Part 2 of 2
Understanding Section 16
INVOLUNTARY FURLough
Hawaiian AFA MEC
Topics of Discussion

- Notification
  (WARN Notice vs Furlough Notice)
- Furlough Pay
- Furlough Medical Benefits
- CAIC Coverage
- Travel Benefits
- Ratification Bonus Upon Separation
- Union Dues
- Ground School Training
- Unemployment
- Process of Recall
- Separation at 5 Years
WARN Notice vs. Furlough Notice

**WARN Notice**
- 60 days
- Federal/State Requirement
- Notice of potential mass furlough

**Furlough Notice**
- 14 Days or 30 Days
- Contractual Requirement
- Notice of an actual furlough
How will the company notify me if I am getting Involuntarily Furloughed?

- Furlough Notices will come in (2) forms
  - Email
    - Company Email and Personal Email on file
  - Hard Copy
    - Sent via Certified mail

In the notification email, a comprehensive document will be included that will have detailed information regarding a checklist for the Involuntary Furloughee
The amount of furlough pay due per day shall be the maximum monthly hours divided by thirty (30) at the rate of pay to which her/his longevity entitles her/him, which shall be no less than those rates provided in the 1993 Agreement. “Furlough Pay” will be itemized on a Flight Attendant’s paycheck when furlough pay is a part of the gross amount of the paycheck. Flight Attendants shall receive furlough pay no later than the regular pay periods.

<table>
<thead>
<tr>
<th>If Flight Attendant has completed:</th>
<th>She/he will receive furlough pay for:</th>
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<tbody>
<tr>
<td>1 year but less than 2 years</td>
<td>15 days</td>
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<tr>
<td>2 years but less than 3 years</td>
<td>21 days</td>
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<tr>
<td>3 years but less than 4 years</td>
<td>28 days</td>
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<tr>
<td>4 years but less than 5 years</td>
<td>35 days</td>
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<tr>
<td>5 years but less than 6 years</td>
<td>42 days</td>
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<tr>
<td>6 years but less than 7 years</td>
<td>49 days</td>
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<tr>
<td>7 years but less than 8 years</td>
<td>56 days</td>
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<tr>
<td>8 years but less than 9 years</td>
<td>63 days</td>
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<tr>
<td>9 years but less than 10 years</td>
<td>70 days</td>
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<tr>
<td>10 years but less than 11 years</td>
<td>77 days</td>
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<tr>
<td>11 years but less than 12 years</td>
<td>84 days</td>
</tr>
<tr>
<td>12 years but less than 13 years</td>
<td>91 days</td>
</tr>
<tr>
<td>13 years or more</td>
<td>98 days</td>
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How to calculate Furlough Pay

Monthly maximum is 90 hours. Divide that by 30 to get the daily credit. 90 ÷ 30 = 3 hours of daily credit. (fixed number)

You are entitled to "x" days of furlough pay. 3 credit hours per day times “x” = “y” total hours of credit.

“Rate of pay” multiplied by “y” = Furlough Pay

Example:
John Kealoha
Years of Service: 2 years (less than 3 years)
Rate of pay: $32.45

This is the total credit John is entitled to
21 (days of furlough pay) x 3 (credit hours) = 63

$32.45 x 63 = $2044.35 [gross pay]
The Company shall continue to provide for furloughed non-probationary Flight Attendants the medical coverage in effect as of the date of such furlough for a period of up to sixty (60) days. Thereafter, such coverage shall be extended at the Flight Attendant's expense for as long as she/he remains on the seniority list and makes current payments of premiums as they become payable. Payment for such coverage must be received in the Personnel Office by the 20th of the month prior to the month covered. SEC 16.S

Medical Benefits

When you are furloughed the company will continue whatever medical coverage you already have in place for 60 days. After 60 days you have the option to continue that coverage by paying the premiums on your own through COBRA.

**If you did not previously have medical coverage, it will not start due to this provision**
Medical Benefit Questions

- If I am on a COVID or Offset Leave and get Involuntarily Furloughed do I continue my medical coverage as agreed upon in my leave?
  - No. You are now considered Involuntary Furloughed so any agreement under the COVID-19 Side Letter or Offset Leave will **not** apply.

- If I want to extend my medical past the 60 Days, how do I make payments to the company?
  - The company is working on a process where the Flight Attendant can make online payments directly to the vendor. Currently it is done manually by HR.
This chart shows how much you would pay under COBRA. If you are not sure what plan you are enrolled in, it’s listed under "Your Benefits Summary" on HA.BenefitsNow.com.
HA Employee
Health and Welfare Benefits Plan

COBRA is found on page 11

COBRA information can be found on
HA.BenefitsNow.com
• For any purpose that is not considered a "rescission" under Health Care Reform.

When required by law or regulation, the Plan Administrator will provide written notice of retroactive termination. The Plan may recover from you amounts it paid for services provided to you or your covered dependents after the date coverage was terminated.

**COBRA Continuation Coverage**

**Summary**
The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) may provide a temporary extension of group health coverage to you, and/or your spouse or dependents under certain circumstances (called “qualifying events”) when coverage would otherwise end. “Qualifying events” would include, for example, termination of employment, reduction in hours, divorce, death or a child’s ceasing to meet the Plan’s definition of dependent. While COBRA does not give your domestic partner or civil union partner (or their dependents) any rights, Hawaiian extends COBRA-like coverage to them.

At the time you enroll in a health plan that is subject to COBRA (e.g. medical, dental, vision, EAP and Health Care Flexible Spending Account benefits), you will receive a notice explaining your rights under COBRA, and certain important notice requirements. The contents of that notice are incorporated by this reference. For more information about COBRA rights, please refer to the COBRA notice, and also refer to the specific COBRA information in the Benefit Booklets and Plan document.

The Plan provides no greater COBRA rights than what COBRA requires—nothing in this SPD is intended to expand your rights beyond COBRA’s requirements. COBRA does not apply to any benefits that are not health benefits (e.g. Life, LTD, or AD&D benefits).

**Alternatives To COBRA**
You should examine your options carefully before accepting or declining COBRA. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse’s plan). Some of these options may cost less than COBRA continuation coverage, but remember that COBRA coverage generally applies from the date of your qualifying event, whereas coverage under the Health Insurance Marketplace applies prospectively, leaving you with a gap in coverage. You can learn more about these options at www.healthcare.gov.

**Contact Information**
If you have any questions about COBRA coverage, please contact the COBRA Administrator:

Conexis
6191 North State Hwy 161, Suite 400, Irving, TX  75038
877.722.2667 8 am- 8 pm EST (2 am -2 pm Hawaiian Time)
www.conexis.com

You may also contact the Plan Administrator: www.Ha.benefitsnow.com or 855-694-2236
Hawaiian Airlines, Inc.
3375 Koapaka Street, Suite G350
Honolulu, HI 96819
808-835-3700

You may also contact the nearest Regional or District Office of the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA’s website at www.dol.gov/ebsa.
Keep Your Plan Informed of Address Changes

In order to protect your and your family’s rights, you should keep Hawaiian informed of any changes in your and your family members’ addresses. You should also keep a copy, for your records, of any notices you send to Hawaiian or the COBRA Administrator.

Special COBRA Rights for California Employees

If you are enrolled in a medical HMO or insured medical coverage in California at the time of your initial qualifying event, you and your eligible dependents may be eligible to extend COBRA coverage from 18 or 29 months to a total of 36 months measured from the date of the original qualifying event. The HMO or insurance company may charge up to 110% of the cost (disabled individuals may be charged up to 150% of the cost). This special California continuation benefit is provided by the HMOs and insurance companies and is not Hawaiian’s responsibility. Contact your HMO or insurance carrier to find out whether you are eligible for this continuation benefit and how to obtain it.

Converting Coverage After Termination

If you are eligible to convert your coverage to an individual policy, you will be sent a conversion notice within the last one hundred eighty (180) days of COBRA coverage. Contact the applicable HMO or insurance company for information on converting to an individual policy. HMOs and insurance companies will sometimes permit you to continue membership or equivalent coverage under an individual policy. Conversion rights may also be available to your spouse and/or dependent child(ren). However, the cost of conversion coverage is usually high, and conversion coverage often will not offer the same comprehensive coverage as the Plan. For more information about conversion rights, contact the applicable HMO or insurance company.

Notices

Grandfathered Health Plans

The group health plans offered under the Plan believe that they are “grandfathered health plans” under the Affordable Care Act. As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Plan Administrator at Hawaiian Airlines, Inc. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

Certificate of Creditable Coverage

Pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), you and your spouse and dependent child(ren) who lose group health coverage must receive certification of your coverage under the Plan. You may need this certification if you later become covered by a new employer’s plan, or under an individual policy.

You, your spouse, your domestic/ civil union partner, and/or dependent child(ren) will receive a coverage certificate when your Plan coverage terminates, again when COBRA coverage terminates (if applicable and if you elected COBRA), and again upon your request (if the request is made within 24 months following either termination of coverage). To request a certificate of creditable coverage you must contact either the Plan Administrator or contact the specific carrier from whom you had the coverage. Carrier contact information is listed in the Appendix.

You should keep a copy of the coverage certificate(s) you receive, as you may need to prove you had prior coverage when you join a new health plan. For example, if you obtain new employment and your new employer’s plan has a pre-existing condition limitation (which delays coverage for conditions treated before you were eligible for the new plan), the employer may be required to reduce the duration of the limitation by one day for each day you had prior coverage (subject to certain requirements). If you are purchasing individual coverage, you may need to present the coverage certificate to your insurer at that time as well.
LEAVE/FURLough UPDATE

NATIONAL GROUP PROTECTION / CAIC
Supplemental Benefits

Accident • Critical Illness • Hospital Indemnity
• Short-Term Disability • Whole Life Insurance

Update / Reminder:

• Premiums are suspended during your leave/furlough for up to a maximum of 6 months.
• The leave/furlough periods do not need to be consecutive – the suspension of premiums is for a combined total of 6 months.
• Once premiums have been suspended for a total of six months, you can continue your supplemental benefits coverage (with the exception of short-term disability) by paying premiums directly to CAIC. Please contact National Group Protection (NGP) for more details.
• If you return to work, please contact NGP to ensure your payroll deductions are restarted.

Customer Service | Claims Assistance | Questions?
Contact National Group Protection at (800) 344-9016 or service@ngp-ins.com

9/4/20
Travel Benefits

- Fight Attendants and their dependents shall have travel privileges for up to (1) year – interline and reduced rate travel.

- Other Airline travel qualifications may vary. Please check with the airline you intend to travel on.

- Qualified furloughees will have jumpseat privileges [On HA flights only] for one (1) year from the date of furlough, subject to seniority and availability.
"Retirement or Separation

If a Flight Attendant retires or separates from the Company prior to the conclusion of the twelve (12) pay-periods referenced in paragraph 2., above, she/he will be paid a lump sum for the remaining balance allocated by the Association to her/him, and all provisions of paragraphs 3. and 4. will apply."

Letter of Agreement – Ratification Payment - #5
If a member is involuntarily furloughed, once no longer receiving compensation (furlough pay) dues are no longer required and the member will then become inactive with the AFA. There is NO 3 month dues obligation period as with a leave of absence.

If a member has an outstanding balance prior to involuntary furlough a deferral can be requested from the MEC. This means repayment can be delayed until they have returned to active status. The balance will remain in their account until that time.

Inactive status, means a member does not have the right to vote, run or hold office.

Unlike a leave of absence, there is no way to remain in active status when involuntary furloughed.
## Flight Attendant Training Policy
### IFM page 12-61 Re-Qualification Training

<table>
<thead>
<tr>
<th>Time out of Qualification</th>
<th>Training Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 6 months</td>
<td>Recurrent Training</td>
</tr>
<tr>
<td>7 - 18 months</td>
<td>Above plus one training flight with instructor</td>
</tr>
<tr>
<td>19 - 30 months</td>
<td>Above plus Transition Training</td>
</tr>
<tr>
<td>More than 30 months</td>
<td>Initial New Hire Training</td>
</tr>
</tbody>
</table>

- Training will be paid at the company’s expense
- A Flight Attendant will not be able to attend any training if she/he has been Involuntarily Furloughed
The AFA does not have authority or input on issues as it pertains to State Unemployment Insurance.

The Company will inform you that you may apply for UI. This does not mean that you will qualify for UI. What it does mean, is that everyone has the right/ability to apply for UI. Applying and qualifying are entirely different matters.

Visit huiclaims2.hawaii.gov or www.edd.ca.gov for additional information and a "Benefits Estimator"
Recalling of Involuntary Furloughed Flight Attendants

- The company shall recall Flight Attendants in seniority order.
- Please ensure to inform the company of your current contact information as this is the information they will use to notify of the recall.
- Upon receipt of the Recall Notification, Flight Attendants have 14 days to respond to the company of acceptance of the recall.
- A (non-probationary)furloughed Flight Attendant who refuses to accept a recall of more than (90) days shall be considered to have resigned.
FLIGHT ATTENDANTS FURLOUGHED SHALL RETAIN AND ACCRUE SENIORITY. ALL SUCH FURLOUGHS SHALL EXPIRE AT THE END OF FIVE (5) YEARS FROM THE EFFECTIVE DATE THEREOF, AND THE FLIGHT ATTENDANT SHALL CEASE TO HAVE PREFERENCE TO RE-EMPLOYMENT AND SHALL FORFEIT ALL SENIORITY AND LONGEVITY PREVIOUSLY ACCRUED.

SEC 16.J

Separation at 5 Years

A Flight Attendant loses their right to recall after 5 years of being Involuntarily Furloughed. Any hiring after the 5 year period, a furloughee is no longer considered attached to the company and must go through the hiring process again.
Involuntary Furlough Timeline

Timeline is based off of a October 1, 2020 Furlough Date

WARN Notice
60 Days Prior to Furlough
August 2, 2020

Furlough Notice
14 Days Prior to Furlough for Probationary Flight Attendants
August 31, 2020

Furlough Notice
30 Days Prior to Furlough for Non-Probationary Flight Attendants
September 17, 2020

Start of Flight Benefits for 1 year October 1, 2020

Start of Medical Coverage for 60 days October 1, 2020

Separation
5 Years After Furlough
October 1, 2025

**If you are recalled, this timeline restarts**