2015 FedEx/ALPA Tentative Agreement
Timeline 2013-2015

- **January - Mediation Begins**
- **August 19th** - TA reached at the table
- **August 27th** - MEC votes to send TA out for ratification
- **September** - Domicile road shows
- **September 28th** - Balloting begins
- **October 20th** - Balloting ends

- **January** - Early openers exchanged, Entered Section 6 negotiations
- **February 24th** - CBA 2011 Amendable Date
- **October** - Company files for mediation with NMB
Unopened/Unchanged Sections

- Section 1
- Section 7*
- Section 16
- Section 17
- Section 19
- Section 20
- Section 21
- Section 22
- Section 23
- Section 30

* Current book with cross reference to new Section 25 provisions
Sections with Minor Updating

- Section 13 (Leaves of Absence)
- Section 14 (Sick Leave)
- Section 15 (Medical Standards)
  - Pilot who is on LTD who incurs medical expenses which are not otherwise covered and those costs relate to qualifying for an FAA medical certificate
- Section 18 (Witnesses and Representatives)
Section 3
Compensation

Signing Bonus

- Lump Sum Distribution Letter (subject to ALPA Lump Sum Allocation Policy)

- 2 installments
  - 1st - 55% of est. lump sum payment NLT 12/15/15
  - 2nd - 40% of est. lump sum payment NLT 6/15/16
  - 5% remaining retained as reserve holdback per ALPA Policy
    - Once policy process is complete, all funds will be distributed
### Estimated Total Lump Sum Payment

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Section 3
Compensation

Hourly Rate Increases
(starting November 2015 bid period)

- DOS 10%
- DOS +1 3%
- DOS +2 3%
- DOS +3 3%
- DOS +4 4%
- DOS +5 3%
## Hourly Rates - Effective First Day of November 2015 Bid Period

### Wide Body Rates of Pay

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### Narrow Body Rates of Pay

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# Hourly Rates - Effective First Day of November 2020 Bid Period

## Wide Body Rates of Pay

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## Narrow Body Rates of Pay

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Air Line Pilots Association, International
## 10-Year NB Captain Pay Rates

### 10-Year Narrowbody Captain Pay Rates

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*FedEx-TA, American, Delta, United, UPS*
8-Year WB First Officer Pay Rates

8-Year Widebody First Officer Pay Rates

FedEx-TA
American
Delta
United
UPS

Air Line Pilots Association, International
5-Year NB First Officer Pay Rates

5-Year Narrowbody First Officer Pay Rates

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Air Line Pilots Association, International
WB Captain Pay Rates Compared to CPI-U (1999-2021)

Notes: 1999 widebody Captain rate adjusted for inflation – historic CPI-U as reported by the Bureau of Labor Statistics; projected inflation from PHL Federal Reserve Bank Survey of Professional Forecasters 10 years forward from 3rd quarter 2015.
Industry International Overrides

International Override increased by $1.00 per CH
Captain $10     First Officer/RFO $8

- FedEx TA*: $10.00
- American**: $6.00
- Delta: $6.50
- United: $6.50
- UPS: $6.50

Air Line Pilots Association, International
Section 3
Compensation

New Hire Compensation

- $4,000 per month (while in training prior to activation)
- FDA minimum hourly rate: $100

ULR Premium per CH

- Applicable entire trip if trip has a revenue flight segment scheduled over 16 hours revenue block
  - (Capt: $24; FO/RFO: $17)
Section 4
Minimum Guarantees and Other Pay Provisions

4.A.2.b.

- Incorporated 09-02 and 09-03 settlement agreement that provides operation in and the exit
- Added “speed brakes” to reduce lowering of the SAM when it is below 68
- If the SAM is below 4.A.1 minimums, but above 64/80/96, Company shall ‘buy up’ lines to 4.A.1. minimums
- Below 64 the 4.A.1. minimums may be reduced to 54/68/81 which were raised from 48/60
Disruption Pay

- Added per diem only, priority non-premium, and Association fly back to disruption pay and extra duty period pay

- Crew designation disruption pay at 1:30 CH for swapping FO/RFO, RF2/CAP, etc.

- RP status change disruption eligible for any change at 1:30 CH

- Out and back disruption pay of 1:30 CH

- Single layover disruption pay of 3 CH
Critical Period Pay Events

- Applies to all pay codes
- Departs in the critical period and has an intervening stop greater than 2 but less than 4 hours is paid 1:30 CH
- Departs from base in the critical period and returns in the same duty period and blocks in after 10:15 is paid 1:30 CH
- Departs in the critical period and has a flight segment greater than 4:30 block compensated 3 CH for add’l flight segments
Intermediate Stop Pay

- Applies to all pay codes
- Any duty period that does not operate in the critical period and has a flight segment in excess of 4:30 and
  - an intermediate stop greater than 2 but less than 4 hours
  - will be paid 1:30 CH for each subsequent flight segment
Section 4
Minimum Guarantees and Other Pay Provisions

ITU Pay

- Carryover credit hours deposited into general make-up bank while bidding pay only during ITU
- Bid period in which OE completed, pilot paid the higher of his awarded pay only BLG/RLG or his TRN days plus OE credit hours
Other Improvements

- Deletion of conversion lines, voluntary and involuntary
- Upfront reserve leveling for vacation and training credit hours
- Recurrent TRN pay now credited towards BLG in the month scheduled
- Distance Learning Pay - will now pay 1 CH for every 2 hours of assigned TRN versus 3 CH for every 8 hours
Section 4
Minimum Guarantees and Other Pay Provisions

- PMU now available for current bid period plus 3 months versus 2 months
- Priority Non-Premium Pay
  - Established if a trip is revised prior to the initial deviation check-in and the pilot is unable to report on time for that trip
Section 5
Traveling Expenses

Per Diem Increases

- **Domestic**
  - 10 November 2015 (from $2.15 to $2.25)
  - 05 November 2017 ($2.25 to $2.30)

- **International**
  - 10 November 2015 (from $2.95 to $3.05)
  - 10 November 2017 ($3.05 to $3.15)
  - 10 November 2019 ($3.15 to $3.25)
### Hourly Per Diem Rates With Known Future Increases

#### FedEx-TA

- $3.05
- $3.15
- $3.25

#### American

- $2.75
- $2.80
- $2.80
- $2.70

#### Delta

- $2.25
- $2.30
- $2.30
- $2.20
- $2.70
- $2.80

#### United

- $2.25
- $2.35
- $2.35
- $2.70
- $2.80
- $2.45

#### UPS

- $3.20

---

*UPS is $3.60 for Asia & pays per flight leg*
Section 5
Traveling Expenses

Expansion of catering parameters

- All domestic duty periods now receive a mini-snack
- Expanded the number of flights that receive a breakfast snack
- Deletion of no catering provision on intermediate stop more than 2 hours (INDY “sleep for eat” is solved)
Section 5
Traveling Expenses

- Fatigue group oversight of rest and break facilities
- Expanded use of hub sleep rooms
  - Stop is between 4 and 5 hours
  - Night and Critical only or during a domestic duty at the MEM hub
- Company must first provide sleep rooms for everyone transiting the hub with turns between 2:30 and 4 hours (block to block)
Section 6
Relocation Expenses

- Enhanced air travel benefits during relocation
- New hire domestic move package with 3-year minimum commitment
- Air shipments - additional DIM weight restriction along with max weight allowance
- Updated language to correlate with new Section 24 provisions
- Agreed to new restrictions on 3rd party home purchase program
- Increased FDA weight allowances for Section 6 moves
Section 8
Deadheading

Deadhead Fares & Deviation Bank

- New DH fare system
  - 2 looks at fare quotes
    - 1st look is when trip is built (Baseline Fare)
    - 2nd look is when any pilot is assigned to the trip (Established fare)
- Rolling deviation bank contains 50% of monthly savings
  - Can be used one month in arrears
  - Added to next month’s deviation bank and continues forward
Section 8
Deadheading

- Ability to join scheduled DH mid-trip and “un-deviate”
- Allowable deviation expenses now include seat selection fees up to:
  - $40 per flight segment
  - $80 per flight sequence
- Trip trades for international trips after deviation now allowed prior to 14 days before showtime
Section 8
Deadheading

- Increased initial deviation check in window from 48 hrs to 60 hrs prior to showtime

- New final deviation check-in parameters
  - 8 hrs for domestic
  - 12 hrs for standby periods without an intercontinental DH
  - 18 hrs for revenue flight or standbys with an intercontinental DH

- Modified Hotel in Lieu of provisions
  - Non-intercontinental and intercontinental
Section 8
Deadheading

- Established Hotel Cancellation Bank
  - $35 domestic/$65 international
  - Can be used for any allowable deviation expenses
  - Capped at $10k
  - No time limit or expiration
- Limited deviation ticketing fees to a maximum of $25
Section 8
Deadheading

- Fully lie flat bed will now satisfy higher class of service requirements
- Expanded higher class of service requirements internationally to greater than 2+30 hours block
- Front-end deadheads that touch the critical period will be limited to one leg
- Allowance for international deadheads within the European theater on DH-8-400 aircraft
- New jointly developed deadhead carrier list
Section 9
Miscellaneous Flying

- Quality Assurance (QA) Program: new CBA protections
  - Non-erosion of PIC authority; observation voluntary only-PIC decides
  - Identified info related to observation cannot be used for discipline, grounds for placement in Section 11 process, EOP, etc.
  - Confidentiality & anonymity protected
- FPS/TAA override increased
Section 11
Training

- Created separate specific contractual sub-sections for check airmen and instructor pilots
- Limited professional instructors
  - Events prior to the MV
    - May conduct non-validation/evaluation maneuvers events post MV
    - May conduct CQ non-validation/evaluation events with approval of Association Training Committee Chairman
Instructor/Check Airman Monthly Overrides

- Instructor Pilot monthly override increases
  - 1\textsuperscript{st} year from $800 to $1000
  - 2\textsuperscript{nd} year from $900 to $1100
  - 3\textsuperscript{rd} year from $1000 to $1200
  - 4\textsuperscript{th} year and beyond from $1100 to $1300
Section 11
Training

- Check Airman (PCA, LCA, SCA) monthly override increases
  - 1\textsuperscript{st} year from $1300 to $1500
  - 2\textsuperscript{nd} year from $1400 to $1600
  - 3\textsuperscript{rd} year from $1500 to $1700
  - 4\textsuperscript{th} year and beyond from $1600 to $1900

- SCA supplemental override from $500 to $600
  - APD who is not also qualified as an SCA will receive SCA supplemental override of $600

- Moved PCA override scale from Instructor Pilot to Check Airman scale
Section 11
Training

- During ITU training a pilot will maintain the originally scheduled sim period over consecutive days
  - It can be revised to either the immediate earlier or immediate subsequent period once during the consecutive days, or
  - Return to the original time period
- First revenue leg of IOE will have a showtime of 1:30
- New Enhanced Oversight Program (EOP) language, outlining program features and requirements
Section 11
Training

- Pilot who goes non-current due to extenuating circumstances while on a trip may continue as an RF2/RFO until returning to base

- A check airman or instructor pilot who was previously qualified as such may reduce his applicable requal time
  - From 300 to 150 hours, if
  - His currency is within 5 years

- Instructor carryover during pay only months are now credited to the general make-up bank
Section 11
Training

Proficiency Flying

- New proficiency flying system that utilizes PDO bumping and the secondary line system (SWW) on alternating basis
  - Instructor permission still required to waive returning to line after 2 consecutive months
Section 11
Training

- Included “X” day calculation for 5 week (7 days) and 6 week (8 days) bid periods

- Instructors can use their general make-up bank for make-up instructional events

- Canceled instructional duties can only be SUB’ed for “like” events (SIM for SIM, flight event for flight event)

- Codified override payment upon commencement of required training

- Reduced time of override payments for an instructor who is out sick from 90 to 60 days
Section 11
Training

- Instructor reserve days can only be used for training events
- Created instructor reserve periods for instructional/evaluational reserve days
  - IR-A 0200-1359 LBT
  - IR-B 1400-0159 LBT
  - R-4 callout
Pilot’s consent now required for conducting training on a day off (3n3)

Pilots may be scheduled for ground school training at their base on the day before holidays

Maneuvers and Operations phases pilot will receive 2 days off following 5 consecutive days of training (currently 1 day)
Instructor/Check Airman Passover Provisions

- Check Airman/Instructor Pilot Pay Adjustment (CIPPA) created
  - Harmonized with Section 24 for Instructor passover pay provisions
  - Limited repayment provisions
Section 12
Hours of Service

- 32-in-120
  - Changed to 36 in 168 to help reduce multiple 24 hour layover internationally
- Involuntary Trip Extensions reduced from 48 to 36 (domestic) and from 96 to 84 (international)
- Max landings in duty period that touches the critical period reduced from 5 to 4
- Company to develop automation to indicate individual pilot duty limits during Ops Emergency
- International Trips
  - Expanded European Theater box to include Tel Aviv
Section 12
Hours of Service

Fatigue

- Establish Fatigue Event Review Committee (FERC)
  - Initial contact after call (if any) changed from Fleet Captain to ALPA FERC members
  - Pilot will submit fatigue event report within 72 hours
  - If away from base, transportation and lodging provided by Company
  - FERC can decide that sick bank will not get deducted. If no consensus, goes to SCP for decision
Section 12
Hours of Service

- New FRMS provisions to study pairings
- Duty limit protections related to base and field hotel standbys expanded to include non-augmented international duty periods

Duty Limits

- Optional Night Scheduled and Operational limits reduced from 13:30 to 13:00 and 15:00 to 14:30

Limited relief on 8-in-24

- Trip cannot touch the critical period
- May exceed 8 block hours in a rolling 24 hour period with an intervening rest (not greater than 7+35 in a single duty period)
Section 12
Hours of Service

- Company will pursue FAA approval of an enhanced rest environment on B767; augmented duty periods on B757 or B767 aircraft lacking such will require enhanced sleep opportunity (ESO) of 36 hours before and after augmented duty period.

- A380 provisions have been removed from the CBA but previously bargained provisions and pay rates are still retained.

- Modified Alert Calls.
Ultra Long Range (ULR) Flying

- Established provisions for operation of ULR flying
- ULR Premium Override Captain $24/First Officer $17
  - Pays for entire trip, in addition to International Override and Block Override (BKO)
Section 24
Filling of Vacancies

- New bidding for ITU
  - Monthly bid based on seniority based on new “TO” seat
- New System Bid
  - At close of posting, standing bid reset to 100% for current award
  - Bidding in 5% increments
  - Minimum and maximum staffing levels will be posted for all seats every bid
  - Minimum posting now 14 days
Section 24
Filling of Vacancies

New System Bid

- No simultaneous postings, training out of one system bid before another
- No secondary awards
- Transparent look at Company staffing levels for each seat
- Old “bid to relieve” replaced with more limited “stand-in bid award”
- Assignment Right of Return if you were previously excessed out of a seat
Slot Denial Payment

- Slot denial payments replace traditional passover pay

- Company has limited ability to deny your ITU bid

  - If denied, will receive Slot Denial Payment based on your “FROM” and “TO” seat. Example:
    - NB F/O → WB F/O = $3000
    - NB F/O → NB CA = $6000
    - NB F/O → WB CA = $9000

- Ability of Company to inverse assign training date, if skip over another pilot the eligible for inverse SDP
Bid Line Adjustments

- Submissions for R-Day drops by 0900 LBT the day prior (2-days current)

- BLA’s will not be denied for landing non-currency as long as the showtime is at least 72 hours after projected non-currency

- Ability to PDO bump trips in any base

- Ability for pilot to see how many BLA requests are in queue for specific trip
Section 25
Scheduling

- Contingency Bid Line Adjustment
  - Will only drop trip(s) if you can get the trip(s) if the new trip is available

- Similar Footprint Trade
  - Allows pilot to submit for a BLA for a trip over the same footprint that shows in the same reserve period and has a greater TAFB

- Establish Trip Proffer
  - Allows pilot to place trips in open time that he is unable to drop for pilots to pick up using M/U hours or as a straight pilot pick up
Section 25
Scheduling

Consolidation Bidding

- If after the first full bid period following activation from ITU training, a pilot is projected to not consolidate, he may only be awarded lines:
  - With at least 30 block hours or in the top 50% of lines with highest block time; or
  - A Secondary line with a preference for ‘max block;’ or
  - A Reserve line
Section 25
Scheduling

Secondary Working Window

- Ability to preference combination of trips, R-days and base simulator support
- Open time to be refreshed after View/Add (CIA) giving Secondary line holders ability to see all open time available to them
- Ability to elect how much carryover CHs and/or Recurrent Training hours are applied towards Secondary line BLG
- Ability to elect to take more or less vacation
Secondary Working Window

- If you don’t have an awarded vacation slot that bid period, you may request to use vacation CHs based on crew staffing

- 80% of all RSV blocks will be built into bidpack reserve lines

- Allows for new concept of pilots having the ability to preference R-Day blocks like trips in the Secondary line process

- May elect to expand or shrink vacation footprint

- Reasons report published after the closing of the SWW
Section 25
Scheduling

Bid Period Phase-In

- If a pilot is awarded a regular line that results in an FAR conflict and there are multiple trips from which to choose that would resolve the conflict, the trip with the lowest CH will be dropped as a phase-in conflict.

- Carry-over R-day blocks take precedence over trips/R-Days in the new bid period.

- If a vacation award conflicts with a block of R-days only the days in conflict will drop.
Section 25
Scheduling

Reserve

- Sim support may be offered to RSV pilots on a voluntary pass down basis
- Codified max allowable time on duty measured from beginning of notification window for domestic and int’l trips
- Duty is limited to 16 hours from beginning of notification window unless:
  - Flight is augmented
  - Duty period consists solely of deadhead
  - Pilot is notified and does not sit any portion of his notification window. In this case, must have at least 8 hrs from notification to showtime of duty period.
R-24 Hotel Standby

- Pilots originally scheduled hotel standby may not be revised to include additional hotel standby periods.

- If launched from hotel standby and assignment extends passed originally scheduled standby days then upon completion pilot released back to his R-24 schedule.

- Pilots on R-1.5 sitting RB, RB+ and RA+, unless under an ‘operational emergency’, will not have their callout reduced to 1 hr.
Section 25
Scheduling

- RP Disruption change - Any change in awarded RP will constitute disruption pay of 1.5 CH
- Pilots may select or de-select First Fly option up to 0900 the LBD prior, currently 2 days prior
- Separate First Fly election for voluntary sim support
- Trips with a TAFB of less than 60 hrs will be assigned in direct leveling order
- Trips with a TAFB of greater than 60 hrs will be assigned using ‘silos’ based upon remaining available R-Days
Section 25
Scheduling

- **Soft R-Day Moves**
  - The Company will not move a soft R-day unless they have utilized the silo that fits the number of days of the trip (best fit) and the best fit +1 silo
  - If the Company moves a soft r-day, that pilot will receive disruption pay of 3 CH

- RSV pilot may be offered an assignment that extends 24 hours beyond R-Days

- Recurrent Training and R-Day blocks
  - Any conflict with a block of R-days causes the entire block to drop and the pilot will be eligible for Carry-in Award (CIA)
Section 25
Scheduling

- Reserve Transparency
  - Any pilot may view all RSV leveling lists
  - Ability to see RSV Forecast Modeling system for pilot’s crew position

- Reserve Line Construction
  - Top 90% of published RSV lines will have blocks with a min of 4 R-Days
Section 25
Scheduling

- Disruption Pay
  - Added PDO, PNP, AFB codes
  - Sweep flight non-eligibility reduced from 25% to 10%
  - Disruption Compensation discussed in Section 4

- Open Time Assignments
  - Company may assign Airport Standbys to RSV pilots prior to General Make-up request in the assignment window
Section 25
Scheduling

- Bumping for Training
  - Minimum 15 hour notification prior to bump
  - If the bumped trip is in the middle of a series of trips then the hotel room in base becomes an allowable deviation expense

- Special Bid Award (SBA)
  - Company may post for a domestic SBA for FRMS study pairings, special Military charter operations, or operations otherwise agreed to by the VP of Flt Ops and MEC Chairman
Section 25
Scheduling

- Service in the Uniformed Service
  - USERRA governs

- Jury Duty
  - Incorporated settlement agreement

- SIG
  - Company will allow access to fatigue modeling software for the purposes of evaluating domestic pairings
  - All revisions of specific trips made viewable by Association SIG members
  - Established Fatigue Risk Management Group dispute track
Section 26
General

- Raised annual uniform allowance to $200
- New hires now issued a ‘set’ of uniforms
- “No harm” jumpseats expanded to all bases
- New expired Visa/passport notifications and validations similar to medical certificates
- Company manuals provided in electronic format only
- Improved new aircraft acquisition language
- Known Crewmember (KCM) contractually required
Section 27
Insurance

Group Health Plan for Pilots (Active)

- The Buy Up Plan remains for the entire contract
- Starting in 2017:
  - The Base will be replaced with two Consumer Directed Health Plans (CDHP).
  - One is valued higher than the Buy Up and one lower
- GeoBlue remains for FDA pilots coverage
- Improvements:
  - Spouses of FedEx pilots who are non-pilot employees of FedEx or in the U.S. military will now be eligible for coverage under our plans.
  - Hearing aids and acupuncture will now be covered.
What is a CDHP? It’s a consumer directed health plan. Different from the traditional options we are used to.

- The value of any unused care essentially expired at the end of the year. You couldn’t take it with you.

In a CDHP, that value is given to you upfront in the form of money from the Company contributed to a Health Savings Account or credited to Health Reimbursement Arrangement.

With that value the pilot will manage their healthcare expenses more directly with any leftover value theirs to keep and grow for the future.
Section 27
Health Savings Account / Health Reimbursement Arrangement

- Company funded

- What can it be used to pay for:
  - Eligible health expenses (IRS Pub. 502)
  - Includes dental, vision, LTC, etc.

- Who can use it:
  - Pilot, spouse and dependents now or in retirement
  - Unused amounts carryover to the next year
  - Survivors can still use tax-free

- www.healthequity.com to learn more
Section 27
Our HSA & HRA Differences

- Pilot contributions are tax-deductible
- Bank account
- May invest in market
- Can be used with a Limited Purpose FSA for dental, Vision and post-deductible expenses
- After age 65, may withdraw funds for non-eligible expenses with income tax due
- Taxable cash to beneficiary after last of pilot and qualified dependent(s) dies

- Pilot may not contribute
- Notional account
- 4% annual credit
- Can be used with a Full Purpose FSA for any eligible expenses
- Never able to used for any non-eligible expenses
- Balance forfeited after last of pilot and qualified dependent(s) dies
## Section 27 CDHP
**Purple Plan Design**

<table>
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<th>Pilot Only</th>
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<th>Pilot Plus</th>
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<td>$3,900</td>
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Air Line Pilots Association, International
Section 27
Excise Tax

- Mitigation steps are provided that will prevent or delay our health plans from triggering the excise tax under the ACA.
- These are designed to retain the full value of our negotiated benefit.
Section 27
Retiree Group Health Plan for Pilots (Pre-Medicare)

- Plan line up includes all active pilot options and retains the current High Deductible Option

- New HRA-Only option
  - $4,813 each per retiree and spouse per year credited to a notional HRA that can be used for any eligible medical expenses (same amount the Company would otherwise contribute to one of the other retiree plans).
  - If elected, this a permanent choice until transferring to Medicare.
Section 27
Dental and Vision

- **Dental**
  - Removed the current $30,000 limit to the total lifetime amount of dental benefits paid out from the plan.
  - Dental implants are now covered for non-accidents.

- **Vision**
  - Removed current benefit timetable that resets every time you make a claim. Benefits are now based on calendar years.
  - Search will be made to secure better vendors for the FDAs.
    - A concurrent search will be made for the domestic plans to see if there are improvements to be had in the marketplace.
  - Except for the monthly premium, terms shall be no less favorable than those currently in effect.
Section 27 Cost

- **Buy-up:**
  - Plan Year 2016: continues under CBA 2011
  - Plan Year 2017: 18%
  - Plan Year 2018: 19%
  - Plan Year 2019 and beyond: 20%

- **CDHPs Plan year 2017 and beyond:**
  - Purple: 16%
  - Orange: 15%

- **International (FDA rate shall not exceed the highest domestic rate for the same coverage tier):**
  - Plan year 2016: continues under CBA 2011
  - Plan year 2017 and beyond: 17%

- **Dental/Vision/HMO:**
  - Plan year 2016: continues under CBA 2011
  - Plan year 2017 and beyond: 17%
Section 27
Cost

- Pilot monthly rates may not increase more than 10% per year.

- A new Wellness program accompanies the CDHPs. If you participate in this program, you will receive $300 for the pilot and $300 for the spouse deposited into your Health Saving Account or credited to your Health Reimbursement Arrangement.

- Successful participation is achieved by completing a health assessment and two of the wellness programs like certifying you are tobacco free or getting a cholesterol screening.
## Section 27
### Monthly Rates

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Section 27
Premium Reimbursement Plan (Post-Medicare)

- Removed the requirement that to be eligible a retiree must carry FedEx health insurance until Medicare eligibility age (currently 65)

- Pilot contribution will be increased from $0.50 to $1.00 per CH with increases of $0.05 per year going forward

- Why the increase?
  - Funds the plan to allow benefit to increase with rising medical costs
  - Part B will be eligible for reimbursement (fix for TRICARE)
  - Benefit will be prorated based on YOS

- We improved efficiencies on the administration of the plan and information flow from the Company
Section 27
Disability

- Normal and mental illness LTD benefit remains unchanged
- Protection established to keep a disabled pilot’s maximum benefit level from being cut if Congress lowered a limit that is totally unrelated to LTD
- The alcohol and substance abuse benefit will be increased from 26 weeks to 18 months
- Currently, both the Corporate and FDX MEC LTD Plans use the same vendor to administrate their plans. A “firewall” has existed between the two plans requiring a disabled pilot to submit the same claim and medical information twice. Going forward, if a pilot elects, they may submit one claims packet to the administrator for both plans
Section 27
General

- We will be able to participate in the Company’s Adoption Program, which provides up to $5,000 per child per year with a $15,000 lifetime max for expenses related to the adoption process.
Section 28
Defined Contribution Features

- Company contribution to increase from the current 7% to:
  - 8% on 1-1-2016
  - 9% on 1-1-2020

- The Company will now be required to contribute the agreed upon percentage on the highest of any current or previous IRC limit (high watermarked). For amounts not eligible to be contributed to the PRSP they will pay you in cash.
## Section 28 Scenarios

<table>
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<th>2016</th>
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| **DOS+1** |       |       |       |       |       |       |                |
| DC TA  |       |       |       |       |       |       |                |
| DC CB  |       |       |       |       |       |       |                |
| DC Increase |       |       |       |       |       |       |                |
| 401a(17) |       |       |       |       |       |       |                |

| **DOS+2** |       |       |       |       |       |       |                |
| DC TA  |       |       |       |       |       |       |                |
| DC CB  |       |       |       |       |       |       |                |
| DC Increase |       |       |       |       |       |       |                |
| 401a(17) |       |       |       |       |       |       |                |

| **DOS+3** |       |       |       |       |       |       |                |
| DC TA  |       |       |       |       |       |       |                |
| DC CB  |       |       |       |       |       |       |                |
| DC Increase |       |       |       |       |       |       |                |
| 401a(17) |       |       |       |       |       |       |                |

| **DOS+4** |       |       |       |       |       |       |                |
| DC TA  |       |       |       |       |       |       |                |
| DC CB  |       |       |       |       |       |       |                |
| DC Increase |       |       |       |       |       |       |                |
| 401a(17) |       |       |       |       |       |       |                |

| **DOS+5** |       |       |       |       |       |       |                |
| DC TA  |       |       |       |       |       |       |                |
| DC CB  |       |       |       |       |       |       |                |
| DC Increase |       |       |       |       |       |       |                |
| 401a(17) |       |       |       |       |       |       |                |

| **Total Increase** | $22,400 |
| **DC TA for 10 months** | $15,957 | $16,117 | $17,270 | $18,002 | $21,062 | $21,694 |
| **DC TA for 2 months** | $3,223 | $3,454 | $3,600 | $3,744 | $4,339 | $4,339 |
| **DC CB** | $15,231 | $15,385 | $15,539 | $15,726 | $15,726 | $15,726 |
| **DC Increase** | $3,949 | $4,187 | $5,332 | $6,021 | $9,675 | $10,307 |
| **401a(17)** | $265,000 | $270,000 | $275,000 | $280,000 | $285,000 | $290,000 |

| **DC for 10 months** | $12,598 | $13,339 | $14,124 | $14,621 | $17,193 | $17,842 |
| **DC for 2 months** | $2,668 | $2,825 | $2,924 | $3,056 | $3,568 | $3,568 |
| **DC CB** | $12,025 | $12,362 | $12,708 | $12,772 | $12,837 | $12,933 |
| **DC Increase** | $3,240 | $3,802 | $4,340 | $4,905 | $7,925 | $8,477 |
| **401a(17)** | $265,000 | $270,000 | $275,000 | $280,000 | $285,000 | $290,000 |

| **DC TA for 10 months** | $9,680 | $10,192 | $10,728 | $11,292 | $13,502 | $14,406 |
| **DCTA for 2 months** | $2,038 | $2,146 | $2,258 | $2,400 | $2,881 | $2,881 |
| **DC CB** | $9,241 | $9,445 | $9,652 | $9,864 | $10,081 | $10,443 |
| **DC Increase** | $2,478 | $2,892 | $3,334 | $3,828 | $6,302 | $6,844 |
| **401a(17)** | $265,000 | $270,000 | $275,000 | $280,000 | $285,000 | $290,000 |

| **401a(17)** | $265,000 | $270,000 | $275,000 | $280,000 | $285,000 | $290,000 |
Section 28
Defined Contribution Features

- Roth 401(k) Contributions and Conversions
- Brokerage
- Third Party Financial Advisor
- Earlier Eligibility for New Hires
- Pre-retirement access to PMPPP
- Lowest Cost Share Class and Company Paid Expenses
- Access to Investor Education
- Auto Rebalance
- Auto Enrollment
- Increased contribution flexibility
- Increased DC distribution options in retirement
- Request for Proposal for Vanguard
Section 28
Sick Leave Buyback and Advance Notice Plus

- Company Sick Leave Buyback (SLB) that provides cash to the pilot if:
  - Provides notice and actually retires on that date.
  - The date may be any December 31st after their 60th birthday or any day in the month they turn 65. The benefit is derived from a formula taking into account your final 24 months of earnings and your closing DSA bank balance. In no case can it exceed, $110,000.

- Advance Notice PLUS (AN+) provides for those pilots age 54 and above with 10 or more years of service on DOS an additional cash payment up to $40,000 upon retirement with the same advance notice requirements.
Section 28
Defined Benefit Features

- Pop-up Joint & Survivor pension benefit payment option added. Unlike the current J&S, if the beneficiary (spouse or other) predeceases the pilot the benefit for the surviving pilot “pops-up” to the unreduced amount it would have been if the pilot had elected the pilot-only straight life annuity.

- FTL pilots who have a benefit under the FTL pension will now be able to elect different payment options from the FTL and FedEx pensions.

- Protections provided for your beneficiary in the event you die after your date of retirement, but before your pension benefit commences.
Section 28
General

- Increased Transparency with Respect to Retirement Plans
- Retirement Board
- Limitation on Pilot Repayment of Overpayments
Section 28
Normal Retirement Age

- IRS regulations may require a change to the normal retirement age under our pension plans from age 60 to 62.
- DON’T PANIC. This will not decrease the benefit of any pilot.
- If this change is required, the Company has agreed:
  - The total amount of early retirement benefits payable at age 55 or older shall be no less than the amount of early retirement benefits that would have been payable if the normal retirement age had remained at age 60: and
  - The total amount of retirement benefits payable at age 60 or older shall be no less than the amount of retirement benefits that would have been payable if the normal retirement age had remained at age 60.
- It is critical to understand that this change is only needed to keep our retirement plans qualified under IRS regulations.
- A pilot will still be able to retire with full benefit at age 60.
## 15 year WB Captain Scenarios

**15-yr WB Capt**

<table>
<thead>
<tr>
<th>Current</th>
<th>2016 DOS</th>
<th>2018 DOS+2</th>
<th>2021 DOS+5</th>
</tr>
</thead>
<tbody>
<tr>
<td>$260.61</td>
<td>$286.67</td>
<td>$304.13</td>
<td>$335.56</td>
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</tbody>
</table>

### Assume 1000 CH / Year

<table>
<thead>
<tr>
<th>Yr 1 Pay</th>
<th>Yr 2 Pay</th>
<th>Vacation Buy back</th>
<th>Signing Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>$260,610</td>
<td>$286,671</td>
<td>$127,557</td>
<td>$35,000</td>
</tr>
<tr>
<td>$286,671</td>
<td>$286,671</td>
<td>$127,557</td>
<td>$35,000</td>
</tr>
</tbody>
</table>

### SLB = ((Yr 1 Pay + Yr 2 pay + Vac buyback + Signing Bonus) * 50%)

- **SLB: $94,919**
- **$0**
- **$107,363**
- **$143,150**

### DSA Method=Full Banks x Pay Rate x 50%

<table>
<thead>
<tr>
<th>Minimum of 3 Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>$110,000</td>
</tr>
</tbody>
</table>

### Signing Bonus

<table>
<thead>
<tr>
<th>SLB</th>
<th>Notice</th>
<th>additional Vacation buyback</th>
<th>increased pay</th>
<th>increased DC</th>
<th>Total additional cash out the door</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,000</td>
<td>$40,000</td>
<td>$14,974</td>
<td>$27,494</td>
<td>$2,650</td>
<td>$215,037</td>
</tr>
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<td>$35,000</td>
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<td>$14,974</td>
<td>$27,494</td>
<td>$2,650</td>
<td>$120,118</td>
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<td>$40,000</td>
<td>$14,974</td>
<td>$27,494</td>
<td>$2,650</td>
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<td>$40,000</td>
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<td>$27,494</td>
<td>$2,650</td>
<td>$214,513</td>
</tr>
<tr>
<td>$35,000</td>
<td>$40,000</td>
<td>$14,974</td>
<td>$27,494</td>
<td>$2,650</td>
<td>$544,928</td>
</tr>
<tr>
<td>$35,000</td>
<td>$40,000</td>
<td>$14,974</td>
<td>$27,494</td>
<td>$2,650</td>
<td>$434,928</td>
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### 12 year NB Captain Scenarios

<table>
<thead>
<tr>
<th>Current</th>
<th>DOS</th>
<th>DOS+5</th>
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<tbody>
<tr>
<td>$217.59</td>
<td>$239.35</td>
<td>$289.26</td>
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<table>
<thead>
<tr>
<th>Assume 1000 CH / Year</th>
<th>2016</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yr 1 Pay</td>
<td>Full DSA</td>
<td>Full DSA</td>
</tr>
<tr>
<td></td>
<td>Retire in 2016</td>
<td>Retire in 2021</td>
</tr>
<tr>
<td></td>
<td>$217,590</td>
<td>$280,831</td>
</tr>
<tr>
<td></td>
<td>$239,349</td>
<td>$289,256</td>
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<tr>
<td></td>
<td>$86,655</td>
<td>$100,661</td>
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<tr>
<td></td>
<td>$30,000.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Yr 2 Pay</td>
<td>$26,797</td>
<td>$75,374</td>
</tr>
<tr>
<td></td>
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<td>$0</td>
</tr>
<tr>
<td>Vacation Buy back</td>
<td>$85,410</td>
<td>$99,215</td>
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<tr>
<td></td>
<td>$110,000</td>
<td>$110,000</td>
</tr>
<tr>
<td></td>
<td>$26,797</td>
<td>$75,374</td>
</tr>
<tr>
<td>Signing Bonus</td>
<td>$30,000</td>
<td>$30,000</td>
</tr>
<tr>
<td></td>
<td>$26,797</td>
<td>$75,374</td>
</tr>
<tr>
<td></td>
<td>$20,000</td>
<td>$20,000</td>
</tr>
<tr>
<td></td>
<td>$10,934</td>
<td>$24,940</td>
</tr>
<tr>
<td></td>
<td>$22,160</td>
<td>$255,285</td>
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<tr>
<td></td>
<td>$3,949</td>
<td>$39,470</td>
</tr>
<tr>
<td>SLB</td>
<td>$113,840</td>
<td>$445,070</td>
</tr>
<tr>
<td></td>
<td>$87,043</td>
<td>$369,695</td>
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<td>$24,940</td>
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<tr>
<td>Notice</td>
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<td>$445,070</td>
</tr>
<tr>
<td></td>
<td>$87,043</td>
<td>$369,695</td>
</tr>
</tbody>
</table>

SLB = ((Yr 1 Pay + Yr 2 pay + Vac buyback + Signing Bonus) - 520000) * 50%

DSA Method = Full Banks x Pay Rate x 50%

Minimum of 3 Options

Signing Bonus

SLB

Notice
## 10 year WB First Officer Scenarios

<table>
<thead>
<tr>
<th></th>
<th>2016 DOS</th>
<th>0 DSA</th>
<th>2021 DOS+5</th>
<th>0 DSA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td>$171.79</td>
<td></td>
<td>$188.97</td>
<td></td>
</tr>
<tr>
<td>Assume 1000 CH / Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yr 1 Pay</td>
<td>$171,790</td>
<td>$171,790</td>
<td>$229,240</td>
<td>$229,240</td>
</tr>
<tr>
<td>Yr 2 Pay</td>
<td>$188,969</td>
<td>$188,969</td>
<td>$237,890</td>
<td>$237,890</td>
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<tr>
<td>Vacation Buy back</td>
<td>$49,888</td>
<td>$49,888</td>
<td>$62,803</td>
<td>$62,803</td>
</tr>
<tr>
<td>Signing Bonus</td>
<td>$23,500</td>
<td>$23,500</td>
<td>$23,500</td>
<td>$23,500</td>
</tr>
<tr>
<td>SLB (Vac buyback + Signing Bonus)</td>
<td>$0</td>
<td>$0</td>
<td>$4,966</td>
<td>$0</td>
</tr>
<tr>
<td>DSA Method=Full Banks x Pay Rate x 50%</td>
<td>$68,631</td>
<td>$81,596</td>
<td>$110,000</td>
<td>$4,966</td>
</tr>
<tr>
<td>Minimum of 3 Options</td>
<td>$110,000</td>
<td>$110,000</td>
<td>$110,000</td>
<td>$4,966</td>
</tr>
<tr>
<td>Signing Bonus</td>
<td>$23,500</td>
<td>$23,500</td>
<td>$23,500</td>
<td>$23,500</td>
</tr>
<tr>
<td>SLB Notice</td>
<td>$0</td>
<td>$0</td>
<td>$4,966</td>
<td>$0</td>
</tr>
<tr>
<td>additional Vacation buyback</td>
<td>$4,535</td>
<td>$4,535</td>
<td>$17,450</td>
<td>$17,450</td>
</tr>
<tr>
<td>increased pay</td>
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<td>$19,031</td>
<td>$214,978</td>
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<tr>
<td>increased DC</td>
<td>$3,240</td>
<td>$3,240</td>
<td>$32,690</td>
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<tr>
<td>Total additional cash out the door</td>
<td>$50,306</td>
<td>$50,306</td>
<td>$293,585</td>
<td>$288,618</td>
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</table>

*Note: Values in dollars.*
# 5 Year NB First Officer Scenarios

<table>
<thead>
<tr>
<th>Current</th>
<th>2016</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DOS</td>
<td>DOS+5</td>
</tr>
<tr>
<td>$132.01</td>
<td>$145.21</td>
<td>$192.09</td>
</tr>
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</table>

**Assume 1000 CH / Year**
- Yr 1 Pay
- Yr 2 Pay
- Vacation Buy back
- Signing Bonus

**SLB = ((Yr 1 Pay + Yr 2 pay + Vac buyback + Signing Bonus) - 520000) * 50%**

**DSA Method=Full Banks x Pay Rate x 50%**
- $110,000
- Minimum of 3 Options

**Signing Bonus**
- SLB
- Notice
- additional Vacation buyback
- increased pay
- increased DC

**Total additional cash out the door**

<table>
<thead>
<tr>
<th></th>
<th>2016 Retire in 2016</th>
<th>0 DSA Retire in 2016</th>
<th>2021 Retire in 2021</th>
<th>0 DSA Retire in 2021</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$132,010</td>
<td>$132,010</td>
<td>$180,040</td>
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<tr>
<td></td>
<td>$145,211</td>
<td>$145,211</td>
<td>$192,090</td>
<td>$192,090</td>
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<tr>
<td></td>
<td>$26,138</td>
<td>$26,138</td>
<td>$34,576</td>
<td>$34,576</td>
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<td></td>
<td>$39,333</td>
<td>$39,333</td>
<td>$225,871</td>
<td>$225,871</td>
</tr>
</tbody>
</table>
Section 29: Union Security and Check-Off

- Dues and assessments will be collected each pay cycle in the current month
Section 31
Effective Date and Duration

- Effective date of November 2, 2015
- 6 year duration
- Amendable date will be the last day of October 2021 bid period
- Either party may reopen early if FAR 117 becomes applicable
- Expanded opening window from 60 to 180 days
FDA LOA

- Increased educational benefits
  - Ages 3-19 now covered (currently 5-19)
  - Family limit now $15,000 without per child limitation (currently $5,000 per child, with max of $10,000 per family)

- New housing allowance index for HKG that better takes into account the rental market in HKG

- Lowered trigger for housing allowance adjustment for both FDAs (from 10% to 5%)

- Home ownership allowance increased to 50% housing allowance (currently $1,300)
FDA LOA

- Extended maximum time in EMEA to 4 years 11 months
- Expanded Household Goods storage ability
- Incorporated Ongoing Implementation Measures
- Enhanced air travel benefits during relocation & annual return travel
  - Also have a deviation type bank available
- If furloughed, Company will reimburse educational expenses
- Increased shipping weight allowances and incorporated new DIM weight limitations
FDA LOA

- Allowance for additional realtor fee after 2 years in the FDA
- Company required to relocate terminated or retired pilot
- Expanded GT allowance when relocating
Secondary Line Replacement LOA

- Creation of working group to replace automation used to construct Secondary Lines: Secondary Line Replacement (SLR) Working Group (SLRWG)

- Two periods envisioned in the LOA: Development and Implementation periods
  - Working jointly with SIG, the Company will upgrade the current automation
  - Development Period: begins upon implementation of the upgrade and continues no later than 3 months after transition to the SLR
  - Implementation Period: begins upon transition to the SLR and continues for 12 months
Secondary Line Replacement LOA

- MEC Chairman and Flt Ops VP must meet and agree on the final acceptance of the SLR prior to its implementation; in the absence of agreement, SLR shall not be implemented.
Questions?