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IAM, PBGC Discuss UAL/Continental Pensions

Machinists' Union representatives met with acting director of the Pension Benefit Guaranty Corporation (PBGC) Vince Snowbarger and his staff to discuss the impact a merger between United Airlines and Continental Airlines could have on employee pension plans.

General Vice President Robert Roach, Jr., District 141 President Rich Delaney, District 142 President Tom Higginbotham and members of the IAM's legal and strategic resources departments described the importance of preserving our member's defined benefit pension plans and retirement security.

"This meeting was part of a continuing process to address our membership's concerns," said GVP Roach. "The IAM will take whatever steps necessary to protect our members."

Continental ramp service, stock clerks and public contact employees all participate in a Continental company-sponsored defined benefit pension plan, while their IAM-represented counterparts at United participate in the multi-employer IAM National Pension Plan (NPP). Continental's IAM-represented flight attendants also participate in one of Continental's defined benefit pension plans and have negotiated the IAM NPP as a contingency plan. United flight attendants do not currently have a defined benefit pension plan.

"The Machinists Union will not allow pensions to become a causality of this merger," said Higginbotham.

"Pensions are not a reward," added Delaney. "Our members have earned their pensions over a period of decades."

The PBGC supplied general responses to the IAM's questions, but would not address UAL/Continental specifically. They did, however, advise that we should discuss any proposals concerning pensions with the PBGC before any agreements are reached. As the merger proposal moves forward, the IAM and PBGC will remain in touch to discuss developments that may occur.