ALPA DUES

ALPA’s regular Active member dues rate is 1.95% of the member’s airline income subject to dues. That’s the easy part. More complex is the manner in which the dues income is allocated to provide funding for all of the union’s activities. This structure has been carefully honed over time and has served ALPA members well. All of the allocations are pieces of the gross amount generated by the 1.95% of each member’s airline income. (As a reminder, the MEC is the Master Executive Council, the highest governing body at the airline level, and is made up of the elected status representatives from each domicile, plus the MEC chairman, vice chairman and secretary-treasurer.)

The first 0.35% of the 1.95% is allocated to the Special MEC Reserve Account (SMRA). SMRA funds are allocated directly to each MEC, which uses SMRA only after the MEC operating income (discussed below) is exhausted. The MEC has the option to budget and spend SMRA funds or save them for future use. The MEC may retain unspent SMRA funds for future years to support contract negotiations or special MEC needs, or if budgetary conditions permit, the MEC can approve refunding the money to members in good standing annually.

The next component of dues – 0.10% of the 1.95% - is allocated to the ALPA Administrative and Support Account (A&S), discussed below.

After deducting the two components of dues allocation mentioned above, 1.50% of the 1.95% remains; it is called “operating income.” This 1.50% is allocated to the MECs, the A&S account, and the Operating Contingency Fund (OCF). The MEC account allocation is 24% of the 1.50%, the A&S account allocation is 71.50% of the 1.50%, and the OCF account allocation is 4.50% of the 1.50%.

The MEC account allocation (24% of the 1.50%) is distributed to each MEC, except that ALPA’s largest groups are allocated 20% of the 1.50%. The remaining 4% (24%-20%) of operating income of the largest pilot groups is redistributed to smaller MECs throughout ALPA. In essence, ALPA’s larger pilot groups provide a subsidy to ALPA’s smaller pilot groups to ensure adequate funding for their union activities. The MECs utilize this allocation to fund the operation of pilot group field offices, wages/benefits of support staff assigned to the pilot group, MEC committee work, etc.

The A&S account allocation (71.50% of the 1.50%, plus 0.10% of the 1.95% discussed above) provides services that are available to all ALPA pilot groups, including Representation, Economic & Financial Analysis, Legal, Retirement and Insurance, Communications, Engineering and Air Safety, Membership and Council Services. The A&S account allocation also provides the per capita budget funding for all Local Executive Councils of ALPA.

In addition, the A&S account supports Administrative Services such as the National Officers, General Manager, Legislative Affairs, Governing Bodies, Finance, Information Systems, and Human Resources. When an MEC uses the services of the A&S departments described above, that MEC is not charged for the services provided by those departments. This is the ALPA “toolbox” of services that includes professional, technical, administrative, and clerical personnel. The central pooling and allocation of these resources has enabled ALPA to ensure the availability of highly qualified and experienced personnel to all member pilot groups on a cost-effective basis.

The OCF account allocation (4.50% of the 1.50% of operating income) primarily provides funds to smaller pilot group MECs during times of financial need, usually as a result of contract negotiations. Grants from ALPA’s Major Contingency Fund (currently valued at $81 million) are also available for these purposes. A large portion of the OCF is allocated in advance to the smaller pilot groups’ MECs during the budget preparation process based on anticipated negotiating schedules and other special needs. The OCF allocation supports the organizing efforts of ALPA, and a portion of the OCF is also set aside for contingencies and projects of special interest to the union.