## **LUFTHANSA GROUP**





## Lufthansa and ver.di agree on crisis package through the end of 2021

- Crisis contributions until the end of 2021: cancellation of Christmas and vacation bonuses, reduced top-up of short-time working allowance
- Protection against dismissals negotiated for contract duration
- Voluntary redundancy programs will be announced soon

Lufthansa and the ver.di union have agreed on an initial crisis package on 10 November 2020 after intensive negotiations. The measures, with a volume of more than 200 million euros, will help to overcome the economic effects of the crisis. They mainly apply to the ground staff of Deutsche Lufthansa AG, Lufthansa Technik AG and Lufthansa Cargo AG. This means that in addition to short-time work, the 24,000 ground staff are now also making an important contribution to overcome the serious consequences of the coronavirus pandemic.

The savings will already take immediate effect through the cancellation of the Christmas bonus for 2020. It has also been agreed that the Christmas and vacation bonuses for 2021, including supplements, will be waived. In addition to this, short-time work will be continued consistently and the top-up of short-time working compensation will be reduced from 90 to 87 percent for 2021. In total, this will enable personnel cost savings of up to 50 % in 2021, depending on the total hours worked.

In return, Lufthansa will be offering employment protection for the year 2021 as well as partial retirement and voluntary redundancy programs. Talks on long-term reductions in labor costs for the time after 1 January 2022, when the short-time working compensation no longer applies, will be continued. Negotiations on the reconciliation of interests will resume soon with the Central Works Council of Deutsche Lufthansa AG.

"With this crisis package, we have taken a first important step towards reducing ground staff personnel costs and can avoid forced redundancies for 2021. However, we cannot slow down our efforts in continuing to work on crisis management measures in order to agree on good solutions for employees after short-time work ends," said Michael Niggemann, Executive Board and Chief

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Officer Corporate Human Resources, Legal Affairs and M&A at Deutsche Lufthansa AG.

The agreements that have been reached still require the approval of ver.di members.

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