



United Pilot Agreement Financial Highlights of the 2023 Contract

By: Wayne Worthington, CFA, CFP®

Do you have questions about the 2023 agreement and how it will affect your retirement flight path? We have gathered a summary of financial key data about the new agreement. Please note that this is not an exhaustive summary of the provisions in the agreement, nor is it intended as advice. We recommend you speak to your Smith Anglin advisor for further advice.

Five Major Financial Topics:

1. Increase pilot compensation by 13.8% – 18.7% immediately and 35.3% – 37.1% cumulative through 2027.
2. The Company profit sharing plan shall be funded with 10% on pre-tax profit up to \$2.5 billion of pre-tax profit, plus 20% on pre-tax profit in excess of \$2.5 billion of pre-tax profit.
3. Increased Company Retirement Contributions into the PRAP. Increasing to 17% in 2024 and to 18% in 2026, including Profit Sharing pay.
4. Establish a Market Based Cash Balance Plan (MBCBP). Contributions to the 401(k) plan that exceed the yearly IRS limit may be directed to spill-over into the MBCBP and/or the RHA.
5. Retroactive pay, taxable in 2023. 4% of 2020 & 2021 pay; 14% of 2022 and 2023 (up to DOS).



FIND THIS PAPER AND MORE ON OUR WEBSITE
WWW.SMITHANGLIN.COM

or contact Wayne Worthington directly at
(319) 573-3079 or WWorthington@smithanglin.com

Compensation - Top Pay Scale Proposed:

- Immediate pay rate increase of 13.8% – 18.7%. Pay will increase a total of 33% - 38.8%, compounded over the next 4 years.
- Pay rate increases for years of service span over 12 years. (Excluding A380.)

PILOT TYPE	Oct 2023 Top Pay	Increase	Jan 2027 Top Pay	Increase
Widebody Captain	\$421.72 / hour	14.1%	\$493.31 / hour	33.5%
Widebody First Officer	\$288.07 / hour	14.1%	\$336.97 / hour	33.5%
Narrowbody Captain	\$353.00 / hour	18.7%	\$412.92 / hour	38.8%
Narrowbody First Officer	\$241.10 / hour	18.7%	\$282.03 / hour	38.8%

Company PRAP Contributions (401k):

- The Company Contributions will increase to 17% in 2024 and to 18% in 2026.
- Company Contributions that flow over the IRS 415(c) limit will spill over to the RHA or MBCBP.
- Company Contributions do not max out. (Estimated IRS limit increase of 3% annually.)

EFFECTIVE DATE	%	PRAP Contribution	MBCBP/RHA Contribution
Current	16%	\$52,800	Spill-over
Jan 2024	17%	\$57,800	Spill-over
Jan 2025	17%	\$59,500	Spill-over
Jan 2026	18%	\$64,900	Spill-over

Pilot PRAP Contribution Strategy:

- Pilots now can save and invest much more for retirement.
- The Maximum compensation limit of \$330,000 can be surpassed for retirement savings.
- Up to \$50,000/year more than before if the right strategy is elected.
- The proper Pilot deferral election is more important than ever.

Market Based Cash Balance Plan (MBCBP):

Proposed New Pension Offer

- United will establish a new Market Based Cash Balance Plan.
- Company Contribution in excess of the PRAP limit will now spill-over to the MBCBP/RHA.
- The MBCBP will be invested by a trust with a target stock allocation of 30%.
- The MBCBP can be paid out as a lump sum or as an annuity.

Retro Pay Bonus:

Pilots with earned income in 2020 thru 2023 will receive a retro-pay bonus check.

- United will pay 4% of 2020 and 2021 earnings, and 14% of 2022 and 2023 earnings to DOS.
- This Retro pay applied to retirees. (Does not include VSL pay.)
- Retro pay qualifies for the Company PRAP contributions.



Connect with Wayne Worthington directly at
(319) 573-3079 or WWorthington@smithanglin.com

Wayne Worthington brings over 30 years of experience to Smith Anglin Financial. He regularly meets with prospective clients and counsels existing clients, with a primary focus working with FedEx and United pilots. Wayne earned the Chartered Financial Analyst (CFA) designation and is a CERTIFIED FINANCIAL PLANNER™ professional. He holds an MBA from Boston University and an Engineering degree from Iowa State University. Wayne has also enjoyed being an adjunct professor of Corporate Finance at the university level.

Smith Anglin Financial specializes in United benefits and retirement planning. We would like an opportunity to discuss our recommendations for your potential United retirement decision and to construct a retirement plan for you.

The information contained in this white paper is provided for general informational purposes only and does not constitute legal, financial, or investment advice. The content is based on our understanding of retirement benefits and election options offered in the upcoming contract. Smith Anglin Financial, LLC is not affiliated with ALPA or United. While we have made every effort to ensure the accuracy of the information provided, we make no representations or warranties of any kind, express or implied, about the accuracy, reliability, suitability, or availability, with respect to the content contained herein. Any reliance you place on such information is strictly at your own risk. Furthermore, this white paper does not create a client relationship between the reader and our organization. We strongly recommend consulting with your financial professional, before making any decisions or taking any actions based on the information presented in this white paper.

It is important to note that the retirement benefits and election options discussed in this white paper may be subject to change. Regulations and policies can vary by jurisdiction and are subject to updates, amendments, or revocations. We do not guarantee the continued accuracy or applicability of the information provided in this white paper in the future. This white paper is not an offering or solicitation of securities or investment products. By accessing and reading this white paper, you acknowledge and agree that our organization and its representatives shall not be held liable for any direct, indirect, or consequential damages arising out of the use or reliance upon the information provided. You further agree to release our organization from any and all claims, liabilities, or losses that may arise directly or indirectly from your use of or reliance on the content in this white paper.

Smith Anglin Financial, LLC ("Smith Anglin") is an SEC registered investment adviser (RIA) located in Dallas, Texas. Smith Anglin and its representatives are in compliance with the current registration and notice filing requirements imposed upon SEC registered investment advisers by those states in which Smith Anglin maintains clients. Smith Anglin may only transact business in those states in which it is notice filed, or qualifies for an exemption or exclusion from notice filing requirements. Any subsequent, direct communication by Smith Anglin with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. For information pertaining to the registration status of Smith Anglin, please contact the United States Securities and Exchange Commission on their web site at www.adviserinfo.sec.gov. A copy of Smith Anglin's current written disclosure statement discussing Smith Anglin's business operations, services, and fees is available from Smith Anglin upon written request. Smith Anglin does not make any representations as to the accuracy, timeliness, suitability, completeness, or relevance of any information prepared by any unaffiliated third party, whether linked to Smith Anglin's website or incorporated herein, and takes no responsibility, therefore. All such information is provided solely for convenience purposes only and all users thereof should be guided accordingly.

Securities offered through Purshe Kaplan Sterling Investments (PKS), Member FINRA/SIPC, headquartered at 80 State Street, Albany, NY 12207. Investments through PKS or RIA are not FDIC insured, not bank guaranteed and may lose value, including loss of principal. Not insured by any state or federal agency. Purshe Kaplan Sterling Investments and Smith Anglin Financial, LLC are not affiliated companies.

Smith Anglin
Wealth management for life.

14755 Preston Road, Suite 700, Dallas, Texas 75254
972.267.1244 972.267.1243 Fax
www.SmithAnglin.com