

**Aloha**  
**Thank you for**  
**joining us today.**  
**The meeting will**  
**start at noon.**

AFA - Hawaiian Airlines



# Tentative Agreement Overview

AFA - Hawaiian Airlines



## Overview

- Negotiations Committee Goals: wages higher; other improvements in work rules and retirement.
- Company Concerns: investors; other employee groups
- Company wanted certain long-term issues dealt with
- Deal ultimately reflected that structure: Both Parties concerns met
- Important to finalize deal as quickly as possible in this uncertain environment - company could have used this as a reason not to do a deal

# Strategic Considerations

- Narrow window of opportunity
  - ✓ Reached an agreement in principle a week ago before conditions deteriorated more.
  - ✓ Company was good to their word and did not go back on the deal.
  - ✓ Unlikely we could reach this deal today.
  
- Company was committed to getting this done
  - ✓ Top company officials stepped up to the plate.
  - ✓ Not want the distraction going forward.
  - ✓ Pull together in these uncertain times.
  - ✓ Balanced Flight Attendants' need for improvements and company's long-term objectives.
  
- Strategic Assessment.
  - ✓ The bargaining climate will not likely improve in the foreseeable future.
  - ✓ Lock in improvements heading into trying times.
  - ✓ Flight Attendants need economic improvements in uncertain times.

Presentation by Dan Akins, Airline Economist



## VOTING TIMELINE: SHORTENED

- Given the circumstances created by the coronavirus crisis in our industry and the uncertainty of what the near term holds, critical to cement this deal quickly

### Voting Timeline:

**Voting Credentials will be EMAILED to Flight Attendants on FRIDAY, March 27**

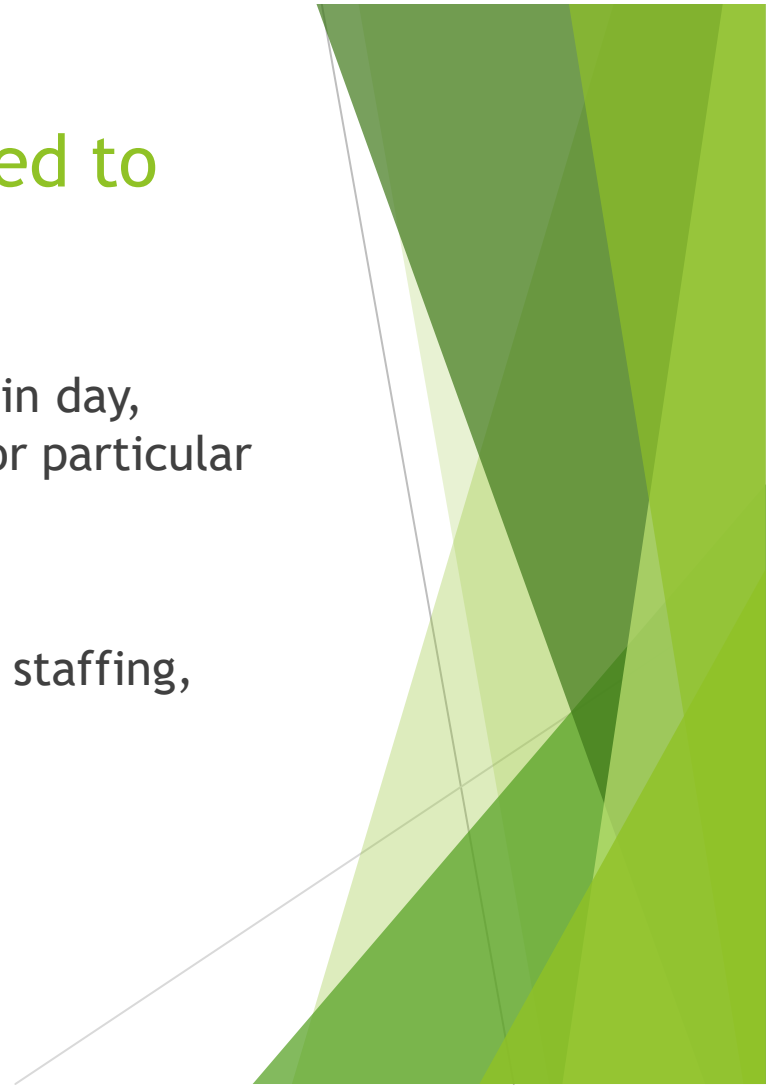
**Polls OPEN:** FRIDAY, March 27 @1000 HST

**Polls CLOSE:** FRIDAY, April 3 @1000 HST

## Term Sheet: final elements agreed to

In addition to all items previously agreed:

- Substantially improved wages, retirement, min day, premiums and other issues. Improvements for particular F/A groups.
- Addressed some company concerns regarding staffing, domiciles, and health care.



## High level overview of improvements

- Wages: Top rate of \$68 at DOS
  - ✓ 2% increases in out years
  - ✓ Top rate \$73.61 by end of agreement.
  - ✓ Additional 50¢ for those at 25/+ YOS (not in wage scale but applies just as wages)
- Retiree Health Care Reimbursement Account (RHRA)
- Ratification Bonus: \$19.5 million (back pay) / pilot formula
- Targeted Interisland, LAX improvements
- Improvements for Reserves



# Pay Rate Progression DOS

Years of Service	Current Pay Rates	New DOS Pay Rates	DOS +1 year 2% increase	DOS +2 years 2% increase	DOS +3 years 2% increase	DOS +4 years 2% increase
1 <sup>st</sup> 6 months	\$24.50	\$25.24	\$25.74	\$26.25	\$26.78	\$27.32
2 <sup>nd</sup> 6 months	\$26.68	\$27.75	\$28.31	\$28.88	\$29.46	\$30.05
2	\$31.20	\$32.45	\$33.10	\$33.76	\$34.44	\$35.13
3	\$34.79	\$36.18	\$36.90	\$37.64	\$37.64	\$37.64
4	\$37.02	\$38.87	\$39.65	\$40.44	\$41.25	\$41.25
5	\$44.56	\$46.79	\$47.73	\$48.68	\$49.65	\$50.64
6	\$45.73	\$48.02	\$48.98	\$49.96	\$50.96	\$51.98
7	\$46.92	\$49.74	\$50.73	\$51.74	\$52.77	\$53.83
8	\$48.26	\$51.64	\$52.67	\$53.72	\$54.79	\$55.89
9	\$49.68	\$54.15	\$55.23	\$56.33	\$57.46	\$58.61
10	\$50.84	\$55.92	\$57.04	\$58.18	\$59.34	\$60.53
11	\$52.04	\$57.24	\$58.38	\$59.55	\$60.74	\$61.95
12	\$52.55	\$58.86	\$60.04	\$61.24	\$62.46	\$63.71
13	\$53.05	\$60.48	\$61.69	\$62.92	\$64.18	\$65.46
14	\$53.59	\$62.16	\$63.40	\$64.67	\$65.96	\$67.28
15	\$54.17	\$63.38	\$64.65	\$65.94	\$67.26	\$68.61
16	\$54.17	\$63.92	\$65.20	\$66.50	\$67.83	\$69.19
17	\$54.17	\$64.46	\$65.75	\$67.07	\$68.41	\$69.78
18	\$54.85	\$65.82	\$67.14	\$68.48	\$69.85	\$71.25
19	\$54.85	\$66.37	\$67.70	\$69.05	\$70.43	\$71.84
20*	\$55.52	\$68.00	\$69.37	\$70.75	\$72.17	\$73.61

# Pay Rate Progression DOS+1

Years of Service	Current Pay Rates	New DOS Pay Rates	DOS +1 year 2% increase	DOS +2 years 2% increase	DOS +3 years 2% increase	DOS +4 years 2% increase
1 <sup>st</sup> 6 months	\$24.50	\$25.24	\$25.74	\$26.25	\$26.78	\$27.32
2 <sup>nd</sup> 6 months	\$26.68	\$27.75	\$28.31	\$28.88	\$29.46	\$30.05
2	\$31.20	\$32.45	\$33.10	\$33.76	\$34.44	\$35.13
3	\$34.79	\$36.18	\$36.90	\$37.64	\$37.64	\$37.64
4	\$37.02	\$38.87	\$39.65	\$40.44	\$41.25	\$41.25
5	\$44.56	\$46.79	\$47.73	\$48.68	\$49.65	\$50.64
6	\$45.73	\$48.02	\$48.98	\$49.96	\$50.96	\$51.98
7	\$46.92	\$49.74	\$50.73	\$51.74	\$52.77	\$53.83
8	\$48.26	\$51.64	\$52.67	\$53.72	\$54.79	\$55.89
9	\$49.68	\$54.15	\$55.23	\$56.33	\$57.46	\$58.61
10	\$50.84	\$55.92	\$57.04	\$58.18	\$59.34	\$60.53
11	\$52.04	\$57.24	\$58.38	\$59.55	\$60.74	\$61.95
12	\$52.55	\$58.86	\$60.04	\$61.24	\$62.46	\$63.71
13	\$53.05	\$60.48	\$61.69	\$62.92	\$64.18	\$65.46
14	\$53.59	\$62.16	\$63.40	\$64.67	\$65.96	\$67.28
15	\$54.17	\$63.38	\$64.65	\$65.94	\$67.26	\$68.61
16	\$54.17	\$63.92	\$65.20	\$66.50	\$67.83	\$69.19
17	\$54.17	\$64.46	\$65.75	\$67.07	\$68.41	\$69.78
18	\$54.85	\$65.82	\$67.14	\$68.48	\$69.85	\$71.25
19	\$54.85	\$66.37	\$67.70	\$69.05	\$70.43	\$71.84
20*	\$55.52	\$68.00	\$69.37	\$70.75	\$72.17	\$73.61

## Pay Rate Progression DOS+2

Years of Service	Current Pay Rates	New DOS Pay Rates	DOS +1 year 2% increase	DOS +2 years 2% increase	DOS +3 years 2% increase	DOS +4 years 2% increase
1 <sup>st</sup> 6 months	\$24.50	\$25.24	\$25.74	\$26.25	\$26.78	\$27.32
2 <sup>nd</sup> 6 months	\$26.68	\$27.75	\$28.31	\$28.88	\$29.46	\$30.05
2	\$31.20	\$32.45	\$33.10	\$33.76	\$34.44	\$35.13
3	\$34.79	\$36.18	\$36.90	\$37.64	\$37.64	\$37.64
4	\$37.02	\$38.87	\$39.65	\$40.44	\$41.25	\$41.25
5	\$44.56	\$46.79	\$47.73	\$48.68	\$49.65	\$50.64
6	\$45.73	\$48.02	\$48.98	\$49.96	\$50.96	\$51.98
7	\$46.92	\$49.74	\$50.73	\$51.74	\$52.77	\$53.83
8	\$48.26	\$51.64	\$52.67	\$53.72	\$54.79	\$55.89
9	\$49.68	\$54.15	\$55.23	\$56.33	\$57.46	\$58.61
10	\$50.84	\$55.92	\$57.04	\$58.18	\$59.34	\$60.53
11	\$52.04	\$57.24	\$58.38	\$59.55	\$60.74	\$61.95
12	\$52.55	\$58.86	\$60.04	\$61.24	\$62.46	\$63.71
13	\$53.05	\$60.48	\$61.69	\$62.92	\$64.18	\$65.46
14	\$53.59	\$62.16	\$63.40	\$64.67	\$65.96	\$67.28
15	\$54.17	\$63.38	\$64.65	\$65.94	\$67.26	\$68.61
16	\$54.17	\$63.92	\$65.20	\$66.50	\$67.83	\$69.19
17	\$54.17	\$64.46	\$65.75	\$67.07	\$68.41	\$69.78
18	\$54.85	\$65.82	\$67.14	\$68.48	\$69.85	\$71.25
19	\$54.85	\$66.37	\$67.70	\$69.05	\$70.43	\$71.84
20*	\$55.52	\$68.00	\$69.37	\$70.75	\$72.17	\$73.61

## Pay Rate Progression DOS+3

Years of Service	Current Pay Rates	New DOS Pay Rates	DOS +1 year 2% increase	DOS +2 years 2% increase	DOS +3 years 2% increase	DOS +4 years 2% increase
1 <sup>st</sup> 6 months	\$24.50	\$25.24	\$25.74	\$26.25	\$26.78	\$27.32
2 <sup>nd</sup> 6 months	\$26.68	\$27.75	\$28.31	\$28.88	\$29.46	\$30.05
2	\$31.20	\$32.45	\$33.10	\$33.76	\$34.44	\$35.13
3	\$34.79	\$36.18	\$36.90	\$37.64	\$37.64	\$37.64
4	\$37.02	\$38.87	\$39.65	\$40.44	\$41.25	\$41.25
5	\$44.56	\$46.79	\$47.73	\$48.68	\$49.65	\$50.64
6	\$45.73	\$48.02	\$48.98	\$49.96	\$50.96	\$51.98
7	\$46.92	\$49.74	\$50.73	\$51.74	\$52.77	\$53.83
8	\$48.26	\$51.64	\$52.67	\$53.72	\$54.79	\$55.89
9	\$49.68	\$54.15	\$55.23	\$56.33	\$57.46	\$58.61
10	\$50.84	\$55.92	\$57.04	\$58.18	\$59.34	\$60.53
11	\$52.04	\$57.24	\$58.38	\$59.55	\$60.74	\$61.95
12	\$52.55	\$58.86	\$60.04	\$61.24	\$62.46	\$63.71
13	\$53.05	\$60.48	\$61.69	\$62.92	\$64.18	\$65.46
14	\$53.59	\$62.16	\$63.40	\$64.67	\$65.96	\$67.28
15	\$54.17	\$63.38	\$64.65	\$65.94	\$67.26	\$68.61
16	\$54.17	\$63.92	\$65.20	\$66.50	\$67.83	\$69.19
17	\$54.17	\$64.46	\$65.75	\$67.07	\$68.41	\$69.78
18	\$54.85	\$65.82	\$67.14	\$68.48	\$69.85	\$71.25
19	\$54.85	\$66.37	\$67.70	\$69.05	\$70.43	\$71.84
20*	\$55.52	\$68.00	\$69.37	\$70.75	\$72.17	\$73.61

## Pay Rate Progression DOS+ 4

\$48.26 to  
\$65.46 results in

\$17.20 increase  
35.6% increase

Years of Service	Current Pay Rates	New DOS Pay Rates	DOS +1 year 2% increase	DOS +2 years 2% increase	DOS +3 years 2% increase	DOS +4 years 2% increase
1 <sup>st</sup> 6 months	\$24.50	\$25.24	\$25.74	\$26.25	\$26.78	\$27.32
2 <sup>nd</sup> 6 months	\$26.68	\$27.75	\$28.31	\$28.88	\$29.46	\$30.05
2	\$31.20	\$32.45	\$33.10	\$33.76	\$34.44	\$35.13
3	\$34.79	\$36.18	\$36.90	\$37.64	\$37.64	\$37.64
4	\$37.02	\$38.87	\$39.65	\$40.44	\$41.25	\$41.25
5	\$44.56	\$46.79	\$47.73	\$48.68	\$49.65	\$50.64
6	\$45.73	\$48.02	\$48.98	\$49.96	\$50.96	\$51.98
7	\$46.92	\$49.74	\$50.73	\$51.74	\$52.77	\$53.83
8	<b>\$48.26</b>	<b>\$51.64</b>	\$52.67	\$53.72	\$54.79	\$55.89
9	\$49.68	<b>\$54.15</b>	<b>\$55.23</b>	\$56.33	\$57.46	\$58.61
10	\$50.84	\$55.92	<b>\$57.04</b>	<b>\$58.18</b>	\$59.34	\$60.53
11	\$52.04	\$57.24	\$58.38	<b>\$59.55</b>	<b>\$60.74</b>	\$61.95
12	\$52.55	\$58.86	\$60.04	\$61.24	<b>\$62.46</b>	<b>\$63.71</b>
13	\$53.05	\$60.48	\$61.69	\$62.92	\$64.18	<b>\$65.46</b>
14	\$53.59	\$62.16	\$63.40	\$64.67	\$65.96	\$67.28
15	\$54.17	\$63.38	\$64.65	\$65.94	\$67.26	\$68.61
16	\$54.17	\$63.92	\$65.20	\$66.50	\$67.83	\$69.19
17	\$54.17	\$64.46	\$65.75	\$67.07	\$68.41	\$69.78
18	\$54.85	\$65.82	\$67.14	\$68.48	\$69.85	\$71.25
19	\$54.85	\$66.37	\$67.70	\$69.05	\$70.43	\$71.84
20*	\$55.52	\$68.00	\$69.37	\$70.75	\$72.17	\$73.61

## Percentage Increases over the life of the Deal

<u>Yr of Service</u>	<u>Book</u>	<u>DOS</u>	<u>2%</u> <u>DOS+1</u>	<u>2%</u> <u>DOS+2</u>	<u>2%</u> <u>DOS+3</u>	<u>2%</u> <u>DOS+4</u>	<u>\$ Increase</u>	<u>% Increase</u>		
							<u>in Rate</u>	<u>in Rate</u>		
1st 6 mo.	\$24.50	\$25.24	\$25.74	\$26.25	\$26.78	\$27.32				
2nd 6 mo.	\$26.68	\$27.75	\$28.31	\$28.88	\$29.46	\$30.05				
2nd yr.	\$31.20	\$32.45	\$33.10	\$33.76	\$34.44	\$35.13				
3rd yr.	\$34.79	\$36.18	\$36.90	\$37.64	\$37.64	\$37.64				
4th yr.	\$37.02	\$38.87	\$39.65	\$40.44	\$41.25	\$41.25				
5th yr.	\$44.56	\$46.79	\$47.73	\$48.68	\$49.65	\$50.64				
6th yr.	\$45.73	\$48.02	\$48.98	\$49.96	\$50.96	\$51.98	\$25.30	94.8%	\$27.48	112.2%
7th yr.	\$46.92	\$49.74	\$50.73	\$51.74	\$52.77	\$53.83	\$22.63	72.5%		
8th yr.	\$48.26	\$51.64	\$52.67	\$53.72	\$54.79	\$55.89	\$21.10	60.6%		
9th yr.	\$49.68	\$54.15	\$55.23	\$56.33	\$57.46	\$58.61	\$21.59	58.3%		
10th yr.	\$50.84	\$55.92	\$57.04	\$58.18	\$59.34	\$60.53	\$15.97	35.8%		
11th yr.	\$52.04	\$57.24	\$58.38	\$59.55	\$60.74	\$61.95	\$16.22	35.5%		
12th yr.	\$52.55	\$58.86	\$60.04	\$61.24	\$62.46	\$63.71	\$16.79	35.8%		
13th yr.	\$53.05	\$60.48	\$61.69	\$62.92	\$64.18	\$65.46	\$17.20	35.6%		
14th yr.	\$53.59	\$62.16	\$63.40	\$64.67	\$65.96	\$67.28	\$17.60	35.4%		
15th yr.	\$54.17	\$63.38	\$64.65	\$65.94	\$67.26	\$68.61	\$17.77	35.0%		
16th yr.	\$54.17	\$63.92	\$65.20	\$66.50	\$67.83	\$69.19	\$17.15	33.0%		
17th yr.	\$54.17	\$64.46	\$65.75	\$67.07	\$68.41	\$69.78	\$17.23	32.8%		
18th yr.	\$54.85	\$65.82	\$67.14	\$68.48	\$69.85	\$71.25	\$18.20	34.3%		
19th yr.	\$54.85	\$66.37	\$67.70	\$69.05	\$70.43	\$71.84	\$18.25	34.1%		
20th yr.	\$55.52	\$68.00	\$69.36	\$70.75	\$72.17	\$73.61	\$19.44	35.9%		

1st 6 mos.

How do the TA Rates Compare to the Industry?



**DOS**  
(APR 2020)

		<u>20th yr.</u>			<b>Longevity Bonus</b>		
						<u>25th yr.</u>	
1	Southwest	\$71.53			1	Southwest	\$71.53
2	Delta	\$69.59			2	Delta	\$69.59
3	American	\$68.25			3	Hawaiian TA	\$68.50
4	Hawaiian TA	\$68.00			4	American	\$68.25
5	United	\$65.79			5	United	\$65.79
6	Alaska	\$65.51			6	Alaska	\$65.51
7	jetBlue	\$56.40			7	jetBlue	\$56.40
8	Hawaiian	\$55.52			8	Hawaiian	\$55.52
9	Frontier	\$55.43			9	Frontier	\$55.43
10	Spirit	\$49.17			10	Spirit	\$49.17

**DOS + 1**  
(APR 2021)

		<u>20th yr.</u>			<b>Longevity Bonus</b>		
						<u>25th yr.</u>	
1	Southwest	\$71.53			1	Southwest	\$71.53
2	Delta	\$69.59			2	Hawaiian TA	\$69.86
3	Hawaiian TA	\$69.36			3	Delta	\$69.59
4	American	\$68.25			4	American	\$68.25
5	Alaska	\$67.15			5	Alaska	\$67.15
6	United	\$67.11			6	United	\$67.11
7	Frontier	\$56.54			7	Frontier	\$56.54
8	jetBlue	\$56.40			8	jetBlue	\$56.40
9	Hawaiian	\$55.52			9	Hawaiian	\$55.52
10	Spirit	\$51.13			10	Spirit	\$51.13

**Top-Out Rates**



**DOS + 2**  
(APR 2022)

		<u>20th yr.</u>			<b>Longevity Bonus</b>		
						<u>25th yr.</u>	
1	Southwest	\$71.53			1	Southwest	\$71.53
2	Hawaiian TA	\$70.75			2	Hawaiian TA	\$71.25
3	Delta	\$69.59			3	Delta	\$69.59
4	American	\$68.25			4	American	\$68.25
5	Alaska	\$67.15			5	Alaska	\$67.15
6	United	\$67.11			6	United	\$67.11
7	Frontier	\$57.67			7	Frontier	\$57.67
8	jetBlue	\$56.40			8	jetBlue	\$56.40
9	Hawaiian	\$55.52			9	Hawaiian	\$55.52
10	Spirit	\$51.13			10	Spirit	\$51.13

**DOS + 3**  
(APR 2023)

		<u>20th yr.</u>			<b>Longevity Bonus</b>		
						<u>25th yr.</u>	
1	Hawaiian TA	\$72.17			1	Hawaiian TA	\$72.67
2	Southwest	\$71.53			2	Southwest	\$71.53
3	Delta	\$69.59			3	Delta	\$69.59
4	American	\$68.25			4	American	\$68.25
5	Alaska	\$67.15			5	Alaska	\$67.15
6	United	\$67.11			6	United	\$67.11
7	Frontier	\$58.82			7	Frontier	\$58.82
8	jetBlue	\$56.40			8	jetBlue	\$56.40
9	Hawaiian	\$55.52			9	Hawaiian	\$55.52
10	Spirit	\$51.13			10	Spirit	\$51.13

**Top-Out Rates**



DOS + 4

(Apr 2024)

			Longevity Bonus			
		<u>20th yr.</u>			<u>25th yr.</u>	
<b>1</b>	Hawaiian TA	\$73.61		<b>1</b>	Hawaiian TA	\$74.11
<b>2</b>	Southwest	\$71.53		<b>2</b>	Southwest	\$71.53
<b>3</b>	Delta	\$69.59		<b>3</b>	Delta	\$69.59
<b>4</b>	American	\$68.25		<b>4</b>	American	\$68.25
<b>5</b>	Alaska	\$67.15		<b>5</b>	Alaska	\$67.15
<b>6</b>	United	\$67.11		<b>6</b>	United	\$67.11
<b>7</b>	Frontier	\$60.00		<b>7</b>	Frontier	\$60.00
<b>8</b>	jetBlue	\$56.40		<b>8</b>	jetBlue	\$56.40
<b>9</b>	Hawaiian	\$55.52		<b>9</b>	Hawaiian	\$55.52
<b>10</b>	Spirit	\$51.13		<b>10</b>	Spirit	\$51.13

Top-Out Rates at End of Contract Term

## HRA Contributions

- Eligible FAs who retire during term of contract will receive a contribution according to their years of service (YOS) threshold *at time of retirement*, as follows:
  - ✓ 30 - 35 YOS - \$10,000
  - ✓ 35+ - 40 YOS - \$20,000
  - ✓ 40 + YOS - \$30,000
- FAs retain 100% sick bank payout upon retirement for Company medical plan premiums
- FAs who have retired since Jan 1, 2017 will receive payments

## Ratification Bonus (Back Pay)

- \$19.5 million in Bonus \$\$
  - ✓ Eligible for 401(k) 5% contribution + 2% or 2.5% match (improved)
  - ✓ Payouts based on W2 earnings over last 3 years, taxed as regular wages, profit-sharing eligible
  - ✓ Equates to ~19% of FA payroll
  - ✓ Paid out over 12 months (company cash burn issue)
  - ✓ If on leave - still get payments monthly
  - ✓ If retire/ resign - get lump sum payment

## Other Improvements

- Average Minimum Daily Guarantee at 4:10 for INTL operation
  - Scheduled or actual
  - # days of grouping x 4:10/ calendar day - guarantee for grouping
- Eliminate Sick Leave cap on over 100/ 110 hrs
- Interisland improvements:
  - 717 premium - 50¢ for all hours on duty
  - 1<sup>st</sup> FA pay increased from \$2 → \$2.50
  - Waterbottles
  - Trade buffer reduced to 12 hrs (from 12:45) when FA is in rest
  - Meal improvement already from 787 LOA

## Other Improvements cont.

- LAX-based groupings: 2 seats hard-blocked (last row, a/c left) for aircraft w/o crew bunks over 14-hour duty day; Over max pay at 16 hrs
- Hawaiian Speakers on 'Ōlelo Hawai'i flights paid lead LQ pay
- LQ Premiums: (FFA/Galley premiums ↑ 787 LOA)
  - Lead Biz Class \$3 → \$4
  - Lead Main Cabin \$2 → \$3
  - Service \$1 → \$2
  - Samoan/French \$2 → \$3

## Other Improvements cont...

- Reserve System Revamp:
  - straight-forward reserve assignment process
  - self assignment day prior
  - preferencing for assignment
  - crew scheduling cannot assign 2 duty periods in 1 calendar day
  - reserve presentation to be posted on [AFAContract2017.org](http://AFAContract2017.org)
- Uniform Points Increase from 500 → 650 points

## Staffing Changes

- Remove position off of 787
- Remove position off A321 with service changes specified.
  - Changes to 1st class and cabin service
  - Eliminate Plating meals in First Class
  - Delayed implementation -- January 1, 2021
- Discussion over issue



## Health Care Compromise

- Company initially wanted 20% - in line with industry
- Resisted changes to ↑ RX co-pays, Dental premiums
- Compromise: Start at 6% and Phase in to 12%
- No Change to RX co-pays, No Change to Dental

**Today:** FAs pay approx 6% of premium with current system of % of salary

- 1.5% / 2% of salary system
- Today: more you work - more you pay - more equitable to have it fixed
- Some FAs pay more for Single coverage than other pay for Family coverage today because they work more
- As FA pay increases, you will pay more under today's system: % of pay

# Health Care Compromise

## Delayed until 2021

- Everyone will pay same premium
- Caps removed: High-time flyers won't get penalized
- Going forward, company bears the biggest increases when premiums go up
- Same plans, but go to Affordable Care Act (ACA) compliant plans → improvements
  - Preventative covered at 100% (pre-deductible): well-woman, mammograms, colonoscopy, immunizations (health + travel), HMSA online care - free
  - Well-child care up to age 21 (currently stops after age 6)

## Let's talk about premiums...

➤ Change from 3 Tiers → 4 Tiers:

- ✓ Employee only
- ✓ EE + Spouse
- ✓ **EE + Child(ren)** (NEW - lower premium than EE+family)
- ✓ EE + Family (spouse included)

## Industry Flight Attendants Pay % of Premiums

Airline	Flight Attendant Percentage
Hawaiian	6%
Alaska	20%
American	21%
Delta	21%
JetBlue	20%
Southwest	12.3%
United	20%
Hawaiian Pilots	19%



# Medical Insurance Premiums: 2021 Structure

PLAN YEAR Medical Insurance	EE Only EE + Spouse EE + Children	EE Only EE + Spouse EE + Children	EE + Family
	<i>Years 1-7 at</i>	<i>Years 8-20</i>	<i>All YOS</i>
Plan Year 2021	6%	10%	6%
Plan Year 2022	8%	11%	8%
Plan Year 2023	10%	12%	10%
Plan Year 2024 +	12%	12%	12%

EE = Employee

## HMSA PPP (HI)

Comparison:  
today vs 2021

\*Total 2021 Premium = \$644/ mo

\*Example: FA in 3<sup>rd</sup> Year EE only

FA pays: \$38.61 /mo

Company pays: \$605.39 /mo

In 2021, at 86 hrs/mo, \$60 cap would kick in at 5 YOS because pay increases

	Employee Only		
	Monthly COST TODAY	Monthly COST under TA	
	Current premium: 1.50% of pay up to \$60	Proposed 2021 premium - F/A portion	
		% of Premium	Premium \$ Amount
Pay Rate			
1st 6 mo.	\$33.20	6%	\$38.61
2nd 6 mo.	\$36.52	6%	\$38.61
2nd yr.	\$42.70	6%	\$38.61
3rd yr.	\$47.60	6%	\$38.61
4th yr.	\$51.15	6%	\$38.61
5th yr.	\$60.00	6%	\$38.61
6th yr.	\$60.00	6%	\$38.61
7th yr.	\$60.00	6%	\$38.61
8th yr.	\$60.00	10%	\$64.34
9th yr.	\$60.00	10%	\$64.34
10th yr.	\$60.00	10%	\$64.34
11th yr.	\$60.00	10%	\$64.34
12th yr.	\$60.00	10%	\$64.34
13th yr.	\$60.00	10%	\$64.34
14th yr.	\$60.00	10%	\$64.34
15th yr.	\$60.00	10%	\$64.34
16th yr.	\$60.00	10%	\$64.34
17th yr.	\$60.00	10%	\$64.34
18th yr.	\$60.00	10%	\$64.34
19th yr.	\$60.00	10%	\$64.34
20th yr.	\$60.00	10%	\$64.34

At 86 credit hours/mo

\*Rates are estimates - used 2020 ACA plan rates and increased for medical inflation

## HMSA PPP (HI)

Comparison:  
today vs 2021

\*Total 2021 Premium = \$1,367/ mo

\*Example: FA in 3<sup>rd</sup> Year EE only

FA pays: \$63.47 /mo

Company pays: \$ 1,303.53 /mo

Employee + Spouse				
	Monthly COST TODAY	Monthly COST under TA		
	Current premium: 2% of pay up to \$150	Proposed 2021 premium - F/A portion		
		% of Premium	Premium \$ Amount	
Pay Rate				
1st 6 mo.	\$44.27	6%	\$81.98	
2nd 6 mo.	\$48.69	6%	\$81.98	
2nd yr.	\$56.93	6%	\$81.98	
3rd yr.	\$63.47	6%	\$81.98	
4th yr.	\$68.20	6%	\$81.98	
5th yr.	\$82.10	6%	\$81.98	
6th yr.	\$84.25	6%	\$81.98	
7th yr.	\$87.26	6%	\$81.98	
8th yr.	\$90.59	10%	\$136.63	
9th yr.	\$95.00	10%	\$136.63	
10th yr.	\$98.11	10%	\$136.63	
11th yr.	\$100.41	10%	\$136.63	
12th yr.	\$103.27	10%	\$136.63	
13th yr.	\$106.11	10%	\$136.63	
14th yr.	\$109.05	10%	\$136.63	
15th yr.	\$111.20	10%	\$136.63	
16th yr.	\$112.14	10%	\$136.63	
17th yr.	\$113.09	10%	\$136.63	
18th yr.	\$115.48	10%	\$136.63	
19th yr.	\$116.44	10%	\$136.63	
20th yr.	\$119.30	10%	\$136.63	

At 86 credit  
hours/mo

\*Rates are estimates - used 2020  
ACA plan rates and increased for  
medical inflation

## HMSA PPP (HI)

### Comparison: Today vs 2021

\*Total 2021 Premium = \$1,126/ mo

\*Example: FA in 3<sup>rd</sup> Year EE only

FA pays: \$62.73 /mo

Company pays: \$ 1,063.27 /mo

## Employee + Children

Pay Step	Monthly COST under current system:  2.00% of pay up to \$180	Monthly COST under TA Proposed 2021 premium F/A portion	
		% of premium	\$ amt. of premium
1st 6 mo.	\$43.76	6%	\$67.54
2nd 6 mo.	\$48.13	6%	\$67.54
2nd yr.	\$56.27	6%	\$67.54
3rd yr.	\$62.73	6%	\$67.54
4th yr.	\$67.41	6%	\$67.54
5th yr.	\$81.14	6%	\$67.54
6th yr.	\$83.27	6%	\$67.54
7th yr.	\$86.24	6%	\$67.54
8th yr.	\$89.54	10%	\$112.57
9th yr.	\$93.89	10%	\$112.57
10th yr.	\$96.97	10%	\$112.57
11th yr.	\$99.25	10%	\$112.57
12th yr.	\$102.07	10%	\$112.57
13th yr.	\$104.87	10%	\$112.57
14th yr.	\$107.78	10%	\$112.57
15th yr.	\$109.91	10%	\$112.57
16th yr.	\$110.84	10%	\$112.57
17th yr.	\$111.78	10%	\$112.57
18th yr.	\$114.14	10%	\$112.57
19th yr.	\$115.09	10%	\$112.57
20th yr.	\$117.91	10%	\$112.57

At 86 credit  
hours/mo

\*Rates are estimates - used 2020  
ACA plan rates and increased for  
medical inflation



## HMSA PPP (HI)

Comparison:  
today vs 2021

\*Total 2021 Premium = \$1,993/ mo

\*Example: FA in 3<sup>rd</sup> Year EE only

FA pays: \$119.57 / mo

Company pays: \$ 1,873.43 / mo

Employee + Family			
Pay Step	Monthly COST under current system:	Monthly COST under TA Proposed 2021 premium F/A portion	
	2% of pay up to \$180	% of premium	\$ amt. of premium
1st 6 mo.	\$43.76	6%	\$119.57
2nd 6 mo.	\$48.13	6%	\$119.57
2nd yr.	\$56.27	6%	\$119.57
3rd yr.	\$62.73	6%	\$119.57
4th yr.	\$67.41	6%	\$119.57
5th yr.	\$81.14	6%	\$119.57
6th yr.	\$83.27	6%	\$119.57
7th yr.	\$86.24	6%	\$119.57
8th yr.	\$89.54	6%	\$119.57
9th yr.	\$93.89	6%	\$119.57
10th yr.	\$96.97	6%	\$119.57
11th yr.	\$99.25	6%	\$119.57
12th yr.	\$102.07	6%	\$119.57
13th yr.	\$104.87	6%	\$119.57
14th yr.	\$107.78	6%	\$119.57
15th yr.	\$109.91	6%	\$119.57
16th yr.	\$110.84	6%	\$119.57
17th yr.	\$111.78	6%	\$119.57
18th yr.	\$114.14	6%	\$119.57
19th yr.	\$115.09	6%	\$119.57
20th yr.	\$117.91	6%	\$119.57

At 86 credit  
hours/mo

\*Rates are estimates - used 2020  
ACA plan rates and increased for  
medical inflation

## Other

- Agree to establish an OAK domicile with SFO “alternate check-in point”
  - No SJC
  - Alternative check in language: protections
  - Groupings must depart/return to same airport
  - Protections for diversions/mechanicals/one-offs - surface dead head, 100% pay/duty time
- Commuter policy (for all domiciles)
- Line average for PBS awards: locks in current line value - status quo
  - Allows company to control staffing

## Maintained

- Staffing on the A330
- RX co-pays at \$2/ \$5 for specialty meds
- Dental Plan - no premium
- Retained Diurnal Turn protections
- SLMP Letter (Sick Leave)
- Maintained 90% crew to load





Mahalo for Joining Us for this Presentation



We are happy to answer your questions

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## Voting Timeline:

**Voting Credentials will be EMAILED to Flight Attendants on**

**FRIDAY, March 27**

**Polls OPEN:** FRIDAY, March 27 @1000 HST

**Polls CLOSE:** FRIDAY, April 3 @1000 HST