

# TENTATIVE AGREEMENT

## Engineering Unit

### ARTICLE 11

#### ~~RATES OF PAY AND WORK SCHEDULES PAY RATES — CLASSIFICATIONS — OVERTIME TEMPORARY — MILITARY LEAVE — JURY DUTY AND WITNESS SERVICE~~

#### Section 11.1 Pay Rates, ~~Titles, Levels~~ and Cost of Living Adjustments ~~Salary Ranges~~.

11.1(a) The minimum salary ~~for the payroll, effective March 3, 2006,~~ will be determined by the Salary ~~ied~~ Reference Table minimum values as established by the Company, for each ~~bargaining unit member's respective~~ Salaried Job Classification and level. identified in Appendix A.

**TABLE I**

<del>Salaried Job Classification Job Family</del>	<del>Levels</del>
<del>AG — Facilities Equipment Engineer</del>	<del>1—6</del>
<del>AJ — Facilities Plant Engineer</del>	<del>1—6</del>
<del>BS — Environmental Remediation Engineer/Scientist</del>	<del>1—6</del>
<del>DE — Quality Engineer</del>	<del>1—6</del>
<del>ED — Environmental Engineer/Scientist</del>	<del>1—6</del>
<del>JA — Engineer/Scientist</del>	<del>1—6</del>
<del>KA — Manufacturing Engineer</del>	<del>1—6</del>
<del>KE — Industrial Engineer</del>	<del>1—6</del>
<del>KZ — Tool Engineer</del>	<del>1—6</del>
<del>ND — Embedded Software Engineer</del>	<del>1—6</del>
<del>SC — Customer Support Engineer</del>	<del>1—6</del>
<del>ST — Software Quality Engineer</del>	<del>1—6</del>

11.1(b) The Company will establish four ~~three selective~~ salary review adjustment funds in accordance with the dates set forth in Table II:

**TABLE II**  
**SELECTIVE SALARY REVIEW ADJUSTMENT FUND REVIEW PERIODS**  
**AND INCREASE PERCENTAGES**

Review Period	Fund Computation Date	Increase Effective Date	Base Salary Adjustment Fund	Market Adjustment Fund	Minimum Increase Percentage
1	<u>2/3/06</u> <u>1/30/09</u>	<u>3/3/06</u> <u>2/27/09</u>	<u>5.0%</u>	<u>2.5%</u>	<u>2.0%</u> <u>4.5%</u>
2	<u>2/2/07</u> <u>1/29/10</u>	<u>3/2/07</u> <u>2/26/10</u>	<u>5.0%</u>	Dependent on market analysis	<u>2.0%</u> <u>4.5%</u>
3	<u>2/1/08</u> <u>1/28/11</u>	<u>2/29/08</u> <u>2/25/11</u>	<u>5.0%</u>	Dependent on market analysis	<u>2.0%</u> <u>4.5%</u>
<u>4</u>	<u>1/27/12</u>	<u>2/24/12</u>	<u>5.0%</u>		<u>2.0%</u>

**11.1(b)(1)** Base salaries of eligible employees will be increased from a fund computed by multiplying ~~the sum of the Salary Adjustment Fund and the Market Adjustment Fund Increase Percentage~~ by the total salaries of eligible employees. All eligible employees will participate in the ~~selective salary~~ review with minimum increases given as indicated in Table II. All increases will be effective on the Increase Effective Date of the review period. Eligible employees are defined as follows:

Hired before November 1<sup>st</sup> ~~of each year~~; and

Classified in the bargaining unit on both the Fund Computation Date and the Increase Effective Date.

Employees on leave of absence for ~~more-less~~ than 180 days as of the Fund Computation Date are ~~excluded from~~ included in the Salary Review exercise.

For ~~selective salary review~~ adjustment fund computation purposes described in 11.1(b), ~~the units defined in 1.1(a), 1.1(b), 1.1(c), and 1.1(d)~~ Section 11.1(b), the units defined in Section 1.1 will be treated as a single unit.

For any Review Period identified in Table II, the Company may, at its discretion, increase the ~~Salary Adjustment Fund Increase Percentage~~, resulting in an equal decrease to the ~~Salary Adjustment Fund Increase Percentage~~ of a subsequent Review Period.

~~**11.1(b)(2) Annual Salary Data Review.** The Company agrees to annually review the relationship of bargaining unit salaries to those of the market, and to~~

~~share the results with the Union. Based on salary analysis, the Company agrees to supplement the Base Salary Adjustment Fund with a Market Adjustment Fund as identified in Table 1.~~

~~The final determination as to the amount of any Market Adjustment Fund will be made by the Company and will not be subject to the grievance and arbitration procedure of Article 3.~~

~~The Union agrees to keep confidential, and not disclose, any information or subsequent analyses based on information provided pursuant to this Section 11.1(b)(2) that the Company designates as not subject to disclosure.~~

### **11.1(c) Cost of Living Adjustments.**

**11.1(c)(1)** Employees eligible to participate in the ~~selective salary review~~ adjustment funds under 11.1(b) may also receive Cost of Living Adjustments to the extent such adjustments become effective under and in accordance with all of the terms, conditions and limitations stated in 11.1(c). The terms, definitions, and limitations stated in 11.1(b) and 11.1(c) also apply to such adjustments. Cost of Living Adjustments would be delivered to each eligible employee separately from those selective adjustment funds derived in 11.1(b). Cost of Living Adjustments would be effective on the dates specified in Table ~~III~~.

**11.1(c)(2)** Determination of Cost of Living Adjustments shall be made in reference to the series U.S. city average "Consumer Price Index Urban Wage Earners and Clerical Workers" published by the Bureau of Labor Statistics, U.S. Department of Labor, with the following base period: 1982-1984 = 100, such Index being referred to herein as the BLS Index.

**11.1(c)(3)** Computations will be made using the three-month average of the BLS Index for July, August and September, 200~~58~~ (~~192.7215.5~~), as the base period.

**11.1(c)(4)** During the life of this Agreement, Cost of Living Adjustments shall be computed using the three-month average of the BLS Index for the periods specified in Table ~~III~~ and the corresponding BLS Index threshold values expressed as percentage increases over the 200~~58~~ base period. The formula will be: percentage of Cost of Living equals fifty (50) percent of the percentage increase in the BLS Index, from the 200~~58~~ base period to the BLS Index Comparison Quarter, that exceeds the BLS Index Threshold Percentage, as shown in Table ~~III~~. In order to preclude recognition, on more than one effective date, of the same percentage increase in the BLS Index, any recognition on one effective date of a percentage increase over the applicable BLS Index Threshold Percentage will cause that percentage to be set aside and disregarded in ensuing computations. [e.g., if the BLS Index for October, November, December 200~~58~~ represented a ~~4512~~ percent increase over the base period (yielding a 1.0 percent Cost of Living Adjustment effective ~~2/27/20093/3/2006~~), no Cost of Living Adjustment would result for the ~~2/26/20103/2/2007~~ effective date unless,

and to the extent, the BLS Index for October, November, December 2006<sup>9</sup> represented an increase in excess of 22.23-52 percent over the base period.] BLS Index three-month averages, BLS Index increase percentages, and salary increase percentages will be rounded to the nearest tenth, with five hundredths rounded upward to the nearest tenth. ~~The BLS Index Threshold Percentages will be adjusted accordingly in the event of a market adjustment in review periods 2 or 3.~~

**TABLE III**

<b>Effective Date of Adjustment</b>	<b>BLS Index Comparison Quarter</b>	<b>BLS Index Threshold Percentage</b>
3/3/2006 <u>2/27/2009</u>	Oct, Nov, Dec 2005 <u>2008</u>	<del>13.0%</del> <u>10%</u>
3/2/2007 <u>2/26/2010</u>	Oct, Nov, Dec 2006 <u>2009</u>	<del>21.52%</del> <u>20%</u>
3/7/2008 <u>2/25/2011</u>	Oct, Nov, Dec 2007 <u>2010</u>	<del>30.38%</del> <u>30%</u>
<u>2/24/12</u>	<u>Oct, Nov, Dec 2011</u>	<u>40%</u>

**11.1(c)(5)** In connection with each of the effective dates in Table III, the computations set forth in 11.1(c)(4) will be made.

**11.1(d)** For payroll computation purposes, hourly rates of pay will be computed on the basis of 2080 compensable hours each calendar year.

~~**Section 11.2 – Classifications.** When, pursuant to the provisions of Article 1, the Company classifies an individual in one of the Engineer classifications listed in this Article, it will give consideration to the nature of the work involved and the qualifications of such individual. Inclusion in these classifications shall be limited to those employees who, in the performance of their assigned work, regularly apply engineering disciplines to the research, design, development, test and evaluation of Company products or processes, and who satisfy the definition of "professional employee" as stated in Section 2(12) of the National Labor Relations Act as set forth below:~~

~~“(a) any employee engaged in work (i) predominately intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; (ii) involving the consistent exercise of discretion and judgment in its performance; (iii) of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; (iv) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes; or~~

~~(b)any employee, who (i) has completed the courses of specialized intellectual instruction and study described in clause (iv) of paragraph (a) and (ii) is performing related work under the supervision of a professional person to qualify himself to become a professional employee as defined in paragraph (a)."~~

~~This Section shall not be construed as affecting the Company's unilateral right to select and determine the employees to be included in each classification listed in this Article, which right shall not be subject to Article 3. Nothing in Table I of this Article is intended to alter the historical scope of the unit as described in Article 1.~~

### **Section 11.23 Overtime.**

**11.23(a)** The hourly rate to be paid for scheduled overtime worked by employees will be straight time plus \$6.50 per hour.

**11.23(b)** The term "scheduled overtime" as used in this paragraph will refer to a program of work in excess of 80 compensated hours in a two-week pay period authorized as scheduled overtime by the Company to meet increased workload.

**11.23(c)** The provisions of 11.23 will not be applicable to the following:

**11.23(c)(1)** Employees on part-time work schedules.

**11.23(c)(2)** Time enroute on travel assignments at the request of the Company.

**11.23(c)(3)** All hours worked in excess of the scheduled hours which are not requested by the Company.

**11.23(d)** Except as expressly provided in this Agreement, the Company shall have the right to require employees to record time worked (however categorized) and to administer the overtime and all other aspects of its labor charging system in the manner the Company may determine from time-to-time.

**Section 11.34 Temporary Military Leave.** Time off with pay up to a maximum of eighty hours each military fiscal year will be granted to an employee who is a member of a reserve component of the Armed Forces and who is absent due to required annual active duty or to temporary special duty. The amount due the employee under this 11.34 shall be reduced by the amount received from the government body identified with such active or temporary special duty, for the period of such duty (up to the maximum period mentioned above). Such items as subsistence, uniform, and travel allowance shall not be included in determining pay received from the state or federal government. An employee who elects to ~~work or~~ use available Company paid holidays during the 90 calendar days of military leave, vacation credits, Or sick leave credits while on temporary active duty will not be eligible for military pay differential for that period.

~~Beginning with the military fiscal year starting October 1, 2000, the following provisions will apply:~~

Members of a reserve component of a uniformed service ordered to annual active duty are eligible for military differential pay up to a maximum of 80 hours each military fiscal year (October 1 – September 30) or longer if required by applicable laws.

Members of a reserve component of a uniformed service ordered to temporary special duty under Military U.S. Code Title 10 or mobilized by the applicable state agency are eligible for military differential pay up to a maximum of 90 calendar days for each occurrence. Extension of military differential pay beyond 90 days may be approved on a case-by-case basis for each call-up. This approval will be based on the call-up and not on an individual employee basis. Military differential pay will end upon the employee's release from active duty.

Employees will retain all compensation received from the uniformed services. If this compensation is less than their regular Company pay (base rate plus applicable additives), the Company will provide pay equal to the difference between the employee's base rate (plus applicable additives) and the compensation received from the uniformed services. This pay will be provided upon receipt of the employee's leave and earnings statement. Subsistence (does not include quarters), uniform, and travel allowances will not be included in determining military pay.

**Section 11.45 Jury Duty and Witness Service.** Time off with pay, ~~up to 30 days each calendar year or longer if required by applicable laws,~~ will be granted for absence necessary for an employee to perform jury duty or witness service. The employee will retain all fees received. Time off with pay, unless required by applicable law, will not be granted if the employee:

1. Is subpoenaed as a witness against the Company or its interests.
2. Is subpoenaed as a witness as a direct party in the action.
3. Voluntarily seeks to testify as a witness.
4. Is subpoenaed as a witness in a case arising from or related to the employee's outside employment or outside business activities.

~~Deviations to this procedure must be approved by Company Offices Compensation and Benefits.~~

### **Section 11.56 Work Schedules and Shifts.**

**11.56(a)** Each employee working full time shall be assigned one of the following work schedules:

- (1) Category 1 Weekday Schedule: 40 hours in a workweek or 80 hours in a pay period, with regular workdays during the Monday through Friday period.

- (2) Category 1 Weekend Schedule: 40 hours in a workweek or 80 hours in a pay period, with Saturday and/or Sunday as a regular workday.
- (3) Category 2 Weekday Schedule: Less than 40 hours in a workweek or less than 80 hours in a pay period, with regular workdays during the Monday through Friday period.
- (4) Category 2 Weekend Schedule: Less than 40 hours in a workweek or less than 80 hours in a pay period with Saturday and/or Sunday as a regular workday.

Schedule Hours	Category One Schedules of 40 hours in a workweek or 80 hours in a pay period		Category Two Schedules of fewer than 40 hours in a work week or 80 hours in a pay period	
	Weekday	Weekend	Weekday	Weekend
Schedule Type				
Shift	Incentives			
First	None	Weekend Rate	Schedule Factor	Weekend Rate Schedule Factor
Second	Shift Rate	Shift Rate Weekend Rate	Shift Rate Schedule Factor	Shift Rate Weekend Rate Schedule Factor
Third	Shift Rate Shift Percentage	Shift Percentage Shift Rate Weekend Rate	Shift Rate Schedule Factor	Shift Rate Weekend Rate Schedule Factor

### INCENTIVES DEFINITIONS

Shift Percentage Maintains "equity" with 3rd shift 6.5 hour schedule	Shift Rate Working other than 1st shift	Weekend Rate Working on a Saturday/Sunday as a regular day	Schedule Factor Works less than 40/80 hours, paid for 40/80
23%	\$ <del>1.00-75</del> per hour	Sat. or Sun. \$ <del>1.502.00</del> Sat. & Sun. \$ <del>23</del> .00	Pay period hours/ Scheduled hours

**11.5(b)** Employees may, at their request and with management's approval, work any of the above schedules. Management will staff Weekend Schedules with volunteers.

**11.56(cb)** Employees may at their request and with management's approval, make a temporary modification of their work schedule through movement of hours from one day to another within an 80-hour pay period. With management coordination, employees may use leave with pay [Personal Business (PERBUS)] for partial day absences due to reasons other than those identified in Article 6.

**11.56(de)** The Company may assign an employee to any shift to meet operational requirements. The following shift identification shall apply:

- (1) First shift: Begins at any time from 4:00 a.m. to 11:59 a.m.
- (2) Second shift: Begins at any time from 12:00 noon to 7:59 p.m.
- (3) Third shift: Begins at any time from 8:00 p.m. to 3:59 a.m.

11.5(e) If an employee is requested to travel for the Company outside of their normal shift, they may, at their request and with management approval, make a temporary modification of their work schedule through the movement of hours from one day to another within an eighty (80) hour pay period.

11.5(f) Employees will be permitted to change to a Category 1 Weekend Schedule in support of AOG assignments.

### **Section 11.67 Incentives.**

**11.67(a)** Employees assigned to second or third shift shall receive a shift rate incentive of \$1.00 ~~seventy-five cents~~ per hour.

**11.67(b)** Employees assigned to either Saturday or Sunday as a regular day of work shall receive \$2.00 ~~\$1.50~~ per hour. Employees assigned to both Saturday and Sunday as regular days of work shall receive \$3.00 ~~\$2.00~~ per hour.

**11.67(c)** Employees assigned to a Category 2 Schedule will receive a schedule factor incentive equivalent to the difference between the hours scheduled and forty hours in a workweek

**11.67(d)** Employees assigned to a Category 1 Schedule and identified to receive the "shift percentage" shall receive twenty-three percent (23%) of their base rate.

### **Section 11.7 Promotions and Salary Adjustments.**

For each review period below, the Company will spend at least one half of one percent (.5%) of the total unit salaries as of the computation date of the review period on either adjustments in salary accompanied by a change in classification (promotion); or

adjustments in salary outside of the annual salary review (Out of Sequence Selective Adjustment) or any combination of the two. In the event less than .5% is spent during the review period, the delta between the actual expenditure and .5% will be added to the next salary adjustment fund. The minimum promotion increase will be \$3,500.

There will be no selective adjustments or in-line promotions outside the competitive job selection process during the period scheduled by the Company for salary review (typically January 1 through mid-April).

<u>Review Period</u>	<u>Start Date</u>	<u>Computation Date</u>	<u>End Date</u>
<u>One</u>	<u>December 2, 2008</u>	<u>January 30, 2009</u>	<u>December 31, 2009</u>
<u>Two</u>	<u>January 1, 2009</u>	<u>January 29, 2010</u>	<u>December 31, 2010</u>
<u>Three</u>	<u>January 1, 2010</u>	<u>January 28, 2011</u>	<u>December 31, 2011</u>
<u>Four</u>	<u>January 1, 2011</u>	<u>January 27, 2012</u>	<u>October 6, 2012</u>

**Section 11.9 Direct Deposit.**

11.9(a) In states where mandatory direct deposit is permitted by law, paychecks will be delivered via direct deposit by Thursday of every second week.

11.9(b) For employees working in other states, paychecks shall be delivered via direct deposit on or before Thursday of every second week, or placed in the U.S. mail on or before Tuesday of every second week.

**Society of Professional Engineering  
Employees in Aerospace**

**The Boeing Company**

By \_\_\_\_\_

By \_\_\_\_\_

Dated \_\_\_\_\_

Dated \_\_\_\_\_