Background information on the Lufthansa –Vereinigung Cockpit pay dispute: Pilots offer millions of € in savings – Lufthansa rejects everything

Vereinigung Cockpit has put forward far-reaching proposals in mediation for the future of Lufthansa's short-haul operations and, in return, is calling for job security for staff

During the ongoing mediation, the Vereinigung Cockpit (VC) has submitted several detailed proposals to Deutsche Lufthansa which would save the company between 130 and 150 million euros annually. The pilots are prepared to forego pay rises, contribute to cost-cutting measures and allow for significantly greater flexibility in flight operations – with the aim of make Lufthansa's short-haul operations even more competitive. Lufthansa has rejected all the proposals. Previously, the employer had failed to put forward any proposals during three rounds of conciliation concerning the areas of occupational pension schemes, compensation terms and transitional benefits. The mediation covered more far-reaching areas in which the employer demanded concessions.

Cost savings and flexibility for short-haul operations

At the heart of the proposals put forward during mediation is a significant contribution from cockpit staff towards cost reduction. These include a pay freeze, substantial cuts to variable pay components and to the payment for additional flight hours. In addition, there is to be greater flexibility in flight operations: the VC has offered to lift previous restrictions on duty rosters so that Lufthansa can deploy its aircraft and crews more productively on short-haul routes and better absorb seasonal peaks. This would put a package on the table that sustainably reduces the cost base of Lufthansa's short-haul operations.

This is not about short-term concessions. All proposals are designed for long durations of four to six years, representing a total savings potential of up to **€1 billion**. Lufthansa would gain planning certainty and reliable cost savings for years to come, while employees would receive a binding perspective for their future.

A "Managed Downsizing" is also conceivable

VC is not opposed to restructuring Lufthansa. It can envisage a "managed downsizing" of the existing short-haul operation: the business segment would not be discontinued abruptly but would instead shrink gradually through natural attrition only, such as retirements or voluntary transfers/departures. No one would be reassigned or dismissed against their will. Pilots currently flying short-haul routes would be offered prospects on long-haul operations or in other parts of the Group. At the same time, Lufthansa's long-haul operations from Germany must remain safeguarded.

VC could also envisage this approach in combination with a **second collective bargaining track**. Under such a model, newly hired short-haul pilots would fly under significantly more cost-effective terms than the current workforce. A prerequisite would be clearly defined

career paths to ensure that this entry-level track does not become a dead end, for example through opportunities to transfer to long-haul operations at a later stage.

What VC demands in return

In exchange for these concessions, VC is asking for two commitments:

1. **Job security for pilots at Lufthansa Passage and Lufthansa Cargo**, contractually agreed and protected, particularly in the event that commitments are not fulfilled.
2. **A clear employment perspective for Lufthansa CityLine employees.** Every pilot must receive a concrete offer for continued employment with DLH or LCAG, without any reduction in pay. In addition, the employer should be able to make further employment offers throughout the Group.

Lufthansa rejects all proposals

Lufthansa has rejected all proposals put forward by VC, including both the models focused on recruitment and growth and the managed downsizing model, whether with or without a second collective bargaining track. To date, the company has not presented a proposal that provides binding job security for employees and a concrete future perspective for CityLine colleagues.

As a result, Lufthansa is foregoing potential savings of **€130 to €150 million per year**, amounting to several times that figure over the full duration of the proposed agreements.

Mediator points to a solution, Lufthansa makes a “U-Turn”

On 9 November, the mediator presented his own proposal for a comprehensive solution. In many areas, he incorporated VC’s proposals and additionally suggested binding safeguards to ensure that employees’ agreed contributions would genuinely result in a productive Lufthansa short-haul operation and therefore secure jobs.

Despite some remaining open issues, VC regarded this proposal as a viable basis for further discussions.

The mediator’s proposal has been on the table since 9 November. Lufthansa has not taken it up. Instead, the company has effectively made a “U-turn” by submitting its own proposal. Rather than providing binding commitments on employment, protection against redundancies, and a concrete offer for CityLine employees, the company’s paper mainly contains broad statements of intent, while continuing to expect substantial contributions from the pilot workforce.