

Summary of 2021 Tentative Agreement



The proposed agreement would cover the period between Oct. 25, 2021 – May 25, 2025.

Your Office and Professional Employees International Union (OPEIU) Bargaining Committee unanimously recommends ratification of this three year and seven month agreement that delivers improved personal flexibility, wage improvements, substantial retirement contributions and a competitive benefits package.

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\$3,200 Ratification Bonus

2.5%, 2.5%, 2.5%, 1%* General Wage Increase

- Wage Increases **every year** of the agreement (2.5%, 2.5%, 2.5%, 1%) representing 8.5% wage increase over life of the agreement
 - In the year 2022 wages will increase 2.5%
 - In the year 2023 wages will increase 2.5%
 - In the year 2024 wages will increase 2.5%
 - In the year 2025 wages will increase 1%

**This percentage accounts for the seven months remaining in contract*

- **\$3,200** Ratification Bonus: **\$2,000** paid in 2021, **\$1,200** paid in 2022 (**AWARDED IF AGREEMENT IS RATIFIED by October 9, 2021**)
- Increased earning potential with upgrades to the Accounting Service Analyst, Office Support Specialist, Parts Cataloger Specialist, and Provisioning Specialist
- Improvements to lead pay premium – 100% increase from **\$0.50** to **\$1.00**

Expanded Health Care Options & Added Health Savings Account (HSA) with Company Contributions

- In 2022, High Deductible Health Plans (HDHP) will be offered. **Members can choose among six different HDHP options** that range in cost and deductibles
- **Members will pay only 10% of the annual plan cost**
- Members will receive a one-time company contribution of **\$1,250 (individual) / \$2,500 (family)** to their **Health Savings Account (HSA)** upon Jan. 1, 2022 enrollment in an HDHP

Improvements to Savings Plans

- Employees may contribute up to **\$72** weekly in the Hourly Savings Plan with a **60%** company match. The unmatched contribution limit has increased to the IRS limit
- The company contribution for Hourly Capital Accumulation Plan (HCAP) will be increased to **\$500** per quarter for eligible employees

Pension Increases – NO FREEZE

- **Secured a 2% increase** to your pension benefit
- Pension increased from **\$100** to **\$102** per year of credited service

Additional Improvements

- **Holiday pay based on work week schedule**
- **Improvements to making up missed time (in-week flex)**
- **Situational teleworking**
- **Personal Business allotted upfront versus monthly accrual to improve flexibility**

This document is intended to be an illustration of the tentatively agreed upon Collective Bargaining Agreement with Lockheed Martin and the OPEIU.

Wage and Bonus Package

OPEIU Delivers Wage Increases and Ratification Bonus

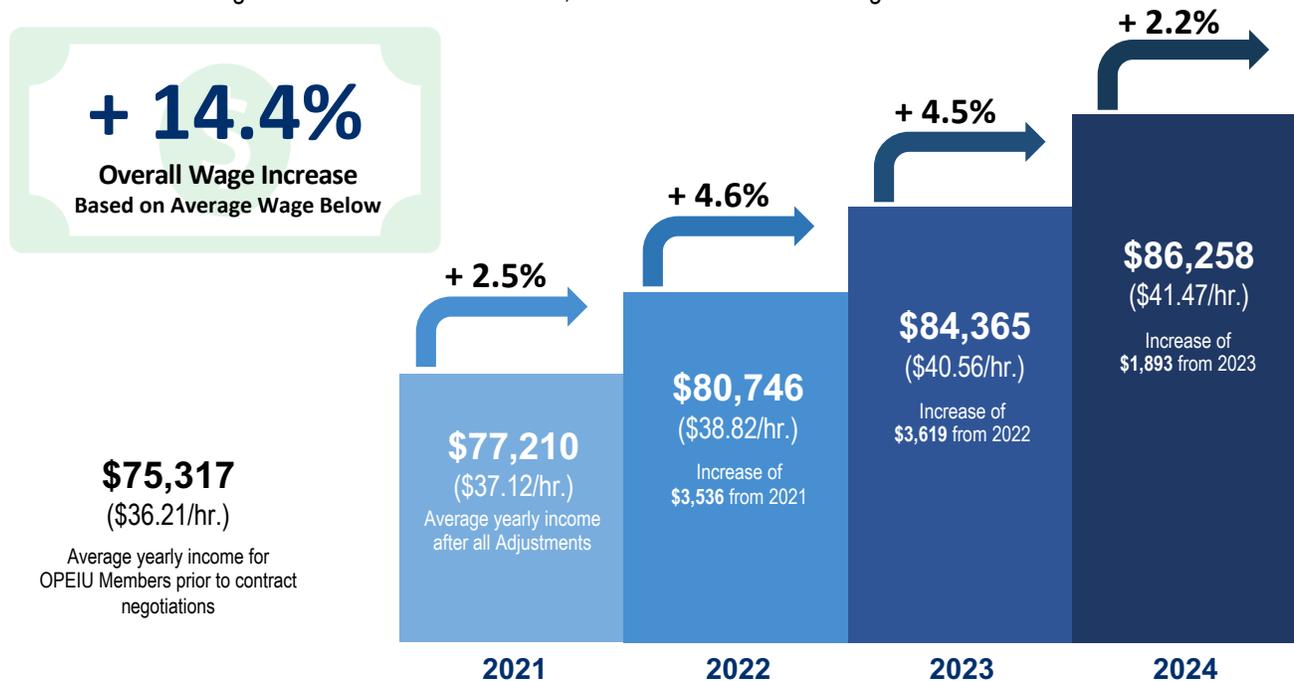
Your OPEIU Bargaining Committee negotiated a competitive package that provides significant gains in wages over the next three years and seven months. This includes **yearly GWI (2.5%, 2.5%, 2.5%, 1%* over the lifetime of the agreement)**. Additional cash bonuses will be granted through a combination of a **\$3,200 ratification bonus with \$2,000 paid no later than November 27, 2021 and \$1,200 paid no later than February 17, 2022 if agreement is ratified by Oct. 9, 2021.**

Year-Over-Year Example of Automatic Rate Progressions (\$0.25 3x/yr.) & GWIs (2.5%, 2.5%, 2.5%, 1%)

**This percentage accounts for the seven months remaining in contract.*

Wage Growth

Assumes the same labor grade over the life of the contract, under the max of the rate range.



Contract Provides a Split One Time Ratification Bonus

You have the choice to receive the bonus as **CASH** or **TAX DEFERRED** when deposited into your Hourly Savings Plan (HSP) in 2021 and HSP and/or Health Savings Account (HSA) in 2022.

Job Descriptions Updated

Revisions: Digital Press Operator, Logistics Requirements and Release Analyst, Maintenance Requirements Analyst, Material Resource Planner, Parts Cataloger Information Specialist, Payroll Services Specialist, Proposal/Presentation Specialist, Provisioning Specialist, Technical Publications Support Specialist, Traffic Rate Specialist

New Job Combinations: Accounting Services Analyst (formerly: Accounting Services Analyst and Material Accountant), Office Support Specialist (formerly: Tech Data Processor, Data Maintenance Clerk, Material Buyers Assistant and Data Systems Specialist)

Labor Grade Upgrades

To align with increases in the technical scope of certain classifications, the following classifications have been upgraded as follows:

- Accounting Services Analyst **LG 48 to LG 49**
- Office Support Specialist **LG 41 to LG 43**
- Parts Cataloger Information Specialist **LG 49 to LG 50**
- Provisioning Specialist from **LG 48 to LG 49**

Increased Premiums

Lead pay premium from \$0.50 to \$1.00 – 100% increase

Promotion Opportunities

Promotion rights have expanded to facilitate promotions from across various departments

Retirement Enhancements

HIGHER Retirement Savings with Increased Company Match and Contributions

Your retirement is important, and the OPEIU secured improvements for all members to their retirement and saving plans. Your OPEIU bargaining committee was able to secure **higher company match and contributions into your retirement savings plan**. When combined with the significant wage growth, this will provide more financial security for your retirement.

How Does Your Retirement Savings Grow During the Life of the Contract?

Hourly Savings Plan Company Match Increases by 14%

The company will match **60% of the first \$72** of your employee contributions. That compares to 60% of the first \$63 in the previous agreement.

HCAP Company Contributions Increase by 25%

The company will make contributions to the Hourly Capital Accumulation Plan (HCAP) in the amount of **\$500/quarter**, from \$400/quarter, for eligible employees which represents 25% increase from the previous agreement. **This is a HUGE increase** for eligible employees.



 **The Company matches 60% of the first \$72/week you contribute!**

*Retirement value represents an OPEIU Employee hired on or after May 21, 2021 who is eligible to receive a company contribution in the amount of \$500/quarter to their HCAP.

Short-Term Disability

Improved Short-Term Disability

For employees commencing leave after Jan. 1, 2022, the company will provide short-term disability coverage of **50% of weekly earnings. NO WEEKLY MAXIMUMS!**

EXAMPLE: \$36.21/hr. = \$1,448.00/week



Health Care Benefits

New Health Care Options for 2022

LMHealthWorks is replaced by new High Deductible Health Plans (HDHP), beginning in 2022, and includes a tax-free Health Savings Account (HSA).

New Health Plans Provide More Choices with Tax-Free Health Savings Account to Cover Qualified Medical Expenses

In 2022 LMHealthWorks will be replaced with HDHP, giving you more options to better fit your needs. All members have the option to participate in the new HDHP offerings, which provide at least three different plan designs and cover the same types of services, pay benefits after you meet the deductible, and provide preventive care at no cost. Most providers under LMHealthWorks are within the HDHP network.

Additional benefits information will be provided in webcasts Oct. 5-7, 2021.

As part of the HDHP offerings, you will be eligible to participate in a HSA to help cover your medical expenses. The HSA includes many tax advantages and company contributions. **The Company will contribute a one-time, tax-free amount of \$1,250 to employee-only coverage and \$2,500 to employee plus one or more coverage** if enrolled as of Jan. 1, 2022. Members will have opportunities to **earn up to \$400 for employee and up to an additional \$400 for spouse/domestic partner in quick and easy wellness incentives**. If additional HSA contributions are provided to the non-represented population, those contributions will also be provided to OPEIU members enrolled in the HDHP. Learn more about the HSA offerings below.

Three HDHP Medical Plans: Broad Access to Care & Multiple Providers

Examples based on in-network



90% Company Paid Premium **10%** Employee Paid Premium

Medical Plan Designs (single/family)	Monthly Premium	Annual Deductible
HDHP 1 Deductible: \$1,600/\$3,200 Out of Pocket Max: \$3,200/\$6,850	\$\$\$	\$
HDHP 2* Deductible: \$2,400/\$5,100 Out of Pocket Max: \$4,800/\$10,900	\$\$	\$\$
HDHP 3* Deductible: \$3,500/\$6,850 Out of Pocket Max: \$6,550/\$13,100	\$	\$\$\$

*Individual Cap on Out of Pocket Maximum limited to \$6,850

Out of Pocket Maximums Provide Enhanced Financial Protections

LMHealthWorks v. HDHP Weekly Contributions

Plan Name	Employee Only	Employee Plus One	Family
LMHealthWorks (87/13 cost share)	\$26.59	\$53.19	\$83.77
Broad Network Plan 1 Texas***	\$17.89	\$35.79	\$56.37

Employee Earned Wellness Incentives

Easy to Obtain!

- Health Survey – \$100
- Biometrics Screenings – \$300

Up to
\$400

In 2022 for Employee and Spouse/Domestic Partner Each

Tax Free Health Savings Account:

Fund your HSA with company paid contributions:

Grow Your HSA with Tax-Free Company Provided Contributions



Family Coverage:

\$2,500

One-Time Company Contribution to HSA

\$800

Company Paid Wellness Incentives for employee and spouse

\$1,000

Company Seed for 2022

\$4,300

Potential HSA Contributions in 2022 for eligible employees

Enjoy the Many Benefits of a Health Savings Account

- **No “use it or lose it”** – You keep all contributions (including company contributions); even if you leave the company.
- **Tax-free contributions**, earnings & withdrawals.**
- Use your **HSA debit card** to conveniently pay for qualified health care expenses.
- Potentially **grow your balance** by investing portions of your funds in investment accounts.
- At **age 65, you can make penalty free withdrawals** for any reason and continue to receive tax-free benefits for qualified medical expenses, including Medicare premiums.

**Annual contribution limits are determined by the IRS.

*** This plan represents the highest premium plan offered under the HDHP plan designs.

OPEIU Delivers Enhanced Benefits

Your OPEIU Bargaining Committee fought to protect your long term financial security with improvements to the pension plan as well as increased workplace flexibility, which creates further stability and security for members.

2% Increase to Pension Benefit

For pension-eligible employees who commence retirement on or after Jan. 1, 2022, the monthly pension benefit increases from \$100 to **\$102** per month for each year of credited service.

Pension With 30 Years of Credited Service

\$102 = \$36,720

Per Month, Per Year
of Credited Service

Annual Pension Upon Retirement



Increase in
Total Value
Per Year:

\$720

Improved Pre-65 Retiree Medical Subsidy

Effective Jan. 1, 2022, the Company subsidy will increase to \$583.33/monthly (retiree only) or \$1,166.67/monthly (retiree plus family).

Dental Benefit

In 2022, dental insurance will change to a Dental Plan Core, Dental Plan Enhanced, and Cigna Dental HMO.

The company will pay 100% of the plan costs for the Dental Plan Core. You can buy-up to the Enhanced Plan for an additional cost.

Vision Benefit

In 2022, vision insurance will change to VSP Vision Care. All members will have two options: Vision Plan Core and Vision Plan Enhanced. **The company will pay 100% of the plan cost for the Vision Plan Core.** Both plans include a \$10 copay for all visits, \$25 copay for materials and increased allowances for frames and contacts. You can buy-up to the Enhanced Plan for an additional cost.

Life, Accidental Death and Dismemberment Insurance

All members actively at work as of Jan. 1, 2022, will have their benefits **increased from \$37,000 to \$43,000** under each plan. The company pays the full cost for this coverage.

Supplemental Benefits

Accident Insurance Available

Most major medical insurance plans only pay a portion of the associated expenses. With the Accident Insurance Plan, you receive additional financial support. The coverage pays a cash benefit, in addition to your medical benefits, that correspond with hospital and intensive care confinement. The cash benefit is payable directly to you and can be used to help pay for deductibles, treatment, rent and more. You can elect to enroll in the accident insurance plan Annual Enrollment.

Hospital Indemnity Insurance

Hospital Indemnity insurance provides additional financial protection for hospital stays when a sickness or injury occurs. The coverage pays a cash benefit, in addition to your medical benefits, for hospital confinement. The cash benefit is payable directly to you and can be used to help pay for deductibles, treatment, rent and more. You can elect to enroll in the hospital indemnity plan during Annual Enrollment.

Critical Illness Insurance

The new Critical Illness insurance provides additional financial stability, beyond your standard medical benefits, for you and your family. The insurance allows you to select the benefit coverage amount you want based on your individual need and budget. If diagnosed with a covered critical illness, you will receive a cash benefit based on the percentage payable for the condition. You can elect to enroll in the critical insurance plan during Annual Enrollment.

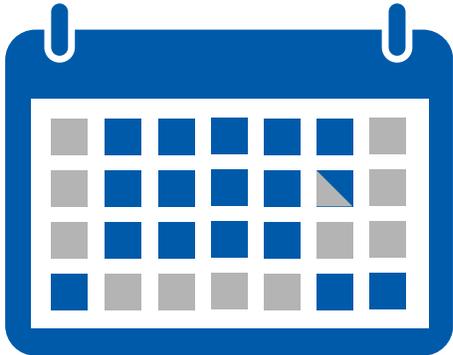
Office & Professional Employees International Union



Additional Improvements

Employee Benefit from Additional Schedule Options

Maintained flexibility of 5/40, 9/80, and 4/10 work schedules with the addition of a 3/12 work schedule.



Company-paid Holidays

Your Bargaining Committee secured company-paid holidays **based on work schedule** to better accommodate members.

IMPROVED FLEXIBILITY!!!

Situational Telework

Improved flexibility for employees who may situationally telework with approval in accordance with company policy in effect.

Increased Flexibility to Makeup Time

In order to improve the quality of life for employees and improve work-life balance, your OPEIU bargaining committee established improved options for making up your missed time. Members may now make up missed time within the same accounting work week subject to leader approval. This change will be made as soon as administratively practical.

Personal Business

For greater personal flexibility, current employees will receive all 48 hrs. of personal business Jan. 1 of each year beginning in 2022.

Improved Bereavement Leave

Improved bereavement leave from 27 to **40 hrs.** and expanding the list of covered relatives on "same as basis" as company policy currently in effect and as revised.

