



Labor Relations Update



Labor Relations Update for Passenger Service, Fleet Service, Stores and Reservations Employees

Issue No. 8 – March 10, 2014

On February 21, 2014, we executed a Letter of Agreement with the International Association of Machinists (IAM) regarding the payment of “look-back” pay, and we are on track to make these payments in the coming weeks. As you review your paychecks, it’s important to understand what is and what is not included in look-back pay.

Look-back pay includes the increases in base hourly rates, increases in position and specialty premiums and increases in longevity premiums accrued from November 1, 2013 through the dates that the new pay rates were implemented on a going-forward basis, which occurred at several points in January 2014 due to the different payroll systems and applicable payroll periods. Look-back pay will not include changes in holiday pay, shift differentials and overtime pay rates. We continue to work on all these items and will advise you when these payments can be expected.

As we agreed with the IAM, United will pay the prevailing market interest rate on the look-back payments. That interest amount will be combined with the remaining reserve from the initial retro pay/lump sum (funds held-back at the direction of the IAM to pay for potential oversights, errors or appeals) and additional Company contributions negotiated with the IAM with regard to the timing of certain accruals for pensions and vacation. The total of all these funds will be distributed to eligible employees in the coming months based on a distribution methodology determined by the IAM.

Finally, we’re working with the IAM to implement other terms of the contracts in a systematic, methodical and timely manner, and to minimize the potential for misunderstanding and miscommunication as changes are rolled out to the field. There will be bumps in the road and issues we’ll need to work through together, but we are committed to moving forward with the help and cooperation of the Union.

We appreciate the understanding and patience that co-workers have shown as we go through the difficult and detailed tasks of re-programming and re-processing our HR, time and attendance, and payroll systems to get these payments out. We’re working hard, and we won’t stop until we get it done.

Thank you for the great work you continue to do and for helping build a strong, sustainable future for United.