



AEROSPACE PROFESSIONAL STAFF ASSOCIATION

Representing the non-supervisory MTS since 1974

P. O. Box 248, Hawthorne, CA 90250

CONTRACT RATIFICATION

Dear APSA Member,

The APSA/Aerospace contract negotiations have been completed for the period from August 1, 2021, to August 1, 2023. **APSA successfully negotiated the following changes in the terms and conditions of employment for non-supervisory MTS:**

- During fiscal year 2022, merit distribution (about 2.7% merit raise distribution and 0.3% merit cash distribution) aggregating 3.0% of the bargaining unit payroll as of December 4, 2021, less organizational reserves, will be administered on a common review date no later than February 19, 2022, subject to approval of the Board of Trustees. *Note: this is a significant improvement over the company's initial proposal of 2.2% merit raise distribution and 0.5% cash distribution.*
- During fiscal year 2023, merit distribution (about 2.7% merit raise distribution and 0.3% merit cash distribution) aggregating 3.0% of the bargaining unit payroll as of December 3, 2022, less organizational reserves, will be administered on a common review date no later than February 18, 2023, subject to approval of the Board of Trustees. *Note: this is a significant improvement over the company's initial proposal of 2.2% merit raise distribution and 0.5% cash distribution.*
- There will also be a separate discretionary reserve for promotional and special salary increases and other contingencies of up to 1.4% computed on the same basis as above. *Note: this is a significant improvement over the company's initial proposal of an up to 1.0%*
- During fiscal year 2022 and 2023, the company will budget up to a maximum of 1% of the gross payroll for the Performance Recognition Payment (PRP) Program.
- The company will add the Martin Luther King Jr. Day holiday beginning FY22. The company will add Veteran's Day holiday beginning FY23. *Note: this is a significant improvement over the company's initial proposal that did not contain additional holidays.*
- The company will allow Extended Work Week (EWW) to be earned beginning after 42 hours for FY22, reverting back to 48 hours for FY23. *Note: this is a significant improvement over the company's initial proposal that required 48 to be work before earning EWW in FY22.*
- The company will include, as part of enrollment, instructions on how coordination of benefits between carriers works. Employees that choose to be enrolled in both the company's and a spouse's insurance plan may have a benefit lower than if only enrolled in the company plan by itself.
- The company will, without age restrictions, allow for the conversion of both employee and employer contributions to be eligible for in-plan Roth conversions.
- MTS transferring from California to other corporate locations and who want to continue having short term disability insurance will be covered automatically through the Hartford Insurance Company. This replaces the current more-elaborate application process.
- The company will allow Paid Parental Leave to be taken in one-hour increments until April 2022.
- The company will increase the maximum coverage amounts for all voluntary life insurance plans. Maximum coverage for an employee will increase from current \$1.5M to \$2.0M.



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- The company will permit employees to take accrued vacation or compensatory time-off for religious observance reasons, provided that the employee has given advance notice, and unless there is a significant business reason for denial.
- The company will make the following improvements to the military leave policy by April 2022.
 - Institute faster processing, generally within eight weeks after submission, provided that the employee has submitted all the necessary documentation in a timely manner.
 - Increase supplemental pay from the current 10 days of leave up to 15 days. *Note: this is a significant improvement over the company's initial proposal of 10 days.*
 - Replace senior management approval with Level 4 manager approval for exceptions.
 - Clarify policy that military leave can be taken for both annual training and drill (active and inactive duty).
 - Extend medical benefits for the first 12 months of the deployment for employees who are mobilized. *Note: this is a significant improvement over the company's initial proposal of no extended medical benefits.*
- The company will replace the current Anthem Dental Net and Cigna Dental with Delta Dental DHMO. This will result in an employee premium reduction of 38% to 44% for the 471 employees in these plans. The cost savings to a family will be \$126 or \$146 dollars per year.
- The company will include closed-captioning/subtitles or a written transcript for unclassified Aerospace-produced non-live (non-interactive training) and quarterly all-hands and corporate strategy home page videos starting Jan 2023.
- The company agreed to delay moving all retirees in the retiree medical plans to a private medical exchange until CY2023.

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

- The company will eliminate the personal holiday beginning in FY23. *Note: this means there is only one net holiday gain.*
- The company will increase the employee medical premium cost-sharing from 22% to 23%. *Note: this is a significant improvement over the company's initial proposal of 24%.*
- The company will increase the employee dental premium cost-sharing from 25% to 35%. *Note: this is a significant improvement over the company's initial proposal of 40%.*
- The company will increase the Anthem PPO medical plan premium by 3.7%, the Anthem EPO medical plan premium by 10.1%, the Anthem HMO medical premium by 9.4%, and the Anthem CDHP medical plan premium by 3.1% to 4.9% (except for a family this will decrease by 1.6%). Kaiser Permanente medical plans premium will increase by 8.4%. *Note: this is a significant improvement over the company's initial proposal to increase the Anthem PPO, EPO, and HMO premiums by 17.3%, 17.4%, and 16.7% respectively, and the Kaiser Permanente premiums by 13.1%. This results in an estimated \$235 increase versus the initially proposed \$1110 increase per year premium for a family in the Anthem PPO plan. A significant part of this savings was eliminating the flat employer subsidy the company proposed. The subsidy was a penalty for people staying in their current PPO, EPO, and HMO plans.*



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- The company will increase the Delta Dental PPO dental premiums by 58%. *Note this is a significant improvement over the company's initial proposal to increase the premiums by 81%. This results in an estimated \$259 increase versus the initially proposed \$359 increase per year premium for a family in the Delta Dental PPO plan.*
- For the Anthem plans, the company will switch from the Express Scripts Basic Formulary to the National Preferred Formulary. This will exclude 489 drugs. Prescriptions for 79 individuals will change from preferred to not-covered. Prescriptions for 86 individuals will go from non-preferred to not-covered.
- The company will require people taking maintenance drugs to fill the prescriptions for a 90-day supply. These must be filled by Express Scripts Home Delivery (as you do today), CVS, or Walgreens. Failure, to use one of these three options, means the employee will pay 100% of the prescription cost. This will impact 608 employees.
- The company will require people taking specialty drugs to use Exclusive Specialty (Accredo). This will impact 24 employees.
- The company will change the reimbursement for major dental services such as root canals and implants from the current 70% to 50%.

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 printing and returning the paper ballot in the company mail by December 10th.

Here is a link to a ballot you can print out and return:


<http://www.apsatalk.org/apsatalk/html/negotiations.html>

If returning the ballot by mail, use company mail, and address it to Donna Avila, M1-402. The United States Postal Office option is not available due to slow mail processing. The company has agreed to allow use of its e-mail 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 Richard Mahoney (Agreement Ratification Chairperson), x62343. Copies of the agreement may also be accessed at APSA's web site, www.apsatalk.org under Negotiations.

30 November 2021


Mark Simpson, APSA President