

Contract Watchdog

UAL Mechanics LOA 17 and your DB Pension Loss based on the IBT CARP Calculator

The UAL Teamsters Union leadership has failed again; UAL mechanics have lost six years of Defined Benefit Pension Accrual in the CARP Defined Benefit Plan.

Six Years ago, language in our United Mechanics Agreement was triggered to allow UAL mechanics the choice to join CARP as a replacement to our current 401k plan.

The Teamsters have acknowledged recently that they knew of the contractual obligation in our contract but refused to enforce our LOA 05-03M.

How much did you lose because the teamsters tried to move your Defined Benefit rights into their failing Western Conference Pension Plan and failed?

What have we lost, in Pension Benefits because of the Teamsters

Let's use their own CARP calculator to see just how much we have lost thanks to their deliberate and self-serving actions. They promised a pension and never delivered.

Age 2016 60 years retiring after 5 Credit years = \$608.00 Per Month.

UAL T/A Calculator with 5 years CARP Credit Retiring at 65

With 6 years additional credit from 2010

Age 2016 60 years retiring with 11 Credit years = \$1,491.00 Per Month

UAL T/A Calculator with 11 years CARP Credit Retiring at 65.

A loss of \$883.00 in monthly Pension Benefits, due to Teamsters failure to enforce our UAL Mechanics contract language.

The Company and the Union want to move this LOA out of our current contract and make it a historical document only in an attempt to deny your grievances and accrued Pension Benefits. **Read the UAL mechanics Pension LOA at www.ualmechanics.com.**

VOTE NO TO Teamster Concessions Don't surrender LOA 17 Defined Pension Benefits.

Stand Strong Stand United

2005 LOA Contractual Pension Rights for UAL Techs when United Airlines Maintains another Pension Plan like CARP

Company contribution for the calendar year equals 5.0% of total Considered Earnings. The Company will calculate the total projected Company contribution divided by the total projected Considered Earnings at the beginning of each year. If this percentage is less than 5.0%, the Company will increase the base contribution rate so that the total Company contribution rate equals 5.0%. The Base and Additional Contributions will begin with the earlier of (i) July 1, 2005, or (ii) the first day of the calendar month following the Exit Date; provided, however, that in the event the Exit Date follows July 1, 2005, contributions will accrue without interest from July 1, 2005 through the Exit Date and be contributed in a single lump sum no later than sixty (60) days after the Exit Date.

b. All employees employed on May 15, 2005 will be 100% vested in the Replacement Plan Contributions. Any Replacement Plan Contributions made on behalf of an employee hired after May 15, 2005 will be subject to the following vesting schedule:

Fewer than one year of service	0%
1 year of service but fewer than 2	20%
2 years of service but fewer than 3	40%
3 years of service but fewer than 4	60%
4 years of service but fewer than 5	80%
5 or more years of service	100%

All service with the Company will be counted for purposes of vesting. Forfeitures under the defined contribution plan will be used to reduce future Company contributions to the defined contribution plan.

c. The Company will meet and confer annually with AMFA to consider plan investment options.

d. Following the Plan Termination Date, the Company shall not maintain or establish any single-employer defined benefit plan for any UAL or Company employee group unless AMFA-represented employees are provided the option of electing to receive a comparable defined benefit plan in lieu of the Replacement Plan Contribution.

e. The 2005-2009 Mechanics' Agreement and the Plan of Reorganization shall provide for the issuance of \$40,000,000 of UAL convertible notes, as described in Exhibit J, to a trust or other entity designated by AMFA. The terms of the UAL convertible notes described in Exhibit I shall be subject to mutually-acceptable modifications to optimize implementation for all parties from an accounting,

UAL / CAL Agrees to Maintain CARP 8-26-2010

<date>

Captain David Bourne
Director, Airline Division
International Brotherhood of Teamsters
25 Louisiana Avenue, N.W.
Washington, DC 20001

Dear Captain Bourne:

This will confirm our conversation regarding our commitment to maintain the Continental Airlines Retirement Plan for Technicians and related employees.

We have agreed that the current Continental Airlines Retirement Plan shall be maintained as is for Technicians and related employees, except that the Company may amend the provisions to conform to or accommodate changes in the Employee Retirement Income Security Act of 1974, as amended, or the Internal Revenue Codes. Notwithstanding the foregoing sentence, any such amendments shall not include reductions in accrued benefits or future accruals.

Additionally, notwithstanding the above, if the Company seeks to freeze the Continental Airlines Retirement Plan for Technicians and related employees, it will provide reasonable advance notice to the Union and shall fully discuss the issue. Upon notice of the Company's desire to freeze the plan, the Union may, in its sole discretion, reopen the Agreement for the limited purpose of negotiating a replacement defined benefit plan covering the Technicians and related employees. Such negotiations shall be pursuant to and governed by the provisions of Section 6 of the Railway Labor Act, but shall not encompass any topics other than those related to the establishment of a replacement defined benefit plan (including buy-outs), unless through mutual agreement the parties agree to expand the scope of topics covered by the reopener.

The parties agree that in the event the reopener negotiations remain unresolved through the negotiation and mediation procedures of Section 6, and the National Mediation Board proffers interest arbitration pursuant to Section 5, 7, and 8 of the Railway Labor Act, the parties shall both accept interest arbitration and resolve the dispute pursuant to the dispute procedures of Section 7 and 8.

The Company further agrees that it will not freeze the Continental Airlines Retirement Plan for Technicians and related employees until a replacement plan is agreed upon or established as a result of interest arbitration and such plan is implemented.

Sincerely,

_____/S/
Joe Ferreira
Vice President, Technical Operations