LUFTHANSA TOP MANAGEMENT TO RESOLVE NEXT STEPS IN UFO UNION DISPUTE

News / Airlines



Lufthansa reiterated its willingness to resume discussions with the **UFO union**. The company last invited UFO to talks on Thursday 5 November, at which it presented the union with a modified offer in which, for the sake of its employees, it agreed to all the union's demands.

In its modified offer of 5 November Lufthansa offered to compensate any employee ceasing gainful employment before reaching the statutory retirement age for the corresponding reduction in their state retirement pension – a pension provision unparalleled at any other company. Lufthansa also accommodated the union's demands by making an alternative offer on the investment returns assumed for retirement pension funding purposes.

The present pension system at Lufthansa permits cabin personnel to retire voluntarily from flight duties from age 55 onwards. Anyone who does so will then receive up to 60 per cent of their last salary as a "transitional pension". Under its offer to UFO, Lufthansa proposed to enhance the present transitional pension provisions by making these transitional pensions non-forfeitable: any employees choosing not to draw any parts of them could have the amounts involved credited to their retirement pensions – pensions which are already far higher on average than those at other

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DAX companies.

In a sample cabin crew career, this would have meant that a purser choosing to continue flying until the age of 65 would have increased their subsequent company retirement pension from the EUR 960 a month of today to EUR 3,210. So together with their state retirement pension, they would have enjoyed a total retirement pension amounting to 96 per cent of their final basic salary, or around EUR 4,800. Lufthansa's offer to UFO also included the further option of having the undrawn transitional pension amount paid out in lump-sum form – a payment which could have totaled as much as EUR 380,000.

Lufthansa's retirement and transitional pension provisions are already based on remuneration at the company that is well above the industry average. A full-time cabin crew member starting work at Lufthansa will earn an average of EUR 2,200, variable salary components included.

The cabin crew member's salary rises rapidly in the first few years, with their basic remuneration automatically increased. Cabin crew members who joined the company on or after 1 January 2013 receive an average automatic salary increase of 3.2 per cent a year in their first ten years. And cabin crew members employed before 1 January 2013 receive an average automatic salary increase of as much as 4.8 per cent a year over the same period. And these figures do not include the improvements to the present remuneration tables that Lufthansa has also offered UFO in the course of the current negotiations.

As a result, a purser can earn over EUR 80,000 a year. And the average annual salary of a full-time Lufthansa cabin crew member amounts to EUR 50,000. As a consequence of this, and of the company's current retirement and transitional pension provisions, Lufthansa's gross personnel costs are almost twice as high as those of any of its German-based competitors.

A full-time Lufthansa cabin crew member will fly a maximum of 87 hours a month. And anyone flying more than 70 hours in a particular month will also receive a so-called "Mehrflugstundenvergütung" or "high-flight-hours allowance". The training for a Lufthansa cabin crew member lasts a little under three months.

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