



July 6, 2010

Announcement to all eligible IAM Represented employees: Early Retirement Incentive Program

As agreed in the IAM/Spirit 2010 Collective Bargaining Agreement, an Early Retirement Incentive Program will be offered to IAM represented employees. The program will be available for at least 500 employees and acceptance into the program will be based on seniority (not first come, first serve).

To be eligible for the program, employees must be:

- IAM represented employees, and
- 55 or older, on or before September 2, 2010.

Interested eligible employees must take the following actions:

Action #1: Apply for the Early Retirement Incentive Program between July 12-23, 2010. *All applications must be received by Human Resources on or before 5 P.M. CST, July 23, 2010.*

Application forms will be located at the following locations **beginning July 12, 2010:**

1. Link on the internal Spirit website: <http://spirit.web.spiritaero.com>
2. Local IAM office
3. Spirit Employment Service Center at 3420 S. Oliver.

Additional information such as 401(k) and pension web sites, retiree medical and COBRA rates will be included in the application.

Forms can be submitted electronically from the links referenced above or printed out and submitted in person at the Spirit Employment Service Center. Employees will receive notification once their application has been submitted.

Note: Notification does not mean you have been accepted for the program.

At the end of the application period, the 500 employees with the highest seniority will be accepted into the program. Applicants will be notified of their status in the program by July 27, 2010.

Note: In order to determine retirement dates for the 500 employees accepted, the Company must address future business needs. Part of the process will be to consider job rights, shift preference and in-line promotions as contractually obligated. Once all of the processes are complete,

retirement offers will be extended. The retirement offer will contain the employee's scheduled retirement date as well as an election form for the incentive payments. Retirement dates may differ by individual and will range from September to December, 2010.

Action #2: Employees who receive the retirement offers must sign and date the retirement offer signifying their intent to retire at the scheduled retirement date provided on the retirement offer. The employees must also elect their incentive payment option.

Incentive payment options include:

- \$25,000 cash incentive paid out over five (5) months, subject to the legally required withholdings and taxes. Incentive payments will begin one month following the retirement date in the retirement offer and will be paid monthly. With this option, a "Mini-Med" health insurance program will be available through an IAM sponsored plan ("EBS"), *if elected*. Spirit will pay 30% of the premium for the "Mini-Med" until the retiree reaches age 65. The employee will be responsible for the remaining premium; or
- \$30,000 cash incentive, **if the "Mini-Med" health insurance program is not elected**, paid out over six (6) months, subject to the legally required withholdings and taxes. Incentive payments will begin one month following the retirement date in the retirement offer and will be paid monthly.

Note: With either of the options above, the employee will have the option to have their incentive payment deposited into a Health Reimbursement Account (HRA) which could have a tax advantage if it is used to pay for eligible medical expenses. Please understand, however, that the Company is providing no tax advice and employees should consult with their tax advisor.

Receipt of the incentive payments will be conditioned upon satisfying certain requirements, such as completion of a knowledge transfer program, return of any company property (keys, ID cards, laptops, cell phones, equipment/tools, etc.), and completing all required paperwork, *including a release of claims*. Vacation, sick leave, and Boeing reserved sick leave (if applicable) payouts will be included in the final Spirit paycheck.

Interested eligible employees are encouraged to attend employee briefing sessions to be held at the Spirit Employment Service Center as noted below:

- Tuesday, July 13: 3 p.m. and 4:30 p.m.
- Wednesday, July 14: 1:30 p.m. and 3:30 p.m.
- Thursday, July 15: 2:30 p.m. and 4 p.m.
- Saturday, July 17: 9 a.m.

Employees are welcome to bring their spouse or significant others to these briefing sessions.

Again, this incentive is open to at least 500 employees, and applications will be evaluated based on seniority. **All applications must be received by Human Resources on or before 5 p.m. CST, July 23, 2010.** Questions not answered here or in the online material may be referred to the Spirit Benefits Organization at (316) 523-4556.