

# NEWPORT NEWS SHIPBUILDING - KESSELRING

## FREQUENTLY ASKED QUESTIONS AND ANSWERS



### Contract

- What Happened?
- What work will be onsite beyond the ROH?
- Will Current Work be affected by NNS pending departure?



### Transition

- What happens next?
- When will I be notified of my end date?
- What about NNL/NNSY opportunities?



### Retention

- What incentives will be offered?
- What are the requirements to be eligible?
- How will the end date affect payout?



### Transfer

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- to TSD-HII
  - Resume needed?
  - Interview required?
  - Do I have input where?
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### Relocation

- Details of Plan
- Will I be able to sync transfers with family matters like school and spouse?
- Repayment of relocation services



### Severance

- What are the details of the plan?
- What is a Continuous Service Date?
- Can I Retire?
- UI and Taxes
- What are the Outplacement services?

If you don't find an answer here you may email additional questions to: [HRAssistance@hii-nns.com](mailto:HRAssistance@hii-nns.com) or contact your NNS supervisor, HR Business Partner Dona Stone 518-884-3815, or Manager HR Business Partner Jackson Herman 757-688-0811.

## **Contract – Current Work at Kesselring**

### **1. What Happened?**

With the completion of the S8G ROH and the final shutdown of the MARF Prototype, Kesselring will move to a single prototype maintenance schedule. Norfolk Naval Shipyard will “surge” to provide personnel resources as needed to support operations. No private shipyard staff will be required onsite for routine maintenance. This decision was taken as a potential cost saving measure and aligns the Kesselring site with other Navy sites, it is not based on NNS contract performance.

### **2. Will Newport News Shipbuilding have any work for NNS employees at the Kesselring site?**

At this time we do not anticipate any NNS employees continuing at Kesselring once the contract work concludes. There are no contracts available for any additional work at the Kesselring site. If opportunities arise that fit within the NNS model and strengths we will evaluate whether to compete for that work.

### **3. Will current work be affected by this change?**

There is no immediate impact to our current work. Manning level decreases were anticipated during completion of the ROH work, and this has not changed. NNS remains committed to complete the all work as designated on the contract.

### **4. When is the contract scheduled to end? When will our work be completed? Will there be an early end?**

The contract is currently scheduled to end in December, 2021. The execution schedule goes into 2022. We are currently in discussions to understand the work in 2022 to complete the ROH and close out site operations. It is anticipated there will be several additional months of turnover, clean up and finalization of NNS presence here in NY. NNS is the only organization in a position to complete this work. There is no discussion at any level for NR to remove NNS and place a different company to do this work.

### **5. Will the JFPs, merit increases, market rate adjustments and opportunities for the Education Assistance program continue at Kesselring?**

All normal business operations will continue. Eligibility for JFPs continues, as do all other payroll and benefit considerations.

## **Transition – As the Contract Transitions to an End**

### **1. What will happen to Newport News employees at Kesselring?**

NNS is fully invested in providing opportunities to all employees. The special skills developed while at Kesselring are extremely valuable and the company desires that all employees continue their talents and skills with NNS. As with other instances when shifts of resources are required due to the end of a particular project, we are developing a plan that makes every effort to match the skills of those employees who are interested in staying with the company to available opportunities.

### **2. How and when will employees get details on the transition plan?**

The plan details are in the final approval process. As soon as they are completed and approved they will be communicated to employees.

### **3. When will rightsizing begin?**

Rightsizing will be in line with the pace of schedule execution. We are undergoing a schedule review at this time and hope to have a clearer picture by late October 2019.

- 4. Will NNS know about opportunities from Naval Nuclear Laboratories (NNL) or Norfolk Naval Shipyard (NNSY)?**  
NNL and NNSY are separate entities that have their own hiring practices and workforce needs, and have no obligation to engage us in what their future manning plans. We will remain in communication with them. Employees interested in opportunities with any other company will need to apply and follow the appropriate hiring process as determined by that company.

## **Retention – Work until the end of the Kesselring Contract**

**1. What incentives will be offered to stay until the end of the contract?**

NNS is currently working on the details of a financial package to be offered to non-represented employees that remain working at Kesselring.

- In order to be eligible for retention incentives, employees are required to stay until management determines that their assignment is complete. Employees that stay longer will receive a larger bonus portion than employees who leave earlier.
- As details become available about each employee's specific end date a package will be prepared to outline retention bonus plan details. Each employee will commit to the plan by signing the appropriate documents.
- If you choose to transfer to a position at NNS (or accept employment elsewhere) before your designated end date at Kesselring you will forfeit any retention bonus. NNS management reserves the right to extend an assignment at Kesselring or delay a transfer to Virginia (or elsewhere) based on business needs.
- Leave of Absence for FMLA, Medical or Military will not affect retention eligibility. Modifications to retention payout will be evaluated on a case by case basis in accordance with governing law.
- The date/timeline for payout is specified in the retention agreement. Payroll will make the payout as soon as authorization is received from HR.
- Retention payouts will be based on the final salary.
- Retention payouts are taxed at the applicable supplemental rate (currently both the Federal and NY state rates are 22%). You will be able to take advantage of contributing to your 401k account pre-tax to lessen taxation.
- Details and a chart will follow once finalized.

**2. How will it be determined when my assignment is complete?**

NNS-Kesselring management continues to review the schedule and will update plans for workload during schedule revisions. They will discuss with the team to get feedback on individual plans, and work with the team to find the best fit to make sure the work is completed. It is anticipated at the end of the current schedule revision (late September) management will meet with the team and formulate a right sizing plan. We hope to have a retention plan with the dates that pertain to each individual by the end of October, however there are many moving pieces that still need finalization.

**3. It has been communicated that Management has the right to extend or shorten the end date – how much notice will we be given? What if we already have another job lined up?**

The Company will give the employee as much advance notice as feasible and will do our best to accommodate each employee's individual circumstances/situation. We have greater flexibility if your new position is within HII and we can work intercompany to suit the best business needs. We may also have the flexibility to find temporary reach back resources to cover. If your position is outside of the company, we cannot guarantee that the end date will not change however the company will try to work with the employee whenever possible.

**4. In the event more personnel depart earlier than planned, will there be any additional incentives/compensation offered, like extra PTO or per diems instead of a lump sum at the end?**

No additional incentive plans are under consideration.

## **Work after the Kesselring Contract Transfer to NNS-VA**

### **1. What areas or jobs do you anticipate employees being re-assigned to at Newport News?**

We anticipate re-assigning non-represented employees to various programs throughout the Company. You will not need to apply and compete for a new position. In most cases an interview will not be necessary. The intent will be to place the employee in the same job and level most similar to their current position. An employee might be placed into a new job title based on organizational needs and the employee's background and experience.

### **2. Will I have input on which Newport News position I am assigned?**

Human Resources will work with Newport News departments to locate suitable positions for non-represented employees. In some cases, it may mean that multiple positions are available and some employees may get the opportunity to weigh in on their placements. This may not be the case for all employees. We will continue to explore ways to connect employees with positions and will have more insight on placement activities as site manning needs decline.

### **3. Do I need to provide HR with my resume if I want to continue on with the Company?**

Employees that are interested in staying with the Company should prepare a resume to aid in matching with new positions. Also employees should update their Talent Profile in MyHR. This information is searchable within the company and will be helpful to match talents, skills and experience to a new position.

### **4. Will employees be at risk of losing income when returning to Newport News?**

All transfers will be reviewed with Compensation and a salary analysis will be performed. These reviews will be conducted when a match for placement is determined. No level of compensation is guaranteed, but efforts will be made to place employees in the most comparable available position possible.

### **5. What will happen to my DOE clearance?**

If you transfer to the Shipyard, and a clearance is required for your new position, your clearance will be transferred via reciprocity from a DOE to DOD which normally takes 1 – 2 weeks. O15 Security and your supervision will determine the need on a case by case basis.

## **Transfer within HII, not Virginia (TSD, Ingalls, Other)**

### **1. Are opportunities being considered for other sectors within HII?**

Newport News Shipbuilding has a tremendous workload in the upcoming years and we anticipate will have the most opportunities available for our employees. That will be our main focus, to re-assign non-represented employees back to work at Newport News Shipbuilding. We realize everyone may not want to work in Virginia and are exploring opportunities that may exist within other HII sectors such as TSD. We anticipate having informational sessions with TSD.

To see where HII has locations visit: <https://www.huntingtoningalls.com/who-we-are/where-we-are/>

To get more information about TSD visit: <https://tsd.huntingtoningalls.com/>

### **2. How will we connect with other opportunities within HII?**

As for opportunities with NNS, employees should prepare a resume and update their Talent Profile in MyHR to aid in matching with new positions. We will continue to work with and get details from other HII divisions as Kesselring rightsizing progresses. At this time we do not anticipate you will need to apply and compete for a

new position. Although an interview may not be necessary, we believe you will want to engage with each division/potential hiring manager to discover more details about your next career move.

**3. What are the benefits differences between the divisions?**

- Income differences - All transfers will be reviewed with Compensation and a salary analysis will be performed.
- PTO is based on the NNS Continuous Service Date and will carry over.
- NNS pension plans will transfer and the 401k continues under the HII corporate documents.
- Ingalls Shipbuilding and NNS have the same benefits plans.
- TSD plans are different, plan details will be available from them.

## **Relocation - Transfer within HII**

**1. What does the relocation plan include?**

NNS works with Brookfield GRS Relocation experts to arrange relocation for our employees. More information regarding the homeowner and renter plans is available on the Kesselring End of Contract home page.

**2. Will relocation plans be offered to employees who move to another position within HII before their end of service date?**

If an employee transfers before the end of their period of performance (retention period) any relocation would be the responsibility of the receiving department. If the receiving department has allotted budget for relocation it should be noted in the requisition.

**3. How much flexibility will we have for family situations?**

The Company will do its best to work with employee's individual circumstances including school schedules and spouse transfers. These items will be addressed on a case by case basis.

**4. If married couples (who both work at NNS-KS) don't transfer at the same time will two relocation packages be offered?**

Only one relocation package is allowed per family unit.

**5. If I leave the company in less than a year will I have to repay relocation costs?**

Employees who separate from Newport News Shipbuilding at the conclusion of our work at Kesselring and who meet their defined period of performance (retention period) will have Relocation payback costs forgiven if they have relocated to NY less than a year before their end date. A standard repayment contract applies for employees transferring within HII.

## Severance – Work until the end of the Kesselring Contract

### 1. What are the details of the severance plan?

Severance pay will be offered in accordance with the Company Severance Plan document. For further details and conditions, refer to the terms of the Huntington Ingalls Industries Severance Plan found on the Kesselring Contract Conclusion webpage. For additional details please contact HII Benefits.

### 2. How will severance be calculated?

Severance and all other Newport News Shipbuilding benefits or retirement calculations are based on the Newport News Shipbuilding Continuous Service Date per corporate plan documents.

- Continuous service begins on the date of hire regardless if you were hired originally as salaried personnel or an hourly trade. A break in service may change your continuous service date. Specific verification about your particular situation can be provided from the Benefits office.
- Only complete years are counted per plan documents, there is no pro-rating for partial years.
- There is no effect on eligibility or pay from the continuous service date for benefits such as FMLA, Medical or Military LOAs.
- Severance payouts are based on the final salary.
- Payroll will cut the payout check when authorization is received from HR.
- Severance payouts are taxed at the applicable supplemental rate (currently both the Federal and NY state rates are 22%) You will **NOT** be able to contribute to your 401k account for severance payouts.

### 3. Will I have to repay EdAssist if I take severance or leave the company in less than one year?

Employees who separate from Newport News Shipbuilding at the conclusion of our work at Kesselring and who meet their defined period of performance (retention period) will have EdAssist payback costs forgiven.

### 4. If I accept the severance package will I be eligible for Unemployment Insurance pay even though the company has offered me employment elsewhere? Will the payouts affect my UI claims?

The NYS Dept. of Labor makes determinations on eligibility and payouts of UI claims.

### 5. What are the details for the Savings and Retirement Plans?

You are 100% vested in your contributions, company contributions (with the exception of Retirement Account Contributions) and all earnings. Retirement Account Contributions are subject to a 3-years of employment vesting schedule. For further details regarding your Savings plan please contact HII Benefits.

If you were a participant in the Huntington Ingalls Newport News Operations Savings (401(k)) Plan for Union Eligible Employees, you should direct any questions related to that Plan to: Wells Fargo at 1-800-377-9188

### 6. Will there be incentives for Voluntary Early Retirement?

There is no plan for an early retirement option.

### 7. What Outplacement Services will be offered?

Outplacement services for employees not planning to continue employment with HII are offered by the Benefits office.

- For help on Resume Writing and Interviewing Guidance and Tips please visit the Talent Acquisitions (K21) homepage <https://mynns/orgs/K21/Pages/default.aspx> and click on “Candidate Tools”.