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Ratification Bonus – Second Installment Update



Dec. 22, 2023

Ratification Bonus – Second Installment Update

What's happening

Mainline American Airlines pilots who have not separated prior to Aug. 1, and who had eligible earnings from January to April 2023 can expect to see the second installment of the Ratification Bonus (RB) by end of day on Jan. 24, 2024, in accordance with the Letter of Agreement (LOA 23-002). The main bank account on file as of Jan. 16 will be used for the deposit of this payment, which will be made in an off-cycle paycheck.

What you need to know

The RB is calculated as the sum of the dollar value equal to a pilot's eligible earnings accrued from January to April 2023 using the new base pay rates (effective Aug. 1, 2023), minus the pilot's actual amount previously paid for the same time period.

Additional details

- **Eligibility:** Pilots who had eligible earnings during the relevant period.
- **Relevant period for eligible earnings:** Contractual months of January, February, March and April 2023, including paychecks from Jan. 30 to May 15, 2023.
- **Eligible earnings:** The eligible earnings include any pay earned at the base rate of pay per section 3.B of the new agreement during the January, February, March and April 2023 contractual months. Below are the most common types of eligible pay:
 - Operational pay
 - Sit time and duty rig
 - Training pay
 - Vacation pay used
 - Sick time used
- **Ineligible earnings:**
 - Payments unrelated to hours paid with the base pay rate, such as expense reimbursements (TAFB), international override, employee recognition gross-up, global entry, excess amount of the non-elective company contribution, crew advance, etc.
 - Vacation or sick payouts for hours earned in a prior year.
 - Profit sharing and bonus payments.
- Your RB is subject to taxes, garnishments, your 401(k) contributions (based on your special election on file with Fidelity) and overpayment recovery.
- The RB will have tax withholdings at the supplemental rate for federal tax, which, for most team members, is currently 22%.

What you need to do

Review your 401(k) special elections by Jan. 12 at 4 p.m. ET

The RB payout is eligible to be contributed to your 401(k) account through a special election deferral. Special elections enable you to contribute to your 401(k) at a percentage higher or lower than you may typically contribute from your regular pay. Any amount deferred to a 401(k) is subject to FICA taxes (which includes both Social Security and Medicare) and garnishments, just like other pretax 401(k) deferrals and special elections.

If you are an active team member or on a leave of absence, the special election 401(k) contribution percentage(s) on file as of **Jan. 12 at 4 p.m. ET** will determine the 401(k) contributions from your RB.

If eligible to make updates, log into your 401(k) account at [Fidelity NetBenefits](#) or call the American Airlines Service Center at Fidelity at 800-354-3412 to review or make changes. Contributions from your special payout will post to your Fidelity 401(k) account on Jan. 24 and will be visible to you on Jan. 25.

Nonelective company contributions will be applied to this payment at the new 2024 contractual rate of 17%.

Want more information?

You will have the ability to view your pay statement for the RB on Jan. 24. To do so, please visit the [Pay Portal](#). Your pay statement dated Jan. 24 will reflect one line for the bonus amount that relates to the sum of the months during the January to April period. In the Activity/Details Reports tab in the Pay Portal, you will also be able to view a details report, which will show the bonus amounts for each applicable month. Please note that your pay statement and details report will not appear before Jan. 24.

Frequently Asked Questions

Are the earnings paid while on VSTLOA or VPLOA programs eligible for the RB?

Yes.

If I've transferred from a line pilot to another role, how will my RB be calculated?

The eligible earnings you earned while a line pilot will be included in the calculation for the RB.

I'm a Check Pilot. Does the RB apply to me?

Yes. The eligible earnings you earned as a Check Pilot will be included in the calculation for the RB.

If I transitioned from a position with one of the wholly owned carriers (Envoy, Piedmont, PSA) to a pilot with the mainline airline during applicable period, will I be eligible for the RB?

Yes. The eligible earnings you earned as a mainline pilot during the applicable months will be included in the calculation for the RB. Earnings at a wholly owned carrier are not eligible.

How will I receive my payout if I am on a leave of absence on the payout date?

Provided you have met the eligibility criteria, if you are on a leave of absence on the payout date, you will receive your payout based on your eligible earnings and in the same manner you receive your regular paychecks.

If I filed a claim via Direct Connect that was not paid on my regular mid-month paycheck, will that be considered in the RB?

Earnings that have met the eligibility criteria and were processed by Sept. 30 will be included in the RB. They will be reflected in the total amount for the contractual month that the payment related to. For example, if you received a separate paycheck in May, June, July, August, or September to adjust an April sequence, that will be reflected in the April total.