

## **TWU and IAM Joint Agreement on Pensions**

This agreement is made by and between the Transport Workers Union of America ("TWU") and the International Association of Machinists and Aerospace Workers ("IAM").

WHEREAS, TWU represents the Mechanic and Related, Fleet Service and Stores crafts or classes at American Airlines, and the IAM represents the same three crafts or classes at US Airways; and

WHEREAS, TWU also represents Dispatchers, Flight Instructors, and Simulator Technicians at American Airlines ("Other American Crafts or Classes"), as well as Dispatchers and Ground School Instructors at US Airways, (together "Other TWU-represented Crafts or Classes"); and

WHEREAS, American Airlines and US Airways have announced their intention to merge and become the New American Airlines, and they have taken concrete steps to consummate the merger; and

WHEREAS, future pension accruals in American Airlines' single employer defined benefit pension plan for employees in the Mechanic and Related, Fleet Service and Stores crafts or classes, as well as the Other American Crafts or Classes of employees, were frozen in American Airlines' bankruptcy case; and

WHEREAS, US Airways' Mechanic and Related, Fleet Service and Stores employees participate in the IAM National Pension Fund ("IAMNPF") pursuant to the respective collective bargaining agreements between IAM and US Airways; and

WHEREAS, TWU and IAM have entered into three separate Association Agreements to jointly represent Mechanic and Related, Fleet Service and Stores employees at the New American Airlines; and

WHEREAS, the Association Agreements call for the TWU-IAM Association to "negotiate a single, combined Collective Bargaining Agreement with the goal of improving the rates of pay, benefits and other terms and conditions" for the Mechanic and Related, Fleet Service and Stores crafts or classes at the New American Airlines.

NOW THEREFORE, TWU and IAM agree to propose a defined benefit pension with the IAMNPF in negotiations with the New American Airlines for single, combined Collective Bargaining Agreements covering Mechanic and Related, Fleet Service and Stores employees in order to provide a defined benefit pension for those employees at American Airlines whose pensions were frozen in American's bankruptcy, and to continue the participation of those employees at US Airways who currently have defined benefit pensions in the IAMNPF.

TWU and IAM further agree to give priority to reaching agreement in negotiations with the New American Airlines on a defined benefit pension with the IAMNPF for Mechanic and Related, Fleet Service and Stores employees.

TWU and IAM further agree that, in the event that negotiations with the Carrier to cover the entire crafts or classes of Mechanic and Related, Fleet Service and Stores at the New American Airlines do not

result in agreement, TWU will support continued participation in the IAMNPF of those of the Carrier's employees who are already participants in the IAMNPF.

TWU and IAM further agree that TWU will propose a defined benefit plan with the IAMNPF in negotiations with the New American Airlines for Collective Bargaining Agreements covering the Other TWU-represented Crafts or Classes, and that the IAM will facilitate the participation of these in the IAMNPF.

Entered into this 9<sup>th</sup> day of May, 2013.

TRANSPORT WORKERS UNION  
OF AMERICA

  
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Robert Gless, Deputy Director

INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS

  
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Sito Pantoja, General Vice President