

ARTICLE 37 - SEVERANCE ALLOWANCE

(a) Any employee with one (1) year or more of service who is laid off for reasons other than those in paragraphs (b), (c) and (f) will receive severance allowance as provided in paragraph (e), subject to the limitations in this Article.

(b) Severance allowance will not be paid for layoffs of less than four (4) months duration which are due to seasonal schedule reductions.

(c) Severance allowance will not be paid if the layoff is the result of an Act of God, a national war emergency, revocation of the Company's operating certificate or certificates, grounding of a substantial number of the Company's aircraft for safety reasons, dismissal for cause, resignation, retirement, or a strike or picketing causing a temporary cessation of work.

(d) At the time of layoff, the Company will advise the employee in writing of the reasons for his release and whether it is for reasons outlined in paragraphs (a), (b) or (c) above. If the employee is released for reasons in (a) above, he will be eligible for the immediate payment of the severance allowance as provided in this Article. If the employee is released for reasons set forth in paragraph (b), and if at the expiration of four (4) months from the date of layoff he is not offered reemployment in other than a temporary job in accordance with Article 16, his layoff will be presumed to have been caused by factors covered in paragraph (a) above, and he will become entitled at that time to severance allowance, as provided in this Article. Temporary work which does not exceed a continuous period of forty-five (45) days will not be considered as breaking the four-month period of layoff.

(e) The amount of severance allowance payable under this Article to employees eligible is contained in the following table and will be based on length of compensated service with the Company from date of employment and will be in addition to all other benefits in this Agreement.

(1) (NA)

(2) A week of severance allowance will be computed on the basis of the employee's regular straight-time hourly rate at the time of layoff, multiplied by forty (40) hours.

If employee has completed:

Severance Allowance:

| | |
|--------------------|---------|
| 1 year of service | 3 weeks |
| 2 years of service | 3 weeks |
| 3 years of service | 4 weeks |
| 4 years of service | 5 weeks |
| 5 years of service | 6 weeks |

| | |
|---------------------|----------|
| 6 years of service | 7 weeks |
| 7 years of service | 8 weeks |
| 8 years of service | 9 weeks |
| 9 years of service | 10 weeks |
| 10 years of service | 11 weeks |
| 11 years of service | 12 weeks |
| 12 years of service | 13 weeks |

(f) If the employee is not reemployed by the Company within four (4) months from the effective date of his layoff, and he has at least one year of seniority as of the date of layoff, he will be entitled to an additional two (2) weeks severance allowance. In the event the employee is recalled to work under Article 16 before the expiration of four (4) months from the date of his layoff and is again laid off, he will be entitled to the additional two (2) weeks severance allowance if he is not reemployed by the Company within four (4) months from the effective date of such subsequent layoff.

(g) Severance allowance will not be granted when (1) the employee elects to exercise his seniority to remain with the Company in his own or a lower classification in accordance with Article 15; (2) he has, within four (4) months of layoff, been offered a job in accordance with Article 16, and has refused such job; or (3) he accepts any other employment offered by the Company prior to the expiration of four (4) months from the date of layoff.

(h) An employee recalled to work under the terms of Article 16, who is again laid off under conditions that would entitle him to severance allowance, will be entitled to the amount specified for his years of compensated service with the Company in accordance with paragraph (e) of this Article, less the dollar amount received on the occasion of the previous severances, provided that the dollar amount deduction will not be made if the employee completes at least one (1) additional year of compensated service with the Company from the date on which he reported for duty upon the occasion of the prior recall.

(i) An employee who has been given severance allowance at the time of layoff and who is rehired in less than the number of weeks covered by the severance allowance (plus an additional two (2) weeks if he also received two (2) weeks pay in lieu of notice) will have the amount of overpayment deducted from his subsequent earnings.

(j) An employee who has been reemployed under the conditions outlined in Article 37(h) and (i) will retain all seniority and length of service credit for pay and other purposes accrued prior to the date of his severance.