



August 6, 2020

RE: Voluntary Early Out Program (VEOP)

Dear Eligible Flight Attendant,

As you know, our company is facing an unprecedented challenge. The current level of travel demand has forced us to take action to ensure our airline survives. As part of that effort, we have developed voluntary leave options for both our contract and non-contract employees to better align our operation with our reduced service.

Hawaiian Airlines, Inc. (“Hawaiian” or the “Company”) is offering eligible members of the Association of Flight Attendants a Voluntary Early Out Program. As a valued member of our ‘ohana, we are pleased to inform you of your eligibility for this Program.

This letter constitutes Hawaiian’s formal Program offer to you as a VEOP eligible Flight Attendant.

For your convenience, we are providing you with some brief responses to a number of VEOP Frequently Asked Questions. The VEOP is comprised of the following documents:

- Exhibit A: Letter of Agreement – Voluntary Early Out Program (VEOP) between Hawaiian Airlines, Inc. and the Association of Flight Attendants
- Exhibit B: Voluntary Early Out Program (VEOP) Election Form
- Exhibit C: Voluntary Early Out Program (VEOP) Rescission Form

It is recommended that you save a copy of the VEOP for your records.

Retirement under this incentive plan is strictly voluntary, but eligible Flight Attendants who elect to participate in the VEOP are required to complete the attached Election Form and submit it to VEOP@hawaiianair.com, **by 1700 on or before August 21, 2020.**

If you have questions about this information, please send an email to VEOP@hawaiianair.com. You may also contact Labor Relations Specialist Melissa Tom at melissa.tom@hawaiianair.com or (808) 275-5974.

Hawaiian Airlines
Mailing Address: P. O. Box 30008, Honolulu, HI 96820
Physical Address: 3375 Koapaka Street, Suite G350, Honolulu, HI 96819

I know this will be a difficult decision. Many of you have spent your entire careers as Hawaiian Flight Attendants, and your remarkable contributions have made us a better company. As you make your decisions, please know how much you mean to us. We will continue to do everything possible to help our amazing company survive. Mahalo for your unwavering passion and continued commitment to Hawaiian and to each other.

Me Ka Māhala Nui,


Robin Sparling
Vice President, In-Flight Services

VEOP – Frequently Asked Questions

AFA EMPLOYEES: FAQs for Voluntary Early Out Program

These are challenging times and we are grateful for the commitment, fortitude, and patience you have shown. Our airline is facing many uncertainties and we are developing voluntary leave options for our contract and non-contract employees to downsize our operation to better align with our reduced service. The VEOP option is being offered to eligible flight attendants.

Below are answers to general FAQs that may help with your initial understanding of this option, so that you may eventually make the choice that is in your best interest. As you evaluate whether to elect for a VEOP, please be certain to consult with competent legal and financial advisors and refer to all material provided to you for full details regarding this program.

General Questions

Who is eligible for a VEOP?

Any Flight Attendant who is at the seventh (7th) year pay step (\$49.74).

How long do I have to decide if I want to accept a VEOP?

Bidding for a VEOP will begin on August 7th at 9:00am HST. Bidding will close and awards will be posted on August 21st at 5:00pm HST.

When will my VEOP start?

Commencement of VEOP will be on October 1st, 2020.

What will I be paid?

Flight Attendants awarded the VEOP will be paid 38 hours of pay per month for 12 months during the severance payment period commencing on October 1st, 2020. The pay will be based on a Flight Attendant's hourly pay rate on 10/1.

What if I am currently on a Voluntary Furlough and am awarded a VEOP?

If you are currently on Voluntary Furlough and are awarded a VEOP your Voluntary Furlough will end and you will begin the 12-month severance payment period on October 1, 2020.

Will any Flight Attendants be denied a VEOP?

An eligible Flight Attendant shall not be denied a VEOP.

What happens if I participate in the VEOP and file for unemployment?

The Company will not contest unemployment claims by FAs who take the VEOP.

Benefits

What happens to my medical benefits while on a VEOP?

If you are enrolled at the time of commencing the 12-month period of monthly payments, you will continue all insurance coverage at the same level (single/dependent, etc.) and the premiums will be fully paid by the Company.

Will I be eligible for Retiree Medical?

A Flight Attendant's eligibility is based on age and years of service for continued medical coverage per Section 33.K.4. of the CBA and will be determined as of October 1, 2020.

VEOP – Frequently Asked Questions

Will I have Pass Travel Benefits for the duration of my VEOP?

FAs awarded the VEOP who have less than 30 company years of service will maintain on active employee non-rev travel benefits on Hawaiian Air and, to the extent allowed under our interline agreement, other airlines for 3 years.

FAs awarded the VEOP who have 30 or more company years of service will remain on active employee non-rev travel benefits on Hawaiian Air and, to the extent allowed under our interline agreement, other airlines for 4 years.

Can I Jumpseat while traveling non-rev on a VEOP?

No, if you are participating in this program you will not have Jumpseat privileges.

Vacation and Sick Time Accruals

Will my vacation bank be paid out to me?

Any unused vacation as of October 1, 2020, will be paid out in 12 equal, monthly payments.

Will my ratification payments be paid out to me?

You will receive the remaining balance of the Ratification Payments on the September 22, 2020 paycheck.

401(k)

For flight attendants who participate in the VEOP, what is considered eligible compensation?

FAs will be eligible to make salary deferral contributions, designated Roth contributions, voluntary after-tax contributions, etc.

Will Company contribution and Company matching contribution be applied to monthly severance payments?

No, Company contribution and Company matching contribution will not be applied to the monthly severance payments. However, the Company contribution and matching contribution will be applied to any vacation pay-out amount and the Ratification payments.

Parking

How will my parking be affected should I participate in the VEOP?

During the 12-month severance payment, FAs will be provided parking passes, if requested, and will be eligible for parking allowance/reimbursement consistent with the terms of the CBA. Parking lot available to FAs during the 12-month severance payment period shall be at the discretion of the Company.

Work Property

What will happen with my company-issued property such as ID badges and equipment?

If you are on a VEOP, you must turn in your SIDA Badge and your HA Crew badge. You will be provided an HA Employee badge.

LETTER OF AGREEMENT
between
HAWAIIAN AIRLINES, INC.
and
THE FLIGHT ATTENDANTS
in the service of
HAWAIIAN AIRLINES, INC.
as represented by
THE ASSOCIATION OF FLIGHT ATTENDANTS–CWA, AFL-CIO

Voluntary Early Out Program

THIS LETTER OF AGREEMENT is made and entered into in accordance with the Railway Labor Act, as amended, by and between Hawaiian Airlines, Inc., hereinafter referred to as the “Company,” and the Flight Attendants in the Service of Hawaiian Airlines, Inc., as represented by the Association of Flight Attendants–CWA, AFL-CIO, hereinafter referred to as the “Association,” and jointly, hereinafter referred to as the “Parties.”

WHEREAS, the COVID-19 pandemic’s significant impact on travel and the airline industry has created a need to reduce the number of Flight Attendants at the Company and furlough mitigation procedures in addition to those contained in the Flight Attendant Collective Bargaining Agreement (CBA) are desired;

NOW THEREFORE: The Parties agree the below Voluntary Early Out Program (VEOP) is in addition to any existing provisions of the CBA or any other program currently provided by the Company. The VEOP will be subject to the following terms and conditions below.

A. ELIGIBILITY

Any Flight Attendant who is at the seventh (7th) year pay step (\$49.74) is eligible to be awarded the Voluntary Early Out Program (VEOP) as of October 1, 2020.

B. BIDDING / AWARDING TIMELINE

Bidding begins:	August 7 th	0900 HST
Bidding closes and awards posted:	August 21 st	1700 HST
Recension Period:	August 21 st – August 25 th	ends 1700 HST
Commencement of VEOP	October 1 st	

C. PAY

1. 12-month Period: Flight Attendants awarded the VEOP will be paid thirty-eight (38) hours of pay per month for twelve (12) months during the severance payment period commencing on October 1st, 2020. The pay will be based on a Flight Attendant’s applicable hourly pay rate on October 1, 2020.
2. Incentive Compensation: Pay, including any unused vacation pay-out, will be considered “eligible compensation” for profit sharing under the CBA. Flight Attendants will not be eligible for the Performance Bonus and Incentive Compensation bonus programs under the Flight Attendant CBA.

However, the application of Performance Bonus and Incentive Compensation bonus programs will be no less favorable than any other employee group in connection with any COVID-related Early Out Letter of Agreement.

3. Unused Vacation: Any unused vacation as of October 1, 2020, will be paid out in twelve (12) equal, monthly payments.
4. Ratification Payments: Flight Attendants will receive the remaining balance of the Ratification Payments on the September 22, 2020 paycheck after they are awarded an early out.

D. INSURANCE: MEDICAL/DENTAL + ORTHODONTIA/LIFE/OTHER ELECTIVE INSURANCE

1. If enrolled at the time of commencing the 12-month period of monthly payments, the Flight Attendants will continue all insurance coverage at the same level (single/dependent, etc.) and the premiums will be fully paid by the Company.
2. If a Flight Attendant is eligible to convert her/his remaining sick leave bank balance (balance determined as of 10/1/2020) to pay for health insurance for up to twelve (12) additional months, per Section 33.K.1. of the CBA, such period of continued coverage using sick leave credit will commence after the expiration of the 12-month period in C.1., above.
3. Following the initial 12-month period of continued medical insurance in C.1., above, Flight Attendants will be eligible for 18 months of COBRA coverage after the 12-month period with payment of the applicable COBRA rates. Such COBRA coverage will run concurrent with any Section 33.K.1. continued coverage outlined in D.2. above.
4. Retiree Medical CBA Provisions: SECTION 33.K.4.
 - a. A Flight Attendant's eligibility based on age and years of service for continued medical coverage per Section 33.K.4. of the CBA will be determined as of October 1, 2020.
 - b. Any continued medical insurance benefit contained in this Letter of Agreement will be coordinated with any subsidized medical benefit coverage in the CBA to provide the most favorable outcome for the Flight Attendant.

E. RETIREE HRA

1. Any Flight Attendant with twenty-five (25) years of service as of October 1st, 2020, as defined in the HAWAIIAN AIRLINES FLIGHT ATTENDANTS RETIREE HEALTH REIMBURSEMENT ARRANGEMENT (HRA) Summary Plan Description "Plan Terms" Section 1.6 "Years of Service", will be eligible to participate in the HRA effective October 1, 2021 and will receive a credit of fifty thousand dollars (\$50,000) into her/his account effective on that date. This amount is in addition to the Retiree HRA amounts listed in 2., below.

- Any Flight Attendant electing this VEOP will have her/his years of service, as defined in E.1., above, and for purposes of qualifying for the HRA credits below, accelerated as if the Flight Attendant had elected to retire on April 2, 2025.

Years of Service (YOS) Requirement in HRA	Credit	Combined Credit
30 – 35 YOS	\$ 10,000	\$60,000
35+ 40 YOS	\$ 20,000	\$70,000
40+ YOS	\$ 30,000	\$80,000

F. PASS TRAVEL

- FAs awarded the VEOP who have less than thirty (30) *company* years of service will remain on active pass travel (with privileges equal to other active employees) for three (3) years on Hawaiian Airlines, and to the extent allowed under Hawaiian’s interline agreements with other airlines for 3 years.
- FAs awarded the VEOP who have thirty (30) or more *company* years of service will remain on active pass travel (with privileges equal to other active employees) for four (4) years on Hawaiian Airlines, and to the extent allowed under Hawaiian’s interline agreements with other airlines for 4 years.
- FA will be provided HA active ID for duration of the active travel benefit period.
- Retiree Passes Qualification: The 12-month severance payment period will count toward Flight Attendant’s eligibility for retiree passes under CBA 33.G.3 (i.e., age eligibility and years of service, will continue to accrue during the 12-month period and eligibility for retiree passes will be determined at the end of 12-month period) for Hawaiian Air and retiree travel on other airlines to the extent allowed under the interline agreements.
- Flight Attendants who participate in this program will not have jumpseat privileges.
- Pass benefits will be no less favorable than any other employee group in connection with any COVID-related Early Out Letter of Agreement.

G. HAWAIIAN MILES

At the beginning of the 12-month period, a Flight Attendant’s Hawaiian Airlines Mileage account will be credited with the appropriate number of miles listed below. These miles will not expire.

Company Years of Service	Number of Hawaiian Miles
7	150,000
14	300,000
21	450,000
28	600,000

- The Company will pay all applicable taxes associated with the grant of the miles.

H. 401(k)

1. Company contribution and Company matching contribution will not be applied to the monthly severance payments. However, the Company contribution and matching contribution will be applied to any vacation pay-out amount and the Ratification payments.
2. A Flight Attendant will be eligible to make salary deferral contributions, designated Roth contributions, voluntary after-tax contributions, etc.

I. PARKING PASS

During the 12-month severance payment period Flight Attendants will be provided parking passes, if requested, and will be eligible for parking allowance/reimbursement consistent with the terms of the CBA. The parking lot available to Flight Attendants during the 12-month severance payment period shall be at the discretion of the Company.

J. Voluntary Furlough

Flight Attendants on Voluntary Furlough who are awarded a VEOP will end their Voluntary Furlough and begin the 12-month severance payment period on October 1, 2020.

K. GENERAL

1. The Company will not contest unemployment claims by Flight Attendants who take the VEOP.
2. If there is a subsequent(s) Flight Attendant Early Out Program(s) within 6 months, Flight Attendants electing this program will receive no less favorable provisions.
3. Flight Attendants awarded the VEOP will be given a Pualani Pin consistent with their occupational years of service.
4. A Flight Attendant's Association dues obligation will continue throughout the 12-month severance payment period.

IN WITNESS WHEREOF, the parties hereto have adopted and executed this Letter of Agreement this 5th day of August, 2020.



FLIGHT ATTENDANT VOLUNTARY EARLY OUT PROGRAM (VEOP)

Election Form

Hawaiian Airlines, Inc. (the "Company") is offering a Voluntary Early Out Program (VEOP) to eligible Flight Attendants.

As an Eligible Flight Attendant, I have between August 6, 2020 through August 21, 2020 to consider the VEOP and return this Election Form to the Company by email: VEOP@hawaiianair.com

I elect to participate in the Voluntary Early Out Program (VEOP).

Flight Attendant Name:

Flight Attendant Signature:

Employee Number:

Date:

- Exhibit B -



FLIGHT ATTENDANT VOLUNTARY EARLY OUT PROGRAM (VEOP)

Rescission Form

I acknowledge and understand that I have a period of five (5) calendar days (August 21, 2020 – August 25, 2020) after signing the VEOP Election Form (Exhibit B) within which I may rescind my election to participate in the VEOP, and that this Rescission Form (Exhibit C) shall not become effective or enforceable until the revocation period has expired (at 1700 on August 25, 2020).

I HEREBY RESCIND MY ELECTION TO PARTICIPATE IN THE VEOP

Flight Attendant Name:

Flight Attendant Signature:

Employee Number:

Date:

This Rescission Form (Exhibit C) must be submitted before 1700 on August 25, 2020 and must be sent via email to: VEOP@hawaiianair.com

- Exhibit C -