

## COORDINATED ECONOMIC PROPOSALS

PARTICULAR DEMAND	ADDITION OR IMPROVEMENT																																																																																				
<b><u>(1) Pension Plan</u></b>	<ul style="list-style-type: none"> <li>• Increase to <b><u>\$99.00</u></b> per month per <b><u>1<sup>st</sup> through 4th year</u></b> Corporate service (past and future) and retroactive to January 1, 2014 with no reduction for early retirement.</li> <li>• Increase H-CAP contributions to <b><u>\$425.00</u></b> per quarter.</li> <li>• Increase bridged retirement amount to <b><u>\$33.00</u></b> retroactive to January 1, 2014.</li> <li>• Add Pop-Up language as in the current CBA in Fort Worth retroactive to January 1, 2014</li> </ul>																																																																																				
HSP 401(K)	<ul style="list-style-type: none"> <li>• Modify the 401K to be allowed to follow the current maximum federal government allowances and increase employees matched contribution up to <b><u>\$78.00</u></b> and increase company match to <b><u>50%</u></b>.</li> </ul>																																																																																				
Basic Benefit Plan	<ul style="list-style-type: none"> <li>• Basic Benefit Plan – Increase <b><u>\$70.00</u></b> a quarter. For employees hired after 3/1/05 the basic benefit increased to <b><u>\$110.00</u></b> per quarter.</li> </ul>																																																																																				
Article VI Section 3	<ul style="list-style-type: none"> <li>• The Company recognizes the following holiday schedule during the period of this Agreement</li> </ul> <p style="margin-left: 20px;">:</p> <p style="margin-left: 20px;"><b><u>2014</u></b></p> <table border="1" style="margin-left: 20px; width: 100%;"> <tbody> <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> </tbody> </table> <p style="margin-left: 20px;"><b><u>Total Holiday Hours                    88</u></b></p> <p style="margin-left: 20px;"><b><u>2015</u></b></p> <table border="1" style="margin-left: 20px; width: 100%;"> <tbody> <tr><td>New Year's</td><td>Thursday</td><td>Jan</td><td>01</td></tr> <tr><td>Memorial Day</td><td>Monday</td><td>May</td><td>25</td></tr> <tr><td>Independence Day</td><td>Monday</td><td>July</td><td>06</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>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> </tbody> </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	Memorial Day	Monday	May	25	Independence Day	Monday	July	06	Labor Day	Monday	Sept	07	Thanksgiving	Thursday	Nov	26		Friday	Nov	27	Christmas Holiday	Thursday	Dec	24		Friday	Dec	25		Monday	Dec	28		Tuesday	Dec	29
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																																																																																		
Memorial Day	Monday	May	25																																																																																		
Independence Day	Monday	July	06																																																																																		
Labor Day	Monday	Sept	07																																																																																		
Thanksgiving	Thursday	Nov	26																																																																																		
	Friday	Nov	27																																																																																		
Christmas Holiday	Thursday	Dec	24																																																																																		
	Friday	Dec	25																																																																																		
	Monday	Dec	28																																																																																		
	Tuesday	Dec	29																																																																																		

## COORDINATED ECONOMIC PROPOSALS

		Wednesday	Dec	30
		Thursday	Dec	31
	<b>Total Holiday Hours</b>	<b>96</b>		
	<b>2016</b>			
	New Year	Friday	Jan	01
	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
	<b>Total Holiday Hours</b>	<b>96</b>		
	<b>2017</b>			
	New Year	Monday	Jan	02
	<i>Memorial Day</i>	<i>Monday</i>	<i>May</i>	<i>29</i>
	<i>Independence Day</i>	<i>Monday</i>	<i>July</i>	<i>03</i>
	<i>Independence</i>	<i>Tuesday</i>	<i>July</i>	<i>04</i>
	<i>Labor Day</i>	<i>Monday</i>	<i>Sept</i>	<i>04</i>
	<i>Thanksgiving Day</i>	<i>Thursday</i>	<i>Nov</i>	<i>23</i>
	<i>Day After Thanksgiving Day</i>	<i>Friday</i>	<i>Nov</i>	<i>24</i>
	<i>Christmas Holiday</i>	<i>Friday</i>	<i>Dec</i>	<i>22</i>
	<i>Christmas Holiday</i>	<i>Monday</i>	<i>Dec</i>	<i>25</i>
	<i>Christmas Holiday</i>	<i>Tuesday</i>	<i>Dec</i>	<i>26</i>
	<i>Christmas Holiday</i>	<i>Wednesday</i>	<i>Dec</i>	<i>27</i>
	<i>Christmas Holiday</i>	<i>Thursday</i>	<i>Dec</i>	<i>28</i>
	<i>Christmas Holiday</i>	<i>Friday</i>	<i>Dec</i>	<i>29</i>
	<b>Total Holiday Hours</b>	<b>104</b>		
	<b>2018</b>			
	<i>New Year's</i>	<i>Monday</i>	<i>Jan</i>	<i>01</i>
Article VI (New Section)	<ul style="list-style-type: none"> <li>Bereavement Leave – 3 days <i>unpaid</i> for immediate family. Same definition for immediate family (Parent/Spouse/SameSexPartner/Lockheed Registered Dependents).</li> </ul>			
<b><u>(4) Medical &amp; Healthcare Coverage</u></b>	<ul style="list-style-type: none"> <li>Maintain all current medical providers. Add Site specific HMO choices.</li> <li><i>Maintain current percentages for employees share of the medical premiums.</i></li> </ul>			

## COORDINATED ECONOMIC PROPOSALS

	<ul style="list-style-type: none"> <li>• Maintain current calendar year deductibles &amp; out of pocket maximums. <b>In addition to Lockheed Martin healthy actions contributions the company will contribute to the employee's Health Fund <u>\$300.00</u> for employee; <u>\$600.00</u> for employee+1; <i>or more upon ratification and each year on January 1 for the duration of the agreement.</i></b></li> <li>• MERMP to maintain current contract language.</li> <li>• Medicare to maintain existing contract language and maintain minimum retiree contribution.</li> <li>• Short Term Disability - <b><u>\$375.00</u></b> per week benefit up to 27 weeks unless provided by State SDI.</li> <li>• Life and AD&amp;D – Increase to <b><u>\$38,000.00</u></b></li> <li>• <b><u>See Attachment</u></b></li> </ul>
Retirement Benefits	<ul style="list-style-type: none"> <li>• Early Retiree Medical Coverage – Increase company contribution to <b><u>\$6100.00</u></b> annually for single coverage and <b><u>\$12,200.00</u></b> for family coverage.</li> <li>• After declining or cancelling coverage, you will be able to re-enroll during an annual enrollment period. You may be able to 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.</li> </ul>
Article VII Section 1	<ul style="list-style-type: none"> <li>• ARP's schedule to increase to <b><u>\$0.50 every <i>four (4)</i> months to max rate.</u></b></li> </ul>
Page 92, Article VII, Section 14, Sub-section F See New language	<p style="text-align: center;"><b>FIELD DUTY</b></p> <ul style="list-style-type: none"> <li>• <b>An employee assigned to field duty shall receive a per diem for meals and incidental expenses at the rate approved by the U.S. Government. Lodging and air transportation shall be reimbursed for necessary, actual and reasonable business expenses while on field duty assignment. <i>The company reserves the right to amend, modify, or otherwise change the provision of this section if the U.S. government policy changes.</i></b></li> </ul>
<b><u>(5) General Wage Increases</u></b> Article VIII and Article VIII	<ul style="list-style-type: none"> <li>• <b><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></b></li> <li>• All GWI's are to be applied to the minimums and maximums of labor grades and in grade positions of all employees.</li> <li>• Increase the annual COLA supplements to <b><u>\$800.00</u></b></li> </ul>

## COORDINATED ECONOMIC PROPOSALS

	<p><i><u>for all present and future employees for the duration of the contract.</u></i></p>
<p>Page 16, Article I, Section 17, Machinists Non-Partisan League</p>	<ul style="list-style-type: none"><li>• The Company will deduct from the employee's wages and turn over to the Treasurer of the Machinists Non-Partisan Political League (MNPL) contributions by any employee, who desires to make such contributions to said MNPL and who individually and voluntarily authorizes the Company in writing, on an authorization form mutually agreed to between the Company and the Union, to make such deductions. All funds so deducted shall be forwarded monthly to the Treasurer of the MNPL as soon as reasonably possible after the end of each month in which deductions are made, accompanied by a record stating the name of employee, social security number, and amount contributed and so deducted,<ol style="list-style-type: none"><li>(1) Such deductions shall be made in accordance with instructions on said authorization cards which have been delivered by the Union to the Payroll Department of the Company.</li><li>(2) Such deductions shall be made each week from the employee's pay check for that week while an employee, as defined in Article I, Section I, of said Agreement. This section 17 shall be terminated in the event cognizant administrative authority determines that the cost of implementing the withholding procedure for the MNPL program must be borne by the Union unless the Union agrees to bear such cost.</li></ol></li></ul>

## **COORDINATED ECONOMIC PROPOSALS**

Article III, Section 4

- Article I Section 2 -Contract Termination date *3/4/18*
- Period of agreement December 1, *2017* through midnight December 31, *2017*.

### **PROPOSALS TO AMEND SUMMARY PLAN DESCRIPTIONS**

Modify paragraph on page 16

After declining or cancelling coverage, you will ~~not~~ be able to ~~re~~-enroll during an annual enrollment period. You may be able to ~~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.

#### **Employee Privileges**

Article VI Section 1 (Vacations)  
Change six consecutive months to 36 months

#### **Supplement F, New Letter, Acquisition of New Business**

**Agreed to companies proposal**

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 \_\_\_\_\_