AEROSPACE PROFESSIONAL STAFF ASSOCIATION
Representing the non-supervisory MTS since 1974
P. O. Box 248, Hawthorne, CA 90251-0248

CONTRACT RATIFICATION

Dear APSA Member,

The APSA/Aerospace contract negotiations have been completed for the period from August 1, 2019, to August 1, 2021. **APSA successfully negotiated the following changes in the terms and conditions of employment for non-supervisory MTS:**

- During fiscal year 2020, merit distribution (about 3.0% merit raise distribution and 0.2% merit cash distribution) aggregating 3.2% of the bargaining unit payroll as of December 7, 2019, less organizational reserves, will be administered on a common review date no later than February 22, 2020, subject to approval of the Board of Trustees. *Note: this is a significant improvement over the company's initial proposal of 1.8% merit raise distribution and 0.7% cash distribution.*
- During fiscal year 2021, merit distribution (about 3.0% merit raise distribution and 0.2% merit cash distribution) aggregating 3.2% of the bargaining unit payroll as of December 5, 2020, less organizational reserves, will be administered on a common review date no later than February 20, 2021, subject to approval of the Board of Trustees. *Note: this is a significant improvement over the company's initial proposal of 1.8% merit raise distribution and 0.7% cash distribution.*
- There will also be a separate discretionary reserve for promotional and special salary increases and other contingencies of up to 1.0% computed on the same basis as above.
- During fiscal year 2020 and 2021, the company will budget up to a maximum of 1% of the gross payroll for the Performance Recognition Payment (PRP) Program.
- The company agreed to keep the medical and dental premium cost sharing the same.
- The company agreed to no increase in the Anthem medical insurance premiums for active employees. The company will decrease the Kaiser Permanente Mid-Atlantic medical insurance premiums by 5% for active employees.
- The company will increase compensatory time off accrual to 20 hours from the current 9. *Note: employees will still be required to work 48 hours before starting to accrue compensatory time off.*
- AERP participants who terminate employment and have a present actuarial value of less than $50,000 may receive a lump sum payment. This is subject to withholding taxes unless rolled over into an IRA. *Note: this is an increase over the current $25,000.*
- The company will add five days of back-up care (a kind of substitute care) annually for family members (children, grandchildren, parents.) Children back-up care will be either by in-home providers or at a Bright Horizon day care center or by one of their affiliates. Adult back-up care will be by in-home providers. Employees pay Bright Horizons an in-home care co-pay of $24 per day minimum and a $15 per day child care co-pay for center-based care. The service is scheduled to start April 1, 2020. Employees will receive preferred enrollment and tuition discounts for full-time child care at participating Bright Horizons child care centers nationwide, and its affiliates.
- The company will increase the monthly defined dollar benefit for retiree medical insurance to $244 (retiree) and $488 (retiree plus one or more dependents.)

- The company will offer a Referral Bonus Program from time-to-time for critical skills. At least $750 will be paid for each candidate whose resumé meets the minimum qualifications. At least $750 will be paid for each candidate that completes an interview. At least $2500 will be paid for each candidate who is subsequently hired as a regular full-time MTS. An additional $2500 shall be awarded if the hired employee has a current SCI clearance. The number of awards an individual employee receives may be limited by a cap of 20 hires per division or group campaign.
- The company will train management that part-time schedules, part-time or intermittent short-term disability, telework, and rotation are potential options available to employees to return to work during short-term or long-term disability through an interactive reasonable accommodations process. *Note: this clarifies the perception that no partial return to work during disability is allowed.*
- The company has reduced the personal accident plan insurance rates.

There are some reductions in the employees' benefits that are being imposed by the Corporation:

- The company has made increases of 6.09% to Kaiser Permanent Northern and Southern California medical insurance premiums for active employees.
- The company has made increases of 3.94% to 4.19% to Anthem Dental Net insurance premiums for active employees. The company has made increases of 0.00% to 0.17% to Delta Dental insurance premiums for active employees. The company has made increases of 3.43% to 3.72% to Cigna Dental insurance premiums for active employees.
- The company has made the following decreases in domestic relocation reimbursements for new-hire level I and II MTS. Existing employee domestic relocation reimbursement remains unchanged.
    - Reduction in lodging/temporary housing reimbursements from current 90 days to 60 days (home owners) or 30 days (renters).
    - Elimination of reasonable costs incurred selling or purchasing a home.
    - Reduction in reimbursement for dual residence (home owners) from current one year to two months. Reduction in reimbursement of lease cancellation charges (renters) from current unlimited to two months.
    - Reduction in reimbursable weight limit of household goods transported from unlimited to 15,000 pounds (home owners) and 10,000 pounds (renters).
    - Reduction in reimbursable household goods storage period from current 90 days to 60 days (home owners) and 30 days (renters).
    - Reduction in transporting cars from current up to two vehicles to one car per licensed driver up to two cars.

AEROSPACE PROFESSIONAL STAFF ASSOCIATION
Representing the non-supervisory MTS since 1974
P. O. Box 248, Hawthorne, CA 90251-0248

There are some changes in the employees' performance management policies, form, and distribution raises that are being imposed by the Corporation:

- The APIP will change to the Performance and Development Process (PDP) starting fiscal year 2020.
- There will be a recommended minimum of four quarterly meetings.
- The review period will coincide with the fiscal year.
- The PDP form will have a narrative on the performance dimensions versus ratings.
- The PDP form will have one of seven ratings for overall performance.
- There will be no forced distribution as was the procedure under APIP.
- An area to strengthen will be eliminated.
- The company will use compa-ratios (comparison ratios) per MTS level and rating as guidelines to distribute the raises. A compa-ratio is an MTS salary divided by the average salary of their peers at the same rating and years of experience. MTS with compa-ratios greater than 1 will receive raises smaller than peer MTS with compa-ratios less than 1. The compa-ratio table in the Memorandum of Agreement is a baseline that will vary for each division depending on the actual ratings, budget, and management discretion.

This agreement has been approved by the APSA Board of Directors and is recommended for ratification by the APSA membership. It is hereby submitted for your consideration and approval.

Please respond with your vote to ratify or not ratify the agreement electronically or by using the enclosed ballot by December 10th. If returning the ballot by mail, use company mail, and address it to Donna Avila, M1-402. You also have the option to return your ballot directly to Oliver Blackshire in an envelope. You also have the option to send your ballot to APSA, POB 248, Hawthorne, CA 90251-0248. Put your full name in the return address and write the word "RATIFICATION" in the lower left-hand corner if returning the ballot to Oliver or to the APSA post office box. The company has agreed to allow their e-mail system to be used to vote electronically and has put in place the security requirements requested by APSA to ensure the integrity of the vote.

Failure to ratify the contract will cause APSA and the company to go back to negotiations. This will delay implementation of the raises. If the contract is not ratified, it is unlikely, based on the effort expended to date, that the company and APSA would be able to negotiate a better agreement.

If you have any questions or wish to review a copy of the negotiated Memorandum of Agreement, please feel free to contact Oliver Blackshire (Agreement Ratification Chairperson), x67983. Copies of the agreement may also be accessed at APSA's web site, www.apsatalk.org under Negotiations.

25 November 2019

MS

Mark Simpson, APSA President