

Labor Update

Nov. 19, 2021

Last week, we were notified that United Steelworkers (USW) Local 8888 members at Newport News Shipbuilding voted against a new labor contract that was negotiated over the past two months.

Work will continue under a contract extension, and the company and USW will continue to honor all current contract terms and conditions as we work to reach an agreement on the new one. As the company and union determine next steps, we would like to provide more information on the main highlights of our offer:

Your Paycheck Gets Bigger:

The offer includes **five general wage increases, a \$2500 ratification bonus plus enhancements to the production wage progression schedules** that shorten the time required to move from entry level to pay grade 14 from the current 10 years to 7.5 years. For most employees, the changes to the progression schedule **represent additional significant increases in pay.**

Here is how this would look for employees by pay grade:

Pay Grade	Total Increase over Life of Contract*	Plus One Time Ratification Bonus
Pay Grades 14 - 17	11.75%	\$2,500
Pay Grade 13	13.94%	\$2,500
Pay Grade 12	17.85%	\$2,500
Pay Grade 11	20.43%	\$2,500
Pay Grade 10	23.92%	\$2,500
Pay Grade 9	26.86%	\$2,500
Pay Grade 8	31.66%	\$2,500
Pay Grade 7	32.73%	\$2,500
Pay Grade 6	36.42%	\$2,500
Pay Grade 5	38.35%	\$2,500
Pay Grade 4	43.07%	\$2,500
Pay Grade 3	47.33%	\$2,500
Pay Grade 2	51.73%	\$2,500

Your Additional Holiday Is Yours to Celebrate:

All represented employees, including those who complete their probationary period, **would receive eight additional hours of annual leave**, beginning Jan. 1, 2022. In recognition of the diversity of our employee population, employees may use these paid hours to celebrate Juneteenth, Good Friday, Veteran's Day or any other day they see fit. (It can also be used in .1 increments.)

Your Health Care Premiums Don't Change:

- Current health care rates **will remain the same over the first two plan years.**

Your Legacy Pension Gets Better:

Represented employees who are eligible for the legacy pension plan would receive an increase to their pension benefit. Here's how it would work:

- Represented employees who have a continuous service date on or before June 6, 2004, would be guaranteed a minimum benefit of \$2,250 per month (increase from \$1,800) at age 62 based on 30 years of service, effective April 1, 2022.
- For retirements on or after April 1, 2022, the company would provide an accrual of \$50 (increase from \$35) per year of credited service for all years of credited service over 30 years.

Employees with questions about the offer and next steps should contact their local union representatives.

** Potential increases predicated on employee working hours required to progress to next pay grade.*



Newport News Shipbuilding
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