



CONTRACT 2010

REPORT OF THE IAM NEGOTIATING COMMITTEE ON THE PRATT & WHITNEY IAM DISTRICT 26 AND LOCAL LODGES 700, 1746 and 1746A CONTRACT

Highlights of the Company's Final Offer December 5, 2010

Outlined below are the highlights of the company's final offer – reached during contract talks between your elected Negotiating Committee and management in the 2010 contract negotiations. Only the changes are highlighted. Contract provisions from our previous agreement remain unchanged if they are not noted here.

Your elected IAM Negotiating Committee from each location along with Local Lodge Presidents, District 26 Staff and Grand Lodge Staff worked long hours and deserve the thanks of all Pratt & Whitney workers.

Preservation of work remained a primary issue for your committee. Management attacked your job security language contained in Letter 22 from the beginning as they made it clear that they would not waiver from their position to close Cheshire and CARO. Initial proposals completely removed Letter 22 however through your actions on the shop floor the letter was preserved and still covers 95% of the work in MC&O, all indirect labor including trades and materials as well as all of the work in EHRO.

The first vote: do you vote to accept the company's last, best and final offer? This vote is decided by a simple majority of **50% plus one**, of the Pratt & Whitney members present and voting.

If the company's offer is rejected, the second vote is counted, which is: do you vote to strike? Under our IAM Constitution, this vote requires a **66 2/3 majority** of Pratt & Whitney members present and voting, in order to take strike action.

If a simple majority of the members voting do not accept the company's final offer, but a strike vote does not pass by 66 2/3, then the last best & final offer of the company goes into effect as the new contract.

Agreement

- Effective December 6, 2010

Article 7 - Grievance Procedure

- Parties agree all participants in the grievance procedure will be trained
- Three (3) new arbitrators to replace retired arbitrators Roberta Golick, Susan Meredith and Michael Ryan
- Change to the practical majority of sixty (60) continuous working days the time necessary in order to file a misclass grievance

Article 8 - Seniority

- Promotions to the highest labor grade by most senior qualified
- Employment Retraining Assistance increased to \$5000

Article 11 – Wages

- Add 27 cents COLA prior to adding general wage increases
- 3.0% General wage increase effective December 6, 2010
- 2.5% General wage Increase effective December 5, 2011
- 2.5% General wage increase effective December 3, 2012
- Continue semi annual COLA
(see page 2 and 3 of attachments)

Article 13 – Vacations

- Effective January 1, 2011 vacation time based on service award date (bridge broken time)

Article 14 Holidays

- (see pages 4 and 5 of attachment)

Article 19 – Bereavement Leave

- Add grandparent of current spouse to definition of immediate family

Article 25 – Employee Assistance Program

- 8-hours pay for EAP representatives from each local to meet with Senior Union EAP

Article 26 – Environmental, Health & Safety

- Number of Safety Representative minimums:
Local 1746 fifteen (15) plus chief
Local 1746A four (4) plus chief

Article 27 – Transfer of Ongoing Production / Non-Production Work

- No longer applies to CARO and Cheshire Engine Center

Article 30 – Duration

- Three (3) year agreement with an expiration on December 8, 2013

Appendix A – Occupational Groups and Families for the Purpose of Layoff and Recall

- Delete Occ 190 Toolroom Machinist moved to Occ 176
- Delete Occ 194 Pipemaker
- Occ 500 Tool Die & Gage Maker moved into Job Family 1
- Delete Job Family 10

Letter 4 – Overtime Records

- Shop chair or designee to be offered opportunity to attend supervisor training for record keeping
- Overtime records posted no later than Wednesday

Letter 6 – Hourly Employee Recognition Program

- Updated to current award system

Letter 7 – Group Insurance Plans

- (see attachment pages 6-14)

Letter 8 – Pension Plan

- Max contribution increased \$7 to a max of \$65 (see attachment page 15)

Letter 9 – Savings Plan

- \$2 Increase up to \$66 max matched effective 1/5/11
- \$2 increase up to \$68 max matched effective 1/1/12
- \$2 increase up to \$70 max matched effective 1/1/13
- unmatched contribution increased to \$200 for the life of the agreement
- Reduce amount required to keep account open to \$1000

Letter 10 – Individual Medical Account

- contributions \$1 to \$10 per week effective 1/5/11
- Additional contributions by age
50-54 years \$1-\$5
55-59 years \$1-\$6
60+ \$1-\$7
- Reduce amount required to keep account open to \$1000

Letter 11 – Ratification Bonus

- \$2000 payable December 16, 2010
- Company will match 50% for any amount of the \$2000 bonus deposited into the savings plan in \$250 increments. Must make election by December 10, 2010

Letter 18 – Review of Occ. Group 240 in CAN

- Delete letter

Letter 22 – Workplace Guarantees and Subcontracting

- Remove Cheshire and CARO from job security protections
- Work placed in facilities prior to December 3, 2007 is covered work

Letter 22A Supplement to Letter 22 New Work

- Work covered by Letter 22 after December 3, 2007 is not considered work covered by Workplace Guarantees and Subcontracting

Letter 23 – Joint Apprenticeship Program

- New apprenticeship class starts in 2012

New Letter – Closure Agreement

- Application deadline December 20, 2010
- Termination dates between January 31, 2011 and September 30, 2011
- Lump Sum \$20,000
- One weeks pay for each year of service
- 1 year medical and dental insurance
- \$1000 payment to all bargaining unit employees paid on December 9, 2010
- Remove age 55 requirement for Cheshire or CARO / TMC employees
- Retain FAR License
- 75 added to headcount in MC&O
- Formation of committee to assure all members are moved into new openings created by voluntary separation offer

The Negotiating Committee deliberated the company's last best and final offer Saturday morning. The package falls short on job security with the company's removal of The Cheshire Engine Center and CARO from the protections contained in Letter 22. The commitment to place employees will be worked diligently between the parties and will be aided by the company's inclusion of an enhanced separation package designed to create openings to aid in that placement.

The company's final package contains many positives including a good wage increase, above average increase to the pension as well as increases in the savings plan, and a larger than normal signing bonus of \$3000, \$2000 of this bonus can be deposited into employees 401K plan with a 50% match bringing the value up \$4000

Unanimous Recommendation of the IAM Negotiating Committee

Vote to Accept

The final decision is yours. The IAM is prepared to back you 100% in whatever decision you, the members, make.

