

Company Sick Proposal – November 4, 2011

The company recognizes that paid time off for illness or injury is an important benefit for all pilots. However, in recent years American's sick usage has far exceeded industry averages. This has caused significant scheduling problems for both pilots and the company. Higher sick usage compared to other carriers drives up our cost disadvantage and produces a negative impact on our reliability.

The vast majority of American pilots use sick as intended, but this benefit is also used for inappropriate reasons which puts an unfair burden on pilots who have to cover that time. The information within this proposal seeks to continue to ensure sick time is available for pilots when they need it, while eliminating abuse of the benefit and rewarding pilots for unused time.

In order to improve operational predictability and recognize those pilots that focus on maintaining good health, we are proposing a wellness incentive that rewards pilots for managing their sick usage throughout the year. The incentive program would allow qualifying pilots to cash out up to their full sick accrual each year. Pilots with a full sick bank will be eligible to cash out their entire annual accrual of 60 hours, and pilots with a partial sick bank are eligible to cash out up to 30 hours annually.

In addition, the company has proposed that sick events of less than 30 days will no longer be pensionable, as well as changes to rapid re-accrual and sick verification.

AA Proposal

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Date: 11/04/2011

Time: 1000

Subject: Sick

Version:

Proposal Reference(s): AA Proposal – 7/21/2008, 3/4/09, 2/2/11, 3/1/11; APA– 10/23/07, 8/12/08, 3/31/09, 3/1/2011

Contract Reference(s): Section 10

Rate for Accrual

- Current green book (60 hours per year)

Rapid Reaccrual

- Change methodology – reaccrue to amount used

Sick Leave Sellback / Wellness Incentive

- Individual pay incentive >1000 – up to 60 hrs pay non-pensionable; <1000 – up to 30 hrs pay non-pensionable
- Sick pay <30 consecutive days not pensionable

Sick Verification / Proof of Illness

- Required under certain circumstances (Doctor note)
 - If one of the following has occurred, a pilot may be required to present a written statement from an accredited and licensed healthcare professional, unless the Company requires a physician in which case the Company will pay for the cost of the statement confirming that the pilot was and, if appropriate, currently is unable to perform his regular duties. When a pilot is required to present a written statement, it will be from an accredited and licensed healthcare professional whose expertise is appropriate to the pilot's condition. A pilot will not be required to advise Scheduling as to the nature of his Sickness, but may be required to so advise his Chief Pilot.
 - i. The Company has reasonable cause to believe that misuse of Sick Leave by the pilot may have occurred, or
 - ii. The pilot's absence from duty occurred in conjunction with his vacation period or a Holiday as determined by the Company.

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Long Term Sick Cap

- Delete 46 hour per month cap

Partial Sequence Test

- Parties commit to a partial sequence test program to begin within 6 months of DOS