

Step-By-Step Vacation Election Process

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The possible options during the election process include:

- Elect seven (7) days of paid or unpaid FLEX vacation
- Sell at least six (6) days of vacation back to the company. The 2018 Vacation Buy Back premium will be paid at ½ of 1%. (If you elect this option, you may not elect FLEX vacation.)
- Defer a minimum of seven (7) or a maximum of fourteen (14) days into your 401(k) account.

Note: Values for all of the above will be determined by your base rate of pay as of January 1, 2018.

Deferred 401(k) Contribution:

Flight Attendants may elect to contribute a minimum of seven days and a maximum of fourteen (14) days of paid vacation accrued for use in 2018 into their 401(k)-savings plan account or UK Group Stakeholder Plan. Vacation days are paid at 3:15 hours per day based on your hourly rate of pay as of January 1, 2018.

Example:

Flight Attendant A – 5 th year	Flight Attendant – 17 th year
Defer 7 days into 401(k)	Defer 7 days into 401(k)
3:15 (vacation hours) x 7 (days chosen to defer) = 22:45	3:15 (vacation hours) x 7 (days chosen to defer) = 22:45
Decimal Vacation Values: 3.25/day & 22.75/7days	
22:45 x \$36.04 (base rate) = \$819.81	22:45 x \$63.24 (base rate) = \$1,438.71

The value of vacation hours deferred into your 401(k) are not subject to Federal Income Tax Withholding.

Vacation Buy Back:

Section 12.D. of our JCBA requires a “vacation buy back option” that provides Flight Attendants with the option to sell accrued vacation back to the company at a premium. Flight Attendants may opt to sell at least six days of accrued vacation. The value of the days sold back will be established based on your rate of pay as of January 1, 2018 X the value of a vacation day, 3:25. The premium for 2018 Vacation Buy Back is ½ of 1%. During the first quarter of 2018, you will be paid the value of the days sold plus a .5% premium. Keep in mind, if you elect to sell vacation back to the company through the Vacation Buy Back option, you may not obtain additional days via FLEX.

Our JCBA also provide an option for a monthly Vacation Buy Back: The Company may offer vacation buy back on a month-to-month or base-by-base basis. The Company will determine whether to offer an incentive payment for month-to-month or base-by-base buy back. Vacation buy back will be awarded in Base seniority order.

The Buy Back option is subject to all applicable income tax withholding when paid during the first quarter of 2018.

Flex Vacation Program:

Flight Attendants may elect to take an additional seven days of Flex vacation. Flight Attendants taking Flex vacation will either take the additional seven days as unpaid vacation or elect to have one hour and fifty-four minutes (1:54) pay deducted from their earnings each month to pay for the Flex vacation week. Flight Attendants who opt for Flex vacation should be aware that the first seven vacation days in the calendar year will be designated as Flex.

Sample Calculation for **Paid** Flex Vacation:

Flight Attendant A – 5 th year	Flight Attendant B – 17 th year
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Purchase 7 days of PAID Flex	Purchase 7 days of PAID Flex
1:54 Minutes Pay Deducted Each Month = 22:48	1:54 Minutes Pay Deducted from Each Month = 22:48
Decimal Value of 22:48 is 22.80	
Vacation Value as of 1/1/2018: \$36.04 X 22.8 = \$821.71	Vacation Value as of 1/1/2018: \$63.24 X 22.8 = \$1441.87
Deduction for each of 24 paychecks = \$34.24	Deduction for each of 24 paychecks= \$60.08

NOTE: Value of PAID Flex vacation will be determined using the base rate of pay on January 1, 2018 and does not include overrides.