



U-S AIRWAYS

Inflight Services

Displacement Information Questions and Answers

The following are some informational items that have been compiled regarding the upcoming displacements. Should you have any additional questions that may not have been addressed, please direct them to Audrey Evans or Thelma Summers (contact numbers are located on page 6 of this document).

1. When I am displaced, will the Company pay for my move? How much?

Yes. Flight attendants relocated from one base to another at Company request will be allowed actual moving expenses for household and personal effects up to sixteen thousand (16,000) pounds in accordance with Company policy.

The Company will pay the normal expenses of packing and moving ordinary household goods and personal effects consisting of furniture and clothing to a maximum of 16,000 pounds.

The Company will pay the costs of normal servicing at origin and destination of such appliances or articles as refrigerators, deep-freezer, washers, dryers, air conditioners or such similar items as might suffer damage in transit if not properly serviced. This does not include the costs of removal or installation of articles secured to the premises nor the costs of carpeting, electrical or plumbing work necessary to disconnect, remove, connect, or install such articles as appliances.

The Company pays for all required packing and unpacking. The movers will provide suitable cartons, upon request, for packing those unbreakable items employees may wish to pack themselves. All breakables or easily damaged items should be left to the movers since they cannot assume responsibility for damage to items not packed by their personnel. The moving company will provide the proper forms to assist the employee in the event of a claim for damaged or lost articles. All cartons supplied by the mover become the employee's property should the employee wish to retain them for personal use for future moves.

Moving costs can be materially reduced by eliminating and disposing of items unwanted in the employee's new location. Items not to be moved should be set apart and the mover's personnel clearly informed as to what is to be taken.

2. What conditions must be met in order to qualify for payment of moving expenses?

The move must be completed within 3 years of the date of displacement. For example, those flight attendants displaced effective June 1, 2006 must have their moves completed by May 31, 2009, in order to qualify for payment of moving expenses.

AND....

The flight attendant's new home as defined in Section 5.B. of the Agreement must be within 200 miles of the flight attendant's base to which he/she is being displaced to effective on the displacement date,

AND...

The distance between the flight attendant's old home and new home must be the lesser of:

X= 50 miles or...

Y= 50% of the distance between the base the flight attendant is being displaced from and the base to which the flight attendant is being displaced to effective the date of displacement.

Mileage will be based on the shortest distance as determined by the American Automobile Association (AAA) / Mapquest.

RULE OF THUMB: The following bases (BOS, CLT, DCA, LGA, PHL, PIT) are all over 100 miles from each other. With this in mind, the "X=50 miles" in the above formula would prevail as the distance one must move from old home to new home if one is displaced to any of the above-referenced bases. Therefore, if you are displaced to BOS, CLT, DCA, LGA, PHL or PIT AND you move within 3 years of the effective date of your displacement AND your new home is located within 200 miles of the base to which you are displaced to AND your move from your old home to new is at least 50 miles as determined by AAA (MAPQUEST) mileage...THEN your moving expenses will be covered.

NOTE: YOU SHOULD SPEAK TO A FINANCIAL ADVISOR OR TAX ADVISOR REGARDING ANY TAX IMPLICATIONS/CONSEQUENCES YOU MAY BE SUBJECT TO AS A RESULT OF RECEIVING COMPANY-PAID MOVING BENEFITS.

3. What will not be included as part of my paid move?

The Company will not assume costs or responsibility for the movement of living plants, frozen or perishable foods, pets or livestock, motor vehicles (e.g., dune buggies, go carts, etc.), boats, motorcycles, camping or utility trailers, airplanes or parts thereto, spare motors, transmissions, farm machinery, building materials, or any articles not normally construed as household goods.

The Company will not assume additional costs of expedited service, exclusive use of a vehicle, maid service, house cleaning, extra stops enroute to pick up or deliver partial lots, or any other service not directly contributing or necessary to a move.

The Company will not assume the costs of alterations to draperies, curtains, rugs, or other household furnishings or fixtures.

4. Are my goods covered by insurance?

US Airways provides full replacement coverage insurance in the amount of \$250,000. Items of extraordinary value, such as jewelry, furs, coin collections, etc. should not be shipped. Insurance coverage does not extend to these items nor are the movers liable for their loss or damage. The moving company reserves the right to repair rather than replace any damaged item.

5. How do I enroll for relocation assistance?

To begin the relocation process, please complete the relocation commitment letter and the relocation order form in the back of Relocation Handbook fax it to Audrey Evans, in Phoenix at 480-693-8813. You can reach Audrey by phone at 480-693-8649.

Additionally, the Company has available a Flight Attendant Affected by Displacement Handbook containing in depth information regarding moving expenses. (The handbook is enclosed with this mailing.)

6. How is the move paid for?

If you have qualified for moving and relocation, the moving company will bill US Airways directly for the household move.

7. I understand that relocation is a contractual benefit. Where in the contract can I find information about this benefit?

In the Flight Attendant Agreement: Section 5, Moving Expenses.

8. Will I be reimbursed for enroute/automobile expenses?

You will be allowed mileage reimbursement, based on the federal standard rate per mile (currently 18 cents/mile), between the old and new location, based on official AAA (MAPQUEST) mileage charts or most direct route, to transport up to two (2) automobiles registered in either your, your domestic partner's, or your spouse's name. Verification of travel must be provided, using either dated gas or toll receipts, or service station odometer vouchers. Reimbursement for parking and tolls will be provided if substantiated by receipts.

Can my automobiles be transported or must I drive them to my new location?

If your move is over 1,200 miles, you may elect to ship up to two (2) automobiles in addition to and in conjunction with the sixteen thousand (16,000) pounds as previously indicated.

9. What about settling days?

As per contractual considerations each flight attendant will be allowed up to five consecutive days settling time, free of all duty, three (3) days of which shall be paid and credited at a rate of five (5:00) hours per day. These days must be used for the purpose of relocating. The three (3) days of pay and credit is contingent on the following:

1. A lineholder flight attendant may claim up to three (3) days of pay and credit provided the settling day(s) for which pay is claimed falls on a scheduled duty day as defined by the flight attendant's monthly line award (Primary, SAP, Secondary).
2. A reserve flight attendant may claim up to three (3) days of pay and credit provided a junior flight attendant is utilized on the settling day(s) for which pay is claimed. Furthermore, please note that

reserve flight attendants will not automatically be granted five additional days off. Settling days may be added to existing “off days” to give you five consecutive days off.

In addition, the request for settling days must be requested in advance to Crew Scheduling. The Company will honor the five days requested, provided adequate reserve coverage is available on such days.

10. Am I entitled to settling expenses?

During this period of relocating, you will be reimbursed for actual reasonable meals, reasonable commercial lodging, related transportation and telephone calls. Extraordinary expenses will be allowed as circumstances indicate and as approved in advance by your Base Manager.

11. What are considered to be reasonable expenses?

While we cannot indicate a specific dollar amount, we advise moderate meals and accommodations. If in doubt as to the reasonableness of the amount please have it approved in advance by your Base Manager.

12. How do I get reimbursed for these expenses?

All expenses associated with your displacement from the old to new location should be properly documented and submitted on a Relocation Reimbursement Form . This form will be available from your Supervisor. This form should be completed and submitted to your Base Manager for approval. Your Base Manager will forward the Relocation Reimbursement Form to Audrey Evans for review and the US Airways Accounts Payable Department will issue reimbursement.

Employees will be allowed advances up to an amount of \$750 to cover anticipated expenses. Such advances should be supported by a Relocation Reimbursement Form once actual expenses are realized. Expense advances are arranged through Audrey Evans by utilizing a Check Requisition Form.

13. If I elect to move myself, will the Company reimburse me?

Yes, however if you prefer to move yourself, you must contact Audrey Evans in advance, to discuss your possible options, including a self-move incentive. In addition, the Company will pay for the normal rental cost of the moving truck, as well as required supplies, with prior approval. Any move of this nature would be “at your own risk.” Additional information on this subject is contained in the Flight Attendants Affected by Displacement Handbook.

14. When I am displaced, how much time do I have to qualify for a paid move?

The move must be completed within three (3) years of the effective date of the displacement.

15. If I decide not to move all of my belongings right away will the Company pay for storage?

No. Temporary storage, or costs associated with storage, will not be a covered expense. However, exceptions will be considered on an individual basis subject to the guidelines in effect for non-

management employees in accordance with Company policy. Under no circumstances will storage exceed 30 days.

16. If I am displaced more than once will the Company continue to pay for my moves?

Yes. However, a flight attendant who is displaced to a new base prior to utilizing moving and relocation, will only be eligible for one move. Furthermore, if you voluntarily transfer to a base and had not yet taken advantage of any moving and relocation that you may have been eligible for, you forfeit the rights to those benefits when voluntarily transferring.

EXAMPLE 1:

Flight Attendant Murphy is being displaced to PHL effective May 1, 2002. She is eligible for moving and relocation and moves to Philadelphia, PA in June 2002, and submits for and receives moving and relocation benefits. In August 2002, Flight Attendant Murphy is displaced again; this time to LGA. Should she decide to move to LGA, she may do so and will be eligible for moving and relocation since her previous reimbursed move occurred before her second displacement.

EXAMPLE 2:

Flight Attendant Brown is being displaced to PHL effective May 1, 2002. Although she is eligible for moving and relocation expenses, she chooses not to take advantage of moving and relocation since she lives in Pittsburgh, PA and chooses to commute to PHL. Subsequent to her displacement to PHL, she gets displaced to LGA effective July 1, 2002. Flight Attendant Brown now opts to take advantage of moving and relocation to LGA and can do so, but she is only eligible for the one move to LGA.

EXAMPLE 3:

Flight Attendant Adams is being displaced to PHL effective May 1, 2002. Although he is eligible for moving and relocation expenses, he chooses not to take advantage of moving and relocation because he lives in Norfolk, VA and chooses to commute to PHL. He subsequently decides to voluntarily transfer to LGA in July 2002. Once he voluntarily transfers, he is no longer eligible for any moving and relocation reimbursements associated with his displacement.

17. If I must break a lease due to my displacement what assistance will be provided by the Company?

Many leases have a "Transfer Clause" which would be applicable in the event of a displacement. You can provide your leaseholder with a copy of your displacement award letter dated April 10, 2006 as verification of your displacement. No provision is being considered to reimburse a flight attendant for a lost deposit or penalty resulting from the displacement.

18. If I am awarded a voluntary transfer, will the Company pay for moving and relocation associated with the transfer?

No. This would be considered a voluntary transfer which does not qualify for moving and relocation reimbursement.

19. If a more senior flight attendant volunteers to transfer to an available base but will not be affected by a displacement, will the Company pay for the relocation?

No.

20. How will I get bid information for my new base?

Bid information will be available on 'theHub'. Additionally your new base will forward a copy of trip sheets and lines to your flight attendant mail file in PIT. Please note that due to the timing of bidding, the copy forwarded may not reach your mail file prior to the closure of bidding for primary lines, so please plan accordingly.

21. If I am on an "Option", will it be honored at my new base?

Yes.

22. How will my taxes be affected by my relocation/moving reimbursement?

Federal income tax laws require that all payments made directly or indirectly to an employee for reimbursement of expenses of moving from one residence to another residence shall be included in the employee's gross income (as compensation for services) and may be subject to the appropriate withholding taxes depending on the amount and type of expenses reimbursed.

To the extent that the reimbursement exceeds the allowable deductions, the excess is considered taxable income and subject to normal withholding.

23. Am I eligible for Home Purchase assistance?

No.

24. What do I have to do if I would like to have priority return back to the domicile I was displaced from over more senior non-displaced flight attendants wanting to voluntary transfer to that domicile once the domicile opens up?

Enclosed in this mailing is a copy of a "Displacement Preference Form – Priority Return Request." You must fill out this form and submit it back to Inflight Administration no later than 30 days from the date of your displacement in order to be given consideration for priority return to the base you were displaced from. This is in accordance with Section 18.I of the Agreement.

27. If I have additional questions who may I contact?

Should you have any questions that may not have been covered in this document, you may contact:

Thelma Summers – US Airways Inflight Administration at (800) 327-0117, prompts 1, 5, 4, 4
or

Audrey Evans – US Airways Human Resources Department at (480) 693-8649