



Jobs · Security · Prosperity

UNION'S 2nd ECONOMIC PROPOSAL

for

CONTRACT NEGOTIATIONS

between

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,**

AND IT'S

AEROSPACE/DEFENSE INDUSTRY RELATED DISTRICT LODGE 725

**AREA 5-LOCAL LODGE 2228 (SANTA CLARA COUNTY,
CALIFORNIA),**

(SANTA CRUZ COUNTY, CALIFORNIA)

CALIFORNIA CENTRAL COAST LODGE 2786

(SANTA BARBARA COUNTY, CALIFORNIA)

MISSILES AND ELECTRONICS DISTRICT LODGE 166

LOCAL LODGE 610 (BREVARD COUNTY FLORIDA)

AND

**LOCKHEED MARTIN SPACE SYSTEMS
COMPANY**

MISSILE & SPACE OPERATIONS

February 25, 2011

**THE UNION RESERVES THE RIGHT TO ADD TO, AMEND,
MODIFY, OR DELETE FROM THIS PROPOSAL DURING
NEGOTIATIONS. IT ALSO RESERVES THE RIGHT TO MAKE
COUNTER-PROPOSALS.**

PARTICULAR DEMAND	ADDITION OR IMPROVEMENT
<u>(1) Pension Plan</u>	<ul style="list-style-type: none"> • Increase to \$97.00 per month per year of Corporate service (past and future) and retroactive to January 1, 2011 with no reduction for early retirement. • Remove forty (40) year cap. • Increase bridged retirement amount to \$35.00 retroactive to January 1, 2011. • Add Pop-Up language as in the current CBA in Fort Worth retroactive to January 1, 2011. • Same COLA Formula for current and future retirees as in the current Agreement retroactive to January 1, 2011. • Add \$5.00 COLA Adjustment escalator for current retirees. • Modify continuous service to credited service for 85 points
HSP 401(K)	<ul style="list-style-type: none"> • Modify the 401K to be allowed to follow the current maximum federal government allowances and increase employees matched contribution up to \$80.00 and increase company match to 70%.
Basic Benefit Plan	<ul style="list-style-type: none"> • Basic Benefit Plan – Increase to \$90.00 a quarter. For employees hired after 3/1/05 the basic benefit increased to \$120.00 per quarter.
<u>(2) Job Security</u> Article I, Section 14	<ul style="list-style-type: none"> • No bargaining unit employee will be laid off, surplus, reassigned or reclassified as a result of subcontracting, out-sourcing or in-sourcing.
Article IV, Section 6	<ul style="list-style-type: none"> • Employees laid off after attaining seniority of 3 years or greater shall receive a severance package consisting of 3-months pay and benefits
Article V Section 9	<ul style="list-style-type: none"> • Loss of employee's job classification as a result of New Technology shall require the Company to offer training for jobs at an equivalent rate of pay, at Company expense.
<u>(3) Employee Benefits</u> Article V Section 2	<ul style="list-style-type: none"> • Increase vacation accrual: • Zero (0) to Five (5) years = Ten (10) days/Eighty (80) hrs; Six (6) to Ten (10) years = Fifteen (15) days/One hundred twenty (120) hours; Eleven (11) years plus = Twenty (20) days/One hundred sixty (160) hours.
Article V Section 3	<ul style="list-style-type: none"> • Sick Leave – To have 60 hours at the employees' regularly assigned work schedule.
Article V Section 4	<ul style="list-style-type: none"> • One additional holiday for each year of the Agreement – Martin Luther King, Jr. Day. • (1) The Company recognizes the following holiday

schedule during the period of this Agreement

2011

Memorial Day	Monday	05/30/11	8
Independence Day	Monday	07/04/11	8
Labor Day	Monday	09/05/11	8
Thanksgiving	Thursday	11/24/11	8
	Friday	11/25/11	8
Christmas Holiday	Friday	12/23/11	8
	Monday	12/26/11	8
	Tuesday	12/27/11	8
	Wednesday	12/28/11	8
	Thursday	12/29/11	8
	Friday	12/30/11	8

Total Holiday Hours 88

2012

New Year's	Monday	01/02/12	8
MLK Day	Monday	01/16/12	8
Memorial Day	Monday	05/28/12	8
Independence Day	Wednesday	07/04/12	8
Labor Day	Monday	09/03/12	8
Thanksgiving	Thursday	11/22/12	8
	Friday	11/23/12	8
Christmas Holiday	Monday	12/24/12	8
	Tuesday	12/25/12	8
	Wednesday	12/26/12	8
	Thursday	12/27/12	8
	Friday	12/28/12	8
	Monday	12/31/12	8

Total Holiday Hours 104

2013

New Year	Tuesday	01/01/13	8
MLK Day	Monday	01/21/13	8
Memorial Day	Monday	05/27/13	8
Independence Day	Thursday	07/04/13	8
	Friday	07/05/13	8
Labor Day	Monday	09/02/13	8
Thanksgiving	Thursday	11/28/13	8
	Friday	11/29/13	8
Christmas Holiday	Monday	12/23/13	8
	Tuesday	12/24/13	8
	Wednesday	12/25/13	8
	Thursday	12/26/13	8
	Friday	12/27/13	8
	Monday	12/30/13	8
	Tuesday	12/31/13	8

Total Holiday Hours 120

2014

	<table border="1"> <tr> <td>New Year</td> <td>Wednesday</td> <td>01/01/14</td> <td>8</td> </tr> <tr> <td>MLK Day</td> <td>Monday</td> <td>01/20/14</td> <td>8</td> </tr> <tr> <td colspan="3">Total Holiday Hours</td> <td>16</td> </tr> </table>	New Year	Wednesday	01/01/14	8	MLK Day	Monday	01/20/14	8	Total Holiday Hours			16
New Year	Wednesday	01/01/14	8										
MLK Day	Monday	01/20/14	8										
Total Holiday Hours			16										
Article V (New Section)	<ul style="list-style-type: none"> Bereavement Leave – 3 days for immediate family. Same definition for immediate family as in the Fort Worth CBA. 												
<u>(4) Medical & Healthcare Coverage</u>	<ul style="list-style-type: none"> Maintain current medical providers. Continue the 87% company premium and 13% employee premium for healthcare. MERMP lifetime max increase to \$30,000; single \$375, family \$750. Maintain existing minimum retiree contribution. Short Term Disability - \$450.00 per week benefit up to 27 weeks unless provided by SDI. Vision Coverage – Company provides Vision 12 Plan in the Agreement. Dental Coverage – Basic Plan increase maximum to \$1,600.00 and Comprehensive Plan increase maximum \$2,100.00. Hearing – Same as in Fort Worth Agreement – to provide for hearing aids. Life and AD&D – Increase to \$45,000.00 												
Retirement Benefits (New Language)	<ul style="list-style-type: none"> Early Retiree Medical Coverage – Increase company contribution to \$7,000.00 annually for single coverage and \$14,000.00 for family coverage. For those early retirees who “opt out” of Early Retiree Medical Coverage, the Company will provide that the equivalent amount of the Company Medical subsidy will be paid directly to the retiree in their monthly retirement benefits. After declining or cancelling coverage, you will not be able to re-enroll during an annual enrollment period. You may be able to re-enroll if a qualified status change or special enrollment rule applies – subject to all plan eligibility and enrollment requirements. To do so, you must contact the Lockheed Martin Employee Service Center. 												
Article V Section 8	<ul style="list-style-type: none"> Military Reserve Training Leave – Employees performing a required assignment shall receive the pay difference between the employee’s salary and their military pay up to 28 days annually. 												
Article VI Section 1	<ul style="list-style-type: none"> ARP’s schedule to increase to \$0.50 every three (3) months to max rate in 60 months. 												

	<ul style="list-style-type: none"> • Increase promotion rate of pay to \$0.50.
Article VI Section 2A (7) (New Language)	<ul style="list-style-type: none"> • Paid time off will count as hours worked for the purpose of overtime.
Article VI Section 4	<ul style="list-style-type: none"> • Shift Differential – Second shift \$1.00 per hour. Third shift \$.50 per hour.
Article VI Section 10	<p style="text-align: center;">FIELD DUTY</p> <ul style="list-style-type: none"> • Field Duty – Employees traveling on TDY receive an additional \$1.00 added to the hourly rate starting from the first day of travel.
Article VIII Section 7 and 8 Article V Section 4	<ul style="list-style-type: none"> • Eliminate the lower tier of the Two Tier pay schedule. • Raise minimum pay rate by 10% prior to GWI's. • Change overtime rates: Involuntary: In-week & Saturday = two (2) times rate of pay; Sunday & Holiday = three (3) times rate of pay
<u>(5) General Wage Increases</u> Article VIII, Section 8 Article VI Section 11	<ul style="list-style-type: none"> • Effective 3/5/11, 6% GWI; Effective 3/3/12, 5% GWI; Effective 3/2/13, 4.5% GWI. • All GWI's are to be applied to the minimums and maximums of labor grades and in grade positions of all employees. • The current COLA formula to read: And so forth with \$.01 point change in the Average Index for the appropriate date set forth in Paragraph (4) above.
Article VIII Section 6	<ul style="list-style-type: none"> • Increase the annual supplements to \$1,200.00.

Article III, Section 4

- Remove restrictions on union grievances.
- Contract Termination 3/2/2014

PROPOSALS TO AMEND SUMMARY PLAN DESCRIPTIONS

Lockheed Group Insurance Plan for Retirees – LMC ZT9, page 12

Add directly above chart on page 12

For those early retirees who “opt out” of Early Retiree Medical Coverage, the Company will provide that the equivalent amount of the Company Medical subsidy will be paid directly to the retiree in their monthly retirement benefits.

Modify paragraph on page 16

After declining or cancelling coverage, you will ~~not~~ be able to ~~re~~-enroll during an annual enrollment period. You may be able to ~~re~~-enroll if a qualified status change or special enrollment rule applies – subject to all plan eligibility and enrollment requirements. To do so, you must contact the Lockheed Martin Employee Service Center.

Local Economic Issues

- Article II Section 4. Health and Safety
(Safety glasses \$250.00)
- Article IV Section 5B (2)e
(Shift transfer notice)
- Article V Section 3E
(Unused sick and injury leave)
- Article VI Section 2A (7)
(Paid time off)
- Uncoded letter #31
(Safety Shoe Cost Reimbursement - \$250.00)