Lockheed Martin Urges IAM Employees To Vote In Favor Of New Contract

BETHESDA, Md., March 6, 2011 /PRNewswire/ -- Lockheed Martin (NYSE: LMT) has urged employees represented by the International Association of Machinists and Aerospace Workers (IAM) to vote in favor of a new three-year contract Sunday.

Company and union negotiators failed to reach tentative agreements in three separate sets of contract negotiations that concluded March 3 in Point Clear, Ala. The proposed agreements would cover the nearly 6,000 IAM represented employees at Marietta, Ga.; Palmdale and Sunnyvale, Calif.; and several field locations.

"We are disappointed that the union bargaining committees rejected what we feel is an industry leading offer that would provide substantial wage and benefit improvements over the life of the contract and maintain Lockheed Martin's ability to deliver affordable solutions to our customers in an increasingly challenging budget environment," said Greg Karol, corporate vice president of labor relations. "This is a fair and equitable offer and we strongly encourage the union membership to review the proposed agreement and vote in favor of ratifying the new contract."

The Company's Best and Final Offer includes a competitive wage package that provides guaranteed pay increases over the next three years through a combination of three general wage increases totaling 8.5 percent over three years, a $2,500 ratification bonus and continuation of the annual cost of living adjustment (COLA) formula and supplements.

Current employees to retain industry-leading pension with substantial increase:

Current represented employees, hired before March 6, 2011, will maintain their defined benefit pension plan with an increase of $11 to $88 per-month, per-year of service, representing a 14% increase in their pension. Current employees will also continue to accrue service under this plan as they have under prior agreements.

Employees hired on or after March 7, 2011, receive new retirement plan:

New hires and rehires as of March 7, 2011 will be able to save for retirement with a new plan: the Hourly Capital Accumulation Plan (HCAP) with a guaranteed quarterly company contribution of $350 for their retirement. Employees eligible for HCAP are immediately vested in the plan, which has multiple investment options and is portable if employees leave the Company.

Lockheed Martin must remain competitive in increasingly challenging marketplace:

The transition to an Hourly Capital Accumulation Plan for new hires is an important step Lockheed Martin is taking to remain competitive in our industry. The vast majority of companies, including many of Lockheed Martin's competitors, do not offer defined benefit pension plans. The Corporation is taking action to position itself for the future with similar changes for newly hired and rehired employees while maintaining and improving the defined benefit pension for current employees.

Represented employees urged to exercise right to vote on new contract:

The proposals now go to the union memberships for consideration and are scheduled for votes on Sunday, March 6, 2011. Employees are urged to carefully review this information to have a full understanding of the facts of this offer before voting on Sunday.

"Lockheed Martin has had a long-standing partnership with the International Association of Machinists and Aerospace Workers," Karol said. "We value all the success we've had together and will continue working to strengthen that relationship while ensuring Lockheed Martin remains competitive. That means more jobs well into the future. We urge all IAM employees covered under these agreements to exercise their rights to vote on Sunday."

Find information about the proposed agreement at www.lockheedmartin.com/negotiations.

Headquartered in Bethesda, Md., Lockheed Martin is a global security company that employs about 132,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The Corporation's 2010 sales from

continuing operations were $45.8 billion.

For additional information, visit our website: http://www.lockheedmartin.com

SOURCE Lockheed Martin

---

https://news.lockheedmartin.com/2011-03-05-Lockheed-Martin-Urges-IAM-Employees-to-Vote-in-Favor-of-New-Contract