

February 26, 2016

Marcus Gluth, National President  
Association of Professional  
Flight Attendants  
1004 West Euless Boulevard  
Euless, TX 76040-5018

**RE: State Tax Issues for Flight Attendants**

Dear Marcus:

This letter will confirm our understanding as to the remedy for the system issue that impacted state taxes for Flight Attendants working in one state and residing in another state.

- This system issue resulted in state taxes not being withheld for impacted employees for the month of January 2016.
- The Company will pay the 2016 state income tax amount that would have normally been withheld from the employee's paycheck.
- The amount being paid will be taxable income based on the amount of state tax being paid on the employee's behalf. This amount will be reflected on the employee's scheduled pay check by the end of 1Q2016.
- The state tax amount covered by the Company on the employee's behalf will be included in the employee's 2016 W-2.

It is understood that this agreement is made on a non-precedent setting basis and will not be cited by the Union or Company in any grievance or future application.

Sincerely,

  
Cindi Simone  
Managing Director  
Labor Relations

Agreed to by:

 Date 2-26-16  
Marcus Gluth, National President

**Association of Professional Flight Attendants**

cc: Rick Knuth  
Vince Heyer

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