HEALTH CARE BENEFITS OVERVIEW
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HEALTH CARE BENEFITS: THEY’RE ALL ABOUT PROTECTION, VALUE AND PERSONAL RESPONSIBILITY

Comprehensive, Competitive Coverage
As a BNSF salaried employee, you have access to a variety of coverage options within a broad spectrum of health “insurance” benefits. Beyond helping you pay for health care expenses, the programs are structured to encourage you to:

► Seek preventive care,
► Know your personal health situation,
► Take action for improving and maintaining personal wellness, and
► Be an informed, efficient purchaser of health care services.

Health care benefits also are key financial resources that protect you and your family from the potentially heavy financial burdens of extensive medical treatment.

We’re In It Together
As the purchaser of health care services, you have a critical responsibility to use the health care system efficiently. That includes asking questions of doctors and other care providers. As you would do with other important purchases, find out:

► What you are getting and what it will cost,
► The alternatives available, and
The impact that you should expect (such as pain, hassle, timing and results).

The best way to hold down the shared cost of health care coverage is to reduce the need for treatment of controllable health problems. Take action to protect and enhance your overall wellness. Get physical exams on schedule. Know your personal health numbers for cholesterol, blood pressure and body mass, for example. And if you use tobacco, commit to quitting.

Your health is your greatest personal asset. Take charge of your health … for yourself, your family, your future.

Preventive Care at Little or No Cost to You

- **The Medical Program** covers routine preventive care (periodic physical exams, screenings, health counseling and certain women's health services) at no cost to you (up to certain limits). In addition, specific preventive medications targeting certain risk factors, such as those for high blood pressure, high cholesterol, diabetes, asthma and other conditions, are covered with no upfront deductible. Incentives and special assistance encourage quitting the use of tobacco.

- **The Dental Program** options cover routine preventive dental exams and cleanings at no cost to you up to twice a year.

- **The Vision Care Program** covers an annual eye exam and vision assessment at no cost or for only a small copay in-network.

- **Your company-funded Health Savings Account (HSA)** helps you pay for any out-of-pocket costs.

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1 Or Health Reimbursement Account (HRA) if applicable. BNSF does not provide cash account (HSA or HRA) contributions to COBRA participants or under the Medical Program for Pre-Medicare Retirees.
MEDICAL PROGRAM OVERVIEW

As summarized below, you have the opportunity to make several important choices about your Medical Program coverage when you first enroll and during each annual enrollment period.

Note that Internal Revenue Service (IRS) “dual coverage” rules do not allow you – the employee – to participate simultaneously in medical coverage that includes an HSA (such as the BNSF Medical Program) and another plan that pays for medical expenses, unless the other plan also has an HSA. For more information about dual coverage rules, see Important Rules and Administrative Information in Brief in the Medical Program chapter of this SPD.

Your Medical Program Options

1. WHOM TO COVER
   - You Only
   - You + Spouse
   - You + Child(ren)
   - You + Family

2. CHOICE OF TWO DEDUCTIBLES
   - Option 1
     - $1,500 deductible for you only
     - $3,000 deductible for you + any family members
   - Option 2
     - $3,000 deductible for you only
     - $6,000 deductible for you + any family members

3. CHOICE OF PROVIDERS
   - For network provider list, go to bcbsil.com/bnsf.
   - Select Find a Doctor, then Provider Finder.
   - Note that the Network will be automatically selected based on the state you are searching in.

4. CHOICE OF HSA CONTRIBUTIONS
   - You choose the amount of before-tax contributions you would like to make to your Health Savings Account to use for current and future health care costs.
   - Any contributions you make are in addition to BNSF's contributions.

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Special Rules if You and Your Spouse Are Both BNSF Salaried Employees

If you and your wife or husband both work as salaried employees of BNSF, you cannot “double cover” each other or your children under the Medical, Dental and Vision Care programs. For each of these programs, one of you may choose “you + family” coverage while the other takes no coverage, or one of you may elect “you + child(ren)” coverage while the other chooses “you only” coverage.

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2 Due to this restriction, BNSF provides a Health Reimbursement Account (HRA) to participants enrolled in a government-sponsored health plan for military personnel such as TRICARE or VA, enrolled in Medicare or receiving payments under the BNSF Long Term Disability Insurance Program.
**DENTAL AND VISION PROGRAM OVERVIEWS**

In brief, the Dental and Vision Care programs offer you:

<table>
<thead>
<tr>
<th>Dental Program</th>
<th>Vision Care Program</th>
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<td><strong>Choice of whom to cover:</strong></td>
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<td>• You only</td>
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<td>• You + spouse</td>
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<tr>
<td>• You + child(ren)</td>
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<td>• You + family</td>
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Choice of two options that differ in coverage and cost to you.

- **The Aetna Dental Preferred Provider Organization (PPO)** – Covers in-network and out-of-network services. Benefits are greater in-network.

- **The Aetna Dental Maintenance Organization (DMO)** covers in-network services only.

The networks are different but may include many of the same dental care providers.

Choice of two options that differ in coverage levels and cost to you.

- **Plan H-12** provides lower copays for several services and covers eyeglass frames every calendar year.

- **Plan H-24** covers the same services as the H-12 option but with slightly higher copays for some services, and it covers eyeglass frames every other calendar year.

In-network and out-of-network services are covered through EyeMed Vision Care. Benefits are greater in-network.

For details, see the *Dental Program* and *Vision Care Program* chapters of this SPD.

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**Myth and Facts About Health “Insurance”**

While you may think of your health care coverage as “insurance,” actually coverage under the medical options and the Aetna Dental PPO option is “self-insured.” That means claims are paid from money contributed by you, your fellow employees and BNSF. Aetna and BlueCross BlueShield simply administer claims on behalf of BNSF. By making smart decisions about your use of health care and the related expenses, you can help reduce these costs.

Only the dental DMO and vision care options are insured products for which an insurance company pays the claims and assumes the financial risk. You and BNSF pay the insurance premiums for these options.
CASH ACCOUNTS OVERVIEW

The Medical Program automatically offers participants a company-funded, tax-advantaged cash account.3

- **A Health Savings Account (HSA)** is the company-provided cash account available to most BNSF Medical Program participants. You may use money in your HSA to pay for any eligible health care expenses (medical, prescription drug, dental, vision and hearing). While available through BNSF when you enroll in Medical Program coverage, the HSA is a separate benefit that is not an ERISA plan.

- **A General Purpose Health Reimbursement Account (General Purpose HRA)** is provided to employees enrolled in a government-sponsored health plan for military personnel such as TRICARE or VA, enrolled in Medicare or receiving BNSF Long Term Disability (LTD) Insurance Program benefits. This complies with IRS “dual coverage rules” that prohibit concurrent participation in an HSA.

**A Limited Purpose Health Reimbursement Account (Limited Purpose HRA)** may be available to some Medical Program participants. This account, which no longer receives contributions from BNSF, holds only the unspent HRA balance of participants whose Medical Program coverage previously included an HRA but who are currently enrolled in Medical Program coverage that comes with an HSA.

Following is a summary of how the accounts work and where to get information about expenses eligible for reimbursement from the accounts, as determined by the IRS.

**Health Savings Account (HSA)**

**How You Participate**

- The HSA is automatically available with your BNSF Medical Program coverage, unless you qualify for a General Purpose HRA (see General Purpose HRA section of this Health Care Benefits Overview chapter).

- You must set up your account before it can receive contributions from BNSF or you (see Account Set-up on the next page).

**How You May Use Account**

- Use your HSA to help pay your share of eligible health care expenses (medical, prescription drug, dental, vision and hearing), including deductibles and your share of coinsurance.

- You may use HSA money for the eligible expenses of tax dependents whether or not they are covered by BNSF programs. Note the age restrictions for dependent children; see Qualifying Dependents and Age Limits.

- You may build up your HSA to pay COBRA premiums or retiree medical premiums after age 65.

**Who Funds It**

- BNSF may contribute an amount determined annually by the company. To encourage understanding of health-related risks and preventive behaviors, the full annual amount is contributed to the HSA of each employee who voluntarily participated in the most recent annual health initiative and enrolls during the

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3 BNSF does not provide cash account (HSA or HRA) contributions to COBRA participants or under the Medical Program for Pre-Medicare Retirees.
annual enrollment period. If you choose not to participate in an annual health initiative, the company's contribution to your HSA will be reduced for the following calendar year.

- If you enroll at a time other than at annual enrollment, your HSA takes effect the first of the month coinciding with or next following your enrollment in the Medical Program. BNSF’s HSA contribution is prorated, so that you receive one-twelfth of the annual contribution for each full month that you are enrolled in the Medical Program.
- Pre-Medicare retirees and COBRA participants enrolled in the Medical Program do not receive an HSA contribution.

► You may make voluntary tax-advantaged contributions up to the IRS annual contribution limits, which for 2015 are $3,350 for an individual or $6,650 for a family of two or more. (The combined amount you and BNSF contribute cannot exceed these IRS limits.)

► Individuals age 55 or over may make additional “catch-up contributions” of up to $1,000/year.

► Any voluntary contributions you make through payroll deduction are before-tax, so you save money that you would have paid as income taxes. You may change, start or stop your contributions at any time during the year by calling the BNSF Benefits Center at 877-451-2363.

► In addition to contributing to your HSA through payroll deduction, you may elect before-tax deductions from your BNSF Incentive Compensation Plan (ICP) award, if available. ICP awards are typically paid around the end of January. This election must be made during the annual enrollment period before the ICP payment is made.

► Any contributions you choose to make through bank deposits to your account are tax-deductible. You receive the tax credit when you file your income tax return in the subsequent year.

**Account Set-up**

► You must establish a new account with the HSA Administrator before BNSF can fund your HSA and before you may make voluntary contributions.

► If you fail to set up your HSA, you will forfeit BNSF’s contributions.

► By law, only expenses that occur after your account is set up can be paid from the HSA. If you use money from your HSA to pay expenses that you incurred prior to opening the account, the distribution (withdrawal) is subject to income tax and an additional 20 percent penalty.

► You must provide a street address to set up your HSA (per federal regulations) although you may specify a P.O. Box as your mailing address. Debit cards will be sent to the street address on record, all other correspondence will be sent to your P.O. Box.

**Account Lifespan and Accumulation**

► An HSA is permanently yours and portable. You take your account with you when you retire or change employers.

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4 Not applicable to employees of BNSF Logistics.
Any account balance rolls over each year.

The account earns interest and offers investment options. Check with the HSA Administrator for information about available options.

### Paying Expenses from Account

- You may pay eligible expenses directly with a provided debit card, using tax-free dollars from your account, up to the current balance in your account.
- You may have funds transferred from your HSA to your checking or savings account to reimburse yourself for eligible expenses.
- If you also enroll in an HCFSA or have funds remaining in an HRA, your same debit card will access those funds. (In these cases, you have a Limited Purpose HCFSA and/or Limited Purpose HRA. See the Cafeteria Plan chapter of this SPD for HCFSA details and the Limited Purpose HRA section of this Health Care Benefits Overview chapter for HRA details.) The debit card is a “smart” card, so it will automatically pay expenses for dental and vision services first from your Limited Purpose HCFSA and then from your Limited Purpose HRA before using funds from your HSA.

### Proof of Expense

No proof of expense is needed to use funds from your HSA. However, the IRS may ask for proof during an audit, so it is important to keep documentation of expenses you pay through your HSA. For expenses that were claimed but not reimbursed under your medical, dental or vision care benefits, be sure to save the Explanation of Benefits (EOB) provided by the Claims Administrator. For other out-of-pocket expenses, be sure to save your receipts. Income taxes and IRS penalties apply if account funds are used for ineligible expenses.

### Qualifying Dependents and Age Limits

Expenses can be reimbursed for:

- You and your spouse;
- Your child who qualifies as your tax dependent, which generally means the child is under age 19, or under age 23 if a full-time student;
- Anyone who qualifies as your dependent for income tax purposes (such as a parent who lives with you).

### Eligible Expense Details

For a list of expenses that qualify for tax-free payment or reimbursement, go to IRS.gov, Publication 502 and Publication 969.

### General Purpose Health Reimbursement Account (General Purpose HRA)

**How You Participate**

A General Purpose HRA is automatically provided with your Medical Program coverage if you are enrolled in a government-sponsored health plan for military personnel such as TRICARE or VA, enrolled in Medicare, or if you are receiving payments under the BNSF Long Term Disability Program. In such a case, IRS “dual coverage rules” prohibit you from participating in an HSA.
How You May Use Account

- Use your General Purpose HRA to help pay your share of eligible health care expenses (medical, prescription drug, dental, vision and hearing), including deductibles and your share of coinsurance.

- You may use General Purpose HRA money for the eligible expenses of tax dependents whether or not they are covered by BNSF programs.

Who Funds It

- BNSF may contribute an amount determined annually by the company. To encourage understanding of health-related risks and preventive behaviors, the full annual amount is contributed to the HRA of each employee who voluntarily participated in the most recent annual health initiative and enrolls during the annual enrollment period. If you choose not to participate in an annual health initiative, the company’s contribution to your HRA will be reduced for the following calendar year.
  - If you enroll at a time other than at annual enrollment, your HRA takes effect the first of the month coinciding with or next following your enrollment in the Medical Program. BNSF’s HRA contribution is prorated, so that you receive one-twelfth of the annual contribution for each full month that you are enrolled in the Medical Program.
  - Pre-Medicare retirees and COBRA participants enrolled in the Medical Program do not receive an HRA contribution.

- An HRA cannot accept employee contributions.

Account Set-up

No account set-up is required.

Account Lifespan and Accumulation

- The account is available as long as you are a salaried employee or remain covered by a BNSF salaried-retiree health care benefit program or COBRA continuation benefits.

- If you stop participating in the BNSF Medical Program but remain a salaried employee, any balance in your General Purpose HRA remains available to you.

- If you retire and enroll in the BNSF Medical Program for Pre-Medicare Retirees (if eligible), any HRA balance remains available to you as long as you are covered by a BNSF salaried-retiree medical program. 5

- Any account balance rolls over each year.

- The account does not earn interest or investment returns.

Paying Expenses from Account

- You pay eligible expenses directly with a provided debit card or request reimbursement from the HRA Administrator, using tax-free dollars from your account, up to the current balance in your account.

- If you enroll in an HCFSA, you use the same debit card to access funds from both your HCFSA and your HRA. Funds are drawn first from your HCFSA so your HRA funds are preserved for potential rollover.

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5 General Purpose HRA is converted to a Limited Purpose HRA unless you remain covered by a government-sponsored health plan for military personnel such as TRICARE or VA. The conversion is required because those enrolled in BNSF’s coverage for pre-Medicare retirees generally are eligible to contribute to a tax-advantaged Health Savings Account (HSA).
Proof of Expense

You must provide the HRA Administrator proof of any expense paid through your General Purpose HRA. Even if you use your provided debit card to make a purchase that the merchant validates electronically, you still may be asked for proof that the expense was eligible. For documentation of expenses that were claimed but not reimbursed under your medical, dental or vision care benefits, be sure to save the Explanation of Benefits (EOB) provided by the Claims Administrator. For other out-of-pocket expenses, be sure to save your receipts. Failure to substantiate an expense will result in your debit card being temporarily deactivated until you provide adequate proof of the charge.

Qualifying Dependents and Age Limits

Expenses can be reimbursed for:

- You and your spouse;
- Children (natural, adopted, stepchildren, foster) under age 26 regardless of the child’s student, marital, residency or tax-dependency status; or
- Anyone who qualifies as your dependent for income tax purposes (such as a parent who lives with you).

Eligible Expense Details

For a list of expenses that qualify for tax-free payment or reimbursement, go to IRS.gov, Publication 502 and Publication 969.

Remaining Balances in a Limited Purpose Health Reimbursement Account (Limited Purpose HRA)

How You Participate

If you begin participating in a BNSF Medical Program option that includes an HSA, any balance you have in a BNSF HRA is converted to a Limited Purpose HRA.

How You May Use Account

- You cannot use funds from a Limited Purpose HRA to pay for medical services or prescription drug expenses.
- You may use a Limited Purpose HRA to pay your share of eligible non-medical expenses, including vision, dental and orthodontia expenses. This includes such eligible expenses of tax dependents whether or not they are covered by BNSF benefit programs.

Who Funds It

- The account contains only balances left over from your prior participation in a BNSF medical option that included an HRA.
- No amounts may be added to a Limited Purpose HRA.

Account Set-up

No account set-up is required.

Account Lifespan and Accumulation

The account is available as long as you are a salaried employee or remain covered by the BNSF Medical Program for Pre-Medicare Retirees (if eligible) or COBRA continuation benefits.
If you stop participating in the BNSF Medical Program but remain a salaried employee, any balance in your Limited Purpose HRA is converted to a General Purpose HRA and remains available to you.

If you enroll in the BNSF Medical Program for Medicare-Eligible Retirees (if eligible), any HRA balance will remain available to you as long as you are covered by that retiree medical program.

Account balance rolls over each year.

The account does not earn interest or investment returns.

You pay eligible expenses directly with a provided debit card or request reimbursement from the HRA Administrator, using tax-free dollars from your account, up to the current balance in your account.

If you enroll in an HCFSA, you use the same debit card to access funds from both your HCFSA and your Limited Purpose HRA. Funds are drawn first from your HCFSA so your Limited Purpose HRA funds are preserved for potential rollover.

You must provide the HRA Administrator proof of any expense paid through your Limited Purpose HRA. Even if you use your provided debit card to make a purchase that the merchant validates electronically, you still may be asked for proof that the expense was eligible. For documentation of expenses that were claimed but not reimbursed under your medical, dental or vision care benefits, be sure to save the Explanation of Benefits (EOB) provided by the Claims Administrator. For other out-of-pocket expenses, be sure to save your receipts. Failure to substantiate an expense will result in your debit card being temporarily deactivated until you provide adequate proof of the charge.

Expenses can be reimbursed for:

You and your spouse;

Children (natural, adopted, stepchildren, foster) under age 26 regardless of the child’s student, marital, residency or tax-dependency status; or

Anyone who qualifies as your dependent for income tax purposes (such as a parent who lives with you).

For a list of expenses that qualify for tax-free payment or reimbursement, go to IRS.gov, Publication 502 and Publication 969.
WHOM TO CALL ABOUT YOUR BENEFITS

For questions about eligibility for coverage or enrollment in the Medical Program, call the BNSF Benefits Center at 877-451-2363.

For questions about the Medical, Dental or Vision Care program options, covered expenses or claims, see their respective chapters.

For questions about the HSA, General Purpose HRA or Limited Purpose HRA, eligible expenses, using the debit card or claims for reimbursement, call PayFlex at 800-284-4885 or visit healthhub.com.

DEFINED TERMS

About These Terms

The following definitions of certain words and phrases will help you understand the benefits to which the definitions apply.

COBRA – Consolidated Omnibus Budget Reconciliation Act of 1985, as amended. For more information on your COBRA rights, see the chapter of this SPD titled Continuing Health Care Coverage Under COBRA.


Account Administrator – The administrator for the General Purpose HRA, Limited Purpose HRA and HSA is identified in the section titled Claims and Account Administrators for the Group Benefits Plan of the chapter of this SPD titled Administrative Information About the BNSF Group Benefits Plan.