

Summary of
International Association of Machinists and Aerospace Workers
and
Elbit Systems of America's
Best and Final Offer
November 15, 2011

David Faith



IAMAW District Lodge 776
Business Representative

Yuval Ramon



Senior Vice President, Operations
Elbit Systems of America

- **Ratification Bonus: \$1,500**
- 2011 ICP Bonus Plan will be paid before Christmas, 2011
- **GW: 2011 – 2.5%; 2012 – 2.0%; 2013 – 2.0%**
- For E/E Assembler B employees whose labor rate is less than \$12/hour, increase base rate to \$12/hour first full pay period following ratification
- For Electro-mechanical Assembler employees whose labor rate is less than \$11.50/hour, increase base rate to \$11.50/hour first full pay period following ratification
- Provide \$1/hour increase for employees who are required to and become HAZMAT certified
- Company will re-open opportunity to take advantage of the Enhanced Voluntary Lay-Off Program during the first quarter of 2012
- Article 4 – Section 5 – Reduce allowable length of continuous loans of employees between job classifications from twenty (20) to ten (10) weeks
- Company will introduce new performance evaluation system designed to assist employees in achieving goals set forth in the Performance Based Incentive Plan. The evaluation system will not be used for disciplinary action for any reason
- Article 5 – Hours of Work and Overtime -- Effective January, 2012, the Company will institute a 9-day, 80 hour workweek

Hours of Work and Overtime

Section 1. The regular work schedule shall consist of a 9 day – 80 hour rotation. The regular work week will consist of 9-hour shifts Monday-Thursday, with the first Friday of the rotation period having an 8-hour shift, and the second Friday being an off-day. Pay periods begin at midshift (e.g. 11:00 a.m. on first shift) on Friday, and one minute past midshift (e.g. 11:01 a.m. on first shift) on the following Friday. However, nothing in this agreement shall be construed as a guarantee of hours of work per day or per week. The hours of work for the first shift are 7:00 a.m. to 4:45 p.m., Monday through Thursday, and 7:00 a.m.-3:45 p.m. for working Fridays. The hours of operation for second shift are 5:30 p.m. to 3:15 a.m. Monday through Thursday, and 5:30 pm to 2:15 a.m. for working Fridays. The hours for third shift are 8:15 p.m. to 6:00 a.m. Monday through Thursday and 8:15 p.m. to 5:00 a.m. for working Fridays. The Company may change by not to exceed two (2) hours, the standard shift hours for Shipping and Receiving Material Processors, Machine Tool and Equipment Repair and Diagnostics Test Technicians. Any additional deviations from the above provisions will be negotiated between the Company and the Union on a case by case basis.

- Article Five, Section 3(A) – Revise as follows:
 - “Employees who attempt to take advantage of the overtime provisions and lay off during the straight time pay period may not be assigned to overtime work during that pay period or the following pay period.”
- Article Five, Section 7 – Revise first sentence as follows: “Records shall be kept of overtime worked by employees with the purpose of distributing overtime work equally (within 70 pay hours) among employees in a work cell, capable of performing such available work.”
- Article Six – Holidays - Increase Number of Holidays from 32 to 34

2011

Thanksgiving - Day before	November 23
Thanksgiving Day	November 24
Christmas Holidays	December 26
	December 27
	December 28
	December 29

2012

New Year's Day	January 2
Memorial Day	May 28
Independence Day	July 4
Labor Day	September 3
Thanksgiving & Day After	November 22 November 23
Christmas Eve to Year End	December 24 December 25 December 26 December 27 December 28 December 31

2013

New Year's Day	January 1
Memorial Day	May 27
Independence Day	July 4
Labor Day	September 2
Thanksgiving & Day After	November 27 November 28 (off Friday hits on 29)
Christmas Eve to Year End	December 24 December 25 December 26 December 27 December 30 December 31

2014

New Year's Day	January 1
Memorial Day	May 26
Independence Day	July 4
Labor Day	September 1

- Article 7 – PTO
 - Company will add twenty-two (22) additional hours on a one time basis to each current employee's PTO bank

- Employees will provide one week's notice for use of one full week or more of PTO, except in emergency situations
- For use of PTO less than a full week, employees will use their best efforts to make such request 24 hours in advance. For leaves of 1 hour or less, employees shall make such request at least 1 hour in advance. All requests for PTO will be approved based on production levels and needs.
- Employees may use PTO without prior notice in case of Emergency (including, but not limited to, severe illnesses or injuries for employee or immediate family members, severe weather, natural disasters, or acts of God.) However, repeated and pervasive failures to provide notice for use of PTO may subject the employee to the attendance control policy currently in place.
- Article 8 – Union Representation and Grievance Procedure
 - Committeepersons will function singly, except in cases involving the potential removal of a represented employee from Company property and where more than one representative of the Company is involved. In such cases, one additional committeeperson may serve as a silent witness.
 - Company agrees to add "and/or" in place of "and" in first sentence of Art. 8, Sec. 11.
 - Company agrees to add committeeperson if second and/or third shift has 15 or more represented employees
- Article Nine – Seniority
 - Preferential hiring rights for qualified employees for openings at other Elbit locations
 - Revise Section 8 (D) to provide that employees bumping to a job in a lower grade will move at their current rate
 - Improve internal posting system by requiring announcement of vacancies at weekly department meetings, and posting on bulletin board and intranet.
- Article Fifteen – Group Health Benefits
 - Despite rapidly increasing health care costs, only modest increases to employee contributions (see attached charts)
 - Additional tiers added to both health plans potentially providing significant premium reductions for employees electing these plans
- Article Sixteen – Retirement Benefits
 - During the term of this agreement, the Parties agree to examine retirement benefits, including reasonable consideration of alternative retirement plans, to determine the most efficient and sustainable means to provide such benefits to the entire workforce.
- Article Seventeen – Incentive Bonus Plan
 - Creation of new, clearly measured incentive bonus plan with transparent, objective metrics (see attached)
 - Minimum available bonus pool for distribution based on achieving goals will be 3% of base wages

- Pool is guaranteed to be at least 3% of base wages for the life of the contract, with any increases the Company offers to salaried staff also to be applicable for the bargaining unit.

- Article Twenty-One – Duration
 - Parties agreed to restrict the use of past practices that could erode the contract and the rights and obligations set forth therein.
 - Contract ends November 16, 2014 at 11:59 p.m.