



# Warning!

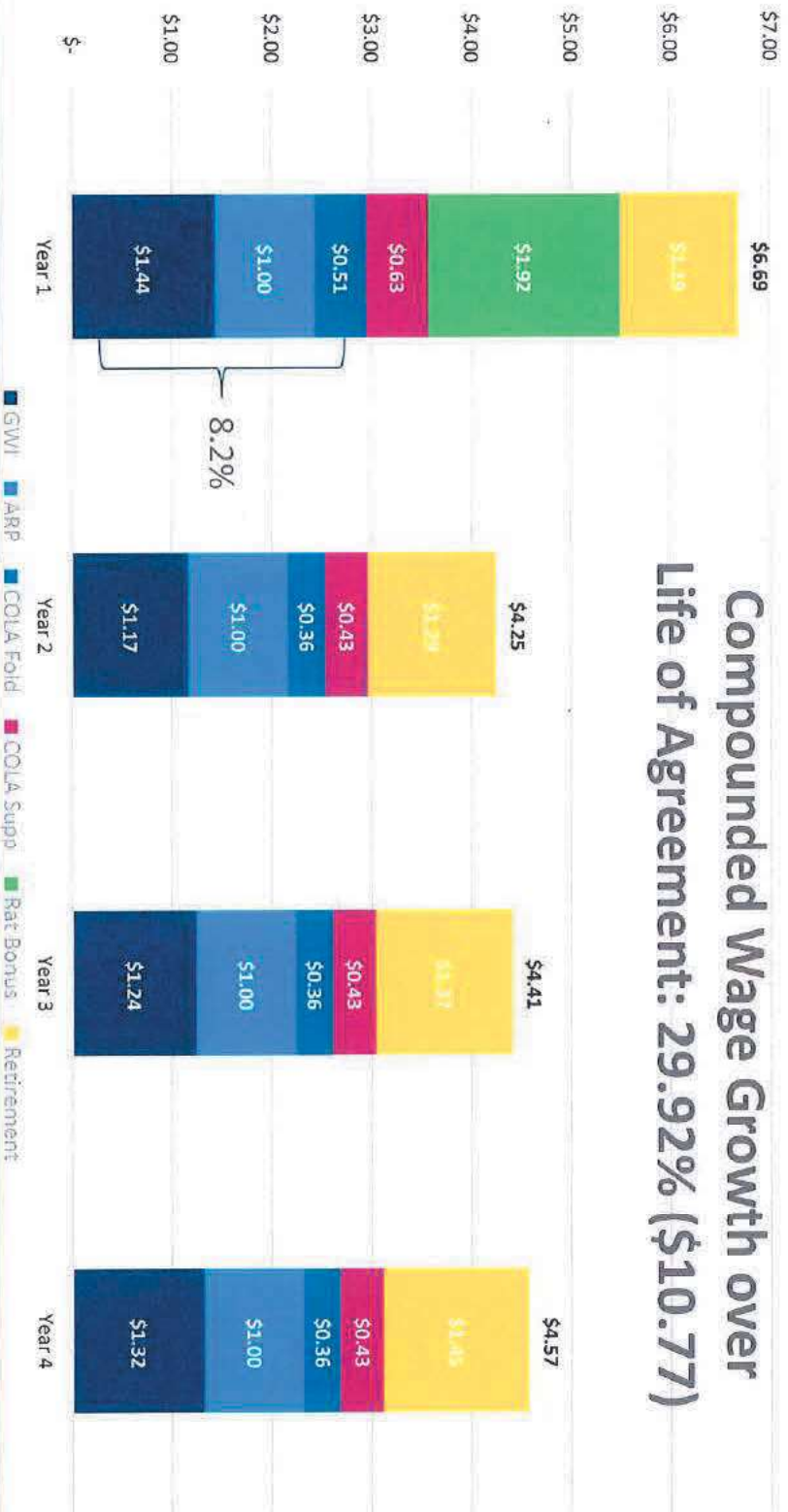
The company has inserted language into its contract offer that allows them to **reduce, discontinue, eliminate and change the following at any time** during the agreement:

- Section 1 **Medical Plans**, Paragraph C **High Deductible Health Plans**
- Section 2 **Dental Plans**, Paragraph B
- Section 3 **Vision Plans**, Paragraph B
- Section 5 Other Plans, Paragraph B **Business Travel Accident Plan**
- Section 5 Other Plans, Paragraph H **Voluntary Supplemental Insurances**
- Section 7 **Retiree Medical**, Paragraph B **Under-Age 65 Retirees**, Subsection 5a **High Deductible Retiree Health Plans**
- Section 7 **Retiree Medical**, Paragraph C, **Over-Age 65 Retirees** Subsection 1 **Private Medicare Exchange Retiree Medical Coverage**

**Tell the Company that we are here to negotiate a collective bargaining agreement, not create a worthless piece of paper that you can change at any time!**

# Total \$ Increase / Hour (BAFO)

Illustration Accompanying Company  
Comprehensive Proposal Submitted  
April 14, 2022



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4/14/22 3:09

# Lockheed Martin Local 776

## Union Response to Company's Total \$ Increase / Hour Chart

### Comprehensive Proposal Submitted April 14, 2022

#### Summary

- Many "increases" are not actually increases – they are one-time lump sum payments that will not roll into base wages or compound.
- The actual cumulative increase of the GWIs is 13.6% over four years, an average of 3.4% per year. This will not even cover the hyperinflation that is likely to continue.
- This chart does not account for the additional out of pocket costs that workers must pay for the new health care plan, which are substantial. After accounting for these, employees will be *worse off* under this proposal:
  - In year 1 of the contract, employees with Family Coverage in HDHP1 will see a *net loss of nearly \$500*, in additional health care costs, even after being offset by the GWI.
  - And the losses only get larger in subsequent years. *By year 4, families will see a loss of over \$2,800 and individuals \$3,300.*

#### Year 1

Type of Increase	Amount (\$ / hr)	The Truth
GWIs	\$1.44 / hr (4%)	4% will not even keep up with what we've lost in inflation in the last year.
ARP	\$1.00 / hr	Employees already receive rate increases under the current contract. This change only speeds up the timetable to receive the increase, by a measly \$0.25 per year. Also, not everyone is in the wage progression, so they will not receive this at all.
COLA float	\$0.51 / hr	No improvement – same COLA provision since 1993
COLA Supplement	\$0.63 / hr (\$1,300)	Small increase, but this is not a per-hour increase rolled into base wage. It is a one-time lump sum payment.
Ratification Bonus	\$1.92 / hr (\$4,000)	This is not a per-hour increase rolled into base wage. It is a one-time lump sum payment.
401(k) Increase	\$1.19 / hr	Employees will only receive this IF they are in the IAM 401(k) plan AND they choose to contribute 8% or more to the company 401(k) plan. In addition, the 2% increase to the IAM plan is a joke; it is not remotely enough to offset the loss of the pension, or to finance a secure retirement.

## Years 2-4

Type of Increase	Amount (\$ / hr)	The Truth
GWI	\$1.17 (3%) \$1.24 (3%) \$1.32 (3%)	3% / 3% / 3% will not even keep up with what we've lost in inflation in the last year.
ARP	\$1.00 \$1.00 \$1.00	Employees already receive rate increases under the current contract. This change only speeds up the timetable to receive the increase, by a measly \$0.25 per year. Also, not everyone is in the wage progression, so they will not receive this at all.
COLA float	\$0.36 (estimated) \$0.36 (capped) \$0.36 (capped)	The company wants to freeze the annual COLA increase in years 3 and 4 to just \$0.36 per year! This is not remotely enough to account for the hyperinflation we've seen, and are likely to continue to see.
COLA Supplement	\$0.43 (\$900) \$0.43 (\$900) \$0.43 (\$900)	Very slight increase, but this is not a per-hour increase rolled into base wage. It is a one-time lump sum payment.
401(k) Increase	\$1.29 \$1.37 \$1.45	Employees will only receive this IF they are in the IAM 401(k) plan AND they choose to contribute 8% or more to the company 401(k) plan. In addition, the 2% increase to the IAM plan is a joke; it is not remotely enough to offset the loss of the pension, or to finance a secure retirement.



# **BEST AND FINAL OFFER**

## **2022 NEGOTIATIONS**

between

**LOCKHEED MARTIN AERONAUTICS COMPANY  
Fort Worth**

**AND**

**INTERNATIONAL ASSOCIATION  
OF MACHINISTS AND AEROSPACE WORKERS  
AFL-CIO**

**AND**

**AERONAUTICAL INDUSTRIAL DISTRICT LODGE 776  
(Production and Maintenance Unit)**

**SUBMITTED APRIL 14, 2022**

**Period of Agreement: April 25, 2022, through June 14, 2026**

Except as specifically modified by this proposal, and items previously agreed upon by the parties during these negotiations, all terms and conditions of the printed Agreement will remain the same.

In all instances, qualified benefit plan language is the controlling document. Nothing contained herein or expressed by the parties orally or in writing constitutes a waiver/deviation from the plan agreement.

## **PREAMBLE**

This Agreement made and entered into this ~~11<sup>th</sup>~~**25<sup>th</sup>** day of ~~July 2016~~ **April 2022** by and between Lockheed Martin Aeronautics Company – Fort Worth, hereinafter called the "Company," and the International Association of Machinists and Aerospace Workers, AFL-CIO, and Aeronautical Industrial District Lodge 776 (Production and Maintenance Unit), hereinafter called the "Union."

The Company reserves the right to open for discussion, add, delete, and/or modify any of these proposals, the right to propose changes and to make counter proposals and reserves the right to make counterproposals in any area of the Agreement opened by the Union.

## ARTICLE THREE JOB CLASSIFICATIONS AND WAGE RATES

### Job Classifications and Wage Rate Schedules

Section 1. The job descriptions, job evaluations, job evaluation plan, rate ranges and the Glossary of Terms used for the job descriptions made a part of this Agreement shall remain in effect for the duration of this Agreement, except as new occupations or job classifications may be added under the provisions of Section 2 of this Article.

### New Job Classifications

Section 2-A. It is recognized that changing conditions and circumstances may require the establishment of new occupations or job classifications within the collective bargaining unit because of the introduction of new products, changes in equipment, tooling, or in methods of manufacturing or processing of materials. Under such circumstances, the Company and Union shall negotiate the descriptions, evaluations and appropriate rate ranges for such new job classifications. Failing to agree, the Union shall have the right to file a grievance general in character ~~over any~~ **limited to the** alleged improper description, evaluation, or rate range of such job classification. Any change in description, evaluation, or rate range as a result of the grievance procedure shall be retroactive to the date of filing of such grievance. If the Union does not file a grievance within thirty (30) calendar days after the failure of the parties to agree, the description, evaluation and rate range established by the Company shall remain in effect.

### Job Classification

Section 3-A. The occupational summary in each of the "A" job descriptions shall be a brief description of the occupation. The occupational summary describes the occupation as a whole and distinguishes one occupation from other occupations. ~~Each occupation may be divided into one or more classifications designated by letters "A", "B", or "C".~~ The work requirements in each job description provides the basis for determining the classification within the occupation when interpreted and applied as follows:

- (1) In determining an employee's proper job classification under the job descriptions and wage rates, the determination of whether the employee is performing the work requirements or work operations set forth in the job description shall be the governing consideration. Each classification's job description is to be interpreted and applied in its entirety as a job standards specification to define and illustrate the job requirements. Job classification assignments shall be made with the objective of attaining, as far as possible, equal pay for equal work.
- (2) Where work assignments are not specifically described, such work assignments shall be appraised and classified under the most appropriate job description by considering the relative degree of complexity or level of difficulty of said work assignments in comparison with the following:

- (a) Assignments described in the Work Performed section of the job descriptions; and

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(b) Knowledge and ability requirements as cited in the job descriptions.

- (3) Unless expressly described in the job description, an employee shall not be required to perform all of the work operations described in a job description to be eligible for the classification. However, an employee shall not be eligible for a classification by reason of performing an isolated or singular duty described in a job description.
- (4) The normal duties of any employee may include some of the work of related jobs when required.
- (5) An employee is required to perform the work operations, duties and other distinguishing characteristics described in a job description as assigned and for which the tasks are considered customary to qualify for a classification.

Section 3-B. Subject to all provisions of this Agreement, an employee who is regularly assigned to work in an occupation with a lower labor grade may receive no more than the maximum rate established for that job classification during the period of such assignment.

Section 3-C. An employee will not refuse to perform work assigned to them even if such work is not specifically described in their job description.

#### **Lead Duties**

**Section 4-A. Where the Company determines the need for ~~promotion to a Lead~~ arises within a department and classification, the senior employee in the department ~~shall be promoted~~ will be selected to fill such position, provided such employee is available and has met the necessary qualifications as outlined in this Section below. Lead duties do not constitute an independent job classification.**

**Section 4-B. Management will notify all available employees working in the department and classification where an opening for a lead position exists and allow employees seven (7) calendar days following the notification to submit a request via email for consideration to their supervisor. Untimely requests shall not be considered.**

**Section 4-C. Where the need to establish a lead exists within a department, the following criteria shall be used:**

- 1. Consideration shall be given to employees within a department and classification, who have the technical skills and work experience within the applicable task center where the need exists.**
- 2. Employees will be evaluated by the supervisor on a 1 to 5 scale (5 is the highest score) based on job-related criteria to include technical skills, leadership qualities, communication skills, and dependability/accountability.**

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3. Within seven (7) calendar days following selection of a lead, and prior to the notification and assigning of a lead designation to the selected employee, employee evaluations shall be reviewed by the departmental Senior Manager, the departmental Steward, and a Labor and Employee Relations Analyst.
4. Following the review, the employee as determined by the Company receiving the highest total score will be formally selected to fill the lead opening. In cases where there is more than one qualified employee who have tied for the high score, the most senior employee will be selected as lead.
5. Disputes arising under the application of this Section are subject to the grievance procedure consistent with Article Seven (Grievance Procedure) of this Agreement.

**Section 4-D.** Employees designated as leads will be subject to overtime assignment requirements, shift preference, and promotion and regression provisions of this Agreement. If an employee designated as a lead changes shift, department, or classification, their lead designation will be removed on the effective date of the move.

**Section 4-E.** If the Company determines there is no longer a need for the employee to perform lead duties or determines the employee is ineffective in performing lead duties, the employee will be notified in writing, and the Company will remove the employee's pay additive. The effective date of the employee's pay adjustment shall be the first Saturday immediately following the removal of the employee's lead designation.

**Section 4-F.** An employee designated as a lead may voluntarily give up the lead designation with a thirty (30) calendar day written notice. Employees who voluntarily give up the lead designation may not be reselected for one (1) year.

**Section 4-G.** An employee who is selected to perform lead duties will be laid off in line of seniority with employees in their job classification. There is no superseniority for lead employees.

**Section 4-H.** Lead duties include performing a specialized task while continuing to perform their normally assigned duties within their classification. The following are meant to serve only as examples of the types of tasks performed by leads and not an indication of a distinct job classification. Tasks that may be performed by employees identified as leads include but are not limited to:

1. Providing on the job training, guidance, and technical assistance regarding operations, work methods, shop and/or administrative practices, and machine or work set-ups or layouts to the workgroup.
2. Relaying management priorities and directions to assigned group.
3. Seeing that machines, tools, and equipment are properly utilized to accomplish the work at hand.

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4. Imparting current or new trade, craft, or occupational knowledge in accordance with work instructions, processes, and procedures to the workgroup.
5. Transmitting information and work instructions effectively to others.

**Section 4-I.** Employees with less than one (1) year of seniority ~~who are in their probationary period~~ are ineligible to be selected as a lead under this section.

**Section 4-J.** Employees selected and identified by the Company to function as a Lead will receive a one dollar (\$1.00) per hour premium above the maximum of the rate range for the employee's classification. The effective date of the rate change is the move date shown on the CIES provided by the Company.

#### Ratification and Wage Rates

**Section 5-A.** Provided that each member of the Union's negotiating committee fully endorses and recommends the Company's proposal to the Union membership, and this Agreement is ratified no later than 5:00 p.m. central time on **24 April 2022**, a lump sum payment of \$500.00 ~~\$1,000~~ **\$2,000**, less applicable taxes, shall be paid to each employee who as of **April 25, 2022** is on the active payroll or on an authorized leave of absence of less than 90 days (for reasons other than union business). The entire ratification bonus may be deferred to the Hourly Savings Plan Plus 401(k) upon completion of the appropriate election form no later than **13 May 2022**. In the event that a deferral cannot be processed, this bonus will be paid less applicable taxes. Payment will be made within 60 days of ratification.

**Section 5-B.** Provided that each member of the Union's negotiating committee fully endorses and recommends the Company's proposal to the Union membership, and this Agreement is ratified no later than 5:00 p.m. central time on **24 April 2022**, a second lump sum payment of \$500.00 ~~\$1,500~~ **\$2,000**, less applicable taxes, shall be paid to each employee who, as of **April 25, 2022**, is on the active payroll or on an authorized leave of absence of less than 90 days (for reasons other than union business). **The entire ratification bonus may be deferred to the Performance Sharing Plan (PSP) without Company matching contributions or the Health Savings Account (HSA) upon completion of the appropriate election form no later than 27 January 2023.** In the event that a deferral cannot be processed, this bonus will be paid less applicable taxes. Payment will be made on or about **24 February 2023**.

**Section 5-C.** Effective **02 July 2022**, the minimums and maximums of factory labor grades one (1) through fourteen (14), technical and office labor grades one (1) through fourteen (14), and the base rate of each employee on the active payroll or on approved leave of absence for less than 90 days in those labor grades shall be increased by ~~two percent (2.0%) two and one-half (2.5%) three percent (3.0%)~~ **four percent (4.0%)** computed to the nearest one (1) cent (\$0.01) increment. **The minimum of factory labor grade fifteen (15) shall be increased to fifteen (15) dollars (\$15.00) per hour, and the maximum, and base rate of each employee on the active payroll or on approved leave of absence for less than 90 days in this labor grade shall be increased by two percent (2.0%) two and one-half (2.5%) three percent (3.0%) four percent (4.0%)**

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computed to the nearest one (1) cent (\$0.01) increment, **provided that in no event shall an employee in this labor grade be paid less than fifteen (15) dollars (\$15.00) per hour.**

Section 5-D. Effective **01 July 2023**, the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or on approved leave of absence for less than 90 days shall be increased by ~~one and a half percent (1.5%) two percent (2.0%) two and a half percent (2.5%)~~ **three percent (3.0%)** computed to the nearest one (1) cent (\$0.01) increment.

Section 5-E. Effective **29 June 2024**, the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or on approved leave of absence for less than 90 days shall be increased by ~~one and a half (1.5%) two percent (2.0%) two and a half percent (2.5%)~~ **three percent (3.0%)** computed to the nearest one (1) cent (\$0.01) increment.

Section 5-F. Effective **28 June 2025** the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or on approved leave of absence for less than 90 days shall be increased by ~~one and a half (1.5%) two percent (2.0%) two and a half percent (2.5%)~~ **three percent (3.0%)** computed to the nearest one (1) cent (\$0.01) increment.

Section 5-G. Effective **27 June 2026** the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or on approved leave of absence for less than 90 days shall be increased by ~~one and a half (1.5%) two percent (2.0%)~~ **three percent (3.0%)** computed to the nearest one (1) cent (\$0.01) increment.

Section 6. Effective 02 July 2022 the following factory and technical and office labor grade structure shall be placed in effect for employees on the payroll.

#### **Factory and Technical and Office Labor Grade Structure**

<b>Labor Grade</b>	<b>Factory</b>		<b>Technical and Office</b>	
	<b>Min/Hour</b>	<b>Max/Hour</b>	<b>Min/Hour</b>	<b>Max/Hour</b>
<b>1</b>				
<b>2</b>				
<b>3</b>				
<b>4</b>				
<b>5</b>				
<b>6</b>				

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15	\$15.00			

~~Section 6-A. Effective 31 December 2022, the maximums of factory labor grades one (1) through six (6) and technical and office labor grades one (1) through six (6) shall be increased by twenty-five cents (\$0.25).~~

Section 7. Each employee shall receive at least the minimum hourly wage rate for the labor grade to which their job is classified.

Section 8. Based upon the labor grade structures set forth in this Article, the basic rate range for each of the job classifications covered by this Agreement is set forth in Appendix "A" and made a part of this Agreement.

#### Cost of Living

Section 9. The base rate (which does not include cost-of-living adjustment) of each employee shall be subject to periodic adjustments based on changes in the cost-of-living index as provided in this Section.

1. Cost-of-living adjustments will be determined in accordance with changes in the Consumer Price Index, United States City Average for Urban Wage Earners and Clerical Workers, (CPI-W), (United States City Average, all items, 1982-1984=100) as published monthly by the Bureau of Labor Statistics, United States Department of Labor, and hereinafter referred to as the BLS Index.

2. Cost-of-living Adjustment Formula and Effective Dates

The first cost-of-living adjustment shall be effective ~~01 October 2022~~ **24 September 2022**. This and all subsequent adjustments will apply to eligible employees. ~~No cost-of-living adjustment will be made to any employee after 01 July 2023.~~ **Cost-of-living Adjustments beginning with the 30 September 2023 adjustment paid after the July 2023 COLA float (if any) shall be limited to the first twenty-five cents (\$0.25) thirty-six cents (\$0.36) accrued during each remaining year of the Agreement.**

The amount of this adjustment and subsequent adjustments (which shall be applied as per the following paragraphs) shall be one (1) cent (\$0.01) for each 0.3 point increase of the

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average of the BLS Consumer Price Indices for the three (3) month periods stated below at each effective date of adjustment over the BLS Index of **278.9** provided, however, that in no event shall there be a pyramiding of cost-of-living adjustments as a result of the computations.

→ The company took away your cola due in June 2022. Last cola raise was 16 cents in March.

Effective Dates of Adjustments	Based Upon Average of the Three Month BLS Consumer Price Index
9/24/2022	May, Jun, Jul 2022
12/24/2022	Aug, Sept, Oct 2022
3/25/2023	Nov, Dec 2022, Jan 2023
7/1/2023	Feb, Mar, Apr 2023
9/30/2023	May, Jun, Jul 2023
12/30/2023	Aug, Sept, Oct 2023
3/30/2024	Nov, Dec 2023, Jan 2024
6/29/2024	Feb, Mar, Apr 2024
9/28/2024	May, Jun, Jul 2024
12/28/2024	Aug, Sept, Oct 2024
3/29/2025	Nov, Dec 2024, Jan 2025
6/28/2025	Feb, Mar, Apr 2025
9/27/2025	May, Jun, Jul 2025
12/27/2025	Aug, Sept, Oct 2025
3/28/2026	Nov, Dec 2025, Jan 2026
6/27/2026	Feb, Mar, Apr 2026
9/26/2026	May, Jun, Jul 2026
12/26/2026	Aug, Sept, Oct 2026
3/27/2027	Nov, Dec 2026, Jan 2027

3. "COLA float" refers to the net cost-of-living adjustment not previously incorporated into the rate range structure or the base rate of an eligible employee. All cost-of-living adjustments shall be a COLA float, except as hereinafter provided:

- (a) Effective **02 July 2022**, and after applying any action prescribed in Section 4-C **5-C**, the COLA float (if any) accumulated after **26 June 2021** shall be added to the minimums and maximums of the rate ranges set forth in Article Three and to the base wage rate of each eligible employee.
- (b) Effective **01 July 2023**, and after applying any action prescribed in Section 4-D **5-D**, the COLA float (if any) accumulated after **02 July 2022** shall be added to the minimums and maximums of the rate ranges set forth in Article Three and to the base wage rate of each eligible employee. **COLA float applied after the July 2023 COLA**

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~~float (if any) shall be limited to the first twenty-five cents (\$0.25) accrued during each year of the remaining years of the Agreement.~~

*Company stealing more of your money.* → (c) Effective ~~29 June 2019~~ **29 June 2024**, and after applying any action prescribed in Section 4-E ~~5-E~~, the COLA float (if any) accumulated **up to the first twenty-five cents (\$0.25) thirty-six cents (\$0.36)** after ~~30 June 2018~~ **01 July 2023** shall be added to the **minimums** and **maximums** of the rate ranges set forth in Article Three and to the base wage rate of each eligible employee.

→ (d) Effective ~~27 June 2020~~ **28 June 2025**, and after applying any action prescribed in Section 4-F ~~5-F~~, the COLA float (if any) accumulated **up to the first twenty-five cents (\$0.25) thirty-six cents (\$0.36)** after ~~29 June 2019~~ **29 June 2024** shall be added to the **minimums** and **maximums** of the rate ranges set forth in Article Three and to the base wage rate of each eligible employee.

(e) Effective ~~26 June 2021~~ **27 June 2026**, and after applying any action prescribed in Section 4-G ~~5-G~~, the COLA float (if any) accumulated **up to the first twenty-five cents (\$0.25)** after ~~27 June 2020~~ **28 June 2025** shall be added to the **minimums** and **maximums** of the rate ranges set forth in Article Three and to the base wage rate of each eligible employee.

4. The amount of any cost-of-living adjustment shall be added to the base rate of each eligible employee and shall include the following when determining pay rates:

- (a) Overtime Pay
- (b) Holiday Pay
- (c) Vacation Pay
- (d) Personal Business Pay
- (e) Jury Duty Pay
- (f) Grand Jury Duty Pay
- (g) Bereavement Pay
- (h) Military Leave
- (i) **Parental Leave**

5. In the event that any BLS Index referred to herein is not officially published on or before the Wednesday immediately preceding the effective date on which a cost-of-living adjustment would be made, such adjustment will be made effective the Monday following the first Wednesday such BLS Index is officially available.

6. No adjustment retroactive or otherwise shall be made because of any revision which may later be made in the published figures of the BLS Index.

7. In the event the Bureau of Labor Statistics, United States Department of Labor, changes the form and/or method of calculation of the BLS Index and publishes a new monthly index which differs from that defined in paragraph 1 of this Section, but continues to publish the BLS Index used in this Section by converting the new monthly index or by other means, such BLS Index shall continue to be used in applying paragraph 2 of this

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