

## 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 per month, per year</u></b> of 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> </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 company match remains <b>50%</b>.</li> </ul>
<b><u>(4) Medical &amp; Healthcare Coverage</u></b>	<ul style="list-style-type: none"> <li>• Maintain current medical providers. Add Site specific HMO choices.</li> <li>• <b><i>Maintain current percentages for employees share of the medical premiums.</i></b></li> <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; or more upon ratification and each year on January 1 for the duration of the agreement.</b></li> <li>• MERMP – Maintain existing language.</li> <li>• Medicare supplement –Maintain existing language</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>• <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 VI Section 1	<ul style="list-style-type: none"> <li>• ARP's schedule to increase to <b><u>\$0.50 every four (4)</u></b> months to max rate.</li> </ul>
<b><u>(5) General Wage Increases</u></b> Article VIII, Section 8	<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</li> </ul>

## COORDINATED ECONOMIC PROPOSALS

Article VI Section 11	maximums of labor grades and in grade positions of all employees. <ul style="list-style-type: none"><li>• <i>Maintain current COLA formula for all current and future employees for duration of the contract at all sites.</i></li><li>• Maintain COLA supplements of <b>\$800.00</b> for all <b>current and future employees.</b></li></ul>
-----------------------	--

- Contract Termination *3/4/2018*

### PROPOSALS TO AMEND SUMMARY PLAN DESCRIPTIONS

Modify paragraph on page 16

After declining or cancelling coverage, you will be able to enroll during an annual enrollment period. You may be able to 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.

### **Local Economic Issues**

- Part B, Section 3 Coded Letter B-10
- Article VI Section 10B- Field Duty Pay

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 \_\_\_\_\_