

**AGREEMENT
BETWEEN
AIR LINE PILOTS ASSOCIATION, INTERNATIONAL
AND THE
PROFESSIONAL AND ADMINISTRATIVE EMPLOYEES
IN THE SERVICE OF
AIR LINE PILOTS ASSOCIATION, INTERNATIONAL
AS REPRESENTED BY
UNION OF ALPA PROFESSIONAL AND
ADMINISTRATIVE EMPLOYEES
UNIT 1**

**APRIL 1, 2015
THROUGH
MARCH 31, 2019**

TABLE OF CONTENTS

SECTION 1 RECOGNITION	1
SECTION 2 DEFINITION OF EMPLOYEES	2
SECTION 3 PROBATION	3
SECTION 4 SICK, BEREAVEMENT AND PARENTAL LEAVE	4
SICK LEAVE	4
BEREAVEMENT LEAVE	6
PARENTAL LEAVE	6
LEAVE UNDER FAMILY MEDICAL LEAVE ACT (FMLA)	8
SECTION 5 LEAVE OF ABSENCE WITHOUT PAY	9
SECTION 6 EXPENSES	10
MEALS	10
WEEKEND EXPENSES (HOME BASE)	11
PER DIEM	12
TRANSPORTATION	13
AIR TRANSPORTATION	13
PERSONAL CAR EXPENSES	13
RENTING OF CAR	13
TAXI	14
LODGING	15
BUSINESS EXPENSE	15
LAUNDRY/VALET	16
TELEPHONE	16
EXTRAORDINARY EXPENSE	16
CANADIAN EXPENSES	16
AIRLINE TICKETING RULES	17
EXPENSE AUTHORIZATION AND PAYMENT	20
EXPENSE REPORTS	20
AUTHORIZATION AND APPROVAL	21
PAYMENT	21
SECTION 7 VACATIONS	22
ACCRUAL	22
USAGE	22
SECTION 8 DISCIPLINE AND DISCHARGE	25
IMPOSITION OF DISCIPLINE	25
USE OF WARNINGS AND PROGRESSIVE DISCIPLINE	25

SECTION 9 GRIEVANCE AND ARBITRATION PROCEDURE	27
GRIEVANCE PROCESSING.....	27
SELECTION AND POWERS OF THE ARBITRATOR.....	28
TIME LIMITS.....	28
EXPEDITED ARBITRATION.....	28
SECTION 10 MOVING ALLOWANCE	30
HOME MARKETING ASSISTANCE.....	33
COSTS PAID BY ALPA.....	34
SECTION 11 JOB SECURITY	35
RECALL RIGHTS.....	40
REHIRE PREFERENCE.....	41
SALARY OF RECALLED/REHIRED STAFF EMPLOYEE.....	41
RELOCATION BENEFITS.....	42
PRIOR SERVICE CREDIT.....	42
CESSATION OF SEVERANCE PAYMENTS OF RECALL/REHIRE. . .	42
LOSS OF RECALL/PREFERENTIAL HIRING RIGHTS.....	42
NOTIFICATION RIGHTS.....	42
SECTION 12 HOLIDAYS	44
SECTION 13 HEALTH AND WELFARE	45
AETNA'S OPEN CHOICE MEDICAL PLAN PREFERRED PROVIDER ORGANIZATION (PPO) AND OTHER OPTIONS.....	45
PRESCRIPTION DRUG PROGRAM.....	47
DENTAL BENEFITS.....	47
ORTHODONTIA BENEFITS.....	47
VISION BENEFITS.....	47
TRAVEL INSURANCE BENEFITS.....	47
LIFE INSURANCE BENEFITS.....	49
ACCELERATED DEATH BENEFIT.....	49
DEPENDENT LIFE INSURANCE.....	49
LONG-TERM CARE INSURANCE PROGRAM.....	49
LONG-TERM DISABILITY BENEFITS.....	49
EXCESS LIABILITY INSURANCE.....	51
DEFERRED SAVINGS PLAN.....	51
RETIREE HEALTH.....	52
FLEXIBLE BENEFITS ACCOUNT PLAN.....	54
REVIEW BOARD FOR DEFERRED SAVINGS PLAN.....	55
PART 1: REVIEW BOARD.....	55
PART 2: POWERS OF THE BOARD.....	57

PART 3: REVIEW FUNCTIONS.....	57
PART 4: LIABILITY	58
PAY REDUCTION IN LIEU OF PREMIUMS	58
QUALIFIED TRANSPORTATION FRINGE BENEFIT PLAN.....	61
RETIREE HEALTH ACCOUNT PLAN	61
SECTION 14 DEPENDENT TRAVEL.....	67
SECTION 15 AGENCY SHOP/DUES CHECK-OFF.....	70
SECTION 16 COMPENSATION	73
ACROSS THE BOARD INCREASES.....	73
SALARY INCREASES	73
SALARY RANGES	74
FICA CONTRIBUTION.....	75
ALPA PERFORMANCE PROGRAM	75
OVERTIME	77
COMPENSATORY TIME	77
SECTION 17 GENERAL.....	79
SECTION 18 SALARY ADMINISTRATION PLAN	82
INTRODUCTION.....	82
STATEMENT OF OBJECTIVES	82
JOB EVALUATION.....	82
REVIEW AND UPDATING OF POSITION DESCRIPTIONS	83
SALARY STRUCTURE	83
RESPONSIBILITIES OF THE DIRECTOR OF HUMAN RESOURCES	84
SALARY COST CONTROLS	84
STARTING SALARIES.....	85
PROMOTIONS AND TRANSFERS.....	85
PROCEDURES FOR VACANT AND NEWLY CREATED POSITIONS.....	87
POSITION REEVALUATION.....	87
DEMOTIONS.....	88
MERIT INCREASES.....	88
PROCESSING MERIT INCREASES	89
REQUESTS FOR RECONSIDERATION.....	90
THE SALARY REVIEW COMMITTEE.....	91
ACTIONS OUTSIDE THE SALARY ADMINISTRATION PLAN.....	92
PERFORMANCE EVALUATION FORM COMMITTEE	92
ANNUAL REVIEW DATE	92
SECTION 19 DURATION	93

LETTER OF UNDERSTANDING:

OFFICE TRANSFER LETTER OF UNDERSTANDING 95
CANADIAN LETTER OF UNDERSTANDING 98
AFFORDABLE CARE ACT EXCISE TAX 104
JOB RETRAINING CAUSED BY TECHNOLOGICAL CHANGES 108
TRANSITION TO ANNUAL REVIEW DATE 117

ATTACHMENTS

ATTACHMENT A: LIST OF UNIT 1 POSITIONS 126
ATTACHMENT B: AETNA PPO PLAN DESIGN &
BENEFIT SUMMARY 135
ATTACHMENT C: AETNA HMO PLAN DESIGN &
BENEFIT SUMMARY 141
ATTACHMENT D: AETNA HDHP PLAN DESIGN &
BENEFIT SUMMARY 146
ATTACHMENT E: KAISER HMO PLAN DESIGN &
BENEFIT SUMMARY 152
ATTACHMENT F: AETNA NO-COST PLAN DESIGN &
BENEFIT SUMMARY 154
ATTACHMENT G: AETNA DENTAL PLAN DESIGN &
BENEFIT SUMMARY 160

INDEX 164

SECTION 1 RECOGNITION

- A.** In accordance with the certification, Case No. 13- RC-1817, issued by the National Labor Relations Board, the Air Line Pilots Association (“ALPA” or “Association”) hereby recognizes the Union of ALPA Professional and Administrative Employees, Unit 1 (“Union” or “UALPAPAE” or “Unit 1”) the duly designated and authorized exclusive representative of Professional and Administrative Employees in the service of the Air Line Pilots Association, International, in the United States and Canada, but excluding bona fide supervisory, managerial and confidential employees, and further excluding classified office and craft employees, for the purposes of applicable laws.
- B.** It is anticipated that the professional and administrative work normally performed by employees under this Agreement for the Association members and/or elected Association officers shall be performed by Staff Employees under this Agreement. The Unit 1 grades and job titles, whose associated job descriptions define the work “normally performed” by Staff Employees, are contained in Attachment A. Whenever ALPA proposes to contract with an individual or firm other than a Staff Employee to perform work which could be considered of the type normally performed by Staff Employees, the Association shall provide the President of UALPAPAE as much advance notice as is reasonably practicable under the circumstances, including copies of draft Executive Council resolutions if available, in order to provide the Union an opportunity to comment on the request prior to approval, if possible. Upon request, the General Manager and Director of Human Resources will meet with the Union to discuss any issue related to this provision. In the event that it becomes necessary to utilize Supervisory Employees, Association members or other professional individuals to perform any permanent professional and/or administrative assignments, no Staff Employees shall be adversely affected or lose any benefits as a direct result thereof.

SECTION 2 DEFINITION OF EMPLOYEES

- A. This Agreement shall cover all staff Professional and Administrative Employees of ALPA except Supervisory Employees. Supervisory Employees shall not be covered by this Agreement during the period that they are in that status: provided, however, that if and when a Supervisory Employee ceases to occupy that position but continues to be employed as a Staff Professional or an Administrative Employee of ALPA, he/she shall automatically be covered by this Agreement, and his/her service as a Supervisory Employee shall be fully credited for the purpose of determining any benefits and rights under this Agreement which depend upon the length of service as an employee of ALPA.

- B. A Staff Employee is defined as an employee who performs work on behalf of ALPA in a position that is covered by this Agreement. No additional part-time Staff Employee positions shall be created and no full-time Staff Employees will be converted to part-time status without the express written consent of the Union President.

- C. A Supervisory Employee is defined as an exempt employee appointed to a bona fide supervisory position by ALPA who has the authority, in the interest of ALPA, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other Staff Employees of ALPA, or the responsibility to direct them, or to adjust their grievances, or effectively to recommend such action if in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment. It is understood that Supervisory Employees will regularly exercise the above responsibilities.

SECTION 3 PROBATION

- A. A Staff Employee shall be on probation the first twelve (12) months of employment with ALPA. In the case of Staff Employees hired on or after April 1, 2008, ALPA may elect to extend the probationary period by up to an additional six (6) months, by written notice to the affected Staff Employee and the Unit 1 President or designee, given prior to expiration of the initial twelve (12) month probationary period, stating the period of the extension and the specific reasons therefor.
- B. In the event an ALPA employee is promoted or otherwise transferred into a Staff Employee position from outside the bargaining unit, such employee will be on probation for the first six (6) months in that position. In the event such employee does not successfully complete the six (6) month probation, he/she shall be entitled to: (1) bid on and be considered for his/her former position, if available, or a substantially equivalent position, or; (2) at his/her option, receive severance pay in accordance with Section 11 of the Agreement. In the event the employee elects the first option, and is not awarded a position, he/she is entitled to severance pay in accordance with Section 11 of the Agreement. Further, such transferee shall automatically be covered by the Agreement, and his/her service as a Unit 2 employee or non-bargaining employee shall be fully credited for the purpose of determining all benefits and rights under this Agreement which are determined by length of service.
- C. During the probationary period, any such Staff Employee shall not have recourse to the provisions of Section 9 of this Agreement for purpose of adjusting disputes related to disciplinary or discharge action.

SECTION 4
SICK, BEREAVEMENT AND PARENTAL LEAVE

A. SICK LEAVE

1. Each Staff Employee shall accumulate sick leave credit at the rate of one and one-half (1-1/2) days for each month of service. When a Staff Employee works less than one-half of a month, no sick leave will be accumulated. For employment in excess of one-half of a month, one and one half (1-1/2) days' sick leave will be credited.
2. Deduction from accumulated sick leave shall be made for those full working days or portions thereof actually missed.
3. A Staff Employee may accumulate no more than one hundred (100) days of sick leave; provided that employees who, as of 12/31/78, have accrued more than one hundred (100) days of sick leave shall retain for their usage all days in excess of one hundred (100). Each Staff Employee's sick leave balance will appear on his/her bi-weekly payroll summary.
4. The accumulation of sick leave shall begin from the date of each Staff Employee's employment with ALPA.
5. A Staff Employee may use accrued sick leave for the illness of those individuals who are eligible as dependents as defined in the Employer's health plan. In the event of severe injury/illness of a Staff Employee's mother, father, mother-in-law or father-in-law, the Staff Employee may use up to five (5) days of accrued sick leave per year, provided that the use of sick leave is approved by the supervisor. The Staff Employee may use up to an additional five (5) days of sick leave under the same conditions, provided the Staff Employee's available vacation bank has been exhausted.
6. A Staff Employee who is approved for LTD may choose to exhaust his/her accrued sick leave balance prior to commencement of LTD payments.
7. In cases of medically certified and extended/serious illness and/or injury, a Staff Employee may receive salary and benefit continuation, at two-thirds his/her normal rate of pay, provided the Staff Employee has exhausted all paid leave, in order to bridge the gap, if any, until such time as:

- a. The conditions of the Long-Term Disability (“LTD”) qualifying period have been met and ALPA’s LTD insurance carrier has made a favorable determination with respect to LTD benefits.

In the event a favorable LTD determination occurs later than the 90 day qualifying period, and the Staff Employee qualifies for a retroactive LTD payment, this payment will be returned to ALPA to offset any salary continuation payments made to the Staff Employee during that period, or

- b. ALPA’s LTD insurance carrier has made an unfavorable determination with respect to LTD benefits, regardless of when the determination is issued.

Required documentation necessary to establish “medically certified” and “extended/serious” may vary depending on the nature of the illness and/or injury.

8. In cases of a medically certified and extended/serious medical condition, e.g., catastrophic injury, in which a return to work is anticipated but the period of recovery is projected to exceed thirty (30) calendar days, a Staff Employee may receive salary and benefit continuation from the bank described below, provided all paid leave has been exhausted, at two-thirds his/her normal rate of pay, up to a maximum of forty-five (45) working days.

- a. The bank will consist of: a) an annual contribution by ALPA of thirty (30) days, plus an additional contribution not to exceed fifty (50) working days, equal to the number of employees whose sick leave bank, as of January 1 of each year, is at the maximum; and b) voluntary contributions from employees, limited to two days of sick leave contributed per employee per calendar year, with the entire bank limited to one hundred thirty five (135) working days in each calendar year. Voluntary contributions shall be credited at 1.334 days for each day contributed, up to the bank maximum. Such contributions must be made through a written statement to the Human Resources Department, no later than December 31 of the previous year and in the month of May in the current year. Days withdrawn from the bank will be done on a pro-rata basis based on the source of contribution (ALPA vs. voluntary). Unused days do not expire, and contributions made by ALPA in successive years shall be in accordance with a) above. An employee receiving benefits over year-end shall have that portion of benefits paid in the second year debited from that year’s balance.

- b. A Staff Employee's entitlement to this benefit shall be determined jointly by the Director of Human Resources and the President of the Union. In the event of a disagreement, the General Manager shall make the final decision.
- c. Requests for this benefit must be made in writing to the Director of Human Resources and shall be considered on a first come, first served basis, as measured by the date of the commencement of the medical condition. Required documentation necessary to establish "medically certified" and "extended/serious" may vary depending upon the nature of the medical condition.

B. BEREAVEMENT LEAVE

A Staff Employee shall be granted a maximum of ten (10) days free from all duty with full pay and benefits in the event of a death of the Staff Employee's parent, spouse, or child. A Staff Employee shall be granted a maximum of five (5) days free from all duty with full pay and benefits in the event of a death of the Staff Employee's step-parent, sibling, step-sibling, step-child, grandparent, grandchild, or legal guardian. A maximum of three (3) days' leave with full pay and benefits will be granted after the death of the employee's father-in-law, mother-in-law, uncles, aunts, and siblings by affinity. Such days shall not be deducted from the Staff Employee's sick leave.

C. PARENTAL LEAVE

1. Absences caused or contributed to by pregnancy, miscarriage, abortion, childbirth and recovery therefrom shall be treated in the same manner as any other illness or disability. Leave granted for maternity reasons may include a combination of sick leave as specified herein, paid vacation as specified in Section 7 and leave without pay.
2. Sick leave may be used to cover time required for physical examinations and to cover any period of incapacitation, prior to and including delivery. Sick leave may also be used for up to eight (8) weeks following delivery in connection with maternity leave. Thereafter, sick leave may be used, provided that such absence is medically certified as due to incapacitation from the performance of job duties. Other than the eight (8) weeks provided above, sick leave may not be used for periods of absence related to pregnancy which cannot be medically certified as due to incapacitation from the performance of job duties.
3. Requests for parental leave must be made in writing to the Director of Human Resources, with a copy forwarded to the staff Em-

ployee's immediate supervisor as early as possible, but in no event later than one (1) month in advance of the anticipated date for commencement of leave. Such requests shall specifically include reference to the anticipated date for commencement of leave as well as the anticipated date of return and type(s) of leave requested.

4. Maternity leave will be granted for a period not in excess of three (3) consecutive months exclusive of any time used as vacation. Additional leave not to exceed three (3) consecutive months may be afforded to the Staff Employee at the discretion of ALPA. Any period(s) used for sick leave are subject to the same conditions as contained in Section 4.A.
5. During the period of excused leave, ALPA will provide the Staff Employee with the following:
 - a. Assurance of a return to his/her former position or, if unavailable, to a comparable position in the same pay grade.
 - b. Continuation of all health and welfare benefits in effect at the time the leave commenced.
 - c. Retention of sick leave and vacation banks and continuation of accruals as provided by this Agreement.
 - d. No payments by either ALPA or the Staff Employee will be made to the Deferred Savings Plan during any portion of the leave which is unpaid; however, there will be no break in continuous service for vesting purposes.
6. For the three-month period following the commencement of a maternity leave, ALPA shall bear the full costs of all health and welfare benefits, whether the Staff Employee is on leave or has returned on a part-time basis to her job.
7. Should any father be required to take time to care for his family for the birth of children or to make child care arrangements, such Staff Employee shall be afforded paternity leave for a period not in excess of three (3) consecutive months exclusive of time used as vacation, and on the same terms and conditions as contained in paragraphs 3 and 5 herein. Additional leave not to exceed three (3) consecutive months may be afforded to the Staff Employee at the discretion of ALPA. Sick leave may not be used by a father for pre-natal and post-natal care or for child care arrangements. However, a father may use up to ten (10) days of sick leave in connection with the pregnancy and birth of a child.

8. Where a Staff Employee legally adopts a child, the Staff Employee shall be entitled to a leave of absence under the terms of paragraph 3 and 5 herein. Adoption leave will be granted for a period not in excess of three (3) consecutive months exclusive of time used for vacation. Additional leave not to exceed three (3) consecutive months may be afforded to the Staff Employee at the discretion of ALPA. Sick leave may not be used for leave requested under this paragraph. A Staff Employee may use up to ten (10) paid Adoption Leave days within a one (1) month period of the legal adoption of a child.

D. LEAVE UNDER FAMILY MEDICAL LEAVE ACT (FMLA)

Except as provided herein, leave under FMLA will be granted in accordance with federal law to provide up to twelve (12) weeks of unpaid leave to “eligible” employees for certain family and medical reasons.

All employees who have worked for ALPA for a least one year and for 1,250 hours over the previous twelve months are eligible, regardless of the number of employees employed at their work location. The twelve month period shall be measured forward from the date an employee’s first FMLA leave begins. A Staff Employee shall not be required to use accrued vacation hours for FMLA leave. It is understood that disputes concerning implementation and interpretation of FMLA shall be resolved pursuant to the grievance and arbitration provisions of the Agreement.

During the period of leave, ALPA will provide the employee with the following:

1. Assurance of a return to work to his/her former position provided that particular position still exists in the same location.
2. Continuation of all health and welfare benefits in effect at the time the leave commenced.
3. Retention of sick leave bank and vacation banks and continuation of accruals as provided by this Agreement.
4. No payments by either ALPA or the Staff Employee will be made to the Deferred Savings Plan during any portion of the leave which is unpaid; however, there will be no break in continuous service for vesting purposes.

SECTION 5
LEAVE OF ABSENCE WITHOUT PAY

- A.** At the request of a Staff Employee and subject to the review and approval of a Staff Employee's immediate supervisor and Director, which approval shall not be unreasonably withheld, ALPA will allow a Staff Employee who has completed one (1) year of service with ALPA to take up to a maximum of thirty (30) consecutive work days of Leave of Absence Without Pay. Such leave is to be used for the expressed purpose of attending to an emergency or critical personal situation.
- B.** At the request of a Staff Employee and subject to the review and approval of a Staff Employee's immediate supervisor and Director, which approval shall not be unreasonably withheld, ALPA will allow a Staff Employee who has completed twenty (20) years of service with ALPA to take up to a maximum of thirty (30) consecutive work days of Leave of Absence Without Pay in order to attend to a personal situation.
- C.** Application for such Leave of Absence Without Pay shall be made in writing to the Staff Employee's supervisor and Director with a copy forwarded to the Director of Human Resources, specifying the nature of the leave. A written response approving or denying the application must be forwarded to the Staff Employee no later than five (5) days after the application is submitted.
- D.** The aforementioned Leave of Absence Without Pay is in addition to and does not include any earned or unearned sick leave, vacation leave, maternity leave, and/or disability leave.
- E.** A Staff Employee will not be granted leave under this policy for the purpose of engaging in gainful employment elsewhere.
- F.** Such leave cannot be granted for more than once during a twelve (12) month period.
- G.** During the period of such leave, the Staff Employee will receive benefits as provided in Section 4.C.5., and shall return to his/her former position.

SECTION 6 EXPENSES

A. While on ALPA business, a Staff Employee based in the U.S. shall be allowed expenses in accordance with the following:

1. MEALS

- a. Except as provided in Paragraph d. below, meal expenses in excess of authorized meal allowances are not reimbursable by ALPA. When the meal expense shown by the Staff Employee exceeds the amount which is reimbursable by ALPA, the reimbursement should be limited to the authorized amount. Gratuities associated with a meal are included in the meal allowances provided. In all cases, the CONUS/OCONUS or State Department allowances provided to the Staff Employee will be adjusted whenever the applicable rates are adjusted by the U.S. Government.
- b. While away from your Home Base of operations, which excludes the area encompassed by a 50-mile radius from your office, but limited to the continental U.S., or on occasions when a Staff Employee is required by ALPA to stay in a hotel at his/her Home Base, you are entitled to the allowable CONUS meal and incidental expenses (tips) rates as determined by the federal government for the locale where you are performing ALPA business.
- c. Allowable meal and incidental expenses (tips) in Alaska, Hawaii, Puerto Rico, U.S. territories and Canada shall be determined by using the highest CONUS rates for any locale established by the federal government.

Note: On the day that you are leaving from your Home Base or returning to your Home Base, you will be eligible for meal allowances as follows:

If you are not in your Home Base at 8:30 a.m., you are eligible for breakfast allowance. If you are not in your Home Base at 12 noon, you are eligible for lunch allowance. If you are not in your Home Base at 6:30 p.m., you are eligible for dinner allowance. For the purpose of determining eligibility when in a hotel at Home Base, the time of arrival at or departure from the hotel shall be determinative.

- d. Except as noted in Section 6.A.1.c., meal and incidental expense (tips) allowances for travel outside the continental U.S. shall be determined by the applicable OCONUS rates or State Department allowances for the locale where you are performing ALPA business.

Note: On the day that you are leaving from your Home Base or returning to your Home Base, you will be eligible for meal allowances as follows:

If you are not in your Home Base at 8:30 a.m., you are eligible for breakfast allowance. If you are not in your Home Base at 12:00 noon, you are eligible for lunch allowance. If you are not in your Home Base at 6:30 p.m., you are eligible for dinner allowance.

- e. If you attend a meal outside the office at your Home Base of operations with MEC officers or ALPA committee members at which Association business is being conducted, you will be entitled to reimbursement at the applicable CONUS rate for the applicable meal and location.

You are not expected to buy breakfast, lunch, dinner or drinks for pilots, business associates, or government officials and will not be reimbursed for such expenses without prior approval of your supervisor.

2. WEEKEND EXPENSES (HOME BASE)

Note: All expenses incurred on weekends for which you seek reimbursement should receive prior approval of your supervisor.

a. Meals

- 1) Breakfast Allowance. To qualify, you must work at least four (4) hours, beginning by 7:30 a.m. The breakfast allowance is \$10.00 US.
- 2) Lunch Allowance. To qualify, you must work at least four (4) hours beginning by 11:00 a.m. The lunch allowance is \$11.00 US.
- 3) Dinner Allowance. To qualify you must work at least four (4) hours commencing after 3:00 p.m. The dinner allowance is \$22.00 US.

- 4) To qualify for a meal allowance for two (2) separate meals in a day (e.g., lunch and dinner), in addition to the above, you must work a minimum of eight (8) hours.
- 5) To qualify for a meal allowance for three (3) separate meals in a day (i.e., breakfast, lunch and dinner), in addition to the above, you must work a minimum of twelve (12) hours.

Note: Time required to qualify for meal allowances excludes travel time.

b. Car Expense

Car mileage allowance shall be the official mileage allowance established by the Internal Revenue Service, and will be allowed to and from office for weekend work, if work to be done is authorized by your supervisor.

3. PER DIEM

- a. While on business in the US, Canada and Puerto Rico, you will be allowed \$35.00 US expenses for each twenty-four (24) hour day during which seven (7) or more consecutive hours are spent away from your Home Base of operations, except that a Staff Employee is entitled to per diem for a day in which the employee departs on a trip at or after 6:30 p.m. For the purpose of this section only, the international per diem rate will apply to a U.S. Staff Employee traveling to Canada, and to a Canadian Staff Employee traveling to the U.S.
- b. While on business in foreign countries, you will be allowed \$45.00 US expenses for each twenty-four (24) hour day during which seven (7) or more consecutive hours are spent away from your Home Base of operations, except that a Staff Employee is entitled to per diem for a day in which the employee departs on a trip at or after 6:30 p.m.
- c. Time away from your Home Base of operations will commence when you depart from plane, train or bus terminal, or if driving, when you depart on your trip to an area outside your Home Base. Such times must be shown on your expense report.
- d. Staff Employees will be eligible for Per Diem when required to stay overnight in a hotel in their Home Base of Operations.

4. TRANSPORTATION

a. Air Transportation

- 1) All airline tickets shall be purchased through the ALPA Travel Service, in accordance with the Airline Ticketing Rules. Purchase of upgrade coupons, airline club memberships and similar items will not be reimbursed by ALPA.
- 2) Travel will be conducted on ALPA carriers whenever possible.

b. Personal Car Expenses

- 1) Car travel outside of your Home Base of operations is reimbursable at the official mileage allowance established by the Internal Revenue Service, and cannot exceed air coach class fare. Your supervisor must approve car travel in lieu of air travel.
- 2) Car travel expenses within your Home Base of operations will be allowed only at the discretion of your supervisor when it results in a savings to ALPA. The allowance is the official mileage allowance established by the Internal Revenue Service.
- 3) ALPA will reimburse daily parking fee expenses when they are incurred in connection with ALPA business. Receipts must be submitted.

c. Renting of Car

As a general policy, rental cars are not authorized while on ALPA business. When it is necessary to rent an automobile, authorization should be obtained from your supervisor prior to departure from your Home Base. Such request may be approved subject to the following restrictions:

- 1) Alternative means of transportation (e.g., limousine, bus, taxi, etc.) will be used whenever available, practical and more economical.
- 2) You must be away from your Home Base of operations.

- 3) Compact or intermediate model automobiles must be used if available; however, standard size automobiles may be rented by parties of five (5) or more persons. Specially equipped automobiles should be arranged for only when conditions dictate.
- 4) You must pay for car rentals at the time you turn in the car.
- 5) When away from your Home Base, automobile rental expense will not be authorized for periods of time during which an employee is not actively engaged in ALPA business unless such period of time serves to reduce the overall cost of the trip to ALPA.
- 6) ALPA will reimburse fee-paid parking incurred while on ALPA business. Receipts must be submitted.

d. Taxi

Taxi expenses are generally not authorized. Alternative means of transportation should be employed when and where possible and if they result in a savings to ALPA.

- 1) Taxi expenses will not be reimbursed to and from meals when restaurant facilities are available at or near your hotel.
- 2) Taxi expenses will not be reimbursed when incurred for transportation between the airport and a motel or hotel in airport vicinity when such hotel or motel provides free transportation.
- 3) Reasonable tips will be reimbursed, when explained. Tips may not exceed 15%.
- 4) Receipts must be shown for all expenses greater than \$12.00 US. All receipts should show the fare charged excluding tips.
- 5) Taxi expenses will not be reimbursed when a legible receipt is not provided on the ALPA taxi receipt form or another receipt containing the same information.

- e. Other modes of transportation will require prior approval by your supervisor for reimbursement.

5. LODGING

- a. Reasonable hotel expenses will be assumed by ALPA.
- b. A list of acceptable hotels is maintained by the Event Planning area of the Strategic Member Development & Resources Department, and should be referred to when arranging accommodations. The list is not an exclusive list. You are urged to continue to use and/or seek out accommodations that will result in a savings to ALPA and so advise the Supervisor, Event Planning.
- c. Single occupancy of rooms for ALPA staff on ALPA business is authorized.
- d. All expenses should be paid when checking out and receipts submitted for reimbursement.
- e. In order to earn hotel points, a Staff Employee shall be permitted to pay for hotel rooms individually rather than on a direct bill under the following circumstances:
 - 1) The room reservation is made under and remains part of the ALPA block.
 - 2) The room rate does not increase.
 - 3) There is no negative impact on the room guarantee or attrition rate.
 - 4) The Staff Employee informs the event planner of removal from direct bill as soon as reasonably practicable.
 - 5) The Staff Employee ensures the hotel charges are charged to the correct department and project number on the resulting expense report.

6. BUSINESS EXPENSE

- a. Reasonable business expenses will be allowed with the prior approval of the Staff Employee's supervisor.
- b. Business related functions involving more than a small function for which reimbursement from ALPA is desired, will require (in addition to the prior authorization) coordination with the President's or General Manager's Department, in

order to ensure appropriate representation by ALPA and maximize the business objective.

7. LAUNDRY/VALET

Laundry and valet expenses are not authorized when you are away from your Home Base of operations for a period of five (5) calendar days or less. All receipts must be attached to the expense report.

Laundry and valet expenses when authorized must be reasonable.

8. TELEPHONE

International long distance calls home are limited to one (1) per day while traveling on ALPA business.

9. EXTRAORDINARY EXPENSE

When a Staff Employee is confronted with any other than normal expense problem, he/she will be allowed actual reasonable expenses if properly accounted.

B. CANADIAN EXPENSES

Except as mentioned herein, while on ALPA business Staff employees based in Canada shall be allowed expenses in accordance with Section A., above. Exchange rate policies set forth below will be applicable for meals and incidental expenses in the United States or for international travel.

1. Allowable meal and incidental expenses (tips) in Canada for Staff employees based in Canada shall be determined by using the highest CONUS rates for any locale established by the Federal Government.
2. In the event that the exchange rate shifts more than 5 percent from the established rate on the 20th of any month, the new rate shall be utilized for expenses beginning the first of the following month.
3. The conversion rate shall be the spot rate published in the Wall Street Journal for the close on the 20th of the month, or the Friday before the 20th should the 20th fall on a weekend or Monday holiday.
4. The exchange rate will be that in effect when expense is incurred, and for travel periods, the rate in effect on the first day of travel away from home base.

5. Car travel is to be measured in kilometers and will be reimbursed in Canadian funds per kilometer, and adjusted as it is adjusted by the United States Internal Revenue Service (Example: US\$.36/mile = CAN\$.36/km).
6. Amounts above these maximums will be disallowed. In all cases, the CONUS or State Department allowances provided to the Staff Employee will be adjusted whenever the applicable rates are adjusted by the U.S. Government.

C. AIRLINE TICKETING RULES

1. The following provisions govern the purchase of airline tickets for business travel by Staff Employees:
 - a. General
 - 1) All tickets shall be charged to the Association-sponsored credit card and issued by the ALPA Travel Service designated by the Association.
 - 2) Booking shall occur as far in advance as possible to secure the lowest cost non-refundable tickets. The Staff Employee is required to send a copy of the itinerary at time of ticketing to his/her supervisor.
 - 3) Tickets shall be purchased at the most economic fare reasonably applicable.
 - 4) Non-refundable tickets shall be utilized to the maximum degree feasible.
 - 5) International first class travel is not permitted. Requests for international business class and domestic first class will be considered only in exceptional circumstances, and must be approved in advance by the General Manager or his/her designee.
 - 6) ALPA shall reimburse fees for one bag on the outbound and return flight of each trip. Additional bag fees for extended trips in excess of 5 nights, or additional bags required for ALPA business shall be reimbursed if approved in advance.

- 7) Up to a limit of \$150 per round-trip, seat selection fees in the same class of service (e.g., "economy plus", bulkhead, exit row) will be reimbursed for a flight that is scheduled in excess of 3 hours each way or a series of flights in excess of 4 hours each way.
 - 8) Tickets for non-business travel, or for anyone other than yourself as an ALPA employee on ALPA business, may not be charged to the Association-sponsored credit card.
 - 9) Airline travel will be conducted via "E-Tickets." Paper tickets will be authorized only when absolutely necessary.
 - 10) For approved Association travel, no Staff Employee shall be:
 - i. Required to use: (1) an airline jumpseat, or; (2) an airline pass for which the employee is not guaranteed a seat on the flight for which he/she holds a reservation; or
 - ii. Required to extend a business trip (front end or back end) in order to reduce the cost of airfare.
- b. Ticketing Process
- 1) A Staff Employee shall identify the most economical reasonably applicable flight he/she wishes to take for business travel. The Staff Employee will consider lower-cost flight options, if they exist.
 - 2) A Staff Employee may be required to take a flight other than his/her preferred flight subject to the limitations contained in paragraphs c. through i., provided that the alternate flight permits a timely arrival at the meeting or event to which the Staff Employee is traveling.
- c. A Staff Employee may not be required to take an alternate flight that is scheduled to depart prior to 7:00 a.m. or to arrive at destination later than 10:00 p.m. domicile time.
- d. A Staff Employee may not be required to take an alternate flight returning to domicile on a Friday if the Staff Employee's preferred flight is scheduled to arrive at domicile at or after 4:00 p.m. domicile time.

- e. A Staff Employee may not be required to take an alternate flight which results in an earlier departure from, or later arrival at, domicile on a Saturday, Sunday or holiday.
- f. A Staff Employee may be required to take an alternate flight scheduled to depart within 2.5 hours of the scheduled departure time for his/her preferred flight if the fare for the alternate flight is at least \$400 lower.
- g. A Staff Employee may be required to take an alternate flight scheduled to arrive at destination not more than 2.5 hours later than the scheduled arrival time of his/her preferred flight if the fare for the alternate flight is at least \$400 lower.
- h. For a one day trip, any changes to the departure and arrival times pursuant to paragraphs f. and g. shall not exceed 2.5 hours total.
- i. A Staff Employee may not be required to take an alternate flight that comprises more legs than his/her preferred flight.
- j. ALPA Sponsored Events
 - 1) When provided at least 21 days' notice, a Staff Employee may be required to purchase an airline ticket at least 21 days prior to departure for travel to a department seminar, staff meeting, Board of Directors meeting or All Hands On Deck/Joint Staff Conference.
 - 2) The Association may continue to book travel to Board of Directors meetings for Staff Employees based in Washington/Herndon in accordance with previously established practice.
- k. A Staff Employee may change the departure time of a flight returning to domicile to an earlier departure time in accordance with the following:

RETURN FLIGHT DEPARTS	ADD'L COST LIMITATIONS
4 or more hours earlier	May exceed \$400, but within reason
3 to 4 hours earlier	Additional cost does not exceed \$400
2 to 3 hours earlier	Additional cost does not exceed \$300
1 to 2 hours earlier	Additional cost does not exceed \$200
Less than one hour	Non-refundable earlier ticket change fee or \$100, whichever is greater

1. Administration

- 1) The Association agrees that, upon request by the Union, the Director of Human Resources will provide reasonable information regarding compliance with and exceptions granted to the provisions of Section 6.C.1.a - k.
- 2) ALPA agrees to give the Union advance notice and an opportunity to discuss any proposed change in the Association-sponsored credit card prior to implementing such change.

D. EXPENSE AUTHORIZATION AND PAYMENT

Expenses shall be claimed and paid in accordance with the following provisions:

1. Expense Reports

In order to receive reimbursement of expenses, the following provisions must be followed:

- a. Reimbursement for expenses is accomplished by submitting a record of all expenses electronically, using ALPA's on-line expense reporting system, to the supervisor to whom the Staff Employee reports.
- b. Receipts are required for all expenses greater than \$75 unless they are one of the following, which will require receipts regardless of amount: all transportation expenses including airfare, train fare, seat selection fees, baggage fees and car rental; group meals; entertainment; hotel/lodging folios; and taxicab receipts greater than \$12.

Receipts for expenses under \$75 may be required upon request by the Staff Employee's supervisor.

- c. All expense reports should be filled out in the Staff Employee's home currency. All reimbursements will be made in the Staff Employee's home currency. If expenses were not incurred in the home currency, the amounts must be converted prior to entering the expense on the report.
- d. Expenses should be divided by project. When on a trip that involves two (2) or more projects, time allocation to each project should be indicated so that proper charges can be made.

- e. Expenses not submitted within sixty (60) days after they are incurred are forever deemed to be null and void and uncollectable. Unusual circumstances will be dealt with in accordance with ALPA policy.

2. Authorization and Approval

Expense account reimbursement may be authorized as follows:

- a. All employees' expense reports shall be routed to the supervisor to whom they report.
- b. No Staff Employee will leave his/her domicile or last location assignment on any project entailing an ALPA expense without specific approval from his/her division director, department manager or the office of the president.

3. Payment

- a. All expense and payroll checks will be paid via direct deposit for all Staff Employees.
- b. The US dollar/Canadian dollar exchange rate may be adjusted from time to time. The conversion rate shall be the spot rate published in the Wall Street Journal for the close on the 20th of the month, or the Friday before the 20th should the 20th fall on a weekend or Monday holiday. In the event the exchange rate shifts more than 5 percent from the established rate on the 20th of any month, the new rate shall be utilized for expenses beginning the first of the following month. The exchange rate shall be that in effect when an expense is incurred, and for travel periods, the rate in effect on the first day of travel away from home base.
- c. Should an increase or decrease in the meal expense policy, US dollar/Canadian dollar exchange rate formula, car mileage reimbursement, or taxi receipt limit for ALPA members be authorized during the life of this Agreement, the policy for Staff Employees will be amended to reflect such an increase or decrease.
- d. When necessary and requested, ALPA may provide a temporary cash travel advance to employees. These advances may be obtained with the approval of the Staff Employee's supervisor.

SECTION 7 VACATIONS

A. ACCRUAL

Each Staff Employee will receive annual vacation in accordance with the following:

1. ALPA grants vacation on an accrual basis only in the following manner:

Days Per Month

1st month thru 36th month	1.25
37th month thru 72nd month	1.50
73rd month thru 108th month	1.67
109th thru 144th month	1.83
145th month thru 180th month	2.00
181st month thru 300th month	2.33
301st month and thereafter	2.42

2. A Staff Employee will receive full accrual for any month in which he/she is on pay status for at least one (1) day. However, upon termination, a Staff Employee will receive full vacation accrual for the last calendar month of employment only if he/she worked, including paid leave, vacation and holidays, at least 50% of his/her normally scheduled work days in that calendar month.

B. USAGE

1. All vacation schedules must be submitted in writing and approved by ALPA. Requests for vacation submitted within ninety (90) calendar days of requested date of commencement shall be considered approved unless denied in writing within fifteen (15) working days. Any Staff Employee whose vacation has been canceled by his/her Department Director due to ALPA business shall be entitled to reschedule his/her vacation during the current year or the following year. Alternatively, the Staff Employee may elect to waive rescheduling of the vacation and, limited to the number of days actually cancelled, receive in lieu thereof: (a) pay at the current rate immediately following the waiver of rescheduling, but only to the extent his/her accrued vacation bank exceeds thirty (30) days, or (b) pay in January of the following year, at the rate then in effect, for any vacation in excess of thirty (30) days at year-end. Vacations canceled or rescheduled by ALPA which result in

a loss of a deposit by the Staff Employee will be reimbursed by ALPA upon presentation of proof of loss.

2. Staff Employees may be granted advanced vacation not to exceed what the Staff Employee will accrue in the remainder of the current calendar year. In all cases, requests for advance vacation shall be submitted in writing to the Director of Human Resources, with a copy to the Staff Employee's immediate supervisor.
3. Vacation pay shall be at the Staff Employee's current rate of pay. Vacation accruals will be listed on the Staff Employee's "Statement of Earnings and Deductions" at the end of each pay period.
4. Should a paid ALPA holiday fall during a Staff Employee's vacation period, an extra day's vacation with pay shall be granted for each such holiday.
5. Pay in lieu of vacation will be granted in the event of death, retirement or termination of Staff Employees who have completed twelve (12) months of employment. Upon retirement or death prior to retirement, the first two weeks of accrued, unused vacation shall be paid as an employer contribution to the Deferred Savings Plan (Section 13.M). The entirety of the pay in lieu of vacation, regardless of the form in which it is paid (i.e., whether in the form of an employer contribution to the Deferred Savings Plan or in cash) shall be considered Earnings for purposes of the Deferred Savings Plan and compensation for the purposes of Section 13.S.4.(b).
6. A Staff Employee is entitled to accumulate a vacation bank of 12 (twelve) days per year, but no more than a total bank of thirty (30) days. All unused vacation days in excess of twelve (12) per year or a total of thirty (30), may be canceled by ALPA; provided that, each year on or about September 30, ALPA shall send each Staff Employee a general notice that states the current contractual vacation bank limits in order to remind them to check their current vacation accrual level; and further provided that any Staff Employee whose vacation bank exceeds thirty (30) days shall be given a period of one (1) calendar year in which to reduce his/her vacation bank to fewer than thirty (30) days.

Example: A Staff Employee ends the year with a vacation balance of 40 days, which is 10 days in excess of the allowable carryover. During the following year, that employee must use at least 10 vacation days in order to avoid cancellation of the vacation days carried over from the previous year.

Notwithstanding the above, it is understood that in the event a vacation bank limitation is exceeded as a result of vacation cancellation by his/her Department Director, or if canceled due to work obligations with the concurrence of his/her Department Director, the Staff Employee shall be allowed to reschedule, or receive payment for, the canceled vacation pursuant to B.1 above.

7. A Staff Employee may split his/her vacation period.
8. A Staff Employee may use his/her accrual in one-hour increments.
9. Annual Vacation Buy Back
Effective January 1, 2016, a Staff Employee shall have the ability to elect up to 70 hours of annual vacation buy back if that Staff Employee has utilized at least 140 hours of vacation in the prior calendar year.
 - a. The election must be made on or before each successive January 15, based on the Staff Employee's vacation balance as of January 1.
 - b. The payment shall be limited to those hours in excess of 210 after an RHA VEBA employer contribution, if any.
 - c. The Staff Employee shall receive the payment in cash no later than February 28.

SECTION 8 DISCIPLINE AND DISCHARGE

A. IMPOSITION OF DISCIPLINE

1. ALPA shall not dismiss or otherwise discipline any non-probationary Staff Employee subject to this Agreement except for just cause. At the discretion of ALPA, any Staff Employee whom ALPA believes may have committed serious misconduct, e.g., committing or threatening to commit an act of violence in the workplace, intentional disruption of ALPA's systems or services, or theft of ALPA property of a substantial value, may be suspended without pay pending an investigation and final decision as to whether to discharge the Staff Employee or impose some lesser penalty. The Staff Employee shall be informed of ALPA's decision within a reasonable period of time. In the event of disciplinary action, the Staff Employee shall be given the reason(s) for his/her discharge or lesser penalty in writing and a copy of such notification shall be forwarded to the Union at the same time.

2. ALPA recognizes the right of any such Staff Employee to have a Union representative present whenever discipline is imposed or such employee is interviewed about conduct itself subject to disciplinary action. If the Staff Employee does not elect to have a Union representative present, ALPA shall apprise the Union Vice President orally of the nature of the formal disciplinary action taken within three (3) working days after the Staff Employee has been so advised.

B. USE OF WARNINGS AND PROGRESSIVE DISCIPLINE

Except for serious misconduct:

1. No Staff Employee shall be discharged unless, at a minimum, ALPA has complied with all of the following procedures:
 - a. Formal counseling and/or reprimand
 - b. Disciplinary suspension without pay.

2. Written documentation of any action taken under Paragraph 1, above, must be prepared by the Staff Employee's supervisor and shall describe with particularity the nature and extent of the Staff Employee's misconduct or work deficiency. In the case of formal counseling and/or reprimand, the written documentation shall state that it constitutes compliance with Section 8.B.1.a. The Staff

Employee involved and the Union Vice President must receive copies of all such documents no later than five (5) working days after the action was taken.

3. A Staff Employee shall not be disciplined on the basis of two (2) successive offenses, which do not independently warrant discharge, if the interval between such offenses exceeds eighteen (18) months. Upon the request of the Staff Employee, disciplinary entries shall be removed from all ALPA files pertaining to the Staff Employee at the end of the eighteen (18) month period following such notation.

SECTION 9 GRIEVANCE AND ARBITRATION PROCEDURE

A. GRIEVANCE PROCESSING

A Staff Employee, or group of employees, or the President of the Union on behalf of the Union, who have a grievance because of any action or lack of action by ALPA affecting them, either individually or collectively, shall utilize the following procedure:

Step One. The aggrieved Staff Employee shall present his/her grievance to his/her immediate supervisor within sixty (60) days (ten (10) working days in the case of a disciplinary or discharge grievance) of its occurrence with or without a Union representative present, at the option of the Staff Employee, provided, however, that a Union representative must be present whenever a grievance is adjusted. If no satisfactory settlement is reached within ten (10) working days of the presentation of the grievance, the complaint must be reduced to writing and copies, signed by the aggrieved Staff Employee, shall be forwarded to the immediate supervisor, Director of Human Resources or his/her designee and the Union Vice President.

Step Two. Within ten (10) working days of receipt of notification, the Director of Human Resources or his/her designee must meet with the Union and the grievant and either adjust or refuse the grievance. Within ten (10) working days following such meeting, the Director of Human Resources or his/her designee shall issue a written decision to the Staff Employee and the Union Vice President setting forth the action and the reasons therefore.

Step Three. If the grievance is not satisfactorily resolved, the written grievance shall be submitted to the President of the Association or his designee through the Union representative within ten (10) working days after receipt of the written decision from Step 2. Within fifteen (15) working days thereafter, the President shall issue his decision in writing, with a copy to the Staff Employee and the Union Vice President.

Step Four. If the President of the Association or his designee (but not ALPA's Step Two representative) does not resolve the grievance satisfactorily, the Union may then request that the grievance be heard by a neutral arbitrator. Such request for a hearing before a neutral arbitrator shall be made in writing by the Union to the President of the Association or his designee within ten (10) working days after receipt of the written decision from Step 3.

B. SELECTION AND POWERS OF THE ARBITRATOR

1. An impartial arbitrator shall be selected from a panel supplied by the Federal Mediation and Conciliation Services upon request of either party. In the event an arbitrator cannot be agreed upon, the agency will select and appoint one. The arbitrator's decision shall be rendered as expeditiously as possible. The arbitrator's fee and expenses shall be borne equally by both parties to the arbitration. Unless the parties expressly agree to the contrary, a stenographic transcript of the proceeding will not be made. Post-hearing briefs shall not be filed unless mutually agreed or requested by the arbitrator.
2. If the arbitrator finds a violation of the Agreement, he shall have the power to require compliance with the Agreement and to make any affected Staff Employee whole for any losses in compensation or other benefits incurred as a result of the violation. In the event of an award involving discharge or suspension, the arbitrator shall have the authority to direct reinstatement without loss of seniority or other benefits including back pay for all time lost. The decision of the arbitrator shall be final and binding upon the parties.

C. TIME LIMITS

Time limits contained herein may be extended by mutual agreement of the parties to this Agreement. In the event that the time limits are not met by ALPA, the grievance will automatically be awarded. In the event that the time limits are not met by the Union, the grievance will be considered withdrawn and not submitted to arbitration.

D. EXPEDITED ARBITRATION

As an alternative to the procedure set forth in Paragraph B.1. above, for the purpose of expediting arbitration, within ten (10) working days of the completion of Step 2. in Paragraph A. above, the parties may mutually agree to use expedited arbitration to resolve the dispute.

Within thirty (30) days of the execution of this Agreement, the parties shall agree upon a panel of three (3) arbitrators, whose names shall be listed in alphabetical order. During the term of this Agreement, the arbitrator for each case submitted to expedited arbitration shall be selected by the parties, within five (5) working days of the parties agreement to use expedited arbitration and if the parties do not agree upon an arbitrator, by alternately striking names from the panel until one name remains. If striking becomes necessary, on the first occasion the parties shall flip a coin to determine who strikes first, thereafter, the parties shall alternate striking the first name. The arbitrator's fee and expenses shall be borne equally by both parties.

The parties shall, when possible and mutually agreed upon, avoid the filing of post-hearing briefs and encourage prompt decisions by the arbitrator. A stenographic transcript of the proceeding will not be made unless one of the parties expressly requests such a transcript. The cost of the transcript will be borne equally by both parties. The decision of the arbitrator shall be final and binding upon the parties.

SECTION 10 MOVING ALLOWANCE

- A. A Staff Employee requested to move to another location shall be given a minimum of five and one-half (5-1/2) months' (165 calendar days) prior notice in writing of such move. During this minimum five and one-half (5-1/2) month (165 calendar days) period, the Staff Employee affected shall be given reasonable time free of duty to visit the new location along with actual reasonable expenses and transportation, to arrange housing accommodations and make other necessary arrangements. Reasonable transportation and travel expenses for his/her spouse shall also be allowed. The above-referenced time limit may be decreased with the written consent of the affected Staff Employee. In conjunction with the notice of relocation ALPA may contract the services of a Third Party Relocation Service to assist the employee in his/her relocation. ALPA will consult with the Union regarding any Third Party Relocation Service engaged by ALPA.
- B. A Staff Employee, when being transferred to another location at ALPA request, will be allowed actual moving expenses for household effects up to a maximum of 9,000 pounds gross weight for a single Staff Employee and up to a maximum of 14,000 pounds gross weight for a Staff Employee with one dependent, plus an additional 500 pounds gross weight for each additional dependent.

Moving of such household goods shall be accomplished in a first-class, mutually agreeable manner, the type depending upon expediency, safety and expense. Expenses for car moving shall be allowed at the maximum business rate then permitted as a deduction by the IRS Code for the most direct AAA mileage between the location from which and to which he/she is being transferred, plus en route expenses per Section 6., for the Staff Employee and each dependent figured on the basis of covering 350 miles per day. In addition, \$1,200.00 relocation expenses for the Staff Employee plus \$900.00 for the spouse and \$600.00 for each dependent, not to exceed \$3,500.00 in total, will be allowed the affected Staff Employee.

Note: With respect to Section 10.A. it is understood that the time necessary to acquire living quarters may be given during the period when the individual is in the location on other ALPA business and will not necessitate a special transportation allowance.

- C. Limited to a maximum of six (6) months, ALPA will protect the Staff Employee from lease-breaking of any house or apartment lease entered into prior to receipt of notice given under paragraph 10.A.

- D. Ninety (90) days fee-paid storage of household effects will be paid by ALPA at either end of the move on a one-time basis. This does not include extraction or additional charges and drayage charges connected herewith.
- E. ALPA will assume auto charges for inspection, tags, title transfer, driver's permit and other related charges upon relocation of Staff Employee upon presentation of receipt or other proof.
- F. ALPA will purchase or provide for the purchase through a Third Party Relocation Service of a Staff Employee's Principal Residence in accordance with the following procedure:
 - 1. Guaranteed Purchase Price (GPP) of the Property
 - a. In the event ALPA purchases the Staff Employee's principal residence, the Guaranteed Purchase Price of the property shall be the average of appraisals by two (2) certified licensed appraisers; one (1) selected by the Staff Employee, one (1) selected by ALPA.
 - b. In the event a Third Party Relocation Service is utilized to purchase the Staff Employee's principal residence, the Guaranteed Purchase Price of the property shall be the average of appraisals by two (2) certified licensed appraisers both to be selected by the Transferring Staff Employee and selected from a list of appraisers provided by the Third Party Relocation Service. The Transferring Staff Employee may submit to the Third Party Relocation Service for consideration the names of certified licensed appraisers for inclusion on such list. The names of the appraisers submitted by the Transferring Staff Employee shall be included on the list if they meet the criteria of certified licensed appraisers of the Third Party Relocation Service.
 - c. If the difference between the two appraisals in subparagraph a or b, above is more than either 8% or \$15,000 a third appraiser shall be jointly selected by the Staff Employee and ALPA. The average of the three (3) appraisals shall then establish the fair market value. The GPP shall be determined not later than 60 days from the notification to the employee of the move.
 - d. All appraisal fees will be paid by ALPA. The Transferring Staff Employee shall be provided with copies of the appraisals.

- e. The GPP is a back-up offer to purchase the employee's residence in the event that he/she is unable to sell the residence for a higher net return to the Transferring Staff Employee than the guaranteed offer during the period described in paragraph G below.
 - f. The only deductions made from the guaranteed purchase price offer amount will be for those items that constitute a lien, or any encumbrance against the property, or reimbursement to ALPA of funds advanced by ALPA. There are no deductions for closing costs, commissions, etc.
2. Acceptance or Rejection of the GPP
- a. A Transferring Staff Employee shall have fourteen (14) days following notice of the determination of the GPP in which to either accept or reject in writing the home purchase procedure provided in paragraph F and G of this Section 10. A Staff Employee who rejects the procedures in Paragraphs F and G shall be deemed to reject the remainder of the provisions of this Section relating to sale of the Staff Employee's principal residence and ALPA will be relieved of any further responsibility regarding the Staff Employee's principal residence. Such rejection shall not affect the Staff Employee's rights under Section 10. A. B. C. D. E. and H. 2. 3. 4. 6. In the event the Transferring Staff Employee rejects the home purchase procedure described above, and elects not to relocate, and ALPA does not offer the Staff Employee his/her position with ALPA at his/her current location, the provisions of Section 11 shall apply.
 - b. A Transferring Staff Employee who accepts the procedures of paragraph F and G shall from the date of actual relocation be protected from any losses associated with the sale of the property, including the cost of maintaining the property.
3. Gains Associated with the Sale of the Property

In the event the property is sold for less than the GPP, the Transferring Staff Employee shall be guaranteed a sum equal to the GPP. If the property is sold for the GPP, the Transferring Staff Employee shall be guaranteed a sum equal to the GPP. If the property is sold for more than the GPP, the Transferring Staff Employee shall be guaranteed the GPP plus the remainder of the excess over the GPP after ALPA has been reimbursed for all its costs, including but not limited to closing costs, commissions, maintenance,

taxes, and interest. In the event ALPA's costs exceed the excess, the Transferring Staff Employee shall still be guaranteed the GPP.

G. HOME MARKETING ASSISTANCE

1. The Transferring Staff Employee shall select an agent subject to ALPA's approval, which shall not be unreasonably withheld. In the event of disapproval, ALPA shall communicate the reason(s) to the Transferring Staff Employee. The selected agent will market the property and is allowed up to 105 days commencing after the acceptance of the GPP to market the property and attempt to secure an offer that will provide a higher net return. The GPP offer will remain as presented to the Transferring Staff Employee until the expiration date, regardless of any changes in the real estate market.
2. Any offer on the property received by the Transferring Staff Employee during the first 105 days must be presented to ALPA for review. ALPA may require the Staff Employee to accept any offer received during the 105-day period. In the event the sales price exceeds the GPP, the Transferring Staff Employee will receive the sales price less costs paid by ALPA as described in F.3., but in no event shall this be less than the GPP. In the event ALPA accepts an offer for less than the GPP within the first seventy-five (75) days of the Home Marketing Period, the Transferring Staff Employee will receive the GPP plus one percent (1%) of the sales price. Thereafter, if the sales price is less than or equal to the GPP, the Transferring Staff Employee will be guaranteed the GPP for the remainder of the 105-day period.
3. In the event the expiration date is realized and either: a) no offer has been received, or; b) ALPA has rejected any below GPP offer(s) received, the Transferring Staff Employee shall receive the GPP:
 - a) Before settlement and/or closing date, ALPA or the Third Party Relocation Service will have the right to inspect the property. Prior to disbursement of any funds, the Transferring Staff Employee would be responsible for any required repairs.
4. Advance of Equity

After accepting the GPP and at any time during the Home Marketing and payment acceptance period, the Transferring Staff Employee may request an advance of equity up to 90 percent of the equity in his/her home, and to the extent permitted by law, such request shall be granted.

H. COSTS PAID BY ALPA

1. In addition to the costs of maintaining the property after the Staff Employee has relocated, as provided in 10.F.2. above, ALPA shall pay, subject to ALPA's approval of all terms and conditions of the Sales Agreement, all costs associated with the sale of the property, including but not limited to brokerage fees, closing costs, required points, mortgage origination fees, etc.
2. ALPA shall also pay such approved costs associated with the purchase of property at the Staff Employee's new Home Base and any other reimbursement items provided for elsewhere in the Agreement.
3. [Reserved]
4. In claiming payment for such costs, the Staff Employee will provide the Director of Human Resources with receipts and/or closing documents itemizing such costs.
5. ALPA shall compensate a Transferred Staff Employee in an amount of up to but not exceeding \$4,500.00 for any taxes which are imposed as a result of the sale of the Transferred Staff Employee's home pursuant to Section 10.G., or as a result of payment of moving expenses pursuant to this Section 10; except that ALPA will not pay for any tax associated with the Transferred Staff Employee's failure to protect any gain associated with the sale of the home pursuant to the IRS Code.
6. Any expenses associated with the transfer of any Staff Employee which are not specifically covered above, covered by other sections of this Agreement, or covered by ALPA's expense policy, are not to be reimbursed by ALPA unless specifically approved by the Director of Human Resources.

SECTION 11 JOB SECURITY

- A. ALPA has the right to furlough Staff Employees in accordance with the provisions of this Section. Furlough shall be defined as action taken by ALPA, other than a termination for cause or during the probationary period specified in Section 3, which results in an involuntary loss of employment. Nothing in this Section will preclude ALPA from terminating an employee for cause or during the probationary period specified in Section 3.

- B. A Staff Employee who was hired on or after April 1, 2009, and who has less than four years of continuous ALPA service as of the date of Notice of Proposed Furlough shall be subject to the following procedure:
 - 1. If ALPA makes an initial determination to furlough Staff Employee(s), it shall provide written Notice of Proposed Furlough to the Staff Employee(s) identified for furlough (“affected employee(s)”). Within 24 hours of sending that notice, ALPA shall provide written notice to the Union President via email. The date of email delivery shall be considered the notice date for purposes of triggering the obligations set forth in Section 11.B.2., below.

 - 2. Within seven (7) days of the notice date described in Section 11.B.1., the Union may request to meet with ALPA regarding the proposed furlough. ALPA will meet with the Union within seven (7) days of the Union’s request. At such meeting, ALPA will provide the Union with the reasons for the furlough and how the affected employee(s) were selected. At the Union’s request, ALPA will negotiate with the Union over whether the nature and extent of the proposed staffing action is warranted by the circumstances and possible alternatives to avoid or mitigate furloughs; provided, however, that ALPA is not required to negotiate pursuant to this paragraph over matters related to furlough which are not mandatory subjects of bargaining under the NLRA. The proposed furlough shall not be effective until 45 days following the notice date. Absent mutual agreement otherwise, upon expiration of the 45-day period ALPA, in its sole discretion, may issue final notice of furlough in accordance with Section 11.G.

- C. A Staff Employee hired before April 1, 2009, or who has more than four years of continuous ALPA service as of the date of Notice of Proposed Furlough, may be subject to furlough only in the event that ALPA designates a Qualifying Event in accordance with the provisions below:

1. Qualifying Events are limited to the following:
 - a. Long Term Revenue Decline: ALPA dues revenue (excluding one-time revenue sources such as lump sum payments including profit-sharing, vacation cashout, retro payments, etc.) declines on a quarter over quarter basis by more than 2.5% and cannot reasonably be projected to recover within the next three months. Loss of representation rights at Air Tran would not be considered a Qualifying Event for purposes of determining ALPA dues revenue under this paragraph.
 - b. Changes in ALPA Representation:
 - 1) ALPA-ALPA merger which creates a single MEC representing at least 1,000 pilots;
 - 2) Loss of representation of an ALPA pilot group of at least 400 pilots;
 - 3) ALPA represented airline of at least 400 pilots ceases operations; or
 - 4) ALPA represented airline of at least 400 pilots transfers flying which results in the furlough of all pilots at a given airline.
 - c. A Qualifying Event is any event as defined in a. or b. above occurring on or after September 28, 2011.
2. ALPA will provide notice of a potential or, in the specific case of a Qualifying Event occurring before the first Quarterly Meeting under Section 17.J.2, actual Qualifying Event pursuant to Section 17.
3. If ALPA makes an initial determination to furlough Staff Employee(s) based on the occurrence of a Qualifying Event, it shall provide written Notice of Proposed Furlough to the Staff Employee(s) identified for furlough ("affected employee(s)"). Such notice will be given prior to any final decision by ALPA regarding the specific Staff Employee(s) to be furloughed. Within 24 hours of sending that notice, ALPA shall provide written notice to the Union President via email. The date of email delivery shall be considered the notice date for purposes of triggering the obligations set forth below.

- a. The notice will inform Unit 1 of the nature and date of the Qualifying Event relied on, the department(s) and geographic location(s) potentially affected, a statement of the rationale for the proposed furlough(s), documentation that supports the conclusion that a Qualifying Event has occurred and, in the case of a Long Term Revenue Decline, the dollar amount of savings being sought by ALPA.
- b. Within seven (7) days of the notice date described above, the Union may request to meet with ALPA regarding the proposed furlough. ALPA will meet with the Union within seven (7) days of the Union's request. At such meeting, the parties may discuss the existence or non-existence of a Qualifying Event and, at the Union's request, negotiate over whether the nature and extent of the proposed staffing action is warranted by the circumstances, possible alternatives to avoid or mitigate furloughs; and the identity of Staff Employees to be furloughed if furlough is determined to be appropriate; provided, however, that ALPA is not required to negotiate pursuant to this paragraph over matters related to furlough which are not mandatory subjects of bargaining under the NLRA. The proposed furlough shall not be effective until 45 days following the notice date. Absent mutual agreement otherwise, upon expiration of the 45-day period ALPA, in its sole discretion, may issue final notice of furlough in accordance with Section 11.G, subject to the expedited arbitration procedure in Section 11.C.3.c. below.
- c. If, at the expiration of the 45-day period described above (or such shorter or longer period as the parties may mutually agree), the parties have been unable to reach agreement, the exclusive mechanism for resolving any remaining dispute(s) shall be the arbitration process described below. Either party shall have the right, by written notice to the other, given within ten (10) business days after the expiration of such period, to invoke interest arbitration in accordance with the procedure set forth below. All statements made and documents produced by the parties during the 45-day period will be considered "off the record" and shall not be admissible in the ensuing interest arbitration, unless the party making the statement or producing the document expressly notifies the other party in writing that the statement or document is "on the record." All issues subject to interest arbitration must be included in a single arbitration under the following procedure:

- 1) Within 10 days of the receipt of the written notice invoking interest arbitration, ALPA and Unit 1 shall select the first neutral arbitrator from the list created pursuant to Section 9.D. who is available to preside within 30 days following the date of selection.
- 2) In the event that no arbitrator from the list above is available to preside within 30 days, the following procedure shall apply:
 - a. The parties shall request a list of 7 arbitrators from the American Arbitration Association, drawn from the AAA's Panel of Labor Arbitrators, but limited to arbitrators who are members of the National Academy of Arbitrators.
 - b. Following receipt of the list, the parties shall examine the list and determine whether an arbitrator is acceptable to both parties. If the parties do not agree upon an arbitrator, within 10 days of receipt of the list, the arbitrator shall be selected by alternately striking names from the list until one name remains. If striking becomes necessary, the parties shall flip a coin to determine who strikes first.
- 3) The arbitration shall begin within 30 days following the date of selection. Each party shall have no more than two days, to run consecutively, within which to complete its case, and the entire proceeding shall be completed within four consecutive days. A decision on all issues shall be issued within 30 days of the final hearing day.
- 4) The arbitrator's fees and expenses shall be borne equally by both parties, and each party shall bear its own expenses.
- 5) Unless the parties expressly agree to the contrary, a stenographic transcript of the proceeding will not be made.
- 6) Post-hearing briefs shall not be filed unless mutually agreed or requested by the arbitrator.
- 7) Hearings will be held in Herndon, Virginia or Washington, D.C. unless otherwise mutually agreed by the parties, or a different venue is necessary in order for the Arbitrator to meet the schedule requirements of this provision.

- 8) As part of the single proceeding, if the existence of a Qualifying Event is disputed, the arbitrator may first determine whether a Qualifying Event has occurred.
 - 9) If the arbitrator determines that a Qualifying Event has occurred (or the existence of a Qualifying Event is not disputed), the arbitrator will, as part of the single proceeding, determine which of the parties' positions responds most appropriately to the Qualifying Event. The arbitrator will choose the full position of one party. The arbitrator will not have the authority to decide on an item-by-item basis.
 - 10) The decision of the arbitrator shall be final and binding upon the parties.
- d. If ALPA forbears from invoking the above procedures and does not seek to furlough Staff Employees as soon as permitted in response to a Qualifying Event, it shall not be precluded from invoking the above procedures later pursuant to the same Qualifying Event or another contemporaneous Qualifying Event, provided that if there is a recovery from a Long Term Revenue Decline as defined in Section 11.C.1.a. before it is declared to be a Qualifying Event, such revenue decline can no longer be declared a Qualifying Event. ALPA will not invoke the above procedures on the basis of the creation of the single Pinnacle MEC unless it is combined with a subsequent and separate Qualifying Event.
- D. In the event a Staff Employee is furloughed (regardless of whether the Staff Employee declined the same or similar position at another location), the Staff Employee shall receive severance pay in the amount of one (1) month pay per year of service, with a pro rata portion for service less than an entire year, to a maximum of twelve (12) months. Any employee with one (1) or more years of service shall receive at least two (2) months' severance pay. Severance pay may, at the Employee's option, be received as a lump sum.
 - E. If the Staff Employee elects severance pay in installments, group medical coverage for himself/herself and eligible covered dependents, and employee life insurance, will continue until the earlier of the end of the installment period, or until the employee becomes eligible for health insurance coverage under another employer's plan, to a maximum of twelve (12) months.

- F. A Staff Employee with twenty (20) or more years of service who is furloughed, shall be entitled to additional severance pay beyond the twelve (12) month maximum in the event the he/she has been unable to secure comparable employment during the initial severance period and continues to actively seek re-employment. "Comparable employment" in this paragraph shall mean employment with earnings at a rate equal to or greater than the midpoint of the Staff Employee's grade at the time of the furlough. The additional severance, in the amount of one (1) month per two (2) years of service beyond 12 years, will be paid at 50%, up to a maximum of six (6) months. Such payments shall cease in the event the Staff Employee secures employment. A Staff Employee who qualifies for and elects to receive Retiree Health as provided in Section 13 of this Agreement shall be entitled to the additional severance so long as all other conditions of this provision are met.
- G. A Staff Employee who is furloughed shall receive a minimum of one (1) month notice, or ALPA may give one (1) month of pay in lieu of such notice. Such pay in lieu of notice shall be in addition to the severance pay guaranteed in Section 11.D. and F.
- H. Any Staff Employee who is terminated for a reason other than (i) furlough or (ii) cause (i.e., dishonesty, moral turpitude, or criminal acts bringing discredit upon ALPA) shall be guaranteed a minimum notice, or pay in lieu of notice, of:
- 1 to 3 years - 2 weeks
 - over 3 years - 1 month
- I. In case of furlough, ALPA shall provide reasonable job placement assistance which shall include assistance in preparing a resume, preparing for job interviews, and, during the notice period, allowing the employee to use, on a reasonable basis and at no cost, ALPA computer equipment and telephones to conduct his/her job search. In addition, a Staff Employee with 20 or more years of service shall be provided a one-month outplacement package with a local outplacement firm.
- J. In case of furlough, ALPA agrees to provide the following to an affected Staff Employee:
1. **Recall Rights**
A Staff Employee rated "outstanding" in 2 out of 3 of his or her most recent performance appraisals shall be entitled to recall rights in seniority order (date of hire) to any Unit 1 vacancy or newly-created Unit 1 position in the same or similar position, in the same department and salary grade, at the same location or at

the Herndon or DC offices, for the duration of the severance period or a period of 1 year from the effective date of the furlough, whichever is greater. Recalled employees are not entitled to benefits provided under Section 10.

Note: For a Staff Employee with less than 3 years of employment and two performance appraisals, in order to be eligible for recall rights, the Staff Employee must have at least one “outstanding” evaluation; for a Staff Employee with less than two years and one performance appraisal, the Staff Employee must have received a rating of “outstanding.”

2. Rehire Preference

All Staff Employees shall have the right to a preferential interview, in seniority order (date of hire), prior to posting a position for any Unit 1 vacancy or newly-created Unit 1 position for which the individual meets the minimum qualifications, for a period of 2 years from the effective date of furlough. Travel expenses will be reimbursed in accordance with ALPA policy.

3. Salary of Recalled/Rehired Staff Employee

The Staff Employee’s salary upon recall or rehire shall be determined as follows:

- a. If recalled or rehired to a position within the same salary grade as the position from which he was furloughed, the Staff Employee’s salary will be no less than the salary the Staff Employee had on the effective date of the furlough.
- b. If rehired to a position in a salary grade higher than the position she was furloughed in, the Staff Employee’s salary will be no less than the salary the Staff Employee had on the effective date of furlough.
- c. If rehired to a position in a salary grade lower than the position she was furloughed from, the Staff Employee’s new salary will be no less than the relative position of the previous salary in the previous salary range and applied to the new salary range.

Example: A Staff Employee holds a Grade X position and is receiving a salary which is 85% of the maximum for Grade X. She is furloughed from that Grade X position, but she is rehired to a Grade IX position. Her new salary must be no less than 85% of the Grade IX maximum.

- d. The requirements of Section 18.H. shall not apply to the Staff Employee rehired or recalled under Section 11.J.

4. Relocation Benefits

If the Staff Employee is rehired, as provided under Section 11.J.2., during the initial period of severance to which the affected Staff employee is entitled under Section 11.D., the Staff Employee shall be entitled to the benefits provided under Section 10. If rehired after the end of such initial period, Section 10 shall not apply.

5. Prior Service Credit

Upon recall or rehire, the Staff Employee shall be credited with prior service for all purposes.

6. Cessation of Severance Payments of Recall/Rehire

Severance payments shall cease when the recalled/rehired Staff Employee begins receiving salary for the position to which the Staff Employee has been recalled/rehired. In the event the Staff Employee chose to receive severance in a lump sum, the pro-rata portion of remaining severance shall be recouped from the new salary or repaid by the Staff Employee upon rehire/recall, unless otherwise agreed.

7. Loss of Recall/Preferential Hiring Rights

The Staff Employee shall lose a right to recall or preferential hiring if the Staff Employee declines an offer of employment for a position at the same salary or above.

8. Notification Rights

During the period of eligibility for rehire/recall, ALPA will advise a Staff Employee, electronically (or otherwise agreed), of the available position. It will be the responsibility of the employee to provide Human Resources with a valid email address, mailing address and telephone number. The Staff Employee will have seven (7) calendar days following the date of notification to express interest in the position. If the Staff Employee does not respond, the position will be posted and he/she will lose the right to recall/preferential interview for that position.

- K. The "Air Line Pilots Association, International Deferred Savings Plan Effective July 15, 1984 for Bargaining Professional Administrative Employees" will provide that, notwithstanding the vesting schedule in the Plan, in case of furlough each affected Staff Employee's rights to his or her account derived from employer contributions will be 100% vested regardless of the Staff Employee's years of service.

- L. For purposes of determining the eligibility of a furloughed Staff Employee for benefits under the Retiree Health Plan pursuant to Section 13.N., the affected Staff Employee shall be entitled to credit for additional age and service for any period of time during which he or she is entitled to severance benefits. Entitlement to additional age and service credit shall not be adversely affected by the affected Staff Employee's election to receive severance benefits in a lump sum.

SECTION 12 HOLIDAYS

The following holidays shall be granted with pay:

New Year's Day	January 1
Martin Luther King Day	The third Monday in January
Presidents' Day	The third Monday in February
Memorial Day	The last Monday in May
Independence Day	July 4
Labor Day	The first Monday in September
Columbus Day	The second Monday in October
Thanksgiving Day and the Friday following	The fourth Thursday in November and the fourth Friday in November
Christmas Day	December 25

If any of the above holidays fall on a Saturday or Sunday, the first work day prior to or following the holiday shall be observed.

Each Staff Employee shall be entitled to one (1) floating holiday to be used by December 31 of each year of this Agreement, with no carryover to the next year. Each Staff Employee is to provide not less than five (5) working days' written notice to his/her supervisor of his/her request to use a day as the floating holiday. Every effort will be made to approve the Staff Employee's request.

SECTION 13 HEALTH AND WELFARE

ALPA shall furnish to each Staff Employee the health and welfare benefits in this Section 13 which shall include Attachments B through G. It is understood that such health and welfare benefits, as applicable to Staff Employees and their beneficiaries, may not be amended without the prior written consent of the Union, or if specified, the appropriate Review Board referenced in Section 13.P., with the exception of amendments required by law and amendments to the benefit contract(s) over which ALPA has no control.

All employee benefits which are based on, or related to, an employee's earnings shall be provided on the basis of the employee's base salary prior to any employee contributions such as to the Deferred Savings Plan and/or the Flexible Benefits Account Plan.

The health and welfare benefits for those Staff Employees hired on or after January 1, 1981 will become effective as of the date of active employment. The effective cancellation date of the group insurance coverage will be the date on which the Staff Employee ceases to be in a class of employees eligible for insurance.

For those Staff Employees who were hired prior to January 1, 1981, group insurance will cease at the end of the calendar month in which the Staff Employee ceases to be in a class of employees eligible for insurance.

A. AETNA'S OPEN CHOICE MEDICAL PLAN PREFERRED PROVIDER ORGANIZATION (PPO) AND OTHER OPTIONS

1. Effective April 1, 2012, Aetna's Open Choice Medical Plan – Preferred Provider Organization (PPO) will provide medical benefits as described in the Aetna summary of benefits attached to this Agreement as Attachment B.
2. [Reserved]
3. Individual and family deductibles and coinsurance will apply to medical covered expenses during each calendar year of this Agreement based on the Staff Employee's base salary as of January 1 of such calendar year, in accordance with the following schedule:

PREFERRED BENEFITS In-Network			NON-PREFERRED BENEFITS Out-of-Network	
Employee's Base Salary	Deductible	Coinsurance Limit Individual/Family	Deductible Individual/Family	Coinsurance Limit Individual/Family
Less than \$50,000	\$225/\$550	\$650/\$1,350	\$450/\$800	\$850/\$1,500
\$50,000–100,000	\$275/\$650	\$900/\$1,700	\$550/\$900	\$1,100/\$1,900
More than \$100,000	\$400/\$700	\$1,050/\$2,100	\$700/\$1,300	\$1,400/\$2,600

Effective April 1, 2012, the copay for an in-network non-ER visit is \$20.00, and the copay for an ER visit is \$50.00. ER copay is waived upon admission. Copays will not apply to deductible or coinsurance limits.

When new provisions become effective, all incurred costs applicable to deductibles and co-insurance limits will be carried forward.

- a. Costs incurred by Staff Employees on an in-network basis due to the in-network deductible and the co-insurance limits shall also apply towards out-of-network deductible and co-insurance limits, and vice versa.
 - b. Expenses applied in the fourth quarter of the year to meet that year's deductible will also be applied toward the deductible requirement in the following year.
4. ALPA will make available to all Staff Employees who elect such coverage on a voluntary basis, individual and family coverage as applicable under the Aetna Open Access HMO (Aetna HMO), Aetna High Deductible Health Plan (HDHP), or Kaiser Permanente HMO (Kaiser), where available, as medical plan options, in accordance with the plan design and benefits summarized in Attachments C, D, and E respectively.
 5. "No cost" option
Prior to January 1, 2012, ALPA and Unit 1 will undertake a search for a medical plan option with either fully insured rates for 2012 or imputed premiums for 2012 that are at least 30% less than the ALPA Aetna PPO premiums for 2012. If the medical plan does not include dental and/or vision coverage, the cost of Aetna's vision and/or dental coverage shall be included in the rate/imputed premium. The threshold of at least 30% may be modified by mutual agreement.

- a. If ALPA and Unit 1 are unable to mutually agree on the selection of the option by January 1, 2012, ALPA will select and offer the plan to Staff Employees effective no later than March 1, 2012. The plan design and benefits are as summarized in Attachment H.
- b. Staff Employees who enroll in the “no cost” option will have the applicable pay reduction restored and receive a one-time bonus of \$500 for single coverage, \$750 for employee +1 coverage, or \$1,000 for family coverage.

B. PRESCRIPTION DRUG PROGRAM

The Aetna Pharmacy Management (APM) Prescription Drug Program is available to Staff Employees. As of April 1, 2012, the APM Plan design shall be as provided in Attachment B.

C. DENTAL BENEFITS

ALPA shall continue to provide a dental plan sponsored by Aetna, or its equivalent by another insurance plan. As of April 1, 2012, the dental plan design shall be as provided in Attachment G.

D. ORTHODONTIA BENEFITS

ALPA shall provide orthodontia coverage for Staff Employees and their dependents as provided in Attachment G.

E. VISION BENEFITS

Basic vision care insured by Aetna, with a 12-month benefit period, will provide the following allowances:

1)	Eye Examination	\$ 95
2)	Lenses - Single Vision (two lenses)	\$ 80
	Bifocal (two lenses)	\$ 90
	Trifocal (two lenses)	\$100
	Contacts (two lenses)	\$120
3)	Frames	\$ 95
4)	Contact and aphakic lenses option included; maximum \$400 benefit every four (4) years per family member.	

F. TRAVEL INSURANCE BENEFITS

- 1. \$100,000 24-Hour Accidental Death and Dismemberment Insurance Policy equal to or better than present coverage; provided, however, that the amount of coverage a Staff Employee is eligible for under the current policy is subject to the Age Discrimination in Employment Act schedule as follows:

Age at Date of Loss	Percent of Principal Sum
Age 69 or younger	100.0%
70-74	82.5%
75-79	57.5%
80-84	37.5%
85 and older	20.0%

2. Aforementioned AD&D Policy contains a provision for payment in the event of permanent and total disability as follows:

If as the result of such injury:

- a. The Insured Person shall be wholly and continuously prevented from performing any and every duty pertaining to his occupation for a period of 52 consecutive weeks, and such period commences within 30 days after the date of accident causing such injury; and
- b. The Insured Person shall, at the expiration of such 52-week period, be permanently disabled, as defined herein.

The term “permanently disabled” as used herein shall mean that the Insured Person is wholly and permanently prevented, for the remainder of his life, from engaging in any and every occupation or employment for compensation or profit for which he is reasonably qualified by education, training or experience. If as the result of such injury, insurance is afforded such person both under this Benefit and under Accidental Death and Dismemberment Benefit, the total limit of ALPA’s liability to such person with respect to both such Benefits shall be ALPA’s liability under the one such Benefit which affords the larger payment for such injury.

3. Supplemental AD&D Benefit

As a supplemental AD&D benefit, each Staff Employee is eligible to participate in the ALPA Group AD&D Member Plan. Such participation will be at the Staff Employee’s own expense; provided, however, that ALPA will reimburse a Staff Employee, for up to \$100,000 of coverage, if the Staff Employee receives approval from the appropriate person prior to obtaining coverage under the Plan. The appropriate person to give approval is as follows: the Director of Engineering and Air Safety/Accident Investigation, in the case of Staff Employees assigned to that Department, and the General Manager, in the case of all other Staff Employees.

G. LIFE INSURANCE BENEFITS

1. \$50,000 group life plus supplemental group life insurance equal to two (2) times the Staff Employee's annualized earnings. In no event, however, will the total group life insurance exceed \$225,000, such amount to be reduced to reflect the increased cost of coverage to \$146,250 when the Staff Employee attains age 70 and further reduced to \$101,250 at age 75.
2. A Staff Employee may participate in the Member Group Life insurance program as is available to ALPA members, on a contributory basis. Staff Employees participating as of December 31, 1999, in the excess life insurance plan in effect will be provided by ALPA with all necessary forms and requirements in order to apply for coverage under the Member Group Life insurance program. In the event that a Staff Employee is denied coverage under the Member Group Life Insurance program, ALPA agrees to maintain the excess life insurance program in effect as of December 31, 1999 for that individual.

H. ACCELERATED DEATH BENEFIT

A living benefit option is available for the benefit of a terminally ill Staff Employee, in accordance with insurance contract provisions. Such benefit cannot exceed the lesser of \$67,500 or 50% of life insurance in force.

I. DEPENDENT LIFE INSURANCE

ALPA shall provide a Staff Employee with life insurance equal to \$30,000 for the spouse of a Staff Employee and \$15,000, for each dependent child of a Staff Employee.

J. LONG-TERM CARE INSURANCE PROGRAM

A Staff Employee may participate in the Member Long-Term Care Insurance Program as is available to ALPA members on a contributory basis.

K. LONG-TERM DISABILITY BENEFITS

1. Effective May 1, 2004, long-term disability ("LTD") benefits equal to 66-2/3% of monthly pay, subject to a maximum schedule amount of \$10,000 per month, for those Staff Employees who are actively at work on or after May 1, 2004, and who are not receiving or eligible to receive LTD benefits prior to May 1, 2004. Effective April 1, 2015, for those Staff Employees who are actively at work on or after April 1, 2015, and who are not receiving or eli-

gible to receive LTD benefits prior to May 1, 2015, the maximum schedule amount shall be \$12,000 per month.

Staff Employees who were receiving LTD benefits prior to May 1, 2004, shall continue receiving LTD benefits they were provided prior to May 1, 2004.

2. Benefits will not be payable beyond the periods of time specified below:

Commencement of Total Disability	Duration of Benefits
Less than 60	To age 65
Age 60 or older	60 consecutive months of disability following the end of qualifying period

3. A Staff Employee unable to perform the duties of his/her job due to a long-term illness in excess of twenty (20) work days in any three (3) month period shall submit a prognosis prepared by his/her attending physician(s) as requested by the Employer. In the event that such prognosis indicates a likelihood that the Staff Employee may qualify for long-term disability such Staff Employee shall submit proof satisfactory of incapacitation from his/her attending physician(s) as requested either by the Employer or the insurance company in the form of a doctor's certificate and/or attending physician's statement for determination of eligibility for benefits under the Long-Term Disability Plan.
4. A Staff Employee receiving LTD benefits shall receive continued coverage, at ALPA's expense, for the medical, dental, prescription drug and vision benefits, accidental death and dismemberment benefits, group life insurance benefits, the contribution to the RHA VEBA provided in Section 13.S., and the Deferred Savings Plan as such benefits and Plan exist at the time of commencement of payments under the LTD plan. The level of contributions under the RHA VEBA and Deferred Savings Plan, at ALPA's expense, will be based on the Staff Employee's salary at the time of the commencement of payments under the LTD Plan. Contributions shall continue on this basis until the Staff Employee ceases to receive LTD benefits.
5. A Staff Employee receiving LTD benefits is entitled to continue his coverage, at his expense, under the Member Group Life insurance benefits described in Section 13.G.2. above.

L. EXCESS LIABILITY INSURANCE

ALPA will provide excess liability insurance for Staff Employees while on ALPA business in accordance with the following:

Status of Automobile	Source of Coverage For Staff Employee	Source of Coverage for ALPA
A. Owned by ALPA	1. ALPA automobile policy on car 2. ALPA Umbrella	1. ALPA automobile policy on car 2. ALPA Umbrella
B. Owned by Staff Employee	1. Personal Automobile Policy 2. Personal Umbrella policy	1. ALPA Non-Ownership & Hired Car Policy 2. ALPA Umbrella Policy
C. Hired by Staff Employee in his/her name or Name of Firm	1. ALPA Non-Ownership & Hired Car Policy 2. ALPA Umbrella Policy	1. ALPA Non-Ownership & Hired Car Policy 2. ALPA Umbrella Policy

M. DEFERRED SAVINGS PLAN

- Staff Employees shall be eligible to participate in the "Air Line Pilots Association, International Deferred Savings Plan Effective July 15, 1984, For Bargaining Professional Administrative Employees" as said Plan may be amended from time to time in accordance with the terms thereof. Such Plan is, in full, a part of this Agreement and subject to the terms hereof. The Plan contains the following vesting schedule:

Period of Service	Vested Percentage
Less than 3 years	20%
3 but less than 4 years	40%
4 but less than 5 years	60%
5 but less than 6 years	80%
6 or more years	100%

- Effective April 1, 2013, ALPA shall make matching contributions on a 2 for 1 basis, to a maximum matching contribution of 10%. Effective January 1, 2017, ALPA's maximum matching contribution shall be increased to 11% for Staff Employees contributing at least 5% of Earnings.
- The Deferred Savings Plan shall be amended to conform to the provisions of Sections 13.K.4 and 13.M.2 above.

N. RETIREE HEALTH

Retiree benefits shall be provided subject to modification through the collective bargaining process at the end of this term, as follows:

1. Staff Employees who retired prior to January 1, 1988, and their spouses and dependents, shall be covered, effective July 1, 2004, under the medical, dental, prescription drug and vision plan in effect for active employees, as provided in this Agreement, except as modified by Paragraph 7 below. Such benefits shall not be funded.
2. Staff Employees who retired on or after January 1, 1988 but prior to April 1, 2004, and their spouses and dependents, shall be eligible to receive the medical, dental, prescription drug and vision benefits as provided in the "Retiree Health Plan for Employees of the Air Line Pilots Association, International, effective January 1, 1988", as amended (the "RHP"). Such benefits shall be the same as for active employees, as provided in this Agreement, except as modified by Paragraph 7, below. Benefits provided under the Plan, if not adequately funded in the trust established under such Plan, shall nevertheless, be provided by ALPA. Effective July 1, 2004, benefits for such retirees who have not by that date reached age 65 shall be calculated when they reach that age as if they had selected Medicare Part B.
3. Staff Employees who retire on or after April 1, 2004, but prior to May 1, 2009, and who meet the eligibility requirements of the RHP, and their spouses and dependents, shall be eligible to receive the medical, dental, prescription drug and vision benefits as provided in the RHP, as provided for active employees covered under this Agreement, except as modified in Paragraph 7, below, and shall be participants in the RHP. Benefits provided under the Plan, if not adequately funded in the trust established under such Plan, shall, nevertheless, be provided by ALPA. Benefits for such retirees if they have reached age 65 at the time of retirement or when they reach age 65 following retirement shall be calculated as if they had selected Medicare Part B.
4. Staff Employees who retire on or after May 1, 2009, and who meet the eligibility requirements of the Retiree Health Plan, and their spouses and dependents, shall be participants in the RHP and eligible to receive the medical, dental, prescription drug and vision benefits as provided in the RHP, as provided for active employees covered under this Agreement. Benefits provided under the Plan, if not adequately funded in the trust established under such Plan, shall, nevertheless, be provided by ALPA. Benefits for such retir-

ees if they have reached age 65 at the time of retirement, or when they reach age 65 following retirement, shall be calculated as if they had selected Medicare Part B.

5. [Reserved]
6. Retirees in the PPO who are unable to travel and network physicians are not available where they reside shall be provided benefits as if they were on an “in network” basis.
7. Deductibles, coinsurance requirements, and copays for Staff Employees retiring on or after May 1, 2009 are the same as those applicable to active Staff Employees under this Agreement. Deductibles, coinsurance requirements, and copays for Staff Employees retiring before May 1, 2009 are as follows:

DATE OF STAFF EMPLOYEE'S RETIREMENT	MEDICARE PART B	DEDUCTIBLES AND COINSURANCE LIMITS			
		IN NETWORK DEDUCTIBLE INDIV/FAMILY	IN NETWORK COINS LIMIT INDIV/FAMILY	OUT OF NETWORK DEDUCTIBLE INDIV/FAMILY	OUT OF NETWORK COINS LIMIT INDIV/FAMILY
1 - Retired Prior to 1/1/1988	Not Required (No benefit offset) YES ^(b)	\$150/300 HMO	\$500/1000 HMO	\$300/550 HMO	\$700/1200 HMO
2a - Retired on or after 1/1/1988 but prior to April 1, 2004, and over age 65 as of 4/1/04	Not Enrolled (No benefit offset) YES ^(b)	\$150/300 HMO	\$500/1000 HMO	\$300/550 HMO	\$700/1200 HMO
2b - Retired on or after 1/1/1988 but prior to April 1, 2004, and over age 65 as of 4/1/04	Enrolled in Part B YES ^(b)	\$150/300 HMO	\$500/1000 HMO	\$300/550 HMO	\$700/1200 HMO
2c - Retired on or after 1/1/1988 but prior to April 1, 2004, and under age 65 as of 4/1/04	Required upon becoming eligible. ^(a) YES ^(b)	\$150/300 HMO	\$500/1000 HMO	\$300/550 HMO	\$700/1200 HMO
3 - Retire on or after April 1, 2004 but prior to May 1, 2009	Required upon retirement, or upon becoming Medicare Eligible, whichever comes later. ^(a) YES ^(b)	\$225/550 HMO	\$650/1350 HMO	\$450/800 HMO	\$850/1500 HMO

- (a) If covered individual does not enroll in Medicare Part B, they will have Part B eligible claims processed/reimbursed as if enrolled in Medicare Part B.
- (b) Medicare Part B enrollment, when eligible, is required in order to participate in the HMO coverage.

	Retirees prior to April 1, 2004	Retirees on or after April 1, 2004, but prior to May 1, 2009
Office Visit Copays	\$15 per visit	Same as active employees
Dental	Same as active employees	Same as active employees
Vision	Same as active employees	Same as active employees
Prescription Drug	Same as active employees	Same as active employees
HMO Plan	Same as active employees	Same as active employees

8. Orthodontia benefits cease upon retirement.
9. ALPA agrees to indemnify UALPAPAE Unit 1 and hold it harmless from any and all liability, losses, fines, penalties, excise taxes and costs, including expenses and reasonable attorneys' fees, which UALPAPAE Unit 1 sustains arising out of or in connection with the changes to the health and welfare benefits, including all costs associated with such benefits, of retired ALPA employees provided by this Agreement or as a result of the processes established in the Letter of Understanding dated April 1, 2004 and appended to the 2004 Agreement. UALPAPAE Unit 1 will provide ALPA with prompt notice of any claims to which this indemnity applies, will not settle a matter covered by this indemnity without ALPA's prior approval, which shall not be unreasonably withheld, and will provide assistance as reasonably required or requested by ALPA in any matter for which indemnity is provided.

O. FLEXIBLE BENEFITS ACCOUNT PLAN

ALPA will extend to the Staff Employees the Flexible Spending Account Plan. No amendment shall be made to the terms of said Flexible Spending Account Plan as applicable to any Staff Employee without the prior written consent of the Union.

The Flexible Spending Account Plan will permit an employee to change his/her deferral election if one of the following qualifying events occurs, as long as the change is the result of one of these events, and is consistent with the status change:

Health Care Flexible Spending Account

- Legal Marital Status – marriage, death of spouse, divorce, legal separation
- Number of Dependents – birth, adoption, death of dependent
- Employment Status – termination or commencement of employment, or commencement or return from unpaid leave of absence, by employee, spouse or dependent
- Work Schedule – reduction or increase in hours, switch between part-time to full-time

- Dependent Satisfies or Ceases to Satisfy Requirements for Unmarried Dependents – student status, dependent no longer qualifies because of age
- Residence or Worksite – change in place of residence or worksite of employee, spouse or dependent

Dependent Care Flexible Spending Account

- Marriage or divorce
- Death of a spouse or dependent
- Birth or adoption of child
- Termination or commencement of spouse’s employment
- The employee’s or spouse’s change from part-time to full-time, or full-time to part-time employment status, or taking of an unpaid leave of absence
- Change in the cost of dependent care, as long as the dependent care is not a relative
- Starting or stopping of day care for your dependents(s)
- Change of day care providers

P. REVIEW BOARD FOR DEFERRED SAVINGS PLAN

PART 1 REVIEW BOARD

- 1.1. There shall be established a Review Board (hereinafter referred to as the “Board”) for the purpose of hearing and determining all disputes which may arise out of the application, interpretation, or administration of the Deferred Savings Plan or with respect to the Trustee or Trustees or Insuring Companies or Funding Agent utilized in connection therewith, or concerning participation in or benefits under the Plan, or changing or adding investment accounts, or, if necessary, recharacterizing pre-tax contributions.
- 1.2. The Board shall consist of four (4) members, two (2) of whom shall be selected by ALPA and two (2) of whom shall be selected by the Union. ALPA shall establish its own rules for the selection of the members of the Board to be selected by it and the Union shall likewise establish its own rules for the selection of the members of the Board to be selected by it. ALPA shall also select one (1) alternate member who may act for either of the two (2) members of the Board appointed by ALPA in the event of absence or inability to act of one (1) of such members, and the Union shall likewise select one (1) alternate member who may act for either of the two (2) members of the Board appointed by the Union in the event of the absence or inability to act of one (1) of such members. Either ALPA or the Union at any time may remove a member ap-

pointed by it and may select a member to fill any vacancy among the members selected by it. Both ALPA and the Union shall, in writing, notify each other respectively concerning such selections, which shall continue until further written notice.

- 1.3. Three (3) members of the Board shall constitute a quorum for the transaction of business. At all Board meetings, ALPA members present shall be entitled to one (1) vote each and Union members present shall be entitled to one (1) vote each. If at any meeting two (2) ALPA members are not present, the ALPA member present may cast two (2) votes, and if two (2) Union members are not present, the Union member present may cast two (2) votes.
- 1.4. The Board shall have the authority to appoint subcommittees from among the members of the Board to handle any problem within the jurisdiction of the Board. Such subcommittee shall report to the Board.
- 1.5. The compensation, travel, and other reasonable living expenses, if any, of members of the Board selected by ALPA which are incidental to the holding of such meetings and performing functions of the Board, shall be paid by ALPA. The compensation, travel, and other reasonable living expenses, if any of members of the Board selected by the Union which are incidental to the holding of such meetings and performing functions of the Board, shall be paid by the Union.
- 1.6. All decisions and actions taken by the Board shall be by the affirmative vote or agreement of not less than three (3) members. Such affirmative vote or agreement shall be in writing. All decisions and actions of the Board shall be final and binding upon the Association, the Union, and any other person having an interest in, under, or derived from the Plan. No decision or action of the Board in one case shall create a basis for a retroactive adjustment in any prior case.
- 1.7. If the Review Board shall fail to agree on any matter or dispute coming before it, it shall within ten (10) days from the date of such failure to agree, designate an Impartial Referee. If the Review Board does not agree upon the selection of an Impartial Referee within such ten (10) day period, then either ALPA or the Union may apply to the American Arbitration Association for the designation by such Association of an Impartial Referee. The matter or dispute shall be submitted to such Board sitting with the Impartial Referee who shall act as Chairman during the proceedings pertaining to such matter. Such Impartial Referee shall have one

(1) vote. Three (3) affirmative votes shall be required to render a decision or determination on matters coming before the Board sitting together with the Impartial Referee.

- 1.8. The compensation and expenses of the Impartial Referee and expenses incident to the conduct of proceedings coming before the Board shall be shared equally between ALPA and the Union.
- 1.9. Meetings of the Board may be called by mutual agreement of the members at any time without notice or by any two (2) members of the Board upon thirty (30) days' notice to the other Members of the Board. Such meetings shall be conducted at ALPA's home offices unless otherwise agreed to by the members of the Board.

PART 2 POWERS OF THE BOARD

- 2.1. The Board shall determine all disputes which may arise out of the application, interpretation, or administration of the Deferred Savings Plan or with respect to the Trustee or Trustees or Insuring Companies or Funding Agent utilized in connection therewith, or concerning participation in or benefits under the Plan, or changing or adding investment accounts, or, if necessary, recharacterizing pre-tax contributions. The Board shall have full power to affirm, reverse, or otherwise modify any decision or administrative action or proposed action which gave rise to any dispute.
- 2.2. The Board shall have no power to add to or subtract from or modify any of the terms of the Plan.
- 2.3. The Board shall have the power to establish rules of procedure for the conduct of its business and of hearings before it, which rules shall not be inconsistent with the provisions of this Agreement.

PART 3 REVIEW FUNCTIONS

The Board shall have the following rights and review functions:

- 3.1. To examine, during normal business hours, all books, records, reports, regulations, and procedures relative to the Plan, including Trustee, Funding Agent and Insuring Company instruments, amendments, Actuarial, Trustees' and Insurance Companies' Reports for the Plan, Trust Fund accountings, and related data.

- 3.2. ALPA, the Trustee, Funding Agent, the Actuary and the Insuring Company, as the case may be, shall furnish to the Union members of the Board all records and material set forth in Section 3.1. above within thirty (30) days from the date on which such material may have been prepared or compiled; and in any case, Actuarial, Funding Agent, Trustees' and Insuring Companies' Reports for the Plan shall be furnished to the Union members of the Review Board not less frequently than once each year. The Union members of the Board may request and shall be entitled to receive additional material and data relating to the foregoing.

PART 4 LIABILITY

- 4.1. The Board and any members thereof shall be entitled to rely upon the correctness of any information furnished by ALPA and the Union. Neither the Board nor any of its members, nor the Union, nor any officers or other representatives of the Union, nor ALPA, nor any officers or other representatives of ALPA, shall be liable because of any act or failure to act on the part of the Board, or any of its members, except that nothing herein shall be deemed to relieve any such individual from liability for his own fraud or bad faith.
- 4.2. ALPA agrees to provide fiduciary liability insurance, up to \$1 million, for Union members of the Review Board, to the extent it has purchased fiduciary liability insurance for the ALPA-sponsored plans. Insurance coverage for Union members of the Review Board shall be provided for an annual fee of the lesser of (a) \$2,500 or (b) one-third of the lowest quote obtained by the Union for an equivalent fiduciary liability insurance policy from an insurance company rated "A" or better by A.M. Best, but in no event less than \$500, payable by the Union to ALPA no later than the first day of the policy period for each year the coverage is desired. If coverage is desired for a partial year, the annual fee shall be prorated. The terms of coverage for the Union members of the Review Board shall be subject to the terms and conditions of the fiduciary liability policy. Nothing herein shall obligate ALPA to continue its fiduciary liability insurance policy for ALPA-sponsored plans.

Q. PAY REDUCTION IN LIEU OF PREMIUMS

1. Effective on and after May 7, 2009, Staff Employees enrolled in the PPO will be subject to a 1.6% pay reduction in their base salary in lieu of premiums. If the Staff Employee is enrolled in the Aetna

HMO or HDHP or Kaiser, and changes coverage to the PPO prior to or on January 1, 2012, the 1.6% pay reduction shall be effective on the date of change of coverage.

2. Effective on and after January 1, 2012, Staff Employees enrolled in the Aetna HMO or HDHP will be subject to a 1.6% pay reduction in their base salary in lieu of premiums. This pay reduction is not applicable to any Staff Employee who is subject to the pay reduction in Section 13.Q.1. above.
3. Effective on and after January 1, 2012, in addition to the pay reduction pursuant to Section 13.Q.1. and Q.2. above, Staff Employees enrolled in the PPO, Aetna HMO or HDHP will be subject to a pay reduction in their base salary in lieu of premiums as follows:

Base salary as of 1/1/12	Employee only	Employee +1	Family
Less than \$50,000	0.25%	0.50%	0.63%
\$50,000–\$99,999	0.31%	0.63%	0.78%
\$100,000–\$149,999	0.38%	0.75%	0.94%
\$150,000–\$199,999	0.44%	0.88%	1.09%
\$200,000 or more	0.50%	1.00%	1.25%

4. Effective January 1, 2014, in addition to the pay reductions pursuant to Section 13.Q.1., Q.2 and Q.3 above, Staff Employees enrolled in the PPO, Aetna HMO or HDHP will be subject to a pay reduction in their base salary in lieu of premiums as follows:

Base salary as of 1/1/14	Employee only	Employee +1	Family
Less than \$50,000	0.15%	0.30%	0.38%
\$50,000–\$99,999	0.19%	0.38%	0.47%
\$100,000–\$149,999	0.23%	0.45%	0.56%
\$150,000–\$199,999	0.26%	0.53%	0.66%
\$200,000 or more	0.30%	0.60%	0.75%

5. A Staff Employee who elects or changes coverage will have the pay reduction(s) adjusted to the level appropriate to the new coverage effective as of the effective date of the coverage/change.
6. Any pay reduction specified in Section 13.Q. shall apply without respect to whether it decreases base salary below the applicable grade minimum specified in Section 16.C., so long as the amount below the minimum is not greater than the pay reduction.

7. Effective April 1, 2015, in addition to the pay reductions pursuant to Section 13.Q.1., Q.2, Q.3 and Q.4 above, Staff Employees enrolled in the PPO, Aetna HMO or HDHP will be subject to a pay reduction in their base salary in lieu of premiums as follows:

Base salary as of 4/1/2015	Employee only	Employee +1	Family
Less than \$65,000	0.20%	0.40%	0.50%
\$65,000 - \$124,999	0.30%	0.60%	0.75%
\$125,000 or more	0.40%	0.80%	1.00%

8. Effective January 1, 2018, in addition to the pay reductions pursuant to Section 13.Q.1., Q.2., Q.3., Q.4. and Q.7. above, Staff Employees enrolled in the PPO, Aetna HMO or HDHP will be subject to a pay reduction in their base salary in lieu of premiums, sufficient in the aggregate to equal 16.5% of the imputed premium for 2018 for all Staff Employees enrolled in the PPO, Aetna HMO or HDHP, to be allocated among the Staff Employees based on the salary and coverage tiers set out in Q.7. above, or such other tiering as Unit 1 may determine. Unit 1 will determine and advise ALPA of the January 1, 2018 pay reduction allocation no later than September 1, 2017.
9. The salary reductions specified in 13.Q.7. and Q.8. above are based upon Staff Employees' base salaries as of the effective date of each of the reductions and the dollar amount of the reductions shall not be changed even if the base salary subsequently changes. Once each reduction is implemented, the only permitted change in the reduction amount would be if the Staff Employee changes coverage tier (i.e., employee only, employee plus one, family) or enrolls in a benefit option other than the PPO, Aetna HMO or HDHP.
10. Pay reductions in lieu of premiums for part time Staff Employees will be based on the Staff Employee's part-time salary.
11. New Employees
- a. In lieu of the pay reductions specified in 13.Q. above, Staff Employees hired on or after April 1, 2015, who enroll in the PPO, Aetna HMO, or HDHP shall pay premiums equal to a percentage of the imputed premium for the coverage tier elected, as follows:

Base Salary	Cost Share
Less than \$100,000	12.5%
\$100,000 or more	16.5%

- b. New hire premiums will be based on the Staff Employees base salary as of the date of hire and the cost share percentages in Section 13.Q.10.a. above, and shall be adjusted once annually, as of January 1 of each year thereafter, based on the Staff Employee's base salary on that January 1st.
12. Staff Employees changing from a "no-cost" option to a "cost" option (e.g., PPO), and Unit 2 or MNB employees voluntarily transferring to a Unit 1 position, will pay premiums on the same basis as new hires under Section 13.Q.10 above, based on the Staff Employee's base salary on the effective date of the change, and adjusted each January 1st thereafter based on the Staff Employee's base salary in effect on that January 1st.

R. QUALIFIED TRANSPORTATION FRINGE BENEFIT PLAN

As soon as practicable after April 1, 2015, ALPA will establish a Qualified Transportation Fringe Benefit Plan pursuant to Section 132 of the Internal Revenue Code and extend the benefits of the Plan to Staff Employees. The terms and provisions of the Plan, which shall be incorporated in this Agreement, shall be acceptable to Unit 1 and shall not be subject to amendment or modification without Unit 1's prior written consent. Promptly after establishment, ALPA will offer a Special Open Enrollment opportunity for the balance of the 2015 Plan Year, and thereafter, include the option to enroll in the Plan as part of the regular annual Open Enrollment process.

S. RETIREE HEALTH ACCOUNT PLAN

1. Establishment, Purpose and Documentation. Effective April 1, 2015, ALPA will establish the ALPA Retiree Health Account Plan and Trust (the "RHA VEBA") for the purpose of reimbursing retired Staff Employees for ALPA Retiree Health premiums, Medicare Part B premiums, Medicare supplemental insurance premiums and other qualified medical expenses under Section 213(d) of the Internal Revenue Code (the "Code"). The terms and provisions of the plan and related trust shall be acceptable to Unit 1, in Plan and Trust documents which shall be incorporated into this Agreement and not be subject to amendment, modification or termination without Unit 1's prior written consent. The Trustee shall be selected by ALPA with Unit 1's approval, such approval to be a continuing requirement. If ALPA and Unit 1 agree, and

if they determine that it is legally and administratively feasible to do so, the requirements of this paragraph may be satisfied by amendment of the Retiree Health Plan and Trust, creating a Sub-trust for the purposes described herein.

2. **Plan Design Technical Requirements and Objectives.** The Plan and the related Trust shall be designed and administered as a “voluntary employees’ beneficiary association” (“VEBA”), tax-exempt under Section 501(c)(9) of the Code and regulations thereunder. The Plan shall be a medical expense reimbursement plan qualified under Section 105 of the Code and, by, providing that ALPA contributions shall be used exclusively to reimburse qualifying medical expenses, shall ensure that ALPA contributions will be excludible from participants’ taxable income under Section 106 of the Code. The Plan shall be structured as a retiree-only plan, not subject to the insurance reform provisions of the Patient Protection and Affordable Care Act of 2010. Within the time permitted under applicable regulations, ALPA will file with the Internal Revenue Service an appropriate application for recognition of tax exemption. In the event a subtrust is created in the existing RHP VEBA, no application for recognition of tax exemption shall be made. Unit 1 shall be entitled fully to participate in the application process.
3. **Participation.** All Staff Employees shall, by virtue of their employment by ALPA, automatically become and remain members of the RHA VEBA, without right to opt out or waive participation.
4. **Contributions.** The RHA VEBA shall be funded in accordance with the following:
 - a. The RHA VEBA shall be funded exclusively by employer contributions. No contributions by Staff Employees shall be permitted or accepted. Staff Employees shall not have the ability to elect to receive cash in lieu of any employer contribution and in no event shall the RHA VEBA be operated in a manner that might be construed as a cafeteria plan under Section 125 of the Code.
 - b. For each Staff Employee who has attained the age of 56 or older, ALPA will make a Regular Employer Contribution to the RHA VEBA in an amount equal to one per cent (1%) of the Staff Employee’s compensation. For purposes of this provision, “compensation” shall be consistent with the definition of “Earnings” in Section 2.1.i of the ALPA Deferred Savings Plan for Bargaining Professional and Administrative Employ-

ees, with the exception of 401(a)(17) limits. Regular Employer Contributions will be deposited in the RHA VEBA Trust on the same schedule as is currently followed for deposits of contributions to the Deferred Savings Plan.

- c. For each Staff Employee who has attained the age of 56 or older, whose accrued unused vacation bank exceeds thirty (30) days (i.e., 210 hours) as of April 1, 2015 or as of January 15th of any year commencing with January 2016, ALPA will contribute to the RHA VEBA an amount that would have otherwise been forfeited equal to the sum of (i) the equivalent of the gross amount of otherwise payable to the Staff Employee as vacation pay with respect to all accrued unused hours in his or her vacation bank as of those dates, up to a maximum of 10 days (70 hours) plus (ii) an amount equal to the matching contribution ALPA would have made to the Deferred Savings Plan had the vacation pay instead been paid to the Staff Employee in cash. Any contributions due under this provision shall be deposited in the RHA VEBA Trust as soon as administratively feasible on or after April 1, 2015 and the applicable January 15 thereafter, and the Staff Employee's vacation bank shall be reduced by the number of hours on which the contribution is based.
- d. For each Staff Employee who is entitled to a "red-circle" lump sum under either or both Section 16.A.2. and/or 16.B.3., regardless of age, ALPA will contribute to the RHA VEBA an amount equal to the sum of: (i) one-half ($\frac{1}{2}$) the gross amount that would have been payable under those Sections had payment to the Staff Employee been made in cash plus (ii) an amount equal to the matching contribution ALPA would have made to the Deferred Savings Plan had the "red circle" lump sum instead been paid to the Staff Employee in cash. The gross amount of the cash lump sum(s) payable under Sections 16.A.2. and 16.B.5. shall be reduced by one-half ($\frac{1}{2}$) and the remaining cash lump sum shall be paid and the RHA VEBA contribution made within the time specified in Section 16.A.2. and/or 16.B.5, whichever is applicable.
- e. For each Staff Employee for whom ALPA is required under this Agreement to make matching contributions to the Deferred Savings Plan which would exceed the limitation under Section 415(c) of the Code in any year, ALPA will contribute to the RHA VEBA an amount equal to the amount of the matching contribution that would have been made to the Deferred Savings Plan on behalf of the Staff Employee but for the limitation under Section 415(c) of the Code.

- f. For each Staff Employee whose compensation exceeds the maximum permitted under Section 401(a)(17) of the Code in any year, ALPA will contribute to the RHA VEBA an amount equal to the matching contribution ALPA would have made to the Deferred Savings Plan on behalf of the Staff Employee with respect to the portion of the Staff Employee's compensation in excess of the limitation under Section 401(a)(17).
- g. Calculation of the amounts to be contributed to the RHA VEBA in Section 13.S.4.(e). and (f). above shall be in accordance with the following:
 - i) ALPA shall contribute for each Eligible Staff Employee an amount equal to two (2) times the difference between A and B where A equals five percent (5%) of the maximum determined under Section 401(a)(17) of the IRC and B equals the amount contributed by the Staff Employee to the DSP for the prior calendar year; provided however, that B is greater than A, and B is limited to five percent (5%) of the Staff Employee's actual earnings for the prior calendar year. If the prior calendar year is 2017 or later and B is equal to five percent (5%) of the Staff Employee's actual earnings for the prior calendar year, then "2.2" shall be substituted for "two (2)" in the preceding sentence.
 - ii) Provided further that for any Staff Employee who contributes five per-cent (5%) of their earnings up to the maximum contribution permitted by Section 402(g) of the IRC, ALPA shall contribute no less than an amount that equals the difference between ten percent (10%) of the employee's actual earnings for the prior calendar year [eleven percent (11%) if the prior calendar year is 2017 or later] and the Employer matching contributions made to the DSP for the prior calendar year.
 - iii) An Eligible Staff Employee is a Staff Employee whose earnings (as defined in Section 2.1.(i) of the DSP) for the prior calendar year have exceeded the maximum determined under Section 401(a)(17) of the IRC, as indexed.
 - iv) Contributions made pursuant to this paragraph (g) shall not be used in calculating other pay related benefits provided by ALPA, or in determining the Staff Employee's earnings for purposes of this paragraph (g).

- v) The contribution by ALPA provided for above shall be made to the RHA VEBA no later than February 28 of the following year.
 - h. For each Staff Employee who: (i) has attained the age of 56 or older, (ii) has completed at least 18 years of service with ALPA, and (iii) elects to separate from service with ALPA on or before December 31, 2015, ALPA will contribute to the RHA VEBA \$30,000.
 - i. ALPA contributions to the RHA VEBA shall not be used in calculating other pay-related benefits provided by ALPA or in determining a Staff Employee's amount of compensation for any purpose, including Section 13.S. or Section 13.Q. above.
5. Individual Accounts; Distributions
- a. As soon as practicable after each Staff Employee becomes entitled to contributions to the RHA VEBA, the Plan Administrator will create a notional account for the Staff Employee, to which shall be credited all contributions to which the Staff Employee is entitled, and to which shall be credited and debited a proportional share of all investment earnings and expenses, gains and losses. As soon as administratively feasible after April 1, 2015, Staff Employees will be afforded the ability to view their account balances and transactions on line, with website presentation similar to that provided in connection with account balances under the Deferred Savings Plan.
 - b. The value of each Staff Employee's RHA VEBA account shall be fully vested (subject only to forfeiture in the event of death without surviving eligible spouse or dependents), but shall not be accessible for purposes of distribution until at and after retirement, death or other termination of employment.
 - c. Post-retirement distributions shall be limited to payment of "qualified medical expenses" of retired Staff Employees, their spouses and dependents. "Qualified Medical Expenses" shall have broadest permissible meaning under Section 213(d) of the Code and shall include, without limitation, Required Contributions under the ALPA Retiree Health Plan, Medicare Part B premiums, Medicare supplemental insurance premiums, Tricare premiums, medical and prescription drug expenses necessary to satisfy insurance deductibles, co-payments, co-insurance payments and out of pocket maxima, and any other qualified medical expense described in IRS Publication 502.

- d. The Plan will provide for transmission of account balances upon death of the Staff Employee to the Staff Employee's surviving spouse and, if there is no surviving spouse, to the Staff Employee's surviving eligible dependents, to the maximum legally permissible extent. In the absence of a surviving spouse or surviving eligible dependents, the balance remaining in a Staff Employee's account will be forfeited and reallocated among the accounts of surviving Staff Employees in proportion to their account balances.

6. Investment

- a. Initially, investment and reinvestment of assets of the RHA VEBA Trust will be managed and directed by the Retiree Health Plan Investment Management Committee.
- b. As soon as legally, financially, and administratively feasible, the Plan Administrator will implement individual participant direction of investments to the extent consistent with the notional character of pre-retirement account balances under the RHA VEBA.

7. Governance

In order to maximize efficiency and avoid proliferation of boards and committees, governance of the RHA VEBA shall be as provided in the 5th Amendment to the ALPA Retiree Health Plan, with ultimate authority residing, to the extent reasonably possible, in the Retiree Health Plan Board.

8. Administration

- a. ALPA shall be the ERISA Plan Administrator of the RHA VEBA.
- b. The Contract Claims/Benefits Administrator of the RHA VEBA shall be selected by ALPA with the approval of Unit 1, which approval shall not be unreasonably withheld.
- c. All expenses of administering the RHA VEBA Plan and Trust, including without limitation fees and expenses of the Trustee and Contract Administrator, shall be borne by ALPA. Fund fees shall be borne by participants based on their individual investment elections.

SECTION 14 DEPENDENT TRAVEL

- A. A Staff Employee who spends in excess of thirty (30) nights away from his/her home domicile during any twelve (12) consecutive months on authorized ALPA business will be allowed to have a dependent accompany him/her twice during the next twelve (12) months, or two dependents accompanying him/her on one trip. Such trips shall be within the continental limits of the United States and Canada and in the area in which the Staff Employee normally travels. Normal expenses, in accordance with Section 6.A, will be allowed the dependent, including transportation in an amount not to exceed the cost of an air coach ticket. Such expenses shall be limited to a one-week period commencing with the departure date. Should a Staff Employee have two (2) dependents accompany him/her on the same trip, ALPA will pay the lodging for no more than one room. A Staff Employee who spends in excess of fifteen (15) nights away from his/her home domicile during any twelve (12) consecutive months on authorized ALPA business will be allowed to have a dependent accompany him/her once during the next twelve (12) consecutive months.
- B. The policy above will not apply to probationary Staff Employees. However, if the probationary Staff Employee spends thirty (30) nights away from his/her home domicile on authorized ALPA business during any twelve (12) consecutive months after he/she is hired, Paragraph A above is applicable upon completion of his/her probationary period.
- C. A Staff Employee who does not spend thirty (30) nights away from his/her domicile during any twelve (12) consecutive months and who is required to attend the ALPA Board of Directors meeting for 6 or more consecutive days, including a Saturday, if requested, shall be allowed to have a dependent accompany him/her during the next twelve (12) months on authorized ALPA business trip as provided in Section 14.A. In calculating the required number of consecutive days, an associated MEC meeting shall be considered part of the Board of Directors meeting. Expenses will be in accordance with Section 14.A. above.
- D. Qualifying nights include all nights away from home domicile on Association business except:
1. The first five (5) nights of travel to attend an educational and/or training program as a student.
 2. Nights during which dependent business travel is being utilized.

- E. Any Staff Employee who spends in excess of thirty (30) nights away from his/her home domicile during any twelve (12) consecutive months on authorized ALPA business and is thereby eligible for two (2) dependent travel trips under Section A above, may, in lieu thereof, take one dependent travel trip to Puerto Rico, Hawaii or Alaska.
- F. For purposes of this section, Dependent will be defined as any spouse or “dependent” as defined below:

The term “dependent” means any of the following individuals over half of whose support for the calendar year was received from the ALPA Staff Employee and so qualified on the employee’s most recent Federal tax return as a dependent.

1. A son or daughter of the employee, or a descendant of either,
2. A stepson or stepdaughter of the employee,
3. A brother, sister, stepbrother, or stepsister of the employee,
4. The father or mother of the employee, or an ancestor of either,
5. A stepfather or stepmother of the employee,
6. A son or daughter of a brother or sister of the employee,
7. A brother or sister of the father or mother of the employee,
8. A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the employee, or,
9. An individual (other than an individual who at any time during the year was the spouse) who has as his/her principal place of abode the home of the employee and is a member of the employee’s household.
10. Eligible Staff Employees who do not have a spouse or “dependent” as defined above may take his/her mother, father, sister, brother, child, or “significant other” as a “dependent.” For the purposes of this section, a “significant other” is an unrelated individual, of the same or opposite sex. Staff Employees who wish to utilize such benefits with a “significant other” shall advise the Director of Human Resources of the identity of such individual when making application for a trip. The designation of a specific individual as a significant other may not be changed for the bal-

ance of the calendar year without the concurrence of the Director of Human Resources.

- G. Any dependent business travel taken must have the prior approval of the employee's department Director and the Director of Human Resources.
- H. All tickets for dependent travel shall be issued according to the following procedure:
 - 1. Approval shall be made by the Staff Employee's department Director and the Director of Human Resources.
 - 2. The tickets shall be issued through the Human Resources Department unless otherwise authorized.
 - 3. Any change to the ticket after issue must be thoroughly explained.
- I. Unused tickets, or portions thereof, must be returned to the issuing authority.
- J. The purpose of dependent travel is to create a condition conducive to ALPA business needs while ALPA employees are away from their home base on authorized business travel. This can be accomplished only by having the dependent accompany the traveling employee and not by using dependent travel as a means of traveling to other destinations. Any deviations of the dependent from the employee's itinerary must be explained and approved in advance.
- K. This benefit is not cumulative or deferrable for any reason. ALPA is under no obligation to make such travel available other than as may be required to meet its business needs, pursuant to Section 14 of this Agreement. ALPA will make the sole determination of such business needs in all respects.
- L. Employees shall be liable for any taxes associated with dependent travel as required by law.

SECTION 15
AGENCY SHOP/DUES CHECK-OFF

- A. Each Staff Employee of ALPA covered by this Agreement shall be required, as a condition of employment, beginning thirty (30) days after February 18, 2012 or thirty (30) days after the completion of his/her probationary period, whichever shall last occur, (1) to be or become a member of UALPAPAE, or (2) to pay UALPAPAE a monthly service charge for the administration of this Agreement and representation of the Staff Employee. Such monthly service charge shall be equal to UALPAPAE's regular monthly dues, initiation fee, if any, and uniform periodic assessments, which would be required to be paid by such Staff Employee if a member; provided, that neither membership nor the payment of a service charge shall be required with respect to any such Staff Employee (a) for whom membership is not available upon the same terms and conditions generally applicable to any other member, or (b) as to whom membership was denied or terminated for any reason other than the failure to tender periodic dues, initiation fees and assessments uniformly required by UALPAPAE as a condition of acquiring or retaining membership. UALPAPAE shall treat members and non-members alike in calculating the amounts of dues, initiation fees, and assessments, in establishing the due date of payments, and in determining whether the Staff Employee's account is delinquent.
- B. If any Staff Employee of ALPA covered by this Agreement becomes delinquent in the making of such payments, UALPAPAE shall notify such Staff Employee by certified mail, return receipt requested, copy to the Director of Human Resources, his/her successor or designee, that he/she is delinquent in the payment of such service charge as specified herein and the total amount of money due and the period for which he/she is delinquent and that he/she is subject to discharge as an Staff Employee of the Association. Such letter shall also notify the Staff Employee that he/she must remit the required payment within a period of fifteen (15) days or be discharged. The notice of delinquency required under this paragraph shall be deemed to be received by the Staff Employee, whether or not it is personally received by him/her when mailed by the Treasurer of UALPAPAE, by certified mail, return receipt requested, postage prepaid to the Staff Employee's last known address, or to any other address which has been designated by the Staff Employee. It shall be the duty of every Staff Employee covered by this Agreement to notify the Association's Human Resources Department of every change in his/her home address, or an address where the notice required by this paragraph can be sent and received by the Staff Employee if the Staff Employee's home address is at any time unacceptable for this purpose.

- C. If, upon the expiration of the fifteen (15) day period provided in paragraph B. above, the Staff Employee still remains delinquent, UALPAPAE will certify in writing to the Director of Human Resources, his/her successor or designee, copy to the Staff Employee, both by certified mail, return receipt requested, that the Staff Employee has failed to make payment within the grace period and is therefore to be discharged. The Director of Human Resources, his/her successor or designee, shall thereupon take proper steps to discharge such Staff Employee from the service of the Association as soon as possible, and in any event within twenty-one (21) days after receipt of the notice provided for herein, shall advise the Staff Employee of his or her termination.
- D. A protest by a Staff Employee who is to be discharged as the result of an interpretation or application of the provisions of this Agreement shall be subject to the following procedures:
1. A Staff Employee who believes that the provisions of this Section have not been properly interpreted or applied, as they pertain to him/her may appeal the decision by filing a notice of appeal. Such notice shall be sent to ALPA, to the Treasurer of UALPAPAE, and to the Federal Mediation and Conciliation Service within ten (10) days of the receipt of the letter specified in paragraph B. above. The appeal notice shall contain a request to the Federal Mediation and Conciliation Service to provide a list of five (5) neutral referees. A neutral referee may be agreed upon by the Staff Employee and UALPAPAE within ten (10) days after receipt of the list of neutral referees. If the parties cannot agree on a neutral referee, a referee will be chosen from the panel supplied by the Federal Mediation and Conciliation Service. The alternate strike method shall be used to select a neutral referee with the Staff Employee initiating the first rejection. Such final selection of a neutral referee shall be accomplished within ten (10) days after the receipt of the list of neutral referees. If the parties have not reached agreement by the alternate strike method within the aforementioned ten (10) day period, the first name listed on the five (5) name panel provided by the Federal Mediation and Conciliation Service shall be designated the neutral referee.
 2. The decision of the neutral referee shall be requested within thirty (30) days after the hearing of the appeal unless otherwise agreed by the Staff Employee and UALPAPAE, and shall be final and binding on all parties to the dispute. The fees, charges and other reasonable expenses of such neutral referee shall be borne one-half (1/2) by the Staff Employee making the appeal and one-half (1/2) by UALPAPAE.

3. The parties to the above appeal procedure before a neutral referee shall be the Union and the Staff Employee. ALPA shall have no obligation to pay for any fees, charges or expenses incurred in the process.
- E. During the period a protest is being handled, as herein provided, until the final decision by the neutral referee, the Staff Employee shall not be discharged or otherwise disciplined by ALPA because of non-compliance with the terms and provisions herein.
 - F. A Staff Employee discharged by ALPA under the provisions herein shall be deemed to have been “discharged for cause” within the meaning of the terms and provisions of this Agreement.
 - G. Method of Payment
ALPA agrees to deduct from the pay of each Staff Employee and remit to the Treasurer of the Union, membership dues and/or service charges levied in accordance with the Constitution and By-Laws of the Union provided such Staff Employee has executed a Dues/Service Charge Check-Off form. The Treasurer of the Union shall be completely responsible for notifying the Director of Finance if the correct amount has not been deducted.
 - H. ALPA and the Union will develop a letter that will: (1) specify the methodology for calculating the membership dues and/or service charges levied in accordance with the Constitution and By-Laws of the Union, and; (2) the information regarding such deductions to be provided to the Union on a recurring basis.
 - I. Indemnification
The Union agrees to indemnify and save ALPA harmless against any claims, damages, or injuries asserted or suffered by a Staff Employee(s) due to the Union’s exercise or failure to exercise any of the rights, privileges or obligations accorded to it under Section 15. C. D. E. & F. of this Agreement; or due to ALPA’s exercise of any of the duties or obligations required of it under Section 15 C. D. E. & F. This indemnification includes any injuries suffered by a Staff Employee due to discharge or threat of discharge and the filing or processing of an appeal under Section 15 D. E. & F.

SECTION 16 COMPENSATION

A. ACROSS THE BOARD INCREASES

1. An Across the Board increase shall be in addition to any merit increase a Staff Employee would be eligible for in that year and any other percentage increase to base salary. Each Staff Employee shall receive the following Across-the-Board increases:
 - a. 3.5% effective April 1, 2015;
 - b. 3.0% effective April 1, 2016;
 - c. 2.5% effective April 1, 2017; and
 - d. 2.5% effective April 1, 2018.
2. In the event that the Across the Board increase provided herein would cause the salary of a Staff Employee to exceed the maximum in effect for that year for the grade which he/she holds, that portion of the increase which exceeds the grade maximum shall be paid as a lump sum in accordance with Section 13.S.4.(d). Such lump sum shall be paid within 30 days of the effective date of the Across the Board increase.
3. If, after an Across the Board increase has been applied to a Staff Employee's salary, such salary is below the minimum for the grade which he/she holds, the Staff Employee's salary will be raised to the minimum salary of the range.

B. SALARY INCREASES

1. Prior to February 28, 2016, each year Staff Employees shall receive a performance evaluation on or before their anniversary date. Effective February 28, 2016, all Staff Employees shall be reviewed annually each February 28. A Staff Employee's salary shall be increased annually during the term of the Agreement, depending on performance, in accordance with Section 16.B.2 below.
2. Merit Range Ratings and Increases:

a.	Outstanding	(1.5%)	This rating is normally reserved for those individuals whose outstanding performance is obvious to all.
b.	Excellent	(1.5%)	This rating is for seasoned employees whose performance is noticeably better than "More Than Satisfactory."

c.	More Than Satisfactory	(0.0%)	This rating is for consistently satisfactory performance.
d.	Satisfactory	(0.0%)	This rating is for the employee who is making adequate progress from “Marginal” to “More Than Satisfactory.”
e.	Marginal	(0.0%)	This rating is for inexperienced newcomers and others whose performance is clearly below the acceptability level. Incumbents should either move up in rating or out of the position in a relatively short time.

- The merit increases to which Staff Employees are entitled pursuant to paragraph B.3. shall be paid as increases to Staff Employees’ base salaries, subject to salary grade maximums. Staff Employees entitled to receive merit increases to their base salaries shall receive the entire increase on the date applicable, provided that such increase does not cause their salary to exceed the maximum for the grade which they hold. In the event the merit increase will cause a Staff Employee’s base salary to exceed the salary grade maximum, the merit increase calculation will be in accordance with Section 13.S.4.(d) and Section 18.N. of the Agreement.
- Staff Employees entitled to receive merit lump sum payments pursuant to paragraphs B.2 and B.3., shall receive such payments within 30 days following their anniversary dates prior to February 28, 2016. Effective February 28, 2016, the Staff Employee shall receive such payments effective on April 1, 2016.

C. SALARY RANGES

- Effective April 1, 2015, the minimum and maximum salary ranges for each grade shall be:

GRADE	MINIMUM	MIDPOINT	MAXIMUM
XIII	\$142,036	\$202,908	\$263,780
XII	\$127,463	\$182,089	\$236,716
XI	\$114,388	\$163,411	\$212,434
X	\$102,902	\$147,004	\$191,105
IX	\$92,815	\$132,593	\$172,372
VIII	\$83,755	\$119,650	\$155,545
VII	\$75,912	\$108,445	\$140,978
VI	\$68,895	\$98,421	\$127,948

GRADE	MINIMUM	MIDPOINT	MAXIMUM
V	\$62,688	\$89,555	\$116,422
IV	\$57,063	\$81,518	\$105,974
III	\$52,176	\$74,537	\$96,897
II	\$47,881	\$68,401	\$88,921
I	\$44,060	\$62,943	\$81,825

D. FICA CONTRIBUTION

The maximum FICA contribution ALPA will assume for each Staff Employee for a calendar year will be in accordance with the following schedule:

January 1, 2015, through December 31, 2015	\$8,210
January 1, 2016, through March 31, 2019	FICA cap increased annually by the same percentage as the percentage increase in the Social Security Wage Base from the previous year

E. ALPA PERFORMANCE PROGRAM

1. Effective January 1, 2015, ALPA agrees to provide a Lump Sum Payment to eligible employees in the event ALPA achieves certain levels of annual dues revenue for calendar years 2015, 2016, 2017, and 2018. For purposes of this Program, a program year is a calendar year.
2. Definitions:
 - a. Total ALPA Dues Revenue – Total ALPA adjusted dues revenue, for a given calendar year, as adjusted by Section 16. E.2.e below.
 - b. Baseline Dues Revenue – Total ALPA Dues Revenue for a given calendar year in the Budget approved by ALPA’s Executive Council for that year, as adjusted by Section 16.E.2.e below.
 - c. Excess Dues Revenue – The excess, if any, of Total ALPA Dues Revenue minus the Baseline Dues Revenue for that calendar year. The maximum Performance Payment attributable to Excess Dues Revenue for each program year shall be limited to 8% above Baseline Dues Revenue. If Excess Dues Revenue exceeds the 8% limit, the amount over 8% shall be applied to the Excess Dues Revenue for subsequent program year(s).

- d. Eligible Airline Dues Revenue – Total ALPA Dues Revenue and Baseline Dues Revenue shall include only dues for ALPA represented airlines that were factored into the budget.
 - e. Changes to ALPA Member Financial Obligations – If ALPA’s Board of Directors modifies any provision in ALPA’s Constitution and By-Laws, Article IX-Member Financial Obligations, that modifies member financial obligations and dues payments (e.g., Dues Rate, Income Exempt From Dues and Assessments), the actual amounts of Total ALPA Dues Revenue and Baseline Dues Revenue shall be adjusted to eliminate the impact of changes.
3. Performance Payment to Eligible Unit 1 Employees
- a. The Performance Payment will be measured at the end of each program year. Unit 1 Employees will receive 20% of the Excess Dues Revenue (Unit 1 Excess Dues Revenue).
 - b. An Eligible Unit 1 Employee shall be an ALPA employee represented by Unit 1 with employment between January 1 of the program year and December 31 of the program year.
 - c. The Unit 1 Excess Dues Revenue “Pool” will be split into 2 parts: (1) a 50% Pro Rata “Pool” and (2) a 50% Per Capita “Pool”. Each Eligible Unit 1 Employee will receive a Performance Program Payment which will be calculated and paid as follows:
 - 1) 50% Pro Rata Share: Each Eligible Unit 1 Employee’s base salary and lump sum(s) (pursuant to Section 16.A.2. and B.4) paid during the program year or the portion thereof during which the Staff Employee held a position(s) represented by Unit 1 as a percentage of the Total Eligible Unit 1 Employees’ base salary and lump sum(s) for the given program year. That percentage will be multiplied by the 50% Pro Rata “Pool”.
 - 2) 50% Per Capita Share: Each Eligible Unit 1 Employee as a percentage of the Total Unit 1 Eligible Employees for the given program year. With respect to Unit 1 Employees who were not in a position(s) represented by Unit 1 for the entire program year, their per capita share shall be pro-rated based on their number of days in their position(s) represented by Unit 1 during the program

year. That percentage will be multiplied by the 50% Per Capita "Pool."

- 3) The resulting 2 amounts will be added together and paid to the Eligible Unit 1 Employee as a Lump Sum Payment.
4. Supporting Documentation
ALPA will provide to the Union all information relevant to calculating the Excess Dues Revenue and Performance Payment within 60 days following the end of the program year. Quarterly dues information will be provided to the Unit 1 President, or designee.
5. Form and Time of Distribution
The Performance Payment, if any, shall be distributed in a single lump sum payment no later than 90 days after the end of each program year, and shall be considered as income in calculating 401(k) contributions.
6. Effective Period of Performance Program
The Program will commence on January 1, 2015 and shall be in effect through December 31, 2018 (with the possible last payment in 2019).

F. [Reserved]

G. OVERTIME

Any Staff Employee whose job title is re-classified by ALPA as a non-exempt employee shall be eligible for:

1. Pay at his or her regular hourly rate (weekly salary divided by 35 hours) for work in excess of 35 hours, up to 40 hours in a calendar week; and
2. Pay at the rate of time and one-half times ($1\frac{1}{2} \times$) his or her regular hourly rate for all work actually performed over 40 hours in a calendar week.

H. COMPENSATORY TIME

1. Any exempt Staff Employee who is required by his/her manager to work or travel on a weekend or holiday shall be eligible for compensatory time off as follows: a Staff Employee who spends in excess of four (4) hours performing ALPA work or traveling for ALPA on a holiday or weekend day will be entitled to one compensatory day off. Scheduling of the compensatory day off is subject to supervisory approval. The foregoing compensatory

time provision is intended to be a minimum standard and shall not be construed to modify any existing departmental practice that is more favorable to the Staff Employee.

2. Prior to filing any grievance regarding compensatory time off, the Union will meet and confer with the Director of Human Resources in an effort to resolve any dispute. Time limits in Section 9.A. of the Agreement shall not commence to run until the day after such meeting is concluded.

SECTION 17 GENERAL

- A. ALPA shall provide a copy of this Agreement to each Staff Employee within sixty (60) days of signing.
- B. ALPA will provide the Secretary of the Union in writing within ten (10) working days with the following information on all Staff Employees when they are hired: hiring date, full name, address, department assignment, job title, grade, job description, and starting salary. ALPA will also inform the Secretary of the Union in writing within ten (10) working days of any Staff Employee's termination, discharge, or transfer to a position within or outside the unit. In addition, ALPA will provide salary and pay raise information on any Staff Employee upon request.
- C. In the event mandatory wage and/or benefit requirements are imposed by the Federal Government during the term of the Agreement which would interfere with the Association's ability to comply with the terms of the Agreement, the parties will meet and confer for the purpose of rearranging the wage/benefit provision so as to comply with said mandatory requirements and at the same time insure a continuation of wage/benefit levels in an amount equal to the contractual levels.
- D. [Reserved]
- E. ALPA agrees to assume the cost of up to 750 hours of Union leave, plus an appropriate amount for fringe benefits for union business, including the negotiation of the successor Agreement. Use of union leave requires prior approval of the Unit 1 President. The Union agrees to reimburse ALPA for all time in excess of the foregoing including the applicable override for fringe benefits. Staff Employees may not claim compensatory time for assisting the Union President and Negotiating Committee members to accomplish the work normally performed by them.
- F. Staff Employees shall be entitled to educational assistance reimbursement in accordance with the terms of the Employer's Educational Assistance Policy.
- G. Unit 1 and ALPA agree to test Motivosity for a nine (9) month period beginning April 1, 2015, through December 31, 2015, provided any awards or recognitions shall be of de minimus value. The testing shall end effective December 31, 2015, unless both parties agree in writing to extend such program.

- H. Prior to any change to a personnel policy or practice, ALPA shall give written notice to the Union President, and meet and confer upon request.
- I. In the event the Union desires information relevant to verifying compliance with other provisions requiring parity between Unit 1 and Management, the Union may request information from the Director of Human Resources.
- J. Quarterly Meetings
To facilitate improved communication and understanding between the parties, ALPA and Unit 1 leadership agree to meet quarterly for the following purposes:
1. ALPA will provide financial information to include current and projected revenues at least for the next quarter, along with supporting documentation.
 2. As soon as is practically possible and in any event no later than the next quarterly meeting thereafter, ALPA will provide information concerning any potential Qualifying Event within the meaning of Section 11 that is reasonably likely to occur in the next quarter; provided, however, that ALPA shall provide information no later than the first quarterly meeting with respect to any Qualifying Event that has occurred prior to the first quarterly meeting.
 3. ALPA shall provide a summary of each Unit 1 new hire, promotion, and salary adjustment.
 4. ALPA shall provide a Motivosity “giving” report.
 5. Review of the sick leave sharing bank (Section 4.B.).
 6. The parties are also encouraged to raise other matters including, but not limited to, Union Time tracking, contract administration, pre-grievances, and general ALPA updates.
 7. Certain information exchanged under this section may be subject to confidentiality limitations.
- K. ALPA will provide the Union with the job descriptions for job titles provided in Section 1.B. within 90 days of April 1, 2015.

L. Posting Restrictions

Posting is prohibited in all common areas, e.g., lobbies, hallways, restrooms and conference rooms, unless otherwise permitted by this paragraph.

1. In the Herndon building, ALPA will provide and install:
 - a. two glass enclosed bulletin boards approximately 3'x5' each, one on the first floor near the front entrance and one on the second floor at agreed to locations, and
 - b. a 24"x36" open-faced, cork bulletin board within each director-level department in which a Staff Employee is assigned.
2. In the DC office and in each MEC and field office location where a Staff Employee is assigned, ALPA will provide and install a 24"x36" open-faced, cork bulletin board in an agreed-to location in an open area such as the vending room, cafeteria, dining room, work room or other similar location.
3. A Staff Employee's office/cubicle shall not be restricted with the exception that no posting may be placed on windows and window frames, the door frame, and the outside of the door.
4. Each bulletin board referred to herein shall be reserved exclusively for postings of Unit 1's sole choosing.

SECTION 18 SALARY ADMINISTRATION PLAN

A. INTRODUCTION

The Board of Directors has charged ALPA's President with responsibility for the fiscal affairs of the Association. Included in this is responsibility for salary administration in all ALPA locations. To assist him in carrying out this responsibility, the President has charged the Salary Review Committee (SRC) with administering salaries on a day-to-day basis. Actions taken by this Committee are subject to the review and approval of the President.

B. STATEMENT OF OBJECTIVES

The objectives of the Salary Administration Plan follow:

1. To provide a compensation program which will reward each employee in direct relation to the contribution which his/her position makes to the Association's total effort and in relation to each employee's performance proficiency as evaluated by his/her immediate supervisor, manager or director.
2. To provide a system whereby ALPA can establish and maintain salaries at levels which will enable it to attract and retain qualified personnel in the labor market.
3. To provide a structure within which ALPA can use employee compensation rewards as an effective means for motivating employees to perform their functions with a higher degree of proficiency and to stimulate loyalty and morale.
4. To provide an effective method of controlling payroll costs.
5. To provide ALPA management with uniform administrative guidelines and procedures which will enable it to administer salaries of employees in a consistent and equitable manner.

C. JOB EVALUATION

As a means of establishing equitable job relationships, each position within the scope of this Plan has been evaluated based on commonly accepted criteria common to all positions. Each of these criteria has a numeric value, the total of which reflects the ranking of each job in relation to all other jobs.

Each job is then assigned to a salary grade based upon its numeric value.

The information required to conduct this evaluation is taken from the position description.

D. REVIEW AND UPDATING OF POSITION DESCRIPTIONS

In the event a new position is created, the supervisor, manager or director whose unit the job is assigned to, will develop a position description. The Director of Human Resources will then evaluate the position, and it will be assigned to the appropriate salary grade.

Similarly, all jobs will be reviewed on a regular basis by the appropriate supervisor, manager or director and the Director of Human Resources. If it is determined that a significant change has occurred in the responsibilities or duties of the position, a new position description will be developed by the supervisor. The Director of Human Resources will then evaluate the position and classify it in the proper salary grade.

It is the responsibility of the supervisor, manager, or director to advise the Director of Human Resources immediately of any significant changes of position responsibility or duties so that a reevaluation of the position can be made and the position be reclassified if necessary.

E. SALARY STRUCTURE

The salary structure consists of multiple grades. These grades are designed to meet the following conditions:

1. Provide salary ranges which reflect fair and competitive salary levels for each position included within the scope of the Plan and which maintain equitable salary relationships between jobs.
2. Establish salary minimums which adequately compensate entry-level employees and/or for minimum acceptable performance and salary maximums which adequately compensate outstanding performance.
3. Provide sufficient spread between the minimum and maximum salaries of each range to provide incentive for outstanding performance and growth opportunity for employees.
4. Establish proper differentials among the various salary grades so as to equate compensation levels with differences in position complexity and responsibility.

F. RESPONSIBILITIES OF THE DIRECTOR OF HUMAN RESOURCES

The Director of Human Resources will provide guidance and coordination for the Salary Administration Plan. His/her specific responsibilities are:

1. Through the General Manager, make recommendations to the President on policies and procedures relating to all facets of salary administration.
2. Review salary and position classification actions proposed by supervisors, managers and directors.
3. Conduct regular salary surveys and recommend to the General Manager, for the approval of the President, necessary changes to the salary ranges in order to keep the ranges competitive and reflective of economic conditions in all ALPA locations.
4. Serve as spokesman for any supervisor, manager or director who is unable to personally present his/her views before the SRC.
5. Provide all administrative support required for the effective functioning of the Salary Administration Plan.
6. Process all salary increases after verifying conformity with the provisions of the Plan and securing necessary approvals.
7. Provide timely communication to supervisors, managers and directors of actions taken by the SRC.

G. SALARY COST CONTROLS

The Plan includes three (3) basic controls designed to ensure compliance with its established objectives. The controls are:

1. **Salary Ranges.** The minimum of the salary range for each salary grade establishes a base below which an employee will not be paid. The maximum for each salary grade establishes a ceiling above which no employee in that grade should be paid.
2. **Budgets.** Prior to January 1 of each year, the Director of Human Resources will prepare a summary of salary trends and economic factors which will have an impact on salary structures during the next year. This summary, along with the Director of Human Resources' recommendations, will be reviewed by the General Manager and presented to the President for his consideration in establishing a salary budget for the next calendar year.

3. Performance. Employees' earnings must be related not only to the duties and responsibilities of the position they fill, but also to the manner in which employees carry out those duties and responsibilities. Performance is, therefore, a major factor in determining whether or not an increase is granted and, if so, the amount of the increase. The Plan provides an administrative structure within which an employee's performance is evaluated.

H. STARTING SALARIES

1. The starting salary for new employees will be at the minimum of the range established for the position with the following exception: When an applicant's qualifications include documented evidence of related position knowledge and experience, the applicant may be employed at a salary rate above the minimum but not above the midpoint of the range. Every attempt will be made to make this the exception rather than the rule.
2. In the case of any such exception, in the event a new employee's salary is more than 97% of any current Staff Employee's salary in the same position and location, and the new employee has the same or fewer years of experience, ALPA will increase the existing Staff Employee's salary to a salary that is 3% above the salary of the newly hired employee. Such increase will be effective on the hire date of the new employee. This provision does not apply to the re-hire of former ALPA employees. "New employee's salary" includes any non-merit increases within 12 months from the date of hire. For purposes of this paragraph, "New employee's salary" and "current Staff Employee salary" shall be prior to any Pay Reduction in Lieu of Premiums pursuant to Section 13.Q.

I. PROMOTIONS and TRANSFERS

1. Promotions
 - a. The term "promotion" is applicable only when an employee is moved from one position to another in a higher salary grade and when there is a definite change in the employee's duties and responsibilities resulting from:
 - 1) An employee is moved to fill a vacant position in a higher salary grade caused by the promotion, transfer, or termination of the previous incumbent.
 - 2) An employee is moved to a newly created position which has been evaluated and assigned to a higher salary grade than the employee's previous position.

- b. Attainment of the salary maximum of a particular grade will not result in progression to the next higher salary grade. Promotion will occur only when the above conditions are met.
- c. An employee promoted to a position in a higher salary grade will receive a salary increase which will bring the employee's salary to a rate no less than the minimum for that salary grade. Prior to February 28, 2016, the effective date of the promotion will become the employee's new performance and salary review date.

2. Transfers

- a. A transfer is a change from one position to another in the same salary grade. An employee may not be transferred to a new position until the position has been evaluated and placed in the proper salary grade.
 - b. A transfer has no effect on the employee's salary, grade classification or review date.
 - c. In the event an employee is notified of his/her transfer from one ALPA location to another, the Staff Employee may request the SRC to review his/her compensation in relation to the cost of living in the location to which he/she is moving. Such a request shall be made in writing and should include any information that the Staff Employee wants the SRC to consider. The SRC will consider the Staff Employee's request and communicate its decision to the Staff Employee within thirty days after receipt of the request. When warranted, an appropriate salary increase may be approved. In no case will a Staff Employee's salary be less than that paid in the former location.
 - d. In the event of a voluntary transfer which is not related to the furlough of the Staff Employee and is initiated by that Staff Employee, no increase will be made to his/her salary as a result of the voluntary transfer, regardless of cost-of-living considerations.
3. It is the Association's policy to promote from within whenever consistent with the overall objective of filling positions with the most qualified applicants. Whenever a vacancy occurs, qualified personnel will be given careful consideration for promotion or transfer to the position after sending their supervisor, manager or director and the Director of Human Resources written notification of their interest in the position.

J. PROCEDURES FOR VACANT AND NEWLY CREATED POSITIONS

1. ALPA will “electronically post” for bid by bargaining unit members all vacant and newly created positions covered by the Agreement for at least ten (10) business days.
 - a. The notice shall state the title and qualifications required to perform the job.
 - b. The notice shall designate the appropriate management person for applicants to contact.
2. Until the time for selection among qualified internal applicants has passed, ALPA may only advertise the opening and shall not interview or in any way consider the qualifications of any external applicant for the position.
3. In the event that a Staff Employee is qualified for a newly created or vacant position but is absent from work during the posting period, such Staff Employee upon return to work may apply for the position if it has not been filled.
4. Any qualified internal applicants will be interviewed prior to external applicants, which shall include the opportunity in the field offices for the two most senior qualified internal applicants to interview with the respective MEC Chairman and/or Officers. “Internal applicants” are current Staff Employees represented by Unit 1 who apply during the ten (10) business day internal posting period.
5. In the event an internal applicant is offered and accepts the position, ALPA will work with the current manager to craft a transition plan that allows the Staff Employee adequately to address/ conclude ongoing projects and move to the new position as expeditiously as possible.

K. [Reserved]

L. POSITION REEVALUATION

When a position has been reevaluated in accordance with the procedures outlined previously and is reclassified in a higher salary grade, the salary of the employee holding the position is to be increased to a rate no less than the minimum of the salary grade to which the position has been reassigned.

The effective date of any salary adjustment resulting from a reclassification will be the date on which the reclassification has been approved. Such an adjustment will have no effect upon the employee's previously established performance and salary review date.

If a position is assigned to a lower salary grade as a result of a position reevaluation, the employee holding the position will be permitted to progress to the salary maximum of the previous higher grade in effect on the date of assignment to the lower grade. Notwithstanding the foregoing, employees so assigned prior to the effective date of this Agreement shall continue to hold the rights of salary progression provided them under the Agreement then in effect. An employee so affected will be encouraged to transfer to a position in a grade equal to his/her previous grade classification.

Any action taken under this section will be communicated to the employee through his/her supervisor, manager or director.

M. DEMOTIONS

A demotion occurs when an employee is changed from a position in one salary grade to another in a lower salary grade. An employee demoted for reasons beyond his/her control, e.g., reorganization, elimination of position, etc., shall be frozen at his/her existing salary if his/her existing salary is higher than the maximum of the lower salary grade.

An employee demoted because of poor performance and whose current salary is above the maximum of the new salary grade will be paid a salary not to exceed the maximum of the position to which he/she is assigned.

N. MERIT INCREASES

A merit increase is an in-grade salary adjustment granted on the basis of an employee's level of performance and proficiency in carrying out the duties and responsibilities of his/her position. A change of duties or the assignment of an increased volume of work is not a basis for an immediate recommendation for a merit increase. Such factors will, however, be considered when an employee's performance is evaluated on his/her regularly scheduled review date. A merit increase shall be paid as an increase to the employee's base salary, subject to the salary grade maximum of his/her classification. In the event that a merit increase, in whole or in part, would cause an employee to exceed his or her salary grade maximum, that portion of the increase necessary to bring the Staff Employee to his or her salary grade maximum will become part of the Staff Employee's base salary, and the balance shall be paid in accordance with Section 13.S.4.(d).

O. PROCESSING MERIT INCREASES

Employees shall receive annual increases as provided in Section 16.B.

Prior to February 28, 2016, the review date of an employee who takes leave without pay, including unpaid sick leave or personal leave, for a period in excess of thirty (30) days will be delayed by a period equal to the leave of absence and the adjusted review date will become the employee's new review date.

Prior to February 28, 2016, the Director of Human Resources will send a Performance Evaluation Form to the employee's supervisor, manager or director during the month preceding the quarter in which the employee is to be reviewed, and will make every effort to ensure the Staff Employee receives his/her annual performance review in a timely manner.

When recommending a merit increase for an employee, the reviewing supervisor should carefully consider the following factors:

1. The employee's overall performance which includes such factors as attendance, quality and quantity of work, dependability, knowledge of the function, attitude and cooperation and relations with others.
2. The employee's salary history:
 - a. The date and the amount of the employee's previous increase.
 - b. The employee's current salary and salary level within the salary grade.
 - c. The relationship of the employee's salary and performance to those of other employees in the same salary grade.
 - d. The employee's future promotion potential.

Upon completing the Performance Evaluation Form, the reviewer should retain a copy and submit the original to the Director of Human Resources on or before the date specified. The completed form will be referred to the SRC for action.

Using the information provided on the Performance Evaluation Form, the SRC will approve an increase in accordance with the guidelines established in Section 16.B. An employee whose Performance Evaluation is considered unsatisfactory will receive no merit increase and will not be eligible for another review until his/her next regularly

scheduled review date. Nothing in this Plan shall prevent the Association from approving increases of more than the maximum merit increase at its sole discretion.

A director or manager may attend the SRC meeting to supplement information provided on the Evaluation Form of any employee in his/her unit. The Director of Human Resources will serve as spokesman for managers or directors who are unable to attend the meeting.

The decision of the SRC will be communicated through the employee's supervisor, manager or director prior to the employee's review date. At the same time, the Director of Human Resources will provide the supervisor, manager or director with a copy of the completed Evaluation Form which is to be given to the employee. Upon receipt of a notice of the SRC's action, the reviewer will meet and discuss with the employee the contents of the form and will advise the employee of the salary increase approved.

During this session, emphasis should be placed on the employee's performance rather than on the amount of the salary increase.

P. REQUESTS FOR RECONSIDERATION

1. In the event a director, manager or supervisor feels action taken by the SRC is inappropriate in a particular case, he/she may contact the Director of Human Resources, discuss the matter with him/her and request that the Committee reconsider the action taken.
2. If the Staff Employee believes an action taken by the SRC was inappropriate, the Staff Employee may appeal such action to the SRC. The Staff Employee, Unit 1 President or his designee, along with a designated subject matter expert, shall have the right to attend and present supporting information before the SRC.
 - a. The Unit 1 President or his designee shall have the right to:
 - 1) Attend any SRC interview with the Staff Employee's director, manager, or supervisor.
 - 2) Interact with all parties throughout the Reconsideration process, though the Unit 1 President or his designee shall not have a vote as an SRC member.

- b. ALPA shall provide:
 - 1) Section O.2.a. and b. information to the Staff Employee and the Unit 1 President or his designee.
 - 2) Section O.2.c. information to the Unit 1 President or his designee.
- c. If the matter is not resolved following reconsideration by the Committee, a written appeal may be submitted to the President of the Association through the General Manager by the Staff Employee or Unit 1 President (or his designee).

Q. THE SALARY REVIEW COMMITTEE

1. Composition

The President has appointed a SRC composed of the General Manager, the Director of Human Resources and one other management-level employee.

2. Responsibilities

- a. To ensure fair and equitable treatment of all employees by granting prior approval to salary increases, transfers, promotions or any other related action only when such action is in accordance with the provisions of the Salary Administration Plan.
- b. To ensure uniform application of performance criteria in evaluating employees' performance in all positions and locations.
- c. To ensure that all administrative policies and procedures set forth in the Salary Administration Plan are carried out in an efficient and timely manner.

3. April Review

In order to ensure the fair and equitable treatment of all Staff Employees, effective April 1, 2016, the SRC shall review the salary history of each Staff Employee who has reached:

- a. 5-9 Years of Service (YOS) and is not at or above 15% of the difference between the minimum and maximum for that salary grade (the "Range").
- b. 10-14 YOS and is not at or above 30% of the Range.

- c. 15-19 YOS and is not at or above 45% of the Range.
- d. 20-24 YOS and is not at or above 60% of the Range.
- e. 25-29 YOS and is not at or above 75% of the Range.
- f. 30-39 YOS and is not at or above 90% of the Range.
- g. 40 YOS and is not at the maximum.

The Union and Staff Employee shall be notified of any necessary salary adjustments or the reason(s) the Staff Employee's salary will not be adjusted.

The "April Review" shall not preclude individual requests for a salary/promotion history review.

R. ACTIONS OUTSIDE THE SALARY ADMINISTRATION PLAN

There may be instances when unusual circumstances may require actions not covered specifically by this Plan. If and when such situations arise, the matter will be presented to the SRC to ensure that any action taken conforms with the spirit and intentions of the Plan.

Whenever the provisions of an employment agreement between ALPA and its represented employees differ from the contents of this Plan, the provisions of the employment agreement will take precedence.

S. PERFORMANCE EVALUATION FORM COMMITTEE

ALPA and Unit 1 will create a Joint Task Force to redesign the Unit 1 Performance Evaluation Form not later than June 1, 2015.

T. ANNUAL REVIEW DATE

Effective February 28, 2016, Staff Employees shall be reviewed annually each February 28th.

SECTION 19 DURATION

- A.** This Agreement shall supersede and take precedence over all Agreements, Amendments, Letters of Understanding and similar related documents executed between ALPA and the Union prior to the signing of this Agreement, with the exception of the following items, listed in Section 19.A. or otherwise included in the final copy of this Agreement, which shall continue in full force and effect concurrent with this Agreement:
1. Letter of Understanding on office transfers/moves dated December 14, 1995.
 2. Letter of Understanding regarding application of the Agreement to Staff Employees based in Canada.
 3. Letter of Understanding regarding ACA Excise Tax.
 4. Letter of Understanding regarding Job Retraining Caused By Technological Changes.
 5. Letter of Understanding regarding Methodology to Adjust Salary and Timing for Annual Review date specified in Section 18.
- B.** This Agreement shall become effective on April 1, 2015, unless otherwise specified herein and shall remain in full force and effect until March 31, 2019, and thereafter unless (1) terminated on March 31, 2018, per the Letter of Understanding regarding ACA Excise Tax, or; (2) written notice is served by either party hereto of intended change at least ninety (90) days prior to March 31, 2019, or prior to March 31 of any year thereafter. If reopened in accordance with this paragraph, this Agreement will expire ninety (90) days after the notice of the reopener.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement July 10th, 2015.

FOR THE UNION

FOR MANAGEMENT

/s/ David Semanchik
President
UALPAPAE, Unit 1

/s/ Tim Canoll
President
ALPA

/s/ Erin Shields
Secretary
UALPAPAE, Unit 1

/s/ Lori Garver
General Manager
ALPA

WITNESS:

WITNESS:

/s/ Wayne Klocke
Co-Chairman, Negotiating
Committee
UALPAPAE, Unit 1

/s/ David Krieger
Managing Director
ALPA

/s/ Russell Woody
Co-Chairman,
Negotiating Committee
UALPAPAE, Unit 1

/s/ Kelly Collie
Director, Human Resources
ALPA

/s/ Eric Iverson
Member, Negotiating Committee
UALPAPAE, Unit 1

/s/ Paul Karg
Member, Negotiating Committee
UALPAPAE, Unit 1

LETTER OF UNDERSTANDING
between
THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL
and
THE ADMINISTRATIVE AND PROFESSIONAL EMPLOYEES
in the service of
THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL
as represented by
THE UNION OF ALPA PROFESSIONAL AND
ADMINISTRATIVE EMPLOYEES
UNIT 1

This letter of understanding is made and entered into in accordance with the provisions of the National Labor Relations Act by and between the Air Line Pilots Association, International (“ALPA”) and the Professional and Administrative Employees in the service of ALPA as represented by the Union of ALPA Professional and Administrative Employees, Unit 1 (UALPAPAE).

WHEREAS ALPA has announced its intention to transfer certain staff employees from the Washington, D.C. Office to the Herndon, Virginia office and, may in the future move an office location within a metropolitan area, and

WHEREAS the Internal Revenue Service does not classify an office move less than 50 miles farther from an employee’s former place of work as a relocation, therefore, not eligible for relocation allowances and deductions (Internal Revenue Code Sec. 217), and

WHEREAS ALPA recognizes that such transfers may nevertheless cause some hardship related to the increased commuting distances for an affected employee (“Eligible Staff”), and

WHEREAS ALPA has expressed its willingness to address these issues to relieve any hardship which may exist,

NOW, THEREFORE, it is agreed as follows:

For Eligible Staff, as defined above, who are not eligible under Section 10, Moving Allowance, office transfers within a metropolitan area to include a transfer between D.C. and Herndon effective on and after July 1, 1995, the following will apply:

1. During the 18-month period from the date of transfer, Eligible Staff can elect to receive a commuting allowance as described in paragraphs 2 and/or 3 below, and/or to receive the benefits provided in paragraph 4 below.

2. The amount of the commuting allowance shall equal the cost of road tolls actually paid and receipted, and the reimbursement amount for the increased mileage of the Eligible Staff's daily commute round-trip from home to the new office location when compared with the daily commute round-trip from home to the prior office location ("daily commute"). The daily commute shall be reimbursed at the rate set forth in Agreement Section 6.A.4.b, Personal Car Expenses.
3. Any Eligible Staff commuting to work in Herndon, VA, who as a result of reassignment will be required to commute more than thirty (30) miles round-trip per day in excess of the distance now traveled to the office will receive an additional forty dollars (\$40.00) per month in commuting expense reimbursement while continuing to commute for a maximum of 18 months. Such reimbursement will not require the submission of receipts.
4. Any Eligible Staff who, within 24 months of the date of transfer, chooses to relocate his/her primary residence to be closer to the new office location is entitled to receive reimbursement of actual costs up to \$5,000.00 for relocation and moving expenses. Reimbursement may include actual selling expenses associated with the sale of a primary place of residence, or actual lease cancellation expenses associated with the early termination of the rental agreement for a primary place of residence, and/or shipment of household goods, and/or closing costs of a new primary place of residence. In any case, reimbursement under this section will not exceed \$5,000.00 total. To qualify for reimbursement under this paragraph, Eligible Staff must be first certified by Director of Human Resources as being required to commute more than thirty (30) miles round-trip per day in excess of the distance traveled to the previous office location. In claiming payment for such costs, the Eligible Staff will provide the Director of Human Resources with receipts and/or closing documents itemizing such costs. In the event an Eligible Staff terminates employment with ALPA within 12 months of receiving reimbursement under this paragraph, he/she will be required to refund to ALPA all expenses reimbursed under this paragraph.
5. Effective on the date of the Eligible Staff's relocation of his/her home, there shall be no further toll or commuting reimbursement due the Eligible Staff pursuant to this Letter of Understanding.
6. No Eligible Staff under any combination of benefits above may receive total benefits greater than \$6,500.00. Once benefits outlined above have reached \$6,500.00, Eligible Staff will not receive any further reimbursements or benefits.

7. This Letter of Understanding will become effective on the date of signing, and continue in full force concurrent with and subject to the duration provision of the Agreement immediately succeeding the Agreement dated March 23, 1992.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Understanding this 14th day of December, 1995.

/s/ Marilyn A. Pearson
President
UALPAPAE

/s/ J. Randolph Babbitt
President
ALPA

/s/ Jan R. Briel
Witness

LETTER OF UNDERSTANDING
between
THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL
and
THE ADMINISTRATIVE AND PROFESSIONAL EMPLOYEES
in the service of
THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL
as represented by
THE UNION OF ALPA PROFESSIONAL AND
ADMINISTRATIVE EMPLOYEES
UNIT 1

This Letter of Understanding is made and entered into in accordance with the provisions of the National Labor Relations Act by and between the Air Line Pilots Association, International (“ALPA”) and the Professional and Administrative Employees in the service of ALPA, as represented by the Union of ALPA Professional and Administrative Employees, Unit 1 (“the Union”).

WHEREAS, ALPA employs certain professional and administrative employees based in Canada; and

WHEREAS, ALPA and the Union wish to provide for a fair and equitable application of the current collective bargaining agreement between ALPA and the Union (“the Basic Agreement”) to such employees, taking into account provisions of Canadian national and provincial law and other relevant circumstances;

NOW, THEREFORE, the parties agree as follows:

A. Recognition

ALPA recognizes the Union as the duly designated and authorized representative of the Canada-based Professional and Administrative Employees in the service of ALPA.

B. Application of Basic Agreement and this Letter of Understanding

1. The Basic Agreement shall apply in all respects to professional and administrative employees based in Canada effective February 1, 1997, except as provided in Paragraphs C. through K., inclusive, of this Letter of Understanding.
2. ALPA agrees to comply with all Canadian national and/or provincial labour laws applicable to such employees.

C. Sick Leave, Parental Leave and Other Leaves
(Basic Agreement, Section 4)

1. Employees based in Canada shall be granted parental leave as provided in Section 4, paragraph C., or as mandated by Canadian national or provincial law or regulation, whichever is greater.
2. Employees based in Canada shall receive benefits as provided either by the Family Medical Leave Act (FMLA) or the Canadian Compassionate Leave Act (CLA), whichever are greater.
3. Employees based in Canada shall be granted other leaves, if any, mandated by and in accordance with Canadian national and/or provincial laws.

D. Expenses
(Basic Agreement, Section 6)

1. Expenses shall be paid in \$CDN.
2. The rate of conversion shall be the rate provided by ALPA policy for its members at the time the expense was incurred.

E. Moving Allowance
(Basic Agreement, Section 10)

1. Moving allowances stated in \$US in Section 10 of the Basic Agreement shall be converted to \$CDN utilizing the rate of conversion in effect for purposes of the expense policy at the time an allowance is payable.
2. Any penalty incurred for early payment of a Canadian mortgage shall be a recoverable expense pursuant to Section 10, paragraph C., of the Basic Agreement, not to exceed \$ 10,000.00 CDN.
3. Any Canadian tax on the purchase of a new home shall be recoverable expense pursuant to Section 10, paragraph H.5., of the Basic Agreement, not to exceed one percent (1%) of the purchase price.

F. Severance Pay
(Basic Agreement, Section 11)

Severance pay shall be paid in \$CDN based upon the employee's then current \$CDN salary.

G. Holidays
(Basic Agreement, Section 12)

In lieu of holidays specified in Section 12 of the Basic Agreement, Canada-based employees shall be granted the following holidays with pay:

New Year's Day	January 1
Good Friday	Friday before Easter
Victoria Day	Third Monday of May
Canada Day	July 1
Civic Holiday	First Monday of August
Labour Day	First Monday of September
Thanksgiving	Second Monday of October
Remembrance Day	November 11
Christmas Day	December 25
Boxing Day	December 26

Canada-based employees shall be entitled to receive a Floating Holiday as specified in Section 12 of the Basic Agreement.

H. Health and Welfare
(Basic Agreement, Section 13)

1. In lieu of the health and welfare benefits specified in Section 13 of the Basic Agreement, Canada-based employees shall continue to receive the benefits provided under the Great-West Life Plan No. 232299 (summarized in Attachment F).
2. Canada-based employees shall continue to participate in a Registered Retirement Savings Plan (RRSP), with employee/employer contributions consistent with the terms of the Air Line Pilots Association, International Deferred Savings Plan for Bargaining Professional Administrative Employees, to the extent permitted under Canadian national and provincial law.
 - a. Employee contribution to RRSP in increments of 1% of compensation is required for the ALPA matching contribution. ALPA will contribute to RRSP 200% of each Staff Employee's contribution up to a maximum of 10% of compensation. Effective January 1, 2017, for a Staff Employee who contributes 5% or more, ALPA will contribute to RRSP 220% of each Staff Employee's contribution up to a maximum of 11% of compensation.
 - b. ALPA contributions shall be made on a monthly basis.

- c. Any Canada-based employee who cannot receive ALPA contributions to RRSP due to limitations imposed under Canadian national or provincial law shall receive ALPA contributions as cash payments.
- d. No later than August 1, 2015, ALPA and Unit 1 will meet and agree whether Canadian employees shall participate in the RHA VEBA under Section 13.S of the Basic Agreement or whether, in lieu of such participation, they should receive an additional 1% contribution to their RRSP or cash payments or some other method of delivering value equivalent to the ALPA RHA VEBA contribution.

I. Agency Shop/Dues Check-Off
(Basic Agreement, Section 15)

Section 15 of the Basic Agreement shall apply to Canada-based employees to the extent permitted by Canadian national and provincial law. ALPA's remittances to the Union of membership dues and/or service charges deducted from the pay of Canada-based employees pursuant to Section 15, paragraph H., of the Basic Agreement shall be in \$US based on the conversion rate in effect for purposes of the expense policy on the date such deductions are made.

J. Compensation/Salary Administration Plan
(Basic Agreement, Sections 16 & 18)

1. Percentage increases (ATB, merit and promotion) shall be applied to \$CDN salaries with no adjustment based on currency conversion rates.
2. For purposes of determining a Canada-based employee's entitlement to a lump sum payment (ATB, merit or bonus program) pursuant to Section 16 of the Basic Agreement, the maximum for such employee's salary grade shall be determined in \$CDN based upon the rate of conversion in effect for purposes of the expense policy on the employee's anniversary date.
3. Payroll for employees based in Canada shall be in \$CDN.
4. ALPA agrees to pay "EI" and "CPP" or "QPP," as applicable, for Canada-based employees up to the limits provided in Section 16, paragraph D., of the Basic Agreement. Limits provided in Section 16, paragraph D., of the Basic Agreement shall be converted to \$CDN based upon the conversion rate in effect for members on January 1 of each year of the Agreement.

K. General
(Basic Agreement, Section 17)

The parties agree that the provisions of Section 17, paragraph C., of the Basic Agreement shall apply with respect to Canada-based employees in the event of any mandatory wage and/or benefit controls imposed by Canadian national or provincial law during the term of the Basic Agreement.

IN WITNESS Whereof, the parties have agreed upon this Letter of Understanding this 10th day of July, 2015.

FOR THE UNION

FOR MANAGEMENT

/s/ David Semanchik
President
UALPAPAE, Unit 1

/s/ Tim Canoll
President
ALPA

/s/ Erin Shields
Secretary
UALPAPAE, Unit 1

/s/ Lori Garver
General Manager
ALPA

WITNESS:

WITNESS:

/s/ Wayne Klocke
Co-Chairman,
Negotiating Committee
UALPAPAE, Unit 1

/s/ David Krieger
Managing Director
ALPA

/s/ Russell Woody
Co-Chairman,
Negotiating Committee
UALPAPAE, Unit 1

/s/ Kelly Collie
Director, Human Resources
ALPA

/s/ Eric Iverson
Member, Negotiating Committee
UALPAPAE, Unit 1

/s/ Paul Karg
Member, Negotiating Committee
UALPAPAE, Unit 1

LETTER OF UNDERSTANDING
between
THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL
and
THE ADMINISTRATIVE AND PROFESSIONAL EMPLOYEES
in the service of
THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL
as represented by
THE UNION OF ALPA PROFESSIONAL AND
ADMINISTRATIVE EMPLOYEES
UNIT 1

AFFORDABLE CARE ACT EXCISE TAX

This Letter of Understanding is made and entered into in accordance with the provisions of the National Labor Relations Act by and between the Air Line Pilots Association, International (“ALPA”) and the Professional and Administrative Employees in the service of ALPA, as represented by the Union of ALPA Professional and Administrative Employees, Unit 1 (“Unit 1”), collectively referred to as “the Parties”

WHEREAS, during the 2015 negotiations, the Parties discussed the potential impact that the Affordable Care Act (ACA) may have on ALPA’s benefits plans;

WHEREAS, the Parties do not want to make changes to ALPA’s benefits plans until such time as more clarity exists on how various components of the ACA may impact such plans;

NOW, THEREFORE, the Parties agree as follows:

1. ALPA and Unit 1 shall establish a joint committee (the “Committee”) comprising up to six members, up to three of whom shall be appointed by ALPA and up to three of whom shall be appointed by Unit 1. Regardless of the number of members appointed by each party, each party shall have a single vote and Committee determinations shall require the concurrence of both parties.
2. The Committee shall meet no later than August 1, 2017, to determine if ALPA’s total ACA excise tax liability under IRC Section 4980I (the “Excise Tax”) attributable to the applicable employer-sponsored coverage for all three staff labor groups (including all participating retirees, former employees and survivors) is projected to be significant for the 2018 Plan Year. For this purpose, Excise

Tax shall include the excise tax under any amendments enacted on or after April 1, 2015 that modify or replace the excise tax under IRC Section 4980I.

- a. In determining if the projected Excise Tax is significant, the Committee shall engage a health plan actuary to support these discussions. Committee members may make reasonable requests for assistance from the actuary, which shall be in writing and shared in advance with all Committee members. All responses from the actuary shall be shared with all Committee members. All communications with the actuary shall be open to all Committee members. Committee members may engage another actuary(ies) at the expense of the party appointing them.
 - b. The Committee shall identify such actuary no later than June 1, 2017. ALPA shall pay all costs attributable to the Committee's use of the identified actuary.
3. The Committee's work shall be concluded by September 29, 2017.
 4. If the Committee determines that the Excise Tax is significant, then the following shall apply:
 - a. The Unit 1-ALPA Collective Bargaining Agreement shall expire on March 31, 2018 rather than March 31, 2019 as provided in Section 19.B of the Collective Bargaining Agreement. In such instance, the provisions of Sections 16.A.1.d., 16.B.2., and 16.D. shall not apply after March 31, 2018, and Section 16.E. shall not apply for calendar year 2018 and beyond;
 - b. Negotiations for a successor Collective Bargaining Agreement shall begin no later than November 1, 2017; and
 - c. Commencing January 1, 2018, the portion of any Excise Tax actually owed which is attributable to ALPA-provided coverage of Staff Employees shall be treated for purposes of Section 13.Q of the Collective Bargaining Agreement as an additional plan cost, and the tables for salary reduction in lieu of premiums in that Section will be adjusted as determined by Unit 1 so that 16.5% of that additional cost will be borne by Staff Employees. The resulting increase in salary reductions will be effective on a monthly continuing basis beginning with the first month in which ALPA actually incurs a significant Excise Tax obligation. The remaining 83.5% of the additional cost shall be paid by ALPA.

5. If the Committee determines that the Excise Tax is not significant, then Section 19.B. (i.e., 4-year duration) shall remain in effect. In that case, the entirety of any actual Excise Tax liability attributable to ALPA-provided coverage for Staff Employees shall be borne by ALPA.
6. This Affordable Care Act Excise Tax Issue LOU shall become effective on the date signed, and shall run concurrently with the CBA.

IN WITNESS WHEREOF, the Parties have agreed upon and executed this ACA Excise Tax Letter of Understanding this the 10th day of July, 2015.

FOR THE UNION

FOR MANAGEMENT

/s/ David Semanchik
President
UALPAPAE, Unit 1

/s/ Tim Canoll
President
ALPA

/s/ Erin Shields
Secretary
UALPAPAE, Unit 1

/s/ Lori Garver
General Manager
ALPA

WITNESS:

WITNESS:

/s/ Wayne Klocke
Co-Chairman,
Negotiating Committee
UALPAPAE, Unit 1

/s/ David Krieger
Managing Director
ALPA

/s/ Russell Woody
Co-Chairman,
Negotiating Committee
UALPAPAE, Unit 1

/s/ Kelly Collie
Director, Human Resources
ALPA

/s/ Eric Iverson
Member, Negotiating Committee
UALPAPAE, Unit 1

/s/ Paul Karg
Member, Negotiating Committee
UALPAPAE, Unit 1

LETTER OF UNDERSTANDING

Between

THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

And

THE ADMINISTRATIVE AND PROFESSIONAL EMPLOYEES

In the service of

THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

As represented by

THE UNION OF ALPA PROFESSIONAL AND

ADMINISTRATIVE EMPLOYEES

UNIT 1

JOB RETRAINING CAUSED BY TECHNOLOGICAL CHANGES

This Letter of Understanding is made and entered into in accordance with the provisions of the National Labor Relations Act by and between the Air Line Pilots Association, International (“ALPA”) and the Professional and Administrative Employees in the service of ALPA as represented by the Union of ALPA Professional and Administrative Employees, Unit 1 (“Unit 1”), collectively referred to as “the Parties.”

WHEREAS, ALPA is in the process of upgrading systems and software for use by the Finance and Membership departments, which may impact the work normally performed by Unit 1 Staff Employees;

AND WHEREAS, during the 2015 negotiations, the Parties discussed the need to provide Staff Employees whose jobs may be affected by expected changes in systems and software in the Finance Department and the Information Technologies and Services Department (“IT”) an opportunity for retraining or, as an alternative, an early out program.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

- A. Section 11 of the Parties’ Collective Bargaining Agreement (“CBA”) shall remain in full force and effect, except as expressly modified by this Letter of Understanding (“LOU”). Following the full implementation (as determined by the JTC) of the technological changes identified in “ALPA’s Systems Notice,” described below, no vendor or consultant will perform work of the kind or nature previously performed by Unit 1 Staff Employees affected by the technological changes except for the kind of technical support services normally provided by a software vendor.

B. Notice:

1. Modifications under the LOU becomes effective when ALPA provides written systems notice (“ALPA Systems Notice”) to the Unit 1 President and the Unit 1 members of the Joint Training Committee (“JTC”) of all current software/programming languages being phased out and all replacement software and programming languages to be installed, together with a detailed timetable for implementing such changes. The technology being phased out and the technology being installed shall be specified by name and/or description sufficient in detail to enable an individual with information technology/computer training to identify each item listed, together with the major add-ons, plug-ins or other components related to that item.
2. Pending receipt of the ALPA Systems Notice and development of a mutually-agreed Individual Training Plan (“ITP”), as described below, no training/retraining will adversely affect an employee. Successful training or retraining experiences during this period may be taken into account under this LOU, if the JTC determines it to be appropriate and relevant to the employee’s ITP.
3. If the ALPA Systems Notice is not provided to the Unit 1 President by October 31, 2015, this LOU shall expire.
4. ALPA shall provide notice of any modifications of either the technological changes or the implementation timetable stated in the ALPA Systems Notice. Any changes to the ALPA Systems Notice will require prior approval of the Unit 1 President, which approval shall not be unreasonably withheld.

C. Joint Training Committee:

1. The Parties agree to establish a JTC by May 1, 2015, which shall consist of two (2) ALPA representatives and two (2) Unit 1 representatives. Each set of representatives shall have one vote, and decisions shall be made by a consensus driven, unanimous vote process. ALPA’s General Manager, or her designee, and the Unit 1 President, or his designee, shall be considered ex officio, non-voting members of the JTC, unless either or both serve in the position of a voting member.
2. The JTC’s jurisdiction shall be limited to that provided for it in this LOU. However, the JTC will recommend, prior to this LOU’s expiration, an ongoing program of continuing education/training to maintain the currency of Unit 1 Staff Employees in IT.

Such program will be designed to assist Staff Employees in retaining and improving their proficiency and skills, and to keep them abreast of potentially relevant technological developments, which program shall include, without limitation, continued access to the Educational Assistance Program (subject to budgetary limitations) as well as ongoing training initiatives in IT and across ALPA.

D. Job Retraining Program:

1. The Job Retraining Program (“the Program”) shall be available to Herndon or DC based Staff Employees in the IT and Finance Departments materially affected by the transition away from People Soft, Power Builder, and RMS software and related programming languages or other functions identified.
2. ALPA shall provide a jobs notice (“Jobs Notice”) to the Unit 1 President identifying those Staff Employees determined to be eligible for the Program, including those Staff Employees who self-identify themselves as wanting to participate and whom ALPA accepts into the Program. If the Unit 1 members of the JTC disagree with ALPA’s inclusion of a particular job(s) in ALPA’s Jobs Notice, the ALPA President or his pilot designee shall verbally decide the deadlock. If the Staff Employee or the Unit 1 President disagrees with the decision, the ALPA President or his pilot designee shall issue a written decision stating the specific reasons therefor, which the Staff Employee or the Unit 1 President may file a grievance under Section 9 of the CBA.
3. ALPA shall notify any Staff Employees, including those who self-identified themselves, for participation in the Program within forty-five (45) calendar days after the ALPA Jobs Notice is provided to the Unit 1 President.
4. Staff Employees designated as participants by ALPA, or self-identified Staff Employees accepted by ALPA shall have the option to either:
 - a. Accept to participate in the Program while retaining the right subsequently to withdraw from participation and receive the immediate severance package described below, or, if applicable, the deferred severance package described below, or;
 - b. Decline to participate in the Program and instead elect to receive either: (i) the immediate severance package described below, or; (ii) if the employee accepts a request by ALPA to

defer severance to assist in the transition (including any period of parallel operation of software systems), the deferred severance package described below.

5. The JTC and the Staff Employee who elects to participate in the program will engage in an interactive process to establish a mutually-agreed, individually-tailored, written plan for retraining (the "Individual Training Plan" or "ITP"), specifying in detail among other things: (a) the revised job description, duties and required skills of the position for which the employee is being trained; (b) the course of training to be followed to enable the employee to transition from his/her current job functions, knowledge and skills to that level of specialized knowledge and skills reasonably required to perform satisfactorily the specific functions of the employee's revised job description following the technological changes described in ALPA's Systems Notice; (c) the training schedule and appropriate interim waypoints for measuring the employee's progress to proficiency and assessing the need for adjustments and modifications to the ITP as indicated by the employee's rate of progress; and (d) the standards for determining the employee's successful completion of the program.
6. The Individual Training Program shall be subject to the following:
 - a. The object and philosophy of the training will be to train the participating Staff Employee to end-level proficiency in performing his/her revised job description in light of the technological changes set forth in the ALPA System Notice, and to enable the employee to continue to progress thereafter.
 - b. It is recognized that Staff Employees do not learn at the same rate and there may be disparities of experience level and background of those entering the Program. This shall not in any way be held against a Staff Employee participating in the Program. The course of each Staff Employee's training, and the nature, number and content of its specific components, along with the Staff Employee's rate of progress shall be regularly reviewed by the JTC, and the ITP shall be adjusted by mutual agreement between the JTC and the participant, consistent with the train to proficiency philosophy. Subject only to the Staff Employee's right to withdraw from the program and the authority of the JTC to terminate training, as discussed below, there shall be no limit on the permitted number of iterations of any training module within the planned training time. Training may be continued beyond the time contemplated in the original or modified ITP unless terminated by the Staff Employee or the JTC.

- c. Training will continue until the earlier of: (i) the Staff Employee successfully completes training; (ii) the Staff Employee voluntarily withdraws from the Program, or; (iii) the earliest date on which there is a consensus on the JTC that the participant is no longer making progress.
 - d. Qualified instructors shall conduct the training.
 - e. Unless the Staff Employee otherwise agrees, all training will be conducted during normal business hours. To the maximum extent reasonably possible, ALPA shall, by alternating scheduling or otherwise, ensure that training is conducted in minimum blocks of four (4) hours each. If the Staff Employee agrees to training during evenings and/or weekends, the Staff Employee shall be compensated at his/her regular hourly rate in addition to normal pay.
 - f. To the maximum extent reasonably possible, training will be conducted at the Staff Employee's assigned office (Herdon or DC), or within a twenty (20) mile radius thereof, in a classroom setting, with classes sufficiently limited in size to permit as much one-on-one interaction between the instructor and Staff Employee as reasonably possible. There shall be no forced distance learning training. If training is conducted at a site more than twenty (20) miles away from the Staff Employee's assigned office, the Staff Employee shall be reimbursed for all travel expenses. Where the training requires overnight stays away from the Staff Employee's home, or is at a site more than one hundred (100) miles away from the Staff Employee's home, reimbursable travel expenses shall include lodging and meals.
 - g. To the maximum extent reasonably possible, course materials will be provided in both electronic and printed formats, shall be user-friendly, understandable, complete and suitable for the training objectives. Training computers shall be of the type and capacity expected to be used with the new software and program language(s).
7. Upon a Staff Employee's successful completion of the ITP, his/her job description, grading and compensation, will be reviewed by the JTC, in consultation with ALPA's Salary Review Committee, and updated and re-evaluated, as appropriate, to ensure proper grade placement and compensation. In no case shall the job re-evaluation result in a downgrade or reduction in salary.

8. For purposes of this LOU, neither a Staff Employee's: (a) decision to accept or decline participation in the Program; (b) self-identification to participate in the Program; (c) acceptance or rejection of the immediate or deferred severance package; (d) performance during participation in the Program (including without limitation any perceived "failure" to satisfactorily complete the Program); (e) withdrawal from the Program after beginning training; or (f) any other aspect of the employee's participation or non-participation in the Program shall constitute "just cause" for disciplinary action under Section 8 of the CBA, shall be included in the employee's personnel file, or shall be referred to or admissible in evidence in any proceeding under Section 9 of the CBA, and all records relating to the Program (except records of the successful completion thereof) shall be expunged from all IT and Finance personnel records immediately upon expiration of this LOU. Successful completion of the Program shall be reflected in an employee's personnel file maintained by the Human Resources Department and shall be fully admissible in any proceeding under Section 9 of the CBA. Participation or non-participation in this Program is in no way intended to reflect negatively on any Staff Employee.

E. Help Desk:

1. All functions performed by Unit 1 Staff Employees currently assigned to the Help Desk constitute professional and administrative work normally performed by Unit 1 employees and covered by Sections 1 and 2 of the CBA. All such functions (or modifications or replacements of such functions) will continue to constitute work normally performed by Unit 1 employees and covered by the CBA, regardless of where ALPA elects to situate those functions organizationally. The Unit 1 Staff Employees currently assigned to the Help Desk will continue to perform such work wherever located and are entitled to all benefits and protections under Section 11 of the CBA.
2. This LOU shall apply to all current Unit 1 Staff Employees assigned to the Help Desk ("Help Desk Staff Employees") who shall be considered as Staff Employees whose jobs are materially affected by the technological changes detailed in the ALPA Systems Notice, and as identified by ALPA as individuals to be offered participation in the Program under ALPA's Jobs Notice.
3. A Help Desk Staff Employee who elects to participate in the Program shall have an ITP designed to enable him to perform other IT functions. Subject to the authority of the JTC, it is currently

contemplated that the other IT functions will be of the kind classified as "Tier II" service functions. In no event shall a Help Desk Staff Employee be assigned to work not normally performed by Unit 1 employees, or transferred to any position not represented by Unit 1.

4. A Staff Employee who declines participation, or who initially accepts participation under this provision, shall retain the right subsequently to withdraw from participation and to receive the immediate or deferred severance package, whichever is applicable.

F. Severance

1. A Staff Employee electing to accept a severance package shall provide ALPA with a minimum of thirty (30) calendar days' notice before the severance begins. If the JTC determines that a Staff Employee is no longer making progress in training, ALPA shall provide the Staff Employee with either a minimum of thirty (30) calendar days' notice or pay in lieu of notice before severance begins.
2. Immediate Severance. Any Staff Employee who severs employment with ALPA pursuant to this LOU shall be entitled to the benefits of Sections 11.D, 11.E, 11.F, 11.H, 11.I and 11.K of the CBA (but not Sections 11.G or 11.J). The severed Staff Employee will also be entitled to the an employer contribution of thirty thousand dollars (\$30,000) to the Staff Employee's individual Retiree Health Account in the ALPA RHA VEBA, regardless of the Staff Employee's age.
3. Deferred Severance. Any Staff Employee who is scheduled to sever employment with ALPA pursuant to this LOU, but who is asked by ALPA to defer his/her severance date to continue working during all or a portion of the software transition period, shall receive: (a) his/her regular pay and benefits during the period of continued work; (b) the Immediate Severance package provided above, and; (c) an additional contribution of 1/52nd of \$250 for each year of service to the Staff Employee's individual Retiree Health Account in the ALPA RHA VEBA for each week or portion of a week he/she continues working.
4. Any severance of employment under this LOU will be treated as a voluntary resignation for all purposes (other than the severance pay entitlement under Section 11 and unemployment compensation purposes), and ALPA will not contest applications for un-

employment compensation benefits by any severed affected Staff Employee regardless of the basis for severance. ALPA's response to inquiries from prospective employers of a severed Staff Employee shall be acceptable to the Unit 1 President.

- G. Any dispute involving application or interpretation of this LOU, the Program, or administration of a Staff Employee's ITP, shall first be addressed by the JTC. If the JTC cannot agree on a proper resolution, the ALPA President or his pilot designee shall verbally decide the dispute. If the Staff Employee or the Unit 1 President disagrees with the decision, the ALPA President or his pilot designee shall issue a written decision stating the specific reasons therefor, which the Staff Employee or the Unit 1 President may file a grievance under Section 9 of the CBA.

- H. This Job Retraining Caused by Technological Changes LOU shall become effective on the date signed, and shall run concurrently with the CBA, except that:
 - 1. This entire LOU shall expire if the ALPA Systems Notice has not been provided to the Unit 1 President by October 31, 2015, or;
 - 2. All provisions contained in Paragraphs B, C, D, E, and F of this LOU shall expire on the later of either June 30, 2018, or one (1) year after the last ITP ends.

IN WITNESS WHEREOF, the Parties have agreed upon and executed this Job Retraining Caused By Technological Changes Letter of Understanding this the 1st day of April, 2015.

FOR THE UNION

FOR MANAGEMENT

/s/ David Semanchik
President
UALPAPAE, Unit 1

/s/ Tim Canoll
President
ALPA

/s/ Erin Shields
Secretary
UALPAPAE, Unit 1

/s/ Lori Garver
General Manager
ALPA

WITNESS:

WITNESS:

/s/ Wayne Klocke
Co-Chairman,
Negotiating Committee
UALPAPAE, Unit 1

/s/ David Krieger
Managing Director
ALPA

/s/ Russell Woody
Co-Chairman,
Negotiating Committee
UALPAPAE, Unit 1

/s/ Kelly Collie
Director, Human Resources
ALPA

/s/ Eric Iverson
Member, Negotiating Committee
UALPAPAE, Unit 1

/s/ Paul Karg
Member, Negotiating Committee
UALPAPAE, Unit 1

LETTER OF UNDERSTANDING

Between

THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

And

THE ADMINISTRATIVE AND PROFESSIONAL EMPLOYEES

In the service of

THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

As represented by

THE UNION OF ALPA PROFESSIONAL AND

ADMINISTRATIVE EMPLOYEES

UNIT 1

TRANSITION TO ANNUAL REVIEW DATE

This Letter of Understanding is made and entered into in accordance with the provisions of the National Labor Relations Act by and between the Air Line Pilots Association, International (“ALPA”) and the Professional and Administrative Employees in the service of ALPA as represented by the Union of ALPA Professional and Administrative Employees, Unit 1 (“Unit 1”), collectively referred to as “the Parties.”

WHEREAS, during the 2015 negotiations, the Parties agreed to transition all Staff Employee review dates to February 28th beginning in 2016;

AND WHEREAS, the Parties have developed a methodology to transition all reviews from anniversary dates to an annual review date;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. **Transition from Anniversary Date Review to Annual Review**
During the period from April 1, 2015, through March 31, 2016 (the “Transition Year”), the performance review procedure will be transitioned from anniversary date timing to the uniform annual review schedule provided in Section 16.B.1. The Parties have agreed that the transition will be accomplished, to the maximum extent reasonably possible, without financial harm or windfalls to Staff Employees as a result of the change of timing of wage increases and payment of lump sums under Sections 16.A.2., 16.B.4 and 18.N. Without limiting the generality of this objective, the following transitional rules will apply:
 - a. Staff Employees with Anniversary Dates from April 1, 2015 to December 31, 2015:

- (i) Staff Employees whose anniversary dates are in the period April 1, 2015 through December 31, 2015, both dates inclusive, shall receive their 2015 performance evaluations on or before their 2015 anniversary dates.
 - (ii) Subject to paragraph d. below, such Staff Employees shall receive any merit salary increases to which they are entitled under Section 16.B.3 as in effect on and after April 1, 2015, based on their ratings in their 2015 anniversary date evaluations, such increases to be effective as of their 2015 anniversary date, in accordance with Sections 16.B and 18.N as in effect immediately prior to April 1, 2015.
- b. Staff Employees with Anniversary Dates from January 1, 2016 to March 31, 2016:
- (i) Staff Employees whose anniversary dates are in the period January 1, 2016 to March 31, 2016, both dates inclusive, shall receive their 2016 performance evaluations on or before February 28, 2016. Subsequent to the Transition Year, such Staff Employees shall receive their performance evaluations on an annual basis, on or before each February 28th thereafter.
 - (ii) Subject to paragraph d. below, such Staff Employees shall receive any merit salary increases to which they are entitled under Section 16.B.3 (as in effect on and after April 1, 2015), based on their ratings in their 2016 annual evaluations, adjusted for the effects of transition, such adjusted salary increase to be effective as of April 1, 2016. In order to correct for the change in effective date of the merit increase from the Staff Employee's anniversary date to April 1, the transition adjustment is calculated by multiplying (x) the percentage merit increase to which the Staff Employee is entitled under Section 16.B.3., by (y) a multiplier equal to 1.00 plus the decimal resulting from dividing the number of days between the Staff Employee's anniversary date and April 1 by 366.

Example: If the Staff Employee's anniversary date is February 3, then the number of days between the anniversary date and April 1st (57, 2016 being a leap year) is divided by 366, yielding 15.6%. Adding 1 equals 115.6%. The resulting number is multiplied by the percentage

appropriate to the rating received under Section 16.B.3. Thus, if the Staff employee received an “Outstanding” or “Excellent” rating, his or her merit increase under Section 16.B.3. (as effective April 1, 2015) would be 1.5%, so this example would result in a 1.73% ($.015 \times 1.156 = 1.734$) raise on April 1, 2016.

- c. Staff Employees with Anniversary Dates from April 1, 2016 to December 31, 2016:
- (i) Staff Employees whose anniversary dates are in the period April 1, 2016 to December 31, 2016, both dates inclusive, shall receive their 2016 performance evaluations on or before February 28, 2016. Subsequent to the Transition Year, such Staff Employees shall receive their performance evaluations on an annual basis, on or before each February 28 thereafter.
 - (ii) Subject to paragraph d. below, such Staff Employees shall receive any merit salary increases to which they are entitled under Section 16.B.3 as in effect on and after April 1, 2015, based on their ratings in their 2016 annual evaluations, adjusted for the effects of transition, such adjusted salary increase to be effective as of April 1, 2016. In order to correct for the change in effective date of the merit increase from the Staff Employee’s anniversary date to April 1, the transition adjustment is calculated by multiplying (x) the percentage merit increase to which the Staff Employee is entitled under Section 16.B.3., by (y) a multiplier equal to 1.00 minus the decimal resulting from dividing the number of days between April 1 and the Staff Employee’s anniversary date by 366.

Example: If the Staff Employee’s anniversary date is October 1, then the number of days between April 1 and the anniversary date (183) is divided by 366, which equals 0.501. Subtracting 0.501 from 1.00 equals 0.499. 0.499 is multiplied by the percentage appropriate to the rating received under Section 16.B.3. If the Staff employee received an “Outstanding” or “Excellent”, his or her merit increase under Section 16.B.3. (as effective April 1, 2015) would be 1.5%, so this example would result in a 0.75% ($0.015 \times 0.499 = .007485$) raise on April 1, 2016.

d. "Red-Circled" Staff Employees

- (i) Staff Employees whose anniversary dates are in the period April 1, 2015 through December 31, 2015, both dates inclusive, who have already reached the maximum salary for their grades as of their 2015 anniversary dates (or who will reach the maximum salary by virtue of their 2015 merit increases)("Red-Circled Staff Employees") shall receive any 2015 merit lump sum to which they are entitled under Section 16.B.4 as of their 2015 anniversary dates.
- (ii) Beginning in 2016, and continuing each year thereafter, all Red-Circled Staff Employees will receive any merit lump sum to which they are entitled, based on their February 28 performance evaluation of the year. Except as provided in paragraph (iv) below, such lump sum shall be payable as of April 1st of that same calendar year, regardless of the Red-Circled Staff Employee's anniversary date.
- (iii) The 2016 merit lump sums shall receive a transition adjustment in order to correct for the change in payment date from the Red-Circled Staff Employee's anniversary date to April 1. For Red-Circled Staff Employees whose anniversary dates are in the period January 1 through March 31, 2016, both dates inclusive, the transition adjustment is calculated by multiplying (x) the lump sum amount to which the Staff Employee is entitled under Section 16.B.4., by (y) a multiplier equal to 1.00 plus the decimal resulting from multiplying the number of days between the Staff Employee's anniversary date and April 1 by 0.00006849. For Red-Circled Staff Employees whose anniversary dates are in the period April 1 through December 31, 2016, both dates inclusive, the transition adjustment is calculated by multiplying (s) the lump sum amount to which the Staff Employee is entitled under Section 16.B.4., by (t) a multiplier equal to 1.00 minus the decimal resulting from multiplying the number of days between April 1 and the Red-Circled Staff Employee's anniversary date by 0.00006849. The transition adjustment shall be applied before the amount of ALPA's contribution to the RHA VEBA under Section 13.S.4.b.

- (iv) For Red-Circled Staff Employees whose anniversary dates are between January 1 and March 31, both dates inclusive, merit lump sums in the final calendar year of this Agreement shall be payable through March 31, and be paid in the next regular paycheck.
- e. In the event any case arises that violates the fundamental objective set forth in paragraph 2, above, that the transition to annual evaluations be accomplished without injury or wind-fall, the parties will promptly meet and determine the appropriate corrective action to be taken. ALPA will promptly furnish the Unit 1 President with (i) a copy of any evaluation which results in a Staff Employee who was previously rated "Outstanding" or "Excellent" being rated "Satisfactory" or lower and (ii) the details of the computation of each Staff Employee's transition adjustment(s).
- f. Effective April 1, 2015, unless otherwise provided in this Agreement, the minimum interval between performance evaluations shall be 120 days and the maximum interval shall be 16 months. Staff Employees employed for fewer than four (4) months as of any February 28 shall receive their first performance evaluation no later than the following February 28.

IN WITNESS WHEREOF, the Parties have agreed upon and executed this Transition to Annual Review Date Letter of Understanding this 10th day of July, 2015.

FOR THE UNION

FOR MANAGEMENT

/s/ David Semanchik
President
UALPAPAE, Unit 1

/s/ Tim Canoll
President
ALPA

/s/ Erin Shields
Secretary
UALPAPAE, Unit 1

/s/ Lori Garver
General Manager
ALPA

WITNESS:

WITNESS:

/s/ Wayne Klocke
Co-Chairman,
Negotiating Committee
UALPAPAE, Unit 1

/s/ David Krieger
Managing Director
ALPA

/s/ Russell Woody
Co-Chairman,
Negotiating Committee
UALPAPAE, Unit 1

/s/ Kelly Collie
Director, Human Resources
ALPA

/s/ Eric Iverson
Member, Negotiating Committee
UALPAPAE, Unit 1

/s/ Paul Karg
Member, Negotiating Committee
UALPAPAE, Unit 1

Revised as of April 1, 2008

Jay Wells, President
UALPAPAE, Unit 1

Dear Jay

When a Staff Employee wishes to leave work during business hours to attend to a pressing matter of personal business, such as a real estate closing or to drive an elderly parent to and from the hospital, it is often appropriate that a professional or administrative employee be permitted, with appropriate notice and work load permitting, to rearrange his/her work schedule to accommodate such requirements, so long as their work is accomplished and their obligations to ALPA met. To ensure consistency with respect to such matters, we will review this issue with the department directors.

If there are problems with respect to this matter, I would appreciate being made aware of it, in order that a satisfactory solution may be sought.

Sincerely,

Kelly Collie
Director, Human Resources

C: John G. Schleder
Negotiating Committee Chairman

David Semanchik, President
UALPAPAE, Unit I

Dear David:

This is to confirm that for the duration of the collective bargaining agreement between ALPA and UALPAPAE, Unit 1, effective the same date as the collective bargaining agreement expiring March 31, 2019 becomes effective, ALPA will continue the Alternative Work Schedule (AWS) Program in effect as of April 1, 2009.

Very truly yours,

Kelly Collie, Director
Human Resources

Russell Bailey, President
UALPAPAE, Unit 1

Dear Russell:

During our recent negotiations, Unit 1 advised management that it was establishing a Professional Standards Committee within the Unit.

This will confirm that management supports the concept, and is willing to explore ways in which it may interact with this Committee.

Sincerely,

A handwritten signature in black ink that reads "Jan R. Briel". The signature is written in a cursive, flowing style.

Jan R. Briel, Director
Human Resources

**ATTACHMENT A:
LIST OF UNIT 1 POSITIONS**

GRADE	TITLE
I	Accounts Payable Support Lead
I	Administrative Assistant
I	Administrative Coordinator
I	Associate Accountant
I	Associate Information Systems Administrator
I	Associate Staff Accountant
I	Balloting & Council Services Specialist
I	Buyer
I	Copy Editor
I	Elections & Balloting Analyst
I	Event Planning Specialist
I	Insurance Coordinator
I	Insurance Marketing Coordinator
I	Insurance Marketing Specialist
I	Lease Administrator
I	MEC Communications Specialist, Production Assistant
I	Membership Programs Administrator
I	Project Control Administrator
I	Research Librarian
I	Technical Publishing Coordinator
I	Web Communications Coordinator
<hr/>	
II	Accounts Payable Support Lead
II	Accounts Receivable/Billing System Functional Lead
II	Administrative Assistant
II	Advocacy Editor-Writer
II	Associate Accountant
II	Associate Communications Specialist
II	Associate Information Systems Administrator
II	Copy Editor
II	Copy Editor-Writer
II	Communications Specialist/Production Assistant
II	ePublishing Production Specialist
II	Event Planning Specialist

GRADE	TITLE
II	Graphic Designer
II	Internet Media Coordinator
II	Lease Administrator
II	MEC Communications Specialist
II	MEC Finance Specialist/Meeting Planner
II	Membership Administration Analyst
II	Membership Operations Analyst
II	Membership Project Analyst
II	Office Systems Integrator
II	Production Control Coordinator
II	Production Specialist
II	Project Coordinator/Sr. Meeting Planning Specialist
II	Research Librarian
II	Sr. Buyer
II	Technical Buyer
II	Technical Graphic Designer
II	Technical Publishing Coordinator
II	Training Coordinator
II	Website Coordinator
III	Accounts Payable Support Lead
III	Accounts Payable Technical Lead
III	Accounts Receivable and Billing Operations Analyst
III	Actuarial Assistant
III	Advocacy Editor-Writer
III	Assistant Benefits Specialist
III	Assistant Editor
III	Associate Computer Analyst
III	Associate Information Technology Coordinator
III	Associate Office Systems Integrator
III	Communication Production Specialist
III	Communications Specialist
III	Coordinator, Elections/Balloting & Judicial Procedures
III	Copy Editor
III	Electronic Communications Specialist

GRADE	TITLE
III	Governing Bodies Coordinator
III	Graphic Designer
III	Information Systems Administrator
III	Information Technology Coordinator
III	Lead Graphic Designer
III	Lease Administrator
III	Media Specialist
III	Membership Operations Analyst
III	Membership Project Analyst
III	Multimedia Specialist
III	Office Systems Analyst
III	Online Web Coordinator
III	Organizer
III	Paralegal
III	Project Control Administrator
III	Project Coordinator
III	Public Affairs Communication Specialist
III	Public Relations Specialist
III	Real Estate Coordinator
III	Research Assistant
III	Research Librarian
III	Sr. Graphic Artist
III	Staff Accountant
III	Staff Photographer
III	Staff Writer
III	Support Services Analyst
III	Technical Publishing Coordinator
III	Web Content Coordinator
III	Writer-Copy Editor
IV	Accounts Payable Technical Lead
IV	Accounts Receivable and Billing Operations Analyst
IV	Advocacy Writer
IV	Associate Benefits Specialist
IV	Associate Contract Administrator

GRADE	TITLE
IV	Associate Data Administration Analyst
IV	Associate Economic Analyst
IV	Associate Editor
IV	Associate Engineer
IV	Associate Network Integrator
IV	Associate Office Systems Integrator
IV	Associate Office Systems/Web Developer
IV	Associate Systems Integrator
IV	Associate Staff Engineer
IV	Associate Web Developer
IV	Communications Specialist
IV	Contract Specialist
IV	Design/Production Editor
IV	Governing Bodies Analyst
IV	Information Systems Administrator
IV	Information Technology Coordinator
IV	Internal Auditor
IV	Investment Performance Analyst
IV	MEC Field Communications Specialist
IV	Media Specialist
IV	Office Systems/Web Developer
IV	Online Web Coordinator
IV	Programmer
IV	Public Relations Coordinator
IV	Real Estate Coordinator
IV	Scheduling and Work Rule Analyst
IV	Scheduling System and Work Rule Analyst
IV	Senior Organizer
IV	Sr. Paralegal
IV	Sr. Paralegal/Contract Specialist
IV	Sr. Publishing Coordinator
IV	Sr. Staff Writer
IV	Staff Accountant
IV	Statistical Analyst

GRADE	TITLE
V	Associate Data Administration Analyst
V	Associate Managing Editor
V	Associate Network Integrator
V	Associate Systems Integrator
V	Benefits Specialist
V	Computer Analyst
V	Design & Production Editor
V	Information Technology Coordinator
V	Investment Performance Analyst
V	Lead Design Coordinator
V	Magazine & Graphic Designer
V	MEC Benefits Specialist
V	MEC Field Communications Specialist
V	Motion Graphics Specialist
V	Office Systems Integrator
V	Office Systems/Web Developer
V	Organizing Communications Specialist
V	Public Relations Coordinator
V	Sr. Communications Specialist
V	Sr. MEC Communications Specialist
V	Sr. MEC Field Communications Specialist
V	Sr. Media Specialist
V	Sr. Programmer
V	Sr. Support Services Analyst
V	Staff Accountant
V	Strategic Planning & Resources Specialist
V	Systems Accountant
V	Tactical Communications Specialist
V	Technical Editor
V	Telecommunications Analyst
V	Web Developer
VI	ALPA-PAC Coordinator
VI	Associate Contract Administrator
VI	Associate Contract Administrator/Labor Relations Professional

GRADE	TITLE
VI	Associate Contract Administrator/Labour Relations Professional
VI	Data Administration Analyst
VI	Economic Analyst
VI	Financial Applications Analyst
VI	Investment Performance Analyst
VI	Labor Relations Specialist
VI	Labour Relations Professional
VI	Network Integrator
VI	Office Systems Integrator
VI	Operations Analyst
VI	Programmer Analyst
VI	Project Coordinator
VI	Sr. Communications/Media Specialist
VI	Sr. Information Technology Coordinator
VI	Sr. MEC Communications Specialist
VI	Sr. MEC Field Communications Specialist
VI	Sr. Media and PR Representative
VI	Sr. Staff Accountant
VI	Strategic Communications Specialist
VI	Sr. Support Services Analyst
VI	Systems Integrator
VI	Systems Programmer
VII	Analyst Programmer
VII	Associate Contract Administrator/Organizer
VII	Associate Managing & Production Editor
VII	Aviation Safety and Security Specialist
VII	Aviation Security Specialist
VII	Data Administration Analyst
VII	Economic Analyst
VII	Grassroots Coordinator
VII	Insurance Analyst
VII	Investment Performance Analyst
VII	Legislative Research Analyst
VII	Member Insurance Specialist

GRADE	TITLE
VII	Motion Graphics Specialist
VII	Network Integrator
VII	Network Integrator/Analyst
VII	PAC Coordinator
VII	Pension Investment Analyst
VII	Policy & Advocacy Coordinator
VII	Production Specialist
VII	Security Specialist
VII	Sr. Advocacy Communications Writer
VII	Sr. Communications Coordinator
VII	Sr. Office Systems Integrator
VII	Sr. Financial Analyst
VII	Sr. Staff Accountant
VII	Sr. Systems Integrator
VII	Staff Engineer
VII	Systems Integrator
VII	Systems Integrator/Analyst
VII	Web Developer
VIII	Attorney
VIII	Aeromedical & Human Performance Specialist
VIII	Contract Liaison
VIII	Human Performance Specialist
VIII	Lead Communications Specialist
VIII	News Editor
VIII	Political Representative
VIII	Sr. Benefits Specialist
VIII	Sr. Communications Production Specialist
VIII	Sr. Communications Specialist
VIII	Senior Data Administration Analyst
VIII	Sr. Economic Analyst
VIII	Sr. Financial Analyst
VIII	Sr. Government Affairs Specialist
VIII	Sr. Insurance Analyst
VIII	Sr. Network Integrator

GRADE	TITLE
VIII	Sr. Office Systems Integrator
VIII	Sr. Staff Engineer
VIII	Sr. Staff Writer
VIII	Sr. Systems Integrator
VIII	Sr. Systems Programmer
VIII	Sr. Web Developer
VIII	Strategic Planning & Resources Specialist
VIII	Strategic Planning & Training Administrator
VIII	Strategic Training & Curriculum Administrator
VIII	Systems Analyst
VIII	Web Architect & DBA (Database Administrator)
IX	Air Safety Coordinator
IX	Bilingual Contract Administrator
IX	Labor Relations Counsel
IX	Lead Economic Analyst
IX	Legislative Representative
IX	MEC Administrator
IX	Security Specialist
IX	Senior Analyst/Collective Bargaining Coordinator
IX	Senior Applications Architect
IX	Senior Data Administration Analyst
IX	Sr. DBA (Database Analyst)
IX	Senior Economic Analyst/Collective Bargaining Coordinator
IX	Sr. Network Integrator
IX	Sr. Scheduling & Work Rule Analyst
IX	Sr. Systems Analyst
IX	Sr. Systems Architect
IX	Sr. Systems Integrator
X	Aviation Safety and Security Coordinator
X	Benefits Attorney
X	Field Representative
X	Lead Financial Analyst
X	Legislative Representative
X	Legal and Government Affairs Representative

GRADE	TITLE
X	Legislative Representative
X	Pension Investment Coordinator
X	Sr. Aviation Security Specialist
X	Sr. Human Performance Specialist
X	Sr. Security Specialist
X	Sr. Staff Engineer
X	Sr. Training & Qualification Specialist
XI	Attorney
XI	Enrolled Actuary
XI	Labor Attorney
XI	Lead NAS Architecture & Infrastructure Analyst
XI	Pension Investment Coordinator
XI	Sr. Accident Investigation Specialist
XI	Sr. Benefits Attorney
XI	Sr. Field Representative
XI	Sr. Investigator
XI	Sr. Legislative Representative
XI	Sr. Safety and Legislative Coordinator
XI	Sr. Representative
XII	Sr. Collective Bargaining Coordinator
XII	Sr. Enrolled Actuary
XII	Sr. Labor Relations Counsel
XII	Sr. Legislative Representative
XII	Sr. Managing Attorney
XIII	Lead Contract Administrator/ MEC Coordinator
XIII	Sr. Attorney
XIII	Sr. Benefits Attorney
XIII	Sr. Labor Relations Counsel
XIII	Sr. Labor Relations Counsel/ MEC Coordinator

ATTACHMENT B: AETNA PPO PLAN DESIGN & BENEFIT SUMMARY



Air Line Pilots Association, International

Effective Date: 04-01-2012

Open Choice® (PPO)—Unit 1

PLAN DESIGN AND BENEFITS

Provided by AETNA Life Insurance Company - Insured

DEDUCTIBLES AND COINSURANCE								
In-Network					Out-of-Network			
Salary	Deductible		Coinsurance		Deductible		Coinsurance	
	Indv.	Family	Indv.	Family	Indv.	Family	Indv.	Family
Less than \$50,000	225	550	650	1350	450	800	850	1500
\$50,000–\$100,000	275	650	900	1700	550	900	1100	1900
\$100,001+	400	700	1050	2100	700	1300	1400	2600
All covered expenses accumulate simultaneously toward both the preferred and non-preferred Deductible.								
Unless otherwise indicated, the Deductible must be met prior to benefits being payable.								
Once Family Deductible is met, all family members will be considered as having met their Deductible for the remainder of the calendar year.								
PLAN FEATURES			PREFERRED CARE			NON-PREFERRED CARE		
Member Coinsurance			Covered 100%			30%		
Applies to all expenses unless otherwise stated.								
All covered expenses accumulate simultaneously toward both the preferred and non-preferred Payment Limit.								
Certain member cost sharing elements may not apply toward the Payment Limit.								
Only those out-of-pocket expenses resulting from the application of coinsurance percentage (except any deductibles, copays, and penalty amounts) may be used to satisfy the Payment Limit.								
Once Family Payment Limit is met, all family members will be considered as having met their Payment Limit for the remainder of the calendar year.								
Lifetime Maximum								
Unlimited except where otherwise indicated.								
Payment for Non-Preferred*			Not Applicable			Professional: Prevailing charges Facility: Prevailing charges		
Primary Care Physician Selection			Not applicable			Not applicable		
Certification Requirements								
Certification for certain types of Non-Preferred care must be obtained to avoid a reduction in benefits paid for that care. Certification for Hospital Admissions, Treatment Facility Admissions, Convalescent Facility Admissions, Home Health Care, Hospice Care and Private Duty Nursing is required - excluded amount applied separately to each type of expense is \$400 per occurrence.								
Referral Requirement			None			None		
PREVENTIVE CARE			PREFERRED CARE			NON-PREFERRED CARE		
Routine Adult Physical Exams / Immunizations			Covered 100%; deductible waived			30% after deductible		
1 exam every 12 months age 21 and over.								

Routine Well Child Exams/ Immunizations	Covered 100%; deductible waived	30% after deductible
Unlimited exams for children to age 12; 3 exams per year for children age 12 up to age 21		
Routine Gynecological Care Exams One exam per calendar year. Includes routine tests and related lab fees	Covered 100%; deductible waived	30%; deductible waived
Pap Smear and related lab fees	Covered 100%; deductible waived	30%; deductible waived
Routine Mammograms	Covered 100%; deductible waived	30%; deductible waived
Routine Digital Rectal Exam / Prostate-specific Antigen Test Recommended for covered males age 40 and over	Covered 100%; deductible waived	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible
Colorectal Cancer Screening For all members age 50 and over.	Covered 100%; deductible waived	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible
Routine Hearing Screening	Covered 100%; deductible waived	30% after deductible
Limited to 1 exam every 12 months for children to age 18.		
PHYSICIAN SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Office Visits to Non-Specialist (non-surgical)	\$20 office visit copay; deductible waived	30% after deductible
Includes services of an internist, general physician, family practitioner or pediatrician.		
Specialist Office Visits (non-surgical)	\$20 office visit copay; deductible waived	30% after deductible
E-visit to non-Specialist	\$20 copay; deductible waived	30% after deductible
An e-visit is an online internet consultation between a physician and an established patient about a non-emergency healthcare matter. This visit must be conducted through an Aetna authorized internet e-visit service vendor.		
E-visit to Specialist	\$20 copay; deductible waived	30% after deductible
An e-visit is an online internet consultation between a physician and an established patient about a non-emergency healthcare matter. This visit must be conducted through an Aetna authorized internet e-visit service vendor.		
Walk-in Clinics	\$20 office visit copay; deductible waived	30% after deductible
Walk-in Clinics are network, free-standing health care facilities. They are an alternative to a physician's office visit for treatment of unscheduled, non-emergency illnesses and injuries and the administration of certain immunizations. It is not an alternative for emergency room services or the ongoing care provided by a physician. Neither an emergency room, nor the outpatient department of a hospital, shall be considered a Walk-in Clinic.		
Office Visits for Surgery	Covered 100% after deductible	30% after deductible
Allergy Testing	Member cost sharing is based on the type of service performed & the place of service where it is rendered; deductible waived	30% after deductible
Allergy Injections	Covered 100% after deductible	30% after deductible
DIAGNOSTIC PROCEDURES	PREFERRED CARE	NON-PREFERRED CARE
Diagnostic Laboratory and X-ray	Covered 100% after deductible	30% after deductible
If performed as a part of a physician office visit and billed by the physician, expenses are covered subject to the applicable physician's office visit member cost sharing		

EMERGENCY MEDICAL CARE	PREFERRED CARE	NON-PREFERRED CARE
Urgent Care Provider (benefit availability may vary by location)	\$20 copay; deductible waived	30% after deductible
Non-Urgent Use of Urgent Care Provider	Not Covered	Not Covered
Emergency Room	\$50 copay; deductible waived	\$50 copay; deductible applies
Non-Emergency care in an Emergency Room	50% after deductible	50% after deductible
Ambulance	Covered 100% after deductible	30% after deductible
HOSPITAL CARE	PREFERRED CARE	NON-PREFERRED CARE
Inpatient Coverage	Covered 100% after deductible	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Inpatient Maternity Coverage	Covered 100% after deductible	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Outpatient Hospital Expenses (including surgery)	Covered 100% after deductible	30% after deductible
The member cost sharing applies to all Covered Benefits incurred during a member's outpatient visit		
MENTAL HEALTH SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Inpatient	Covered 100% after deductible	25% after deductible for first 40 visits, then 30% for visits 41 plus; after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Outpatient	\$20 office visit copay; deductible waived	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit		
ALCOHOL/DRUG ABUSE SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Inpatient	Covered 100% after deductible	25% after deductible for first 40 visits, then 30% for visits 41 plus; after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Outpatient Includes treatment facility services	\$20 office visit copay; deductible waived	30% after deductible
The member cost sharing applies to all Covered Benefits incurred during a member's outpatient visit		
OTHER SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Convalescent Facility	Covered 100% after deductible	30% after deductible
Limited to 30 days per calendar year.		
The member cost sharing applies to all covered benefits incurring during a member's inpatient stay		
Home Health Care	Covered 100% after deductible	30% after deductible
Limited to 120 visits per calendar year.		
Each visit by a nurse or therapist is one visit. Each visit up to 4 hours by a home health care aide is one visit.		
Hospice Care - Inpatient	Covered 80% after deductible	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Hospice Care - Outpatient	Covered 80% after deductible	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit		

Private Duty Nursing - Outpatient (Limited to 70 eight hour shifts per calendar year)	Covered 100% after deductible	30% after deductible
Outpatient Short-Term Rehabilitation	Covered 100% after deductible	30% after deductible
Includes speech, physical, and occupational therapy.		
Includes habilitative services for covered individuals to age 21 for services diagnosed with congenital and genetic birth defects.		
Habilitative Services	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible
Unlimited treatment for children under age 21 with congenital or genetic birth defects to enhance the child's ability to function		
Spinal Manipulation Therapy	Covered 100% after deductible	30% after deductible
Durable Medical Equipment	Covered 80% after deductible	30% after deductible
Diabetic Supplies -- (if not covered under Pharmacy benefit)	Covered same as any other medical expense; after deductible	Covered same as any other medical expense; after deductible
Contraceptive drugs and devices not obtainable at a pharmacy (includes coverage for contraceptive visits)	Covered 100% (payable as any other covered expense) after deductible	30% (payable as any other covered expense) after deductible
Transplants	Covered 100% Preferred coverage is provided at an IOE contracted facility only; after deductible	30% Non-Preferred coverage is provided at a Non-IOE facility; after deductible
"Other" Health Care -- 20% member coinsurance after the preferred (per calendar year) deductible for services that are neither "preferred" nor "non-preferred"		
FAMILY PLANNING	PREFERRED CARE	NON-PREFERRED CARE
Infertility Treatment Diagnosis and treatment of the underlying medical condition.	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible	30% after deductible
Comprehensive Infertility Services	Covered at 80% after deductible for OI and AI, limited to 6 separate attempts per lifetime.	30% after deductible for OI and AI, limited to 6 separate attempts per lifetime.
Coverage includes Artificial Insemination (limited to six courses of treatment per member's lifetime) and Ovulation Induction (limited to six courses of treatment per member's lifetime). Lifetime maximum applies to all procedures covered by any Aetna plan except where prohibited by law.		
Voluntary Sterilization Including tubal ligation and vasectomy	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible	30% after deductible
PHARMACY	PREFERRED CARE	NON-PREFERRED CARE
Retail	\$10 copay for generic drugs, \$20 copay for formulary brand-name drugs, and \$35 copay for non-formulary brand-name drugs up to a 30 day supply at participating pharmacies.	30% of submitted cost after \$10 copay for generic drugs, \$20 copay for formulary brand-name drugs, and \$35 copay for non-formulary brand-name drugs up to a 30 day supply.
Mail Order	\$6 copay for generic drugs, \$12 copay for formulary brand-name drugs, up to a 31-90 day supply from Aetna Rx Home Delivery®.	Not applicable
No Mandatory Generic (NO MG) - Member is responsible to pay the applicable copay only.		

Plan Includes: Contraceptive drugs and devices obtainable from a pharmacy, Oral fertility drugs, Diabetic supplies.	
Precert for growth hormones included	
GENERAL PROVISIONS	
Dependents Eligibility	Spouse, children from birth to age 26
Pre-existing Conditions Exclusion	On effective date: Waived
	After effective date: Full Postponement

For members age 19 or over this plan imposes a pre-existing condition exclusion, which may be waived in some circumstances and may not be applicable to you. A pre-existing condition exclusion means that if you have a medical condition before coming to this plan, you may have to wait a certain period of time before the plan will provide coverage for that condition. This exclusion applies only to conditions for which medical advice, diagnosis, care, or treatment was recommended or received or for which the individual took prescribed drugs within 90 days. Generally, this period ends the day before your coverage becomes effective. However, if you were in a waiting period for coverage, 90 days ends on the day before the waiting period begins. The exclusion period, if applicable, may last up to 365 days from your first day of coverage, or, if you were in a waiting period, from the first day of your waiting period. If you had prior creditable coverage within 90 days immediately before the date you enrolled under this plan, then the pre-existing conditions exclusion in your plan, if any, will be waived.

If you had no prior creditable coverage within the 90 days prior to your enrollment date (either because you had no prior coverage or because there was more than a 90 day gap from the date your prior coverage terminated to your enrollment date), we will apply your plan's pre-existing conditions exclusion. In order to reduce or possibly eliminate your exclusion period based on your creditable coverage, you should provide us a copy of any certificates of creditable coverage you have. Please contact Aetna Member Services at 1-888-982-3862 if you need assistance in obtaining a certificate of creditable coverage from your prior carrier or if you have any questions on the information noted above. The pre-existing condition exclusion does not apply to pregnancy nor to a child who is enrolled in the plan within 31 days of birth, adoption, or placement for adoption. Note: For late enrollees, coverage will be delayed until the plan's next open enrollment, and the pre-existing condition exclusion will be applied from the individual's effective date of coverage.

*We cover the cost of care differently based on whether health care providers, such as doctors and hospitals, are "in network" or "out of network." We want to help you understand how much Aetna pays for your out-of-network care. At the same time, we want to make it clear how much more you will need to pay for this out-of-network care.

As an example, you may choose a doctor in our network. You may choose to visit an out-of-network doctor. If you choose a doctor who is out of network, your Aetna health plan may pay some of that doctor's bill. Most of the time, you will pay a lot more money out of your own pocket if you choose to use an out-of-network doctor or hospital.

When you choose out-of-network care, Aetna limits the amount it will pay. This limit is called the "recognized" or "allowed" amount. This amount is based on "reasonable" or "prevailing" charges. We get this data from an external database. Exactly how much Aetna "recognizes" depends on the plan you or your employer picks.

Your out-of-network doctor sets the rate to charge you. It may be higher -- sometimes much higher -- than what your Aetna plan "recognizes" or "allows." Your doctor may bill you for the dollar amount that Aetna doesn't recognize. You must also pay any copayments, coinsurance and deductibles under your plan. No dollar amount above the recognized charge counts toward your deductible or maximum out-of-pocket. To learn more about how we pay out-of-network benefits visit Aetna.com. Type "how Aetna pays" in the search box. You can avoid these extra costs by getting your care from Aetna's broad network of health care providers. Go to www.aetna.com and click on "Find a Doctor" on the left side of the page. If you are already a member, sign on to your Aetna Navigator member site.

This way of paying out-of-network doctors and hospitals applies when you choose to get care out of network.

When you have no choice (for example: emergency room visit after a car accident), we will pay the bill as if you received care in-network. You pay your plan's copayments, coinsurance and deductibles for your in-network level of benefits. Contact Aetna if your provider asks you to pay more. You are not responsible for any outstanding balance billed by your providers for emergency services beyond your copayments, coinsurance and deductibles.

Plans are provided by: Aetna Life Insurance Company, 151 Farmington Avenue, Hartford, CT 06156. While this material is believed to be accurate as of the production date, it is subject to change.

Health benefits and health insurance plans contain exclusions and limitations. Not all health services are covered.

See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. You may be responsible for the health care provider's full charges for any non-covered services, including circumstances where you have exceeded a benefit limit contained in the plan. Providers are independent contractors and are not agents of Aetna. Provider participation may change without notice. Aetna does not provide care or guarantee access to health services.

The following is a list of services and supplies that are generally not covered. However, your plan documents may contain exceptions to this list based on state mandates or the plan design or rider(s) purchased by your employer.

- All medical and hospital services not specifically covered in, or which are limited or excluded by your plan documents.
- Cosmetic surgery, including breast reduction.
- Custodial care.
- Dental care and dental X-rays.
- Donor egg retrieval.
- Durable medical Equipment
- Experimental and investigational procedures, except for coverage for medically necessary routine patient care costs for members participating in a cancer clinical trial.
- Hearing aids
- Home births
- Immunizations for travel or work except where medically necessary or indicated.
- Implantable drugs and certain injectable drugs including injectable infertility drugs.
- Infertility services, including artificial insemination and advanced reproductive technologies such as IVF, ZIFT, GIFT, ICSI and other related services, unless specifically listed as covered in your plan documents.
- Long-term rehabilitation therapy.
- Non-medically necessary services or supplies.
- Orthotics except diabetic orthotics.
- Outpatient prescription drugs (except for treatment of diabetes), unless covered by a prescription plan rider and over-the-counter medications (except as provided in a hospital) and supplies.
- Radial keratotomy or related procedures.
- Reversal of sterilization.
- Services for the treatment of sexual dysfunction or inadequacies, including therapy, supplies or counseling or prescription drugs.
- Special duty nursing.
- Therapy or rehabilitation other than those listed as covered.
- Treatment of behavioral disorders.
- Weight control services including surgical procedures, medical treatments, weight control/loss programs, dietary regimens and supplements, appetite suppressants and other medications; food or food supplements, exercise programs, exercise or other equipment; and other services and supplies that are primarily intended to control weight or treat obesity, including Morbid Obesity, or for the purpose of weight reduction, regardless of the existence of comorbid conditions.

Aetna receives rebates from drug manufacturers that may be taken into account in determining Aetna's Preferred Drug List. Rebates do not reduce the amount a member pays the pharmacy for covered prescriptions. Aetna Rx Home Delivery refers to Aetna Rx

Home Delivery, LLC, a licensed pharmacy subsidiary of Aetna Inc., that operates through mail order.

The charges that Aetna negotiates with Aetna Rx Home Delivery may be higher than the cost they pay for the drugs and the cost of the mail order pharmacy services they provide. For these purposes, the pharmacy's cost of purchasing drugs takes into account discounts, credits and other amounts that they may receive from wholesalers, manufacturers, suppliers and distributors.

In case of emergency, call 911 or your local emergency hotline, or go directly to an emergency care facility.

If you require language assistance from an Aetna representative, please call Member Services' multi-lingual hotline at **1-888-982-3862** (140 languages are available. You must ask for an interpreter). **TDD 1-800-628-3323** (hearing impaired only).

Si necesita asistencia lingüística de un representante de Aetna, contamos con una línea directa de Servicios a Miembros disponible en varios idiomas. Comuníquese al **1-888-982-3862** (140 idiomas disponibles. Debe solicitar un intérprete). **TDD 1-800-628-3323** (para personas con problemas de audición únicamente).

For more information about Aetna plans, refer to www.aetna.com.

© 2012 Aetna Inc.

**ATTACHMENT C:
AETNA HMO PLAN DESIGN & BENEFIT SUMMARY**



AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

Effective date: 01-01-2011

Aetna Open Access® HMO

**PLAN DESIGN AND BENEFITS
PROVIDED BY AETNA HEALTH INC. - FULL RISK**

PLAN FEATURES	PARTICIPATING PROVIDERS
Deductible (per calendar year)	None Individual
	None Family
Out-of-Pocket Maximum	\$1,500 Individual
(per calendar year)	\$3,000 Family
Member cost sharing for certain services may not apply toward the Out-of-Pocket Maximum.	
Only those participating providers out of pocket expenses resulting from the application of coinsurance percentage and copays (except any penalty amounts and pharmacy cost sharing) may be used to satisfy the Out-of-Pocket Maximum.	
Once Family Out-of-Pocket Maximum is met, all family members will be considered as having met their Out-of-Pocket Maximum for the remainder of the calendar year.	
Lifetime Maximum	Unlimited unless otherwise indicated.
Primary Care Physician Selection	Not Required
Referral Requirements	None
PREVENTIVE CARE	PARTICIPATING PROVIDERS
Routine Adult Physical Exams / Immunizations (Age and frequency schedules apply)	\$15 copay
Well Child Exams / Immunizations (Age and frequency schedules apply)	\$15 copay
Routine Gynecological Care Exams (Coverage includes pap smears and related lab fees for females 18 and older)	\$15 copay
One exam per calendar year.	
Routine Mammograms	\$15 copay
One baseline mammogram for females age 35-39; and one annual mammogram for females age 40 and over	
Routine Digital Rectal Exams / Prostate Specific Antigen Test For males age 40 and over	Member cost sharing is based on the type of service performed and the place of service where it is rendered.
Colorectal Cancer Screening For all members 50 and over. Frequency schedule applies	Member cost sharing is based on the type of service performed and the place of service where it is rendered.
Routine Eye Exam Age/Frequency Schedule may apply.	\$15 copay
Routine Hearing Screening	Subject to Routine Physical Exam cost sharing
PHYSICIAN SERVICES	PARTICIPATING PROVIDERS
Primary Care Physician Visits	Office Hours: \$15 copay After Office Hours/Home: \$20 copay
Specialist Office Visits	\$15 copay
Maternity OB Visits	\$15 copay for initial visit only, thereafter covered 100%

Allergy Treatment	Same as applicable participating provider office visit member cost sharing
Allergy Testing	Same as applicable participating provider office visit member cost sharing
DIAGNOSTIC PROCEDURES	
PARTICIPATING PROVIDERS	
Diagnostic Laboratory	Covered 100%
If performed as a part of a physician's office visit and billed by the physician, expenses are covered subject to the applicable physician's office visit cost sharing.	
Diagnostic X-ray Outpatient hospital or other Outpatient facility (except for Complex Imaging Services)	\$15 copay
Diagnostic X-ray for Complex Imaging Services	\$15 copay
EMERGENCY MEDICAL CARE	
PARTICIPATING PROVIDERS	
Urgent Care	\$35 copay
Non-Urgent use of Urgent Care Provider	Not Covered
Emergency Room	\$100 copay
Non-Emergency Care in an Emergency Room	Not Covered
Emergency Use of Ambulance	Covered 100%
Non-Emergency Use of Ambulance	Not Covered
HOSPITAL CARE	
PARTICIPATING PROVIDERS	
Inpatient Coverage	\$240 per admission copay
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	
Inpatient Maternity Coverage	\$240 per admission copay
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	
Outpatient Surgery	\$100 copay per visit
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	
MENTAL HEALTH SERVICES	
PARTICIPATING PROVIDERS	
Inpatient Biologically Based Mental Illness	\$240 per admission copay
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	
Inpatient Non-Biologically Based Mental Illness	\$240 per admission copay
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	
Outpatient Biologically Based Mental Illness	\$15 copay per visit
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	
Outpatient Non-Biologically Based Mental Illness	\$15 copay per visit
Limit is a combined maximum with Outpatient Non-Biologically Based Rehabilitation benefit.	
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	
ALCOHOL/DRUG ABUSE SERVICES	
PARTICIPATING PROVIDERS	
Inpatient Detoxification	\$240 per admission copay
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	
Outpatient Detoxification	\$15 copay
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	
Inpatient Biologically Based Rehabilitation	\$240 per admission copay

The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	
Inpatient Non-Biologically Based Rehabilitation	\$240 per admission copay
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	
Residential Treatment Facility	\$240 copay
Outpatient Biologically Based Rehabilitation	\$15 Copay
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	
Outpatient Non-Biologically Based Rehabilitation	\$15 Copay
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	
OTHER SERVICES	PARTICIPATING PROVIDERS
Early Intervention Services (Birth to age 3)	Member cost sharing is based on the type of service performed and the place of service where it is rendered.
Includes speech, language, occupational, physical therapies and assistive technology services and devices for dependents certified as eligible, up to \$5,000 per calendar year, which cannot be applied to any lifetime maximums under the plan.	
Skilled Nursing Facility	\$240 per admission copay
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	
Home Health Care	Covered 100%
Hospice Care - Inpatient	\$240 per admission copay
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	
Hospice Care - Outpatient	Covered 100%
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	
Private Duty Nursing	Not Covered
Outpatient Rehabilitation Therapy (Includes speech, physical and occupational therapy)	\$15 copay
Treatment over a 90-day consecutive period per incident of illness or injury beginning with the first day of treatment.	
Subluxation	Not Covered
Durable Medical Equipment	Covered 100%
Diabetic Supplies	Pharmacy cost sharing applies if Pharmacy coverage is included; otherwise PCP office visit cost sharing applies.
Dental	Not Covered
Vision Eyewear	Not Covered
Transplants	\$240 per admission copay
Coverage is provided at an IOE contracted facility only	
Bariatric Surgery	Not Covered
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	
FAMILY PLANNING	PARTICIPATING PROVIDERS
Infertility Treatment Diagnosis and treatment of the underlying medical condition.	Member cost sharing is based on the type of service performed and the place of service where it is rendered.
Comprehensive Infertility Services	Not Covered
Advanced Reproductive Technology (ART)	Not Covered

ART coverage includes In-Vitro Fertilization (IVF), Zygote Intra-Fallopian Transfer (ZIFT), Gamete Intra-Fallopian Transfer (GIFT), cryopreserved embryo transfers, Intra-Cytoplasmic Sperm Injection (ICSI) or ovum microsurgery.	
Voluntary Sterilization Including tubal ligation and vasectomy.	Subject to applicable service type member cost sharing
PHARMACY - PRESCRIPTION DRUG BENEFITS	PARTICIPATING PROVIDERS
Retail	\$10 copay for formulary generic drugs, \$20 copay for formulary brand-name drugs, and \$35 copay for non-formulary brand-name and generic drugs up to a 30 day supply at participating pharmacies.
Mail Order	\$20 copay for formulary generic drugs, \$40 copay for formulary brand-name drugs, and \$70 copay for non-formulary brand-name and generic drugs up to a 31-90 day supply from Aetna Rx Home Delivery®.
Aetna Specialty CareRx First prescription fill at any retail drug facility. Subsequent fills must be through Aetna Specialty Pharmacy®	
No Mandatory Generic (NO MG) - Member is responsible to pay the applicable copay only.	
Plan Includes : Contraceptive drugs and devices obtainable from a pharmacy.	
Oral fertility drugs included.	
Precert included	
Step Therapy included	
Dependents Eligibility	Spouse, children from birth to age 26

Exclusions and Limitations

Plans are provided by: Aetna Health Inc., 151 Farmington Avenue, Hartford, CT 06156. While this material is believed to be accurate as of the production date, it is subject to change.

Health benefits and health insurance plans contain exclusions and limitations. Not all health services are covered.

See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. You may be responsible for the health care provider's full charges for any non-covered services, including circumstances where you have exceeded a benefit limit contained in the plan. Providers are independent contractors and are not agents of Aetna. Provider participation may change without notice. Aetna does not provide care or guarantee access to health services.

The following is a list of services and supplies that are generally not covered. However, your plan documents may contain exceptions to this list based on state mandates or the plan design or rider(s) purchased by your employer.

- All medical and hospital services not specifically covered in, or which are limited or excluded by your plan documents.
- Cosmetic surgery, including breast reduction.
- Custodial care.
- Dental care and dental X-rays.
- Donor egg retrieval.
- Durable medical Equipment
- Experimental and investigational procedures, except for coverage for medically necessary routine patient care costs for members participating in a cancer clinical trial.
- Hearing aids
- Home births
- Immunizations for travel or work, except where medically necessary or indicated
- Implantable drugs and certain injectable drugs including injectable infertility drugs.
- Infertility services, including artificial insemination and advanced reproductive technologies such as IVF, ZIFT, GIFT, ICSI and other related services, unless specifically listed as covered in your plan documents.
- Long-term rehabilitation therapy.
- Non-medically necessary services or supplies.
- Orthotics except diabetic orthotics.
- Outpatient prescription drugs (except for treatment of diabetes), unless covered by a prescription plan rider and over-the-counter medications (except as provided in a hospital) and supplies.

- Radial keratotomy or related procedures.
- Reversal of sterilization.
- Services for the treatment of sexual dysfunction or inadequacies, including therapy, supplies or counseling or prescription drugs.
- Special duty nursing.
- Therapy or rehabilitation other than those listed as covered.
- Treatment of behavioral disorders.
- Weight control services including surgical procedures, medical treatments, weight control/loss programs, dietary regimens and supplements, appetite suppressants and other medications; food or food supplements, exercise programs, exercise or other equipment; and other services and supplies that are primarily intended to control weight or treat obesity, including Morbid Obesity, or for the purpose of weight reduction, regardless of the existence of comorbid conditions.

Aetna receives rebates from drug manufacturers that may be taken into account in determining Aetna's Preferred Drug List. Rebates do not reduce the amount a member pays the pharmacy for covered prescriptions. Aetna Rx Home Delivery refers to Aetna Rx Home Delivery, LLC, a licensed pharmacy subsidiary of Aetna Inc. that operates through mail order. The charges that Aetna negotiates with Aetna Rx Home Delivery may be higher than the cost they pay for the drugs and the cost of the mail order pharmacy services they provide. For these purposes, the pharmacy's cost of purchasing drugs takes into account discounts, credits and other amounts that they may receive from wholesalers, manufacturers, suppliers and distributors.

In case of emergency, call 911 or your local emergency hotline, or go directly to an emergency care facility.

If you require language assistance from an Aetna representative, please call Member Services' multilingual hotline at 1-888-982-3862 (140 languages are available. You must ask for an interpreter). TDD 1-800-628-3323 (hearing impaired only).

Si necesita asistencia lingüística de un representante de Aetna, contamos con una línea directa de Servicios a Miembros disponible en varios idiomas. Comuníquese al 1-888-982-3862 (140 idiomas disponibles. Debe solicitar un intérprete). TDD 1-800-628-3323 (para personas con problemas de audición únicamente).

Plan features and availability may vary by location and group size.

For more information about Aetna plans, refer to www.aetna.com.

© 2010 Aetna Inc.

**ATTACHMENT D:
AETNA HDHP PLAN DESIGN & BENEFIT SUMMARY**



Air Line Pilots Association, International
Proposed Effective Date: 07-01-2009
Open Choice® (PPO)—High Deductible Plan

**PLAN DESIGN AND BENEFITS
Provided by AETNA Life Insurance Company - Insured**

DEDUCTIBLES AND COINSURANCE							
In-Network				Out-of-Network			
Deductible		Coinsurance Limit		Deductible		Coinsurance Limit	
Indv.	Family	Indv.	Family	Indv.	Family	Indv.	Family
\$2,500	\$5,000	\$3,500	\$7,000	\$3,500	\$7,000	\$4,500	\$9,000
All covered expenses including prescription drugs accumulate simultaneously toward both the preferred and non-preferred Deductible.							
Unless otherwise indicated, the Deductible must be met prior to benefits being payable.							
Once Family Deductible is met, all family members will be considered as having met their Deductible for the remainder of the calendar year. Please Note – If TWO or more are covered, \$5,000 in expenses must be reached before the plan begins to pay.							
PLAN FEATURES		PREFERRED CARE		NON-PREFERRED CARE			
Member Coinsurance		Covered 90%		30%			
Applies to all expenses unless otherwise stated.							
All covered expenses accumulate simultaneously toward both the preferred and non-preferred Payment Limit.							
Certain member cost sharing elements may not apply toward the Payment Limit.							
Only those out-of-pocket expenses resulting from the application of coinsurance percentage (except any deductibles, copays, and penalty amounts) may be used to satisfy the Payment Limit.							
Once Family Payment Limit is met, all family members will be considered as having met their Payment Limit for the remainder of the calendar year. There is no individual payment limit to satisfy within the family payment limit.							
Lifetime Maximum		Unlimited		Unlimited			
Primary Care Physician Selection		Not applicable		Not applicable			
Certification Requirements							
Certification for certain types of Non-Preferred care must be obtained to avoid a reduction in benefits paid for that care. Certification for Hospital Admissions, Treatment Facility Admissions, Convalescent Facility Admissions, Home Health Care, Hospice Care and Private Duty Nursing is required - excluded amount applied separately to each type of expense is \$400 per occurrence.							
Referral Requirement		None		None			
PREVENTIVE CARE		PREFERRED CARE		NON-PREFERRED CARE			
Routine Adult Physical Exams / Immunizations		Covered 100%; deductible waived		30% after deductible			
1 exam per 24 months for members age 18 to age 65; 1 exam per 12 months for adults age 65 and older.							
Routine Well Child Exams/ Immunizations		Covered 100%; deductible waived		30%; after deductible			
7 exams in the first 12 months of life, 2 exams in the 13-24 th month of life; 1 exam per 12 months thereafter to age 18.							

Routine Gynecological Care Exams One exam per calendar year. Includes routine tests and related lab fees	Covered 100%; deductible waived	30%; after deductible
Pap Smear and related lab fees	Covered 100%; deductible waived	30%; after deductible
Routine Mammograms For covered females age 40 and over.	Covered 100%; deductible waived	30%; after deductible
Routine Digital Rectal Exam / Prostate-specific Antigen Test Recommended for covered males age 40 and over	Covered 100%; deductible waived	30%; after deductible
Colorectal Cancer Screening For all members age 50 and over.	Covered 100%; deductible waived	30%; after deductible
PHYSICIAN SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Office Visits to Non-Specialist (non-surgical)	Covered 90%; after deductible	30% after deductible
Includes services of an internist, general physician, family practitioner or pediatrician.		
Specialist Office Visits (non-surgical)	Covered 90%; after deductible	30% after deductible
E-visit to non-Specialist	\$20 copay; deductible waived	30% after deductible
An e-visit is an online internet consultation between a physician and an established patient about a non-emergency healthcare matter. This visit must be conducted through an Aetna authorized internet e-visit service vendor.		
E-visit to Specialist	Covered 90%; after deductible	30% after deductible
An e-visit is an online internet consultation between a physician and an established patient about a non-emergency healthcare matter. This visit must be conducted through an Aetna authorized internet e-visit service vendor.		
Walk-in Clinics	Covered 90%; after deductible	30% after deductible
Walk-in Clinics are network, free-standing health care facilities. They are an alternative to a physician's office visit for treatment of unscheduled, non-emergency illnesses and injuries and the administration of certain immunizations. It is not an alternative for emergency room services or the ongoing care provided by a physician. Neither an emergency room, nor the outpatient department of a hospital, shall be considered a Walk-in Clinic.		
Office Visits for Surgery	Covered 90%; after deductible	30% after deductible
Allergy Testing	Covered 90%; after deductible	30% after deductible
Allergy Injections	Covered 90%; after deductible	30% after deductible
DIAGNOSTIC PROCEDURES	PREFERRED CARE	NON-PREFERRED CARE
Diagnostic Laboratory and X-ray	Covered 90%; after deductible	30% after deductible
If performed as a part of a physician office visit and billed by the physician, expenses are covered subject to the applicable physician's office visit member cost sharing		
EMERGENCY MEDICAL CARE	PREFERRED CARE	NON-PREFERRED CARE
Urgent Care Provider (benefit availability may vary by location)	Covered 90%; after deductible	30% after deductible
Non-Urgent Use of Urgent Care Provider	Not Covered	Not Covered
Emergency Room	Covered 90%; after deductible	10% after deductible
Non-Emergency care in an Emergency Room	50% after deductible	50% after deductible
Ambulance	Covered 90% after deductible	30% after deductible

HOSPITAL CARE	PREFERRED CARE	NON-PREFERRED CARE
Inpatient Coverage	Covered 90% after deductible	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Inpatient Maternity Coverage	Covered 90% after deductible	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Outpatient Hospital Expenses (including surgery)	Covered 90% after deductible	30% after deductible
The member cost sharing applies to all Covered Benefits incurred during a member's outpatient visit		
MENTAL HEALTH SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Inpatient	Covered 90%; after deductible	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Outpatient	Covered 90%; after deductible	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit		
ALCOHOL/DRUG ABUSE SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Inpatient	Covered 90%; after deductible	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Outpatient Includes treatment facility services	Covered 90%; after deductible	30% after deductible
The member cost sharing applies to all Covered Benefits incurred during a member's outpatient visit		
OTHER SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Convalescent Facility	Covered 90%; after deductible	30% after deductible
Limited to 30 days per calendar year.		
The member cost sharing applies to all covered benefits incurring during a member's inpatient stay		
Home Health Care	Covered 90%; after deductible	30% after deductible
Limited to 120 visits per calendar year.		
Each visit by a nurse or therapist is one visit. Each visit up to 8 hours by a home health care aide is one visit.		
Hospice Care - Inpatient	Covered 90%; after deductible	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Limited to 30 days per lifetime.		
Hospice Care - Outpatient	Covered 90%; after deductible	30% after deductible
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit		
Private Duty Nursing - Outpatient (Limited to 70 eight hour shifts per calendar year)	Covered 90%; after deductible	30% after deductible
Outpatient Short-Term Rehabilitation	Covered 90%; after deductible	30% after deductible
Includes speech, physical, and occupational therapy.		
Spinal Manipulation Therapy	Covered 90%; after deductible	30% after deductible
Durable Medical Equipment	Covered 90%; after deductible	30% after deductible
Contraceptive drugs and devices not obtainable at a pharmacy (includes coverage for contraceptive visits)	Covered 90% (payable as any other covered expense) after deductible	30% (payable as any other covered expense) after deductible

Transplants	Covered 90% Preferred coverage is provided at an IOE contracted facility only; after deductible	30% Non-Preferred coverage is provided at a Non-IOE facility; after deductible
"Other" Health Care – 20% member coinsurance after the preferred (per calendar year) deductible for services that are neither "preferred" nor "non-preferred"		
FAMILY PLANNING	PREFERRED CARE	NON-PREFERRED CARE
Infertility Treatment Diagnosis and treatment of the underlying medical condition.	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible	30% after deductible
Comprehensive Infertility Services	Covered at 90% after deductible for OI and AI, limited to 6 separate attempts per lifetime.	30% after deductible for OI and AI, limited to 6 separate attempts per lifetime.
Coverage includes Artificial Insemination (limited to six courses of treatment per member's lifetime) and Ovulation Induction (limited to six courses of treatment per member's lifetime). Lifetime maximum applies to all procedures covered by any Aetna plan except where prohibited by law.		
Voluntary Sterilization Including tubal ligation and vasectomy	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible	30% after deductible
PHARMACY	PREFERRED CARE	NON-PREFERRED CARE
Retail	Covered 100% after combined Medical/Rx plan deductible and \$10 copay for generic drugs, \$20 copay for formulary brand-name drugs, and \$35 copay for non-formulary brand-name drugs up to a 30 day supply at participating pharmacies.	30% of submitted cost after combined Medical/Rx plan deductible and \$10 copay for generic drugs, \$20 copay for formulary brand-name drugs, and \$35 copay for non-formulary brand-name drugs up to a 30 day supply.
Mail Order	Covered 100% after combined Medical/Rx plan deductible and \$20 copay for generic drugs, \$40 copay for formulary brand-name drugs, and \$70 copay for non-formulary brand-name drugs up to a 31-90 day supply from Aetna Rx Home Delivery®.	Not applicable
Preventive Medications- Deductible is waived for certain preventive medications. A full list of these drugs is available on Aetna Navigator™ or from your employer		
No Mandatory Generic (NO MG) - Member is responsible to pay the applicable copay only.		
Plan Includes: Contraceptive drugs and devices obtainable from a pharmacy, Oral fertility drugs, Diabetic supplies.		
Precept for growth hormones included		

General Provisions

Dependents Eligibility

Spouse, children from birth to age 26

Pre-existing Conditions Exclusion

On effective date: Waived
After effective date: Waived

"We cover the cost of care differently based on whether health care providers, such as doctors and hospitals, are "in network" or "out of network." We want to help you understand how much Aetna pays for your out-of-network care. At the same time, we want to make it clear how much more you will need to pay for this out-of-network care.

As an example, you may choose a doctor in our network. You may choose to visit an out-of-network doctor. If you choose a doctor who is out of network, your Aetna health plan may pay some of that doctor's bill. Most of the time, you will pay a lot more money out of your own pocket if you choose to use an out-of-network doctor or hospital.

When you choose out-of-network care, Aetna limits the amount it will pay. This limit is called the "recognized" or "allowed" amount. This amount is based on "reasonable" or "prevailing" charges. We get this data from an external database. Exactly how much Aetna "recognizes" depends on the plan you or your employer picks.

Your out-of-network doctor sets the rate to charge you. It may be higher -- sometimes much higher -- than what your Aetna plan "recognizes" or "allows." Your doctor may bill you for the dollar amount that Aetna doesn't recognize. You must also pay any copayments, coinsurance and deductibles under your plan. No dollar amount above the recognized charge counts toward your deductible or maximum out-of-pocket. To learn more about how we pay out-of-network benefits visit Aetna.com. Type "how Aetna pays" in the search box.

You can avoid these extra costs by getting your care from Aetna's broad network of health care providers. Go to www.aetna.com and click on "Find a Doctor" on the left side of the page. If you are already a member, sign on to your Aetna Navigator member site.

This way of paying out-of-network doctors and hospitals applies when you choose to get care out of network. When you have no choice (for example: emergency room visit after a car accident), we will pay the bill as if you received care in-network. You pay your plan's copayments, coinsurance and deductibles for your in-network level of benefits. Contact Aetna if your provider asks you to pay more. You are not responsible for any outstanding balance billed by your providers for emergency services beyond your copayments, coinsurance and deductibles.

Plans are provided by: Aetna Life Insurance Company, 151 Farmington Avenue, Hartford, CT 06156. While this material is believed to be accurate as of the production date, it is subject to change.

Health benefits and health insurance plans contain exclusions and limitations. Not all health services are covered.

See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. You may be responsible for the health care provider's full charges for any non-covered services, including circumstances where you have exceeded a benefit limit contained in the plan. Providers are independent contractors and are not agents of Aetna. Provider participation may change without notice. Aetna does not provide care or guarantee access to health services.

The following is a list of services and supplies that are generally not covered. However, your plan documents may contain exceptions to this list based on state mandates or the plan design or rider(s) purchased by your employer.

- All medical and hospital services not specifically covered in, or which are limited or excluded by your plan documents.
- Cosmetic surgery, including breast reduction.
- Custodial care.
- Dental care and dental X-rays.
- Donor egg retrieval.
- Durable medical Equipment
- Experimental and investigational procedures, except for coverage for medically necessary routine patient care costs for members participating in a cancer clinical trial.
- Hearing aids
- Home births
- Immunizations for travel or work except where medically necessary or indicated.
- Implantable drugs and certain Injectable drugs including Injectable infertility drugs.
- Infertility services, including artificial insemination and advanced reproductive technologies such as IVF, ZIFT, GIFT, ICSI and other related services, unless specifically listed as covered in your plan documents.
- Long-term rehabilitation therapy.
- Non-medically necessary services or supplies.
- Orthotics except diabetic orthotics.
- Outpatient prescription drugs (except for treatment of diabetes), unless covered by a prescription plan rider and over-the-counter medications (except as provided in a hospital) and supplies.
- Radial keratotomy or related procedures.
- Reversal of sterilization.
- Services for the treatment of sexual dysfunction or inadequacies, including therapy, supplies or counseling or prescription drugs.
- Special duty nursing.
- Therapy or rehabilitation other than those listed as covered.
- Treatment of behavioral disorders.
- Weight control services including surgical procedures, medical treatments, weight control/loss programs, dietary regimens and supplements, appetite suppressants and other medications; food or food supplements, exercise programs, exercise or other equipment; and other services and supplies that are primarily intended to control weight or treat obesity, including Morbid Obesity, or for the purpose of weight reduction, regardless of the existence of comorbid conditions.

Aetna receives rebates from drug manufacturers that may be taken into account in determining Aetna's Preferred Drug List. Rebates do not reduce the amount a member pays the pharmacy for covered prescriptions. Aetna Rx Home Delivery refers to Aetna Rx Home Delivery, LLC, a licensed pharmacy subsidiary of Aetna Inc., that operates through mail order. The charges that Aetna negotiates with Aetna Rx Home Delivery may be higher than the cost they pay for the drugs and the cost of the mail order

pharmacy services they provide. For these purposes, the pharmacy's cost of purchasing drugs takes into account discounts, credits and other amounts that they may receive from wholesalers, manufacturers, suppliers and distributors.

In case of emergency, call 911 or your local emergency hotline, or go directly to an emergency care facility.

If you require language assistance from an Aetna representative, please call Member Services' multi-lingual hotline at **1-888-982-3862** (140 languages are available. You must ask for an interpreter). **TDD 1-800-628-3323** (hearing impaired only).

Si necesita asistencia lingüística de un representante de Aetna, contamos con una línea directa de Servicios a Miembros disponible en varios idiomas. Comuníquese al **1-888-982-3862** (140 idiomas disponibles. Debe solicitar un intérprete). **TDD 1-800-628-3323** (para personas con problemas de audición únicamente).

For more information about Aetna plans, refer to **www.aetna.com**.

© 2012 Aetna Inc.

ATTACHMENT E: KAISER HMO PLAN DESIGN & BENEFIT SUMMARY



Kaiser Foundation Health Plan
of the Mid-Atlantic States, Inc.
2101 East Jefferson Street
Rockville, Maryland 20852

Summary of Benefits
AIRLINE PILOTS ASSOCIATION
HMO SIG/SEL –(\$5)
Mid-Large Groups (Virginia)

The following is a limited description of benefits offered by Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. (KFHP-MAS). Not all services and procedures are covered by your benefits contract. This Summary of Benefits is for comparison purposes only and does not create rights not given through the benefit plan.

IMPORTANT NOTICE - Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. believes that your Plan is "a grandfathered health plan" under the Patient Protection and Affordable Care Act (PPACA). As permitted by PPACA, a grandfathered health plan can preserve certain basic health coverage that was already in effect when PPACA was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the PPACA that apply to other plans. However, grandfathered health plans must comply with certain other consumer protections in the PPACA.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause your Plan to change from grandfathered health plan status can be directed to your plan administrator. If your Plan is governed by ERISA, you may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. You may also contact the U.S. Department of Health and Human Services at www.healthreform.gov.

PLAN DETAILS		
Copayments	\$5 (PCP) / \$5 (Specialty)	
Coinsurance (Plan pays / Member pays)	100% / 0% except as otherwise indicated	
Deductible	None	
Maximum Annual Copayment	Individual: \$3,500	Family: \$9,400
BENEFITS	MEMBER PAYS	
OUTPATIENT SERVICES		
Preventive Health Office Visit	No charge	
Preventive Health Screening Tests	No charge	
Office Visit for Illness		
Primary Care Office Visit	\$5 per visit (Copayment waived for children under age 5)	
Specialty Care Office Visit	\$5 per visit	
Routine pre-natal visit (after confirmation of pregnancy) and first post-natal visit	No charge	
Diagnostic Tests and Procedures, X-rays & Laboratory Services	No charge	
Specialty Imaging (e.g., CT, MRI, PET scan & Nuclear Medicine)	No charge	
Outpatient Surgery (other than in a provider's office)	\$5 per procedure	
HOSPITAL SERVICES		
Inpatient hospital care, including inpatient maternity care	No charge	
Inpatient physician services	No charge	
CHEMICAL DEPENDENCY AND MENTAL HEALTH SERVICES		
Inpatient hospital care	No charge	
Outpatient services	\$5 per visit for individual therapy; \$5 per visit for group therapy	

THERAPY & REHABILITATION SERVICES	
Inpatient hospital care	No charge
Outpatient services (Up to 90 consecutive days of treatment per injury, incident or condition)	\$5 per visit
INFERTILITY SERVICES	
Office visits	50% of allowable charge
All other covered services for treatment of infertility	50% of allowable charge
URGENT CARE & EMERGENCY SERVICES	
Urgent Care Office Visit	\$5 per visit (PCP) / \$5 per visit (Specialty)
After hours Urgent Care or Urgent Care Center	\$5 per visit
Hospital Emergency Room (waived if admitted as inpatient)	\$50 per visit
Ambulance	No charge
HOSPITAL ALTERNATIVES	
Skilled Nursing Facility (limited to 100 days per contract year)	No charge
BENEFITS	MEMBER PAYS
Home Health Care	No charge
Hospice Care	No charge
OTHER SERVICES	
Durable Medical Equipment (DME)	
Basic DME	No charge
Oxygen equipment	No charge for 1 st 3 months then 50% of allowable charge thereafter
Prosthetics	
Internal prosthetics	No charge
External prosthetics	No charge
Vision	
Office visit for medical conditions of the eye	\$5 per visit (PCP) / \$5 per visit (Specialty)
Routine eye refractions to determine need for vision correction	\$5 per visit with Optometrist \$5 per visit with Ophthalmologist (referral required)
Eyeglass frames and lenses (limited to one pair of glasses per contract year)	Member receives 25% discount off retail price when purchased from Plan Providers
Contact lenses	Member receives 15% discount off retail price on initial pair of contact lenses only, when purchased from Plan Providers
Prescription Drugs	
Covered prescription drugs (up to a 60-day supply)	Plan Pharmacy: \$5
(Up to a 90-day supply for 1.5 copays at Plan and Participating Pharmacies)	Participating Network Pharmacy: \$15
(Up to a 90-day supply 1 copay through Mail Order)	Mail Order: \$3

This Benefit and Service Summary does not fully describe the exclusions and limitations associated with your Kaiser Permanente coverage. For a full list of the general and benefit specific exclusions under your coverage, please refer to your KFHP-MAS Evidence of Coverage (EOC). Your EOC provides you with information on what services and supplies will not be covered, regardless of whether the service is medically necessary.

NOTE: This Summary of Benefits is for comparison purposes only and does not create rights not given through the benefit plan.

Form Numbers: VA-GRP-SEC1(01/11); VA-GRP-SEC2(01/11); VA-GRP-SEC3(01/11); VALG-ALL-SEC4(4/09); VALG-ALLSEC5(2008); VA-GRP-SEC6(01/11); VA-GRP-SEC7(01/11); VA-GRP-APP-DEF(01/11); VA-GRP-HMO-COST(01/11); and any amendments or riders attached thereto.

ATTACHMENT F: AETNA NO-COST PLAN DESIGN & BENEFIT SUMMARY



Air Line Pilots Association, International

Effective Date: 03-01-2012

No-Cost High Deductible Plan - Open Choice® (PPO)–Unit 1

PLAN DESIGN AND BENEFITS

Provided by AETNA Life Insurance Company - Insured

PLAN FEATURES	PREFERRED CARE		NON-PREFERRED CARE	
Deductible (per calendar year)	\$4,000	Individual	\$5,500	Individual
	\$8,000	Family	\$11,000	Family
All covered expenses including prescription drugs accumulate toward both the preferred and non-preferred Deductible.				
Unless otherwise indicated, the Deductible must be met prior to benefits being payable.				
Once Family Deductible is met, all family members will be considered as having met their Deductible for the remainder of the calendar year. There is no Individual Deductible to satisfy within the Family Deductible.				
Member Coinsurance	20%		40%	
Applies to all expenses unless otherwise stated.				
Payment Limit (per calendar year)	\$5,500	Individual	\$5,950	Individual
	\$11,000	Family	\$11,900	Family
All covered expenses including deductible and prescription drugs accumulate toward both the preferred and non-preferred Payment Limit.				
Certain member cost sharing elements may not apply toward the Payment Limit.				
Only those out-of-pocket expenses resulting from the application of coinsurance percentage, Deductibles, and prescription drug copays (except any penalty amounts) may be used to satisfy the Payment Limit.				
Once Family Payment Limit is met, all family members will be considered as having met their Payment Limit for the remainder of the calendar year. There is no Individual Payment Limit to satisfy within the Family Payment Limit.				
Lifetime Maximum				
Unlimited except where otherwise indicated.				
Payment for Non-Preferred*	Not Applicable		Professional: Prevailing charges	
			Facility: Prevailing charges	
Primary Care Physician Selection	Not applicable		Not applicable	
Certification Requirements				
Certification for certain types of Non-Preferred care must be obtained to avoid a reduction in benefits paid for that care. Certification for Hospital Admissions, Treatment Facility Admissions, Convalescent Facility Admissions, Home Health Care, Hospice Care and Private Duty Nursing is required - excluded amount applied separately to each type of expense is \$400 per occurrence.				
Referral Requirement	None		None	
PREVENTIVE CARE	PREFERRED CARE		NON-PREFERRED CARE	
Routine Adult Physical Exams/ Immunizations	Covered 100%; deductible waived		40% after deductible	
1 exam every 12 months				

Routine Well Child Exams/ Immunizations	Covered 100%; deductible waived	40% after deductible
Unlimited exams for children to age 12; 3 exams per year for children age 12 up to age 21		
Routine Gynecological Care Exams One exam per calendar year. Includes routine tests and related lab fees	Covered 100%; deductible waived	40%; deductible waived
Pap Smear and related lab fees	Covered 100%; deductible waived	40%; deductible waived
Routine Mammograms	Covered 100%; deductible waived	40%; deductible waived
Routine Digital Rectal Exam / Prostate-specific Antigen Test Recommended for covered males age 40 and over	Covered 100%; deductible waived	40% after deductible
Colorectal Cancer Screening For all members age 50 and over.	Covered 100%; deductible waived	40% after deductible
Routine Hearing Screening	Not Covered	Not Covered
PHYSICIAN SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Office Visits to Non-Specialist (non-surgical)	20% after deductible	40% after deductible
Includes services of an internist, general physician, family practitioner or pediatrician.		
Specialist Office Visits (non-surgical)	20% after deductible	40% after deductible
E-visit to non-Specialist	20%% after deductible	40% after deductible
An e-visit is an online internet consultation between a physician and an established patient about a non-emergency healthcare matter. This visit must be conducted through an Aetna authorized internet e-visit service vendor.		
E-visit to Specialist	20%% after deductible	40% after deductible
An e-visit is an online internet consultation between a physician and an established patient about a non-emergency healthcare matter. This visit must be conducted through an Aetna authorized internet e-visit service vendor.		
Walk-in Clinics	20% after deductible	40% after deductible
Walk-in Clinics are network, free-standing health care facilities. They are an alternative to a physician's office visit for treatment of unscheduled, non-emergency illnesses and injuries and the administration of certain immunizations. It is not an alternative for emergency room services or the ongoing care provided by a physician. Neither an emergency room, nor the outpatient department of a hospital, shall be considered a Walk-in Clinic.		
Office Visits for Surgery	20% after deductible	40% after deductible
Allergy Testing	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible	40% after deductible
Allergy Injections	20% after deductible	40% after deductible
DIAGNOSTIC PROCEDURES	PREFERRED CARE	NON-PREFERRED CARE
Diagnostic Laboratory and X-ray	20% after deductible	40% after deductible
If performed as a part of a physician office visit and billed by the physician, expenses are covered subject to the applicable physician's office visit member cost sharing		
EMERGENCY MEDICAL CARE	PREFERRED CARE	NON-PREFERRED CARE
Urgent Care Provider (benefit availability may vary by location)	20% after deductible	40% after deductible

Non-Urgent Use of Urgent Care Provider	Not Covered	Not Covered
Emergency Room	20% after deductible	Same as preferred care; after deductible
Non-Emergency care in an Emergency Room	50% after deductible	50% after deductible
Ambulance	20% after deductible	40% after deductible
HOSPITAL CARE	PREFERRED CARE	NON-PREFERRED CARE
Inpatient Coverage	20% after deductible	40% after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Inpatient Maternity Coverage	20% after deductible	40% after deductible
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Outpatient Hospital Expenses (including surgery)	20% after deductible	40% after deductible
The member cost sharing applies to all Covered Benefits incurred during a member's outpatient visit		
MENTAL HEALTH SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Inpatient	Covered same as Inpatient Hospital services; after deductible	40% after deductible
Limited to 60 days per calendar year.		
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Outpatient	20%; deductible waived	40% after deductible
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit		
ALCOHOL/DRUG ABUSE SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Inpatient	Covered same as Inpatient Hospital services; after deductible	40% after deductible
Limited to 60 days per calendar year, combined with treatment facility services.		
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Outpatient Includes treatment facility services	20%; deductible waived	40% after deductible
The member cost sharing applies to all Covered Benefits incurred during a member's outpatient visit		
OTHER SERVICES	PREFERRED CARE	NON-PREFERRED CARE
Convalescent Facility	20% after deductible	40% after deductible
Limited to 30 days per calendar year.		
The member cost sharing applies to all covered benefits incurring during a member's inpatient stay		
Home Health Care	20% after deductible	40% after deductible
Limited to 120 visits per calendar year.		
Each visit by a nurse or therapist is one visit. Each visit up to 4 hours by a home health care aide is one visit.		
Hospice Care - Inpatient	20% after deductible	40% after deductible
Limited to 30 days per lifetime.		
The member cost sharing applies to all covered benefits incurred during a member's inpatient stay		
Hospice Care - Outpatient	20% after deductible	40% after deductible
The member cost sharing applies to all covered benefits incurred during a member's outpatient visit		
Private Duty Nursing - Outpatient (Limited to 70 eight hour shifts per calendar year)	20% after deductible	40% after deductible

Outpatient Short-Term Rehabilitation	20% after deductible	40% after deductible
Includes speech, physical, and occupational therapy.		
Includes habilitative services for covered individuals to age 21 for services diagnosed with congenital and genetic birth defects.		
Habilitative Services	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible
Unlimited treatment for children under age 21 with congenital or genetic birth defects to enhance the child's ability to function		
Spinal Manipulation Therapy	20% after deductible	40% after deductible
Durable Medical Equipment	20% after deductible	40% after deductible
Diabetic Supplies -- (if not covered under Pharmacy benefit)	Covered same as any other medical expense; after deductible	Covered same as any other medical expense; after deductible
Contraceptive drugs and devices not obtainable at a pharmacy (includes coverage for contraceptive visits)	20% (payable as any other covered expense) after deductible	40% (payable as any other covered expense) after deductible
Transplants	20% Preferred coverage is provided at an IOE contracted facility only; after deductible	40% Non-Preferred coverage is provided at a Non-IOE facility; after deductible
"Other" Health Care – 20% member coinsurance after the preferred (per calendar year) deductible for services that are neither "preferred" nor "non-preferred"		
FAMILY PLANNING	PREFERRED CARE	NON-PREFERRED CARE
Infertility Treatment Diagnosis and treatment of the underlying medical condition.	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible
Voluntary Sterilization Including tubal ligation and vasectomy	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible	Member cost sharing is based on the type of service performed and the place of service where it is rendered; after deductible
PHARMACY	PREFERRED CARE	NON-PREFERRED CARE
The full cost of the drug is applied to the deductible before any benefits are considered for payment under the pharmacy plan.		
Retail	Covered 100% after combined medical/Rx plan deductible and \$15 copay for generic drugs, \$35 copay for formulary brand-name drugs, and \$60 copay for non-formulary brand-name drugs up to a 30 day supply at participating pharmacies.	40% of submitted cost after combined medical/Rx plan deductible and \$15 copay for generic drugs, \$35 copay for formulary brand-name drugs, and \$60 copay for non-formulary brand-name drugs up to a 30 day supply.
Mail Order	Covered 100% after combined medical/Rx plan deductible and \$30 copay for generic drugs, \$70 copay for formulary brand-name drugs, and \$120 copay for non-formulary brand-name drugs up to a 31-90 day supply from Aetna Rx Home Delivery®.	Not applicable
No Mandatory Generic (NO MG) - Member is responsible to pay the applicable copay only.		
Plan Includes: Contraceptive drugs and devices obtainable from a pharmacy, Oral fertility drugs, Diabetic supplies.		

GENERAL PROVISIONS

Dependents Eligibility	Spouse, children from birth to age 26
Pre-existing Conditions Exclusion	On effective date: Waived After effective date: Full Postponement

For members age 19 or over this plan imposes a pre-existing condition exclusion, which may be waived in some circumstances and may not be applicable to you. A pre-existing condition exclusion means that if you have a medical condition before coming to this plan, you may have to wait a certain period of time before the plan will provide coverage for that condition. This exclusion applies only to conditions for which medical advice, diagnosis, care, or treatment was recommended or received or for which the individual took prescribed drugs within 90 days. Generally, this period ends the day before your coverage becomes effective. However, if you were in a waiting period for coverage, 90 days ends on the day before the waiting period begins. The exclusion period, if applicable, may last up to 365 days from your first day of coverage, or, if you were in a waiting period, from the first day of your waiting period. If you had prior creditable coverage within 90 days immediately before the date you enrolled under this plan, then the pre-existing conditions exclusion in your plan, if any, will be waived.

If you had no prior creditable coverage within the 90 days prior to your enrollment date (either because you had no prior coverage or because there was more than a 90 day gap from the date your prior coverage terminated to your enrollment date), we will apply your plan's pre-existing conditions exclusion. In order to reduce or

*We cover the cost of care differently based on whether health care providers, such as doctors and hospitals, are "in network" or "out of network." We want to help you understand how much Aetna pays for your out-of-network care. At the same time, we want to make it clear how much more you will need to pay for this out-of-network care.

As an example, you may choose a doctor in our network. You may choose to visit an out-of-network doctor. If you choose a doctor who is out of network, your Aetna health plan may pay some of that doctor's bill. Most of the time, you will pay a lot more money out of your own pocket if you choose to use an out-of-network doctor or hospital.

When you choose out-of-network care, Aetna limits the amount it will pay. This limit is called the "recognized" or "allowed" amount. This amount is based on "reasonable" or "prevailing" charges. We get this data from an external database. Exactly how much Aetna "recognizes" depends on the plan you or your employer picks.

Your out-of-network doctor sets the rate to charge you. It may be higher -- sometimes much higher -- than what your Aetna plan "recognizes" or "allows." Your doctor may bill you for the dollar amount that Aetna doesn't recognize. You must also pay any copayments, coinsurance and deductibles under your plan. No dollar amount above the recognized charge counts toward your deductible or maximum out-of-pocket. To learn more about how we pay out-of-network benefits visit Aetna.com. Type "how Aetna pays" in the search box.

You can avoid these extra costs by getting your care from Aetna's broad network of health care providers. Go to www.aetna.com and click on "Find a Doctor" on the left side of the page. If you are already a member, sign on to your Aetna Navigator member site.

This way of paying out-of-network doctors and hospitals applies when you choose to get care out of network.

When you have no choice (for example: emergency room visit after a car accident), we will pay the bill as if you got care in network. You pay your plan's copayments, coinsurance and deductibles for your in-network level of benefits. Contact Aetna if your provider asks you to pay more. You are not responsible for any outstanding balance billed by your providers for emergency services beyond your copayments, coinsurance and deductibles.

Plans are provided by: Aetna Life Insurance Company, 151 Farmington Avenue, Hartford, CT 06156. While this material is believed to be accurate as of the production date, it is subject to change.

Health benefits and health insurance plans contain exclusions and limitations. Not all health services are covered.

See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. You may be responsible for the health care provider's full charges for any non-covered services, including circumstances where you have exceeded a benefit limit contained in the plan. Providers are independent contractors and are not agents of Aetna. Provider participation may change without notice. Aetna does not provide care or guarantee access to health services.

The following is a list of services and supplies that are generally not covered. However, your plan documents may contain exceptions to this list based on state mandates or the plan design or rider(s) purchased by your employer.

- All medical and hospital services not specifically covered in, or which are limited or excluded by your plan documents.

- Cosmetic surgery, including breast reduction.
- Custodial care.
- Dental care and dental X-rays
- Donor egg retrieval.
- Durable medical Equipment
- Experimental and investigational procedures, except for coverage for medically necessary routine patient care costs for members participating in a cancer clinical trial.
- Hearing aids
- Home births
- Immunizations for travel or work except where medically necessary or indicated.
- Implantable drugs and certain injectable drugs including injectable infertility drugs.
- Infertility services, including artificial insemination and advanced reproductive technologies such as IVF, ZIFT, GIFT, ICSI and other related services, unless specifically listed as covered in your plan documents.
- Long-term rehabilitation therapy.
- Non-medically necessary services or supplies.
- Orthotics except diabetic orthotics.
- Outpatient prescription drugs (except for treatment of diabetes), unless covered by a prescription plan rider and over-the-counter medications (except as provided in a hospital) and supplies.
- Radial keratotomy or related procedures.
- Reversal of sterilization.
- Services for the treatment of sexual dysfunction or inadequacies, including therapy, supplies or counseling or prescription drugs.
- Special duty nursing.
- Therapy or rehabilitation other than those listed as covered.
- Treatment of behavioral disorders.
- Weight control services including surgical procedures, medical treatments, weight control/loss programs, dietary regimens and supplements, appetite suppressants and other medications; food or food supplements, exercise programs, exercise or other equipment; and other services and supplies that are primarily intended to control weight or treat obesity, including Morbid Obesity, or for the purpose of weight reduction, regardless of the existence of comorbid conditions.

Aetna receives rebates from drug manufacturers that may be taken into account in determining Aetna's Preferred Drug List. Rebates do not reduce the amount a member pays the pharmacy for covered prescriptions. Aetna Rx Home Delivery refers to Aetna Rx Home Delivery, LLC, a licensed pharmacy subsidiary of Aetna Inc., that operates through mail order. The charges that Aetna negotiates with Aetna Rx Home Delivery may be higher than the cost they pay for the drugs and the cost of the mail order pharmacy services they provide. For these purposes, the pharmacy's cost of purchasing drugs takes into account discounts, credits and other amounts that they may receive from wholesalers, manufacturers, suppliers and distributors.

In case of emergency, call 911 or your local emergency hotline, or go directly to an emergency care facility.

If you require language assistance from an Aetna representative, please call Member Services' multi-lingual hotline at **1-888-982-3862** (140 languages are available. You must ask for an interpreter). **TDD 1-800-628-3323** (hearing impaired only).

Si necesita asistencia lingüística de un representante de Aetna, contamos con una línea directa de Servicios a Miembros disponible en varios idiomas. Comuníquese al **1-888-982-3862** (140 idiomas disponibles. Debe solicitar un intérprete). **TDD 1-800-628-3323** (para personas con problemas de audición únicamente).

For more information about Aetna plans, refer to **www.aetna.com**.
© 2012 Aetna Inc.

**ATTACHMENT G:
AETNA DENTAL PLAN DESIGN & BENEFIT SUMMARY**



Air Line Pilots Association, International

Effective Date: 04/01/2012

Unit 1

Dental Benefits Summary		
	Active PPO – PPOII Network	
	Participating	Non-Participating
Annual Deductible*		
Individual	\$75	\$80
Family	\$125	\$150
Preventative Services	80%	60%
Basic Services	80%	60%
Major Services	80%	60%
Annual Benefit Maximum	None	None
Office Visit Copay	N/A	N/A
Orthodontic Services (Adult and Child)	80%	80%
Orthodontic Deductible	None	None
Orthodontic Lifetime Maximum	\$3,000	\$3,000
*The Deductible Applies to: Basic & Major Services Only		
Partial List of Services		
Preventative		
Oral Examinations	80%	60%
Cleanings (a) Adult/Child	80%	60%
Fluoride (a)	80%	60%
Sealants (Permanent Molars Only) (a)	80%	60%
Bitewing X-rays (a)	80%	60%
Full Mouth Series X-Rays (a)	80%	60%
Space Maintainers	80%	60%
Basic		
Root canal therapy – Anterior / Bicuspid Teeth	80%	60%
Root canal therapy – Molar Teeth	80%	60%
Scaling and Root Planing (a)	80%	60%
Gingivectomy*	80%	60%
Space Maintainers	80%	60%
Amalgam (silver) fillings	80%	60%
Composite fillings (anterior teeth only)	80%	60%
Stainless steel crowns	80%	60%
Incision and drainage of abscess*	80%	60%

Uncomplicated extractions	80%	60%
Surgical removal of erupted tooth*	80%	60%
Surgical removal of impacted tooth (soft tissue)*	80%	60%
Surgical removal of impacted tooth (partial bony/ full bony)*	80%	60%
General anesthesia/intravenous sedation*	80%	60%
Osseous surgery (a)*	80%	60%
Denture repairs	80%	60%
Crown Lengthening	80%	60%
Major		
Inlays	80%	60%
Onlays	80%	60%
Crowns	80%	60%
Full and Partial Dentures	80%	60%
Pontics	80%	60%
Crown Build-Ups	80%	60%
Implants	80%	60%

*Certain services may be covered under the Medical Plan. Contact Member Services for more details.

(a) Frequency and/or age limitations may apply to these services. These limits are described in the booklet/certificate.

Other Important Information

This Aetna Dental® Preferred Provider Organization (PPO) benefits summary is provided by Aetna Life Insurance Company for some of the more frequently performed dental procedures. Under the Dental Preferred Provider Organization (PPO) plan, you may choose at the time of service either a PPO participating dentist or any nonparticipating dentist. With the PPO plan, savings are possible because the participating dentists have agreed to provide care for covered services at negotiated rates. Non-participating benefits are subject to usual and prevailing charge limits, as determined by Aetna.

Emergency Dental Care

If you need emergency dental care for the palliative treatment (pain relieving, stabilizing) of a dental emergency, you are covered 24 hours a day, 7 days a week.

When emergency services are provided by a participating PPO dentist, your co-payment/coinsurance amount will be based on a negotiated fee schedule. When emergency services are provided by a non-participating dentist, you will be responsible for the difference between the plan payment and the dentist's usual charge. Refer to your plan documents for details. Subject to state requirements. Out-of-area emergency dental care may be reviewed by our dental consultants to verify appropriateness of treatment.

Partial List of Exclusions and Limitations* - Coverage is not provided for the following:

1. Services or supplies that are covered in whole or in part:
 - a. Under any other part of this Dental Care Plan; or
 - b. Under any other plan of group benefits provided by or through your employer.
2. Services and supplies to diagnose or treat a disease or injury that is not:
 - a. A non-occupational disease; or
 - b. A non-occupational injury
3. Services not listed in the Dental Care Schedule that applies, unless otherwise specified in the Booklet-Certificate.
4. Those for replacement of a lost, missing or stolen appliance, and those for replacement of appliances that have been damaged due to abuse, misuse or neglect.
5. Those for plastic, reconstructive or cosmetic surgery, or other dental services or supplies, that are primarily intended to improve, alter or enhance appearance. This applies whether or not the services and supplies are for psychological or emotional reasons. Facings on molar crowns and pontics will always be considered cosmetic.

6. Those for or in connection with services, procedures, drugs or other supplies that are determined by Aetna to be experimental or still under clinical investigation by health professionals.
7. Those for dentures, crowns, inlays, onlays, bridgework, or other appliances or services used for the purpose of splinting, to alter vertical dimension, to restore occlusion, or to correct attrition, abrasion or erosion.
8. Those for any of the following services (Does not apply to the DMO plan in TX):
 - a. An appliance or modification of one if an impression for it was made before the person became a covered person;
 - b. A crown, bridge, or cast or processed restoration if a tooth was prepared for it before the person became a covered person; or
 - c. Root canal therapy if the pulp chamber for it was opened before the person became a covered person.
9. Services that Aetna defines as not necessary for the diagnosis, care or treatment of the condition involved. This applies even if they are prescribed, recommended or approved by the attending physician or dentist.
10. Those for services intended for treatment of any jaw joint disorder, unless otherwise specified in the Booklet-Certificate.
11. Those for space maintainers, except when needed to preserve space resulting from the premature loss of deciduous teeth.
12. Those for orthodontic treatment, unless otherwise specified in the Booklet-Certificate.
13. Those for general anesthesia and intravenous sedation, unless specifically covered. For plans that cover these services, they will not be eligible for benefits unless done in conjunction with another necessary covered service.
14. Those for treatment by other than a dentist, except that scaling or cleaning of teeth and topical application of fluoride may be done by a licensed dental hygienist. In this case, the treatment must be given under the supervision and guidance of a dentist.
15. Those in connection with a service given to a person age 5 or older if that person becomes a covered person other than:
 - a. during the first 31 days the person is eligible for this coverage, or
 - b. as prescribed for any period of open enrollment agreed to by the employer and Aetna. This does not apply to charges incurred:
 - i. after the end of the 12-month period starting on the date the person became a covered person; or
 - ii. as a result of accidental injuries sustained while the person was a covered person; or
 - iii. for a primary care service in the Dental Care Schedule that applies as shown under the headings Visits and Exams, and X-rays and Pathology.
16. Services given by a nonparticipating dental provider to the extent that the charges exceed the amount payable for the services shown in the Dental Care Schedule that applies.
17. Those for a crown, cast or processed restoration unless:
 - a. it is treatment for decay or traumatic injury, and teeth cannot be restored with a filling material; or
 - b. the tooth is an abutment to a covered partial denture or fixed bridge.
18. Those for surgical removal of impacted wisdom teeth only for orthodontic reasons, unless otherwise specified in the Booklet-Certificate.
19. Services needed solely in connection with non-covered services.
20. Services done where there is no evidence of pathology, dysfunction or disease other than covered preventive services.

Any exclusion above will not apply to the extent that coverage of the charges is required under any law that applies to the coverage.

*This is a partial list of exclusions and limitations, others may apply. Please check your plan booklet for details.

Partial List of Exclusions and Limitations* - Coverage is not provided for the following:

Replacement Rule

The replacement of; addition to; or modification of: existing dentures; removable denture; fixed bridge-work; or other prosthetic services is covered only if one of the following terms is met:

- The existing denture, removable denture, bridgework, or other prosthetic service cannot be made serviceable, and was installed at least 5 years before its replacement.

- The existing denture is an immediate temporary one and cannot be made permanent, and replacement by a permanent denture is required. The replacement must take place within 12 months from the date of initial installation of the immediate temporary denture.
- The extraction of a third molar does not qualify. Any such appliance or fixed bridge must include the replacement of an extracted tooth or teeth.

Alternate Treatment Rule

If more than one service can be used to treat a covered person's dental condition, Aetna may decide to authorize coverage only for a less costly covered service provided that all of the following terms are met:

- a. the service must be listed on the Dental Care Schedule;
- b. the service selected must be deemed by the dental profession to be an appropriate method of treatment; and
- c. the service selected must meet broadly accepted national standards of dental practice.

If treatment is being given by a participating dental provider and the covered person asks for a more costly covered service than that for which coverage is approved, the specific copayment for such service will consist of:

- a. the copayment for the approved less costly service; plus
- b. the difference in cost between the approved less costly service and the more costly covered service.

Finding Participating Providers

Consult Aetna Dentals online provider directory, DocFind®, for the most current provider listings. Participating providers are independent contractors in private practice and are neither employees nor agents of Aetna Dental or its affiliates. The availability of any particular provider cannot be guaranteed, and provider network composition is subject to change without notice. For the most current information, please contact the selected provider or Aetna Member Services at the toll-free number on your ID card, or use our Internet-based provider directory (DocFind) available at www.aetna.com.

Specific products may not be available on both a self-funded and insured basis. The information in this document is subject to change without notice. In case of a conflict between your plan documents and this information, the plan documents will govern.

In the event of a problem with coverage, members should contact Member Services at the toll-free number on their ID cards for information on how to utilize the grievance procedure when appropriate.

All member care and related decisions are the sole responsibility of participating providers. Aetna Dental does not provide health care services and, therefore, cannot guarantee any results or outcomes.

Dental plans are provided or administered by Aetna Life Insurance Company, Aetna Dental Inc., Aetna Dental of California Inc. and/or Aetna Health Inc.

In Texas, the Dental Preferred Provider Organization (PPO) is known as the Participating Dental Network (PDN), and is administered by Aetna Life Insurance Company.

This material is for informational purposes only and is neither an offer of coverage nor dental advice. It contains only a partial, general description of plan or program benefits and does not constitute a contract. The availability of a plan or program may vary by geographic service area. Certain dental plans are available only for groups of a certain size in accordance with underwriting guidelines. Some benefits are subject to limitations or exclusions. Consult the plan documents (Schedule of Benefits, Certificate/Evidence of Coverage, Booklet, Booklet-Certificate, Group Agreement, Group Policy) to determine governing contractual provisions, including procedures, exclusions and limitations relating to your plan.

When to Get a Pre-Determination of Benefits Review

A Pre-Determination of Benefits review is recommended whenever a course of dental treatment is likely to cost more than \$350. Ask your dentist to write down a full description of the treatment you need, using either an Aetna claim form or an ADA approved claim form. Then, before actually treating you, your dentist should send the form to Aetna. Aetna may request supporting x-rays and other diagnostic records. Once all of the information has been gathered, Aetna will review the proposed treatment plan and provide you and your dentist with a statement outlining the benefits payable by the plan. You and your dentist can then decide how to proceed.

INDEX

-A-

Accelerated Death Benefit, 49
Acceptance or Rejection of the GPP, 32
Accrual, 22
Across the Board Increases, 73
Actions Outside the Salary Administration Plan, 92
Advance of Equity, 33
Aetna's Open Choice Medical Plan, 45
Agency Shop/Dues Check-Off, 70
Airline Ticketing Rules, 17
Air Transportation, 13
ALPA Performance Program, 75
ALPA Sponsored Events, 19
Annual Review Date, 92
Annual Vacation Buy Back, 24
April Review, 91

-B-

Bereavement Leave, 6
Business Expense, 15

-C-

Canadian Expenses, 16
Car Expense, 12
Cessation of Severance Payments of Recall/Rehire, 42
Compensation, 73
Compensatory Time, 77
Costs Paid By ALPA, 34

-D-

Deferred Savings Plan, 51
Definition of Employees, 2
Demotions, 88
Dental Benefits, 47
Dependent Care Flexible Spending Account, 55
Dependent Life Insurance, 49
Dependent Travel, 67
Discipline and Discharge, 25
Duration, 93

-E-

Excess Liability Insurance, 51
Expedited Arbitration, 28
Expense Authorization and Payment, 20
Expense Reports, 20
Expenses, 10
Extraordinary Expense, 16

-F-

FICA Contribution, 75
Flexible Benefits Account Plan, 54
Floating Holiday, 44
Furlough, 35

-G-

Gains Associated with the Sale of the Property, 32
General, 79
Grievance and Arbitration Procedure, 27
Grievance Processing, 27
Guaranteed Purchase Price (GPP) of Property, 31

-H-

Health and Welfare, 45
Health Care Flexible Spending Account, 54
Holidays, 44
Home Marketing Assistance, 33

-I-

Imposition of Discipline, 25
Indemnification, 72

-J-

Job Evaluation, 82
Job Security, 35

-L-

Laundry/Valet, 16
Leave of Absence without Pay, 9
Leave Under Family Medical Leave Act (FMLA), 8
Life Insurance Benefits, 49
Lodging, 15
Long-Term Care Insurance Program, 49

Long-Term Disability Benefits, 49
Loss of Recall/Preferential Hiring Rights, 42

-M-

Meals, 10
Merit Increases, 88
Merit Range Ratings and Increases, 73
Moving Allowance, 30

-N-

No Cost Option, 46
Notice of Proposed Furlough, 35

-O-

Performance Payment to Eligible Unit 1
Employees, 76
Orthodontia Benefits, 47
Overtime, 77

-P-

Parental Leave, 4
Pay Reduction in Lieu of Premiums, 58
Per Diem, 12
Performance Evaluation Form
Committee, 92
Personal Car Expenses, 13
Position Reevaluation, 87
Prescription Drug Program, 47
Probation, 3
Processing Merit Increases, 89
Prior Service Credit, 42
Procedures for Vacant and Newly Created
Positions, 87
Promotions and Transfers, 85

-Q-

Qualified Transportation Fringe Benefit
Plan, 61

-R-

Recall Rights, 40
Recognition, 1
Rehire Preference, 41
Relocation Benefits, 42
Renting of Car, 13
Requests For Reconsideration, 90
Responsibilities of the Director of Human
Resources, 84

Retiree Health, 52
Retiree Health Account Plan, 61
Review and Updating of Position
Descriptions, 83
Review Board for Deferred Savings Plan, 55

-S-

Salary Administration Plan, 82
Salary Cost Controls, 84
Salary Increases, 73
Salary of Recalled/Rehired Staff
Employee, 41
Salary Review Committee, 91
Salary Ranges, 74
Salary Structure, 83
Selection and Powers of the Arbitrator, 28
Severance Pay, 39
Sick Leave, 4
Sick, Bereavement and Parental Leave, 4
Starting Salaries, 85
Statement of Objectives, 82
Supplemental AD&D, 48

-T-

Taxi, 14
Telephone, 16
Ticketing Process, 18
Time Limits, 28
Transfers, 85
Transportation, 13
Travel Insurance Benefits, 47

-U-

Use of Warnings and Progressive
Discipline, 25

-V-

Vacations, 22
Vacation Accrual, 22
Vacation Usage, 22
Vision Benefits, 47

-W-

Weekend Expenses (Home Base), 11

