



Alaska Airlines

**Section 21
Compensation**

A. Flight Attendants shall be compensated on the basis of the appropriate step rate as follows:

Step Rate	Effective 5/1/2008	Effective 5/1/2009	Effective 5/1/2010	Effective 5/1/2011
First 6 mos	15.58	15.58	15.81	16.05
Second 6 mos	16.32	16.32	16.56	16.81
Thereafter				
Step 1	18.60	18.60	18.88	19.16
Step 2	19.75	19.75	20.05	20.35
Step 3	21.87	21.87	22.20	22.53
Step 4	23.03	23.03	23.38	23.73
Step 5	24.18	24.18	24.54	24.91
Step 6	25.85	25.85	26.24	26.63
Step 7	27.43	27.43	27.84	28.26
Step 8	29.38	29.38	29.82	30.27
Step 9	31.42	31.42	31.89	32.37
Step 10	33.52	33.52	34.02	34.53
Step 11	38.65	38.65	39.23	39.82
Step 12	39.69	39.69	40.29	40.89
Step 13	40.66	40.66	41.27	41.89
Step 14	41.68	41.68	42.31	42.94
Step 15	43.03	43.03	43.68	44.33
Step 16	44.23	44.23	44.89	45.57
Step 17		45.12	45.80	46.48

B.

1. Flight Attendants shall move to Step 1 at the completion of one (1) year of employment with the Company as a Flight Attendant, and will thereafter move up one (1) step on her/his Flight Attendant anniversary date. Flight Attendants on the payroll as of the date of execution of this contract shall retain their step rate and move into the next step on their anniversary date.



Alaska Airlines

Section 21 Compensation

2. Flight Attendants must fly or be credited 480 TFP in a calendar year to be eligible to move up a step. A Flight Attendant on an unpaid personal, military, extended, medical, maternity, FMLA, Alaska Family Leave, worker's compensation or parental leave of absence or on furlough will have the 480 TFP threshold reduced by one and one-third (1.333) TFP for each day on which s/he was on the leave of absence. A Flight Attendant with less than one calendar year of service will have the 480 TFP threshold reduced by one and one-third (1.333) TFP for each day from January 1 to her/his hire date.
- C. For the purposes of pay computation, a standard TFP shall be any flight for which the nonstop mileage according to the CAB or DOT Book of Airport to Airport mileage is two hundred forty-three (243) miles or less. A non-standard TFP shall be any flight for which the nonstop mileage exceeds two hundred forty-three (243) miles. In the event, however, there is in effect during the term of this Agreement, a non-standard TFP pay formula for Alaska Airlines pilots which would, if applied to Flight Attendants, be more beneficial to the Flight Attendants, then the nonstandard TFP formula used for pilots shall also apply to Flight Attendants.
- D. Flight Attendants will be paid for non-standard TFP at the rate of one standard TFP as set forth in paragraph 1 above, plus one-tenth (.1) TFP for each forty (40) mile increment over two hundred forty-three (243) miles, rounded up or down to the nearest forty (40) mile increment, unless a formula more favorable to the Flight Attendants is required under Section 21, paragraph C. above.
- E. A Flight Attendant's pay for a given bid month will include all TFP which is flown or credited in that bid month, except when a duty period overlaps from one bid month to the next, in which case the TFP for entire overlapping duty period is included in the pay for the bid month in which the duty period began.
- F. Each flight shall have an "A position" ("B" on a Combi Aircraft) Flight Attendant. Each Flight Attendant who flies in the "A" position shall receive two dollars (\$2.00) for each TFP flown or credited.
- G. Flight Attendants will be paid 2.0 times her/his applicable trip rate for flights flown including surface deadhead, on Thanksgiving Day, Christmas Day and Independence Day. For Reserves, 1.0 goes toward the reserve guarantee, and 1.0 is paid above the Reserve's



guarantee on flights actually flown, including surface deadhead. A Flight Attendant will be eligible for this holiday pay for any flight, including surface deadhead which begins and/or ends on the actual day of the holidays named in this provision.

- H. Flight Attendant will be paid one dollar (\$1.00) per TFP for each flight flown into and out of the United States for all international destinations for which customs paperwork is not pre-cleared.
- I. Spanish Qualified Flight Attendants (SQ) flying in a designated SQ position will be paid, in addition to all other compensation, \$1.00 per TFP for each SQ flight flown.
- J. In addition to the pay outlined above, Flight Attendants will receive compensation in the following situations:
 - 1. When the aircraft is held awaiting departure, regardless of where the aircraft is positioned, and the Flight Attendant is required to remain on duty (not including turn times); and
 - 2. When the actual flight time exceeds the scheduled block-to-block time.

In the foregoing situations, Flight Attendants will be paid at one-half (0.5) TFP per hour, prorated and rounded up to the nearest .1 TFP, at the Flight Attendant's step rate. For ground holding and delays, delay times are not accruable until after the delay has exceeded ten minutes (:10). If the delay exceeds ten minutes (:10), the first ten minutes (:10) of the delay is counted.

- 3. When an aircraft is diverted en route due to conditions at the originally scheduled destination, the actual block to block time will be compared with that of the originally scheduled segment for the purpose of Section 21.J.2. It is understood that the airport pair of the actual segment will be different from that of the originally scheduled segment. Compensation under Section 21.J.2. if appropriate, shall be in addition to any other applicable compensation as provided by the agreement.
- 4. When there is a delay of an aircraft that delays the scheduled departure time of a Flight Attendant's first flight of a sequence, the Flight Attendant will be entitled to ground delay pay until the flight blocks out if the actual departure is 11 or more



Alaska Airlines

Section 21 Compensation

minutes past the scheduled departure.

5. When there is a delay of an aircraft that delays the scheduled departure time of a Flight Attendant's subsequent flights of the sequence, the Flight Attendant will be entitled to ground delay pay until the flight blocks out if the actual ground time exceeds the scheduled ground time by 11 minutes.
- K. When a Flight Attendant is assigned to publicity, promotional or other special assignments and as a result is removed from her/his regular sequence assignment in order to participate in the special assignment, s/he should receive the appropriate trip rate for flights or sequences missed as a result of the special assignment. If the Company requests a Flight Attendant accept a special assignment on her/his duty time and the Flight Attendant accepts such assignment, the Company will compensate the Flight Attendant at a rate acceptable to the Flight Attendant. A Reserve Flight Attendant will be credited with six (6) standard TFP at the "A" position.
- L. Charters and other flying including promotional and sightseeing shall be paid or credited at the rate of two (2.0) times the applicable trip rate. If food service is offered on a charter, each Flight Attendant will receive five dollars (\$5.00) in addition to all other applicable pay.
- M. A Flight Attendant who deadheads at Company request shall be paid or credited the appropriate trip rate for the flight on which s/he deadheads. Flight Attendants shall be paid and credited at one-half (0.5) a standard trip rate for each surface deadhead segment.
- N. If any flights appearing on a Flight Attendant's line of time are canceled due to weather, mechanical or to suit Company convenience, and such flights are not made up the same day or days in the case of multiple sequences including an overnight, the Flight Attendant shall be paid according to her/his schedule bid for the TFP scheduled. A Flight Attendant who has cancelled flying in a duty day, and a surface deadhead segment during the same duty day, will be paid the one-half (0.5) TFP associated with the surface deadhead in Section 28.E in addition to any pay protection already due under this paragraph.



- O. In the event a Flight Attendant is stranded due to weather, mechanical problems, or to suit Company convenience, s/he will receive pay as follows:
1. As in N. above; or
 2. commencing with the time the aircraft blocks in at the gate or is scheduled to depart from the gate, whichever is appropriate, at the station at which it is stranded and terminating with the time the aircraft blocks out of the station at which it is stranded, each Flight Attendant will be paid one (1) TFP for each four (4) hours of such period (over two (2) hours shall count as a full four (4) hours; two (2) hours or less shall not count), whichever is greater.
- P. Any Flight Attendant who is at the highest step of the pay scale as of January 1 will be eligible for a profitability bonus, based on the profitability of Alaska Airlines during the ensuing calendar year as follows:

<u>Operating Profit Margin</u>	<u>Bonus Percentage</u>
Less than 3%	0
3.0 – 6.0%	20% of COLA
6.01 – 8.0%	30% of COLA
8.01 – 10.0 %	50% of COLA
10.01 – 12.0%	70% of COLA
Over 12.01%	100% of COLA

As used herein:

1. COLA shall be the percentage change (of not less than zero) in the Consumer Price Index for Urban Wage Earners and Clerical Workers', U.S., published by the Bureau of Labor Statistics, U.S. Department of Labor, comparing statistics for December in the year for which the profitability bonus is earned with statistics for December in the previous year.
2. The Company's operating Profit Margin shall be defined as Operating Profits divided by Operating Revenues. All figures shall be audited figures of Alaska Airlines, Inc., which are publicly reported pursuant to S.E.C. reporting requirements, for the calendar year for which the profitability bonus is earned. The Association shall have the right to verify such numbers to the



Alaska Airlines

Section 21 Compensation

extent that any such information would be available to shareholders of the Company. Calculations shall be based on the operating results of Alaska Airlines only, excluding the results from any subsidiary, parent, or affiliated company.

3. The profitability bonus will be based on all TFP flown or credited during the calendar year, multiplied by the step rate in Section 21 A, multiplied by the Bonus Percentage described above. The profitability bonus will be paid in April of the following year.



A. The Flight Attendants' insurance plan shall be separated from the Company-wide plan, and shall provide benefits comparable to those offered under the Alaska Airlines pilot's insurance program, subject to the following limitation:

1. Premiums: A flight Attendant's contribution toward PPO rates will not exceed eighteen percent (18%) of the PPO's medical/dental/vision cost. A flight Attendant's contribution toward the PPO plan will not be increased by more than fifteen percent (15%) per year, and will not exceed the following amounts:

Maximum Employee Contributions					
2006-2010 CONTRACT					
		1/1/2009	1/1/2010	1/1/2011	1/1/2012
Employee Only	Contract Max		\$87.24	\$100.32	\$115.37
	Actual	\$75.86	\$81.37		
Employee + Spouse	Contract Max		\$174.48	\$200.65	\$230.75
	Actual	\$151.72	\$162.74		
Employee + Children	Contract Max		\$148.30	\$170.55	\$196.13
	Actual	\$128.96	\$138.33		
Employee + Family	Contract Max		\$235.54	\$270.87	\$311.51
	Actual	\$204.82	\$219.70		
Actual is 18% of the PPO cost but not greater than 15% over prior year's actual rate. New maximum rates are based on current (2009) rates plus 15% per year.					

2. The 2012 rates will remain in effect until re-negotiated in a successor-collective-bargaining agreement.
3. The Company will offer a high-deductible group-insurance plan. Flight Attendants will pay no more than any other work group to participate in the plan.



Alaska Airlines

Section 23 Insurance Benefits

4. For Health Maintenance Organizations (HMO), where offered, the Flight Attendant will pay the difference between the entire cost of the HMO and the Company contribution for the PPO plan, subject to a minimum Flight Attendant contribution of the amount charged to PPO plan participants.
5. Flight Attendants participating in Alaska Health will pay the same amount as the Company's pilots do for the same plan.

B. Eligibility for Insurance

1. Flight Attendants must fly or be credited 480 TFP in a calendar year to be eligible for Company-paid medical, dental and vision insurance. A Flight Attendant on an unpaid personal, military, extended, medical, maternity, FMLA, Alaska Family Leave, worker's compensation or parental leave of absence, or on a furlough (including voluntary furlough) will have the 480 TFP threshold reduced by one and one-third (1.333) TFP for each day on which s/he was on the leave of absence or furlough. A Flight Attendant with less than one calendar year of service will have the 480 TFP threshold reduced by one and one-third (1.333) TFP for each day from January 1 to her/his hire date.
2. If the Flight Attendant is not credited with 480 TFP in the calendar year, s/he may elect to forego Company insurance coverage or to pay the entire premium.
3. Company-paid coverage will be restored in the first full month after the Flight Attendant flies or is credited 480 TFP in a calendar year.



- A. **Performance Based Pay (PBP):** Each Flight Attendant will receive the same percentage of her/his eligible earnings (as described in the Alaska Airlines, Inc. Profit Sharing Plan) as currently received by dispatchers (TWU) and non-represented front-line employees under the PBP plan. The PBP plan and plan provisions are subject to change by the Alaska Air Group Board of Directors.
- B. **Retroactive Lump Sum Payout:** at Date of Signing, active flight attendants of record as of Date of Signing, will receive a lump sum bonus equal to the normal payout for the 2008 plan year.
- C. The Company will match any Flight Attendant's pre-tax contribution to the 401(k) plan maintained by the Company, at the rate of \$1.00 for each one (\$1.00) contributed by the Flight Attendant, up to a maximum company contribution of seven percent (7%), with a maximum Company contribution of seven thousand dollars (\$7,000) per year.
- D. Vesting in General for 401(k) Company Match. A Member shall have a vested and nonforfeitable interest in that vested percentage portion of the balance credited to the Member's Matching Contributions Account at any time determined by reference to her/his completed years of Vesting Service in accordance with the following schedule:

Completed Years of Vesting Service	Vested Percentage
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

- E. Accelerated Vesting. A Member shall be fully vested and have a nonforfeitable interest in the balance credited to her/his Matching Contributions Account if:
 - 1. The employee becomes medically disabled; or
 - 2. The employee retires at or after age sixty-five (65); or



Alaska Airlines

Section 29 Profit Sharing

3. The employee retires at or after age sixty (60) with a minimum of twelve (12) years' service with the Company, or at or after age sixty-one and one-half (61-1/2) with a minimum of ten (10) years service with the Company.
- F. Receipt of monthly retirement benefits will not be required in order for a retired Flight Attendant to qualify for retiree travel privileges. However, all other age requirements and vesting and/or Company service requirements as provided in the Alaska Airlines, Inc. Retirement Plan for Flight Attendants and the Alaska Airlines Pass Policy remain in effect for any retiree pass privileges.



Alaska Airlines

**Section 33
Duration**

This Agreement, except as otherwise specifically stated, shall become effective May 1, 2006, and shall continue in full force and effect through May 1, 2012 and shall renew itself without change until each succeeding May 1 thereafter, unless written notice of intended change is served in accordance with Section 6, Title 1 of the Railway Labor Act, as amended by either party hereto, at least sixty (60) days prior to May 1, 2011, or any May 1 thereafter.

The parties agree to engage in Section 6 negotiations for a period of twelve (12) months; if no tentative agreement has been reached at the end of twelve (12) months, the parties will jointly request mediation under the auspices of the National Mediation Board.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this 10th day of MARCH, 2009.

WITNESS:

FOR ASSOCIATION OF FLIGHT
ATTENDANTS-CWA, AFL-CIO

Patricia A. Friend
International President

Kelle Wells
MEC President

Deanna Hill
MEC Vice President

Renee Elson
MEC Secretary-Treasurer

Kimberley Chaput
Senior Staff Negotiator

WITNESS:

FOR ALASKA AIRLINES, INC

Ann Ardizzone
VP, Inflight Services

Kelley Dobbs
VP, Human Resources & Labor
Relations

Elizabeth Ryan
Managing Director, Labor Relations-Air