

# UPDATE

StrongerTogether

Rich Delaney, 10 March 2014

This past week District 141 and the Grand Lodge concluded discussions with the Trustees of the IAM National Pension Fund regarding the benefit level for s-United Airlines members. These members, and participants in the IAMNPF, will now, effective April 1, 2014, receive the benefit called for under Schedule B of the Plan. This change will cause an immediate increase in pension accrual for s-United members and provide extraordinary improvement and security for all United participants, regardless of their legacy carrier.

Since our entry into the IAMNPF in 2006 United members have been receiving 85% of the normal benefit that other participants have received for the same contribution. This 15% reduction was originally developed due to United's uncertain status in 2006 and the possibility that the airline could return to bankruptcy and penalize both our members and the IAMNPF. However, there was not a mechanism negotiated at that time by District 141 negotiators to increase the 85% rate at a time when United was stable. Regardless of the future success of airline, the 15% reduction remained with no end date.

Upon assuming office in 2008, correcting this inequity became a priority for the District 141 Executive Board. Discussions with our Transportation Dept. GVP, first Robert Roach, Jr. and then Sito Pantoja, about our participation in the pension plan have continued over the past 6 years. Both Robert and Sito were supportive of our position and brought our concerns directly to the Trustees of the IAMNPF, half of whom are management representatives, repeatedly over this period.

During the most recent round of negotiations with United Airlines, District 141 sought to increase the value of our pensions by increasing wages and driving a higher contribution rate as a result. The ratified agreement with United did indeed increase the monthly benefit, due to the increased contribution rate, but still United members faced a 15% "United only" reduction. By maintaining the United table, our members would not see the full increase deserved.

Both during and after contract negotiations we worked with GVP Pantoja and the IAM designated Trustees to finally resolve this. Today we can report that this has happened and the United table has been removed and all future benefits will accrue according to those set by the Plan under Schedule B.

## **What does this mean to a s-United member?**

United members can now visit the IAMNPF website and calculate their individual monthly benefit in retirement by looking at the published Schedule B and know they are receiving full credit for the contributions United Airlines makes on their

behalf every month.

Most importantly, United members can see the benefit increase immediately from \$51.06 to \$68.08 per month in 2014. By the end of this current Agreement, the monthly benefit will increase to \$74.10 per month, based on current Trustee established Schedule B levels.

The combination of negotiated improvements to the company paid contributions and the lifting of the United Penalty have increased the value of each IAM represented s-United member's pension by approximately 45% over the life of this Agreement. This combination of improvements will mean an immediate improvement of about 35%, effective April 1st.

## **What does this mean to a s-MPI member?**

Mileage Plus members that have now been recognized as United employees under the terms of the current Agreement will have a pension plan that applies to them for the first time in their history. Accrued benefits will begin in 2014 and former MPI members will actually retire with monthly benefits at the end of their careers, instead of being considered terminated. Each member will be credited with the \$68.08 per month benefit, without restriction or reduction.

## **What does this mean to a s-CO member?**

The correction in future monthly benefits will also benefit legacy Continental members. Immediately, there will be no change to their current participation in CARP and that Plan will continue to accrue pension credits until the Company freezes CARP. If that happens in the future, s-CO employees will have the full advantage of the IAMNPF, including a benefit level consistent with their expectation from CARP.

## **What does this mean to a s-CMI member?**

Members from Guam that have previously been covered by the Teamsters Western States Pension are moving into the IAMNPF plan. Their previous contribution rate into the IBT pension was \$.47 per hour. That 47 cents generated a monthly benefit of about \$20.00. Former CMI members' contribution rate is more than tripling due to the contract improvement and their benefit level will increase immediately to \$68.08 per month because of the termination of the United rate; an increase over 300%.

The termination of the United rate is a great benefit to all current and future United members. It has been a long time coming but it has been fixed. Special thanks to GVP Pantoja and General Secretary Treasurer Roach for their continued work in bringing this issue of fairness to the Trustees and sticking with it until it was corrected.