

2024 Contract Highlights

- 31% in base wage increases throughout 5-year agreement
- General Wage increase each year of the agreement: 11%, 4%, 5%, 6% and 5%
- New Directable Lump Sum of \$3,000 each year which can be directed to HSA, 401(k), or paid out to the employee in your paycheck (This replaces Performance Bonus Plan)
- New Longevity Bonus:
 - 5-10 years of service: \$250
 - 10-15 years of service: \$500
 - 15+ years of service: \$1,000
- New Technical pay premium of \$1.50 per hour for eligible classifications
- New License pay premium of \$2.00 to all employees holding an eligible license
- Automatic Quarterly Increases raised to \$0.30/hour
- COLA cap increased from \$700 to \$1,500
- TSP Company Match increased from 50% of 7% to 50% of 9%
- RISP Company contribution increased from 6% to 7%
- Defined Benefit plan negotiated new rate increases
 - \$62 on 9/23/2024
 - \$63 on 9/22/2025
 - \$64 on 9/21/2026
 - \$66 on 9/20/2027
- New Insurance premium increases capped at 3% for Low, High, and Max deductible plans
- Insurance premium rates will remain at 2025 rates for the No Deductible plan for life of the agreement
- Employees with less than 5 years of service will now have 40 hours of ETO
- 1 hour of ETO awarded for every 20 hours of overtime worked



Insurance Premium Cap

Your bargaining committee successfully negotiated caps on increases to health insurance premiums over the life of the contract. Specifically:

- Premiums in the No Deductible plan will remain the same for the life of the contract.
- The amount you pay for low, maximum, and high deductible plans will not increase by more than 3% per year—even if health insurance rates increase by more than that!
- We have not had caps for 14 years.

Did you know? The average family insurance premium in the US increased by 7% in 2024, according to research by the Kaiser Family Foundation.

- Locking in a maximum increase of 3% for the life of the contract means you know your premiums will not reach this high of a level!
- Even if the premiums were to increase by 3% each year, 3% of the cost of health insurance is far less than a 3% increase in GWI – because your wages are much higher than health care costs.

How Wage Increases Affect Your Wage

The average hourly rate in 2024 is about \$30 per hour. The negotiated GWIs mean the average wage will increase as follows:

Year	General Wage Increase	Average Wage*	Annual Wage (2,080 hours)	Annual Increase from Current Wage	Weekly Increase from Current Wage
Current	NA	\$30.00	\$62,400	NA	NA
1	11%	\$33.30	\$69,264	\$6,864	\$132.00
2	4%	\$34.63	\$72,030	\$9,630	\$185.20
3	5%	\$36.36	\$75,629	\$13,229	\$254.40
4	6%	\$38.54	\$80,163	\$17,763	\$341.60
5	5%	\$40.47	\$84,178	\$21,778	\$418.80

*Not including automatic increases or COLA payout.



Adding up all of those increases over 5 years means that the average IAM members will have received nearly **\$70,000 more in wages** over the life of the agreement (based on 2,080 hours per year).

How Health Care Cost Increases Affect Your Take-Home Pay

While increases in health care premiums means that some of these wage gains may be offset, health care cost increases are far less money than the GWIs.

	2024 Weekly Cost	Maximum Weekly Cost in 2029 (if costs go up 3% a year)	Maximum Weekly Increase by 2029 (if costs go up 3% a year)
Low Deductible Plan (\$50-99k rates)			
Employee Only	\$33.06	\$38.32	\$5.27
Employee + 1	\$55.58	\$64.43	\$8.85
Employee +2 or more	\$78.60	\$91.11	\$12.52
High Deductible Plan (\$50-99k rates)			
Employee Only	\$13.46	\$15.61	\$2.14
Employee + 1	\$27.42	\$31.79	\$4.37
Employee +2 or more	\$39.65	\$45.97	\$6.32

As an example from what the chart shows, the highest possible increase would be \$12.52 per week by the fifth year of the contract. This GWI increase far outweighs the insurance premium increases, which is offset by the roughly \$419 a week increase in average wages by that year! Refer to the wage chart on page one.



Directable Lump Sum versus Bonus and HSA

Your bargaining committee negotiated a \$3,000 Directable Lump Sum payment every year of the contract, for you to use as you see fit. You can choose to:

- Take it as a cash payout,
- Deposit it into your Health Savings Account (HSA) to cover out of pocket medical expenses,
- Put in your 401(k) to help save for your retirement which we've never had before or
- Split it up however you choose among three options.

(There are great tax advantages to putting it in your 401(k) or HSA!)

The Directable Lump Sum is designed to replace the Performance Bonus Plan, which on average paid \$920 per year during the past 4 years—so a guaranteed \$3,000 payment annually is an improvement.

The company and union have negotiated this in part due to the structure in company contributions to the HSA. Even with the structure in the HSA, all IAM members will come out ahead of where they were before.

Here are some examples:

Example 1: Family in High Deductible HSA Plan		
	Previous	New Agreement
Performance Bonus Pay (old) / Directable Lump Sum (new)	\$920*	\$3,000
Company HSA Contribution	\$2,000	\$1,000
Total Per Year	\$2,920	\$4,000
*Based off of the average payout over the life of the current agreement.		



Example 2: Single Person in Low Deductible Plan

	Previous	New Agreement
Performance Bonus Pay (old) / Directable Lump Sum (new)	\$920*	\$3,000
Company HSA Contribution	\$1,000	\$500
Total Per Year	\$1,920	\$3,500

*Based off of the average payout over the life of the current agreement.

Example 3: Any Employee Who Waives Textron Insurance, or in No Deductible Plan

	Previous	New Agreement
Performance Bonus Pay (old) / Directable Lump Sum (new)	\$920*	\$3,000
Company HSA Contribution	\$0	\$0
Total Per Year	\$920	\$3,000

*Based off of the average payout over the life of the current agreement.

Remember, you can choose to deposit any or all of your Directable Lump Sum into your HSA account—providing you and your family more money and more financial flexibility. (You may also make regular contributions out of your wages and COLAs to your HSA at any time.)

