



NC UPDATE

AFA Negotiating Committee - Hawaiian Airlines

Negotiating Committee Update
Friday, April 9, 2020

Dear Fellow Flight Attendants,

Over the past few days we met with the company to discuss issues surrounding the Ratification Bonus payments. When we reached a Tentative Agreement with the company last month, one of their big concerns was paying the \$19.5M Ratification Bonus all at once. Their proposal was to spread the payments over a year in 24 (twice-monthly) payments. Since then our discussions have revealed that a number of problems would be created with having payments twice a month. As a result the company will be paying the Ratification Bonus payments once a month on the 7th paycheck. The payments will be a line item in UltiPro so you will be able to track this separately from your other pay. On May 7th, those of us not on a Leave of Absence will each receive two of the 12 Ratification Bonus payouts, and beginning with June's pay period, we will receive a monthly Ratification Bonus payout on the 7th paycheck through March of 2021. As a reminder, the Ratification Bonus payments are being treated by the company as ordinary wages, and are not subject to the supplemental income tax rate of 22% by the IRS. In addition, Ratification Bonus payments are eligible for both the 5% company contribution and the 2% or 2.5% company matching contribution to your 401(k) plan.

Another topic of discussion was the issue of Ratification Bonus payments for Flight Attendants who are on either COVID or non-COVID LOAs (ex. maternity, medical, 17.N., etc.). If you are on either COVID or non-COVID LOA that extends beyond May, 1, 2020, your Ratification Bonus payments will be made as follows:

- Flight Attendants on either COVID or non-COVID LOA will not receive any Ratification Bonus payments until they return to work. This is being done so as not to affect any application for Unemployment Insurance.
- If a Flight Attendant on a LOA returns to work before March 1, 2021, they will be given a true-up (catch-up) payment of any withheld Ratification Bonus Payments after returning to work.
- If a Flight Attendant on a LOA returns to work after March 1, 2021, any Ratification Bonus payments withheld by the company for the Flight Attendant will be dispersed to the Flight Attendant by check on March 7, 2021.

Finally, for those of you on a Voluntary Furlough LOA, the April 7th paycheck probably came as a surprise. The company has provided the answers to the following questions regarding the April 7th paycheck:

Q: Why did I receive my April 7th check if I'm on a COVID related Leave of Absence/Furlough?

A: Due to the timing of payroll close, and the award date for the COVID related Leaves/Furloughs, we were unable to stop this check.

Q: How will my overpayment be processed?

Due to the nature of this overpayment and the current circumstances, we have decided to utilize the overpayment process contained in section 27.K.2 instead of the normal advance recoupment process. As a result, we will recollect this overpayment through withholding up to a maximum of \$50 from your subsequent paychecks upon your return to active service. If you have an existing overpayment, the amount overpaid to you on 4/7 will be added to your total overpayment amount and will not increase the amount deducted per check.

Q: How will this impact Unemployment Insurance?

A: This 4/7 pay advance will NOT impact your ability to file for unemployment. The Company is required to report hours worked and paid within the week that you are claiming partial unemployment as well as gross earnings associated to those hours. Therefore, the advance is not reported by us, only hours that appear on your schedule that were paid.

Q: What can I do if I want to avoid withholding overpayments upon return to work?

A: If you would like to return this overpayment to us before returning to work, please contact the Payroll Department.

We hope that you and your loved-ones are all safe and well.

**Mahalo,
The Negotiating Committee**

Sharon Soper, Diana Huihui, Ka'imi Lee, Martin Gusman, Jeff Fuke, and Paula Mastrangelo - AFA Senior Staff Negotiator