

# The Medical Give-Away

## Another Reason to VOTE NO

### Why did the IBT Airline division leaders decide to increase our Medical costs on January 1, 2013?

The new TA is only for two years. Yet it **terminates** our current Medical plan with a promise that a new joint committee will come up with a new (multi-employer?) plan by January 1, 2013. If those negotiations fail, we will end up in a higher cost, inferior Medical plan now being used at Continental Airlines.

This is bizarre. Why would a Union leadership agree to concessions before knowing what a new Plan is? Why would a Union leadership refuse to push for improvements in our current Medical plan? Why didn't they demand a full reversal of concessions taken by the Company during the bankruptcy?

Instead, not only does the TA fail to claw back concessions, the IBT leaders tell us to expect higher future Medical costs. Active employees and future retirees beginning in 2013 will lose our current plan for active and retired employees.

#### The Current United Plan

What do active Continental mechanics and related pay now? The typical mechanic with

a family is paying **\$400-\$500 monthly** (not including dental or vision). The typical United mechanic with a family pays half that and has a 7% annual cap.

The new TA opens the door to the inferior Continental Medical plan that provides a "menu" selection technique that may or may not continue the 7% cap beginning in 2013. The IBT leaders should give us this information side by side with what we now pay under our current contract. They negotiated the Continental Medical plan and know full well what it is. Why the hide and seek?

The Medical concession is a **major pay cut**—anywhere from \$2 to \$3 per hour. In fact the TA includes a 2.5% raise on January 1, 2013 if a new Joint TA with Continental mechanics is not done to help pay for the hike in Medical costs according to IBT Chief negotiator Clancy Griswold (stated at the April 4 Road show meeting). Suddenly our \$3-5 hourly wage is nearly gone!

The Continental Medical plan for retirees is also worse than United's plan. Our plan allows early retirement from 55 years with 10

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years of service. The Continental Medical Plan for retirees doesn't kick in until 60 years no matter how many years of service you have. You must pay 100% of cost instead of the 40-80% for 10 years or more of Company service in our United plan. The only offset is to apply unused sick leave (if you have any) on a monthly basis.

Why did the IBT leaders make such a radical change for early retirement? The only purpose of such a giveaway is to encourage early retirement prior to 2013. The Union's role is not to help push out high seniority, high vacation, senior employees.

## **A "Transition" Agreement - Not What We Deserve**

The IBT Airline Division head David Bourne told a Dulles meeting that what we're getting with the TA is a "transition" contract until the United and Continental merge agreements are merged. Yet the Continental mechanics only approved their new contract late last year and it includes Retro and Bonuses that are 3 times higher than what we are offered at United.

In fact, we don't get any Retro. We are not in bankruptcy. We must first catch up for those missed wages and benefits, then negotiate going forward. The buyout of Continental by United does not mean we should get less in what Bourne calls a "transitional" period.

The goal during Section 6 negotiations is to get the best contract possible—better than what others have already won. During the next negotiations our objective should be to leapfrog the new Continental agreements and aim for the highest paid mechanics at Southwest and UPS. What's happened on wages and Medical costs is the IBT leaders took much less than what is possible.

The IBT leaders decided to negotiate a United contract with Continental inferior language. The IBT once again has failed to deliver on any of its promises from 3 years ago. Worse Medical, no pension, and Scope language that is full of holes.

**The only way to begin to FIX the weak TA and its giveaways in Medical and other issues is to soundly VOTE NO.**

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