



IAM Air Transport District 142

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IAM/SOUTHWEST AIRLINES 401(K) PLAN MEMBERSHIP UPDATE

Dear Sisters and Brothers:

District Lodge 142 has received two complaints from a select few members concerning the 401(k) and how it is applied under the Collective Bargaining Agreement. I want to share the following membership update regarding this issue.

In October 2023, District Lodge 142 entered into a Letter of Agreement with Southwest Airlines, which made a significant improvement to the 401(k) plan for our membership beyond what any other employee group had or may have now. Specifically, the LOA states that the Company, for the first time, would contribute 4% of the employee's salary into each individual IAM Member's 401(k) regardless of whether the employee contributed or not. This is called a Non-Elective Contribution (NEC). It also ensures that the Company will still match, dollar for dollar, up to 5.3% of employee contribution.

This means that all IAM Members benefit. Those who never contributed previously now receive 4% of their salary into their 401(k) from the Company. Those who contribute the full 9.3% will still receive 9.3% from the Company. If a member wanted to reduce their personal contributions to 5.3%, they would still receive the 9.3% contribution from the Company and put that 4% back into their paycheck. This improvement has been in place since the beginning of 2024.

No other union's 401(k) plan would be an "improvement" over the IAM's 401(k) plan; therefore, there is nothing to enforce in Article 25. For the same reasons, there is nothing to invoke under section 5(b) of the Letter of Agreement. That section states that if another union "receives **any combination of Company match and NEC greater** than a cumulative total of 9.3%," we can reopen negotiations with the carrier. No other union has negotiated a combination of Company Match and NEC greater than what the IAM receives.

This is not a guess. Our experienced negotiators conducted a complete cost analysis of our plan at the time of the LOA and made the appropriate decision on behalf of District 142 Membership to sign the LOA. Since the two complaints were filed, your leadership asked for advice from the IAM Legal Department and our economists at IAM Headquarters to give us their expert opinions. It was determined that in 2024, almost 75% of our membership is better off under the current 401(k) plan as described in the LOA, as compared to any other model.

If you have any questions or concerns about your 401(k) plan, please feel free to contact your General Chair. We appreciate your continued support and solidarity.

Sincerely and fraternally,

John M. Coveny, Jr.
President/Directing General Chair

Oralia Beecher
General Chair

April Butler
General Chair

Kenny Champagne
General Chair

Lorraine Fraser
General Chair

Carrie Lessley
General Chair

JMC/et al/td

cc: R. Johnsen, General Vice-President, Air Transport Territory
E. Fraser, Chief of Staff, Air Transport Territory
T. Regan, Airline Coordinator, Air Transport Territory
J. Carlson, Air Transport Coordinator
DL 142 Executive Board

POST ON ALL IAM BULLETIN BOARDS