

IN THE MATTER OF AN ARBITRATION

B E T W E E N :

AIR CANADA

- and -

AVEOS

- and -

IAMAW

Transition Pension Issues

MARTIN TEPLITSKY, Q.C.
Arbitrator

APPEARANCES:

On behalf of Air Canada: John Beveridge

**On behalf of AVEOS: Frank Szemenyei
Pascal Rochefort**

**On behalf of IAMAW: Christopher Hiscock
Fred Hospes
Gary Sinclair
Georges Bujold
John Bialowas**

Held via telephone conference on April 14, 2011

These are the answers to the questions and issues raised in Mr. Hospes' e-mail dated April 14, 2011 which was followed by a hearing via teleconference.

Issue #1 For purposes of post-retirement travel, service accumulates while on layoff for the first 30 days only.

Issue # 2 Employees on GDIP continue to accrue eligible service for the purpose of post retirement health benefits. An employee on GDIP who meets the eligibility criteria for post retirement health benefits may apply for retirement (with post retirement health care benefits) at any time while on GDIP and receive them without returning to work before retiring. Eligible service for travel purposes also continues to accrue during the period an employee is on GDIP.

Issue #3 These issues will be considered by the transition committee. If there is disagreement, I will deal with it.

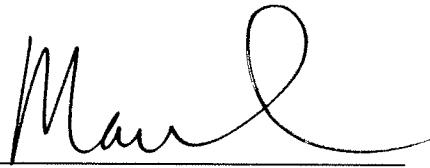
Issue #4 So long as the Union advises the employers before the selection work commences of the individuals who have made this choice, the proposal is sensible.

Issue #5 The Union agrees that the statement in my award of April 13, 2011 concerning post-retirement benefits and travel is correct but infelicitously expressed. It prefers the following language:

Eligibility for post retirement benefits including travel shall be determined based upon company service as defined in the current Air Canada policy independent of the employee's pensionable status.

On the understanding that the two versions mean the same thing, the Union preferred version may be posted on the web site.

DATED the 14th day of April, 2011.

A handwritten signature in black ink, appearing to read "Mau", written over a horizontal line.

MARTIN TEPLITSKY, Q.Q.
Arbitrator