

COORDINATED ECONOMIC PROPOSALS

PARTICULAR DEMAND	ADDITION OR IMPROVEMENT																																																																																																				
<p><u>(1) Pension Plan</u> Part B, Article I, Section 3 Pg. 15-16</p>	<ul style="list-style-type: none"> • Increase to <u>\$99.00 per month, per 1st through 4th year</u> of Corporate service (past and future) and retroactive to January 1, 2014 with no reduction for early retirement. • Increase H-CAP contributions to <u>\$425.00</u> per quarter. • Increase bridged retirement amount to \$33.00 retroactive to January 1, 2014 • Add Pop-Up language as in the current CBA in Fort Worth retroactive to January 1, 2014. 																																																																																																				
<p>Part B, Article I, Section 3 Pg. 15-16</p>	<ul style="list-style-type: none"> • Modify the 401K to be allowed to follow the current maximum federal government allowances and increase employees matched contribution up to <u>\$78.00</u> and increase company match to <u>50%</u>. 																																																																																																				
<p>Part B, Article VI, Section 3 Pg. 104-106</p>	<ul style="list-style-type: none"> • (1) The Company recognizes the following holiday schedule during the period of this Agreement <p>: <u>2014</u></p> <table border="1" data-bbox="675 940 1383 1356"> <tr><td>Memorial Day</td><td>Monday</td><td>May</td><td>26</td></tr> <tr><td>Independence Day</td><td>Friday</td><td>July</td><td>04</td></tr> <tr><td>Labor Day</td><td>Monday</td><td>Sept</td><td>01</td></tr> <tr><td>Thanksgiving</td><td>Thursday</td><td>Nov</td><td>27</td></tr> <tr><td></td><td>Friday</td><td>Nov</td><td>28</td></tr> <tr><td>Christmas Holiday</td><td>Wednesday</td><td>Dec</td><td>24</td></tr> <tr><td></td><td>Thursday</td><td>Dec</td><td>25</td></tr> <tr><td></td><td>Friday</td><td>Dec</td><td>26</td></tr> <tr><td></td><td>Monday</td><td>Dec</td><td>29</td></tr> <tr><td></td><td>Tuesday</td><td>Dec</td><td>30</td></tr> <tr><td></td><td>Wednesday</td><td>Dec</td><td>31</td></tr> </table> <p><u>Total Holiday Hours 88</u></p> <p><u>2015</u></p> <table border="1" data-bbox="675 1432 1383 1959"> <tr><td>New Year's</td><td>Thursday</td><td>Jan</td><td>01</td></tr> <tr><td>MLK Day</td><td></td><td></td><td></td></tr> <tr><td>Memorial Day</td><td>Monday</td><td>May</td><td>25</td></tr> <tr><td>Independence Day</td><td>Friday</td><td>July</td><td>03</td></tr> <tr><td>Labor Day</td><td>Monday</td><td>Sept</td><td>07</td></tr> <tr><td>Thanksgiving</td><td>Thursday</td><td>Nov</td><td>26</td></tr> <tr><td></td><td>Friday</td><td>Nov</td><td>27</td></tr> <tr><td>Christmas Holiday</td><td><u>Wednesday</u></td><td><u>Dec</u></td><td><u>23</u></td></tr> <tr><td></td><td>Thursday</td><td>Dec</td><td>24</td></tr> <tr><td></td><td>Friday</td><td>Dec</td><td>25</td></tr> <tr><td></td><td>Monday</td><td>Dec</td><td>28</td></tr> <tr><td></td><td>Tuesday</td><td>Dec</td><td>29</td></tr> <tr><td></td><td>Wednesday</td><td>Dec</td><td>30</td></tr> <tr><td></td><td>Thursday</td><td>Dec</td><td>31</td></tr> </table>	Memorial Day	Monday	May	26	Independence Day	Friday	July	04	Labor Day	Monday	Sept	01	Thanksgiving	Thursday	Nov	27		Friday	Nov	28	Christmas Holiday	Wednesday	Dec	24		Thursday	Dec	25		Friday	Dec	26		Monday	Dec	29		Tuesday	Dec	30		Wednesday	Dec	31	New Year's	Thursday	Jan	01	MLK Day				Memorial Day	Monday	May	25	Independence Day	Friday	July	03	Labor Day	Monday	Sept	07	Thanksgiving	Thursday	Nov	26		Friday	Nov	27	Christmas Holiday	<u>Wednesday</u>	<u>Dec</u>	<u>23</u>		Thursday	Dec	24		Friday	Dec	25		Monday	Dec	28		Tuesday	Dec	29		Wednesday	Dec	30		Thursday	Dec	31
Memorial Day	Monday	May	26																																																																																																		
Independence Day	Friday	July	04																																																																																																		
Labor Day	Monday	Sept	01																																																																																																		
Thanksgiving	Thursday	Nov	27																																																																																																		
	Friday	Nov	28																																																																																																		
Christmas Holiday	Wednesday	Dec	24																																																																																																		
	Thursday	Dec	25																																																																																																		
	Friday	Dec	26																																																																																																		
	Monday	Dec	29																																																																																																		
	Tuesday	Dec	30																																																																																																		
	Wednesday	Dec	31																																																																																																		
New Year's	Thursday	Jan	01																																																																																																		
MLK Day																																																																																																					
Memorial Day	Monday	May	25																																																																																																		
Independence Day	Friday	July	03																																																																																																		
Labor Day	Monday	Sept	07																																																																																																		
Thanksgiving	Thursday	Nov	26																																																																																																		
	Friday	Nov	27																																																																																																		
Christmas Holiday	<u>Wednesday</u>	<u>Dec</u>	<u>23</u>																																																																																																		
	Thursday	Dec	24																																																																																																		
	Friday	Dec	25																																																																																																		
	Monday	Dec	28																																																																																																		
	Tuesday	Dec	29																																																																																																		
	Wednesday	Dec	30																																																																																																		
	Thursday	Dec	31																																																																																																		

COORDINATED ECONOMIC PROPOSALS

	<p>Total Holiday Hours 104</p> <hr/> <p>2016</p> <table border="1"> <tr><td>New Year</td><td>Friday</td><td>Jan</td><td>01</td></tr> <tr><td>MLK Day</td><td></td><td></td><td></td></tr> <tr><td>Memorial Day</td><td>Monday</td><td>May</td><td>30</td></tr> <tr><td>Independence Day</td><td>Monday</td><td>July</td><td>04</td></tr> <tr><td>Labor Day</td><td>Monday</td><td>Sept</td><td>05</td></tr> <tr><td>Thanksgiving</td><td>Thursday</td><td>Nov</td><td>24</td></tr> <tr><td></td><td>Friday</td><td>Nov</td><td>25</td></tr> <tr><td>Christmas Holiday</td><td>Friday</td><td>Dec</td><td>23</td></tr> <tr><td></td><td>Monday</td><td>Dec</td><td>26</td></tr> <tr><td></td><td>Tuesday</td><td>Dec</td><td>27</td></tr> <tr><td></td><td>Wednesday</td><td>Dec</td><td>28</td></tr> <tr><td></td><td>Thursday</td><td>Dec</td><td>29</td></tr> <tr><td></td><td>Friday</td><td>Dec</td><td>30</td></tr> </table> <p>Total Holiday Hours 96</p> <hr/> <p>2017</p> <table border="1"> <tr><td>New Years</td><td>Monday</td><td>Jan</td><td>02</td></tr> <tr><td><u>Memorial Day</u></td><td><u>Monday</u></td><td><u>May</u></td><td><u>29</u></td></tr> <tr><td><u>Independence Day</u></td><td><u>Monday</u></td><td><u>July</u></td><td><u>03</u></td></tr> <tr><td><u>Independence Day</u></td><td><u>Tuesday</u></td><td><u>July</u></td><td><u>04</u></td></tr> <tr><td><u>Labor Day</u></td><td><u>Monday</u></td><td><u>Sept</u></td><td><u>04</u></td></tr> <tr><td><u>Thanksgiving Day</u></td><td><u>Thursday</u></td><td><u>Nov</u></td><td><u>23</u></td></tr> <tr><td><u>Day after Thanksgiving Day</u></td><td><u>Friday</u></td><td><u>Nov</u></td><td><u>24</u></td></tr> <tr><td><u>Christmas Holiday</u></td><td><u>Friday</u></td><td><u>Dec</u></td><td><u>22</u></td></tr> <tr><td><u>Christmas Holiday</u></td><td><u>Monday</u></td><td><u>Dec</u></td><td><u>25</u></td></tr> <tr><td><u>Christmas Holiday</u></td><td><u>Tuesday</u></td><td><u>Dec</u></td><td><u>26</u></td></tr> <tr><td><u>Christmas Holiday</u></td><td><u>Wednesday</u></td><td><u>Dec</u></td><td><u>27</u></td></tr> <tr><td><u>Christmas Holiday</u></td><td><u>Thursday</u></td><td><u>Dec</u></td><td><u>28</u></td></tr> <tr><td><u>Christmas Holiday</u></td><td><u>Friday</u></td><td><u>Dec</u></td><td><u>29</u></td></tr> </table> <p>Total Holiday Hours 104</p> <hr/> <p>2018</p> <table border="1"> <tr><td><u>New Years</u></td><td><u>Monday</u></td><td><u>Jan</u></td><td><u>01</u></td></tr> </table> <p>Total Holiday Hours 8</p>	New Year	Friday	Jan	01	MLK Day				Memorial Day	Monday	May	30	Independence Day	Monday	July	04	Labor Day	Monday	Sept	05	Thanksgiving	Thursday	Nov	24		Friday	Nov	25	Christmas Holiday	Friday	Dec	23		Monday	Dec	26		Tuesday	Dec	27		Wednesday	Dec	28		Thursday	Dec	29		Friday	Dec	30	New Years	Monday	Jan	02	<u>Memorial Day</u>	<u>Monday</u>	<u>May</u>	<u>29</u>	<u>Independence Day</u>	<u>Monday</u>	<u>July</u>	<u>03</u>	<u>Independence Day</u>	<u>Tuesday</u>	<u>July</u>	<u>04</u>	<u>Labor Day</u>	<u>Monday</u>	<u>Sept</u>	<u>04</u>	<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>Nov</u>	<u>23</u>	<u>Day after Thanksgiving Day</u>	<u>Friday</u>	<u>Nov</u>	<u>24</u>	<u>Christmas Holiday</u>	<u>Friday</u>	<u>Dec</u>	<u>22</u>	<u>Christmas Holiday</u>	<u>Monday</u>	<u>Dec</u>	<u>25</u>	<u>Christmas Holiday</u>	<u>Tuesday</u>	<u>Dec</u>	<u>26</u>	<u>Christmas Holiday</u>	<u>Wednesday</u>	<u>Dec</u>	<u>27</u>	<u>Christmas Holiday</u>	<u>Thursday</u>	<u>Dec</u>	<u>28</u>	<u>Christmas Holiday</u>	<u>Friday</u>	<u>Dec</u>	<u>29</u>	<u>New Years</u>	<u>Monday</u>	<u>Jan</u>	<u>01</u>
New Year	Friday	Jan	01																																																																																																										
MLK Day																																																																																																													
Memorial Day	Monday	May	30																																																																																																										
Independence Day	Monday	July	04																																																																																																										
Labor Day	Monday	Sept	05																																																																																																										
Thanksgiving	Thursday	Nov	24																																																																																																										
	Friday	Nov	25																																																																																																										
Christmas Holiday	Friday	Dec	23																																																																																																										
	Monday	Dec	26																																																																																																										
	Tuesday	Dec	27																																																																																																										
	Wednesday	Dec	28																																																																																																										
	Thursday	Dec	29																																																																																																										
	Friday	Dec	30																																																																																																										
New Years	Monday	Jan	02																																																																																																										
<u>Memorial Day</u>	<u>Monday</u>	<u>May</u>	<u>29</u>																																																																																																										
<u>Independence Day</u>	<u>Monday</u>	<u>July</u>	<u>03</u>																																																																																																										
<u>Independence Day</u>	<u>Tuesday</u>	<u>July</u>	<u>04</u>																																																																																																										
<u>Labor Day</u>	<u>Monday</u>	<u>Sept</u>	<u>04</u>																																																																																																										
<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>Nov</u>	<u>23</u>																																																																																																										
<u>Day after Thanksgiving Day</u>	<u>Friday</u>	<u>Nov</u>	<u>24</u>																																																																																																										
<u>Christmas Holiday</u>	<u>Friday</u>	<u>Dec</u>	<u>22</u>																																																																																																										
<u>Christmas Holiday</u>	<u>Monday</u>	<u>Dec</u>	<u>25</u>																																																																																																										
<u>Christmas Holiday</u>	<u>Tuesday</u>	<u>Dec</u>	<u>26</u>																																																																																																										
<u>Christmas Holiday</u>	<u>Wednesday</u>	<u>Dec</u>	<u>27</u>																																																																																																										
<u>Christmas Holiday</u>	<u>Thursday</u>	<u>Dec</u>	<u>28</u>																																																																																																										
<u>Christmas Holiday</u>	<u>Friday</u>	<u>Dec</u>	<u>29</u>																																																																																																										
<u>New Years</u>	<u>Monday</u>	<u>Jan</u>	<u>01</u>																																																																																																										
<p>Part B, Article VI, Section 4 Pg. 106-108 <u>Company Agreed</u></p>	<ul style="list-style-type: none"> Bereavement Leave – 3 days unpaid for immediate family. Same definition for immediate family (Parent/Spouse/SameSexPartner/Lockheed Registered Dependents). 																																																																																																												
<p><u>(4) Medical & Healthcare Coverage</u></p>	<ul style="list-style-type: none"> Maintain current medical providers. Add Kaiser HMO. 																																																																																																												

COORDINATED ECONOMIC PROPOSALS

<p><u>Agreed to Company's AD&D</u></p>	<ul style="list-style-type: none"> • <u>Maintain current percentages for employee's share of the medical premiums.</u> • Maintain current calendar year deductibles & out of pocket maximums. <u>Beginning January 1, 2015 and each January thereafter,</u> Health Fund Company contributions of <u>\$300.00</u> for employee; <u>\$600.00</u> for employee+1; <u>will be made in addition to Healthy Actions currently offered,</u> plus any incentives offered to salaried at respective plants. • MERMP – <u>maintain existing language.</u> • Medicare supplement – <u>maintain existing language.</u> • Short Term Disability- <u>\$375.00</u> per week benefit up to 27 weeks unless provided by State SDI. • <u>See Attachment</u>
	<ul style="list-style-type: none"> • Make Kaiser HMO available for all <u>employees and early retirees.</u> • Early Retiree Medical Coverage – Increase company contribution <u>to \$6,100.00</u> annually for single coverage and <u>\$12,200.00</u> for family coverage. • After declining or cancelling coverage, you will be able to enroll/re-enroll during an annual enrollment period. You will be able to enroll/re-enroll if a qualified status change or special enrollment rule applies – subject to all plan eligibility and enrollment requirements. To do so, you must contact the Lockheed Martin Employee Service Center.
<p>Part B, Article VII, Section 1 Pg. 115</p>	<ul style="list-style-type: none"> • ARP's schedule to increase to <u>\$0.50 every four (4)</u> months. • Increase promotion rate of pay to <u>\$0.50</u> or to the minimum of the classification to which promoted whichever is greater.
<p><u>(5) General Wage Increases</u> Part B, Article VIII, Section 4 Pg. 146-149</p>	<ul style="list-style-type: none"> • <u>Effective 3/8/14, 2.5% GWI; Effective 3/7/15, 2.5% GWI; Effective 3/5/16, 3% GWI; Effective 3/4/17, 3% GWI for all sites.</u> • All GWI's are to be applied to the minimums and maximums of labor grades and in grade positions of all employees. • <u>Maintain current COLA formula for all current and future employees for duration of the contract at all sites.</u> • Apply the annual COLA supplements of <u>\$800.00 for all current and future employees.</u>

COORDINATED ECONOMIC PROPOSALS

Article III, Section 3

Pg. 47

- Remove restrictions on union grievances.

PROPOSALS TO AMEND SUMMARY PLAN DESCRIPTIONS

Lockheed Group Insurance Plan for Retirees – LMC ZT9, page 12

Modify paragraph on page 16

After declining or cancelling coverage, you will be able to enroll/re-enroll during an annual enrollment period. You will be able to enroll/re-enroll if a qualified status change or special enrollment rule applies – subject to all plan eligibility and enrollment requirements. To do so, you must contact the Lockheed Martin Employee Service Center.

Attachment

If A) the premium for an insured plan or the premium-equivalent for a self-insurance plan will be above the PPACA Excise Tax threshold on high cost employer-sponsored health coverage at the next enrollment period based on actual quotes from insurance company(s) and/or actual cost & utilization under the self-insured plan(s), and B) the PPACA Excise Tax provisions will force the company to pay the excise tax in the period following that enrollment period, the Company may request negotiations with the Union to discuss ways to avoid the tax threshold.

In the event that mutual agreement cannot be reached, the Company may:

- Modify (a) the plan designed (such as deductibles and co-payments) and/or (b) Employer contributions to medical-related accounts (e.g. FSA or HRA) only to the extent it will lower the premium or premium-equivalent so that it is no longer above the threshold. The modifications cannot be greater than what is needed to not be above the threshold.
- In the event that only one classification of coverage is above the threshold, only modifications can be made to that classification. For example, if family coverage under a plan is above the threshold but single coverage is not, then only modifications can be made to reduce the costs associated with family coverage.
- In the event that A) the premium for an insured plan or the premium-equivalent for a self-insurance plan will be more than \$5,000 above the PPACA Excise Tax threshold on high cost employer-sponsored health coverage at the next enrollment period based on actual quotes from insurance company(s) and/or actual cost & utilization under the self-insured plan(s), and B) the PPACA Excise Tax provisions will force the company to pay the excise tax in the period following that enrollment period, the Company will not be required to continue offering that plan in future enrollment periods.

The Company and the Union will work together to modify the PPACA to eliminate the Excise Tax.

Company _____

Union _____

Date _____