

July 16, 2020

Letter of Agreement 20-03 Pilot Voluntary Separation Leave

[Letter of Agreement 20-03](#) Pilot Voluntary Separation Leave (P-VSL), ratified unanimously by the MEC today, contains provisions for pilots 62 and older to separate early from United Airlines while retaining benefits and a large portion of average line pay.

See below for a summary of the provisions governed by the final LOA language found [here](#). If you have any questions, please send a [PDR](#) using the drop-down for Retirement & Insurance.

Overview

- Pay = 50 hours per month plus 16% B/C Plan contributions
 - Leave and pay starts with Sept 2020 bid period
 - Can only be delayed up to 3 bid periods (by Category)
 - Hourly rate used is the pilot's rate of pay in effect when bidding opens
- Active rate insurance (health, dental, vision, life) until 65
- Open to Age 62+ (as of August 28, 2020) and 10+ years of service
 - Age 63+ guaranteed to be awarded
 - Company will decide by Category the age cutoff between 62 to 63
 - Not open to pilots on LTD/PDI
- Company Paid Move anywhere in CONUS (including Hawaii as an option for Guam)
 - 25,000 lbs - same as the UPA
 - Reduced weight for pilots retiring less than 5 months early
 - Taxes on imputed income paid by the Company
 - Move completed by Aug 28, 2021, with possible extension available (see Section 10-C-1-e)
- Travel benefits
 - 250,000 United MileagePlus miles or sixteen one-way positive space passes
 - Pass Travel same as active employee (e.g., higher priority than retiree travel and access to ZED travel)

Eligibility

This program is open to pilots age 62 or older as of August 28, 2020 with at least 10 years of service. All pilots age 63 and older are guaranteed to be awarded a P-VSL regardless of their Category or the number of bidders. On a Category basis, the Company will decide whether to award additional P-VSL to pilots with 25-months to 36-months remaining until age 65. Once the Company knows how many they are required to award in each Category (24-months or less until age 65), they will determine if they can award additional P-VSL to pilots age 62-63. For example, the Company may determine they can award everyone 62+ in one category and set the cutoff at 62 and 6 months in another Category. In no case can they set the cutoff older than 63 for any Category.

Pay

Pilots awarded a P-VSL will be paid 50 hours per month at the rate they were earning when bidding opens for this program. The normal 16% B/C Plan retirement contributions are made in addition to the 50 hours. The program will begin with the September 2020 bid period unless the number of awards causes manpower issues for a particular Category. In that case the Company may delay a Pilot's start by up to three bid periods. Pilots on a P-VSL do not accrue vacation or sick leave, but will be paid for all accrued and unused vacation at the time P-VSL begins (including B/C fund contributions).

Insurance

Pilots may continue in United pilot insurance options as if they were active pilots and will pay active rate premiums until age 65. Pilots on a P-VSL, however, are removed from Long Term Disability as there would be no applicability.

Company Paid Move

Pilots awarded a P-VSL will be provided a Company paid move to anywhere in the Contiguous United States (including Hawaii for GUM-based pilots). This move covers 25,000 pounds, just as the UPA does, unless the pilot is taking this with less than five months before retirement. In those cases, the weight covered by the Company is prorated at 5,000 pounds per month. The Company will pay the taxes on the move and the associated imputed income.

Travel

Pilots awarded a P-VSL may choose between 250,000 MileagePlus miles or 16 one-way positive space passes. The PS passes can be used for the pilot or any of his "eligible." Pilots in the P-VSL program will be allowed to travel as active status until age 65 and be converted to retirement travel at that time.

Leave Status versus Separation

Pilots awarded a P-VSL remain on a leave status until their 65th birthday. By keeping them as employees, pilots can continue to receive B/C contributions, which would not be allowed if they had separated. Pilots are permitted to separate sooner than age 65

if they choose but the monthly payments and active rate insurance would end at that time. A pilot may want to consider this approaching age 65 for access to their Continental Pilot Retirement Plan lump sum benefit.

Also, in the event of bankruptcy, because pilots in this program are UAL employees earning wages (even though they are no longer active pilots) and not just unsecured creditors, their benefits are protected as much as other contract benefits. Because early out programs that consider pilots separated at the start of the program fall into the latter category, and are more at risk in a bankruptcy, we intentionally designed this as a leave.

Irrevocable Award

Pilots awarded a P-VSL must acknowledge that this award is irrevocable and neither individual pilots nor the Company are able to change their mind at a later date.

Respectfully,

UAL MEC Negotiating Committee

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