

Focus on Retirement for Current Employees

Income Replacement at Retirement

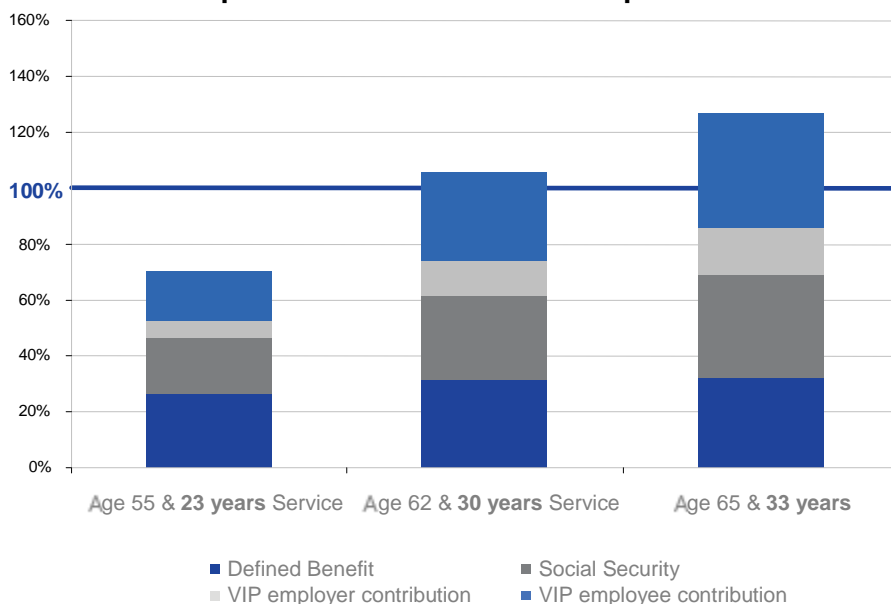
The company pays for three sources of retirement income:

- Defined benefit pension plan – company supported pension plan with no required contribution by employees
- Matching contributions to a defined contribution savings plan (Voluntary Investment Plan or VIP)
- Social Security benefits – Boeing matches employee payroll contributions as required by Federal law

What you get

The combination of pension dollars, when added to employee savings in the VIP and employee Social Security payments allows IAM-represented employees the opportunity to retire with more income at retirement than in their last year of employment.

Sample IAM retirement income replacement



Assumptions

- Based on average age, service, wage and VIP balance data for IAM-represented employees.
- Investment Return: Pre-retirement 7.5%, Post-retirement 6.5%
(The median investment return assumption for US pension funds is 8%.)
- Benefit Rate of \$70 per month

What we are proposing

From 1999 to today, the monthly pension benefit has grown from \$40 for each year of service to \$70. That's a 75% increase. During the same time, the Consumer Price Index, measuring the overall cost of living, went up only 28.5%. The company is willing to discuss increases for the current IAM-represented employees at more sustainable levels.