

Vet to Hire Program

Company: AAR

Location: Duluth, MN

Equipment: Commercial Aircraft

Category: Contract to Direct

Available Positions: Sheet Metal, Mechanics

Summary: Our client is looking to hire Veterans with recent aviation experience. Work will be done on large fixed-wing aircraft. No commercial experience, tools, or licenses needed. This opening allows you to apply your military aviation experience to the civilian sector.

Job Description:

- Inspect, test, repair, maintain, and service aircraft.
- Read and interpret aircraft maintenance manuals and specifications to determine feasibility and method of repairing or replacing malfunctioning or damaged components.
- Research FAA technical data to locate applicable data relevant to assigned tasks.
- Other duties may be assigned.

Requirements:

- At least 3 years of recent hands on aviation experience in the United States Military.
- Must be able to document maintenance performed on required forms.
- Knowledge of design techniques, principles, tools and instruments involved in the production and use of precision technical plans, blueprints, drawings, and models.
- High School Diploma or equivalent.
- A valid clear driver's license.

Work Summary: Heavy checks and mod work on wide-bodied, fixed-wing commercial aircraft. Mostly working on Airbus 319, 320, and 321's.

Pay Rates as Contractor:

9.00/hr straight time taxed

17.50/hr over time taxed

340.00/week Per Diem untaxed. Per Diem is paid out weekly on a daily basis. A full days per diem will be paid so long as you work at least half your scheduled shift.

Orientation Pay: In your first 3-4 days of training you'll be paid \$100.00/day and your full pay rate kicks in after that.

Direct Employment: AAR is looking to make decisions/Direct offers at or before 60 days.

Pay rate as an AAR employee: You will be given a min. of \$18 to \$19 depending on experience; this base rate will be individual based on years of experience and performance ability. Annual performance review for raises held in June.

AAR Employee Medical Insurance: Available on the first of the month, after you have been Direct for 30 days.

AAR Employee Benefits: Benefits package is listed below.

FMLA: Will be available 1 year after going direct but must apply for it.

Raises: Individual performance is reviewed and raises determined annually in June.

Toolboxes: AAR is asking that you supply your own minimum tool boxes. Upon rolling direct, AAR will give you \$750.00 towards the cost of obtaining your tools.

Certification Assistance: AAR offers assistance towards the cost of obtaining your A&P certification. To be eligible you must have been direct for 6 months. You can receive assistance tuition towards your A&P Licensure after that 6 month period. You will be set up with a training program. You must have min. of 18 months experience before sign-off recommendation letter to FAA requesting to sit for exam.

Pay schedule: Paydays are every Friday as a contractor and every other Friday as a direct.

Work schedule: Work week consists of 4-10 hour shifts. There are 2 main shifts.

Shifts: 1st: 6:00 AM to 4:30 PM 2nd: 4:30 PM to 3:00 AM

Tool List

- **Black US General Toolbox / 3 tier Harbor Freight**
- **1 1/2" Flat/Slotted Stubby Screwdriver**
- **1 1/2" Flat/Slotted Stubby Screwdriver**
- **1 1/2" Phillips #2 Stubby Screwdriver**
- **1/4" Combination Wrench / 12 point / box end**
- **1/4" Square Drive Speed Handle**
- **10" Adjustable Crescent Wrench**
- **12" Ball Peen Hammer**
- **12" Precision Ruler (501-012)**
- **16' Stanley Power Lock Tape Measure**
- **5 1/2" Scissors**
- **5/16" Combination Wrench / 12 point / box end**
- **6" Adjustable Crescent Wrench**
- **6" Precision Ruler (501-006)**
- **Calculator / pocket size**
- **Cotter Pin Extractor (Proto 2306)**
- **Dead Blow Hammer**
- **Feeler Gauge Set / 26 leaves / 3" leaf length**
- **Flexible/Stiff Magnetic Retriever**
- **Magnifying Glass / telescoping handle**
- **Mechanical Fingers / 23 1/2" flexible shaft / spring retractable**
- **Rectangular Glass Inspection Mirror / telescoping handle**
- **Rubber Hammer/Mallet**
- **Safety Wire Pliers**
- **Yellow Flashlight**

- **Screwdriver Grip Pick Set / 4 individual pieces**
 - 1 each: Straight Tip*90 Degree Tip*Hook Tip*60 Degree Double Bend Tip*

- **Brass Drive Pin Punch Set / 8 pieces with pouch**
 - 1 each size: 1/16" *3/32" *1/8" *5/32" *3/16" *7/32" *1/4" *5/16"

- **Vice Grip Locking Pliers Set / 4 pieces with pouch**
 - 10" Curved Jaw (10WR)
 - 10" Straight Jaw (10R)
 - 7" Straight Jaw (7R)
 - 6 1/2" Straight Jaw (6L2)

- **Channel Lock Pliers Set / 5 pieces with pouch**
 - 9 1/2" Flat Jaw Adjustable Pliers
 - 8" Adjustable Wrench
 - 6" Combination Jaw Slip Joint Pliers
 - 6" Side Wire Cutters
 - 6" Long Needle Nose Pliers

- **Screwdriver Set / 6 pieces**
 - 11" wide flat/slotted
 - 9 1/2" narrow flat/slotted
 - 8 1/4" wide flat/slotted
 - 6 1/2" narrow flat/slotted
 - 8 1/4" Phillips #2
 - 6 1/2" Phillips #1

- **3/8" Square Drive Socket Set / 20 pieces with plastic case**
 - 7 1/2" Ratchet
 - 3" Extension
 - 6" Extension
 - 3/8" Drive 12 Point Standard Sockets * 1 each size: 3/8" *7/16" *1/2" *9/16" *5/8" *11/16" *3/4" *13/16" *7/8"
 - 3/8" Drive 12 Point Deep Well Sockets * 1 each size:*3/8" *7/16" *1/2" *9/16" *5/8" *11/16" *3/4" *13/16"*

- **Combination Wrench Set / 14 pieces with pouch**
 - 12 point/box end * 1 each size: *3/8" *7/16" *1/2" *9/16" * 5/8" *11/16" *3/4" *13/16" *7/8" *15/16" *1" *1 1/16" *1 1/8" *1 1/4"*
- **Punch Set / 10 pieces with pouch**
 - 5/16" x 5" Center Marking
 - 1/8" x 4 1/2" Pin Loosing
 - Pin Removal 6" * 1 each size: *3/32" *1/8" *5/32" *3/16" *7/32" *1/4"
 - Pin Removal 8" * 1 each size: *5/16" *3/8"*
- **Interchangeable Tip Pick Set / 5 pieces with pouch**
 - 1 each: 3 1/3" Handle, *Straight Tip, *90 Degree Tip, *Hook Tip, *60 Degree Double Bend Tip*
- **Nutdriver Set / 5 pieces with plastic holder**
 - 1 each size: *3/16" *1/4" *5/16" *3/8" *7/16"
- **1/4" Square Drive Socket Set / 21 pieces with plastic case**
 - 5 1/4" Ratchet
 - 6" Driver
 - 2" Extension
 - 6" Extension
 - 1 9/16" Flex Joint
 - 1/4" Drive 12 Point Standard Sockets 1 each size: *3/16" *7/32" *1/4" *9/32" *5/16" 11/32" *3/8" *7/16" *1/2" *9/16"
 - 1/4" Drive 12 Point Deep Well Sockets 1 each size: *3/16" *7/32" *1/4" *9/32" *5/16" 11/32" *3/8" *7/16" *1/2" *9/16"
- **Socket Drive Adapter 1/4" Female X 3/8" Male**
- **Socket Drive Adapter 3/8" Female 1/4" Male**
- **Socket Drive Adapter 3/8" Female X 1/2" Male**
- **Socket Drive Adapter 1/2" Female x 3/8" Male**
- **Socket Drive Adapter 1/2" Female x 3/4" Male**
- **Socket Drive Adapter 3/4" Female x 3/4" Male**
- **Hex L Allen Key Set / 13 pieces with index caddy**
 - 1 each size: .050" *1/16" *5/64" *3/32" *7/64" *1/8" *9/64" *5/32" *3/16" *7/32" *1/4" *5/16" *3/8"



Benefits Summary

2015

AAR Aircraft Services - Oklahoma
6611 S. Meridian Ave.
Oklahoma City, OK
73159-1118
(405) 218-3000
Fax (405) 218-3622

AAR CORP. BENEFIT PLAN OVERVIEW 2014

AAR CORP. RETIREMENT SAVINGS PLAN

The AAR CORP. Retirement Savings Plan is a 401(k), plan with Matching, Profit Sharing and Non-Elective contribution features. The Plan permits participants to save for their financial goals through the convenience of payroll deduction. The following briefly summarizes and highlights the features of the Plan.

EMPLOYEE PRE-TAX (401(K)) CONTRIBUTIONS

Eligibility is immediate for participation in the Plan. The Plan permits participants to contribute anywhere from 1% - 75% of pay (subject to IRS limits). Earnings accumulate on a tax-deferred basis. There are several different funds offered by Vanguard. Loans may be available whereby accounts are repaid through payroll deduction. There are 2 different ways to contribute to your plan:

1. Employee Traditional Contribution (Pre-Tax)
2. Employee Roth Contribution (After-Tax)

Employees will automatically be enrolled in the Retirement Savings Plan at 5% to begin 30 days after date of hire. If the participant would like to increase or decrease this percentage or begin the deductions sooner, they can connect with Vanguard at 800-523-1188 or www.vanguard.com (you can register on the website, AAR's Plan number is 090739). Any changes to a participant's account will need to be made through Vanguard.

All eligible requests for Hardship withdrawals must be at least \$1,000.

CATCH UP

If a participant is, or will be, age 50 or older in 2015, the participant has the opportunity to save additional money (subject to IRS limit), if contributing the maximum permitted under the Plan.

MATCHING CONTRIBUTIONS

For each dollar contributed up to 5% of eligible pay, AAR will match 20% or 20 cents on the dollar. For example, if a participant earns \$30,000 and contributes 5%, the annual contribution is \$1,500 and AAR will add an additional \$300. If the participant contributes 4% or \$1,200, AAR will add \$240 (\$1,200 x .20). Eligibility for Company match is immediate.

PROFIT SHARING

Eligibility to receive Profit Sharing is immediate. At the end of each fiscal year (May 31), there may be a discretionary Profit Sharing contribution made to each participant's account based upon the performance of the operating company. The contribution ranges from 0% to 4%. Employees must be active as of December 31 in the calendar year that ends during the fiscal year in order to receive profit sharing.

RETIREMENT CONTRIBUTIONS

Eligibility for these contributions commences on the January 1 or July following one year of service. Every three months, AAR will contribute an amount as determined below that will be invested in the accounts the participant has established with Vanguard. These retirement contributions are based on eligible earnings for each three-month period multiplied by the associated pay credit.

<u>Age + Service</u>	<u>Pay Credit %</u>
Under 30	0.5%
30 – 39	1.0%
40 – 49	1.5%
50 – 59	2.25%
60 – 69	3.0%
70+	4.0%

VESTING

There is a three (3) year vesting schedule for all employer contributions:

- ◆ 34% after the first year of employment,
- ◆ 67% after the second year, and
- ◆ 100% after three years

Employees are always 100% vested in their own contributions to the Plan.

BASIC LIFE INSURANCE PLAN

Covers eligible employees automatically on the first day of the month after one month of service with AAR. AAR pays the full cost of this plan for the employee. The amount of insurance is two times basic annual earnings. All life insurance amounts are rounded up to the next \$1,000 of coverage. The maximum benefit is \$300,000 per employee.

BASIC ACCIDENTAL DEATH AND DISMEMBERMENT PLAN

Provides any eligible employee an additional benefit, if death is due to accidental causes. The benefit paid is the same as the life insurance plan.

One-half the scheduled benefit is paid for the loss of a hand, foot, or eye in an accident.

SUPPLEMENTAL LIFE INSURANCE (OPTIONAL)

An eligible employee can elect Supplemental Life Insurance in increments of \$10,000 up to a maximum of \$500,000 subject to approval by the insurance company (Aetna) based on the employee's state of health. An employee is first eligible to be covered by this insurance on the first day of the month following one month of service. If the election is made before the employee's first eligibility date, they can elect an amount up to 3 times base annual earnings (maximum of \$250,000) without Aetna's approval. The cost of the supplemental life insurance is paid entirely by the employee through payroll deductions.

PREMIUM RATE PER \$10,000	
AGE	EE RATE
UNDER 30	\$.067
30-34	.089
35-39	1.00
40-44	1.68
45-49	2.68
50-54	4.51
55-59	7.29
60-64	9.35
65-69	14.19
70 +	23.10

To determine the actual monthly cost, complete the cost calculation below using the rates from the premium section above.

An Example: Employee age 40 purchasing \$100,000 in supplemental life insurance.

Coverage Amount	Divided By 1,000	=	# of Thousands	Multiplied By	Premium Rate	=	Monthly Cost
\$100,000	/1,000		100	X	\$.168		\$16.80

DEPENDENT SUPPLEMENTAL LIFE – Only available if the employee is simultaneously covering themselves with Supplemental Life Insurance. The employee may elect coverage for his or her spouse and/or child (ren). The cost of Dependent Life Insurance is paid entirely by the employee through payroll deductions.

Spouse Life Insurance

For Spouse coverage, the employee may elect in \$10,000 increments up to \$100,000 subject to approval by Aetna based on spouse's state of health. If the employee elects Spouse Life Insurance prior to their initial eligibility date, they can elect the first \$30,000 without needing Aetna's approval. The rates are based on the spouse's date of birth and follow the table above.

Child Life Insurance

For Child (ren) coverage, the employee may elect either \$5,000 or \$10,000. The rates are \$.143 per \$1,000 of coverage.

LIFE CONVERSION or LIFE PORTABILITY

Employee Life insurance will expire at the end of the month in which their employment ends at AAR.

Portability

If an employee with Supplemental Life Insurance leaves AAR for any reason other than disability, they may take their Supplemental Life Insurance with them. In addition, if they choose this option and also have Spouse Life Insurance and/or Child Life Insurance, they can also bring those insurances with them as well. The premium rates are determined and billed by Aetna.

Conversion

A terminating employee or an employee whose coverage reduces due to age has the opportunity to purchase an individual conversion life insurance policy with 31 days of the date their coverage terminates.

SUPPLEMENTAL ACCIDENTAL DEATH & DISMEMBERMENT (OPTIONAL)

An eligible employee can elect Supplemental AD&D Insurance in increments of \$25,000 up to 10 times annual base salary, capped at \$1,000,000. The benefit amount chosen by the employee is paid through payroll deductions. The employee pays the entire premium amount and enrollment is the first day of the month following one month of service.

*Dependent Supplemental AD&D is available if the employee elects Supplemental AD&D for himself or herself. There are three different options:

- AD&D coverage for Spouse and Child (ren) – the Spouse coverage is 40% of the employee's AD&D election and the Child (ren) coverage is 10% of the employee's AD&D election.
- AD&D coverage for Spouse only – the Spouse coverage is 50% of the employee's AD&D election.
- AD&D coverage for Child (ren) only – the Child (ren) coverage is 15% of the employee's AD&D election.

<u>Employee Only:</u>	\$.019 / \$1,000
<u>Spouse and / or Child:</u>	\$.035 / \$1,000

An Example: Employee elects \$100,000 of supplemental coverage. The cost equals \$1.90 per month (\$100,000 divided by 1,000 multiplied by \$.019 = \$1.90 per month).

If the employee elects coverage for both the spouse and child (ren), the spouse is covered for \$40,000 and child (ren) for \$10,000 each. Electing dependent coverage in the amount of \$50,000 (\$40,000 for spouse; \$10,000 for child (ren)) will cost you \$1.75 per month (\$50,000 divided by 1,000 equals 50, multiplied by \$.035 = \$1.75 per month).

The cost of the Supplemental Accidental Death & Dismemberment Insurance is paid entirely by the employee through payroll deductions.

TRAVEL ACCIDENT INSURANCE

Benefit for accidental death while traveling on company business in an amount depending on the employee class. Coverage for dismemberment is per schedule. Coverage is provided at no cost to the employee and becomes effective upon hire date.

PRE-PAID LEGAL PLAN

AAR will now offer a pre-paid legal plan called MetLaw®, offered by Hyatt Legal Plans. The MetLaw plan provides members with access to a national network of attorneys. The legal services offered in the plan are fully covered when you see a Plan Attorney. You can use the plan for qualifying services as often as you need legal representation, and there are no dollar limits on your use of a Plan Attorney. If you wish to use an attorney that does not participate in the MetLaw plan, Hyatt will reimburse you according to a set fee schedule. The rate for this plan is \$15.75 per month (covers spouse and dependents).

PAY PERIODS

Employees are paid every other Friday. All employees are paid holding back one week of pay.

HOLIDAYS

AAR offers eligible employees 8 fully paid holidays each year. The holidays are: Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Thanksgiving Friday, Christmas Eve, Christmas Day, New Years Day and dependent on work schedule 12 hours of floating holiday.

VACATION

◆ Hired on January 1 through June 30:

Eligible employees are credited 8 hours of vacation time for each full calendar month of continuous service worked, capped at 80 hours per calendar year. On January 1 of the following year, employees are eligible for 80 hours of vacation time.

◆ Hired on July 1 through December 31:

Eligible employees are credited 8 hours of vacation time for each full calendar month of continuous service worked. Beginning the first of the month following six months of employment, an employee will be eligible for 80 hours of vacation time less any vacation time taken that was accrued during that calendar year.

As of January 1 of the year in which an employee completes 5 or 10 years of continuous service, he/she will be eligible for 120 hours or 160 hours, respectively, of vacation. Additionally, up to 40 hours of vacation time may be carried over to be used by March 31 of the following year.

SICK DAYS

Eligible employees will be paid for sick time provided they have accumulated sufficient unpaid sick days. Newly hired employees earn a maximum of four (4) hours sick time for each full calendar month worked up to a maximum of forty (40) hours per calendar year.

During the first ninety (90) days of continuous employment, employees are ineligible to take paid sick time.

On each January 1, employees with a minimum of six (6) months continuous service will receive their allotted sick hours. Upon completing six (6) months of continuous service following January 1, employee is eligible to receive eligible sick time, less any time already taken in that calendar year.

Days not used are accumulated from year to year and used for future illness and in conjunction with short term disability insurance if an employee become disabled.

TUITION REIMBURSEMENT

Plan pays up to \$5,250 per calendar year for undergraduate or graduate classes as outlined more fully in AAR Policy No. 2.02.003. Eligible employees who have been with AAR for six months or more are eligible. Classes must be job related or continuing education through an accredited degree program. Employees must obtain a grade of C or better to receive reimbursement.

LEAVE OF ABSENCE

AAR realizes the need for employees to take time off for personal reasons. The Family Medical Leave Act provides up to twelve weeks of unpaid, job-protected leave for three situations; care for the employee's child after birth or placement for adoption or foster care; care for the employee's spouse, son, daughter or parent who has a serious health condition; or for a serious health condition that makes the employee unable to perform his or her job. Advance approval is required. Time off, not covered by FMLA, exceeding one calendar week (excluding earned vacation) requires advance approval.

VOTING, JURY DUTY AND MILITARY TRAINING

A reasonable amount of work time will be allowed for voting. The employee should try to schedule time at the beginning or the end of the work day. Leave of absence will be granted to full time employees upon presentation of proof of jury duty. An employee on jury duty should expect to work as much of the regularly scheduled shift as jury duty permits, not to exceed eight hours per day. It is the company's policy to afford leaves of absence for military training. The employee must present a copy of orders for military training prior to the start of the leave of absence.

INTERNAL JOB POSTING

The policy is to evaluate internal candidates and promote from within, whenever possible. Open positions will be posted on bulletin boards. Any employee interested should notify Human Resources.

PROBATIONARY PERIOD

There is not a company probationary policy. Oklahoma is an Employment-at-Will state.

DRESS CODE

The dress code for floor personal is AAR approved uniform apparel, for office personnel the dress code is business casual Monday through Friday. Employees should be dressed and groomed in a manner that promotes safety and reflects the image appropriate to their position. Enforcement rests with each supervisor.

SMOKE FREE

AAR Aircraft Services - Oklahoma is a non-smoking facility.

MEDICAL – Blue Cross/Blue Shield of IL

Enrollment is the first day of the month following one month of service.

Plan Provision	TRADITIONAL		HSA	
	In-Network	Out-of-Network (1)	In-Network	Out-of-Network (1)
Annual Deductible				
Individual Deductible	\$1,000	\$2,000	\$3,000	\$6,000
Family Deductible	\$2,000	\$4,000	\$6,000	\$12,000
Coinsurance ⁽¹⁾	80%	60%	100%	70%
Lifetime Maximum	Unlimited		Unlimited	
Annual out-of-pocket limit (includes deductible and co-pays)				
Individual	\$3,500	\$6,000	\$3,000	\$7,250
Family	\$6,000	\$12,000	\$6,000	\$14,500
Annual AAR HSA Contribution (funded throughout the year)				
Individual	N/A		\$750	
Family	N/A		\$1,500	
Coinsurance (paid by the plan after annual deductible is met)				
Hospital-Inpatient	\$200 Copay + 80% Coinsurance	\$200 Copay + 60% Coinsurance	100% Coinsurance	70% Coinsurance
Outpatient Services	80% Coinsurance	60% Coinsurance	100% Coinsurance	70% Coinsurance
Doctor Visits	\$40 Copay	60% Coinsurance	100% Coinsurance	70% Coinsurance
Emergency Room	\$200 Copay + 80% Coinsurance	\$200 Copay + 60% Coinsurance	100% Coinsurance	100% Coinsurance
Preventive Care	100% Coinsurance (No Deductible)	60% Coinsurance	100% Coinsurance (No Deductible)	70% Coinsurance
Retail Pharmacy (2)				
Generic	\$10 Copay	Member pays: 25% of allowed amount + In-network responsibility + any excess amount over allowed amount (no maximum)	Member pays: 100% up to \$3,000/\$6,000 Deductible Once deductible is Met, plan pays 100%	Member pays: 25% of allowed amount + 30% Coinsurance after meeting \$6,000/\$12,000 Deductible + Any excess \$ over Allowed amount (no maximum)
Brand Formulary	Member pays 30% (Minimum \$35: Maximum \$100)			
Brand Non-Formulary	Member pays 40% (Minimum \$50: Maximum \$125)			
Mail Order Pharmacy (90 day supply)				
Generic	\$25 Copay	No Coverage	Member pays: 100% up to \$3,000/\$6,000 Deductible Once deductible is Met, plan pays 100%	No Coverage
Brand Formulary	Member pays 30% (Minimum \$87.50: Maximum \$250)			
Brand Non-Formulary	Member pays 40% (Minimum \$125: Maximum \$312.50)			

(1) Coverage is only up to the Schedule Maximum Allowances (SMA). Any charges that exceed the eligible charge or the SMA are not applied to deductible or out of pocket maximums. This is the participant's responsibility, in addition to applicable copays, deductibles and coinsurance.

(2) Prescription in-network annual out-of-pocket limit under the Traditional Plan is \$3,600 for individuals/\$7,200 for family. Also, under both plans, there is a member pays the difference penalty if member elects a brand name drug when generic is available and doctor didn't note on the prescription to Dispense as Written (DAW).

DENTAL – MetLife

Enrollment is the first day of the month following one month of service.

	High Plan	Low Plan
Deductible (waived for preventive care) Employee Only Family	\$ 50 \$150	\$100 \$300
Preventive	100%	100%
Basic	80% after deductible	50% after deductible
Major	60% after deductible	50% after deductible
Dental Implants	Covered	Covered
Orthodontia (to age 19)	50%	Not covered
Annual Maximum (non-ortho)	\$2,000 (per person)	\$1,000 (per person)
Lifetime Ortho Maximum	\$1,000	Not covered
Employee Monthly Contributions *	High Plan	Low Plan
Employee Only	\$14.22	\$5.93
Employee Plus One	\$33.18	\$14.22
Family	\$42.66	\$17.78

***Deductions are made from the employee's pay on a pre-tax basis.**

VISION – Davis

Enrollment is the first day of the month following one month of service. 100% paid by employee.

- Over 30,000 providers including private practice and retail outlets.
- Coverage for exams, spectacle lenses and frames or contact lenses.
- \$10 Copays for In Network exams and materials, \$40 to \$80 Copay for Out of Network exams and materials.
- Easy access 24 hours a day, 7 days a week via www.davisvision.com, click members and enter code 7279
- Toll-free provider locator @ **877-923-2847**
- Out-of-network benefit reimbursements up to specified amounts
- Access to discounted laser eye surgery benefits

Employee Monthly Contributions *	
Employee Only	\$5.32
Employee Plus One	\$9.59
Family	\$14.92

***Deductions are made from the employee's pay on a pre-tax basis.**

Health Saving Account (applies to the HSA plan ONLY):

A Health Saving Account (HSA) is a feature that is allowed with plans that meet a certain level of deductible and allows the employer and employees to deposit pre-tax dollars to pay for healthcare expenses. The money in the account is your money and can rollover from year to year. Employees that are enrolled in any other health care coverage (including Medicare/Medicaid) or can be claimed as a dependent on another person's tax return are not eligible to contribute to an HSA.

If you enroll in the HSA plan, the company will make a contribution on your behalf throughout the year to your HSA.

For single coverage; monthly contribution \$62.50 (provided you remain in the plan for the whole year)

For employee plus one or family coverage; monthly contribution \$125 (provided you remain in the plan for the whole year)

For 2015, you can also contribute to your HSA on a pre-tax basis up to a maximum of \$2,600 for single coverage and \$5,150 for family coverage. If you are age 55 or older in 2015, you can contribute an additional \$1,000 towards your HSA.

For more information about the HSAs and how they work, please see additional brochures.

Employee Monthly Medical Contributions	Traditional		HSA	
	Pay Grade 18 & Below	Pay Grade 19 & Above	Pay Grade 18 & Below	Pay Grade 19 & Above
• Single	\$104.55	\$210.46	\$68.96	\$117.13
• Employee Plus One	\$239.94	\$331.09	\$149.66	\$212.14
• Family	\$310.99	\$396.78	\$184.81	\$273.31

***Deductions are made from the employee's pay on a pre-tax basis.**

SUPPLEMENTAL TRICARE – ASI

AAR CORP. Offers a voluntary TRICARE medical supplement plan. This plan is administered through association & Society Insurance Corporation (ASI).

If you wish to enroll in this plan, you must meet the following criteria:

1. Cannot be eligible for Medicare
2. Must be a Military retiree, Retired Reservists and National Guardsman between the ages of 60 and 65 with 20 years of service, Retired Reservist and national guardsman under age 60 and enrolled in TRICARE Retired Reserves (TRR)
3. Cannot be covered under one of AAR's medical plans

EMPLOYEE MONTHLY CONTRIBUTIONS*	
Employee Only	\$67.50
Employee Plus Spouse	\$132.50
Employee Plus Children	\$132.50
Family	\$178.50

***Deductions are made from the employee's pay on a pre-tax basis**

Please contact your local HR rep if you want additional information about this plan. Premiums for this plan will be paid through payroll deductions on a pre-tax basis. Enrollment is the first day of the month following on month of service.

FLEXIBLE SPENDING ACCOUNTS

AAR CORP. offers eligible employees an opportunity to enroll in either or both of the following two accounts to pay for out of pocket health and dependent care expenses on a pre-tax basis.

- **The Health Care Expense Account**

For eligible expenses not covered by any medical, dental, or vision plan and certain over the counter supplies/devices.

Note: Employees in the HSA plan are only eligible for a Limited FSA for reimbursements on out-of-pocket dental and vision expenses (medical is not included in a Limited FSA, therefore, do not include this in your estimation).

- **The Dependent Day Care Expense Account**

For day care expenses for children or other eligible dependents while at work.

The **Flexible Spending Account** allows you to:

- direct money from your paycheck into one or both accounts before federal and Social Security taxes are withheld
- make contributions to the account(s) based on the amount of health care and/or dependent day care expenses you think you'll have during the plan year and you know are not covered by insurance.
- reduce your taxable income so **you pay less tax**

You are eligible to participate in this program if you are a Regular AAR employee working at least 30 hours per week.

SHORT TERM DISABILITY PLAN

Eligibility: All full-time (non-union) employees working at least 30 hours per week beginning on the first day of the month following completion of one month's continuous service.

Waiting Period: Begins on the 8th day illness or 1st day injury.
Benefits payable following the exhaustion of all accrued sick days.

Weekly Benefit: Percentage of weekly basic earnings on the following schedule:

- 100% Employees in a grade 21 or above.
- 100% All other employees with over 20 years of service
- 90% All other employees between 15-20 years of service
- 80% All other employees between 10-15 years of service
- 70% All other employees between 5-10 years of service
- 60% All other employees between 0-5 years of service

Benefit Duration: 180 days from date of disability. Benefits are approved in periods of six weeks with extensions available after original period.

LONG TERM DISABILITY PLAN

Coverage: Partial salary continuance for non-occupational injuries or illnesses, which result in total disability.

Eligibility: All full-time (non-union) employees working at least 30 hours per week beginning on the first day of the month following completion of one month's continuous service.

Cost: Employee contribution of 0.08% of total annual earnings through payroll deduction.

Disability Period: Benefits are payable following the exhaustion of all accrued sick days and a **Waiting** elimination period of six months.

Monthly Benefit: 60% of Total Weekly earnings.
(Your monthly benefit will be reduced by any other income received, including, but not limited to – worker's compensation award, social security, pension, and any other disability benefits under an AAR CORP. group insurance plan)

Benefit Duration:

Age When Total Disability Begins	Duration
Under 60	To age 65, but not less than 5 years
60	60 months
61	48 months
62	42 months
63	36 months
64	30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 or over	12 months

Definition of Disability:	Employees will be considered totally disabled if unable to perform all of the material duties of his or her own occupation and any other gainful occupation For which you are reasonably qualified.
Pre-existing Condition Limitation:	An employee who has received medical care, consultation, treatment, or prescribed drugs during the three months prior to their eligibility date will not be covered for a disability, which occurs due to that condition during the first twelve months of coverage.
Mental & Nervous Limitations:	Benefits for a period of total disability caused by, contributed to or resulting from any nervous disorder is limited to 24 months immediately following the elimination period.
Summary Plan Description:	Please review the Summary Plan Description (SPD) for a more detailed explanation of the Long-Term Disability Income Benefit. The terms, conditions and the SPD will take precedent over this summary.