

# VOLUNTARY EARLY-OUT PROGRAM (VEOP)

## Zoom Meeting, 8.7.20 – Questions & Answers

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*We received the bulk of these questions the day before today's Zoom meeting.  
Please know that the Negotiating Committee is preparing a comprehensive Q & A:  
they will publish on Tuesday, August 11, 2020.  
Thank you for your patience and understanding!*

*This list is in alphabetical order based on the topic. Please note that some of the answers may change based on the NC's continued communications with the company.*

### **HEALTH REIMBURSEMENT ACCOUNT (HRA)**

1. Is the HRA amount held in an escrow account? What happens if HA files bankruptcy or liquidates? Are all monies lost?  
A) The HRA accounts are "notional" accounts, that means that there is only a "credit" and the company reimburses submissions. There is no money held in a trust.
2. What happens if HA files for bankruptcy or liquidates?  
A) In the event of a bankruptcy, the holder of the notional account becomes a creditor in the bankruptcy proceedings.
3. Will the HRA also cover spouse's medical/dental expenses? Or is this bank only for use by employee retiree?  
A) The benefits of the HRA extend to both the employee and their spouse.

### **MEDICAL**

1. How much is monthly COBRA?  
A) It depends on what plan you have. [We can post all the premiums.]

2. If we are on currently on one insurance and would prefer to switch to another, are we allowed that option during the course of the VEOP?  
A) Right now, the language is clear that you continue at the same tier. But we are in continued discussions with the company to allow FAs to switch and maintain 100% coverage. Also, if there is a life event (married, death, etc.) that the FA will be able to add the person or get the insurance and added for the company to cover 100%.

#### **MISCELLANEOUS**

1. For those of us on COVID-19 Voluntary Furlough, if we take the VEOP, will our status with Unemployment will change on October 1, 2020?  
A) The company has said that they will not contest any unemployment claim. The Unemployment Commission will make the determination on a case-by-case basis.
2. If we take this Early-Out, is this considered “retiring?”  
A) “Retiring” or “separating” depending upon years of service and age.
3. Did the Company not want to consider deferring our actual start date for retirement into the future?  
A) The Company did not want to extend the start date of the VEOP.

#### **PARKING**

1. During the VEOP, will the parking allowance/reimbursements, per CBA, be distributed with the VEOP monthly payment?  
A) No.
2. Will I be able to continue purchasing monthly parking in the New Garage (INTL for HNL)  
A) [We’ll check and get back to you.]
3. Would I present my HA ID or will that be replaced?  
A) The company intends on providing a new ID that would not include “CREW.”

#### **PAY**

1. Did the company give pilots 38 hours of monthly pay also?  
A) Pilots were offered 58 hours of monthly pay.
2. During the severance pay period October 1, 2020 to September 30, 2021, if provision understood correctly, are these 12 months which we are getting monthly severance is considered wages?  
A) Yes

3. Will all deductions continue the same on our paychecks of 38 hrs? (Such as our AFA Dues and CAIC?)  
A) Yes.
4. Will the 38 hours of pay per month for 12 months during the VEOP be taxed (Federal and State)?  
PM: Yes. It will be taxed as regular income.
5. 401K: Will I be able to move my 401k funds to an independent account now or have to wait till 10/1/21?  
A) Once you are vested (at 3 years) you have the ability to roll over your 401(k) balance into an IRA.
6. If we take VEOP, are eligible we eligible for profit sharing but not eligible for the performance bonus and incentive compensation programs?  
A) That is correct. However, we have a “me too” that if another group gets it, then we would get it.

#### **SICK LEAVE**

1. What happens to our sick leave bank if we don't use the conversion to pay for cash “credit” value, do we just lose it?  
A) Yes. We are only able to use our unused sick leave balance to pay for medical insurance premiums, as provided by 33.K.1. Any remaining, unused balance will return to the company.
2. Can sick leave be cashed out?  
A) No. The company was adamant that they would not do it because it is not in the CBA and no other early out has that. We were unable to achieve that.

#### **STAFFING**

1. Will there be a bid for Voluntary Furloughs/LOA once the VEOP numbers are finalized?  
A) We are waiting to see if the CARES Act is extended also if the company chooses to participate. If it does and if they do the impending furloughs will be pushed back to April 1, 2021. Section 16.L. leaves, low-times and voluntary furloughs are offered to mitigate involuntary furloughs so if there will be no furloughs on October 1, 2020 the Section 16.L. options will not be offered. The company hasn't indicated to AFA if they will continue to offer leaves, low-times and voluntary furloughs per the COVID Letter of Agreement.
2. Will there be a cap on the number of VEOPs allowed?  
A) No.

## **TIMELINE**

1. Why is the timeline to consider this early out so short?  
A) The first proposal from the company on July 13 it would have given everyone more time to ponder taking this option, however what we were able to get the company to agree to far outweighs the short duration of the bidding period. We also need to give kudos to the company for listening and being agreeable to what we felt was what our flight attendant group deserved.
2. Once we apply for VEOP, prior to actual retirement commencing on October 1, does the FA have the option to change their mind and rescind retirement request.  
A) Yes. The recension period for the VEOP is from August 21, 2020, through 1700 HST on August 25, 2020.

## **TRAVEL BENEFITS**

1. What are the retiree travel benefits after the 3-4 years from the Early out is exhausted?  
A) When the travel benefits in the VEOP expire a flight attendant's status will change to "retiree". Section 33.G.3. states 40 years of age with 10 years of company service. This determination will be made at the end of the 12-month severance payment period.
2. Please confirm the correct understanding - after September 30, 2021, the Pass Travel provision will start.  
A) The three (3) and four (4) years of VEOP enhanced travel benefits begin on October 1, 2020, and end on September 30, 2023 and September 30, 2024, respectively. If eligible, the Flight Attendant will then move to retiree status and receive retiree travel benefits.
3. What are the current travel benefits under retirement? How is it different from the VEOP?  
A) You get 2 passes for travel using your seniority. This is better because you can use your seniority for 3 or 4 years based on your eligibility (years of service).
4. Will FTP's travel at our seniority?  
A) Everything travel related is as if you are active.
5. When does the 3 year privilege commence?  
A) October 1, 2020

## **UNEMPLOYMENT INSURANCE**

1. Unemployment Insurance: If we are currently on VF and take the VEOP, will I be considered employed for the 12 months starting October 1, 2020?  
A) Yes. You will be an active employee.

2. Unemployment Insurance: Although our Unemployment benefits stop, at the end of the severance period, on October 1, 2021, we will be allowed to file for unemployment benefits? [That is why there is a provision #13--Unemployment stating the Company will not contest unemployment claims by flight attendants who take VEOP.]  
A) Not clear if UI benefits stop at the end of the severance period. Is that confirmed? That being said, anyone may file for UI benefits, and eligibility will be determined by the State UI Division.
  
3. Unemployment Insurance: If the company is paying out the AFA Ratification Bonus 9/22/20, won't this \$ amount affect our UI? As well as our monthly paycheck of 38 hrs?  
A) The lump sum payout of the Ratification Bonus and the 38-hour severance payments must be reported as income to the UI and may impact your eligibility for unemployment benefits.

#### **VACATION**

1. Does this year's vacation on books (Oct, Nov and Dec) get paid out on these remaining months? or does the total of this year's vacation and next year's get divided over 12 months?  
A) All remaining vacation on the books as well as earned up to September 30, 2020, except unused pop-up bank vacation, will be paid out over the course of 12 months beginning October 1, 2020. Pop-up vacation will be paid out at the end of 2020.
  
2. Can a FA cash out all her/his vacation before October 1?  
A) Yes, if it is allowed under the contract today.