



Furlough/Lay-off Education

Our Collective Bargaining Agreement (CBA) provides contractual provisions that define what methods the Company would follow if they lay off or furlough within our workgroup. The language in our CBA is located in Article 18: Reduction in Force. It addresses specific areas such as notification, occupational seniority, recall to service, severance pay, insurance coverage, and pass privileges. We have compiled a list of several questions and answers to help you better understand how this language will apply. Examples provided in this document are for illustrative purposes only and do not reflect knowledge of any impending furlough.

Furlough and Seniority:

- Q.** In our Contract, what is the difference between a furlough and being laid off?
A. In terms of our Contract, these words are used interchangeably.
- Q.** How does the Company determine which Flight Attendants would be laid off first?
A. Article: 18.1 – The Company would start at the Flight Attendant with the least occupational seniority, systemwide, and move up from that point until the number of Flight Attendants required to furlough has been reached.
- Q.** What is the difference between occupational seniority and Company seniority?
A. In our Contract under Article 5: Definitions, it defines both. It is important to understand that for the purpose of Article 18: Reduction in Force, all references to seniority are based on occupational seniority (Inflight).

Occupational Seniority: The seniority that begins to accrue from the date a Flight Attendant is placed on the Company payroll as a Flight Attendant from which date seniority shall continue to accrue during the Flight Attendant's period of service.

Company Seniority: The seniority that begins to accrue from the date an employee is placed on the Company payroll and shall continue to accrue during the term of employment. Company seniority shall determine vacation time and all Company benefits.

- Q.** Where do I find the seniority list that determines systemwide seniority?
A. You may locate the Flight Attendant Overall Seniority list on SWALife. After logging in, go to My Work > Inflight, click on Bidding > Crew Planning > Crew Planning Main. It's below the Additional Bid Information heading.
- Q.** If I'm on any type of Leave of Absence, including Medical Leave, OJI, Maternity (inactive) or MRT, Time Away, ETO, or ExTO (active), could I be furloughed before someone junior to me?
A. No. The furloughs would be processed by the occupational seniority, systemwide, beginning with the most junior and moves up the overall seniority list from that point.

6. **Q.** What will happen to my seniority if I am furloughed?
A. Article 18.11 – A Flight Attendant on furlough will retain but not accrue seniority. This differs from a resignation/retirement, where the Flight Attendant who resigns from the Company loses all seniority immediately upon separation.

Furlough Notification:

7. **Q.** How much notice is the Company required to provide in a furlough?
A. Article 18.2 states two (2) weeks notice or two (2) weeks pay in lieu of notice. However, the Federal regulation known as the WARN Act (Worker Adjustment and Retraining Notification Act) supersedes our Contract and states employers are required to give 60 calendar days advance notice of plant closings and mass lay-offs.
8. **Q.** How will I be notified if the Company decides to furlough Flight Attendants?
A. Article 18.9 – The Company will post a notice indicating the approximate number of Flight Attendants to be furloughed and will furnish a list of the employees to the Union's Executive Board.
9. **Q.** Will the Union be notified before all Flight Attendants?
A. Yes. Article: 18.7 – The Company will notify the TWU Local 556 Executive Board **prior** to announcing or utilizing a reduction in force or recall.

Severance Pay, Vacation, Pass Privileges:

10. **Q.** Will I receive any compensation if I am furloughed?
A. Yes. Article: 18.10 – Furlough pay and the number of years completed are based on occupational seniority. Flight Attendants being furloughed will receive severance pay as follows:

Two weeks severance pay for the first completed year of service, and one additional week for each completed year of service thereafter; however, the maximum amount that may be accrued is 16 weeks.

Examples: 15 years of completed service = 16 weeks of severance pay
12 years of completed service = 13 weeks of severance pay
3 years of completed service = 4 weeks of severance pay
2 years of completed service = 3 weeks of severance pay

The amount of furlough pay due shall be based on the average reserve line guarantee due to the Flight Attendant for the last full month worked.

11. **Q.** If I am an internal employee and transferred to Inflight 2 years ago, will my severance pay be based on Inflight seniority or Company seniority?
A. Article 18.10 – The TWU Local 556 Collective Bargaining Agreement was negotiated on behalf of the Flight Attendants within the bargaining group and covers your occupational seniority. Please refer to question #3 for Contract definitions of occupational seniority and Company seniority.

12. **Q.** Are there any circumstances where the Company is not required to provide severance pay?
- A.** There are a few circumstances which are outlined in Article 18.2:
- Flight Attendant accepts any other employment with the Company.
 - The lay-off is caused by an act of God, war emergency, revocation of Company's Operating Certificate(s), or grounding of a substantial number of Company aircraft.
 - The lay-off is caused by a strike or picketing of the Company's premises or any work stoppage or other action which would interrupt or interfere with any operations of the Company.
13. **Q.** I have vacation time that I have accrued, will it be paid out if I am furloughed?
- A.** Yes. Article 14.6.C Vacations – If you are furloughed by the Company due to a reduction in force, you will receive pay at your applicable rate as of such date for all vacation accrued and unused to the date of resignation or furlough.
14. **Q.** Will I be able to qualify for unemployment after my severance check has been paid out?
- A.** Each state varies on eligibility requirements and conditions for unemployment, as well as when you would begin to receive unemployment payments. It's important to know, your state unemployment would be designated by where you are based at the time of a furlough/lay-off.

Example: Residence in Nashville, TN – Based in Baltimore, MD
Unemployment benefits – Governed by the state of Maryland

15. **Q.** Will I still retain pass privileges if I am furloughed?
- A.** Article 18.13 – A Flight Attendant who has completed probation and is placed on furlough will retain space available pass privileges on Southwest Airlines routes. The period of time passes will be extended is based on a Flight Attendant's occupational seniority as follows:

Less than one year of service – 3 months
1 year of service – 6 months
2 years of service – 9 months
3 years of service – 12 months
4 years of service – 18 months
5 years of service and thereafter – 24 months

The Southwest Airlines Company policy outlines that passes are a privilege and not guaranteed nor considered a benefit of employment. It is granted and administered at the discretion of the Company. However, if the Company changes its policy to extend pass privileges for a longer period of time to other employees in this situation, those would be applicable to our workgroup under the provisions of our Contract language in Article 24.1 General and Miscellaneous.

Accrued Sick Leave:

16. **Q.** What happens to my unused sick leave during the furlough?
- A.** Article: 18.6 – You will retain your sick leave credit accrued prior to the furlough, and when you are recalled, the sick leave accrual will be credited back to you.

Example: Furloughed with 400 TFP sick leave credit
Return to service within 2 years – 400 TFP sick leave credit

Healthcare Benefits:

17. **Q.** Will I have insurance coverage if I am furloughed?
A. Art 18.12 – A Flight Attendant who has completed probation and is furloughed shall continue to be covered by the insurance provided in this Agreement (Contract) for a period of 120-days.
18. **Q.** Will I need to pay my monthly insurance premiums for my 120-days coverage?
A. Yes, You would be responsible for your monthly health insurance premiums that are currently deducted from your 5th and 20th paycheck (Medical, Dental, and Vision).
19. **Q.** Would I have additional health insurance coverage options once my 120-days expires?
A. You would have the option to pay for COBRA insurance coverage for up to 18 months. Your COBRA coverage will be identical to the same coverage prior to furlough/lay-off (Medical, Dental, and Vision).

[SEE ATTACHMENT](#) Southwest Airlines COBRA Rates for 2020.

ProfitSharing and 401(k) Benefits:

20. **Q.** What happens to my ProfitSharing and 401(k)?
A. You will automatically retain all portions of the money that **you** have contributed to your 401(k) plan. If you are fully vested by completing 5 years with the Company, then you would retain all portions of Company contributions in both your ProfitSharing and 401(k) plans as well. Both retirement plans are considered a benefit and vesting is based on your Company seniority.
21. **Q.** How will my 401(k) be affected if I have not completed 5 years with the Company?
A. Article 30.2.B ProfitSharing and Retirement – The vested percentage portion of Company Match Contributions to your 401(k) is determined in accordance with the following vesting schedule. You may also refer to the Contract under section 18.2.C. for accelerated vesting provisions.

<u>Completed Years of Vesting Service</u>	<u>Vested Percentage</u>
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

22. **Q.** How will my ProfitSharing be affected if I have not completed 5 years with the Company?
A. The ProfitSharing plan vesting schedule is outlined in the ProfitSharing Summary Plan Description on SWALife under the “Employee Services” tab. The vesting schedule reflects the same as the 401(k) above.

Return to Service Recall

23. **Q.** What is a recall and how does it work?

A. A recall is a return to work with the Company. Our Contract has five (5) sections that outline the recall provisions:

- Article 18.3 – File your address with the appropriate Company representative and continue to provide prompt updates of any change of address.
- Article 18.4 – The order of a recall will be by seniority (senior to junior). Flight Attendants will remain on the recall list for a period not to exceed five (5) years.
- Article 18.5 – Notice of reemployment will be sent by certified mail with return receipt requested. This notice will include a date to return to service with the Company.
- Article 18.7 – Company will notify the Union's Executive Board prior to announcing or utilizing a recall of Flight Attendants.
- Article 18.8 – A Flight Attendant that is a full-time student in an accredited college or university, has the option to bypass the recall without forfeiting the right to recall and may only be used if it would not necessitate additional hiring.

24. **Q.** How long do I have to respond to a recall notice?

A. You must respond within fifteen (15) days after the posted date on the notice sent by the Company that you intend to accept reemployment.

25. **Q.** What happens if I did not receive the notice or missed the deadline?

A. You will forfeit your seniority with the Company if you do not respond within the required timeframe or do not return to service on the date specified in the notice. In other words, you could lose your ability to be recalled.

26. **Q.** If I am recalled to service from a furlough, would I return to my current base?

A. Domicile vacancies are based on systemwide seniority, so it would depend on what domicile(s) had vacancies to fill and successful bidders based on each Flight Attendants' overall seniority.

27. **Q.** If I'm recalled from a furlough and can't return to my current base, will the Company pay for my move to the new base?

A. Article 29.2 Domiciles, Moving Expenses – Yes. Flight Attendants recalled from furlough into a base other than their last assigned base will be moved at Company expense subject to the provisions of this section.

28. **Q.** What rate of pay would I start at if recalled from a furlough?

A. Since you retain the seniority you accrued at the time of furlough, you would start at the Step rate of pay you ended with on your furlough date.

Example: Pay Step 2 at Furlough – \$29.93

Pay Step 2 at Recall – \$29.93