



## **For pilots with a Date of Hire prior to the Date of Signing:**

Pilots may select only one of the three options. Election period to be determined.

### **Option 1: Legacy Defined Benefit (DB) and Defined Contribution (DC) Plan**

**1**

- Legacy Defined Benefit (DB) plan:
  - Increased cap to \$340,000 for retirements after DOS
  - 9% of compensation contribution to Defined Contribution (DC) plan (subject to Code/IRS limits)
- Increased cap (\$340,000) also applied to pilots retiring between April 8 and DOS

### **Option 2: Market Based Cash Balance (MBCB) Plan and DC Plan**

**2**

- DB plan subject to a soft freeze with DB cap of \$290,000 and YOS frozen as of December 31, 2027
  - Vesting service will continue to accrue
- Compensation credit under the MBCB Plan effective January 1, 2028
  - Compensation credit designed to reflect 9% of compensation, not subject to 401(a)(17) cap, with an increase to 10% of compensation, not subject to 401(a)(17) cap, effective January 1, 2029
  - Compensation credit accrues quarterly, determined based on fleet, seat, and year group as of beginning of quarter and hours worked as of end of quarter
- 9% of compensation contribution to DC plan (subject to Code/IRS limits). Company contribution amounts that would otherwise be contributed to the pilot's non-elective Company contribution account for the participant under the PRSP but for Code Sections 415(c) and 401(a)(17) shall be paid directly to the pilot in cash, effective January 1, 2028

### **Option 3: DC Plan with Cash-Over-IRS-Cap**

**3**

- DB plan subject to a soft freeze with DB cap of \$290,000 and YOS frozen as of December 31, 2027
  - Vesting service will continue to accrue
- 18% DC plan (subject to Code/IRS limits) effective January 1, 2028, with an increase to 19% of compensation effective January 1, 2029 (subject to Code/IRS limits)
- Company contribution amounts that would otherwise be contributed to the pilot's non-elective Company contribution account for the participant under the PRSP but for Code Sections 415(c) and 401(a)(17) shall be paid directly to the pilot in cash



## Pilots hired on or after Date of Signing

- Legacy DB plan closed to new hires as of DOS.
- Market Based Cash Balance (MBCB) Plan and DC Plan effective January 1, 2028:
  - Compensation credit under the MBCB Plan (with opening balance determined retroactive to date of hire for pre-January 1, 2028 hires)
    - Compensation credit designed to reflect 9% of compensation, not subject to 401(a)(17) cap, with an increase to 10% of compensation, not subject to 401(a)(17) cap, effective January 1, 2029.
    - Compensation credit accrues quarterly, determined based on fleet, seat, and year group as of beginning of quarter and hours worked as of end of quarter.
  - 9% of compensation contribution to DC plan (subject to Code/IRS limits). Company contribution amounts that would otherwise be contributed to the pilot's non-elective Company contribution account for the participant under the PRSP but for Code Sections 415(c) and 401(a)(17) shall be paid directly to the pilot in cash, effective January 1, 2028

## Additional Terms for MBCB and DC Plan with Cash-Over-IRS-Cap option and DC Plan with Cash-Over-IRS-Cap option

- Transition payment for pilots with 25 or more years of service as of June 1, 2027 who elect Option 2 or Option 3 equal to 7/12ths of the difference between 18% of 2027 compensation (not subject to 401(a)(17) cap) and 9% of 2027 compensation (subject to 401(a)(17) cap).
- To avoid duplicative benefit accruals in the transition period, legacy DB plan accrual for pilots who move, effective January 1, 2028, to MBCB Plan or DC plan with enhanced contribution and cash-over-401(a)(17)-cap will be pro-rated to reflect 7/12th annual accrual for period of June 1, 2027 to December 31, 2027.
- Crediting for pilots on LTD consistent with TA for MBCB Plan. For Option 2/Post-DOS hire and Option 3, MBCB accruals and DC contributions for pilots on LTD will be calculated so those pilots receive 85% of the contribution they would receive if their LTD benefit was 100%, rather than the reduced 50% or 60%, of compensation as calculated under the LTD plan.
- Crediting for pilots on MLOA consistent with prior settlement agreement.

## Other Agreed-To Section 28 Terms

- Section 28.F: End of Career Sick Leave Advanced Notice of Planned Retirement Bonus
  - A pilot's bonus shall be the lesser of:
    - 50% of eligible earnings in excess of \$580,000 in preceding 24 calendar months;
    - 50% of pilot's closing DSA bank balance, multiplied by the pilot's last hourly rate; or
    - 343 x highest Section 3 pay rate in effect.
- Ancillary items from TA not already adopted in December 2025 LOA