

The Association.



THE TWU-IAM ASSOCIATION

March 29, 2018

American's Risky Retirement Proposal

The TWU-IAM Association bargaining committee is committed to fighting for industry-best retirement security. Aside from frozen pension and PBGC benefits that apply to pre-merger employees, today's retirement benefits for Legacy American Airlines Association members come in the form of a 401(k) with company matching contributions while Legacy U.S. Airways Association members have a Defined Benefit Plan and a 401(k) with no matching contributions. Both retirement plans now lag behind industry standards and require improvement. The company's proposal, however, fails to provide the retirement security that we deserve.

Steve Johnsen's proposal falls short of industry-leading and even fails to reach its own internal standards. Currently, American Flight Attendants receive a maximum 401(k) company contribution of 9.9% while American Pilots receive 16%. In neither of these cases are employee contributions required. Brothers and Sisters, we deserve better than the company's inadequate proposal.

Ultimately, retirement plans are about risk. American Airlines is attempting to shift as much retirement risk away from the company and to the employee as they can get away with. Your negotiating committee rejects company proposals that unnecessarily shift retirement risk to the membership and will not allow American Airlines to treat our members like second-class citizens. We are committed to fighting for and winning the retirement security we deserve.

Fraternally,

Your Association Negotiating Committee

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