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Happy New Year!

In this issue of our base brief we are highlighting the changes that are in effect January 1, 2014. We have received many questions about thresholds, 401k, and various other scheduling issues. We hope you find this issue valuable. Please keep it in a safe place for future reference.

CHANGES FOR JANUARY 2014 INCLUDE:

- Time Away From Base (TAFB)/Per Diem increased to \$2.00-Domestic and \$2.20 International
- International Override applied to paid trip removals (for example: Sick, Jury Duty, Vacation, Bereavement etc.)
- Domestic Aft Galley Pay restored
- PVDs paid at trip missed value and the ability to use PVDs up to expected accrual is restored
- 401(k) match becomes age-based contribution for those on the seniority list as of 4/12/12:
 - ▶ FAs under 40 years old 5.5% contribution
 - ► FAs 40-49 years old 6.75% contribution
 - ▶ 50 years and older 9.9% contribution
 - > FAs who age into the next contribution tier will receive the increased contribution
 - > FAs hired after 4/12/12 3% contribution, and up to 2.5% match after one year of service.

SCHEDULING CHANGES FOR THE CONTRACTUAL MONTH BEGINNING JANUARY 31, 2014:

- 8:59 Duty Aloft for Domestic restored
- On-Duty Limitations for Domestic restored
- Monthly Maximum for No Option FAs reduced to 90 hours with Option I Pure Bid selections permitted to 95 hours

ON-DUTY CONTRACT GUIDE

An On-Duty Contract Guide (ODCG) for the Conditional Labor Agreement (CLA) is finished and a printed copy will be distributed soon. The ODCG is currently available on-line at <u>www.APFA.org</u> under the main contract page. As we move to working under the CLA provisions, Flight Attendants will see a return to scheduling/contractual items from our Foundation Document, as well as a new age-based 401k contribution for those hired prior to April 2012. The employment threshold has been eliminated. The threshold for 2013 sick and vacation accrual was pro-rated to 585 hours (550 hours or an average 50 paid hours per active month through November plus 35 paid hours for December) and restored to 420 hours for 2014 accrual. The required hours for health benefits continues to be the rolling 420 hour look back.

2014 401(k) MAXIMUM CONTRIBUTIONS ANNOUNCED:

The IRS has published the maximum contribution rates for 2014 for 401(k) accounts. You can contribute up to \$17,500 per year into your 401k in 2014. In addition, if you are over the age of 50, you can make "catch-up-contributions" of an additional \$5,500 per year. Those contributions can be into either your Standard 401(k) or your Roth 401(k).

<u>Beating the maximum</u>: Starting in January of 2014, the company will be contributing 3.0% - 9.9% of your income into your 401(k). This company contribution is ABOVE your \$17,500/\$23,000 maximum. (The company contributions do not reduce your maximum contribution.) If you put in your maximum of \$23,000 and the company contributes an additional \$5,000, you could add \$28,000 to your 401(k) in 2014. Remember, regardless of whether you make contributions to your standard 401(k) or Roth 401(k), the company contributions will go into the standard 401(k). For more information, check the Education Center on www.retireonline.com

FROM THE SCHEDULING DEPARTMENT

Bid Line Guarantee

APFA has received several calls concerning pay protection and how it applies to Flight Attendants who subsequently trade down in time or drop a trip.

When a Flight Attendant loses time due to a misconnect, illegality, or cancellation (MIC) but protects GUARANTEE, her/his PPROJ could reflect lower hours than the GUARANTEE. The Flight Attendant will be paid the guaranteed hours should s/he fly less than the original value of the trip.

However, should a Flight Attendant then trade down in time or drop a trip, the guaranteed hours will be reduced to the PPROJ amount, losing not only the time from the drop or the trade down in time, but also the protected hours.

For example: The Flight Attendant's bid line guarantee is 80 hours and s/he has not traded or dropped any trips from her/his schedule. During the month, a MIC for a 10-hour sequence occurs. If s/he follows the steps for pay protection but does no flying, the <u>PPROJ</u> will now be 70 hours while the <u>Guarantee</u> remains at 80 hours. If s/he then trades a sequence for another trip that is worth 10 minutes less, s/he would lose not only the 10 minutes from the trade but the 10 hours of pay protection, thereby reducing her/his guarantee to 69:50 to match her/his PPROJ of 69.50

This can result in a great deal of lost paid time if a FA has multiple MICs during the month and fails to protect a trip when the PPROJ is much lower than the guarantee.

The last trip in last five days (L5D) is the only trip treated differently. If the Flight Attendant does not follow protection rules, the GUARANTEE is reduced incrementally for hours lost but not down to PPROJ.

Based on the example above:

- 1. 70 hour PPROJ with an 80 hour guarantee intact.
- 2. L5D trip worth 5 hours is lost.
- 3. Flight Attendant does not make her/himself available to protect the lost trip.
- 4. Guarantee is only reduced by the 5 hours of the trip down to 75 hours not to her/his PPROJ

APFA/AFA AGREEMENT

Over the past several months, your APFA leadership has heard from thousands of Flight Attendants at both US Airways and American Airlines regarding the process for merging our work groups. The overwhelming sentiment, and demand, was that APFA and AFA work together to achieve a mutual agreement. It is with great pride, therefore, to announce, on behalf of the APFA Board of Directors, that we have done exactly that.

During the week of December 16, 2013 leaders from AFA and APFA met in Washington for a series of mediated discussions that produced an agreement that all of us agree puts Flight Attendants first and will allow us to quickly reap

the benefits of the merger. The Agreement has already been approved by the AFA-US Airways MEC and the APFA Board of Directors. Both bodies approved the agreement by unanimous vote. We will now negotiate the bargaining process with the Company. The final step to finalizing the agreement will be a vote of the AFA-US Airways membership on bargaining and joining the ranks of APFA.

Thank you for your patience and support as we worked to achieve this critical agreement. Now we can turn our focus towards getting the industry-leading contract we all deserve and building the world's greatest airline.

Key Points of Agreement:

- Flight Attendant seniority is protected.
- APFA will link arms with AFA to use the leverage US Airways Flight Attendants bring to the table and negotiate a new expedited bargaining process with management, including the US Airways contract and improvements for all Flight Attendants.
- This agreement is contingent upon management at the New American agreeing to a bargaining process for a single agreement with AFA and APFA.
- Once the bargaining process is fixed, US Airways Flight Attendants will vote on bargaining and a transition to APFA membership.

Unity Increases Our Leverage – Support Each Other

AFA and APFA agree working in unity is the best path forward at the New American. Our two Flight Attendant unions are standing together to utilize the leverage of both contracts in order to achieve an industry-leading contract at the New American. Our efforts turn toward negotiations with management. Any attack on either union undermines our bargaining. We are calling on all Flight Attendants to join us in refraining from criticizing the other union, including collecting authorization cards. We are two strong Flight Attendant unions and each Flight Attendant represents our collective strength. We encourage all members to wear your union pins, support each other and stand together in our efforts to secure the industry's leading contract at the world's biggest airline.

SENIORITY INTEGRATION:

AFA and APFA finalized a Seniority Protocol Agreement, which is a separate document from our agreement on Bargaining and Representation. Flight Attendants will retain length of service as Flight Attendants with their respective carrier, utilizing the Occupational Seniority Date at American and the Seniority Integration Date (SID) (commonly referred to as "Date of Hire") at US Airways. There will be an adjustment of 40 days for American Flight Attendants on the seniority list prior to January 1, 2013, to reflect time spent in initial Flight Attendant training. Actual training start dates will be utilized for Flight Attendants hired at American in 2013 and later.

FOREIGN LANGUAGE STAFFING REQUIREMENTS:

In October the company announced that they would resume staffing all flights requiring foreign language speakers to the contractual maximums as described in Appendix I, Article 11.C.4.b

On dual aisle aircraft the maximum number of required foreign language Flight Attendants will be one (1) per each cabin according to the service (e.g., first class, business class, coach class) but in no event shall exceed the total of three (3) language qualified Flight Attendants.