



United Pilot Agreement Financial Highlights of the 2023 Contract

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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 2023 contract 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. 4% of 2020 & 2021 pay; 14% of 2022 and 2023 (up to DOS).



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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 (Being Developed)

- 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 Sept 2023 received 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.



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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.

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