.50%
2015+	5.00%

Decrements Prior to Retirement:

Age	Rates (%)			
	Mortality (90% of 1994 GAM)		Withdrawal*	Disability**
20	0.05	0.03	10.00	0.10
25	0.06	0.03	7.50	0.10
30	0.07	0.03	5.60	0.10
35	0.08	0.04	4.60	0.20
40	0.10	0.06	3.40	0.30
45	0.14	0.09	2.90	0.40
50	0.23	0.13	2.40	0.50
55	0.40	0.21	0.50	0.60

* None for those with 25 or more years of service.

** None for those with 25 or more years of service. 50% of future disableds under age 65 are assumed to be eligible for Medicare.

**SECTION 3: Appendices for the Chicago Transit Authority Retiree Health Care Trust
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Post-Retirement Mortality Rates:

Healthy:

1994 Group Annuity Mortality Table (sex distinct rates)

Disabled:

110% of the 1994 Group Annuity Mortality Table (sex distinct rates)

Active Retirement Rates:

Age	Rates (%)*							
	Pre 9/5/01 Hires		Hired 9/5/01-1/18/08		Post 1/18/08 Hires			
	Svc < 25	Svc >=25	Svc < 25	Svc >=25	Svc < 25	Svc >=25	Svc < 25	Svc >=25
50-54	0.0	12.0	0.0	0.0	0.0	0.0	0.0	0.0
55	1.5	15.0	25.0	1.5	25.0	1.5	1.5	1.5
56	1.5	16.5	27.5	1.5	27.5	1.5	1.5	1.5
57	2.0	18.0	30.0	2.0	30.0	2.0	2.0	2.0
58	2.0	19.5	32.5	2.0	32.5	2.0	2.0	2.0
59	2.0	21.0	35.0	2.0	35.0	2.0	2.0	2.0
60	2.5	22.5	37.5	2.5	37.5	2.5	2.5	2.5
61	4.0	27.5	40.0	4.0	40.0	4.0	4.0	4.0
62	15.0	32.5	42.5	15.0	42.5	20.0	20.0	20.0
63	15.0	37.5	45.0	15.0	45.0	15.0	15.0	15.0
64	20.0	42.5	47.5	20.0	47.5	15.0	15.0	15.0
65	30.0	50.0	50.0	30.0	50.0	60.0	60.0	60.0
66	30.0	50.0	50.0	30.0	50.0	25.0	25.0	25.0
67	30.0	60.0	60.0	30.0	60.0	25.0	25.0	25.0
68	50.0	70.0	70.0	50.0	70.0	25.0	25.0	25.0
69	50.0	80.0	80.0	50.0	80.0	25.0	25.0	25.0
70	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* For ages under 65, the above rates are multiplied by 75% if service is between 22 and 23, 50% if between 23 and 24, and 25% if service is between 24 and 25.

Rates only apply for members eligible for retiree healthcare benefits. Members who are not eligible for retiree healthcare benefits are assumed to defer retirement until eligible. For all ages, 10% is added to the rate in the 1st year with at least 20 years of service.

Retirement Age for Eligible Inactives: Age 65.

**SECTION 3: Appendices for the Chicago Transit Authority Retiree Health Care Trust
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Participation:

Percent of those eligible for coverage who are assumed to elect retiree coverage is based on service at retirement.

Service	Rate (%)		Service	Rate (%)	
	2011	2012+		2011	2012+
35+	97.5	97.65	15-19	67.5	67.5
30-34	95.0	95.4	10-14	62.5	62.5
25-29	85.0	87.0	<10	55.0	55.0
20-24	80.0	81.0			

Dependents:

75% of future retirees are assumed to be married, with husbands assumed to be three years older than their wives. Percent of spouses assumed to opt for health coverage is based on retiree's service at retirement.

Service	Rate (%)		Service	Rate (%)	
	2011	2012+		2011	2012+
35+	50.0	55.0	15-19	30.0	30.0
30-34	50.0	55.0	10-14	25.0	25.0
25-29	35.0	40.0	<10	10.0	10.0
20-24	35.0	35.0			

Plan Election:

For 2011: Plan elections for current retirees are assumed to remain unchanged. 75% of future retirees are assumed to elect BCBS PPO coverage, 20% elect HMO Illinois coverage, and 5% elect Classic Blue HMO coverage.

For 2012+: Pre-Medicare retirees previously with Classic Blue are assumed to elect HMO Illinois coverage. 75% of future pre-Medicare retirees are assumed to elect BCBS PPO coverage, and the remaining 25% elect HMO Illinois coverage. 100% of Medicare retirees are assumed to elect the Aetna EN Medicare Advantage plan.

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Missing Participant Data:

A missing census item for a given participant was assumed to equal the average value of that item over all other participants of the same status for whom the item is known. For those hired in 2010, salaries were annualized. For employees whose 2010 earnings were less than \$20,000, an annual rate of \$25,000 was assumed. Those currently in part-time status are assumed to attain full time permanent status at a salary of \$43,000. Temporary employees are assumed to have been hired 3 years ago.

Service for Eligibility:

Future accruals assumed to equal one credit per year.

Service for Contribution Schedule:

Future accruals assumed to be equal to an average of 2009 and 2010 hours divided by 2,080. If hired in 2009, only 2010 hours are used. If hired in 2010 or currently part-time, participants earn 0.95 credit in each future year.

Per Capita Cost Development:

BCBS PPO Medical 2011 & 2012

Per capita claims costs were based on actual retiree paid claim experience for the period January 1, 2010 through December 31, 2010. Claims were separated by Medicare status, then adjusted as follows:

- total adjusted claims were divided by the number of adult members to yield a per capita claim; and
- the per capita claim was trended to the midpoint of the valuation year at assumed trend rates.

Per capita claims for each plan year were then combined by taking a weighted average. The weights used in this average account for a number of factors including each plan year's volatility of claims experience and distance to the valuation year. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Medicare Medical 2012

Based on January 1, 2012 premium rates for Aetna Extended Network Medicare Advantage Plan (EN). Actuarial factors were then applied to estimate individual retiree and spouse costs by age and by gender.

**SECTION 3: Appendices for the Chicago Transit Authority Retiree Health Care Trust
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Prescription Drugs 2011 and 2012

Per capita claims costs were based on actual retiree paid claim experience for the period January 1, 2010 through December 31, 2010. Claims were then adjusted as follows:

- total adjusted claims were divided by the number of adult members to yield a per capita claim;
- the per capita claim was trended to the midpoint of the valuation year at assumed trend rates; and
- the per-capita prescription drug claims were decreased for estimated prescription drug rebates.

Per capita claims for each plan year were then combined by taking a weighted average. The weights used in this average account for a number of factors including each plan year's volatility of claims experience and distance to the valuation year. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Medicare Prescription Drugs 2012

Based on January 1, 2012 premium rates for CVS/Caremark EGWP, plus CVS/Caremark's estimate for self-funded wrap coverage.

HMO Illinois and Classic Blue 2011

Based on January 1, 2011 premium rates. Actuarial factors were then applied to estimate individual retiree and spouse costs by age and by gender.

HMO Illinois 2012

Based on January 1, 2012 premium rates.

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Per Capita Health Costs:

Medical and prescription drug claims costs for the plan years beginning January 1, 2011 and January 1, 2012 are shown in the table below for retirees at selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.

Age	2011 Classic Blue HMO				2011 HMO Illinois				2011 Other Medical				2011 Other Prescription Drug			
	Retiree		Spouse		Retiree		Spouse		Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Femal	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Femal
55	\$11,140	\$11,501	\$8,767	\$9,930	\$8,302	\$8,571	\$6,534	\$7,400	\$6,878	\$7,101	\$5,413	\$6,131	\$1,524	\$1,573	\$1,199	\$1,358
60	13,230	12,397	11,737	11,517	9,859	9,238	8,747	8,583	8,168	7,654	7,247	7,111	1,809	1,696	1,605	1,575
64	15,178	13,151	14,816	12,962	11,311	9,800	11,042	9,660	9,371	8,120	9,148	8,003	2,076	1,799	2,027	1,773
65	5,001	4,251	5,001	4,251	6,015	5,113	6,015	5,113	1,126	957	1,126	957	2,149	1,827	2,149	1,827
70	5,796	4,581	5,796	4,581	6,971	5,510	6,971	5,510	1,305	1,031	1,305	1,031	2,491	1,968	2,491	1,968
75	6,246	4,931	6,246	4,931	7,513	5,931	7,513	5,931	1,406	1,110	1,406	1,110	2,684	2,119	2,684	2,119

Age	2012 HMO Illinois				2012 Other Medical				2012 Other Prescription Drug			
	Retiree		Spouse		Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
55	\$9,129	\$9,129	\$14,474	\$14,474	\$7,476	\$7,719	\$5,884	\$6,664	\$1,614	\$1,666	\$1,270	\$1,438
60	9,129	9,129	14,474	14,474	8,879	8,320	7,877	7,730	1,916	1,796	1,700	1,668
64	9,129	9,129	14,474	14,474	10,186	8,826	9,944	8,699	2,199	1,906	2,147	1,878
65					749	637	749	637	1,819	1,819	1,819	1,819
70					868	686	868	686	1,819	1,819	1,819	1,819
75					936	739	936	739	1,819	1,819	1,819	1,819

**SECTION 3: Appendices for the Chicago Transit Authority Retiree Health Care Trust
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Fees and Administrative Expenses: For 2011, fees and administrative expenses of \$281 per non-Medicare participant and \$225 per Medicare participant were added to projected incurred claim costs. For 2012, administrative expenses of \$151 per participant and PPO fees of \$551 per non-HMO pre-Medicare household were added to projected incurred claims costs.

Medicare Part D Subsidy: These calculations include an estimate of retiree prescription drug plan federal subsidies for 2011. The plan has been determined to be actuarially equivalent to the Medicare Part D Standard Benefit.

Age	Retiree		Spouse	
	Male	Female	Male	Female
65	\$503	\$428	\$503	\$428
70	583	461	583	461
75	628	496	628	496

Effective January 1, 2012, the Plan switched to an EGWP and will no longer receive Medicare Part D subsidies.

Health Care Cost Trend Rates: Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are “net” and are applied to the net per capita costs shown above.

Year Ending December 31	Health Care Costs	Fees and Administrative Expenses
2012	8.5%*	5.0%
2013	8.0%	5.0%
2014	7.5%	5.0%
2015	7.0%	5.0%
2016	6.5%	5.0%
2017	6.0%	5.0%
2018	5.5%	5.0%
2019 & later	5.0%	5.0%

* 7.0% for Medicare medical due to negotiated rate

**SECTION 3: Appendices for the Chicago Transit Authority Retiree Health Care Trust
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Adjustments:	A multi-year contract with Caremark was assumed to reduce pre-Medicare prescription drug claims by 1.02% in 2013 and later. All medical and prescription drug trend rates except for HMO Illinois were reduced by 0.3% to reflect the annual CPI adjustment of prescription drug copays, annual deductibles, and annual out-of-pocket maximums.
Retiree Contribution Increase Rate:	Retiree and dependent contribution rates were assumed to increase at medical trend with adjustments.
Plan Design:	Development of plan liabilities was based on the plan of benefits in effect as described in Exhibit II. Cost of dental coverage was not included in this valuation since retirees and dependents pay the full cost for this coverage.
Lifetime Maximum Benefits:	No information was available regarding accumulations toward lifetime maximum benefits and no such accumulations were assumed.
Health Care Reform:	The Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) of 2010 creates a temporary reinsurance program for eligible health care coverage for pre-Medicare retirees over age 55. The program will reimburse the plan sponsor for 80% of the retiree claims between \$15,000 and \$90,000. Due to the short nature of this program, the limited financing, and uncertainty of qualifying and receiving payment (the program will be on a first come first served basis until financing runs out), we have not reflected the value of additional payments from this program beyond those that have already been received. The Chicago Transit Authority Retiree Health Care Trust is a retiree only plan, and, therefore, not bound by other aspects of the Acts.

**SECTION 3: Appendices for the Chicago Transit Authority Retiree Health Care Trust
Funding Valuation as of January 1, 2011**

EXHIBIT II

Summary of Plan

This exhibit summarizes the major benefit provisions. To the best of our knowledge, the summary represents the substantive plans as of that date. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions.

Active Contributions:

Year	Rate
2011-2013	3.00% of pay
2014	3.50% of pay
2015-2016	4.00% of pay
2017-2018	4.50% of pay
2019	4.75% of pay
2020	5.00% of pay
2021+	6.00% of pay

Benefit Eligibility:

Retirement: Age 55 with 20 years of service, or any age with 25 years of continuous service if hired prior to September 5, 2001 and retired before the full execution of the next collective bargaining agreements (assumed to occur January 1, 2012).

Disability:

- o 5 years of service if covered under Workmen's Compensation; or
- o 10 years of service.

Service for Eligibility Purposes:

Pension service to 1/18/2008 plus RHCT service after 1/17/08. After 1/17/08, employees accrue one year of service for every plan year worked.

Service for Contribution Schedule:

Pension service to 1/18/2008 plus RHCT service after 1/17/08. After 1/17/08, salaried employees accrue one year of service for every plan year worked, and non-salaried employees earn service based on the actual hours worked in the plan year divided by 2,080 hours.

**SECTION 3: Appendices for the Chicago Transit Authority Retiree Health Care Trust
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Benefit Types:	Medical and prescription drug. Dental is available at full cost for pre-Medicare retirees in 2011 and for all retirees beginning in 2012. In lieu of retiree medical coverage, participants may receive a health-savings-type account equal to their active contributions. Those who terminate prior to retiree health eligibility may receive a health-savings-type account equal to their active contributions at age 65. Rules for any health-savings-type account have not yet been defined by the Board of Trustees.
Duration of Coverage:	Lifetime.
Dependent Benefits:	Medical and prescription drug. Dental is available at full cost for pre-Medicare dependents in 2011 and for all dependents beginning in 2012.
Dependent Coverage:	Eligible dependents covered during retirement may continue coverage after the death of the retiree.

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Retiree Contributions:

Self-pay rates depend on service at retirement and Medicare status. Self-pay rates for disabled retirees depend on Medicare status and service at time of disability. The monthly rates effective January 1, 2011 and January 1, 2012 are shown below.

Service	2011 Non-Medicare						2011 Medicare					
	Retiree			Dependent(s) or Surviving Spouse			Retiree			Dependent(s) or Surviving Spouse		
	PPO	HMO I	Classic Blue	PPO	HMO I	Classic Blue	PPO	HMO I	Classic Blue	PPO	HMO I	Classic Blue
35+	\$42	\$38	\$53	\$415	\$380	\$532	\$15	\$25	\$21	\$145	\$252	\$208
30 - 34	83	76	106	415	380	532	29	50	42	145	252	208
25 - 29	249	228	319	540	495	692	87	151	125	189	328	270
20 - 24	332	304	426	540	495	692	116	202	166	189	328	270
15 - 19	540	495	692	581	533	745	189	328	270	203	353	291
10 - 14	623	571	798	623	571	798	218	378	311	218	378	311
Less than 10	747	685	958	747	685	958	261	454	374	231	454	374

Service	2012 Non-Medicare				2012 Medicare			
	Retiree		Dependent(s) or Surviving Spouse		Retiree		Dependent(s) or Surviving Spouse	
	PPO	HMO I	PPO	HMO I	Aetna EN	Aetna PPN	Aetna EN	Aetna PPN
35+	\$42	\$36	\$405	\$348	\$12	\$8	\$116	\$82
30 - 34	83	71	405	348	23	16	116	82
25 - 29	234	201	541	464	70	49	151	107
20 - 24	342	294	586	503	93	66	151	107
15 - 19	586	503	631	541	151	107	163	115
10 - 14	676	580	676	580	175	123	175	123
Less than 10	811	696	811	696	210	148	210	148

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2011 Benefit Descriptions:

	BCBS PPO		HMO Illinois		Classic Blue	
Medical	In-network	Out-of-network				
<i>Annual Deductible (indexed*)</i>	\$314 individual/\$628 family		Not applicable		Not applicable	
<i>Annual Out-of-Pocket Maximum (after deductible) (indexed*)</i>	\$3,135 individual/ \$6,270 family		\$4,180 individual/ \$8,360 family		Not applicable	
<i>Lifetime Maximum</i>	Pre-Medicare: \$2,000,000 per person Medicare: \$200,000 per person		Unlimited		Unlimited	
<i>Coinurance (after deductible)</i>	90%	60%	100% after co-pays		100% after co-pays	
<i>Medicare Integration Rule</i>	Carve-out					
Prescription Drugs						
<i>Copay** (indexed)</i>	<u>Retail*</u> (30 day)	<u>Mail*</u> (90 day)	<u>Retail</u>	<u>Mail</u>	<u>Retail</u>	<u>Mail</u>
<i>Generic</i>	\$10	\$21	\$5	\$10	\$5	\$10
<i>Brand Formulary if no generic</i>	\$21	\$42	\$10	\$20	\$10	\$20
<i>Brand Non-Formulary or brand with generic</i>	\$52	\$105	\$25	\$50	\$25	\$50

* Indexed each year to the CPI, Chicago-Gary-Kenosha, IL-IN-WI CMSA.

** Mandatory mail-order for 2nd refill.

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2012 Benefit Descriptions:

PRE-MEDICARE

Medical	BCBS PPO		HMO Illinois	
	In-network	Out-of-network		
<i>Annual Deductible (indexed*)</i>	\$322 individual/\$643 family		Not applicable	
<i>Annual Out-of-Pocket Maximum (after deductible) (indexed*)</i>	\$3,217 individual/ \$6,433 family		Not applicable	
<i>Lifetime Maximum</i>	\$2,000,000 per person		Unlimited	
<i>Coinsurance (after deductible)</i>	90%	60%	100% after co-pays	
Prescription Drugs				
<i>Copay** (indexed)</i>	<u>Retail*</u> (30 day)	<u>Mail*</u> (90 day)	<u>Retail</u>	<u>Mail</u>
<i>Generic</i>	\$11	\$21	\$5	\$10
<i>Brand Formulary if no generic</i>	\$21	\$43	\$10	\$20
<i>Brand Non-Formulary or brand with generic</i>	\$54	\$107	\$25	\$50

* Indexed each year to the CPI, Chicago-Gary Kenosha, IL-IN-WI CMSA.

** Mandatory mail-order for 2nd refill.

**SECTION 3: Appendices for the Chicago Transit Authority Retiree Health Care Trust
Funding Valuation as of January 1, 2011**

MEDICARE

	Aetna EN MA Plan	Aetna PPN MA Plan
Medical		
<i>Annual Deductible (indexed*)</i>	\$322 individual/\$643 family	Not applicable
<i>Annual Out-of-Pocket Maximum (after deductible) (indexed*)</i>	\$3,217 individual/ \$6,433 family	Not applicable
<i>Lifetime Maximum</i>	Unlimited	Unlimited
Prescription Drugs		
<i>Copay (indexed*)</i>	<u>Retail</u>	<u>Mail</u>
<i>Generic</i>	\$5	\$11
<i>Brand Formulary if no generic</i>	\$11	\$21
<i>Brand Non-Formulary or brand with generic</i>	\$27	\$54
	<u>Retail</u>	<u>Mail</u>
	\$5	\$11
	\$11	\$21
	\$27	\$54

* Indexed each year to the CPI, Chicago-Gary-Kenosha, IL-IN-WI CMSA.