

Engineering Unit

ARTICLE 16 GROUP BENEFITS

Section 16.1 Type of Group Benefits Package for Employees on the Active Payroll. The Company will continue until June 30, 200~~96~~⁹⁶, the Group Benefits Package agreed to in the collective bargaining agreement of December 2, 200~~25~~²⁵, between the Company and the Union. Thereafter, the Company will provide the Life Insurance benefits, Accidental Death and Dismemberment benefits, Short Term Disability benefits, Medical benefits, and Dental benefits for eligible employees and Medical benefits and Dental benefits for covered dependents of eligible employees as summarized in the document entitled Attachment A, effective July 1, 200~~96~~⁹⁶, or as otherwise stated, as the Group Benefits Package. The Company will provide access to the following plans on an optional basis: ~~Voluntary Personal Accident~~Supplemental AD&D Plan, Long Term Disability Plan, and Health Care and Dependent Care Spending Account Plans.

Section 16.2 Cost of the Group Benefits Package for Employees on the Active Payroll.

16.2(a) Life, Accidental Death and Dismemberment, and Short Term Disability Benefits. The Company will pay the full cost of the Life Insurance, Accidental Death and Dismemberment, and Short Term Disability Plans for eligible employees.

16.2(b) Medical Benefits.

16.2(b)(1) The Company and the Union are committed to controlling health care costs through joint efforts under the Joint Benefits Discussion Group. In support of these efforts, the Company will continue to share the cost of medical coverage with employees. ~~at the current contribution levels.~~

16.2(b)(2) Effective July 1, 200~~94~~⁹⁴, in regions where employees may choose between ~~coordinated care, exclusive provider organization/health maintenance organization~~ plans or the Traditional Medical Plan, the Company will pay the full cost of ~~the lowest-cost~~ Company designated plan in the applicable region for eligible employees and dependents for the term of the Agreement. For those employees and dependents whose coverage is with another plan, employees will contribute on a pretax basis 12% of the cost of the plan the employee chooses.

~~16.2(b)(3) Effective January 1, 2004, in regions where employees may choose between coordinated care and/or health maintenance organization plans or the Traditional Medical Plan and where the total Company employment is 500 or fewer employees, the following contributions will apply:~~

~~For any coordinated care/health maintenance organization plan coverage, employees will contribute \$10 for an employee only, \$20 for an employee and~~

~~spouse, \$20 for an employee and child(ren), or \$30 for an employee and family. For Traditional Medical Plan coverage, employees will contribute \$20 for an employee only, \$40 for an employee and spouse, \$40 for an employee and child(ren), or \$60 for an employee and family. The Company will pay the cost of each plan in excess of the amount contributed by employees.~~

16.2(b)(43) In regions where neither coordinated care nor exclusive provider organization and/or health maintenance organization plans are ~~not~~ available, the Company will pay the full cost of the Traditional Medical Plan for eligible employees and dependents for the term of the Agreement.

16.2(b)(4) Effective January 1, 2010, the Company will pay the full cost of the PPO+Account for eligible employees and dependents for the term of the Agreement.

16.2(b)(5) The employee is required to contribute an additional \$100 each month for medical coverage under the Group Benefits Package to enroll a spouse or same-gender domestic partner if the spouse or same-gender domestic partner is eligible for medical coverage under another employer-sponsored plan and waives such coverage. This \$100 contribution will not be required for a spouse or same-gender domestic partner who waived coverage under another employer-sponsored plan prior to eligibility for medical coverage under the Group Benefits Package, provided the spouse or same-gender domestic partner enrolls at the other plan's next enrollment period or, if earlier, at an enrollment date allowed by the other plan.

~~**16.2(b)(6)** The Company will pay the full cost of the TRICARE Supplement Plan for retired military employees and their eligible dependents. Election of the TRICARE Supplement Plan is in lieu of other medical plans that are available in the employee's region.~~

16.2(c) Dental Benefits. The Company will pay the full cost of the Preferred Dental Plan, the Scheduled Dental Plan or Prepaid Dental Plan.

Section 16.3 Type of Retiree Medical Plan.

16.3(a) The Company will continue until June 30, 200~~9~~⁶, the Retiree Medical Plan agreed to in the collective bargaining agreement of December 2, 200~~2~~⁵, between the Company and the Union. ~~Thereafter, f~~For employees who are hired prior to January 1, 2007 and covered on or after January 1, 2007, the Company will provide for the duration of this Agreement the medical benefits for eligible retired employees and for covered dependents of eligible retired employees as summarized in the document entitled Attachment B, effective July 1, 200~~9~~⁶, or on such later date when specifically stated therein and subject to all of the terms and conditions contained in or referred to in such Attachment B. The Company will also provide employees hired prior to January 1, 2007, access to the Medicare Supplement Plan.

16.3(b) Notwithstanding 16.3(a) above, any employee working in the Company's plants located in Weber and Davis Counties, Utah, on the effective date of this agreement who was not eligible for company-subsidized retiree medical coverage prior to recognition of the collective bargaining unit under Article 1.1(b), shall not be eligible for retiree medical coverage under this Agreement; including those hired prior to January 1, 2007.

Section 16.4 Cost of the Retiree Medical Plan. The Company will share the cost of medical coverage for current and future eligible retired employees, as follows:

16.4(a) Effective July 1, 2003, Company and retired employee contributions will be as follows:

For any coordinated care plan, exclusive provider organization and/or health maintenance organization plan coverage or the TRICARE Supplement Plan, retired employees will contribute \$10 for a retired employee only, \$20 for a retired employee and spouse or same-gender domestic partner, \$20 for a retired employee and child(ren), or \$30 for a retired employee and family. For Traditional Medical Plan coverage, retired employees will contribute \$20 for a retired employee only, \$40 for a retired employee and spouse or same-gender domestic partner, \$40 for a retired employee and child(ren), or \$60 for a retired employee and family. The Company will pay the cost of each plan in excess of the amount contributed by retired employees.

16.4(b) For employees who are hired from January 1, 1993 through December 30, 2006, the Company contributions are limited to three and one-third percent of the cost of the coordinated care plan, exclusive provider organization and/or health maintenance organization plan, Traditional Medical Plan, or TRICARE Supplement Plan the retired employee chooses per year of service for the duration of the Agreement. Those Retired employees pay the difference (the cost of the plan minus the Company contributions). However, all covered retired employees they must make contributions not less than the amount specified in 16.4(a).

16.4(c) The retired employee is required to contribute an additional \$100 each month to enroll a spouse or same-gender domestic partner in the Retiree Medical Plan if the spouse or same-gender domestic partner is eligible for medical coverage under another employer-sponsored plan as an active employee and waives such coverage.

16.4(d) Company contributions will be made only for an eligible retired employee who retires during the term of this Agreement, is receiving benefits or is deferring receipt of benefit payments from The Boeing Company Employee Retirement Plan provided the employee meets the eligibility requirements of the Retiree Medical Plan and is retired from or is deferring receipt of benefit payments from The Boeing Company Employee Retirement Plan, and either authorizes deduction of the balance of plan rates, if any, from his or her retirement check or agrees to make timely self-payments for such coverage. Such Company contribution will continue for

an eligible retired employee or eligible spouse or same-gender domestic partner reduced by retired employee contributions required under 16.4(a) and 16.4(b) and the spouse or same-gender domestic partner contribution in 16.4(c), if any, until such eligible person attains 65 years of age or is earlier eligible for Medicare or until this Agreement expires, if earlier, and for a dependent child, until such dependent child is no longer an eligible dependent or earlier qualifies for Medicare, or until this Agreement expires, if earlier.

Section 16.5 Details and Method of Coverage. The benefits summarized in the Group Benefits Package and the Retiree Medical Plan shall be procured by the Company under contracts and/or administrative agreements with insurance companies, health care contractors, or administrative agents which will be in the form customarily written by such carriers and administrative agents, and the Group Benefits Package and Retiree Medical Plan shall be subject to the terms and conditions of such contracts and/or administrative agreements, consistent with the summary in the Group Benefits Package or Retiree Medical Plan.

Such contracts and/or administrative agreements will require the administrative agents to develop various programs and procedures designed to contain costs based on those portions of the Group Benefits Package and the Retiree Medical Plan which contain the requirement that charges are covered only on the basis of medical necessity. Such cost containment programs or procedures may be utilized to determine the medical necessity of the treatment itself, the appropriateness of the services provided, and the place of treatment or the duration of treatment. The administrative agents and the Company will announce each such program or procedure before it is required or available to the affected employees or retirees. Any such cost containment program or procedure will not operate during the term of this Agreement to reduce or deny the benefit properly due under the Plans to any covered person or to shift the costs covered under the Plans to the covered person any eligible active employee or employee who retires during the term of this Agreement, or to his or her dependants.

The failure of an insurance company, health care contractor, or administrative agent to provide any of the benefits for which it has contracted shall result in no liability to the Company, nor shall such failure be considered a breach by the Company of the obligations that it has undertaken by this Agreement. However, in the event of any such failure, the Company shall immediately evaluate the need to replace the services of such insurance company, health care contractor, or administrative agent.

Section 16.6 Administration. The Group Benefits Package and the Retiree Medical Plan shall be administered by the insurance companies, health care contractors, or administrative agents with whom the Company enters into contractual relationships for the purpose of providing and/or administering the coverage contemplated by the Group Benefits Package or the Retiree Medical Plan and no question or issue arising under the administration of such Group Benefits Package or the Retiree Medical Plan or the contracts and/or administrative agreements identified therewith shall be subject to the grievance and arbitration procedures of Article 3 of this Agreement.

Section 16.7 Copies of Policies to Be Furnished to Union. Copies of the policies, contracts, and administrative agreements executed pursuant to this Article 16 shall be furnished to the Union and the coverages and benefits indicated in the Group Benefits Package or the Retiree Medical Plan, the rights of eligible employees in respect of such coverages, and the settlement of all claims arising out of such coverages shall be in accordance with the provisions, terms, and rules set forth in such contracts.

Section 16.8 Federal or State Packages. If during the term of this Agreement there is mandated by federal or state government a program that affords to employees and/or retirees covered by this Agreement similar benefits (such as but not limited to medical benefits and dental benefits) to those that are afforded by this Agreement, benefits afforded by this Agreement will be replaced by such federal or state program. The Company will comply with the provisions for the furnishing of such program to the extent required by law. No question or issue regarding the level of benefits under the state or federal program will be subject to the grievance and arbitration procedures of Article 3 of this Agreement.