



# Hawaiian Airlines Voluntary Early Out Program (VEOP) for Flight Attendants

## Summary of the VEOP

Revised August 12, 2020

### 1. ELIGIBILITY

- Must be at least at the 7<sup>th</sup> year pay step (\$49.74) as of October 1, 2020

### 2. PAY

- Will be paid 38 hours at your rate of pay as of October 1, 2020 for the severance payment period

### 3. SEVERANCE PAYMENT PERIOD

- October 1, 2020 through September 30, 2021, after which time you will be considered “retired” or “separated” from the company

### 4. VACATION

- Any vacation that hasn't been taken, including earned vacation will be paid out over 12 months beginning October 1, 2020

### 5. RATIFICATION PAYMENTS

- Any remaining balance from the 2020 Ratification bonus will be paid out on September 22, 2020

## 6. INSURANCE

- During the 12-month severance period, all premiums for Medical, Dental, Orthodontia, Life and any other elective company insurance (not including NGP) that the FA is currently participating in will be fully paid by the company with no cost-share by the FA for the 12-month separation period beginning October 1, 2020 through September 30, 2021: ***Insurance will be 100% paid by the company for 12 months***

- Extending Insurance After the 12-month severance period: Contract Provisions

Section 33.K.1.

- if the FA is 60 yrs old or more and has any ***sick leave balance***,
- the number of sick leave hours in the bank will be multiplied by her/his hourly rate to determine the cash “credit” value. This “credit” amount can be used to continue to pay the premiums for insurance coverage for up to an additional 12 months (e.g. October 1, 2021 through September 31, 2022)

Section 33.K.4.a.:

- if the Flight Attendant is between ages ***55 and 60 with 30 years of service on October 1, 2020***
- the company will pay for 50% the cost of the medical insurance premium for the Flight Attendant and spouse until the Flight Attendant reaches age 65

Section 33.K.4.b.:

- if the Flight Attendant is between ages ***60 and 64 with 30 years of service on October 1, 2020***
- the company will pay all cost of medical insurance for the FA and spouse until the FA reaches age 65

- After the 12-month severance period

- All FAs may elect to continue on the company medical plan for 18 months with the Flight Attendant paying the full cost of insurance under (COBRA).

## 8. RETIREE HRA: YOS = Years of Service

- FAs with 25 years of service on October 1, 2020 qualify for the Retiree HRA (Health Reimbursement Arrangement)
- HRA Funds available October 1, 2021, due to regulatory requirements
- **There are 2 enhancements to the Contract HRA in this VEOP:**
  1. **More Money into the HRA.** Flight Attendants with 25 YOS on October 1, 2020, will be eligible to participate in the HRA and receive an additional \$50,000 HRA contribution from the company.
  2. **Acceleration of YOS to 4/2/2025.** At the end of the 12-month severance period, your HRA contribution will be determined as though you retired on April 2, 2025, the amendable date of our current AFA Contract.

HRA Eligibility as of 10/1/20	Years of Service as of 4/2/25	Contract HRA Contribution	VEOP Additional 50K Contribution
25 YOS	Less than 30	N/A	\$50,000
	30-34	\$10,000	\$60,000
	34-39	\$20,000	\$70,000
	40 +	\$30,000	\$80,000

## 9. PASS TRAVEL

- FAs with *less* than 30 years of service will continue to get pass travel benefits as if they were active for a period of 3 years
- FAs with 30 years or more of service will continue to get pass travel benefits as if they were active for a period of 4 years
- Company years of service will be used to determine your pass travel benefits (e.g. if you worked in a different department those years would count – for pass travel only)
- The 12-month severance period will count towards your retiree pass qualification (you will not go onto a retiree pass travel status until *after* your 3 or 4 years of active pass travel status listed above)

## 10. 401(K)

- Company will not make 401(k) contributions nor match on the 12 monthly severance payments. The FA, however, may continue to contribute on their own.
- Company contributions and match will be made on the vacation pay-outs

## 11. PARKING PASS

- During the 12-month severance period the company will continue to provide parking passes as it currently does

## 12. FAs CURRENTLY ON LEAVES

- FAs on Voluntary Furloughs/ Leaves who are awarded a VEOP will end their Voluntary Furloughs/Leaves and begin their Early Out on October 1, 2020

## 13. UNEMPLOYMENT

- The company will not contest unemployment claims by Flight Attendants who take the VEOP

## 14. PUALANI PIN

- FAs awarded the VEOP will be given a Pualani Pin as recognition for their years of service

## 15. AFA DUES

- Dues will continue during the 12-month severance period

## 16. VEOP PROTECTION

- If any subsequent VEOP is offered within 6 months of this VEOP, FAs who have been awarded this VEOP will receive no less favorable provisions
- The VEOP pass travel benefits will be no less favorable than those in any other employee group's Early Out
- The Bonus Scorecard and profit-sharing provisions will be no less favorable than those of any other employee group's Early Out

## 17. HAWAIIAN MILES

- On October 1, 2020, FAs who take the VEOP will get the below number of miles credited to their Hawaiian Miles Account based on *company seniority*.

YEARS OF SERVICE	NUMBER OF HAWAIIAN MILES
7	150,000
14	300,000
21	450,000
28	600,000

## 18. BIDDING / AWARDING TIMELINE \*

Bidding begins	August 7 <sup>th</sup> 0900 HST
Bidding closes and awards posted	August 21 <sup>st</sup> 1700 HST
Deadline for Flight Attendants to reconsider and cancel award	August 21 <sup>st</sup> – August 25 <sup>th</sup> 1700 HST
Commencement of VEOP	October 1st

***\*timeline will be extended if the CARES ACT is renewed and the company accepts \$\$***



# Hawaiian Airlines Voluntary Early Out Program (VEOP) for Flight Attendants

## Frequently Asked Questions

August 12, 2020

### PROCESS QUESTIONS / GENERAL

**1. What does VEOP stand for?**

Voluntary Early Out Program

**2. When will the VEOP Start?**

October 1, 2020

**3. Who is eligible to participate in the VEOP?**

You must be at the 7<sup>th</sup> year pay step (\$49.74)

**4. What if I have 7 years of seniority but am at the 6<sup>th</sup> year pay step?**

You are not eligible to be awarded the VEOP

**5. Can I be awarded a VEOP if I am on a Leave of Absence?**

Your status does not matter. You can be on a medical/maternity leave, voluntary furlough, COVID Leave, etc. and still be eligible to be awarded a VEOP. Your leave of absence will be cancelled and you will begin the VEOP on October 1, 2020.

**6. When is the deadline to bid?**

The bidding window closes on **August 21<sup>st</sup> at 1700 HST**

**7. Am I eligible for rehire if I am awarded the VEOP**

The VEOP does not prohibit you from reapplying for a position at Hawaiian Airlines.

**8. How will I know if I have been awarded the VEOP?**

The awards will be posted on **August 21<sup>st</sup> after 1700 HST.**

**9. Am I able to take back or cancel *my bid* for the VEOP?**

Once you have bid for a VEOP, you may take back or cancel *your bid* until **August 21<sup>st</sup> at 1700 HST.**

**10. Am I able to take back or cancel *my VEOP award* after it is awarded?**

If you are notified that you have been awarded a VEOP on **August 22<sup>nd</sup>**, you will have until **August 25<sup>th</sup>, 1700 HST** to take back or cancel *your VEOP award*.

**11. How come the time to consider the VEOP is only 14 days?**

We recognize that this life-changing decision requires thought and time. However, the final number of VEOPs awarded (after the “take back” period) will impact the number of involuntary furloughs. Those notices will be sent out between August 29<sup>th</sup> and 31<sup>st</sup>.

**12. Will the deadline to bid for a VEOP be extended?**

It depends on whether the CARES ACT is renewed, and Hawaiian Airlines takes the money grants. In that case, the moratorium on involuntary furlough will be extended and the timeline to consider the VEOPs will be extended.

**13. If I am awarded a VEOP, what is my status for September?**

Your status will not change for September. If you are on active status, or on a leave of absence, you will remain on that status. If you are on a voluntary furlough/COVID Leave, you will remain on that status until October 1, 2020, when you will be converted to the VEOP.

**14. Is there a minimum number of VEOP awards that will be awarded?**

There is no minimum number of VEOPs that must be awarded.

**15. Is there a maximum number of Flight Attendants who will be awarded the VEOP?**

There is no maximum number of VEOP awards. Every Flight Attendant who is eligible and bids for the VEOP will be awarded a VEOP.

**16. I’m interested and eligible, how do I apply?**

The company posted a notice on Friday, August 7<sup>th</sup>, which includes application forms, on the In-Flight website.

**17. During the 12-month severance payment period, am I considered “active” or “separated”?**

To participate in the 401(k), you must be active, and you will receive medical and travel benefits as an active employee, but you cannot bid, work trips, take vacation or accrue sick leave or vacation. You will officially separate from the company on October 1, 2021.

**18. What will my last official day at Hawaiian Airlines?**

September 30, 2021

**COMPENSATION QUESTIONS**

**1. How are my monthly payments calculated?**

Your monthly severance payments are wages and will be the same dollar amount for the 12-month period. It is calculated by multiplying 38 hours times your hourly pay rate, including any longevity premium, as of October 1, 2020.

**2. When in the month will I receive the monthly severance payment?**

You will receive your monthly severance payment on the first paycheck (the 7<sup>th</sup>) of each month.

**3. How will my vacation payment be calculated and paid?**

The total of any unused vacation hours, including any earned vacation, as of October 1, 2020, will be multiplied by your current pay rate, including any longevity premium. The total will be divided by 12 and result of that calculation will be your monthly payment.

**4. How are the monthly payments taxed?**

They are wages and will be taxed as regular income.

**5. Will I receive the company's 401(k) contribution and match on my 12 monthly severance payments?**

No. You will continue to participate in the 401(k), but you will not receive the 5% company contribution and/or the match up to 2 or 2.5% of your own contribution from your severance payments. However, you will receive the company contribution and match on your monthly vacation payment.

**6. Can I continue to make contributions into my 401(k) account during the 12-month severance period?**

Yes. You can continue your own deferrals into your 401(k) account, Roth account, etc.

**7. Are the monthly severance payments eligible for profit-sharing in 2021?**

Yes.

**HEALTH BENEFITS QUESTIONS**

**1. How long will my medical insurance be continued under the VEOP?**

**Everyone will receive full medical coverage at no cost to the employee during the first 12 months of the VEOP. Thereafter:**

- a. A Flight Attendant that is at least 60 years of age with 30 years of Flight Attendant service (your original seniority date) on October 1, 2020, will have their medical insurance premiums paid by the Company until they reach the age of 65.
- b. A Flight Attendant that is over the age of 55 but less than 60 years old, with 30 years of service (your original seniority date) on October 1, 2020, will have one-half of their medical insurance premiums paid by the company.

**2. How much will I pay for medical insurance during the 12-month severance payment period?**

There is no cost to the Flight Attendant for medical premiums sponsored or provided by the company during the 12-month severance period.



- 3. At what coverage level will my medical insurance be continued? Single/+ Spouse/ Family**  
Your medical coverage will remain the same as your current coverage level but may be changed if you encounter a “qualifying life event.”
- 4. Will I have to go through Open Enrollment in October for health insurance next year and can I change my coverage election?**  
Changing plans is acceptable during open enrollment but increasing your coverage is not allowed unless you have a “qualifying life event.”
- 5. What happens if I become eligible for Medicare while on a VEOP?**  
While you are an active employee covered by Hawaiian’s medical insurance, you do not need to enroll in Medicare.
- 6. Am I eligible to continue with LTD if I take a VEOP?**  
Because you are actively on payroll for 12 months, you are still eligible for LTD coverage should you become ill or injured and qualify for benefits under the provisions of the plan.
- 7. What will happen to my life insurance?**  
Life insurance continues for the 12 months on payroll the same as for an active employee. After the 12 months, at separation/retirement, coverage will change to the retiree life insurance provision for retirees.
- 8. When can I rollover my 401(k) into an IRA?**  
If you are at least 59-1/2, you are able to roll over your 401(k) into an IRA without penalty.

## TRAVEL

- 1. How Long will I have Pass Travel at the active rate?**  
Flight Attendants with less than 30 years of service will travel as an active employee on Hawaiian Airlines for three (3) years. Flight Attendants with 30 or more years of service will travel as an active employee on Hawaiian Airlines for four (4) years. Interline travel will be allowed to the extent provided by Interline agreements during each respective period.
- 2. Will I have Interline pass benefits?**  
Yes, to the extent allowed by Interline agreements.
- 3. How can I qualify for Retiree Pass Travel?**  
Retiree pass travel is determined by the company. Flight Attendants with at least 10 years of service who retire at the age of 40 are eligible for some form of retiree pass travel.