AA Proposal

AA Proposal	**Date: 7/21/2008**	**Time:**
Subject: Sick Leave		**Version: 1**
Proposal Reference(s): APA Paid Time Off – 10/23/07		
Contract Reference(s): Section 10		

The Company proposes the following modifications to Section 10:

Key Concepts:

- Replace the maximum sick leave accrual methodology with a split-bank concept
- A pilot's sick accrual will be split between a short-term bank and a long-term bank.
- Short-term bank will be capped at the monthly maximum.
- Long-term bank equal to a pilot's total accrued sick bank less the monthly maximum.
- The combined total of the two banks cannot exceed 1,000 hours.
- Any remaining sick hours above the maximum in the pilot's long-term bank, after the addition of the previous year's accrual, will be paid out each January.
- At pilot option, unused sick time above the maximum in the pilot's short-term bank, after the addition of the previous year's accrual, will be paid out or placed in the pilot's long-term bank, provided the bank is not already at the maximum.

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Details:

- Yearly accrual to remain at five (5) hrs accrual per month / 60 hrs per year

- Initially, the short-term bank will be equal to the monthly maximum, taken from the pilot's current sick bank. For year two (2) and beyond, the pilot's yearly accrual will be split equally between the pilot's short-term and long-term banks

- At the end of each calendar year:
    - Fifty (50) percent of a pilot's accrual will be placed in the pilot's long-term sick bank, provided the pilot's long-term bank is not maxed out.

    - Fifty (50) percent of a pilot's accrual will be placed in the pilot's short-term bank, provided the pilot's short-term bank is not maxed out.

    - If a pilot's short term bank is at the monthly maximum prior to the addition of the previous year's accrual, the pilot may elect to be paid out the short-term accrual amount above the maximum or have it placed in his/her long term bank, if not already at the maximum, or any combination thereof.

    - If a pilot's short term bank is less than the monthly maximum prior to the addition of the previous year's accrual, the pilot may elect to be paid out a total of fifty (50) percent of the pilot's remaining short-term accrual in excess of the maximum, with the remaining fifty (50) percent being placed in the long-term bank , or, at the pilot's option, he/she may elect to have the entire remaining accrual placed in the long-term bank, provided such bank is not at the maximum.

    - In the event a pilot's long-term bank is at the maximum prior to the addition of the previous year's accrual, the long-term accrual otherwise allocated to that bank will be paid out.

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- A pilot may only access his/her long-term sick bank in the event of an illness or injury that exceeds 30 consecutive days, and is authorized by the Corporate Medical Director.
    - In the event a pilot has insufficient time in his/her short-term sick bank to cover the initial thirty (30) days, the pilot's short term sick bank will be retroactively reimbursed any unpaid hours from the pilot's long-term bank.
- The Company proposes to eliminate the rapid reaccrual provision (Section 10.C.).
- The Company proposes to modify the Sick If Needed provisions to provide for the continued sick charge from one month to the next.
- The Company proposes to eliminate the Long Term Sick restoration provision (Section 10.E.3.).
- The Company proposes to eliminate the restoration of Sick Leave credit for IOD related absences. (Section 10 F.)