



## Frequently Asked Questions (FAQs)

### Closeout Proposal - IBT Represented Technicians & Related

These FAQs address some of the questions being asked by IBT Technicians and Related co-workers. We know there are many more questions out there, and we encourage you to ask your leaders or send your questions to [IBTnegotiationsFAQ@united.com](mailto:IBTnegotiationsFAQ@united.com). We'll publish additional FAQs to update you on these additional questions and answers.

#### **Q1: Why did the Company ask the union to put out our proposal for a vote versus continuing to negotiate?**

A1: The Company and the union made significant progress in negotiating sessions that began in the summer. During the week of October 20<sup>th</sup>, through a series of small group discussions with the IBT Negotiating Committee, we solved several remaining open items and narrowed the open items down to a small list of the more significant economic items. We heard the IBT Negotiating Committee when they said they needed Delta's \$46.15 top all-in rate at the date of signing and to provide current employees with industry leading sick, vacation, holidays and retirement. In addition, there needed to be job security and protection in the event American negotiated a blockbuster deal.

We passed a comprehensive proposal that accomplished the above that also included several things the company needed to get in the bargain. All of these items (significant ones are - profit sharing changes, 80/20 cost share on medical, retiree medical changes and recall limitations) have been included in Company proposals since 2013. We received the union response to our proposal on Thursday, October 22 at 1:20 am. This response was well short of what the company has said repeatedly it needed and we concluded it was unlikely that we would reach a consensual tentative agreement during this round of negotiations. Instead of dragging out negotiations, we met with the entire Negotiating Committee later that day and asked them if they would put out an improved proposal that we hoped would "close-out" negotiations by allowing the membership to vote through a ratification process. We received word less than an hour later that the Committee was in agreement with the Company's offer to let the membership vote on the Company's proposal.

#### **Q2: "Industry Re-set"; who is the "Industry" and how does the reset work?**

A2: If, at specified time periods, United's wages and benefits are not at least 2% higher than the average of American's and Delta's wages and benefits, United's basic wage will be increased to make its wages and benefits 2 percent higher than the average of American's and Delta's. This comparison will take place 48 months after date of signing, on the amendable date and every 12 months after the amendable date if a successor agreement is not reached.

#### **Q3: What is the "American Airlines" (AA) re-set?**

A3: Because American Airlines has not yet reached a joint agreement with their technician and related employees, our AA re-set provides for a one-time adjustment to base wages if AA's wages and benefits under a new JCBA are higher than UA wages and benefits.

**Q4: Why is there no Retro Pay?**

A4: Consistent with other joint agreements we have reached, the signing bonus is designed to address retro and if applied as an increase in basic rate is roughly equivalent to 3% annual increases in basic rate for each of the three years since the amendable date.

**Q5: How much of the Signing Bonus will I receive?**

A5: The total signing bonus / retro pool is \$80 million, and it will be up to the IBT to determine how to allocate this bonus pool.

**Q6: What does the 25% increase include?**

A6: The 25% increase incorporates the change in all-in top of scale rate, including basic wage and license, longevity and line premiums.

**Q7: What is the top of scale at the end of the 6 years?**

A7: The top of scale technician all-in rate at the end of the 6 years is \$48.97, an increase of 33% versus today's rate.

**Q8: How will the Early Out work?**

A8: While the specifics of the plan are in progress here are some bullets around the plan

- The payout will be \$5,000.00 per year of service with a maximum payout of \$100,000.00.
- There is no minimum number of "takers" to trigger the program or payouts
- Exits dates will be determined by the Company but preferences will be considered
- Window for application will be within 90-days from date of signing

(Note: We will update answers on specifics of the Early Out once the plan is completed)

**Q9: How do the provisions for the newly hired employees work?**

A9: All employees hired on/after the date of ratification will have the newly established wage scales, holidays, vacation, and sick leave. However, 8.5 years after ratification the Company will eliminate the provisions related to holidays, vacation, sick leave, and retirement. After that date, any affected employees (including future new hires) will be eligible for the same retirement benefits as sJA Technicians vote to receive (see Q17).

**Q10: What is Team Care and are they my only option for Medical?**

A10: TeamCare is a medical, dental, and vision plan of the Teamsters Central States, Southeast Areas Health and Welfare Fund, which is a multiemployer health and welfare fund. This program was proposed in negotiations by the IBT. United would be a participating employer in TeamCare, and United Technicians and Related co-workers would be enrolled in TeamCare's medical, dental, and vision plans effective in 2016. In addition to a medical PPO, Kaiser would be available in California, Colorado, Oregon and parts of southwest Washington, HMO Illinois, and HMSA Hawaii HMO will also be available. TeamCare medical, dental, and vision coverage is a package, which means you must enroll in all three coverages. General information about TeamCare is available at <https://myteamcare.org>

Note: sCMI: Medical, Dental & Visions benefits will be provided by Company at an 80/20 Cost Share, and employees will participate in HRA/RHA VEBA

**Q11: What is changing with the duty limits?**

A11: The new Duty Limits language states, “an employee shall not work more than twenty (20) work hours, exclusive of lunch, in any twenty-four (24) hour period, nor more than thirty-six (36) work hours, exclusive of lunch, in any two (2) consecutive twenty-four (24) hour periods.” This is a change from the “employee’s 24-hour clock” to “any 24-hour clock.”

Example eligible shifts during normal work week:

**Shift - 0600-1630 M-Th**

|                       | Sun | Mon       | Tues      | Wed       | Thur      | Fri | Sat |    |
|-----------------------|-----|-----------|-----------|-----------|-----------|-----|-----|----|
| Regular               | DO  | 0600-1630 | 0600-1630 | 0600-1630 | 0600-1630 | DO  | DO  |    |
| Full OT/Trade (8 hrs) |     | 1630-2300 | 1630-2300 |           | 1630-2300 |     |     |    |
| 4 O/T                 |     | 2300-0300 |           |           | 2300-0300 |     |     |    |
| Total Hrs Work        |     | 20        | 16        | 10        | 20        |     |     | 66 |

**Shift - 0600-1630 M-Th**

|                        | Sun | Mon       | Tues      | Wed       | Thur      | Fri | Sat |    |
|------------------------|-----|-----------|-----------|-----------|-----------|-----|-----|----|
| Regular                | DO  | 0600-1630 | 0600-1630 | 0600-1630 | 0600-1630 | DO  | DO  |    |
| Full OT/Trade (10 hrs) |     | 1630-0230 |           | 1630-0230 |           |     |     |    |
| 4 O/T                  |     |           | 1630-2030 |           | 1630-2030 |     |     |    |
| Total Hrs Work         |     | 19.5      | 14        | 19.5      | 14        |     |     | 67 |

**Shift - 0600-1430 M-Fri**

|                       | Sun | Mon       | Tues      | Wed       | Thur      | Fri       | Sat |    |
|-----------------------|-----|-----------|-----------|-----------|-----------|-----------|-----|----|
| Regular               | DO  | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 | DO  |    |
| Full OT/Trade (8 hrs) |     | 1430-2230 | 1430-2230 |           |           |           |     |    |
| 4 O/T                 |     |           |           |           |           |           |     |    |
| Total Hrs Work        |     | 15.5      | 15.5      | 8         | 8         | 8         |     | 55 |

**Shift - 1230-2100 M-Fri**

|                        | Sun | Mon       | Tues      | Wed       | Thur      | Fri       | Sat |    |
|------------------------|-----|-----------|-----------|-----------|-----------|-----------|-----|----|
| Regular                | DO  | 1230-2100 | 1230-2100 | 1230-2100 | 1230-2100 | 1230-2100 | DO  |    |
| Full OT/Trade (10 hrs) |     | 2130-0800 | 2130-0800 |           |           |           |     |    |
| 4 O/T                  |     |           |           |           |           |           |     |    |
| Total Hrs Work         |     | 18        | 18        | 8         | 8         | 8         |     | 60 |

**Shift - 1400-2230 M-Fri**

|                        | Sun | Mon       | Tues      | Wed       | Thur      | Fri       | Sat |    |
|------------------------|-----|-----------|-----------|-----------|-----------|-----------|-----|----|
| Regular                | DO  | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230 | DO  |    |
| Full OT/Trade (10 hrs) |     | 2230-0800 | 2230-0800 |           |           |           |     |    |
| 4 O/T                  |     |           |           |           |           |           |     |    |
| Total Hrs Work         |     | 17        | 17        | 8         | 8         | 8         |     | 58 |

**Q12: How do the new Duty Limits effect my ability to trade?**

A12: The Duty Limits change does not affect your ability to trade; it does however, address employees working more than 20 hours in a 24 hour period. You are still able to pick up additional shifts during your regularly scheduled work week.

**Q13: Will GSE and Facilities remain in Tech Ops?**

A13: Yes, GSE and Facilities will remain in the TechOps Division

**Q14: If approved when do all the changes take effect?**

A14: There will be a transition letter that will specify effective dates based on priority. Some items are contingent on technology enhancements, however, the Company will work to expedite changes as soon as the agreement is ratified.

**Q15: What is CARP?**

A15: CARP is the Continental Retirement Plan, which is the defined benefit plan (pension) in which certain sub-CO co-workers participate.

**Q16: How does the Turbo DC (401k) contribution work?**

A16: s-UA technicians will receive a direct contribution to their 401(k) based on years of service with the following schedule: 0-14 YOS - \$100/month; 15-24 YOS - \$200/month; 25+ YOS - \$300/month. They will receive this contribution in addition to the existing sUA 401(k) program.

**Q17: What is the choice that sUA technicians have to make concerning retirement benefits?**

A17: This agreement contains an offer from the Company to harmonize retirement programs for active technicians at the date of signing, if technicians vote to do so. The vote would allow all sUA technicians the opportunity for a one-time vote to enter into one of the following two retirement programs:

- 1) The sCO retirement program, which includes the CARP pension plan, defined contribution 401(k) match up to 3%, as well as a new provision for a 1% direct 401(k) contribution for anyone with over 30 years of CARP service
- 2) The existing sUA defined contribution 401(k) program, plus a “turbo” DC 401(k) contribution in which s-UA technicians would receive an additional direct 401(k) contribution based on years of service with the following schedule: 0-14 YOS - \$100/month; 15-24 YOS - \$200/month; 25+ YOS - \$300/month

**Q18: What is the HRA/RHA VEBA?**

A18: The Health Reimbursement Account (HRA) Plan and the Retiree Health Account (RHA) Plan are two separate plans funded by accounts in a single VEBA Trust.

The term “VEBA” refers to a voluntary employees’ beneficiary association. It is a special trust under Section 501(c)(9) of the Internal Revenue Code permitted to pay certain types of health & welfare benefits. Assets held in a VEBA are protected from the creditors of the sponsoring employer and can never revert to the sponsoring employer (much like assets in a 401(k) plan). This means that the program is protected and extremely tax-advantaged. Contributions are not taxed, earnings in the VEBA are not taxed, and distributions to pay for health insurance premiums and qualified medical expenses are not taxed.

In negotiations, the IBT advocated for this type of arrangement to ensure that Technicians and Related employees would have protected assets that could be used to pay for premiums and health expenses (like doctor, hospital, and Rx bills that are not otherwise covered by insurance). For each hour of pay you receive (including sick and vacation), United will contribute an hourly amount to the VEBA. 30-days after ratification, the union will advise the company of the hourly amount to be contributed to the Health Reimbursement Account (HRA) or Retiree Health Account (RHA) in the VEBA Trust. To fund this company contribution all hourly, basic rates (covered by this collective agreement) will be decreased by this hourly amount. The HRA/RHA is to be used to pay health insurance premiums or reimburse qualified medical expenses

If you are enrolled in TeamCare, the contributions will go to your HRA account, which is usable by you while you are an active employee enrolled in TeamCare. If you are not enrolled in TeamCare because you opted out, United will contribute the per hour amount to your RHA account, which is usable by you once you leave the Company due to retirement or any other reason. In addition, once you leave the Company, the balance of your HRA account will transfer over to your RHA account for your use in paying for health insurance premiums and qualified medical expenses. If you die, your spouse and surviving children can use the account. Many types of medical, dental, and vision expenses and premiums qualify for reimbursement from the HRA and RHA – including premiums for Company-sponsored retiree medical insurance, Medicare, and long-term care insurance. Certain types of expenses, such as elective cosmetic surgery, do not qualify. In order to be reimbursable, the expense must qualify as “medical care” under Section 213(d) of the Internal Revenue Code. IRS Publication 502 provides considerable detail regarding what types of expenses qualify and what types are excluded. Please note that the expenses do not have to be deductible by the employee as described in Publication 502. They need only qualify as “medical care” as described in Publication 502. The program will be administered by the Company through an outside record keeper using an online system much like the Company’s Health Flexible Spending Account Program. This will make it very easy for you to check your balance and obtain reimbursement for qualified expenses.

**Q19: Can you have both an HRA/VEBA and a Flexible Spending Account (FSA)?**

A19: Yes. However, you must use your FSA before your HRA/VEBA

**Q20: Does LOA #31 still apply?**

A20: Yes, but is now specific to the EWR and IAH locations only