



AIR TRANSPORT
DISTRICT LODGE 142



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SOUTHWEST TRUE-UP INFORMATION

IAM's Forward Thinking Negotiations Strategy at Southwest Results in Windfall of Cash for Members.

When IAM members at Southwest Airlines ratified their most recent contract in December 2014, they not only received wage increases, lump sum payments and other improvements, they also ratified IAM negotiated protections against falling behind other Southwest employee groups who were still in negotiations.

IAM leadership and negotiators smartly bargained a 'true-up' clause, which requires that IAM-represented Customer Service Agents and Customer Representatives receive the same percentage wage rate, lump sum and variable bonus increases as Southwest Ramp, Operations, Provisioning and Freight Agents receive. This negotiated wage and economic protection maintains IAM members' wage rates ahead of their internal counterparts for the duration of their Agreement, which becomes amendable in December, 2018.

"IAM members at Southwest Airlines have been and continue to be critical component of that carrier's success and are fully deserving of the benefits of their IAM contract," said General Vice President Sito Pantoja. "I'd also like to thank the IAM Negotiating Committee for having the vision to ensure IAM members at Southwest would never fall behind and will continue to lead the way at the carrier."

"We knew where the industry was going and negotiated a contract that ensured IAM members' compensation remained at the top at Southwest Airlines," said IAM District 142 President Dave Supplee. "IAM members at Southwest can expect another well-deserved raise and lump sum payment because of their IAM contract."

Coupled with the increasing wage rates, IAM members at Southwest will also receive an addition to the 2014 lump sum bonus (distribution will be the same as in 2015) and an accelerated Return on Invested Capital (ROIC) bonus—equal to 2.5 percent of 2015 earnings—to be paid within 90 days.

These "true-up" calculations are being finalized and will be forwarded to the membership as soon as possible.

Fraternally,

Dave Supplee
**PRESIDENT & DIRECTING
GENERAL CHAIR**

DS/slb

cc: S. Pantoja
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