

CURRENT COLLECTIVE BARGAINING AGREEMENT

PROPOSED CONTRACT EXTENSION TERMS BETWEEN THE UNIONS OF THE MISSISSIPPI FACILITY AND INGALLS SHIPBUILDING

Leadership of the PMTC and IBEW, and the company have met and developed a proposal for a four-year contract extension. The extension allows for acknowledgement of Ingalls shipbuilders' hard work and contributions while enabling the company to remain competitive in capturing future business. The proposal details are listed below while **all other terms remain unchanged**. The extension preserves the current twelve (12) paid holidays (including the two-week shutdown in December), provides for wage increases, freezes health care premiums for the duration of the agreement, and grants **2 lump sum cash payments totaling \$5,000 over the duration of the agreement**.

CONTRACT PERIOD: Extends the current contract to March 8, 2026

RATIFICATION BONUS

Upon ratification of the contract extension, all qualified employees will receive a payment of **\$2,500, payable on December 16, 2021**.

- To qualify, union eligible employees must be on the active payroll December 1, 2021, and remain on active status through December 17, 2021.
- Employees on industrial and non-industrial leave of absence (LOA) must return to work no later than January 21, 2022, and must work thirty (30) calendar days to receive payment.
- Payment will be made to active military employees on December 16, 2021.
- Payment, including those with direct deposit, will be made by a separate check. The bonus is subject to withholding at a flat tax rate of 25% federal, 5% state, 7.65% FICA, and FSSP, if enrolled.

WAGE INCREASES

During the first extension period, there will be a one-time, **\$2,500 lump sum payment in February 2022** in lieu of a wage increase. Thereafter, journeyman-level employees will receive pay increases over the life of the contract extension, as follows:

<u>1st WAGE INCREASE</u>	<u>2nd WAGE INCREASE</u>	<u>3rd WAGE INCREASE</u>
March 13, 2023	March 11, 2024	March 10, 2025
2.5% increase (70¢)	2.5% increase (72¢)	3.0% increase (89¢)

As in previous contracts, classifications other than journeyman will receive proportionate increases.

HEALTH CARE & WELFARE PLAN

Premiums for active participants will be as follows:

	2022	2023	2024	2025
Health Premiums	No Change	No Change	No Change	No Change
Health Plan Design	No Change	No Change	No Change	No Change
Retirement	No Change	No Change	No Change	No Change

ADDITIONAL WAGE EARNING OPPORTUNITIES

COLA (COST OF LIVING ADJUSTMENT)

With the exception of 2022, the COLA will remain in effect and would be paid as a lump sum on all hours worked in the previous year, and would be paid in the first pay period of February 2024, 2025, and 2026. The COLA will be based on changes in the annual Consumer Price Index for Urban Wage Earners and Clerical Workers in the South (CPI-W South), as calculated and published by the U.S. Bureau of Labor Statistics. For the entirety of this extension, the percentage change in CPI-W used for calculating COLA will be capped at 3%. This index measures the average change in prices paid in our region for goods and services.