



Voluntary Early Out Program

10 OR MORE YEARS OF WORKGROUP SENIORITY



Navigating your next
chapter

APPLY BY AUGUST 17, 2020, AT 11:59 PM CT



These are challenging times.

And all of us are doing the best we can as we navigate the right path forward.

American is offering the new and enhanced voluntary early out program for team members, developed with input from our union partners. These are major decisions to make, but we're here to give you as much information as possible as you consider your options.



THE LAST ONE

We do not plan to open an additional voluntary early out program. We strongly encourage you to consider applying for this VEOP if it makes sense for you.



OUR GOAL

Offset as many furloughs as possible by putting the decision in your hands, as much as we can.

We are calling this offer the Voluntary Early Out Program (VEOP).

THE WINDOW FOR APPLYING FOR THIS ENDS AUGUST 17, 2020, AT 11:59 PM CT.



Eligibility

Active,¹ U.S.-based mainline represented team members, excluding pilots, who have 10 or more years of workgroup seniority as of Aug. 11, 2020.

Seniority is defined as follows:

Flight Attendants
occupational seniority

Mechanic & Related and Fleet Service
classification seniority

Passenger Service and Reservations
passenger service seniority

Dispatchers
occupational seniority

FCTI/SIMP
occupational seniority

FSE
classification seniority

To elect the offer:^{2,3}

Visit [Jetnet](#)

Go to Jetnet and follow the prompts for VEOP.

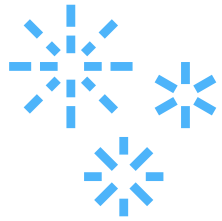
Don't miss the deadline

Aug. 17, 2020
11:59 PM CT

¹ Absent exceptions required by law, active status for the purpose of this program is defined as a team member on payroll receiving pay from the company, such as paid sick/vacation, salary continuance, a previously offered PVLOA or VLOA, FMLA, or military leave.

² If you want to change or withdraw your selection, you can submit another application and select your preferred choice, or the "withdraw" option prior to the window closing.

³ The application with the latest time stamp will be used as your final application. Once the application window has closed, no changes can be made.



VEOP Options

Choose what works best for you.



12-month
payout period

or



Lump
sum

If you elect this VEOP, here's what you will receive.



Pay

Six months of pay



Medical

30 months of healthcare coverage at active rates



RHRA

Retiree Health Reimbursement Arrangement

(Available with this VEOP if you are also 65-point plan eligible)



Travel

Non-rev travel privileges for a period of time, and eight positive-space round-trip tickets



Savings

401(k) and pension plans

Let's take a look at these things in detail. >



Pay



12-month payout period

You receive your six months of pay¹ paid out over a 12-month period,² starting Sept. 28, 2020. Your payments will end when you separate from the company on September 27, 2021.



Lump sum

You receive your six months of pay in a one-time lump sum³ payment no later than Aug. 15, 2021. You will separate from the company on September 30, 2020.

Workgroup

What is 6 months of pay?

Flight Attendants	38 hours of pay, per month	456 hours of pay
Fleet Service, Passenger Service and Reservations	20 hours a week for full-time and 10 hours a week for part-time, per month	1,040 hours of pay for full-time and 520 hours of pay for part-time
Mechanic & Related, FSE	20 hours a week for full-time, per month	1,040 hours of pay for full-time
FCTI, SIMP	50% of regularly scheduled days, per month	6 months of pay based on current daily schedule
Dispatchers	50% of the minimum monthly salary	6 months of pay at minimum monthly salary

¹ Pay doesn't include premiums, shift differential, holiday pay, or overtime and will remain the same throughout the 12-month pay period.

² If you select the 12-month payout period option, your union dues will continue to be deducted from your paycheck.

³ If you elect the lump-sum payment, union dues will not be deducted from the lump sum.



Medical

If you elect this VEOP, you will get **30 months** of healthcare coverage – which includes medical, dental and vision. This coverage will be offered at the same rates active team members pay.

But you must enroll to get coverage.

How does it work?

Paycheck deductions

Health benefits will be deducted from your paycheck while you're still receiving pay from the company. After separation, you'll pay the active rates directly to the Benefits Service Center on a monthly basis.



**12-month
payout period**

First 12 months: receive active team member coverage at active team member rates.

After you separate from the company on Sept. 27, 2021: enroll in COBRA coverage for an additional 18 months paying active team member rates.



**Lump
sum**

After you separate from the company on Sept. 30, 2020: enroll in COBRA coverage for 30 months and receive medical coverage at active team member rates.

If you're eligible for Medicare, COBRA coverage runs secondary to Medicare.



RHRA (Retiree Health Reimbursement Arrangement)

Eligibility


If you elect this VEOP, and you have 10 or more years of work-group seniority AND are 65-point eligible by the time of separation from the company, you will have access to RHRA credits.

65-point plan


65-point plan eligibility is calculated as at least 10 years of company seniority and your age plus years of service must equal at least 65.

Here's how much you get

based on the number of years until you become eligible for Medicare benefits.



12-month payout period



Lump sum

UP TO \$150,000

Which you can access after separation on Sept. 27, 2021.

UP TO \$150,000

Which you can access after separation on Sept. 30, 2020

RHRA value

Number of years¹ until eligible for Medicare

\$150,000	More than 4 years
\$140,000	More than 3 years but less than or equal to 4 years
\$130,000	More than 2 years but less than or equal to 3 years
\$120,000	More than 1 year but less than or equal to 2 years
\$110,000	Less than or equal to 1 year
\$100,000	Eligible for Medicare

¹ Number of years will be calculated using retirement date.



RHRA

(Retiree Health Reimbursement Arrangement)

There are two ways to access your credits for eligible medical expenses:

Debit card

You will be issued an Alight Smart-Choice Accounts debit card (if you don't already have one). When you go to pay for eligible medical expenses at participating retailers and medical providers, you can swipe your card as you would any other debit card.

Reimbursement

You may pay for these eligible expenses out of pocket and then submit a claim for reimbursement from American.

Expenses

For a complete list of eligible expenses, [click here](#).

Eligible for Medicare?

If you're eligible for Medicare, you can use your RHRA to pay for:

- Medicare Part A (hospital) expenses
- Premiums for Medicare Part B, Medicare Part D or supplemental plans
- Reimbursement for out-of-pocket medical expenses not covered by Medicare

Things to consider

- Reimbursements are tax-free and there is no annual limit.
- You **do not** have to be enrolled in an American health plan to be eligible for the RHRA.
- Your account can be used to cover COBRA coverage or premiums for health plans purchased on the healthcare exchange or the individual market.
- Should you be rehired by American at any point, you will forfeit the remaining balance in your account.
- Your spouse can continue to use any of the remaining RHRA balance upon your death.
- Expenses for dependent children are included.
- If you are a TWU-IAM Association member, please consult the [Frequently Asked Questions on Jetnet](#) for specific details pertaining to your RHRA.



Travel

Ticket details

Team members, eligible family members, and registered companions can travel using the positive space tickets. Travelers listed as D3s in your travel profile will also be permitted to use the tickets if they travel with you.

65-point plan

65-point plan eligibility is calculated as at least 10 years of company seniority and your age plus years of service must equal at least 65.



12-month payout period

You keep your active team member travel privileges for 12 months, until you separate from the company. Plus, you will receive eight positive space round-trip tickets – which you can use within five years from the commencement of your VEOP.



Lump sum

You will receive eight positive space round-trip tickets – which you can use within five years from the commencement of your VEOP.

For both options, your travel status upon separation from the company depends on the following:

- If you'll be 65-point plan eligible at the time of separation: You'll transition to retiree travel (D2R status) after you separate from the company, per the company policy.
- If you're not 65-point plan eligible at the time of separation: You'll receive two years of non-rev travel privileges at the amended D2R status.



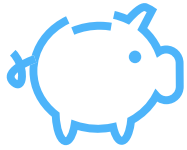
Travel

Amended D2R status details

Reminder

This amended status applies to team members who will not be 65-point plan eligible by the time of separation.

Included under amended status	Benefit
Yes	D2R status for you
Yes	D2R status for spouse / domestic partner / registered companion
Yes	D2R status for qualified children
Children added during the two-year travel separation period will be eligible; verification may be required prior to travel.	
No	Annual D1 allotment
No	Annual D3 allotment
No	D2P parent travel
No	OAL / ZED travel privileges
No	A9 emergency / bereavement travel
Yes	AA20 discount for you, spouse / domestic partner / registered companion, and qualifying children
No	AA20 discounts for parents
Applies to all travelers	Imputed income



Savings

Loan payments

401(k) loan payments will continue to be required as outlined in the loan agreement.

401(k)



12-month payout period

You can still contribute to your 401(k) over the 12-month period and receive company contributions and/or match from American until you separate from the company.

You may leave your money in the Company 401(k) plan and continue to benefit from potentially low fees. You may also set-up automatic withdrawals and create a paycheck environment from your 401(k) savings.



Lump sum

You can continue to contribute to your 401(k) until separation from the company. Any applicable company contributions and/or match will continue until separation.

Pension

IAM Pension: You'll still get company contributions, until you separate.

LAA Pension: You can withdraw after you separate from the company. If you're eligible and want to activate your pension after your separation date, you can. You need to request a pension kit by the 15th of the month prior to your desired commencement month. You may request a kit online via the Pension Service Center or by calling **1-800-447-2000**.

LUS Pension: You should check eligibility with the Pension Benefit Guaranty Corporation at **1-800-400-7242** from 8 a.m. to 5 p.m. ET, Monday through Friday.