**Lockheed Martin Johnstown LBAFO**

**Summary of Economic Improvements**

**September 2023**

**Wage Increases:**

* All employees will receive a **$1.00 equity adjustment** in pay, **plus an initial GWI of 4.0%** at the start of the contract. GWIs will be **4.0% in 2024, 3.0% in 2025, and 3.0% in 2026.**
* **The total immediate increase** (equity plus GWI) will be **8.3%** for the average employee. Including the Automatic Rate Progression (ARP), by the end of the first year, the increase is **11.5**%.
* Over the life of the contract, the average wage will increase by **19.5%**—from $**24.34 per hour to $29.08 per hour**. Those in progression will see even larger increases.
* The one-time equity adjustment, and all GWIs each year, will be added to the minimum and maximum rates. The minimum rate will **not be below $16 per hour**. (See chart below.)
* The **$0.20 ARP** will be given **four times per year**, instead of three—an improvement of 33%.

**Improvements to Differential Pay:**

* Leads will increase to **$1.00 per hour** ($0.25 increase).
* Shift differential will increase to **$1.00 per hour** ($0.40 increase).

**Paid Time Off Improvements:**

* **Flex Time accruals** are improved as follows:

|  |  |  |
| --- | --- | --- |
| **Years of Service** | **Current Accrual****(hours per month)** | **New Accrual****(hours per month)** |
| 0-4 | 8.34  | 10.0 |
| 5-9 | 10.5 | 11.67 |
| 10-14 | 13.34 | 13.34 |
| 15-19 | 14.5 | 14.5 |
| 20+ | 16 | 16 |

* **Up to 160 hours of paid parental leave** will be given for birth, adoption, and/or foster care placement.
* With 24 hours’ notice to supervisors, employees may take **unpaid leave for one of three holidays** (Martin Luther King Day, Juneteenth, or Veterans Day) without disciplinary action.
* **Bereavement leave** will be granted for adoptive and foster parents, employees’ and spouses’ half and step siblings and their spouses, and employees’ and spouses’ step grandparents and step grandchildren.

**401(k) Change and Improvements:**

* The HCAP and HSP 401(k) plans will be discontinued, and all employees will be placed in Lockheed Martin’s new 401(k) plan, called the Performance Sharing Plan (PSP). Under the PSP, all employee and company contributions will be based on a percentage of your weekly eligible base pay. Employees’ HSP and HCAP balances will be preserved, with the eventual ability to transfer your balance into the PSP.
* The company will contribute 6% of base pay on behalf of all employees. At the new average pay rate of $26.35, this will be roughly $63 per week, or **$3,288 per year**—an **increase of roughly 64%** over the current $2,000 annual contribution.
* In addition, the company will match 50% up to 8% of base pay into the PSP. At the new average pay rate of $26.35, this will be a maximum contribution of roughly **$42 per week**—**an increase of nearly 14%** over the current $37 weekly max.
* Because the PSP provides a percentage based contribution, the company’s contribution amounts will increase automatically with all wage improvements—GWI, ARP, etc.

**Medical Improvements:**

* The UPMC HMO plan is maintained for all employees currently eligible, at the same 92% / 8% cost share.
* The High Deductible Health Plans (HDHP) 2 and 3 will have a reduced cost share:

|  |  |  |
| --- | --- | --- |
|  | Company Cost Share | Employee Cost Share |
| HDHP Plan 1 | 92% | 8% |
| HDHP Plan 2 | 95% | 5% |
| HDHP Plan 3 | 97% | 3% |

**Other Improvements:**

* Ratification bonus of **$4,000**.
* Supplemental wage payment increased from $600 to **$1,000 per year**.
* Short-term disability is improved to provide benefit of **55% of weekly earnings, with no cap.** At the new average wage of $26.35, this will be an increase to almost **$580 per week**, from the current $390.The current $390 weekly benefit will be a minimum, to ensure that all employees are provided the same or a higher benefit.
* Safety foot protection allowance is increased from $100 to **$150 per year**.
* Life Insurance and Accidental Death and Dismemberment benefits increased from $43,000 to **$50,000** each.

**New Minimum and Maximum Pay Charts**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Grade** | **Current**  | **October 7, 2023\*** | **September 14, 2024** | **September 13, 2025** | **September 12, 2026** |
| *$1.00 equity + 4%* | *4%* | *3%* | *3%* |
| Minimum | Maximum | Minimum | Maximum | Minimum | Maximum | Minimum | Maximum | Minimum | Maximum |
| 1 | $12.83  | $19.51  | $16.00  | $21.33  | $16.00  | $22.18  | $16.00  | $22.85  | $16.00  | $23.54  |
| 2 | $13.76  | $20.50  | $16.00  | $22.36  | $16.00  | $23.25  | $16.44  | $23.95  | $16.93  | $24.67  |
| 3 | $15.85  | $22.88  | $17.52  | $24.84  | $18.22  | $25.83  | $18.77  | $26.60  | $19.33  | $27.40  |
| 4 | $18.77  | $26.37  | $20.56  | $28.46  | $21.38  | $29.60  | $22.02  | $30.49  | $22.68  | $31.40  |
| 5 | $19.72  | $27.85  | $21.55  | $30.00  | $22.41  | $31.20  | $23.08  | $32.14  | $23.77  | $33.10  |
| 6 | $20.85  | $28.88  | $22.72  | $31.08  | $23.63  | $32.32  | $24.34  | $33.29  | $25.07  | $34.29  |
| 7 | $21.66  | $30.03  | $23.57  | $32.27  | $24.51  | $33.56  | $25.25  | $34.57  | $26.01  | $35.61  |

\* A $275 lump sum payment will be paid by the end of October in order to make employees whole, for lack of receiving the first GWI until October.