

Focus on Retirement for current SPEEA-represented employees Professional Unit

Income Replacement at Retirement

The company pays in to three sources of retirement income:

- Defined Benefit pension plan – is a company supported pension plan with no required contribution by employees.
- Matching contributions to a retirement savings plan (Voluntary Investment Plan or VIP)
- Social Security benefits – Boeing matches employee tax deduction

What you get

Boeing recognizes that economic cycles have an impact on planning for retirement and investment returns will not be consistent year in and year out. Still, the combination of money from the Defined Benefit pension, when added to the VIP and employee Social Security benefits, allows SPEEA-represented employees the potential to retire with more income in retirement than they earned as an active employee.

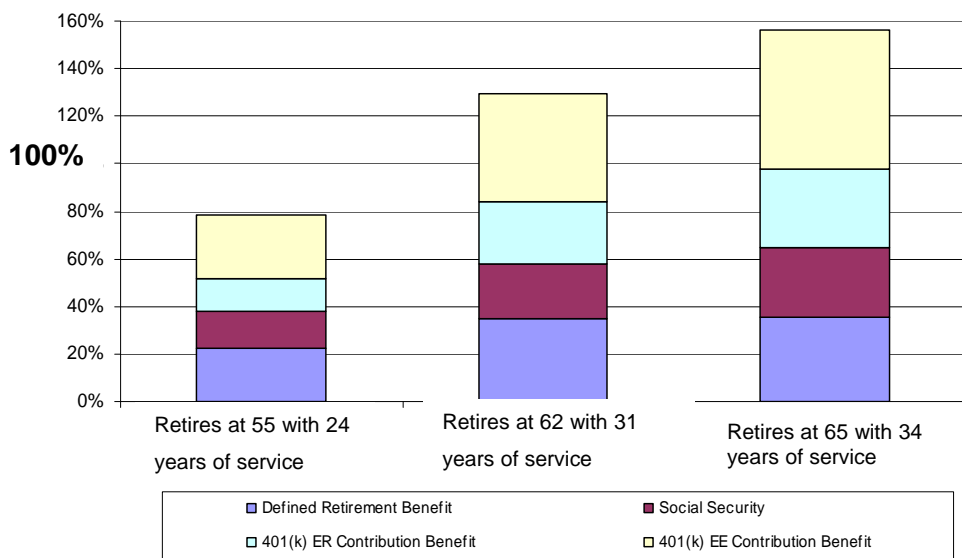
Your retirement benefit

Under The Boeing Company Employee Retirement Plan, basic monthly benefit payments are calculated two ways:

- The Standard benefit formula – based on the monthly pension multiplier, currently \$70 per year of service
- The Alternate benefit formula – based on a formula that takes into account your ending base pay

Upon retirement, you will be paid from the formula that pays you the **larger** monthly benefit.

**Sample retirement income replacement for a
SPEEA professional employee currently aged 46**



Assumptions

- Based on average age, service, wage and VIP balance data for SPEEA-represented employees
- Investment Return
 - Pre-retirement 7.5%
 - Post-retirement 6.5%
 (The median investment return for U.S. Pension funds is 8%.)
- Alternate benefit formula
- Employee receives maximum company VIP match going forward to retirement

Boeing's position

From 1999 to today the monthly pension benefit has grown from \$40 to \$70, a 75% increase. During the same time, the Consumer Price Index, measuring the overall cost of living, went up 28.5%. During these negotiations the company intends to increase the Standard benefit formula for SPEEA-represented employees.