



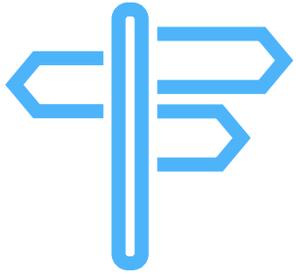
Voluntary Option to Retire

FOR PILOTS WITH 10 OR MORE YEARS OF OCCUPATIONAL SENIORITY



Navigating your next chapter

APPLY BY FRIDAY, FEB. 26, 2021, AT 5 PM CT



Take time to consider your options.

We realize there's a lot to think about as we continue to navigate the path forward.

American is offering a Voluntary Option to Retire for eligible pilots, developed with input from our union partners. These are big decisions to make. We're here to provide as much information as possible as you consider what's best for you and your family.

We are calling this offer the Voluntary Option to Retire Revised Second (VORR2).



OUR GOAL

is to award as many VORR2s as possible. The earliest a VORR2 may commence is May 2, 2021; however, VORR2s will be granted and their effective date determined based on operational need and seniority.

In addition, the company may defer the effective date of a pilot's VORR2 for up to 12 months from the date the VORR2 was awarded. In no case may the effective date of a pilot's VORR2 be deferred more than 12 months from the date the VORR2 was awarded. For more information, see the [VORR2 Q&A](#).

**The window for applying for this program ends
FEB. 26, 2021, AT 5 PM CT.**



Eligibility

Active,¹ U.S.-based mainline represented pilots who meet all the following criteria:

- Have not already accepted a previously offered Voluntary Paid Leave of Absence or Voluntary Option to Retire.
- Will not reach the mandatory pilot retirement age as of May 2, 2021.
- Have at least 10 years of occupational seniority as of Feb. 26, 2021.
- Are on the Pilot System Seniority List as of Feb. 26, 2021.

American will contact you to notify you of your VORR2 award on March 12, 2021. You will need to accept the VORR2 award and execute a general release form by March 29, 2021.

- If you do not return the release by 5 p.m. CT on March 29, 2021, you will be deemed to have rejected the VORR2.
- You have seven days from the date you turn in your release to revoke the release.
- Once accepted, the VORR2 is irrevocable and binding on both you and the company.

If you are awarded or assigned a deferral, you may make a one-time change to your VORR2 option (i.e., change from the 12-month option to the lump-sum option or change from the lump-sum option to the 12-month option). This change must be completed no later than April 5, 2021.

To elect the offer:^{2,3}

Submit a bid using the VORR2 Bidding Tool on the [APA Negotiations website](#).

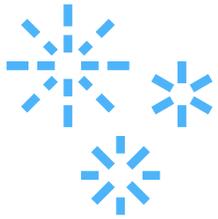
Don't miss the deadline:

Feb. 26, 2021
5 PM CT

¹ Pilots on payroll are considered active. Pilots not on payroll, including but not limited to those on an unpaid sick leave of 17 or more days, those on long-term disability and pilots on a personal leave of absence, are not active. Pilots on a Voluntary Short-Term Leave of Absence or Voluntary Extended Leave of Absence are considered active for this purpose.

² If you want to change or withdraw your selection, you can submit another application and select your preferred choice, or the "withdraw" option prior to the window closing.

³ The application with the latest time stamp will be used as your final application. Once the application window has closed, no additional applications can be submitted.



VORR2 Options

Choose what works best for you.



12-month
payout period

or



Lump
sum

You will be released from flying obligations no earlier than the date the VORR2 commences and no later than 12 months after the VORR2 commences.

You will be separated from the company no earlier than the date the VORR2 commences and no later than 12 months after the VORR2 is awarded.

If you elect this VORR2, here's what you will receive.



Pay

Partial pay for 12 months or until mandatory retirement date, whichever is earlier



Medical

30 months of health care coverage at active rates



RHRA

Retiree Health Reimbursement Arrangement
(Available with this VORR2 if you are also 65-point plan eligible by the time of separation)



Travel

Non-rev travel privileges for a period of time and eight positive space roundtrip tickets



Savings

401(k) and pension plans

Let's take a look at these things in detail. >



Pay



12-month payout period

37 hours of pay per month^{1,2}

Beginning the date your VORR2 commences and for each month until the earlier of the month of your mandatory retirement date or the end of the 12-month pay period.



Lump sum

For pilots who **do not** reach the mandatory retirement age before the end of the 12-month period:

444 hours of pay.³

For pilots who reach the mandatory retirement age before the end of the 12-month period:

37 hours of pay per month until the pilot reaches the mandatory retirement age; the last month will be prorated.³

¹ Pay doesn't include premiums, shift differential, holiday pay or overtime and will remain the same throughout the 12-month payout period.

² If you select the 12-month payout period option, your union dues will continue to be deducted from your paycheck.

³ If you elect the lump-sum payment, union dues will not be deducted from the lump sum.



Medical

If you elect this VORR2, you will get **30 months** of health care coverage – which includes medical, dental and vision. This coverage will be offered at the same rates active team members pay.

But you must enroll to get coverage.

How does it work?

Paycheck deductions

Health benefits will be deducted from your paycheck while you're still receiving pay from the company. After separation, you'll pay the active rates directly to the [Benefits Service Center](#) on a monthly basis.



**12-month
payout period**

First 12 months: Receive active team member coverage at active team member rates.

After you separate from the company: Enroll in COBRA coverage for an additional 18 months paying active team member rates.

If you're eligible for Medicare, COBRA coverage runs secondary to Medicare.



**Lump
sum**

After you separate from the company: Enroll in COBRA coverage for 30 months and receive medical coverage at active team member rates.

If you're eligible for Medicare, COBRA coverage runs secondary to Medicare.



RHRA (Retiree Health Reimbursement Arrangement)

Eligibility

If you elect this VORR2, and you have 10 or more years of occupational seniority AND are 65-point eligible by the time of separation from the company, you will have access to RHRA credits.

65-point plan

65-point plan eligibility is calculated as at least 10 years of company seniority and your age plus years of service must equal at least 65.

Here's how much you get

based on the number of years until you become eligible for Medicare benefits.

 **12-month payout period**

 **Lump sum**

UP TO \$150,000

Which you can access after separation.¹

UP TO \$150,000

Which you can access after separation.¹

RHRA value

Number of years² until eligible for Medicare

\$150,000	More than 4 years
\$140,000	More than 3 years but less than or equal to 4 years
\$130,000	More than 2 years but less than or equal to 3 years
\$120,000	More than 1 year but less than or equal to 2 years
\$110,000	Less than or equal to 1 year
\$100,000	Eligible for Medicare

¹ The earlier of the expiration of the 12-month pay period or your mandatory retirement date.

² Number of years will be calculated using retirement date.



RHRA (Retiree Health Reimbursement Arrangement)

There are two ways to access your funds for eligible medical expenses:

Debit card

You will be issued an Alight Smart-Choice Accounts debit card (if you don't already have one). When you go to pay for eligible medical expenses at participating retailers and medical providers, you can swipe your card as you would any other debit card.

Reimbursement

You may pay for these eligible expenses out of pocket and then submit a claim for reimbursement from American.

Expenses

For a complete list of eligible expenses, visit the [American Airlines Benefits Service Center](#).

Eligible for Medicare?

If you're eligible for Medicare, you can use your RHRA to pay for:

- Medicare Part A (hospital) expenses.
- Premiums for Medicare Part B, Medicare Part D or supplemental plans.
- Reimbursement for out-of-pocket medical expenses not covered by Medicare.

Things to consider:

- Reimbursements are tax-free, and there is no annual limit.
- You **do not** have to be enrolled in an American health plan to be eligible for the RHRA.
- Your account can be used to cover COBRA coverage or premiums for health plans purchased on the health care exchange or the individual market.
- Should you be rehired by American at any point, you will forfeit the remaining balance in your account.
- Your spouse can continue to use any of the remaining RHRA balance upon your death.
- Expenses for dependent children are included.



Travel

Ticket details

Team members, eligible family members and registered companions can travel using the positive space tickets. Travelers listed as D3s in your travel profile will also be permitted to use the tickets if they travel with you.

65-point plan

65-point plan eligibility is calculated as at least 10 years of company seniority and your age plus years of service must equal at least 65.



12-month payout period

You keep your active team member travel privileges for 12 months, until you separate¹ from the company. Plus, you will receive eight positive space roundtrip tickets – which you can use within five years of the date your VORR2 commences.



Lump sum

You will receive eight positive space roundtrip tickets – which you can use within five years of the date your VORR2 commences.

For both options, your travel status upon separation from the company depends on the following:

- If you'll be 65-point plan eligible at the time of separation¹: You'll transition to retiree travel (D2R status) after you separate from the company, per the company policy.
- If you're not 65-point plan eligible at the time of separation¹: You'll receive two years of non-rev travel privileges at the amended D2R status.

¹ The earlier of the expiration of the 12-month pay period or your mandatory retirement date.



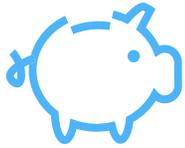
Travel

Amended D2R status details

Reminder

This amended status applies to team members who will not be 65-point plan eligible by the time of separation (the earlier of the expiration of the 12-month pay period or your mandatory retirement date).

Included under amended status	Benefit
Yes	D2R status for you
Yes	D2R status for spouse / domestic partner / registered companion
Yes	D2R status for qualified children
Children added during the two-year travel separation period will be eligible; verification may be required prior to travel.	
No	Annual D1 allotment
No	Annual D3 allotment
No	D2P parent travel
No	OAL / ZED travel privileges
No	A9 emergency / bereavement travel
Yes	AA20 discount for you, spouse / domestic partner / registered companion and qualifying children
No	AA20 discounts for parents
Applies to all travelers	Imputed income



Savings

Loan payments

Your 401(k) loan(s) will continue to be deducted as normal. Once separated, you will need to work directly with Fidelity to make repayment arrangements.

401(k)



12-month payout period

You can still save money in your 401(k) until separation from the company. Any applicable company contributions will continue until separation (the earlier of the expiration of the 12-month pay period or your mandatory retirement date).



Lump sum

There are no employee or company contributions to the 401(k) on the lump-sum payout.

You may leave your money in your 401(k) account and continue to benefit from potentially low fees. You may also set up automatic withdrawals and create a paycheck environment from your 401(k) savings.

Pension

LAA Pension: Eligible team members can draw after separation. If you're eligible and want to activate your pension following your separation date, **you need to request a pension kit by the 15th of the month prior to your desired commencement month.** Payments will begin as soon as administratively possible upon receipt of completed and approved paperwork. Please contact your flight administration office to request an election kit or call **800-447-2000** (follow the prompt for Pilot Pension after selecting the 401(k) and pension option) with questions.

LUS Pension: You should check eligibility with the Pension Benefit Guaranty Corporation at **800-400-7242** from 7 a.m. to 4 p.m. CT, Monday through Friday.