

**ARTICLE 34 - SICK LEAVE**

(a) An employee who completes six (6) months of service with the Company will be credited with ~~two and one half (2.5)~~ **three (3)** days of sick leave for the calendar year in which the six (6) months' period is completed.

(b) Upon being credited with the applicable ~~two and one half (2.5)~~ **three (3)** days of sick leave, an employee will thereafter accrue one half (1/2) day of sick leave for each calendar month of service with the Company, up to a maximum of ~~five (5)~~ **six (6)** days in ~~any~~ calendar year **2010, and up to a maximum of eight (8) days in subsequent calendar years.** Sick leave accrued during a calendar year will not be used prior to January 1 of the following year.

(c) Unused sick leave will be cumulative up to a maximum of one hundred and eighty (180) days.

(d) Except as specified in this Article, only days absent due to illness or injury of the employee which are not compensable under the applicable Workmen's Compensation Laws will be paid for from his allowed sick leave. Payment will be based on the employee's regular hourly rate.

(e) The intended purpose of the sick leave benefit is to protect the earnings of the employee during necessary absence from work due to illness or injury, and to aid the employee in meeting bills when sickness or injury have temporarily taken away his ability to work. The parties acknowledge that the statements in the booklet entitled, "Attendance Control Guidelines and the Sick Leave Benefit", originally distributed in August of 1969, do not conflict with the rights of employees under this Agreement. Accordingly, the Company will take the following actions before issuing a disciplinary notice for unsatisfactory attendance to an employee with a sick leave balance when such disciplinary notice considers occasions of absence involving sick leave.

(1) The supervisor will conduct a full discussion with the employee concerning his attendance record.

(2) If abuse of the sick leave policy referred to in Article 34 is suspected, the employee will be so advised of the reasons for suspected abuse. The employee may request those reasons in writing.

(3) Requiring the employee to provide a doctor's slip stating he was treated for an illness or injury for sick leave eligibility in accordance with Article 34.

(4) A disciplinary notice issued subject to these conditions and actions will include the charge of suspected abuse of sick leave in connection with the involved absence(s).

(5) These procedures will not apply to any incident where an employee is charged with the fraudulent abuse of the sick leave benefit.

(f) When the employee has a sick leave balance, it will not be the policy of the Company to require a slip from his doctor stating treatment for an illness or injury for all absences of one (1) to three (3) days in order for an employee to be eligible for sick leave pay, however, the Company reserves the right to require such doctor's slip whenever circumstances indicate suspected abuses of the sick leave policy.

(1) Any employee suspected of abusing sick leave and therefore may be required to furnish a doctor's slip stating that he was treated for an illness or injury will first have the circumstances leading to the suspicion fully discussed with him. He may, if he so desires, have a Union representative present during such discussion. Subsequent to this discussion, if the Company decides that a doctor's slip is required, he will be given written notice of this requirement. Upon request of the employee, the specific reasons for the suspected abuse will be supplied to him, in writing. The requirement for this slip from the doctor will expire ninety (90) calendar days from the effective date of the written notice.

(2) Upon request of the Local Union President, any employee claiming harassment as a result of being required to furnish a doctor's slip will have the opportunity to present his written claim for relief to a panel composed of the Vice President – Employee Relations and the Director of the Air Transport Division or their respective designees.

(3) In the event the employee's claim is determined to be valid, the employee will have eight (8) hours of sick pay added to his sick leave account. In the event it is determined to not be valid, the employee will forfeit eight (8) hours of sick pay from his sick leave account.

(g) When employees, including probationary employees, are absent due to illness or injury, Classification seniority will continue to accrue for a period not to exceed thirty (30) calendar days for any period of absence.

(h) During an employee's absence due to an occupational illness or injury compensable under the applicable Workmen's Compensation Law, he will receive from the Company the following benefits:

(1) for the first ten (10) workdays absent, the difference between his base pay (including shift differential) and Worker's Compensation payments;

(2) at the conclusion of the period referred to in (1) above, a disabled employee drawing Workmen's Compensation may, at his option, draw upon his accrued sick leave up to the extent of his accrual at the rate of up to one-half regular pay (including shift differential). Provided, however, the sum of such Workmen's Compensation weekly payments plus such sick pay benefits will not exceed the employee's regular base weekly pay (including

shift differential). Corresponding deductions will be made from his available sick leave accrual. Deductions will be to the nearest 0.1 of a day up to a maximum of one-half day of sick leave.

These benefits will be in lieu of any other payment provided for in this Article for all absences due to the same illness or injury.

(i) In the event that the Company challenges the payment of benefits under paragraph (g) above, occurring during the statutory waiting period under the applicable state Workmen's Compensation Laws, the employee will receive pay continuance (base pay, including shift differential) from the Company up to the maximum days provided in the waiting period.

The challenged payment by the Company will be resolved in the following manner:

(1) The Company, or the employee, may within seven (7) calendar days, appeal through a review panel composed of a representative of the TWU International and the Vice President-Employee Relations or their respective designees which will hear and resolve the case. The panel will be limited to determining whether the pay continuance, made to the employee under this provision, will be considered a benefit under Article 32(d) or 32(g), or whether the employee should return to the Company the benefit he received under this provision. In the event the panel is unable to resolve the issue, the case may be submitted to the System Board of Adjustment for final and binding resolution.

(2) If the Company or the employee fails to appeal the challenged payment, the pay continuance benefit will be considered payment under Article 32(d) and will be charged to the sick leave benefit.

(j) The employees and the Union recognize their obligations to prevent absence for reasons other than illness or injury, or other abuse of the sick leave privilege, and pledge their wholehearted cooperation to the Company to prevent abuse.

(k) Effective January 1, 1981, a lump sum payment for unused sick leave days, if any, will be made to each employee entitled thereto upon the employee's effective date of retirement as defined in American Airlines regulations. If an employee dies prior to retirement the employee's beneficiary or estate will receive a lump sum payment for all unused sick leave. A day or days of unused sick leave referred to in this paragraph will mean those days credited or accrued in each calendar year and not used by the employee up to the date of retirement or death.

(l) For each day of unused sick leave up to a maximum of one hundred fifty (150) days, the Company will pay an employee covered by this Agreement, twenty-five dollars (\$25.00). For example: An employee retires on January 1, 2003. He has a total accumulation of one hundred fifty (150) days of unused sick leave. On

that date, said employee will receive a lump sum payment of three thousand seven hundred fifty dollars (\$3,750).

(m) A day or days of unused sick leave referred to in paragraphs (a) and (b) above will mean those days credited or accrued in each calendar year and limited to the cumulative maximum in the manner set forth under the provisions of Article 34 of this Agreement effective December 9, 1998 and not used by the employee up to the date of retirement.

(o) The attachments on the following pages are agreed to by the parties and are incorporated as part of the Agreement:

**Attachment 34.1 - Compensation Claim (ID) Panel**

AMERICAN AIRLINES, INC.  
633 Third Avenue  
New York, New York 10017

February 18, 1978

Mr. Ernest M. Mitchell  
Director-Air Transport Division  
Transport Workers Union, AFL-CIO  
1980 Broadway  
New York, New York 10023

Re: Compensation Claim (ID) Panel

Dear Mr. Mitchell:

Procedures for the Company and employees to follow on occasions when injury-on-duty payments during statutory waiting periods are challenged, as outlined in Article 34(h), are as follows:

1. The Company will notify the employee in writing that payment for alleged injury on duty is being challenged.
2. The employee may appeal by a written protest jointly addressed to his supervisor and the local union ranking official.
3. The appeal may be submitted to the Special Injury On Duty Panel provided under Article 34 within thirty (30) days of notice of protest to the supervisor. If the issue is not resolved by the Special Injury On Duty Panel, it will be submitted to a designated permanent referee who will render an immediate decision, without a written opinion within twenty-four (24) hours of the hearing
4. Expenses for the hearing before the special designated referee will be borne in the same manner as for grievances under the Agreement.

Very truly yours,

Charles A. Pasciuto  
Vice President  
Employee Relations

Agreed:

Ernest M. Mitchell  
Dated: February 18, 1978

**~~Attachment 34.2 Sick Leave and IOD Applications~~**

~~March 31, 2003~~

~~Mr. James C. Little  
International Administrative Vice President  
Director Air Transport Division  
Transport Workers Union of America, AFL-CIO  
1791 Hurstview Drive  
Hurst, Texas 76054~~

**Sick Leave and IOD Applications**

Dear Jim,

This will confirm our understanding reached during the negotiations leading up to the agreement signed on April 15, 2003.

~~During these negotiations, the parties agreed to modifications to the manner in which sick leave is accrued and paid. Additionally, the parties agreed to modifications to the manner in which IOD salary continuance is paid. The implementation plan of these items is detailed below and constitutes the required method to reach the targeted savings.~~

**Sick Leave**

~~On December 31, 2003, all employees in the TWU Title Groups will be credited with sick leave based upon our agreed to changes. Sick leave is awarded based on 5/12ths of a day (3.65 hours in the M&R Agreement) per each 173.3 paid hours period. The maximum credit is five (5) days (40 hours in the M&R Agreement) per calendar year.~~

~~There is no change to the maximum accrual of one hundred fifty (150) or one hundred eighty (180) days. Additionally, there is no change to the sick bank of each employee as of January 01, 2003.~~

~~Effective on May 01, 2003, in Title Group I and Title Group II only, payment for sick leave will be at 50% of the employee's base rate for the first sixteen (16) hours, of any single occurrence.~~

**Injury On Duty – Salary Continuance**

~~The parties agreed to modification of the IOD – Salary Continuance provision. In order to transition from the eighty (80) days of salary continuance to the new ten (10) days of salary continuance, employees, who are receiving salary continuance on the basis of the eighty (80) day application for an injury or illness that occurs prior to April 15, 2003, will continue to draw salary continuance on the basis of the eighty (80) day~~

~~application through April 30, 2003. For those employees, salary continuance will end as of May 01, 2003.~~

~~Example: Employee "A" has used 74 days of IOD as of 4/15/03. This employee would continue to receive IOD pay for six (6) more days up to the eighty (80) days. Emp. B has used 45 days of IOD as of 4/15/03, he/she will continue on IOD, if necessary, till 4/30/03.~~

~~For those employees who incur an illness or injury during the period of April 15, 2003, through April 30, 2003, the salary continuance payment will be for ten (10) work days. For those employees, salary continuance will end after payment of ten (10) work days.~~

~~If an employee incurs an illness or injury on or after May 01, 2003, the Company will pay the employee up to ten (10) work days of salary continuance (ID) for each separate illness or injury.~~

Sincerely,

~~James B. Weel  
Managing Director  
Employee Relations~~

Agreed to this date:

~~James C. Little \_\_\_\_\_  
International Administrative Vice President  
Director Air Transport Division  
Transport Workers Union of America, AFL-CIO~~