Negotiating Committee Update Wednesday, April 8, 2020

Dear Fellow Flight Attendants,

Now that the Tentative Agreement has been ratified we have started working with the company on an implementation schedule for the various provisions of our new contract. Certain provisions have started immediately while other provisions may take some time to begin because of programming requirements or other considerations.

For many of us, two of the items of immediate concern are the issues of our new pay rates and the Ratification Bonus payout. The good news is our new pay rates and pay premiums went into effect retroactively on April 1St. On May 7th we 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. However, the new pay rates for approximately 700 Flight Attendants need to be adjusted manually in the company's payroll systems, and as a result, we will not see our new pay rates until the June 7th paycheck. We expect our pay from now until June 7th to be as follows:

- APR 22 Normal 22nd paycheck:
 37.5 hour advance for 2nd half of April @ old pay rates
- May 7 Normal 7th paycheck*:
 - 37.5 hour advance for 1St half of May @ old pay rates
 - Reconciliation of April credit over 75 hours @ old pay rates
 - April pay premiums, per diem, other pay @ old pay rates
 - Plus: April Ratification Bonus payment
 - Plus: May Ratification Bonus payment
- MAY 22 Normal 22nd paycheck:
 37.5 hour advance for 2nd half of May @ old pay rates
- JUN 5 Normal 7th paycheck* @ new pay rates:
 37.5 hour advance for 1St half of June @ new pay rates

 - Reconciliation of May credit over 75 hours@ new pay rates
 - May pay premiums, per diem, other pay@ new pay rates
 - Plus: June Ratification Bonus payment
 - Plus: Reconciliation of any outstanding April and May hours @ new pay rates

*Note: The 7th paycheck is an advance of 37.5 hours for the first half of the current month and the reconciliation of any credit hours above 75 hours in the previous month, along with pay for pay premiums, per diem and other pay.

Ratification Bonus Calculation

Many of you have asked about the sources of W2 compensation that was included in the Ratification Bonus calculation. The items included and excluded were as follows:

- Included: Boeing 787-9 LOA signing bonus
- Included: Taxable per diem
- Excluded: Profit sharing and the balanced scorecard payments
- Excluded: Non-taxable per diem

Over the next few weeks we will continue to work with the company on the implementation schedule. Pay and compensation issues went into effect retroactively on April 1, while the remaining provisions of the agreement went into effect on April 3, the date of ratification. The implementation schedule will outline when those non-pay issues can reasonably be put into action. Our next communication will have more detailed information about the status of the implementation of individual components of the agreement.

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

The Negotiating Committee

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