

kaufmännischer  
verband



VPOD  
Die Gewerkschaft im Luftverkehr



## **Social Compensation Plan**

### **For Ground Staff With a Swiss Basic Employment Contract**

**SWISS**

and

Kaufmännischer Verband

SEV-GATA

VPOD Luftverkehr

Effective from 1 July 2017

Note: In case of doubt, the German version applies

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## **1 Purpose**

This social plan is intended to offer socially acceptable solutions to employees with a Swiss basic employment contract affected by a staff reduction at Swiss International Air Lines AG & Swiss Global Air Lines AG (hereinafter SWISS) and to avoid or at least alleviate hardship cases.

SWISS endeavors to keep the number of layoffs and early retirement due to redimensioning programs or reorganizations as low as possible.

## **2 Scope of Application**

The following provisions apply to all SWISS ground staff with a Swiss basic employment contract whose employment relationship is terminated in consequence of job cuts due to redimensioning programs, reorganizations, or mass layoffs by SWISS.

The social compensation plan applies to dismissals or early retirement from 1 July 2017. It is not applicable if the employment contract is terminated for reasons for which the employee is responsible (namely disciplinary reasons that led to documented complaints before the redimensioning program).

## **3 Legal and Contractual Obligations**

All legal and contractual claims and obligations, particularly

- Notice periods
- Holiday entitlement / overtime and negative hours resulting from annual working hours / balance on long-term accounts
- Obligation to pay wages including any other wage components
- Company pension plans

stay in effect and must be fulfilled by SWISS prior to dismissal.

## **4 Termination Announcement**

The employees concerned must be informed about SWISS' decision to take a measure (e.g. termination) due to redimensioning (e.g. termination) as soon as possible.

In the event of layoffs for economic reasons, the social partners are informed in good time and invited to make a statement promptly. After the social partners have been informed, any employees affected will be informed of SWISS' decision to terminate their contracts as soon as possible, and they will soon after be informed about the specific application of the social compensation plan and outplacement advisory services in individual meetings.

## **5 Offer of Other Positions**

SWISS generally offers employees affected by dismissals support in finding other jobs. Whenever possible, SWISS endeavors to provide the employees concerned with a job within SWISS or a Lufthansa Group company (e.g. Swiss Aviation Software, Edelweiss, etc.). If an undoubtedly reasonable job is rejected by the employee, the social plan does not apply.

## **6 Reasonability**

To assess whether a job offer is deemed reasonable, the following provisions apply.

Job offers are considered reasonable if:

- commuting to work with public transport takes no more than 90 minutes each way,
- the requirements for the position largely correspond to the employee's training and experience,
- the fixed basic annual salary is reduced by a maximum of 10%,
- the degree of employment is changed by a maximum of +/- 10%.

## **7 Outplacement**

SWISS offers and funds a defined outplacement through an external service provider for the employees concerned. In the outplacement process, the individual situation of those affected is determined in a personal meeting.

The employees receive expert support in their professional reorientation process and a determination of their personal position with targeted competence and motivation checks, based on which further necessary measures (support with job applications, job hunting service for job placements, training and further education measures, etc.) are derived and defined. The focus lies on offers that maintain and promote the employability of the employees concerned.

The employees receive guidance and support individually or in groups. They are obliged to cooperate actively and receive the best possible support for their job search.

Time spent in counseling concerning outplacement is considered paid working time.

## **8 Notice Period**

SWISS is obliged to respect the following notice periods towards its employees (with termination effective from the last day of the month):

- Employees aged 30 and over *and* with at least 1 year of service: 1 month extension
- Employees aged 40 and over *and* with at least 10 years of service: 2 months extension
- Employees aged 50 and over *or* with at least 20 years of service: 3 months extension

Despite this obligation, the maximum notice period is 6 months.

The so-called technical entry date is used as the basis for calculating years of service.

If operational conditions permit and if the employees concerned can take up another position earlier, SWISS releases them before the notice period expires. In this case, 50% of the unused notice period will be paid out as a one-off payment.

In the event of a full or partial release from the obligation to work during the notice period, unused holidays are considered compensated.

## **9 Leaving Allowance**

For each full year of service, 1/3 of the contractually defined monthly salary (including market allowance) is paid, but at least 1 monthly salary. Other salary components are not part of this calculation. The leaving allowance for completed years of service can only be applied once.

In addition, an age bonus is paid. The amount payable consists of the following number of monthly wages (including market allowance):

- 1 monthly wage for employees aged <40
- 2 monthly wages for employees aged >= 40
- 3 monthly wages for employees aged >= 45
- 4 monthly wages for employees aged >= 50
- 5 monthly wages for employees aged >= 55
- From the age of >= 58 → early retirement with additional age bonus of 6 monthly wages

In the event of a possible re-entry into SWISS after receiving the benefits related to the number of years of service from this social plan, only the completed years of service after re-entry will be taken into account. The leaving allowance is subject to tax and social security payments, including savings contributions from the pension fund (excl. risk insurance). From the age of 50, SWISS pays the full pension fund savings contribution on the leaving allowance to the pension fund (employer and employee contribution).

The total leaving allowance is capped at the following amounts (monthly wages including market allowance):

- 6 monthly wages for employees aged <40
- 9 monthly wages for employees aged >= 40
- 10 monthly wages for employees aged >= 45
- No cap at the age of >= 50
- From the age of >= 58 → early retirement, age bonus of 6 monthly wages only

The variable remuneration is paid pro rata temporis in the year of dismissal in accordance with all applicable regulations.

## **10 Early Retirement**

Employees aged 58 or over, whose employment contract is to be terminated based on Article 2 of this social plan or Article 40 CLA and for whom no new position could be found until the day of dismissal, receive an offer for early retirement. SWISS pays a transitional pension of one (1) maximum AHV retirement pension per person per year, i.e. for a maximum of 6 years. In addition, a bridging pension of one (1) maximum AHV retirement pension is paid for male employees.

Furthermore, SWISS makes a one-time contribution in the form of a percentage of the eligible annual salary (acc. pension fund regulations):

- for employees aged 63 12.6% of the eligible salary
- for employees aged 62 25.2% of the eligible salary
- for employees aged 61 37.8% of the eligible salary
- for employees aged 60 50.4% of the eligible salary
- for employees aged 59 63.0% of the eligible salary
- for employees aged 58 76.6% of the eligible salary

In the event of early retirement, entitlement to leaving allowances is calculated in accordance with Article 9 and entitlements resulting from the extended notice period in accordance with Article 8. If the financial entitlement to allowances in accordance with Article 9 exceeds the benefits for early retirement mentioned above, the difference will be paid by SWISS as a single contribution to the pension fund. Further or additional claims from the social compensation plan cannot be asserted in the event of early retirement.

In any case, the prematurely retired person is responsible for making the compulsory contributions towards AHV/IV/EO. Employees who receive an early retirement offer from the employer are informed of the financial losses resulting from it (pension cuts, etc.).

## **11 Seniority Gifts**

Seniority gifts within the notice period (including extended notice period) are still due to be paid by SWISS.

## **12 Travel Discounts**

According to the regulations, travel discounts for flights operated by SWISS are guaranteed during the normal and extended notice period. Flight tickets must be assumed at the latest at the end of the employment contract.

The flight tickets are valid for 3 months from the date of issue (return flight departure within these 3 months).

Unused tickets can be refunded for a fee of CHF 30 until the end of the employment contract.

One booked European C-Class flight for the whole family upon termination.

Status 75 is applied as soon as it is reached.

## **13 Hardship Cases**

In the event of special hardship cases, applications for additional support can be submitted within 1 year of the termination date. Decisions about these contributions are made by the parity commission, consisting of 2 delegates from the CLA contractual partners and 2 SWISS representatives. SWISS is responsible for presiding the commission.

## **14 Information and Counseling**

SWISS takes all necessary steps to provide the information and counseling required in each individual case.

SWISS informs the contractual partners about the status of the measures and the employees concerned in an appropriate and regular manner.

Zurich Airport, Zurich, Bern, Glattbrugg, 20 November 2017

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