



November 14, 2008

## Tentative Agreement on SPEEA Contracts

*Boeing and SPEEA reached tentative agreement on four-year contracts, which recognize and reward the contributions made by engineering and technical employees to the company's current success. These agreements enable Boeing to remain competitive so we can sustain our success over the long term. The negotiations process required challenging discussions, careful listening, and give-and-take on both sides. Highlights of the tentative agreement are below.*

### What you get

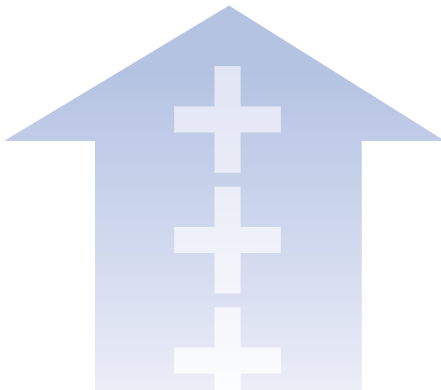
**Increased pay** - salary adjustment funds each year

#### **Outstanding health care coverage**

- Improved preventive care
- Improved prescription drug coverage
- Two options in each region that require \$0 monthly payroll deduction
- Employee payroll deduction remains at 12% of the cost of the other plans for the duration of the contract

#### **Improvements to vacation and overtime practices**

### Increased pay package



#### **Professional and Technical Units**

	2009	2010	2011	2012
<b>Salary Adjustment Fund*</b>	5%	5%	5%	5%

\* 2% guaranteed minimum salary adjustment for all Professional Unit employees, 2.5% guaranteed minimum salary adjustment for all Technical Unit employees in each year of the contract.

**Overtime Premium****Professional Unit**

- All overtime worked in excess of 144 hours per quarter will be compensated at a rate of base pay plus \$15 per hour, through the end of 2010.

**Technical Unit**

- Continue current practice

**Vacation**

- Quarterly payout of vacation accrual that exceeds the vacation balance maximum, through the end of 2010.
- Immediate award of 40 hours vacation upon hire, with normal accrual beginning in the 7th month

**Shift Premiums** – increase from \$0.75/hr to \$1/hr for both Technical and Professional Units.

**Weekend Schedule Incentives** – Saturday or Sunday rate increases from \$1.50/hr to \$2/hr. Saturday and Sunday rate increases from \$2/hr to \$3/hr.

**Retirement plans****Industry-leading pension**

For the majority of SPEEA-represented employees who retire under the alternate, pay-based pension formula, base-salary increases and EIP payments in this contract offer will generate increased pension payments.

The basic pension benefit is increased 18% over the life of the contract.

	Year 1	Year 2	Year 3	Year 4
<b>Basic Benefit</b> Monthly benefit per year of credited service	\$81	\$81	\$81	\$83

**Employment stabilization****Use of non-Boeing labor**

- Recognition that Boeing's direct technical and engineering team is the foundation of our competitiveness
- Recognition that it is in the best interest of the company, the union and employees to understand the nature of Boeing's business strategies and plans regarding the use of non-Boeing labor
- Offering SPEEA timely opportunities to provide input on the use of non-Boeing labor

**Voluntary layoff with benefits**

Boeing has proposed a [pilot program](#) that allows employees to volunteer for layoffs during downsizing while enabling Boeing to protect critical skills. Under the pilot program, eligible employees can receive one week of severance pay for every two years of completed service up to a maximum of 13 weeks.

## Ed Wells Partnership

### Commitment to working together

Boeing agreed to provide \$24.8 million to fund the Ed Wells Partnership for the contract duration. This joint program of Boeing and SPEEA identifies how the company, the technical workforce, and the union can work together to contribute to the success of the company for their mutual benefit.

## Health care and insurance

### Zero payroll deduction options

Our health care plans provide employees and their dependents with outstanding comprehensive medical, dental, and vision care as well as wellness and preventive care.

With the addition of the PPO+Account, we now offer two health care plans in each region with zero monthly payroll deductions. Those plans will remain the same for the duration of this contract. Approximately 66% of SPEEA-represented employees are currently enrolled in these \$0 monthly payroll deduction plans.

The zero monthly payroll deduction plans are:

- Washington - Traditional Medical Plan
- Oregon - Kaiser Permanente HMO
- California - Kaiser Permanente HMO
- Utah - SelectHealth HMO
- All areas - PPO+Account

### New PPO+Account Option

The PPO+Account with health savings account will be introduced. The PPO+Account meets federal guidelines for a high-deductible health plan, which means it qualifies for a health savings account feature. Click the links below for more information.

- [Q&As](#)
- [Interactive Tutorial](#)

### Health Care Coverage

We also responded to SPEEA's request for improved health care by proposing enhancements like increasing the lifetime maximum benefit under all plans from \$1.5 million to \$2 million per individual. Boeing will pay most of the increased costs of these enhancements. Insurance and health care changes in this contract include:

### Traditional Medical Plan

- Improved Preventive Care —
  - Increased coverage for routine physicals — including annual exams and well child care from \$200 to \$500 annually
  - Boeing will cover 100% of the costs of most associated tests and laboratory work, including colonoscopies, mammograms and pap tests.

- Prescription drug enhancements –
  - You no longer pay up front the full cost of prescription drugs at retail pharmacies
  - Retail pharmacy prescription drugs are no longer subject to the deductible
  - New retail pharmacy copayment maximums and minimums:
    - Generic drugs remain 10% of cost but with new \$5 minimum and \$25 maximum
    - Brand-name formulary drugs remain 20% of cost but with new \$15 minimum and \$75 maximum
    - Brand-name nonformulary drugs remain 30% of cost but with new \$30 minimum and no maximum
- Eyeglass frame coverage increased from \$70 to \$90; increased contact lenses coverage from \$105 to \$120
- Generic Prescription Drug Incentive Program – Encourages use of generic brand drugs to better manage costs. If your prescription drug does not have a generic equivalent, this program does not apply.

To help offset the cost of the enhancements, the annual deductible increases by about \$25 per individual. Deductibles will be the greater of:

- \$225 or 0.225% of base annual salary per individual.
- \$675 or 0.675% of base annual salary per family of 3 or more.

Office visit copayments, prescription drugs and the preventive coverage noted above are not subject to the annual deductible.

### **Select Network**

- Improved Coverage –
  - The \$2,000 ambulance annual maximum will be eliminated
  - Eyeglass frame coverage increased from \$70 to \$90; contact lenses coverage from \$105 to \$120
  - For occupational, physical and speech therapy – eliminated annual maximum per condition for both outpatient and inpatient
  - Eliminated both the \$200,000 lifetime maximum for transplants and the \$25,000 donor procurement limit
  - Generic Prescription Drug Incentive Program – Encourages use of generic brand drugs to better manage costs. If your prescription drug does not have a generic equivalent, this program does not apply.

### **Health Plan Cost Details**

Health care plan details for employees in Washington, Oregon, California and Utah are on the following pages.

## Health Care Options for Boeing's SPEEA-member employees

<b>Washington State Health Care Options</b> (except Clark & Cowlitz counties)							
		<b>Traditional Medical Plan</b>		<b>Select Network EPO</b>		<b>Group Health HMO</b>	
		Now	July 1, 2009	Now	July 1, 2009	Now	July 1, 2009
<b>Monthly Contribution</b>	Employee	\$0	\$0	\$46	\$49	\$48	\$51
	Employee + Spouse or Children	\$0	\$0	\$92	\$98	\$96	\$102
	Family	\$0	\$0	\$138	\$147	\$144	\$153
<b>Annual Deductible</b>	Individual	\$200 or .2% of base annual salary	\$225 or .225% of base annual salary	N/A	N/A	N/A	N/A
	Maximum for family of 3 or more	\$600 or .6% of base annual salary	\$675 or .675% of base annual salary	N/A	N/A	N/A	N/A
<b>Annual Out-of-Pocket Maximum (network)</b>	Individual	\$2000	\$2000	N/A	N/A	N/A	N/A
	Family of 2 or more	\$4000	\$4000	N/A	N/A	N/A	N/A
<b>Office Visit Copayment</b>	Per visit	\$15	\$15	\$10	\$10	\$10	\$10
<b>Network Coinsurance</b>		100%	100%	100%	100%	100%	100%

## Health Care Options for Boeing's SPEEA-member employees

<b>Oregon Health Care Options</b> (includes Clark and Cowlitz counties in Washington)							
		<b>Traditional Medical Plan</b>		<b>Selections Plus CCP</b>		<b>Kaiser Permanente HMO</b>	
		Now	July 1, 2009	Now	July 1, 2009	Now	July 1, 2009
<b>Monthly Contribution</b>	Employee	\$47	\$50	\$50	\$52	\$0	\$0
	Employee + Spouse or Children	\$94	\$100	\$100	\$104	\$0	\$0
	Family	\$141	\$150	\$150	\$156	\$0	\$0
<b>Annual Deductible</b>	Individual	\$200 or .2% of base annual salary	\$225 or .225% of base annual salary	N/A	N/A	N/A	N/A
	Maximum for family of or more	\$600 or .6% of base annual salary	\$675 or .675% of base annual salary	N/A	N/A	N/A	N/A
<b>Annual Out-of-Pocket Maximum (network)</b>	Individual	\$2000	\$2000	N/A	N/A	N/A	N/A
	Family of 2 or more	\$4000	\$4000	N/A	N/A	N/A	N/A
<b>Office Visit Copayment</b>	Per visit	\$15	\$15	\$10	\$10	\$10	\$10
<b>Network Coinsurance</b>		100%	100%	100%	100%	100%	100%

## Health Care Options for Boeing's SPEEA-member employees

<b>California Health Care Options</b>					
		<b>Traditional Medical Plan</b>		<b>Kaiser Permanente HMO</b>	
		Now	July 1, 2009	Now	July 1, 2009
<b>Monthly Contribution</b>	Employee	\$54	\$59	\$0	\$0
	Employee + Spouse or Children	\$108	\$118	\$0	\$0
	Family	\$162	\$177	\$0	\$0
<b>Annual Deductible</b>	Individual	\$200 or .2% of base annual salary	\$225 or .225% of base annual salary	N/A	N/A
	Maximum for family of 3 or more	\$600 or .6% of base annual salary	\$675 or .675% of base annual salary	N/A	N/A
<b>Annual Out-of-Pocket Maximum (network)</b>	Individual	\$2000	\$2000	N/A	N/A
	Family of 2 or more	\$4000	\$4000	N/A	N/A
<b>Office Visit Copayment</b>	Per visit	\$15	\$15	\$10	\$10
<b>Network Coinsurance</b>		100%	100%	100%	100%

## Health Care Options for Boeing's SPEEA-member employees

<b>Utah Health Care Options</b>					
		<b>Traditional Medical Plan</b>		<b>SelectHealth HMO</b>	
		Now	July 1, 2009	Now	July 1, 2009
<b>Monthly Contribution</b>	Employee	\$0	\$50	N/A	\$0
	Employee + Spouse or Children	\$0	\$100	N/A	\$0
	Family	\$0	\$150	N/A	\$0
<b>Annual Deductible</b>	Individual	\$200 or .2% of base annual salary	\$225 or .225% of base annual salary	N/A	N/A
	Maximum for family of 3 or more	\$600 or .6% of base annual salary	\$675 or .675% of base annual salary	N/A	N/A
<b>Annual Out-of-Pocket Maximum (network)</b>	Individual	\$2000	\$2000	N/A	N/A
	Family of 2 or more	\$4000	\$4000	N/A	N/A
<b>Office Visit Copayment</b>	Per visit	\$15	\$15	N/A	\$10
<b>Network Coinsurance</b>		100%	100%	N/A	100%