

BUILDING AMERICA[®]

Union Pacific Railroad
 Tax Refund Administrator
 PO Box 6659
 Portland, OR 97228-6659

<<Mail ID>>

<<Name 1>>

<<Name 2>>

<<Address 1>>

<<Address 2>>

<<Address 3>>

<<Address 4>>

<<Address 5>>

<<City>><<State>><<Zip>>

<<Country>>

<<Date>>

Dear <<Name1>>:

We're pleased to report that a Union Pacific court win entitles many current and former UP employees to refunds of Railroad Retirement and Medicare taxes on stock awards and certain lump-sum payments for ratification of labor agreements.

You are eligible for a refund of Railroad Retirement and/or Medicare taxes for certain tax years between 1991 and 2017. Please refer to Attachment A for details regarding your estimated refund amount. If you want to receive your refund, plus interest, you must complete and return the following documents to us so we can obtain your refund from the IRS.

1. Consent for Railroad Retirement Tax Refund;
2. Form W-9;
3. Supporting documentation authorizing you to complete these forms on behalf of the individual named above (if applicable)

It is your choice to consent to this refund. If you choose not to consent, we cannot obtain your refund. Your consent will not apply to the 0.9% Additional Medicare Tax because IRS rules do not allow us to obtain a refund of that tax for you (reference the FAQs for additional information).

The preferred method for completion of the above listed documents is by logging in to our secure website at www.UnionPacificTaxRefund.com. If you prefer to receive your payment via direct deposit a direct deposit form may also be completed online. Your user name is <<Unique ID>> and your password is the last five digits of the social security number for the individual named above.

You also have the option to submit your documents via one of the following methods:

- Email: info@UnionPacificTaxRefund.com
- Fax: (855) 870-0428
- Mail: Union Pacific Tax Refund Administrator, PO Box 6659, Portland, OR 97228-6659

Note: If you do not provide all required information, the IRS may deny or delay your refund.

For additional information, please refer to the enclosed FAQs. The FAQs and updates regarding the status of your refund claim can also be found on our website at www.UnionPacificTaxRefund.com. For questions not addressed in the FAQs, please contact the Union Pacific Tax Refund Administrator by telephone at 1-888-724-0236 or by email at info@UnionPacificTaxRefund.com.

Please respond as soon as possible but no later than March 12, 2019. If you do not submit consent by March 12, 2019, the IRS may deny your refund.

Union Pacific Tax Department

Enclosures

<<year>> <<type>>	<<2014 Compensation>>	<<2014 TIER I TAX>>	<<2014 TIER 2 TAX>>>	<<2014 1.45% MEDICARE TAX>>	<<2014 TOTAL TAX REFUND>>
<<year>> <<type>>	<<2015 Compensation>>	<<2015 TIER I TAX>>	<<2015 TIER 2 TAX>>>	<<2015 1.45% MEDICARE TAX>>	<<2015 TOTAL TAX REFUND>>
<<year>> <<type>>	<<2016 Compensation>>	<<2016 TIER I TAX>>	<<2016 TIER 2 TAX>>>	<<2016 1.45% MEDICARE TAX>>	<<2016 TOTAL TAX REFUND>>
<<year>> <<type>>	<<2017 Compensation>>	<<2017 TIER I TAX>>	<<2017 TIER 2 TAX>>>	<<2017 1.45% MEDICARE TAX>>	<<2017 TOTAL TAX REFUND>>

Railroad Retirement Tax Refund Frequently Asked Questions

Why did I receive this letter?

You received this letter because you are eligible for a refund of overcollected Railroad Retirement Taxes (RRT).

Why are Railroad Retirement Tax refunds being paid?

Recent court decisions have determined that stock awards and certain lump-sum bonuses paid upon ratification of labor agreements are not subject to RRT. UPRR filed refund claims, on behalf of itself and its employees, to receive a refund of these overcollected RRT for the years 1991 through 2017. You were included in the refund claims.

Will this refund affect my Railroad Retirement benefits?

The Railroad Retirement Board (RRB) has advised UPRR that if your refund consists solely of Medicare Taxes and/or Additional Medicare Taxes, then your railroad retirement benefits will not be affected by your refund.

Unfortunately, the RRB has not provided formal guidance regarding whether a refund of any Tier 1 or Tier 2 taxes will adversely affect your retirement benefits. Please direct any questions on this matter directly to the RRB. The RRB has a webpage devoted to this topic at https://www.rrb.gov/SCOTUS_Decision. We will also post updates on www.UnionPacificTaxRefund.com if the RRB issues any additional guidance addressing the impact of RRT refunds on your retirement benefits.

Who is eligible to receive a refund?

Certain current and former UPRR employees who had stock awards and/or lump-sum ratification bonuses taxed during the years 1991 through 2017 are eligible. However, not everyone who received a stock award or lump-sum ratification bonus is eligible for a refund.

Why am I being asked for my consent to the refund?

The IRS will only issue your refund if UPRR obtains your consent. In effect, the IRS needs your permission to send you a refund. If you consent, the IRS will send your refund to UPRR and we will send it on to you. If you do not consent, the IRS will not issue you a refund.

Why do you need my Social Security number?

The IRS needs this information to match you with the refund amount calculated for you. UPRR also needs this information to make sure you get the correct refund.

Is my refund taxable income to me?

The refund itself will not be taxable for federal tax purposes, but may be taxable in your state of residence. If you are a Nebraska resident, the tax portion of the refund will not be subject to Nebraska income taxes.

The IRS will pay interest on your refund. The interest will be taxable in the year you receive the refund. Union Pacific will send you a Form 1099-INT indicating the taxable amount.

If you are not a Nebraska resident, please consult with your tax advisor regarding the taxability of your refund.

Why is interest included in the refund?

The IRS pays interest on tax refunds from the year the taxes were originally withheld through the date the taxes are refunded.

What happens if I mail my consent after March 12, 2019?

The IRS may reject your consent since it is not filed in time. UPRR will be unable to obtain your refund for you.

When will I get my refund?

We expect it will take several months from the time you mail your consent form until you receive your refund. This time is necessary for both UPRR and the IRS to verify your consent. After verification, the IRS will mail the employees' refunds to UPRR for distribution to eligible employees. UPRR will work with the IRS to expedite the refunds.

What happens if the person eligible for the refund is deceased or incapacitated?

The deceased employee's beneficiary is entitled to the refund. We need a copy of the death certificate and proof that the individual claiming the refund is the beneficiary. A copy of the will, a court order, or similar documentation to prove the beneficiary's identity (as well as the beneficiary's address and telephone number) needs to be sent with the consent. If the employee is incapacitated, we need a copy of the power of attorney to issue the refund accordingly. (We may contact the beneficiary or guardian to obtain signatures on additional paperwork after we have received these documents relating to a deceased or incapacitated employee.)

What is the Additional Medicare Tax?

The Additional Medicare Tax is a 0.9% surtax that took effect in 2013. It generally applies to compensation over certain threshold amounts: \$250,000 for married persons filing jointly; \$125,000 for married persons filing separately; and \$200,000 for single taxpayers.

How do I know if I paid Additional Medicare Tax?

If you paid the Additional Medicare Tax, your original tax return will contain amounts on both Line 62 of IRS Form 1040 and Line 17 of IRS Form 8959.

Am I eligible for a refund of Additional Medicare Tax?

If you paid Additional Medicare Tax on your tax returns between 2014 and 2017, you may be eligible to claim a refund of tax by filing an amended Federal income tax return. You should have received a separate mailing with details on claiming a refund of Additional Medicare Tax if you were eligible. We recommend you consult with your tax advisor to confirm your eligibility for a refund and assist you in filing amended tax returns.

Why do I have to file an amended return to get a refund of Additional Medicare Tax?

Unfortunately, IRS procedures do not allow UPRR to request refunds of Additional Medicare Tax on your behalf.

What if I have other questions about my refund?

If you have questions not addressed in the FAQ, you may contact the Union Pacific Railroad Retirement Refund Claim Processing Unit by telephone at 1-888-724-0236 or by email at info@UnionPacificTaxRefund.com.

Please do not call the Union Pacific Railroad operator or the Human Resources Customer Service Center with questions about your refund. This refund process is not part of Union Pacific's benefit plans and our regular benefit contacts will not be able to answer your questions.