

Due to the upcoming Reduction in Force, a lot questions will be raised and so we have put together this Q&A document to assist you in addressing the various issues that have been raised by TWU represented employees. **PLEASE MAKE THESE AVAILABLE TO THOSE EMPLOYEES AFFECTED BY THE REDUCTION IN FORCE.**

### **Reduction in Force Contractual Questions**

#### **Protection:**

An employee's protected status is determined by the status and classification the employee held on March 1, 2001 (Effective date of current AA/TWU agreement). See Article 42. Example: A full time Aircraft Maintenance Technician on active payroll or an approved leave of absence on 3/1/01 is full time protected as an Aircraft Maintenance Technician.

A Crew Chief is protected in his lower classification, i.e. Aircraft Maintenance Technician. The Crew Chief classification is a bid classification and is not protected per Article 42 (a).

**FORMER TWA LLC EMPLOYEES ARE NOT PROTECTED AND THEREFORE THE QUESTIONS AND ANSWERS REGARDING PROTECTION ARE NOT APPLICABLE TO THOSE EMPLOYEES**

1. **I am full time employee with full time protection. Based on my seniority I am awarded a full time position in the system. Do I receive the \$12,500 special moving allowance?**

Yes, per Article 15, 42 and 44, you meet the contractual requirements to be eligible for the special moving allowance of \$12,500, so long as you establish residency and prove that you have relocated.

2. **I am a full time employee with part time protection. Based on my seniority I am awarded a full time position. Do I receive the \$12,500 special moving allowance?**

If a PT position is available in your own city, either through a vacancy or displacement, and you elect to displace into another city as a FT employee, you would not be entitled to the \$12,500 special moving allowance. (M-22-95).

**Protection:**

- 3. I am full time employee with full time protection. Based on my seniority I am awarded a part time position within the system. Do I receive the \$12,500 special moving allowance? What happens to my protection?**

If a PT position is available in your own city, either through a vacancy or displacement, and you elect to displace into another city as a PT employee, you would not be entitled to the \$12,500 special moving allowance. Additionally, your protection would be changed to PT.

- 4. I am a full time Crew Chief with full time protection in my lower classification, Aircraft Maintenance Technician. Based on my seniority I am awarded a full time position within the system. Do I receive the \$12,500 special moving allowance?**

Yes, per Article 15 (i), you will receive the \$12, 500 special moving allowance, so long as a full time position was not available, either through a vacancy or displacement, locally and so long as you establish residency and prove that you have relocated.

- 5. I am a full time Crew Chief with full time protection in my lower classification, Aircraft Maintenance Technician. Based on my seniority I am awarded a displacement of the least senior full time employee in the system. Do I receive the \$12,500 special moving allowance?**

Yes, per Article 15 (i), you will receive the \$12, 500 special moving allowance, so long as a full time position was not available, either through a vacancy or displacement, locally and so long as you establish residency and prove that you have relocated.

- 6. I am full time Crew Chief protected in my lower classification, Aircraft Maintenance Technician. Can I displace locally into a lower classification?**

You may elect to displace into a lower classification at your station within your Title Group, such as Aircraft Cleaner so long as you have the occupational seniority to do so.

**Protection:**

7. **If an employee who is FT system protected lists only two locations on his bump sheet and cannot hold those two spots, he would be placed on layoff. At that time does he lose his FT system protection?**

Yes, per Article 42(e), the employee would lose his/her FT protection, if the employee did opt to maintain his/her FT status.

8. **I am a FT Aviation Maintenance Technician. Can I choose to displace a lower classification at my station?**

Yes. You may elect to displace in a lower classification within your Title Group, such as Aircraft Cleaner so long as you have the occupational seniority to do so.

9. **Can an employee displace a “protected” employee at another location?**

No. Displacement of another employee within the system is strictly done on an Occupational seniority basis. The displacement location or junior stations are determined by identifying the least senior “unprotected” employees in the system and are listed on the option sheet for full time and part time.

Displacement of protected employees is governed by Article 42(e) and attachment 42.2. Station protected employees are covered by Article 42 (b).

**Reduction in Force Provisions:**

10. **What displacement rights does a Full time Crew Chief have who is affected by a RIF?**

Crew Chiefs, with two (2) years or more of Occupational seniority, are afforded the option of displacing the least senior Crew Chief, so long as they are senior to the least senior Crew Chiefs in the system. In addition, they can displace a full time Aircraft Maintenance Technician at their station or on the system pursuant to Article 15.

11. **What happens to a person on Military Leave?**

Since the employees affected by the layoff are determined by seniority, an employee on Military Leave is not insulated from the layoff process. An employee on Military Leave will be placed on layoff status and may exercise his options upon return from military leave.

**Reduction in Force Provisions:**

**12. What happens to a person on a medical leave SKLOA, Article 17 (e), if affected by Reduction in Force?**

As in Q11, the layoff procedure is seniority driven. Employees who are on a leave of absence are not insulated from the layoff process. An employee on SKLOA, will be placed on layoff status until such time as the employee is cleared for full duty. The employee may exercise his options once he has been cleared to return to full duty. While on layoff, the employee's seniority will accrue in accordance with Article 16(a).

**The following questions and answers will contain the reference a "former TWA LLC" employee. This is not intended in anyway to separate the workforces, since all TWU represented Aircraft Maintenance Technicians are AA employees. It is simply used to distinguish the differences in the application of seniority and the reduction in force provisions for those employees.**

**13. How is it determined who will be laid off in my city?**

Local management and M&E planning at TULE determine the appropriate staffing levels. Additionally, if there are former TWA LLC employees in the location, the 4/10/01, 25% or 100% date will be used to determine which individuals at a station will be affected by the RIF.

**14. How is the juniority list established?**

Per the Richard Kasher award, the juniority list is established by placing all "unprotected" employees below all the "protected" employees. The "unprotected" employees are those AA employees with a seniority date less than 3/01/01 and/or employees who were not an active Aircraft Maintenance Technician or on an approved LOA on 3/1/01. All former TWA LLC employees are "unprotected". All "unprotected" employees are positioned on the juniority list based on a 4/10/01 date and then blended within the 4/10/01 positioning, based on the occupational seniority date they currently hold (4/10/01, 25% or 100%) depending on their location.

**Example: A STL employee, although positioned with a 4/10/01 date, has a 100% date in STL of 9/2/98, can only be displaced by an employee outside of STL with a more senior date than 9/2/98.**

**Reduction in Force Provisions:**

**15. How does the displacement process take place?**

An employee, with two (2) years or more Occupational seniority, affected by a RIF will have an option to displace an "unprotected" employee in the system from the system juniority list. All TWA LLC employees' seniority will vary (4/10/01, 25% or 100%) based on their actual or future location. In order to be awarded the displacement, the employee must be senior to the employee they are electing to displace. **For former TWA LLC employees who are based at a 4/10/01 station or with 25% or 100% have less than two (2) years of Occupational seniority cannot displace on the system, however, will be afforded the right to exercise their seniority into STL or MCIE. A former TWA LLC employee with less than two (2) years Occupational seniority, who is currently a Crew Chief may displace into STL and MCIE as a Crew Chief or as an AMT, if they can hold it based on his/her 100% seniority.**

A more senior "unprotected" employee or a more senior "protected" employee can only displace a junior "unprotected" employee. A "protected" employee cannot displace another "protected" employee except within station. Finally, an "unprotected" employee cannot displace a "protected" employee.

**16. What happens if I do not get awarded the choices I have selected on the Option Selection Sheet? Can I change my selection and take layoff?**

No. Once you have expressed your selection as Option A, Option B or Option C, you will be handled in accordance with that choice. You may not change your option choice after it has been awarded.

**Recall:**

**17. Please clarify Article 16 (d).**

Article 16(d) entitles an employee to recall rights to the classification from which they were laid off, even if the employee elects to displace in a lower classification or another classification (i.e. Aircraft Maintenance Technician to Aircraft Cleaner). In addition, if an employee displaces through several classifications as a result of a layoff, the employee will retain recall to all such classifications.

**Recall:**

**18. Please clarify Article 16(a), loss of seniority on lay-off with recall rights.**

An employee forfeits his seniority only if the employee is not recalled within ten (10) years from the effective date of layoff.

Article 16(a) provides that an employee will accrue seniority for a period not to exceed his/her previous service to a maximum of three (3) years. Ex. an employee with 1 year of seniority (8/11/01) at time of layoff will accrue seniority for one year. If recalled within the one year, the employee's seniority date will be the same as when laid off (8/11/01) because he/she did accrue occupational seniority during that one (1) year. If same employee is recalled two years after layoff, then employee's seniority will be adjusted one year (8/11/02).

**Transfers:**

**19. If a person is affected by the RIF, decides to take the lay-off and recall rights, can that person six (6) months later put in a transfer under the provision of Article 12? Is that person also entitled to the \$12,500 and moving expenses?**

Yes, an employee can put in a transfer under the provisions of Article 12; however the employee will not be entitled to the \$12,500 and/or moving expenses.

**20. An employee on layoff with recall rights, now puts in a transfer under the provisions of Article 12, does that person fall in the same category as a person on active payroll?**

Attachment 12.2 on page 87 of the Mechanic and related Agreement lists the order for filling FT vacancies. In both instances, an employee on active payroll would be offered a vacancy prior to the employee on layoff.

**21. How soon can an employee put in a 12 (l) transfer request after he has relocated as a result of the RIF?**

An employee can file a 12(l) transfer anytime after relocating to the new station. The transfer will be eligible fifteen (15) days from the date of filing.

**Relocation:**

**22. How do I get my Relocation Expense Authorization Letter?**

Upon final acceptance of all RIF awards, Talent Services will provide Relocation Administration the final awards. Relocation Administration will then prepare your individual move letter. Each letter must be signed by your new general manager and/or regional managing director. Once the letter has been signed, the letter will be given to the employee. Relocation Administration will also contact the company-provided van line giving them authorization to ship your household goods. The signed Relocation Expense Authorization Letter gives authorization to reimburse the employee for eligible relocation expenses and payment for the \$12,500 special moving allowance, if applicable.

**23. Who will help fill out our expense forms at our station of relocation? Do these individuals have the knowledge to help?**

Each employee is responsible for completing their own expense statements, securing necessary signatures, providing necessary documentation and submitting the completed expense statement to Disbursements for payment. Each reimbursable expense (i.e. en route expenses, miscellaneous move allowance, etc.) must be submitted on a signed relocation expense statement and be accompanied by a signed copy of the Relocation Expense Authorization Letter. Refer to General Information under the Relocation policy section of the Employee Information package.

**24. Must I pay for my hotel and rental car expenses and then seek reimbursement?**

Yes. The company will reimburse you for hotel, rental car and meal expenses while house-hunting prior to the effective date of transfer. The company will only reimburse for rental car expenses incurred up to seven (7) days after the effective date of transfer while house-hunting.

Reimbursement of hotel, rental car and meal expenses will be at actual and reasonable cost. Original receipts must be submitted along with a Relocation Expense Statement and a copy of your signed move letter to Disbursements for payment. The maximum reimbursable amount for all house-hunting expenses is \$300. Applicable taxes will be withheld from this payment. Refer to Enroute Expenses under the Relocation policy section of the Employee Information package.

**Relocation:**

**25. What do you mean by “meal expenses”?**

The company will reimburse you for meal expenses incurred while house-hunting prior to the effective date of transfer and while en route. Reimbursement of meals are for the employee, legal spouse and any dependent children that will be relocating. If a meal exceeds the daily per diem of \$3.00 for breakfast, \$3.50 for lunch and \$7.25 for dinner, meals are then reimbursable at actual and reasonable cost. The original receipt must be submitted to Disbursements for reimbursement. Applicable taxes will be withheld from this payment. Refer to Enroute Expenses under the Relocation policy section of the Employee Information package.

**26. How many automobiles will I be authorized to ship?**

The company has authorized you to ship one (1) automobile to the new work location if the distance is greater than 350 miles. The company also authorizes en route expenses for a second automobile that must be driven regardless of the mileage. The company will ship a second automobile; however, it will be at the employee's expense.

If the distance to the new work location is less than 350 miles, you must drive your automobiles to the new location. Refer to Shipment of Household Goods under the Relocation Policy section of the Employee Information package.

**27. Is the \$600 Miscellaneous Move Allowance deducted from my payroll check?**

No. Since the \$600 Miscellaneous Move Allowance is not an expense advance, it will not be included nor deducted from your payroll check. All relocation expenses that you receive reimbursement on will be issued separately. The company is giving you this allowance to help cover expenses not covered by the relocation package. The intent of this money is to help cover such expenses as temporary housing, deposits, utility connection fees, rental car expenses, special packing request, lease termination payment, etc. You do not need to document nor provide any receipts telling us how you spent the money. Refer to Miscellaneous Move Allowance under the Relocation policy section of the Employee Information package.

**Relocation:**

**28. Are my household and personal goods covered by insurance while in storage?**

Yes. Your shipment will be covered by insurance while in storage. Your shipment will be insured at \$3.50 per pound. Should your shipment exceed the authorized amount or should you request additional coverage, you will be responsible for that coverage.

**29. Who will help us complete expense advance forms?**

Local management. Please be advised if you take an advance, the total amount of your advance will be deducted from your payroll check until the advance is paid in full. Even though you received an advance, you MUST still complete an Employee Relocation Expense Statement requesting reimbursement for the relocation expense you requested an advance on. Refer to Section L of the RIF package. Refer to General Information under the Relocation policy section of the Employee Information package.

**30. What is a Release and Indemnity form?**

This form basically states you are releasing the company from any liability for damages, etc. incurred during a self-move. This form is only completed when the employee elects to do a self-move. If the van line is shipping your household goods, you do not need to complete this form. Refer to Self Moves under the Relocation policy section of the Employee Information package.

**31. What is an Employee Relocation Expense Statement and must I complete one for each expense incurred?**

An Employee Relocation Expense Statement is used to receive reimbursement on authorized relocation expenses. Each reimbursable expense must have a separate expense statement. With each expense statement, you must also include a copy of your signed move letter. Refer to General Information under the Relocation policy section of the Employee Information package.

**Benefits:**

**32. What happens to my medical coverage while on layoff? What options are available?**

Refer to Medical Care Expense Benefits section of the Employee Information package.

**33. On a relocation, what does a person do if the medical plan they have is not honored or accepted in that state?**

If an employee elects to relocate they have the option to enroll in the medical plans available at the new location. Most locations have Point-of-Service plan and all have the Standard Medical Plan options (M01, M02, or M03). The relocated employee must make this election within 60 days from the day they change address and contact Employee Services at 800-447-2000 to process the life event. Failure to process the life event will result in a default benefit plan of M01 unless your current plan is available at your new location.

**34. Is relocation considered a life event? Can I make changes to my benefits?**

Yes, relocation is considered a life event and you can make changes to your benefits. You must contact Employee Services within 60 days of the life event by calling Employee Service Center at 1-800-447-2000 within 60 days of changing your address. If you do not process the life event within 60 days you will default into the M01 plan unless the plan you are currently is available at your new location.

**35. I plan on relocating to another state, but my family will remain at my current address. What are my benefit options?**

It depends if you elect to change your residency on *Jetnet*. If you change your address, that is considered a life event and you have 60 days to make changes to your benefits by calling Employee Services at 800-447-2000 after you have changed your address on *Jetnet*. To determine eligibility for your family, please call Employee Services.

**36. What happens to my sick bank under the various choices that will be available to us?**

Your sick bank will be maintained if you were to relocate, change status (FT to PT or PT to FT) or accept layoff.

**Benefits:**

**37. If I choose to completely sever from the Company (Option A), what medical benefits will be available to me? I need to ensure I'm still covered?**

You are entitled to COBRA coverage. Please see the "Employee Information Package" for information on COBRA benefits.

**Retirement:**

**38. What number do I call for information regarding retirement?**  
800-447-2000

**39. Can I take the retirement and layoff package at the same time?**

You can take the layoff package and the very next day retire however, you cannot complete both on the same day. To accomplish this, the employee would select Option A on the Option Selection Sheet.

**40. If I take the layoff and retire at the same time, am I eligible for the severance package under Article 37 and the special severance of \$12,500 under Article 44?**

You can take the layoff package and the very next day retire however, you cannot complete both on the same day.

**41. If I can not take layoff and retirement at the same time, how long do I have to wait after I elect layoff to retire?**

You may retire the next day.

**42. If I take the layoff now with severance and \$12,500, will my retirement benefits and pension be impacted in any way?**

Each month you wait to commence your pension prior to age 60, your pension benefit will increase by .25%.

**43. If I take layoff and retire, what happens to my sick bank?**

You will be paid your sick bank upon your retirement in accordance with Article 34 at \$25 per day.

**Retirement:**

**44. Can I retire and go to work for American Eagle?**

Yes

**45. If I retire and go to work for American Eagle, how would my retirement benefits and pension be affected?**

There is no impact on your pension or benefits. If you enter the AA Retiree medical plan and elect to receive medical benefits from American Eagle, Eagle's benefits would be the primary carrier.

**46. I am a protected employee. If I take the layoff with the \$12,500 and sever from the Company (Option A), how would this impact my pension benefits in the future?**

There are no impact on the pension benefits however, please review question 42 for an understanding of the pension reductions.

**47. Can you explain the 50-55 rule?**

***50-55 Rule – Retiree Medical***

If you have 10 years of company service and have prefunded for the retiree medical plan since first eligible or for the last 10 years and are between 50 and 55, you can commence retiree medical benefits at age 65 provided you continue to prefund until age 65.

If you have 11- 15 years of company service and have prefunded for the retiree medical plan since first eligible or for the last 10 years and are between 50 and 55, you can commence retiree medical benefits at age 62 provided you continue to prefund until age 62.

If you have 16 years or more company service and have prefunded for the retiree medical plan since first eligible or for the last 10 years and are between 50 and 55, you can commence retiree medical benefits at age 55 provided you continue to prefund until age 55.

***50-55 Rule – Travel Privileges***

If you have between 10 to 14 years of company service you will receive retiree travel privileges at age 62.

If you have 15 or more years of company service you will receive retiree travel at age 55.

**Other:**

- 48. What happens with the DELL program? Can we continue to use AAchievers points to satisfy payments or do we have to make payments...final or otherwise, to satisfy the amount owed?**

All debits owed will be collected from the final paycheck.

Eligibility to use AAchievers passes cease upon termination of employment. The AAchievers Program is subject to the policy as set forth in Employee Policy Guide. It is the responsibility of the employee to comply with these rules. Upon removal from active payroll, all credits must be used within a 60-day period. You may purchase gift certificates online or request to have your account cashed out. If you need further assistance please contact Employee Services at 800-447-2000.

- 49. Am I eligible for unemployment if I elect to sever (Option A) from the Company?**

Unemployment compensation varies by state. Please check with your local Employment Security Commission.

- 50. If I elect to sever from the Company and forfeit all seniority and recall rights and accept the \$12,500 (Option A), will I still be able to travel (D2) for a certain amount of time? If so, will I be able to use any unused perfect attendance passes?**

Travel privileges will continue for 90 days after the effective date of termination on American and American Eagle for you, your spouse or domestic partner, registered companion, your dependent children and parents. All travel must be completed by the end of 90 days. You will be provided a pass authorization for this purpose for travel on American Airlines and American Eagle through October 29<sup>th</sup>. Any travel taken on or after October 29, 2002 will be electronic and you will not need the pass authorization for the remainder of your travel period. To flight list you may use 1-888 WE-FLY-AA. If you are eligible for service charged waived travel according to AA policies prior to your last day worked you will continue to be eligible for this feature during your 90 day travel period. However you will have to check in with an agent to pay in advance, as appropriate AND to get on the priority list. Perfect Attendance certificates may be used for travel up to 90 days from your last day worked and requires a paper ticket, which you can get at the ticket counter. All pass travel must be completed 90 days from your last day worked.

Reduction in Force (System)  
AA/TWU Mechanic and related agreement  
Questions and Answers

**Other:**

D-1, A9 passes and Extended Family / D3 travel and reduced rate transportation on American or American Eagle may not be used after the last day worked.

Employee Policy and Relations  
Talent Services