

Boeing contract offers allow cancelling medical coverage for SPEEA retirees



SEATTLE – At a time when retirement security is increasingly at risk, a fundamental issue included in The Boeing Company’s contract offers to engineers and technical workers is that the aerospace giant gains authority to cancel retiree medical insurance for employees who are retired prior to the contract being implemented. The benefit could end even if they are already enrolled in the early retiree medical plan.

The action is tucked inside section 16.3 of the contract language offered to 23,000 engineers and technical workers in the Society of Professional Engineering Employees in Aerospace (SPEEA), IFFTE, Local 2001. For the first time, the change would give Boeing the ability to abruptly end the vital medical insurance benefit used by employees who retire between the ages of 55 and 65 years.

During negotiations earlier this year over the closure of Boeing’s Wichita facility, the company discussed cancelling medical insurance for retirees. SPEEA Benefits Director Matt Kempf explained that union contracts prohibited the action for retirees. Now, in negotiations for Puget Sound engineers and technical workers, Boeing is proposing to insert language that eliminates protections that retirees have had for decades.

“With no mention of the change during the past six months of negotiations, Boeing slipped these language changes into its proposal without ever explaining why they wanted them,” said Ray Goforth, SPEEA executive director. “These proposed changes serve no purpose except to grant Boeing the authority to cancel retiree medical coverage. Boeing has explicitly refused to guarantee that they won’t use this authority if they get it.”

SPEEA negotiation teams and the governing councils are recommending members reject Boeing’s offers because of this and numerous other issues. Ballots were mailed to union members last week and are due by 5 p.m., Oct. 1 for counting. The two contracts expire Oct. 6.

In a carefully worded response to SPEEA inquiries about retiree medical coverage, Boeing said: *“Our proposal contains nothing that suggests Boeing plans to eliminate retiree medical benefits for current retirees. Clarifications offered in Article 16 simply state that the terms of the proposed contract apply to employees who retire during the term of the new agreement.”*

“True, Boeing never said it was going to cancel retiree medical benefits for current retirees,” said Goforth. “Boeing just wants to ‘clarify’ that the company has the power to cancel medical insurance for retirees if it chooses. All concerns could be alleviated if Boeing would simply guarantee in writing that they won’t cancel retiree medical. The fact that they refuse to do so speaks volumes about their intent.”

The union vote is a straight **“Reject”** or **“Accept”** of the Boeing contract offers. Union officials said a strong rejection should make it clear to Boeing that it must stop attacking engineers and technical workers and return to negotiations ready to negotiate.

While the majority of covered employees are in the Puget Sound region of Washington state, these SPEEA Professional and Technical contracts also cover employees in Oregon, Utah and California.

A local of the International Federation of Professional and Technical Engineers (IFPTE), SPEEA represents 26,560 aerospace professionals at Boeing, Spirit AeroSystems in Wichita, Kansas, and Triumph Composite Systems, Inc. in Spokane, Wash.

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