

AIR CREW MEMBERS RETIRING THROUGH THE ALTERNATING WORK-RETIREMENT PROGRAM

Partial claims for entitlements with an effective date on or after January 1st, 2019

You have applied to claim your CRPN pension entitlements through the alternating work-retirement program or are planning to do so with an effective date **on or after January 1st, 2019**. If you choose to retire through the alternating work-retirement program, you will claim your entitlements in 2 stages: a partial claim for your entitlements through the alternating work-retirement program and, when you have fully retired as an air crew member, you will claim the remainder of your entitlements. Each claim comes under the regulatory provisions which are applicable on its effective date.

You can alternate work and retirement either on a full- month basis (a full month of work followed by a full month off work) or on a partial-month basis (by working the same number of days each month over the course of a calendar year). Below are the rules that must be adhered to so that you can draw your pension during your months off work.



- CRPN's obligations
- Your employer's obligations
- Your obligations
- Pension calculation for a partial claim for entitlements through the alternating work-retirement program
- Pensions paid while participating in the alternating work-retirement program
- Pension calculation when you enter full retirement

CRPN's obligations

⇒ To check that your employer has a company agreement allowing for an alternating work-retirement program which incorporates the provisions set forth by the Board of directors

Your employer's obligations

⇒ To set up a company agreement allowing for an alternating work-retirement program incorporating certain provisions (*) which have been set forth by CRPN's Board of Directors.

⇒ To provide CRPN each year with a calendar of your scheduled months or monthly number of days off work over a 12-month period beginning on January 1st.

⇒ Not to change the above schedule, except in cases of "force majeure" events or other circumstances listed in the company agreements, or if the member resumes full-time employment, whichever alternating work-retirement schedule they had chosen. At the latest, CRPN must be notified of any changes within the month prior to that change.

Your obligations

⇒ To check that you appear on the yearly schedule for alternating work and retirement at the time that you claim part of your CRPN retirement pension through the alternating work-retirement program.

⇒ To ensure that CRPN receives your application for a pension through the alternating work-retirement program no later than the month prior to the 1st month off work during which you are applying to draw your pension or days of pension.

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⇒ To notify CRPN of any “force majeure” event or other circumstance listed in your company agreement which results in a cancellation or change to the scheduling of your months off work (if you are on a month-on/ month-off schedule), or if you resume full-time employment, to ensure that you do not receive undue pension payments which we would be obliged to collect back from you.

N.B. CRPN does not allow you to change your work-retirement scheduling basis for the current calendar year (e.g. you cannot switch from a full-month to a partial-month basis once the year has begun).

⇒ Not to perform any air crew or cabin crew duties, in any of the following categories: acceptance testing, air transportation, or aerial work, whether in France or abroad, during your periods off work.

⇒ When you enter full retirement, you must ensure that, at the latest, your claim for the remaining entitlements which were not claimed through the alternating work-retirement program is received by CRPN during the month in which your air crew member’s employment contract is terminated.

Important!

Compliance with all of the provisions above is mandatory. Indeed, pursuant to decision No. 2018-79 from the Board of Directors, “In the event of any violation of procedure, CRPN will not pay benefits to the air crew member and will suspend payment of benefits under the alternating work-retirement program.”

Pension calculation for a partial claim for entitlements through the alternating work-retirement program

This partial claim for entitlements is based on the career you have accrued up to the date on which your pension through the alternating work-retirement program becomes payable. The following factors, calculated as of the same date, will apply:

⇒ “**TV**” (*valuation rate for your years beyond 25*): this is calculated based on your age and the time credited to your account as of the date on which your pension through the alternating work-retirement program becomes payable,

⇒ **Early-claim, decrease, or rate reduction factor**: this is calculated as of the date on which your pension becomes payable,

⇒ The current “**IVSC**” (*Corrected wage variation index, used for entitlement claims*) on the date on which your pension becomes payable. The amount of your entitlements will then be updated at the upward adjustment rate for pensions set forth by article R.426-16-2 of the French Code of Civil Aviation,

⇒ **Social security ceiling** (*ceiling for the 1st and 2nd salary brackets as of the date on which your pension through the alternating work-retirement program becomes payable*),

⇒ **Number of “a” days** as set forth by article R.426-5 d of the French Code of Civil Aviation.

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Pensions paid while participating in the alternating work-retirement program

For as long as you draw a pension on the basis of your scheduled months or monthly days off work, your entitlements will be updated each year using the upward adjustment rate for pensions set forth by article R.426-16-2 of the French Code of Civil Aviation, with no change to the factors which apply to partial pension claims:

- ⇒ **“TV”** (valuation rate for your years beyond 25): this is calculated based on your age and the time credited to your account as of the date on which your pension through the alternating work-retirement program becomes payable,
- ⇒ **Rate reduction factor**, calculated as of the date on which your pension becomes payable,
- ⇒ The current **“IVSC”** (Corrected wage variation index, used for entitlement claims) on the date on which your pension becomes payable. The amount of your entitlements will then be updated at the upward adjustment rate for pensions set forth by article R.426-16-2 of the French Code of Civil Aviation,
- ⇒ **Social security ceiling** (ceiling for the 1st and 2nd salary brackets as of the date on which your pension through the alternating work-retirement program becomes payable),
- ⇒ **Number of “a” days** as set forth by article R.426-5 d of the French Code of Civil Aviation.

Pension calculation when you enter full retirement

The following will occur when you enter full retirement:

- ⇒ Your total career length and salaries will be counted toward the pension entitlement in connection with your first partial claim (with no change to the factors listed above),
- ⇒ And you will claim the remainder of your entitlements not claimed through the alternating work-retirement program. This will be calculated using the same basis of your total career. When you claim the second portion of your entitlements, the following factors, which are calculated on the date of your claim for this second portion of your entitlements, will apply:
 - ⇒ **“TV”** calculated on the effective date for this claim
 - ⇒ **Rate reduction**, calculated on this same date,
 - ⇒ **Current “IVSC”** on the effective date for this claim
 - ⇒ **Social Security ceiling** (ceiling for the 1st and 2nd salary brackets on this same date)
 - ⇒ **Number of “a” days** as set forth by article R.426-5 d of the French Code of Civil Aviation.

The first portion of your entitlements, which you will have claimed through the alternating work-retirement program and will have been updated as above on the effective date for the remainder of your entitlements, will be **weighted using a pro rating factor** corresponding to the ratio between the number of days paid under the alternating work-retirement program for the period beginning when your pension through the program became payable and the date you entered full retirement, and the total number of days in that same period.

The second portion of your entitlements, calculated as above, will be **weighted using a pro rating factor** that is equal to the difference between 100% and the percentage assigned to the portion of your entitlements that was claimed through the alternating work-retirement program.

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Your entire career will be taken into account when a calculation of your pension that is based both on your first claim through the alternating work-retirement program and on your second claim for the remainder of your entitlements is performed the year following your full retirement, once your final periods of employment and the corresponding wages have been credited to your career account, dans le courant de l'année suivant l'année de cessation de l'activité. Until that final information is credited to your account, your pension will continue to be paid at the amount calculated through the alternating work-retirement program, updated using the upward adjustment rate for pensions set forth by article R.426-16-2 of the French Code of Civil Aviation.

(*) The Board of Directors has asked CRPN to check that company agreements allowing for an alternating work-retirement program include the provisions listed below:

- The full-month basis must alternate periods of work with unpaid periods off work over the course of a calendar year. The percentages of time on and off work will be set by the employer based on company needs and stipulated in an amendment to the employment contract. The partial-month basis must consist of 6 to 15 days off work per month (the number of days off work must be the same each month for the entire year);
- Neither the employer nor the member alone can change the schedule that has been set for the year. However, the schedule can be changed for the current year, but only to take account of an amendment to the employment contract which terminates the member's participation in the alternating work-retirement program. Additionally, the schedule for the full-month basis can also be modified due to a "force majeure" event and other situations listed in the agreements;
- Members participating in the alternating work-retirement program agree not to engage in any paid professional air crew employment during their scheduled periods off work;
- Qualifying members' schedules of months or monthly numbers of days off work must be submitted to CRPN in standard report format, sorted by air crew member category, by December 15 of the year prior to eligibility.