



Thomas Reardon
Director
Labor Relations

Implementation of the new rates of pay for IAM-represented employees is nearing completion. The process took longer than expected, and we appreciate your patience. We recognize the importance of getting this right and we are working diligently to get it done.

The implementation of new pay rates is an extremely involved and technologically difficult process due to the many complexities of the IAM collective agreements, including issues of pay protection, slotted employees and changes in job codes. The process involves verifying employee and pay rate data, testing it within the payroll systems, loading new rates, monitoring the output to ensure accuracy and making corrections as needed. We worked through this process for 30,000 employees who receive pay on five different pay cycles.

In order to focus on getting the new pay rates right going forward, we have to delay calculation of the "look-back" pay from November 1, 2013. Payroll and IT are establishing a timeline for when employees can expect to have those look-back wages. This requires updating records for several thousand s-CO employees who had an HR transaction after November 1, 2013, and performing manual reviews for certain pay components that cannot be automatically processed by the payroll systems (such as holiday pay and reclassification pay). In addition, because the s-UA payroll systems can only process look-back pay back to the beginning of a pay period, we have to calculate the pay for November 1 and 2 manually.

A number of employees were overpaid during the November to January period, but we have decided not to collect these overpayments. This involves reconfiguring the payroll systems so overpayments aren't automatically deducted.

Certain postings on social media sites have suggested that completion of the pay rate changes was due to the activities of one or more employees rallying the political influence of local and state officials and other public figures to exert pressure on United. This is a complete fabrication. Implementing the new rates has been an issue of technology and information systems integration. There hasn't been any political involvement, influence or pressure; even if there were, it wouldn't have changed the fact that there are limits to the technology and information changes we can process. The payroll and IT teams have worked hard to make this happen.

Thank you again for your patience and understanding.

A handwritten signature in black ink that reads "Thomas Reardon". The signature is fluid and cursive, with a large initial "T" and "R".