



PILOTS AT BIGGEST US BUDGET CARRIER FLY OFF WITH 29 PER CENT PAY RISE

News / Airlines



Southwest Airlines pilots have approved a new contract that will boost pay almost 30 per cent over its term and improve retirement benefits while falling short of recent raises proposed at some rival US carriers.

The agreement was approved by about 84 per cent of those voting, the Southwest Airlines Pilots' Association said. The labor group, which represents 8,500 aviators, and the airline negotiated for more than four years on the accord.

"This has been an incredible year of pilot unity and resolve," said Jon Weaks, the union president. More than 96 per cent of pilots cast ballots, the union said.

The vote is the second victory in a week for Southwest in efforts to nail down labour costs, following the October 31 approval of a contract for flight attendants that kept them the best paid in the industry. The airline, which generally seeks productivity improvements in order to hold down expenses, is still negotiating with three other unions.

Pay for Southwest pilots would increase 29.4 per cent compounded over the term of the four-year agreement, the union said. It includes a 15 per cent pay increase to cover years the pact was being negotiated and 3 per cent annual raises.

The retirement plan will switch to a defined contribution programme, in which Southwest automatically will invest 13.4 per cent of a pilot's salary next year and put in at a higher rate the following two years. The current system is a 401(k) in which Southwest partly matched the worker's contribution.

Southwest, the biggest US discounter, won the right to form marketing agreements with other carriers on some of its nascent international routes. That is a change the carrier had sought to attract more passengers at little added costs as it expands in Mexico, the Caribbean and Latin America.

"Beyond the compensation and work rule improvements, this forward-looking agreement delivers the operational flexibility needed to grow our network, and ensures that Southwest will remain well-positioned for long-term success in our intensely competitive industry," said Alan Kasher, the vice president for flight operations.

Pilots at major US airlines typically seek industry-leading pay in contract talks, a goal the Southwest union said it achieved before peers at Delta Air Lines negotiated a tentative agreement with higher rates. Southwest union leaders tried unsuccessfully to re-open part of their contract during voting to negotiate a bigger increase. Voting on Delta's proposed accord begins on Thursday.

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