



NC UPDATE

AFA Negotiating Committee - Hawaiian Airlines

Dear Fellow Flight Attendants:

We have all witnessed the impact of the COVID-19 pandemic in the airline industry, and at our airline in particular. Hawaiian Airlines will be a smaller airline on the other side of this difficulty. Management reached out to AFA to negotiate a voluntary early out program which is designed to mitigate the over staffing our company is experiencing. It was a tough negotiation as we fought to capture every advantage and create the best possible “early out” program for anyone considering this option.

Our commitment is to have all the information available as you consider this option. More information will be coming out shortly. AFA is not advocating for anyone to make this decision – it is a deeply personal one that should be based on each Flight Attendant’s individual situation.

We have prepared the following materials for you. Please read through them carefully and send any questions to Andrew.Ferreira@HawaiianMec.org

1. Voluntary Early Out Program (VEOP) Letter of Agreement *[link]*
2. Summary of VEOP provisions *[link]*
3. Q and A to be posted tomorrow

AFA will be holding Zoom meetings to explain the VEOP and answer your questions.

1. Friday, August 7th at NOON HST
<https://us02web.zoom.us/j/83789994110?pwd=MDAyRWtUZVhBR3ptTzFITlpNNEpsZz09>
Meeting ID: 837 8999 4110
Passcode: 124207
(669)900-6833
2. Tuesday, August 11th NOON - Official Presentation of VEOP
<https://us02web.zoom.us/j/83789994110?pwd=MDAyRWtUZVhBR3ptTzFITlpNNEpsZz09>
Meeting ID: 837 8999 4110
Passcode: 124207
(669)900-6833
3. Additional meetings may be added

In Solidarity,

Your Negotiating Committee



Hawaiian Airlines Voluntary Early Out Program (VEOP) for Flight Attendants

Summary of the VEOP

1. ELIGIBILITY

- Must be at least at the 7th year pay step (\$49.74) as of October 1, 2020

2. PAY

- Will be paid 38 hours at your rate of pay as of October 1, 2020 for the severance payment period

3. SEVERANCE PAYMENT PERIOD

- October 1, 2020 through September 30, 2021, after which time you will be considered “retired” or “separated” from the company

4. VACATION

- Any vacation that hasn't been taken, including earned vacation will be paid out over 12 months beginning October 1, 2020

5. RATIFICATION PAYMENTS

- Any remaining balance from the 2020 Ratification bonus will be paid out on September 22, 2020

6. INSURANCE

- During the 12-month severance period, all premiums for Medical, Dental, Orthodontia, Life and any other elective company insurance (not including NGP) that the FA is currently participating in will be fully paid by the company with no cost-share by the FA for the 12-month separation period beginning October 1, 2020 through September 30, 2021: ***Insurance will be 100% paid by the company for 12 months***

- Extending Insurance After the 12-month severance period: Contract Provisions

Section 33.K.1.

- if the FA is 60 yrs old or more and has any ***sick leave balance***,
- the number of sick leave hours in the bank will be multiplied by her/his hourly rate to determine the cash “credit” value. This “credit” amount can be used to continue to pay the premiums for insurance coverage for up to an additional 12 months (e.g. October 1, 2021 through September 31, 2022)

Section 33.K.4.a.:

- if the Flight Attendant is between ages ***55 and 60 with 30 years of service on October 1, 2020***
- the company will pay for 50% the cost of the medical insurance premium for the Flight Attendant and spouse until the Flight Attendant reaches age 65

Section 33.K.4.b.:

- if the Flight Attendant is between ages ***60 and 64 with 30 years of service on October 1, 2020***
- the company will pay all cost of medical insurance for the FA and spouse until the FA reaches age 65

- After the 12-month severance period
 - All FAs may elect to continue on the company medical plan for 18 months with the Flight Attendant paying the full cost of insurance under (COBRA).

8. RETIREE HRA: YOS = Years of Service

- FAs with 25 years of service on October 1, 2020 qualify for the Retiree HRA (Health Reimbursement Arrangement). There are 2 enhancements to the HRA in this VEOP that are illustrated in red below:

<u>Current YOS</u>		<u>Early Out Acceleration</u>		<u>Current \$\$</u>		<u>Co's addt'l \$50,000</u>
30 to 35	→	25 to 30	YOS	\$10,000	→	\$60,000
35+ to 40	→	30+ to 35	YOS	\$20,000	→	\$70,000
40+	→	35+	YOS	\$30,000	→	\$80,000

1. The Years of Service Qualification will be accelerated by 5 years. There are 3 brackets which will determine your benefit based on years of service (yos):
 - **First add 5 years to your years of service on October 1, 2020** and that will determine your bracket
 - Bracket 1: 30 to 35 yos
 - Bracket 2: 35+ to 40 yos
 - Bracket 3: 40+ yos
2. The new dollar credit for the HRA will be increased by \$50,000 for each bracket:
 - Bracket 1 goes from \$10,000 to \$60,000
 - Bracket 2 goes from \$20,000 to \$70,000
 - Bracket 3 goes from \$30,000 to \$80,000

Example: FA Pua Kealoha has 34 years of service. She would add 5 years of service for eligibility in this program and will now be in “bracket 2” and would receive a credit of \$70,000 into her HRA account.

9. PASS TRAVEL

- FAs with *less* than 30 years of service will continue to get pass travel benefits as if they were active for a period of 3 years
- FAs with 30 years or more of service will continue to get pass travel benefits as if they were active for a period of 4 years
- Company years of service will be used to determine your pass travel benefits (e.g. if you worked in a different department those years would count – for pass travel only)
- The 12-month severance period will count towards your retiree pass qualification (you will not go onto a retiree pass travel status until *after* your 3 or 4 years of active pass travel status listed above)

10. 401(K)

- Company will not make 401(k) contributions nor match on the 12 monthly severance payments. The FA, however, may continue to contribute on their own.
- Company contributions and match will be made on the vacation pay-outs

11. PARKING PASS

- During the 12-month severance period the company will continue to provide parking passes as it currently does

12. FAs CURRENTLY ON LEAVES

- FAs on Voluntary Furloughs/ Leaves who are awarded a VEOP will end their Voluntary Furloughs/Leaves and begin their Early Out on October 1, 2020

13. UNEMPLOYMENT

- The company will not contest unemployment claims by Flight Attendants who take the VEOP

14. PUALANI PIN

- FAs awarded the VEOP will be given a Pualani Pin as recognition for their years of service

15. AFA DUES

- Dues will continue during the 12-month severance period

16. VEOP PROTECTION

- If any subsequent VEOP is offered within 6 months of this VEOP, FAs who have been awarded this VEOP will receive no less favorable provisions
- The VEOP pass travel benefits will be no less favorable than those in any other employee group's Early Out
- The Bonus Scorecard and profit-sharing provisions will be no less favorable than those of any other employee group's Early Out

17. TIMELINE

BIDDING / AWARDING TIMELINE*

Bidding begins	August 7 th 0900 HST
Bidding closes and awards posted	August 21 st 1700 HST
Deadline for Flight Attendants to reconsider and cancel award	August 21 st – August 25 th 1700 HST
Commencement of VEOP	October 1st

****timeline will be extended if the CARES ACT is renewed and the company accepts \$\$***



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

Voluntary Early Out Program

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

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

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

A. ELIGIBILITY

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

B. BIDDING / AWARDING TIMELINE

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

C. PAY

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

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

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

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

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

E. RETIREE HRA

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

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

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

F. PASS TRAVEL

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

G. HAWAIIAN MILES

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

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

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

H. 401(k)

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

I. PARKING PASS

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

J. Voluntary Furlough

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

K. GENERAL

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

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

For the ASSOCIATION OF FLIGHT ATTENDANTS

Sara Nelson
International President

Joni Kashiwai
MEC President

Diana Huihui
Chairperson, Negotiating Committee

Sharon Soper
Member, Negotiating Committee

For HAWAIIAN AIRLINES

Robin Sparling
Vice President, In-Flight Services

Justin Doane
Vice President, Labor

Doogan Mahuna
Sr. Contract Administrator

Ka'imi Lee
Member, Negotiating Committee

Martin Gusman
Member, Negotiating Committee

Jeff Fuke
Member, Negotiating Committee

Paula Mastrangelo
Sr. Staff Negotiator