

SUMMARY

OF THE PROPOSED AGREEMENT BETWEEN HUNTINGTON INGALLS INDUSTRIES AND THE UNITED STEELWORKERS

February 4, 2022





February 3, 2022

Brothers and Sisters,

Since we began this round of contract negotiations in September 2021, our goal has always been to bargain a deal that reflects your hard work and effort in keeping the shipyard running during the height of the Covid-19 outbreak.

In order to keep your priorities front and center, we sent out surveys and held department meetings. We then formulated a list of proposals based on your feedback that we presented to Huntington Ingalls on behalf of the members of Local 8888.

By November, we made enough progress that we decided it was time to present a tentative agreement to you. The membership sent a strong message to the company by voting down this deal – and we also heard you loud and clear. We went back to the table to make improvements and are now presenting this new agreement to you for ratification.

No concessions

From the very beginning of negotiations, we were met by a company determined to eliminate benefits like PT time, increase your health care costs and pay bonuses instead of general wage increases.

The union felt that PT time should be increased, yet the company wanted to eliminate time off and award good attendance with pay only. We wanted to hold the line on insurance cost, but the company wanted to add penalties if employees did not comply with wellness checks. The company complained about increased labor costs because appropriations from the Navy prevent it from generating immediate cash.

Your committee hung in there and stayed focused on getting the best contract possible. Our union friends in Pascagoula, Miss., who were in bargaining at the same time, decided to settle for bonuses instead of wage increases, but your committee decided against that approach.

Big improvements

After the first tentative agreement was rejected, we decided to wait until after the holidays to go back to the table. We resumed bargaining on January 17th, and this agreement represents our best efforts to force the company to recognize your contributions to its success.

The company strongly resisted putting more money into the contract. It argued that the previous tentative agreement was far more expensive than the ratified contract in Pascagoula and that it met the benchmarks on wages and benefits throughout the shipbuilding industry. But we rolled up our sleeves, got to work and found creative solutions to accomplish our goals.

Here are some of the highlights:

- This agreement contains **permanent wage and pension increases**.
- We also **held the line on health care copays and deductibles**, raised the starting rates and negotiated procedural protections for employees trying to progress to Specialty Job Family rates.

- The agreement **increases annual leave by eight hours**, improves bereavement leave language and adds new medical provisions, such as hearing aid coverage.
- It provides other benefits as described in this summary, including **Domestic Partner coverage**.

Best path forward

We are proud of what we were able to accomplish under difficult circumstances. This agreement has no concessions or give backs and provides financial improvements, as well as improvements in pensions and benefits and other provisions. We are convinced that this agreement represents the best path forward and strongly encourage you to ratify this contract.

President Charles Spivey gave his personal approval of the deal, saying, "This is a solid contract with the improvements we fought hard to win. These were not easy negotiations. But I believe this is the best deal we could bring back to our membership at this time. We stood our ground to be treated and rewarded as Essential Shipbuilders, and we achieved that goal."

In the interest of full transparency, a rejection of this agreement will result in the union being forced to take a strike vote. Late notice and Covid-19 concerns resulted in a low turnout at the last explanation meeting and for the contract ratification vote. This is a very important decision you must make.

Therefore, we have decided to mail out this contract summary. Enclosed is a mail-in ballot with instructions on how to cast your vote and mail it in, a common practice in large ratification votes to allow full participation. We will hold small group meetings at the hall in which we will publish a schedule of when people will be available to answer your questions. If you have any questions, contact a member of the Union Bargaining Committee or your Grievance representative.

Under this process, it will take more time for ratification, so we have negotiated immediate pay increases to be paid retroactively to February 7, 2022.

Together, let's move forward and ratify this contract, which is unanimously endorsed by the full committee. It provides us a path to succeed now, and allows us to build upon these improvements in future negotiations.

In solidarity,

Your Bargaining Committee,

Fred Redmond

International Vice-President

Kevin Mapp

*Assistant to the Director
USW District 2*

Harvey Bowden, III

Grievance Chairman

Alycia Allen

Negotiating Committee

Vermilla Sanders

Negotiating Committee

William C. King

Legal Counsel

Powers, Lewis & King, PLLC

Ernest R. Thompson

Director, USW District 8

Michael Lewis

*Sub-District Director
USW District 8*

Linwood Parrish

Committee Member

Kenneth Chan Lewis

Negotiating Committee

Cary Burnell

*Senior Technician
Research & Benefits Dept.*

Charles Spivey

President, USW Local 8888

William E. Jones

*Staff Representative
USW District 8*

Tiffani Eley

Committee Member

John E. Kitchens

Negotiating Committee

Nathan Kilbert

*Asst. General Counsel
Legal Department*

Term of Agreement

If ratified, the Proposed Agreement will be for 5 years or 60 months, effective February 7, 2022 and expiring on February 7, 2027.

Economics

Essential Personnel Appreciation Bonus

\$2,000 bonus paid within 14 days of ratification of the Proposed Agreement to all employees that are fully vaccinated and have provided verification.

If Newport News has no verification of an employee's vaccination on the contract ratification date, the Company will pay the employee a \$1,500 bonus within 14 days of ratification of the Agreement.

Employees who are not fully vaccinated or for whom the Company has no verification of vaccination may still qualify for the \$500 additional bonus if they provide verification of full vaccination within 35 days of the contract ratification date. To report your vaccine status to the Company, follow the directions at www.nns.huntingtoningalls.com/411.

You are eligible for the Essential Personnel Appreciation Bonus if you are actively employed on February 7, 2022, or are absent due to sickness & accident, workers' compensation, pass-out, annual leave, union business, FMLA, funeral leave and USERRA leave (upon return). The bonus will also be paid to probationary employees employed on February 7, 2022.

Wages

The Proposed Agreement increases wage rates by an average of \$3.26 per hour or 12.3% for all pay grades over the proposed term. This represents an average annual wage increase of \$0.65 per hour or 2.3% per year over the five-year term. The full standard hourly wage rate tables are shown at the end of this summary.

The wage increases and bonus payments are as follows:

- February 7, 2022:** 3.50% general increase for all labor grades (average of \$0.93 per hour),
- February 6, 2023:** \$2,000 bonus paid to all bargaining unit employees who are actively employed on February 6, 2023, including employees on sickness & accident, workers' compensation, pass-out, annual leave, union business, FMLA, funeral leave and USERRA leave (upon return). Probationary employees employed on February 6, 2023 will also be paid the bonus.
- February 5, 2024:** 2.25% general increase for all labor grades (average of \$0.62 per hour).
- February 3, 2025:** 3.0% general increase for all labor grades (average of \$0.84 per hour).
- February 2, 2026:** 3.0% general increase for all labor grades (average of \$0.87 per hour).

Starting Wage Rates

The starting rate for production employees is increased from Pay Grade 2 to Pay Grade 4. All employees in Pay Grades 2 and 3 will be raised immediately to Pay Grade 4. The starting rate for support employees and apprentices are also raised 2 pay classifications.

Hours Required to Progress from Pay Grade 13 to 14

The number of hours worked to progress from Pay Grade 13 to Pay Grade 14 is reduced from 4,160 to 3,120 hours, upon ratification.

Specialist Job Family Qualification Issues

At the explanation meeting, several members complained that the Company had denied them the opportunity to obtain the proficiencies, skills, qualifications or other defined requirements to progress to or within the Specialist Job Family (Pay Grades 15, 16 and 17).

The Union proposed and won several procedural protections. Employees in Pay Grades 14-16 who are not given opportunity to obtain a requested requirement may bring the matter to the *NNS-USW Specialist Committee* to discuss and resolve the issue. Employees in Pay Grades 14-16 who obtain requirements but are denied a progression may now file a grievance after 4,160 straight-time hours since obtaining the defined requirements (reduced from 6,240 straight-time hours).

Specialist Job Family Caps

There are no changes in the maximum number of employees in Specialist Job Family pay grades. The NNS-USW Specialist Committee will now meet every two months to discuss and resolve issues involving specialist checklists or cap movement. The requirement that a less-senior employee be promoted in order for a more-senior employee to file a grievance has been removed.

Grandfathered Support Employees

Grandfathered Support Employees will receive the same general wage increases as all other employees under the Proposed Agreement.

Special Wage Additives

The Special Wage Additives are modified as shown below.

Changes in Special Hourly Wage Additives

Work	Current	Proposed	Change
High Voltage Work	\$1.25	\$1.25	None
Blasting, Internal Operations,	\$1.00	\$2.00	\$1.00
Blasting, Primary Shielding Tanks	\$1.00	\$1.50	\$0.50
Blasting, External Operations	\$0.75	\$1.50	\$0.75
Vacuum Blasting Operations	\$0.50	\$1.00	\$0.50
Additional Extra Compensation Operations	\$0.50	\$1.00	\$0.50
Welders	PG14	PG14	None
Spray Painting	\$0.50	\$0.50	None
Machine Shop, 5 Axis Horizontal Boring Mill	None	\$0.75	\$0.75

Work	Current	Proposed	Change
Machine Shop, Torpedo Tube Assembly and Testing	None	\$1.25	\$1.25
Machine Shop, Assembly-Testing in Hydraulic Room	None	\$1.25	\$1.25
Machine Shop, Bow Plane Final Assembly	None	\$1.00	\$1.00
Machine Shop, Carrier Shaft Flange Reaming	None	\$1.00	\$1.00
Machine Shop, VCS/CLB Steering Diving Taper Fit	None	\$0.75	\$0.75
Steel Fabrication and Assembly	\$0.75	\$0.75	None
Other Yard, Lead Mentor	\$0.75	\$1.00	\$0.25
Other Yard, Deck Hand	\$1.25	\$1.25	None
Other Yard, X36 Installation of X-Bracing under the VCS Reactor Module to support ship delivery	None	\$0.75	\$0.75
Other Yard, Essential Personnel During Storm	\$0.50	\$0.50	None
Other Yard, Material Support working as Rigger, Forklift Operators Operating Forklifts Greater Than or Equal to 5 Tons, Stage Builder, Saw Operator or Crane Operator	\$0.75	\$1.00	\$0.25
Other Yard, Refueler	\$1.25	\$1.50	\$0.25
Other Yard, X31 and O43 Personnel Performing Fiber Optic Cable Functions	\$1.00	\$1.50	\$0.50
Other Yard, X32 and X33 Personnel Involved in Applying Isocyanates	\$1.00	\$1.50	\$0.50
Other Yard, Mixing and Loading Chromate	None	\$1.00	\$1.00
Other Yard, Submarine Controlled Assembly of a Mechanical Joint or Component	None	\$1.00	\$1.00
Other Yard, Actual Pouring of Lead (Lead Boot)	\$1.00	\$1.50	\$0.50
Other Yard, Shipwright Optical Linesmen	\$1.00	\$1.50	\$0.50
Operator on Controls of APCO Fixtures in JMAF	\$1.00	\$1.50	\$0.50
Other Yard, Cleaning of Arc Furnaces and Ladles	\$0.75	\$1.25	\$0.50
Other Yard, Processing of Induction Furnaces	\$1.00	\$1.50	\$0.50
Other Yard, Processing of Arc Furnaces & AOD Vessel	\$1.00	\$1.50	\$0.50
Other Yard, Measurements on Catapult Cylinders	\$1.00	\$1.50	\$0.50
Other Yard, Nuclear Valve Canopy Seal Cutting in Radiological Areas	\$1.00	\$1.50	\$0.50
Other Yard, Torpedo Tube Long Bar Boring	None	\$1.00	\$1.00
Other Yard, Subsafe Re-Entry Control Work Requiring OQE	None	\$1.00	\$1.00

Extra Compensation for Dirty Work

The definition of dirty work is modified to include

- CHC tanks, JP5 and bilges for initial cleaning,
- exhaust vents and grease traps,
- removal of dust collection bags and filters from dust collectors and VEC loaders, and
- cleaning of oil under major machine tools and hydraulic system tanks

New Money Offsets Increase in Health Care Premiums Over Term

Over its term, the Proposed Agreement contains over \$22,000 in new money based on a 40-hour week, not counting holiday, overtime or other wage premiums.

New Money Under the Proposed Agreement for Average Employee

February 7, 2022 through February 7, 2027

Period	Hours in Period	Wage Increase		New Money Per Period
		Per Hour	Cumulative	
2/7/22 to 11/13/22	1,590	\$0.93	\$0.93	\$1,480
11/14/22 to 12/31/22	270		\$0.93	\$251
1/1/23 to 2/5/23	200		\$0.93	\$186
2/6/23 to 12/31/23	1,870	-	\$0.93	\$1,741
1/1/24 to 2/4/24	190		\$0.93	\$177
2/5/24 to 6/30/24	830	0.619	\$1.55	\$1,287
7/1/24 to 12/31/24	1,050	(\$0.08)	\$1.47	\$1,547
1/1/25 to 2/2/25	180		\$1.47	\$265
2/3/25 to 6/30/25	840	0.845	\$2.32	\$1,947
7/1/25 to 12/31/25	1,050	(\$0.08)	\$2.24	\$2,349
1/1/26 to 2/1/26	180		\$2.24	\$403
2/2/26 to 6/30/26	850	0.870	\$3.11	\$2,641
7/1/26 to 12/31/26	1,050	(\$0.08)	\$3.02	\$3,173
1/1/27 to 2/7/27	210		\$3.02	\$635
Total:				\$18,082
Possible Bonuses:				\$4,000
Total New Money over Contract Term:				\$22,082
Cumulative Hourly Increase (adjusted for Premium Increases):				11.4%
Annual Compounded Growth Rate (ACGR):				2.2%
Cumulative Hourly Increase (adjusted for Premium Increases):				\$3.02

Annual Leave

Each employee will receive an additional 8 hours of annual leave to their annual leave pay allowance, effective February 7, 2022 and thereafter as of the employee’s anniversary date of employment if otherwise eligible for annual leave. Probationary employees will receive 8 hours of annual leave when they complete their probationary period.

The Company will establish a vacation donation program to allow employees to donate vacation hours to other employees with a medical emergency or major illness affecting the employee or an immediate family member.

Paid Holidays

Paid holidays are unchanged under the Proposed Agreement. The Local 8888 Committee fought long and hard, but the Company refused to recognize Veterans Day as a paid holiday for bargaining unit employees, claiming that if it granted bargaining unit employees Veterans Day it would have to give the holiday to salaried and non-union employees.

No Changes in Paid Sick/Personal Time

Paid sick and personal time was among the most difficult issues in these negotiations. The Company demanded the elimination of the Paid Sick/Personal Time program negotiated in 2017 to reward and improve attendance.

In the face of fierce resistance by the Local 8888 Committee, the Company finally withdrew its demand to eliminate Paid Sick/Personal Time. The Proposed Agreement has no changes in Paid Sick/Personal Time.

Benefits

Active Health Care Benefits

Health care benefits was another difficult subject during these negotiations. The Union successfully fought off any benefit cuts during the bargaining leading up to the first tentative agreement. There are no changes in deductibles, copayments or out-of-pocket maximum amounts. The Union also successfully resisted the Company’s demands for higher employee health care premiums if an employee does not participate in a Company wellness program or if an employee’s covered spouse uses tobacco.

However, Newport News management refused to agree to a freeze in employee health care contributions -- even though Huntington Ingalls agreed to a four-year freeze in employee health care contributions at its shipyard in Pascagoula, MS.

When we returned to the table, the Union stressed the importance of the issue, that Newport News Health Care costs have not increased, that the number of large claims was comparable with other major employers and that cancer screening and wellness visits by Newport News hourly employees and family members were comparable to the insurance carrier’s benchmarks.

Despite the facts and Union’s best efforts, Newport News management refused to agree to freeze premiums for the term of the contract. Under the Proposed Agreement employee health care contributions will increase by 5% per premium tier on July 1, 2024; July 1, 2025; and July 1, 2026.

Proposed Employee Health Care Contributions

Coverage Category	Weekly Premiums for Employees Who Do Not Use Tobacco					
	Current	7/1/22	7/1/23	7/1/24	7/1/25	7/1/26
Employee Only	\$37.00	\$37.00	\$37.00	\$38.85	\$40.79	\$42.83
Employee and Child	\$59.20	\$59.20	\$59.20	\$62.16	\$65.27	\$68.53
Employee and Spouse	\$77.70	\$77.70	\$77.70	\$81.59	\$85.66	\$89.95
Family	\$114.70	\$114.70	\$114.70	\$120.44	\$126.46	\$132.78

Coverage Category	Weekly Premiums for Employees Who Use Tobacco					
	Current	7/1/22	7/1/23	7/1/24	7/1/25	7/1/26
Employee Only	\$49.69	\$49.69	\$49.69	\$51.54	\$53.48	\$55.52
Employee and Child	\$71.89	\$71.89	\$71.89	\$74.85	\$77.96	\$81.22
Employee and Spouse	\$90.39	\$90.39	\$90.39	\$94.28	\$98.35	\$102.64
Family	\$127.39	\$127.39	\$127.39	\$133.13	\$139.15	\$145.47

Retiree Health Care Benefits for Pre-Medicare Eligible Retirees

Retiree health care benefits and premiums remain unchanged for Pre-Medicare eligible retirees.

Summary Plan Description Updates and Corrections

During negotiations, the Union identified several errors and inconsistencies between the *Anthem Medical Benefit Booklet for Steelworkers Health and Welfare Fund* (the “Anthem SPD”) and the *Huntington Ingalls H&W Wrap Document Summary Plan Description* (the “Wrap SPD”). The Company will correct and update the Anthem and Wrap SPDs, including:

- add eligibility of Pre-Medicare Retirees for Active Health Care Plan,
- include Grandchildren in definition of Eligible Dependent,
- proton therapy listed as covered benefit,
- hearing aids and devices listed as covered benefits,
- transgender surgery and services listed as covered benefits, and
- infertility treatment listed as a covered benefit.

Applied Behavioral Therapy

Applied Behavioral Therapy for children with autism will be covered, effective July 1, 2022. The four employees who were denied claims for Applied Behavioral Therapy will be reimbursed for those claims – since the Summary Plan Description included a description of coverage.

Domestic Partner Coverage Added

Domestic Partner Coverage will be added, subject to election and premium payment, effective July 1, 2022.

Sickness & Accident Benefits

The Proposed Agreement increase weekly Sickness and Accident benefits (also referred to as Short-Term Disability) to \$410 per week for all employees for new and existing claims, effective April 1, 2022.

Weekly Sickness & Accident Benefits

Pay Grade		Current	Proposed April 1, 2022
Production	Support		
Pay Grades 2-4	New Hire to 1 st Class Level I	\$365	\$410
Pay Grades 5-8	6 th Class Level II to 5th Class Level IV	\$370	\$410
Pay Grades 9-11	4th Class Level IV to Grandfathered Rate \$27.89	\$375	\$410
Pay Grade 12 and Above	Grandfathered Rate \$28.60 and Above	\$380	\$410

To Lower Your Health Premiums Tell Newport News You Don't Smoke

During these negotiations, the Company admitted that it charges all employees the higher Tobacco-user health care premiums unless employees declare EACH YEAR that they do not use tobacco.

If you don't use tobacco or have completed a tobacco cessation program, you MUST update your tobacco-use status each year to "tobacco free" to save \$660 per year in health care premiums. To change your tobacco-user status, visit www.hiibenefits.com and log into UPoint or call the Huntington Ingalls Benefits Center (HIBC) at 1-877-216-3222.

Retirement Benefits

Pension Plan for Employees hired before June 7, 2004

The Proposed Agreement increases the pension formula for employees hired before June 7, 2004 and who retire on or after April 1, 2022 from \$60 to \$75 per month per year of pension credit (i.e. benefit from employee retiring at age 62 with 30 year of service increases from \$1,800 per month to \$2,250 per month).

The pension formula is also increased from \$35 to \$50 per month per year of pension credit for years of pension credit over 30 years.

Current and Proposed Pension Multipliers

Per Month Per Year of Service

Continuous Service	Current	Proposed, Effective April 1, 2022
Years 1 to 30	\$60	\$75
Over 30 Years	\$35	\$50

Monthly Pension

	Years of Service as of April 1, 2022										
	30	31	32	33	34	35	36	37	38	39	40
Proposed	\$2,250	\$2,300	\$2,350	\$2,400	\$2,450	\$2,500	\$2,550	\$2,600	\$2,650	\$2,700	\$2,750
Current	\$1,800	\$1,835	\$1,870	\$1,905	\$1,940	\$1,975	\$2,010	\$2,045	\$2,080	\$2,115	\$2,150
Increase	\$450	\$465	\$480	\$495	\$510	\$525	\$540	\$555	\$570	\$585	\$600

Newport News Pension Earnings Plan (for 2004-2017 Hires)

Employees hired on or after June 7, 2004 and before July 10, 2017 earn retirement benefits under the *Newport News Pension Earnings Plan*, beginning on January 1, 2009.

The *Pension Earnings Plan* uses a different benefit formula and has different retirement options compared to the Pre-2004 Pension Plan. The monthly pension benefit at retirement is based on the employee's monthly W-2 earnings, multiplied by the applicable contribution percentage and multiplied by 25%. Earnings includes your W-2 wages, 401(k) savings plan deferrals, any

voluntary contributions to the Flexible Spending Account plan, and includes wages and pay credits during certain absences such as disability and military leave.

$$\text{Monthly Pension Benefit at Age 65} = \text{Employee's W-2 Earnings for Year 2021} \div 12 \text{ months} \times \text{Current 5.5\% Contribution Percentage for 2021} \times 25\% \text{ Factor}$$

Under the current contract, an employee in Pay Grade 10 working about 2,080 hours per year would have annual W-2 earnings of about \$72,900 or monthly earnings of about \$6,075 for 2021. Based on the current 5.5% contribution percentage and 25% factor, the *Pension Earnings Plan* would generate a payment normal retirement for calendar year 2021 of \$83.53.

Example
Annual NNS Pension Earnings Plan Benefit Calculations
 Monthly Benefits at Retirement at Age 65

Year	Pay Grade 10 Wage Rate	Estimated Annual W-2 Earnings	Months	Negotiated Contribution Percentage	Pension Factor	Monthly Pension Benefit Earned in Year
2009	\$19.08	\$51,600	÷ 12	5.0%	25.0%	\$53.75
2010	\$19.80	\$53,500	÷ 12	5.0%	25.0%	\$55.73
2011	\$20.54	\$55,500	÷ 12	5.0%	25.0%	\$57.81
2012	\$21.36	\$57,800	÷ 12	5.0%	25.0%	\$60.21
2013	\$22.11	\$59,800	÷ 12	5.0%	25.0%	\$62.29
2014	\$22.77	\$61,600	÷ 12	5.0%	25.0%	\$64.17
2015	\$23.57	\$63,700	÷ 12	5.0%	25.0%	\$66.35
2016	\$24.39	\$66,000	÷ 12	5.0%	25.0%	\$68.75
2017	\$24.39	\$66,000	÷ 12	5.0%	25.0%	\$68.75
2018	\$24.76	\$66,900	÷ 12	5.5%	25.0%	\$76.66
2019	\$25.40	\$68,700	÷ 12	5.5%	25.0%	\$78.72
2020	\$26.16	\$70,700	÷ 12	5.5%	25.0%	\$81.01
2021	\$26.95	\$72,900	÷ 12	5.5%	25.0%	\$83.53
Total Monthly Pension Benefit at Retirement for Years 2009-2021:						\$877.73

Note: Assumes Pay Grade 10, 2080 hours worked, plus vacation and holiday earnings.

The Proposed Agreement increases the *Pension Earnings Plan* Contribution Percentage from 5.5% to 6.0%, effective January 1, 2022.

As shown below, the Proposed Agreement would increase monthly pension benefits under the *Pension Earnings Plan* as a result of the February 7, 2022 wage increases and the increase in the Contribution Percentage to 6.0%. For an average employee in Pay Grade 10 working about 2,080 hours per year, with annual W-2 earnings of about \$75,400, the Earnings Pension Plan would generate a payment at normal retirement for calendar year 2022 of about \$94.25. This represents an increase of 12.8% from the comparable amount for 2021 under the current contract.

NNS Pension Earnings Plan

Pension Increase from Proposed Wage and Contribution Increases

Employees Hired after June 7, 2004 and Before July 10, 2017

	Pay Grade 10 Wage Rate	Estimated Annual W-2 Earnings	Months	Negotiated Contribution Percentage	Pension Factor	Monthly Pension Earned Per Year
Current	\$26.95	\$72,900	÷ 12	5.5%	25.0%	\$83.53
Proposed	\$27.89	\$75,400	÷ 12	6.0%	25.0%	\$94.25
Increase						\$10.72 or 12.8%

Note: Assumes Pay Grade 10, 2,080 hours worked, plus vacation and holiday earnings.

You can request a copy of the Pension Summary Plan Description or the amount of your pension benefit based on your earnings and pension credits from the Huntington Ingalls Benefits Center (HIBC) at 1-877-216-3222.

Negotiated Contributions to 401(k) Saving Plan for Post-2017 Hires

Newport News employees hired on or after July, 2017 receive automatic Company-paid contributions and matching contributions on voluntary employee contributions to the *Newport News 401(k) Savings Plan for Steelworkers*. Employees hire on or after July 10, 2017 are not covered by the traditional defined benefit pension plans.

Post-2017 hires receive a Company-paid 401(k) contribution of 3% of their earnings if they are under age 35; 4% of earnings if they are between 35 and 49; and 5% of earnings if they are age 50 or older. They also receive employer-paid matching contributions to their 401(k) Savings Plan account.

The Company proposed cutting the company contributions and eliminating the age-based contributions, which would have weakened the retirement security of new employees. The Union fought off the Company’s demands, first, for current employees and then for future hires.

The Proposed Agreement maintains the age-based earnings contribution to the 401(k) savings plan and company-paid matching contributions for voluntary employee contributions. To maximize your return on savings and retirement security, you should contribute 8% of your earnings to the 401(k) savings plan. If not, you are leaving money on the table.

Percent of Your Earnings the Company Contributes to 401(k) Plan

Employees Hired on or after July 10, 2017

Total NNS Combined 401(k) Savings Plan Contributions									
Age at the End of the Calendar Year	Employee Elective 401(k) Contribution								
	None	1%	2%	3%	4%	5%	6%	7%	≥ 8%
Under 35	3%	4%	5%	5.5%	6%	6.25%	6.5%	6.75%	7%
Under 35 to 49	4%	5%	6%	6.5%	7%	7.25%	7.5%	7.75%	8%
50 and Over	5%	6%	7%	7.5%	8%	8.25%	8.5%	8.75%	9%

Other Changes

Hours of Work

Joint Manufacturing Assembly Facility (JMAF) employees continue to work 4/4 shifts. The Company agreed to work with employees for whom hardships arise during the time they are working a non-standard shift and will attempt to replace those employees with alternates. Employees with less than three years of service who are working these shifts will be eligible for eight additional hours of annual leave so that they have enough leave time to cover a full week of their four consecutive-workday schedule.

The Proposed Agreement allows the Company to also establish alternate work schedules to exclusively support production schedules on the Columbia Program. The Union may revoke these non-standard schedules at any time, after a 12 months period. The Company shall utilize non-standard work-schedules for no more than 400 employees performing work exclusively for the Columbia Program

The Company notice requirement for changes in shifts is increased from 5 to 10 workdays. Employees seeking opportunities on second or third shift will be given shift preference. Shift changes will now be granted by program versus trade.

Overtime

Second-shift and third-shift employees who desire first-shift weekend overtime opportunities may submit requests for such to their immediate supervisor. When there are additional first-shift weekend overtime opportunities, the Company shall give preference to those employees who have indicated a desire for first-shift weekend overtime, and the Company will select from the list the most senior employee in that job function and department.

If employees on sea trial in excess of 14 days return to port after 3:30 p.m., they will be excused from first-shift work on the next calendar day, if requested at the time of return to port.

Effective July 1, 2022, employee paychecks will reflect the number of overtime hours worked and the number of overtime no-shows recorded by the foremen.

Probationary Period

The probation period for new hires will increase from 120 to 150 days effective for employees hired on or after April 1, 2022. The probationary period for Apprentices is increased from 180 to 210 calendar days. In the event an employee is incapacitated for 2 or more weeks during his probationary period, the probationary period will automatically be extended by the period of incapacitation.

Leaves of Absence Retitled

Leaves of Absence under Article 20, Section 1, of the Proposed Agreement are retitled as *Emergency Leave*. Personal leaves of absence will be limited to 30 days total per calendar year. Employees can request a personal leave of absence without using 50% of their annual leave.

Bereavement Leave Added and Expanded

Funeral Leave is retitled as *Bereavement Leave*. The requirement that an employee attend the funeral to be eligible is eliminated and bereavement leave days do not need to be consecutive.

The deaths of a parent and domestic partner are added to list of family members whose deaths are eligible for 5 days of Bereavement Leave. The deaths of brother-in-law, sister-in-law, domestic partner's child and great grandparent are added to list of family members whose deaths are eligible for 3 days of Bereavement Leave.

Safety & Health

The Company will allow employees adequate time to wash up after handling asbestos or fiberglass insulation and to return paint to its proper storage. Should any issues arise with respect to adequate time periods, the Company and Union will discuss and resolve those issues at regularly scheduled *Labor Management Communications Committee* (LMCC) meetings.

Jury Duty and Witness Pay

Employees will now be eligible for witness pay if they are subpoenaed or summoned as a witness in a legal proceeding (other than a court of law).

Workplace Breastfeeding Policy

Federal law requires employers to provide reasonable break time for an employee to express breast milk for her nursing child for one year after the child's birth each time such employee has need to express the milk. Employers are also required to provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by an employee to express breast milk.

The Local 8888 Committee reported that many nursing mothers have complained about the lack of clean and conveniently located areas for lactation. The Union fought and won a new Workplace Breastfeeding Policy.

The Company agrees to provide a current list of designated lactation areas provided throughout the facilities but employees are able to discuss alternative locations with their Supervisors based on job location.

Effective July 1, 2022, time spent off the job for such care will not be paid, however, it will be considered "straight-time hours worked or paid as though worked." Thus, an employee will continue to accrue Annual leave and benefits and will not have the time spent for such care used against them in determining whether they have met the "straight-time or paid as though worked" requirement.

Employees will be permitted to be off the job for a maximum of 3 sessions and will be provided 18 minutes per session, per scheduled work day. If additional time per session is required, the employee and/or her supervisor shall notify the Supervisor of Employee Relations. Any additional time needed throughout the work day will not be counted in the "straight-time" or paid as though worked" requirement.

The Nursing Mother Location List will be prominently displayed throughout the Shipyard. Any issues that arise regarding the policy may be discussed and resolved at the regularly scheduled LMCC meeting.

Rate Schedule

Production Employees

Pay Grade	Current	Proposed Agreement					
		Effective	Effective	Effective	Effective	Increase Over Term	
		2/7/22	2/5/24	2/3/25	2/2/26	Dollars	Percent
17	\$32.58	\$33.72	\$34.48	\$35.51	\$36.58	\$4.00	12.3%
16	\$31.66	\$32.77	\$33.51	\$34.51	\$35.55	\$3.89	12.3%
15	\$30.92	\$32.00	\$32.72	\$33.70	\$34.72	\$3.80	12.3%
14	\$30.38	\$31.44	\$32.15	\$33.12	\$34.11	\$3.73	12.3%
13	\$29.73	\$30.77	\$31.46	\$32.41	\$33.38	\$3.65	12.3%
12	\$28.61	\$29.61	\$30.28	\$31.19	\$32.12	\$3.51	12.3%
11	\$27.89	\$28.87	\$29.52	\$30.40	\$31.31	\$3.42	12.3%
10	\$26.95	\$27.89	\$28.52	\$29.38	\$30.26	\$3.31	12.3%
9	\$26.18	\$27.10	\$27.71	\$28.54	\$29.39	\$3.21	12.3%
8	\$24.47	\$25.33	\$25.90	\$26.67	\$27.47	\$3.00	12.3%
7	\$23.31	\$24.13	\$24.67	\$25.41	\$26.17	\$2.86	12.3%
6	\$22.48	\$23.27	\$23.79	\$24.50	\$25.24	\$2.76	12.3%
5	\$21.51	\$22.26	\$22.76	\$23.45	\$24.15	\$2.64	12.3%
4	\$20.54	\$21.26	\$21.74	\$22.39	\$23.06	\$2.52	12.3%
3	\$19.70	Move to Pay Grade 4				\$3.36	17.1%
2	\$18.87	Move to Pay Grade 4				\$4.19	22.2%

Rate Schedule

Support Employees

Pay Grade	Current	Proposed Agreement					
		Effective	Effective	Effective	Effective	Increase Over Term	
		2/7/22	2/5/24	2/3/25	2/2/26	Dollars	Percent
1st Class Level III	\$24.97	\$25.84	\$26.43	\$27.22	\$28.03	\$3.06	12.3%
2nd Class Level III	\$24.53	\$25.39	\$25.96	\$26.74	\$27.54	\$3.01	12.3%
3rd Class Level III	\$24.43	\$25.28	\$25.85	\$26.63	\$27.43	\$3.00	12.3%
4th Class Level III	\$23.93	\$24.77	\$25.32	\$26.08	\$26.87	\$2.94	12.3%
5th Class Level III	\$23.42	\$24.24	\$24.79	\$25.53	\$26.29	\$2.87	12.3%
1st Class Level II	\$23.13	\$23.94	\$24.48	\$25.21	\$25.97	\$2.84	12.3%
2nd Class Level II	\$22.75	\$23.55	\$24.08	\$24.80	\$25.54	\$2.79	12.3%
3rd Class Level II	\$22.52	\$23.31	\$23.83	\$24.55	\$25.28	\$2.76	12.3%
4th Class Level II	\$22.01	\$22.78	\$23.29	\$23.99	\$24.71	\$2.70	12.3%
5th Class Level II	\$21.61	\$22.37	\$22.87	\$23.56	\$24.26	\$2.65	12.3%
6th Class Level II	\$21.42	\$22.17	\$22.67	\$23.35	\$24.05	\$2.63	12.3%
1st Class Level I	\$21.02	\$21.76	\$22.25	\$22.91	\$23.60	\$2.58	12.3%
2nd Class Level I	\$20.49	\$21.21	\$21.68	\$22.33	\$23.00	\$2.51	12.3%
3rd Class Level I	\$20.17	\$20.88	\$21.35	\$21.99	\$22.65	\$2.48	12.3%
4th Class Level I	\$19.42	\$20.10	\$20.55	\$21.17	\$21.80	\$2.38	12.3%
5th Class Level I	\$19.25	\$19.92	\$20.37	\$20.98	\$21.61	\$2.36	12.3%
6th Class Level I	\$18.63	\$19.28	\$19.72	\$20.31	\$20.92	\$2.29	12.3%
7th Class Level I	\$18.41	Move to 6th Class Level I				\$2.51	13.6%
Hire Rate	\$17.32	Move to 6th Class Level I				\$3.60	20.8%

Rate Schedule Apprentices

Pay Grade	Current	Proposed Agreement					
		Effective	Effective	Effective	Effective	Increase Over Term	
		2/7/22	2/5/24	2/3/25	2/2/26	Dollars	Percent
Completion	\$29.73	\$30.77	\$31.46	\$32.41	\$33.38	\$3.65	12.3%
8th Term	\$28.61	\$29.61	\$30.28	\$31.19	\$32.12	\$3.51	12.3%
7th Term	\$27.89	\$28.87	\$29.52	\$30.40	\$31.31	\$3.42	12.3%
6th Term	\$26.95	\$27.89	\$28.52	\$29.38	\$30.26	\$3.31	12.3%
5th Term	\$26.18	\$27.10	\$27.71	\$28.54	\$29.39	\$3.21	12.3%
4th Term	\$24.47	\$25.33	\$25.90	\$26.67	\$27.47	\$3.00	12.3%
Mid-Term, 3rd	\$23.31	\$24.13	\$24.67	\$25.41	\$26.17	\$2.86	12.3%
3rd Term	\$22.48	\$23.27	\$23.79	\$24.50	\$25.24	\$2.76	12.3%
Mid-Term, 2nd	\$21.51	\$22.26	\$22.76	\$23.45	\$24.15	\$2.64	12.3%
2nd Term	\$20.54	\$21.26	\$21.74	\$22.39	\$23.06	\$2.52	12.3%
Mid-Term, 1st	\$19.70	Move to 2 nd Term				\$3.36	17.1%
1st Term	\$18.87	Move to 2 nd Term				\$4.19	22.2%

Effect of Wage Increase and Progression

Production Employees in Midst of Wage Progression

Pay Grade	Current Rates	Proposed Hours to Move to Next Grade	Pay Grade with Automatic Progression by End of CBA	Applicable Rate as of 2/2/26	Increase Over Term	
					Dollars	Percent
17	\$32.58	n.a.	17	\$36.58	\$4.00	12.3%
16	\$31.66	n.a.	16	\$35.55	\$3.89	12.3%
15	\$30.92	n.a.	15	\$34.72	\$3.80	12.3%
14	\$30.38	n.a.	14	\$34.11	\$3.73	12.3%
13	\$29.73	3,120	14	\$34.11	\$4.38	14.7%
12	\$28.61	2,080	14	\$34.11	\$5.50	19.2%
11	\$27.89	2,080	14	\$34.11	\$6.23	22.3%
10	\$26.95	2,080	13	\$33.38	\$6.43	23.9%
9	\$26.18	2,080	13	\$33.38	\$7.20	27.5%
8	\$24.47	1,000	13	\$33.38	\$8.91	36.4%
7	\$23.31	1,000	12	\$32.12	\$8.81	37.8%
6	\$22.48	1,000	12	\$32.12	\$9.64	42.9%
5	\$21.51	1,000	11	\$31.31	\$9.80	49.3%
4	\$20.54	1,000	11	\$31.31	\$10.77	52.4%
3	\$19.70	Move to PG4	11	\$31.31	\$11.61	58.9%
2	\$18.87	Move to PG4	11	\$31.31	\$12.44	65.9%

Note: Progression assumes employee works 2,080 hours each 12-month period.

