

Executive Board Announcement

IBT Local 1108



April 21, 2009

Fellow Pilots,

In response to management's announcement of a furlough, your Union negotiated a Furlough Letter of Agreement (LOA) with management. While we regret that any pilots were furloughed, the Union negotiated an industry standard LOA that includes seniority protections, 7 year recall rights, furlough pay and benefits. This LOA contains significant benefits for furloughed pilots and their families.

We look forward to the recall of all furloughed pilots. In the interim, Local 1108 gathered information and resources to further assist furloughed pilots and their families. Additional information will be provided as it becomes available. We encourage all members to volunteer to help the Union help the furloughed pilots and their families.

Please feel free to direct any offers or assistance or questions to furloughs.fo@ibt1108.org.

Fraternally,

Local 1108 Executive Board

Your union has gathered information and resources for our furloughed members. Please check the "Furloughed Pilots Information Center" at www.ibt1108.org often to view the most recent developments.

This packet contains the following information:

- (1) unemployment information,
- (2) COBRA costs,
- (3) 401(k) Plan information,
- (4) employment subscription service information, and
- (5) a dues refund for furloughed members with a "dues credit."

The packet is scheduled to be mailed to each address of record on file with Local 1108 via USPS this week. Affected crewmembers are strongly encouraged to confirm their address and contact information by emailing furloughs.fo@ibt1108.org or calling the Union office, (866) 505-1108, during normal business hours.

■ UNEMPLOYMENT BENEFITS

Filing for Unemployment Benefits

The State of Ohio has assigned a **mass layoff claim number of 900408** to the Flight Options furloughed pilots. Furloughed pilots are encouraged to file for unemployment compensation benefits as soon as possible. You may register for benefits at <http://unemployment.ohio.gov> or call 1-877-644-6562 (Monday through Friday, 8:00 a.m. to 5:00 p.m. EST). The state of Ohio will process your claim for benefits, as long as a portion of your wages were reported in Ohio. If you have questions about where to file, please contact the state of Ohio at the number of above. If you attempt to file for benefits in Ohio, but are not permitted to do so, please advise the Union and Company immediately.

Under Ohio law, furloughed pilots must file their claim no later than 21 days following the end of the week (i.e., Sunday) for which you are claiming unemployment benefits. If you choose to file in another state, consult the laws of that state for filing deadlines.

Under Ohio law, **furlough pay and PTO “cash outs” are not deductible from your unemployment compensation benefits** because management instructed the state of Ohio to allocate furlough pay and PTO cash outs to the last work day. There are no restrictions on when you may cash out PTO.

You are encouraged to file for unemployment benefits. Please do not view this as applying for public assistance; rather, these benefits are generated from Ohio employer taxes, which Flight Options has paid on behalf of each of its employees. As previously explained, you may apply online at www.unemployment.ohio.gov, via telephone, (877) 644-6562.

In order to file for benefits, you will need to provide the following information:

- 1) Social Security Number,
- 2) Driver's License Number,
- 3) Name, address, telephone number, and e-mail address,
- 4) Employer name, address, telephone number, and dates of your employment,
- 5) If you received out-of-state employment within the past 18 months, please provide the name, address, telephone number, and dates of your employment for each employer with whom you worked out of state during the last 18 months,
- 6) If you were separated from military service with any branch of the United States Armed Forces within the past 18 months, your discharge papers (DD-214, member 4),
- 7) The reason you became unemployed. In this instance, it is appropriate to state the reason as "Mass Layoff,"
- 8) Names, Social Security Numbers, and dates of birth for any dependents, and
- 9) If claiming dependents and you are married, your spouse's name and Social Security Number even if you are not claiming your spouse.

You may access the Ohio Department of Job and Family Services' Ohio Worker's Guide to Unemployment for additional information at the following address:

<http://www.odjfs.state.oh.us/forms/interfind.asp?formnum=55213>

Job Training Benefits

Pilots' eligibility for re-training benefits are determined on a case-by-case basis in the furloughed pilot's state of residence. For Ohio residents, please visit <http://jfs.ohio.gov/workforce/jobseekers/> or speak with your unemployment compensation claims representative about re-training benefits. For non-Ohio residents, contact the state agency responsible for administering unemployment compensation benefits and re-training programs.

■ CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)

COBRA

Company-provided insurance benefits for furloughed pilots are provided through the last day of May, 2009 in accordance with the Letter of Agreement between the Company and Union. After May 31, 2009, pilots who remain on furlough may elect to continue insurance coverage in accordance with the Consolidated Omnibus Budget Reconciliation Act (COBRA). For general information on COBRA, visit the Department of Labor's webpage at <http://www.dol.gov/dol/topic/health-plans/cobra.htm>

Monthly Flight Options COBRA rates are as follows:

Medical Plan 1:

Employee: 379.44
Employee/Spouse: 758.87
Employee/Child: 682.98
Family: 1179.11

Medical Plan 2:

Employee: 340.74
Employee/Spouse: 681.47
Employee/Child: 613.33
Family: 1022.21

Dental Plan:

Employee: 33.54
Employee/spouse: 66.84
Employee /Child: 73.30
Family: 106.24

■ 401(k) PLAN INFORMATION

401(k)

- Vesting - A furloughed pilot ceases to accrue Vesting Service under the 401(k) Plan on March 21, 2010, the one year anniversary of the furlough. Furlough pay deferred to the 401(k) Plan in accordance with the terms of the 401(k) Plan is eligible for Company matching contributions in the same manner as regular wages.
- Withdraws - If you withdraw money from your 401(k) Plan, the entire amount of the withdraw is deductible from your unemployment compensation benefits unless you roll-over the entire amount you withdraw within 60 days of withdraw, subject to IRS regulations.
- Loans - If you had previously (prior to furlough) taken a loan from you 401(k) Plan, only the balance of 401(k) loan deductible from your unemployment compensation benefits. If you take a loan from your 401(k) Plan after you are furloughed, the entire amount of the loan is deductible from unemployment compensation benefits unless the entire amount of the loan is rolled over, subject to IRS regulations.

■ EMPLOYMENT SUBSCRIPTION SERVICE INFORMATION

AvJobs

Website: www.avjobs.com

Local 1108 has purchased access to AvJobs Careers, and has made it available to all furloughed Flight Options pilots in good standing with the Union. You will receive a discount code specific to your group. Once received, you may register for the program at the AvJobs Applicant Portal, using the discount code expiration date as discussed below.

The AvJobs Program provides a number of benefits including:

- aviation employment classifieds,
- an online job application/resume builder,
- access to the AvSearch Aviation Company Directory,
- industry salary, wages and pay information, and
- access to an interactive practice interview module.

Registering: When registering at the AvJobs Applicant Portal using the discount code number 56220609, you will be provided with one year or 365 days of free service, beginning on your registration date. The discount code will expire June 1, 2009. Although credit card information is required to enroll in the program, displaced employees will not be charged at the beginning of their membership.

Extended Registration: If your account remains active beyond the initial year of free service, you will be charged the regular monthly rate of \$24.95. If you do not want to pay for this service at the conclusion of your one-year subscription, you must log in to your account to cancel your membership.

FltOps (Formerly Air, Inc.)

Website: www.fltops.com/ibt1108

An annual membership to Air, Inc. is being provided for all furloughed members in good standing. Eligible members may apply for access to this resource at www.fltops.com/ibt1108. Membership benefits include:

- free telephone-based counseling,
- a salary survey guide,
- a monthly newsletter,
- a career guide,
- an application book with employer address information,
- a fleet delivery forecast through 2013, and
- discounts for seminar and interview preparation.

* For purposes of this benefit, good standing is defined as having made dues payments through December, 2008. Individuals who feel they have been inaccurately disqualified may appeal to furloughs.fo@ibt1108.org.

■ DUES REFUNDS FOR FURLOUGHED PILOTS

All furloughed members in good standing who made advance dues payments will receive a dues refund for advance payments made. Advance payments are dues submitted by members for April, 2009 and beyond and will be refunded in accordance with the IBT Constitution and Local 1108 By-Laws.

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