



Ratification Bonus (Retro)

TA2024 Ratification Bonus (Retro) is structured to compensate each Flight Attendant for their individual contribution to Southwest Airlines' success for each of the years we were in direct negotiations and not receiving annual negotiated pay rate increases. For each year (September 1, 2019 - March 31, 2024), our bonus will reflect a compounding 3% annual increase up until the TA2023 planned 20% increase date of January 1, 2024. This Ratification Bonus is paid on our individual 401(k) eligible earnings.

	11/01/2018	11/01/2019	11/01/2020	11/01/2021	11/01/2022	11/01/2023	01/01/2024
0-6 Months	\$25.14	\$25.89	\$26.67	\$27.47	\$28.29	\$29.14	\$30.17
7-12 Months	\$25.46	\$26.22	\$27.01	\$27.82	\$28.65	\$29.51	\$30.55
Step 1	\$27.91	\$28.75	\$29.61	\$30.50	\$31.42	\$32.36	\$33.49
Step 2	\$29.93	\$30.83	\$31.75	\$32.70	\$33.68	\$34.69	\$35.92
Step 3	\$32.27	\$33.34	\$34.34	\$35.37	\$36.43	\$37.52	\$38.84
Step 4	\$35.01	\$36.06	\$37.14	\$38.25	\$39.40	\$40.58	\$42.01
Step 5	\$39.92	\$41.12	\$42.35	\$43.62	\$44.93	\$46.28	\$47.90
Step 6	\$42.19	\$43.46	\$44.76	\$46.10	\$47.48	\$48.90	\$50.63
Step 7	\$44.34	\$45.67	\$47.04	\$48.45	\$49.90	\$51.40	\$53.21
Step 8	\$46.98	\$48.39	\$49.84	\$51.34	\$52.88	\$54.47	\$56.38
Step 9	\$49.73	\$51.22	\$52.76	\$54.34	\$55.97	\$57.65	\$59.68
Step 10	\$52.26	\$53.83	\$55.44	\$57.10	\$58.81	\$60.57	\$62.71
Step 11	\$55.95	\$57.63	\$59.36	\$61.14	\$62.97	\$64.86	\$67.14
Step 12	\$59.84	\$61.64	\$63.49	\$65.39	\$67.35	\$69.37	\$71.81
Step 13	\$63.30	\$65.20	\$67.16	\$69.17	\$71.25	\$73.39	\$75.96

*** FOR EDUCATION PURPOSES ONLY ***

$$\begin{array}{ccccccccccc}
 \text{Last pay rate increase} & + & 3\% & + & 3\% & + & 3\% & + & 3\% & + & 3\% \\
 & & & & (6.09\%) & & (9.27\%) & & (12.55\%) & & (15.93\%) & & (20\%)
 \end{array}$$

To see your Full Retro Ratification Bonus: twu556.org/bonus

The Ratification Bonus accounts for your personalized 401(k) eligible earnings from November 1, 2019 - March 31, 2024. It will be funded in two installments. Installment 1 takes into account your earnings from November 1, 2019 - January 31, 2024 and is targeted for payment (if ratified) on May 20, 2024. Installment 2 takes into account your earnings from February 1, 2024 - March 31, 2024, and is scheduled for payment within 120 days of ratification (target date of August 20, 2024). **The total amount of moneys in this Retro package is no less than \$364 million paid to our Flight Attendants.**



Ratification Bonus (Retro)

“I am Step 13, or “topped out”. Will I be paid my new rate of pay x TFP worked for each year on my Ratification Bonus check?”

Not exactly. You were paid \$63.30 per regular TFP from November 1, 2019 (first date we “missed” a pay rate increase) through December 31, 2023. The bonus is intended to compensate you for the difference between what you actually made and what you would have made if imaginary (but deserved!) raises were in effect. With this retroactive pay calculation, you will be paid the difference of what you made (\$63.30) and what you would have made if we had received 3% compounding raises from November 1, 2019 - December 31, 2023 and then a “bump up” totaling 20% on January 1, 2024 - March 31, 2024.

“Why is January 1, 2024 - March 31, 2024 calculated differently?”

If TA2023 had been ratified, we would currently be working with a 20% “bump up” pay rate increase! Because that previously negotiated amount is greater than another 3% compounded... and Southwest Airlines announced they already had that money ready for payment... your Negotiating Team stood firm in saying that money IS YOURS and should be used in this bonus calculation.

“Is a ‘ratification bonus’ taxed (or withheld) differently than my normal paycheck?”

“The IRS views this money as part of your annual taxable income as “supplemental wages.” Per 2024 IRS Tax Code, it will be withheld at a flat rate of 22%. When you review your Federal and State Income Tax for 2024 (in early 2025), if you have withheld more money than you owe the government, you will then file your Income Tax Return to receive your refund. On the opposite side of that coin, this additional income could put you in a higher tax bracket. That is dependent on your individual earnings.

PLEASE NOTE: This Ratification Bonus, like all income, is subject to all applicable federal and state taxes.

“Am I still entitled to a Ratification Bonus (Retro) if I haven’t been here the entire time we’ve been in negotiations?”

Absolutely! Even if you haven’t been here since 2019, this money is to compensate us for the raises we didn’t receive while making our way through the bargaining steps... in the expectation of ratifying a new Contract. You will receive the appropriate compensation based on your occupational seniority and your personal 401(k) eligible earnings.

“Will this money be eligible for 401(k) match?”

“Yes, this Ratification Bonus is eligible for 401(k) contribution and match, based on your independent selections.