

ABenefits Xtra

Your Health & Benefits Awareness resource published by the Human Resources Department at ABX Air, Inc.

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•Did you know?

Reducing lost time could save ABX over \$3 million a year?

•Read about the best hospitals for a heart bypass on page 2.

•Want to know about the ABX attendance program?

Find out more on page 2.

•Have your questions answered on page 2.

Lost time

One of our more frequently used benefits is sick time. In fact, ABX employees use this benefit much more than employees at other organizations. Consequently, our costs are higher for this benefit than at other organizations. For the 12-month period ending Oct. 31, 2002, ABX paid over \$6 million in sick time and had an additional amount of unpaid sick time. The ABX Snapshot (below) shows the percent of time that ABX employees miss work, compared to the national average. These statistics do not include vacations and holidays.

As you can see, the average ABX employee misses work twice as frequently as employees throughout the country. What are some possible explanations for this? Many of our jobs are physically demanding, but that doesn't explain all of it. Most of our employees use their sick time responsibly, but some employees must be choosing not to come to work when they could. Why? Employees and Supervisors tell us it is because the attendance policy is too easy to take advantage of.

(Please see Lost Time on page 2.)

What is paid time off?

**You need to attend a parent/teacher conference...
Your child needs to go to the doctor...
You want to take a day off to go hunting or fishing...**

Nationwide every year, employees use their employer-provided sick and vacation days to take care of family matters, to run errands, to handle unexpected demands, or for personal reasons. A new concept that's become more popular across the country promises to give employees more flexibility and control over how they use their time away from work.

The concept is "paid time off," or PTO. Instead of dividing up a set number of days for holidays, vacation, and sick leave, employers combine time off into one bundled category. Employees who want a break from work simply take days from their bundle, regardless of the reason.

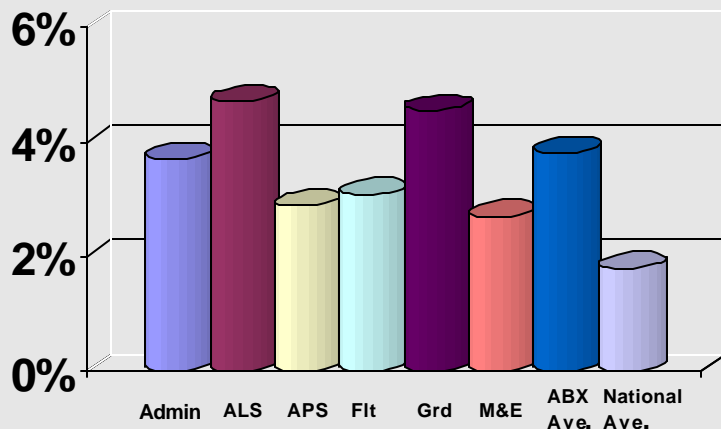
"Everyone ... can use the time in a way that meets their personal needs, whether it's to trek the Himalayas or attend a child's school play." — Colleen McMurray, Senior Consultant, William M. Mercer, Inc.

PTO plans give employees more flexibility and privacy than ever before and are particularly attractive to working parents. Employees can use their time off in a way that meets their personal needs. In addition, employees are not required to inform their employers how they will spend their time off (when properly scheduled), and don't have to lie about being sick when they really need a personal day. **And employees who rarely use sick days can use their entire allotment on vacation if they wish.**

For many employers, PTO plans reduce (Please see What is PTO? on page 2.)

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ABX Snapshot Lost Time @ ABX



Questions &

Answers

Q. Does ABX offer an attendance recognition program?

A. Yes, the ABX program is called the Attendance Program. Each year employees who have one or fewer days absent are recognized for their outstanding attendance. In 2002, approximately 700 employees will qualify for the Attendance Award Program, which is approximately 9 percent of our workforce. Currently, we have one employee with 21 consecutive years of excellent attendance. Six employees have 15 to 19 consecutive years of excellent attendance.

In addition, 2002 will be the first year that non-management exempt employees will be recognized under the program.

Q. Why can't the Company just tell us what the new benefits will be. Why all the surveys, town hall meetings, etc.?

A. In the past, employees have expressed they would like to have input on important issues that affect them directly. Clearly, employee benefits is an area that affects everyone. ABX wants to give employees the opportunity to have their voices heard before decisions are made. When we made changes to the 401(k) plan last year, we surveyed employees and used their input to help guide the plan design with great results.

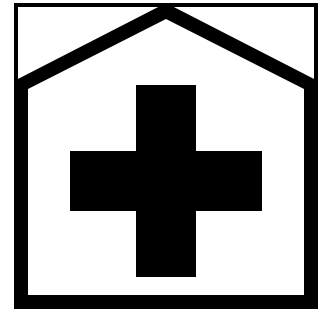
Correction

In the Dec. 27 issue of *Xtra*, we reported the Fitness Center is staffed by a YMCA instructor, when, in fact, she is an independent contractor and is not associated with the YMCA. We apologize for the error.

Hospital Quality Comparisons

In the first issue of *A Benefits Xtra*, we showed you a quality comparison for two common medical conditions. Here are two more rankings: **pneumonia** and **coronary artery bypass**. The rankings are based on criteria developed by the Leapfrog Group and include the number of patients or procedures done, mortality rates, and complication rates. Hospitals score higher rankings with higher patient volume for that condition, lower mortality rates, and lower complication rates. For a hospital near you or for more information visit www.myuhc.com and click on the Hospital Comparison tool.

These rankings are just one of the multiple sources you should consult before making a decision as to which hospital can give you the best care. Always consult your treating physician about what decision is best for you.



Source: www.myuhc.com

Pneumonia (adult)

(within 30 miles of Wilmington)

- 1st Miami Valley Hospital
- 2nd Kettering Medical Center
- 3rd Clinton Memorial Hospital
- 4th Grandview Hospital & Medical Center
- 5th Greene Memorial Hospital
- 6th Sycamore Medical Center
- 7th Highland District Hospital

Coronary artery bypass

(within 100 miles of Wilmington)

- 1st Mount Carmel Health Center
- 2nd Ohio State University Hospital
- 3rd St. Elizabeth Medical Center (Covington, Ky.)
- 4th Christ Hospital
- 5th Kettering Medical Center
- 6th King's Daughters Medical Center (Ashland, Ky.)
- 7th Riverside Methodist Hospital
- 8th Dayton Heart Hospital

Lost time

(Continued from page 1)

What does this mean for you? First, it means that a bigger than average chunk of our benefits budget may be going to people who are not using it legitimately. Reducing lost time to the national average would save ABX approximately \$3 million a year — money that then could be spent on other benefits. Second, it means you are carrying the weight of co-workers who could be at work. ABX needs to employ 200 extra people in the ILN Sort every night just to cover the nightly call-offs and leaves of absence.

Is this a problem? Let us know what you think in the employee benefits survey. Based on your guidance, the Employee Benefits Advisory Team may help revise the sick time policy.

Submit your questions to abx.benefits@airborne.com

What is PTO?

(Continued from page 1)

unscheduled employee absences and increase productivity. Many employers in the private sector use PTO plans; most notably in industries that have 24/7 work schedules, such as hospitals or customer service operations. PTO plans are also widespread in educational institutions. Two employers that have instituted PTO-type plans include Office Max and Verizon Wireless.

A number of issues would need to be addressed before a PTO-type plan could be considered for ABX, including how to transition current sick time balances and vacation/holiday balances into a new program. ABX has not made any decisions to transfer to a PTO-type program or to remain with the current program.

Survey Update

All employees should have received a benefits survey with their paychecks on Dec. 27. Please be sure to complete and return the survey by Jan. 13 to: **Benefits Survey, ILN-9C, 2061-B**. Your input is important in developing your benefit plan.