



Labor Relations Update for UA Passenger Service, Fleet Service, Stores and Res Employees

Issue No. 9 – April 30, 2014

Pay Rate Look-Back Pay

We met our targeted commitment of April 3 to complete all look-back pay for new base rates. We issued paychecks with look-back components on March 20 for employees on a weekly pay cycle, on March 28 for bi-weekly sCO employees and bi-weekly California sUA employees, and on April 3 for bi-weekly sUA employees.

Look-back pay applied to all hours paid dating back to November 1, 2013, including vacation, sick, trades, overtime and holidays, and to the following pay components: base pay, lead or premium pay if applicable, and longevity pay if eligible. The accrued interest on look-back that we have agreed to pay will be finalized in the coming weeks and will be distributed in accordance with our discussions and agreement with the IAM.

Pay Work Rules Look-Back Pay

The next phase of system programming for contract implementation is the inputting and look-back calculation for various work rules that affect different pay rules, such as:

Work Rule	sCO AO	sCO Res	sCO Stores	sUA AO/Res/Stores
Shift Diff	Yes	Yes	Yes	No
Overtime * 24 hour clock * Newly defined work week (Sun - Sat) for weekly OT * New daily and weekly qualifiers (including DT)	Yes	No	No	No
Holidays	Yes	No	No	Yes

The exact timing of the implementation of these items will be finalized and communicated within the next several weeks.

401(k) Quarterly Matching Contribution

Under the terms of the new agreements, company-matching contributions to 401(k) plans for all participating IAM-represented employees are made on a quarterly basis. IAM employees will see the first-quarter 2014 company match in their 401(k) accounts on April 29, 2014.

Holiday Deferral

As a result of on-going cooperative discussions between Labor Relations and the IAM, the question of proper compensation for deferred holidays has been clarified. In the event that employees defer and work a fixed holiday, they will receive time and one-half compensation for the first 12 hours and double-time for hours in excess of 12 hours for the holiday worked, and straight-time compensation for the day taken as the deferred holiday. If an employee does not work the fixed holiday, they will forego compensation on the fixed holiday, and will receive straight-time compensation for the day taken as the deferred holiday. Sick and vacation time will not be paid on the fixed holiday. These pay rules apply for either a single deferred holiday to be taken in the same year, or five deferred holidays to be taken as vacation in the following year.

Transition Resolution Boards

As a function of Letter of Agreement #1 in the new agreements, the company and the IAM have formed Transition Resolution Boards (TRBs) for each of the divisions impacted by the contracts: Airport Operations, Technical Operations, and Contact Centers. The members of the TRBs for both United and the IAM met on April 15. At the initial meeting, members established protocols for escalating issues to the boards and scheduled future meetings.

15 Stations

As required under the job protection provisions of the agreements, representatives of the IAM, including station representatives from ABQ, BUF, CLT, CMH, CHS, DSM, ELP, DTW, FSD, ICT, KOA, LIH, OGG, PNS, and SLC, met with company representatives on April 14 and 15 to begin discussions on whether alternatives exist to sourcing work at those stations. The discussions included a review of financial data and potential changes that could reduce costs at the stations. Representatives of the IAM and the company will conduct additional meetings to more closely analyze each station and discuss whether we can avoid contracting out work by making changes to achieve the needed cost savings.

Harmonized Attendance Policy

On May 15, 2014, we will implement a new harmonized attendance policy covering IAM-represented employees in all work groups covered under the Fleet Service, Passenger Service, and Storekeeper agreements. The policy will include a seven-point countdown system for measuring attendance and disciplinary levels. Because different work groups are currently on different attendance disciplinary systems, formulas for conversion of current disciplinary levels to the new system are included. Major components of the policy include accountability for infractions associated with overtime assignments and trades, and elimination of all beginning and end of shift “grace periods.” We will provide briefing sessions and online explanation modules for employees.

Occupational Injury Leave

Beginning in early June, there will be changes to Occupational Injury Leave, including the elimination of occupational sick-leave buy-backs. Employees currently receiving reimbursements will be paid according to the provision listed in Article 6.C.3(c), which states, “For each hour of Occupational Injury Leave pay or Workers’ Compensation pay the employee receives, an hour will be deducted from his or her Occupational Injury Leave bank.”

To accomplish the above pay from the Occupational Injury Leave bank, Article 6.C.4 states that each sUA employee who was employed as of the effective date of this agreement will receive a credit of 100 hours for every 66 hours in his or her Occupational Injury Leave bank, up to a maximum of 1200 hours. The Occupational Injury Leave bank will have a maximum of 1200 hours. Employees with more than the 1200 maximum hours will have the Occupational Injury Leave bank reduced to the new maximum. We will provide additional information on changes to Occupational Injury Leave as we get closer to implementation.