

# The Boeing Company Employee Retirement Plan

## Summary Plan Description

2007 Edition/Certain  
Union-Represented Employees

The summary plan description (SPD) for this Plan is this booklet and any summaries of material modifications (*Updates*). *Updates* are issued if the Company adds to or changes benefits in the Plan after the SPD is published. The *Updates*, if any, are incorporated at the end of this booklet.

The content and delivery of this booklet are intended to comply with the Employee Retirement Income Security Act of 1974, as amended (ERISA). If there is any conflict between the information in this booklet and the official Plan document, the official Plan document will govern.

# Your Benefits—Retirement Plan

## The Boeing Company Employee Retirement Plan

## Plan Highlights

This booklet is a summary of The Boeing Company Employee Retirement Plan, which is referred to as the “Plan” in this booklet. You may be eligible to participate in the Plan if you are an eligible employee of the Company who is represented by one of the following unions:

International Association of Firefighters, AFL-CIO

Local No. I-17

Local No. I-66 (Washington, Kansas)

International Brotherhood of Electrical Workers, AFL-CIO

Local No. 271

International Union of Operating Engineers

Local No. 286

Local No. 286W

International Association of Machinists and Aerospace Workers, AFL-CIO

Aerospace Industrial District

Lodge No. 751

Lodge No. 24

Lodge No. 70

Space City Lodge No. 2766

River City Local No. 44

International Union, Security, Police and Fire Professionals of America and Certain Affiliated Amalgamated Locals

Local No. 2

Local No. 5

Local No. 255

Local No. 507

Lazy B Pilot Association

Society of Professional Engineering Employees in Aerospace

Professional Unit

Technical Unit

Wichita Engineering Unit

Wichita Technical & Professional Unit (before June 20, 2007)

Since it was initiated in 1955, the Plan has changed. The provisions described in this booklet are effective January 1, 2007 unless otherwise noted. If you retired or ended your employment before January 1, 2007, your benefits may differ from the benefits described in this booklet.

The Plan may be an important source of income for your future. It is intended to work with The Boeing Company Voluntary Investment Plan (VIP) and the Social Security program to provide retirement income. You are encouraged to build on this base through your own personal savings and investments.

“The Boeing Company” “Boeing” and “the Company,” as used throughout this booklet, refer to The Boeing Company or any affiliate or subsidiary that has adopted the Plan.

## Exhibit 1 – Key Features of the Retirement Plan

- The Company makes all contributions to the Plan.
- You are eligible to participate in the Plan once you complete a 12-month eligibility waiting period in which you complete at least 1,000 hours of service.
- Pension benefits are calculated under two formulas. The standard benefit formula bases your benefit only on your years of credited service. The alternate benefit formula bases your benefit on your years of credited service, your final average earnings, and Social Security covered compensation. The Plan pays you whichever benefit is greater.
- You earn a right to your pension benefit after you complete five years of vesting service.
- You may receive your vested Plan benefit at age 65, or you may retire as early as age 55 with 10 years of vesting service and receive a reduced benefit.
- Several payment options are available. Generally, all options pay benefits monthly for your lifetime.
- Your pension benefits are insured, up to certain limits, by the Pension Benefit Guaranty Corporation, a U.S. Government agency.

### Notice of Company Rights

The Company intends to continue this Plan, however, the Company reserves the right to suspend, amend, change, modify, or terminate any benefits described in this booklet, in whole or in part, at any time, and for any reason for employees, former employees, retirees and their dependents.

Currently, the Company has delegated the authority to amend and administer the Plan to the Employee Benefit Plans Committee, appointed by The Boeing Company Board of Directors. As Plan Administrator, the Committee will apply the terms of the Plan and will, as appropriate, use its discretion in interpreting terms of the Plan when reviewing claims for benefits.

The summary plan description booklet is not a guarantee of current or future employment or benefits. Receiving benefits under this Plan does not restrict the Company's rights to discharge any employee at any time.

If you have questions about the information in this booklet, please call the Boeing Pension Service Center through Boeing TotalAccess at the telephone number listed below.

### Contacting the Boeing Pension Service Center Through Boeing TotalAccess

Boeing TotalAccess is your gateway to benefits information. You can access the Boeing Pension Service Center through Boeing TotalAccess at any time for many services. (See page 30 for a detailed description.) Boeing TotalAccess is available 24 hours a day, seven days a week.

- **On the Boeing Web**, log on to <https://my.boeing.com> and click the TotalAccess tab. Then follow the links.
- **On the World Wide Web**, log on to <https://my-ext.boeing.com> and follow the links.
- **By telephone**, call 1-866-473-2016. TTY/TDD services are available at 1-800-755-6363. Self-service applications are available seven days a week, 24 hours a day.

You must have your BEMS ID number (or Social Security number) and Boeing TotalAccess password when you use the World Wide Web or telephone.

*This booklet summarizes the terms of The Boeing Company Employee Retirement Plan. Every effort has been made to provide an accurate summary of the Plan, but in the event of a conflict between this summary and the official Plan document, the terms of the Plan will control. A copy of the Plan document is available at the cost of reproduction by sending a written request to The Boeing Company, 100 North Riverside, MC 5002-8421, Chicago, IL 60606-1596.*

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## Eligibility and Participation

You are eligible to participate in The Boeing Company Employee Retirement Plan if all of the following apply to you:

- You are a union-represented employee covered under the applicable collective bargaining agreement between The Boeing Company and one of the unions listed on page 28.
- You are on the active payroll and paid through the Company Payroll Department.
- You have completed 12 months of service in which you are credited with 1,000 hours of service (also known as your eligibility period).

You are credited with 45 hours of service for each week for which you are eligible for pay.

If you have fewer than 1,000 hours of service in your first 12 months, you will become eligible to participate in the Plan on January 1 after you are credited with 1,000 hours of service in any calendar year after your date of hire.

## Who May Not Participate

You are *not* eligible to participate in the Plan if any of the following applies to you:

- You are a nonunion employee.
- You are a member of a union that has not accepted the Plan on your behalf.
- You are an employee of the Company, but at the time of your employment you are a citizen or national of the United States and either
  - You also are a bona fide resident of a foreign country, or
  - You were hired directly by a foreign branch of a subsidiary or affiliate company to perform services outside the United States.
- You are a nonresident alien working for the Company, and you have no earned income from the Company for work performed in the United States.
- You are working in a capacity that, in the sole discretion of the Plan Administrator, is considered as contract labor or independent contracting.
- You are an employee of a subsidiary or affiliate of The Boeing Company for which the Plan has not been approved.
- You participate in another defined benefit pension plan or money purchase pension plan sponsored by the Company or an affiliate or subsidiary of the Company. You are considered a participant in another Company plan even if you are not earning benefits because of a limitation on benefit accruals.

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## Your Responsibilities as a Plan Participant

As a Plan participant, you have certain responsibilities, including understanding your benefits and how to apply for them. Additionally, you need to keep Boeing informed of your current address because it may be necessary for Boeing to contact you from time to time on matters relating to your pension benefit.

Boeing TotalAccess, your gateway to benefits information, can help. You may access Boeing Pension Plans Online through Boeing TotalAccess where you can

- Find information on Plan benefits.
- Request an estimate of your benefit or a benefit statement.
- Request a benefit commencement package, which includes the Commencement Election form you will need to begin your benefit payments.

You may also call the Boeing Pension Service Center through Boeing TotalAccess and follow the prompts to obtain information from Boeing Pension Service Center representatives who can provide you with confidential information about your pension benefit. If they cannot answer your question immediately, they will research the issue and contact you when they have an accurate answer.

To use Boeing TotalAccess, you need your BEMS ID number (or Social Security number) and your Boeing TotalAccess password. If you lose your password, contact Boeing TotalAccess through the Web, or by calling, and follow the prompts. See Exhibit 9 on page 30 for contact information.

When you become eligible to receive a pension benefit, you will be responsible for contacting the Boeing Pension Service Center through Boeing TotalAccess to request the forms to begin your benefit payments.

## Your Responsibilities When Applying for Plan Benefits

It is your responsibility to apply for Plan benefits. Generally, you may request, on line or by telephone, your benefit commencement package as early as 90 days before, but no later than the first of the month before your planned benefit commencement date. (Your benefit commencement date is the first day of the month in which you want benefits after you terminate your employment.) Follow these steps to apply:

1. *Request your benefit commencement package.* You may request your benefit commencement package up to 90 days before your benefit commencement date. You may request your package in one of two ways:

- Log on to <https://my.boeing.com> (on the Boeing Web) or <https://my-ext.boeing.com> (on the World Wide Web) using your BEMS ID number and your Boeing TotalAccess password. Under Pension Plans, select the group that applies to you, and then select Commencement Packet Request and follow the instructions to request your packet, or
- Call the Boeing Pension Service Center by calling Boeing TotalAccess (see page 30) and follow the prompts.

Your benefit commencement package will be mailed to your address of record.

You will need to provide

- Your BEMS ID number or Social Security number.
  - Your Boeing TotalAccess password.
  - The name and date of birth of your spouse, if applicable.
2. *Review your benefit commencement package.* The Boeing Pension Service Center will mail your benefit commencement package to your address of record. Carefully read through the materials in your benefit commencement package as soon as possible. You may need to allow time to gather documentation, such as proof of marriage and age for you and your spouse, if applicable. Depending on the form of payment you choose, you may need your spouse's consent, which will require your spouse's signature to be notarized by a notary public. If you have any questions, call the Boeing Pension Service Center immediately to avoid processing delays.
  3. *Return your completed forms and documentation.* You must complete the required forms and return them, along with any required documentation, according to the instructions in your benefit commencement package for payments to begin as scheduled. The forms must be received by the Boeing Pension Service Center before your benefit commencement date (for example, by June 30 for a July 1 benefit commencement date), or your benefits may be affected.

If you change your mind about commencing your pension or want to delay receiving your pension payments, you must notify the Boeing Pension Service Center in writing. The written notification must be received before your benefit commencement date. When you are ready for payments to begin, you must call the Boeing Pension Service Center to start the process again.

**Note:** Active employees must process their voluntary termination before pension payments can begin. Log on to Boeing TotalAccess (<https://my.boeing.com>). Click My Work, and under Work Visibility & Actions, click Voluntary Termination and follow the instructions.

Employees on a leave of absence should coordinate with their leave of absence focal. If you need assistance, call Boeing TotalAccess at 1-866-473-2016.

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## Service

How long you work for Boeing is important in determining both your eligibility for benefits and the amount of your benefits. In general terms, this section explains how your service affects your pension benefits. Your actual service under the Plan will depend on several factors, such as whether you have been employed with one or more groups over the course of your career and whether you participated in certain other Boeing-sponsored retirement plans during that time.

## Vesting Service

Vesting service is used to determine whether you are eligible to receive benefits. This is known as becoming “vested.” When you become vested, you receive the nonforfeitable right to your Plan benefits. This means you cannot lose your right to receive benefits, even if you end your employment with Boeing before you retire under the Plan. For more information, see “When You May Retire,” on page 15.

In general you start earning vesting service when you begin your employment with the Company. Generally, you earn one year of vesting service for each Plan year (January 1 through December 31) in which you have at least 1,000 hours of service. If you have fewer than 1,000 hours of service in the Plan year, the year will not be counted for vesting.

*There is an exception for new employees.* If you are a new employee with fewer than 1,000 hours of service in the first 12 months after you were hired, you will receive vesting service for one Plan year if you have at least 1,000 hours of service during the Plan year after you complete 12 months of service.

### When You Become Vested

You become vested in the Plan after you complete five years of vesting service. If you leave the Company after becoming vested, at age 65 you will be entitled to 100 percent of the benefit you earned up to the time you left the Company.

## Credited Service

Credited service is part of the benefit formula used to calculate the amount of your pension.

Once you become a Plan participant, you begin to accumulate credited service from the first day of the 12-month eligibility period. (Your eligibility period is 12 consecutive months of service with the Company, starting with your date of hire or rehire. If you complete 1,000 hours of service during this period, you become eligible to participate in the Plan. If you have fewer than 1,000 hours of service in your first 12 months, you will become eligible to participate in the Plan on January 1 after you are credited with 1,000 hours of service in any calendar year after your date of hire.)

You earn one year of credited service for each Plan year (January 1 through December 31) in which you have at least 2,000 hours of service. (You are credited with 45 hours of service for each week for which you are paid.) However, you may not earn more than one year of credited service per Plan year.

If you have fewer than 2,000 hours of service in a Plan year, you will receive credited service for part of the year. The credited service you receive is determined by dividing your total number of hours of service by 2,000. For example, if you have 1,000 hours of service during a Plan year, you will earn one-half year of credited service for the year.

## Authorized Leave of Absence

If you are on a leave of absence, your vesting service and credited service may continue for a period of time. Call the Boeing Pension Service Center through Boeing TotalAccess for details.

Vesting service and credited service begin accumulating again according to Plan rules on the date you return from a leave of absence.

## Uniformed Service

If you take a leave because you enter the U.S. uniformed services (including the military, National Guard, and the Commission Corps of the Public Health Service) and have reemployment rights under the Uniformed Services Employment and Reemployment Rights Act (USERRA), the time you spend in the U.S. uniformed services will be used to calculate vesting and credited service under the Plan, in accordance with applicable law. You must meet the requirements of USERRA, including notice to Boeing, and return to employment within the prescribed time periods. For more information about how service in the uniformed services affects your pension benefit, call the Boeing Pension Service Center through Boeing TotalAccess. (See Exhibit 9, on page 30.)

## Layoffs

Vesting service and credited service may be affected by layoff, as described in the following table.

| <b>Exhibit 2 – Layoff</b>  |   |  |
|--|---|--|
|  | <b>Effect on Vesting Service</b>  | <b>Effect on Credited Service</b>  |
| During your layoff   | You stop earning service  | You stop earning service   |
| If you return to work within six years of being laid off                       | You will begin earning as soon as you return to work; you will retain prior vesting service   | You will begin earning as soon as you return to work; you will retain prior credited service   |
| If you return to work after six years of being laid off and you are vested     | You will begin earning as soon as you return to work; you will retain prior vesting service   | You will begin earning as soon as you complete a 12-month waiting period, then you will receive credited service retroactive to your rehire date; you will retain prior credited service   |
| If you return to work after six years of being laid off and you are not vested | You will begin earning as soon as you return to work; you will lose any prior vesting service | You will begin earning as soon as you complete a 12-month waiting period, then you will receive credited service retroactive to your rehire date; you will lose any prior credited service |

## Break in Service

A break in service occurs when you have fewer than 500 hours of service in a Plan year. (If your employment terminated before January 1, 1976, a break in service occurred immediately upon your resignation or other termination of employment, regardless of your hours of service.)

A break in service may result in a cancellation of service if

- You voluntarily or involuntarily stop working for the Company.
- You lose your leave of absence status before you return to work.
- You do not return to work after a doctor, who is employed or designated by the Company, has pronounced you fit to return to your duties following an illness or accident.
- You are not rehired within six years following the date you are laid off.

“Cancellation of service” means that you lose all rights to benefits in which you are not vested. Your service is canceled on December 31 of the year in which you have a break in service.

### Cancellation of Service Examples

**Example 1:** Assume you quit your job on February 1, 2007, with fewer than 500 hours of service for the year. Because you have fewer than 500 hours, a break in service occurs for 2007. Your service will be canceled on December 31, 2007.

**Example 2:** Assume you quit your job on May 1, 2007, with 680 hours of service for the year. Because you have more than 500 hours, a break in service does not occur until 2008. Your service will be canceled on December 31, 2008.

However, service may be restored if you are reemployed, as explained next in “Reemployment and Service Restoration.”

## Reemployment and Service Restoration

If you leave the Company and are rehired before the cancellation of service actually occurs, your vesting service and credited service will not be canceled. You will become a participant in the Plan immediately upon being rehired provided that you are an eligible employee.

If you experience a break in service, and your vesting service and credited service are canceled, they may be restored under certain circumstances following your reemployment. Restoration of service following reemployment occurs only if you fully meet the appropriate requirements explained below in Exhibit 3. Under all other circumstances, you will be treated as a new employee when you are rehired.

### Exhibit 3 – Restoration of Service

#### If Your Employment Ended in 1987 or Later

| If . . .   | Then . . .   |
|--|--|
| You were vested when your employment ended and you later are reemployed by the Company | Your prior credited service will be reinstated after you complete a new 12-month waiting period following reemployment. You automatically will retain your vesting service.  |
| You were not vested when your employment ended   | Your vesting service and credited service for the earlier period will be reinstated only if <ul style="list-style-type: none"> <li>• The number of consecutive years of absence between cancellation of service and reemployment is less than five, and</li> <li>• You complete a new 12-month waiting period following reemployment.</li> </ul> |

#### If Your Employment Ended Between January 1, 1976, and December 31, 1986

| If . . .  | Then . . .   |
|---|--|
| You were fully or partially vested when your employment ended and you later are reemployed by the Company | Your prior vesting service and credited service will be reinstated after you complete a new 12-month waiting period.   |
| You were not vested when your employment ended  | Your prior service will be reinstated only if <ul style="list-style-type: none"> <li>• The number of consecutive years of absence between cancellation of service and reemployment is less than the number of years of vesting service you earned before cancellation, and</li> <li>• You complete a new 12-month waiting period.</li> </ul> |

## Exhibit 3 – Restoration of Service (continued)

### If Your Employment Ended Before January 1, 1976

Your service will be canceled regardless of when you are rehired, except as described below.

- **Reemployment following pre-1976 layoff.** Employees on the active payroll on or after January 1, 1987, who experienced a break in service before 1976 as a result of layoff will have their vesting service and credited service restored if they returned to work for the Company within six consecutive years after the layoff period began.
- **Restoration of pre-1976 service.** Employees whose employment ended before 1976 who were fully or partially vested in the Plan when their employment ended will have their vesting service and credited service restored if they are on the active payroll on or after January 1, 1991.

## Reemployment After Retirement

If you return to work for the Company or become employed by an affiliate or subsidiary of the Company after retiring, your monthly pension benefits will be discontinued during any month in which you complete 40 or more hours of service.

You will earn credited service for the current period of employment after you complete a new 12-month eligibility waiting period only if you are rehired and are eligible to participate in the Plan. You may earn credited service under an affiliate plan if you fulfill the requirements necessary under that particular plan.

If you previously retired from active service with the Company and complete a new 12-month eligibility waiting period, you will earn credited service retroactive to the date of rehire. If you originally elected to retire early from active service with the Company (see page 16), later become reemployed, and then complete a 12-month eligibility waiting period, the early retirement reduction applied to your benefit payments will be adjusted to account for your new period of employment. This means that the reduction for early retirement will be based on your age at your original retirement date advanced by the period of reemployment. When you retire again, you will begin to receive your previously earned pension benefits, adjusted for reemployment, according to the payment method you chose at the time of your first retirement.

If you earn additional benefits during the time that you are reemployed, you will receive these benefits according to the payment method you elect when you retire again. These benefits will be based on Plan provisions in effect at the time of your subsequent retirement.

If you die while you are reemployed, benefits may be payable to your spouse according to the following guidelines:

- If you elected a surviving spouse option at the time of your original retirement, payment to the spouse you had when you made the election, if surviving, will begin on the first day of the month following your death. The benefit amount will depend on your payment election.
- If you earned additional benefits during your period of reemployment, your current spouse will receive benefits (described in “Preretirement Survivor Benefits” on page 24) based on your period of reemployment beginning the first day of the month following your death.

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## Benefits

The Plan uses two formulas to determine your pension benefit:

- The *standard benefit formula* is based on a flat dollar amount per year of credited service (the “basic benefit”) and a complement benefit (supplemental benefits earned before 1978).
- The *alternate benefit formula* is based on your final average earnings, years of credited service, and Social Security covered compensation. (If you were on the active payroll, layoff, or a leave of absence on January 1, 1993, your pension benefit also will be calculated using a second alternate benefit formula, the “old alternate benefit formula,” as described beginning on page 14.)

When you retire, your benefit will be calculated using both the standard and alternate benefit formulas. You will receive benefits under the formula that produces the larger monthly benefit.

## Standard Benefit Formula

The standard benefit formula consists of the basic benefit and the complement benefit (supplemental benefits earned before 1978).

### Basic Benefit

The basic benefit is a fixed monthly benefit amount determined by your number of years of credited service. The actual amount varies by group according to your collective bargaining agreement as shown in Exhibit 4 below.

| Exhibit 4 – Basic Monthly Benefit Amount by Group                           |                 |   |
|---|-----------------|---|
| Collective Bargaining Representative  | Effective Date  | Benefit Amount Per Year of Credited Service |
| IAFF Local No. I-66 (Washington)  | April 1, 2007   | \$70 per month                              |
| IAFF Local No. I-66 (Kansas)  | July 1, 2007    | \$70 per month                              |
| IAFF Local No. I-17   | June 1, 2006    | \$70 per month                              |
| IAM&AW Aerospace Industrial District Lodge Nos. 751, 24 and 70              | January 1, 2006 | \$70 per month                              |
| IAM&AW Space City Lodge No. 2766  | March 1, 2006   | \$66 per month                              |
| IAM&AW River City Local No. 44  | March 1, 2006   | \$65 per month                              |
| IBEW Local No. 271  | January 1, 2006 | \$70 per month                              |
| IUOE Local No. 286 and Local No. 286W                                       | January 1, 2006 | \$70 per month                              |
| SPFPA and Certain Affiliated Amalgamated Locals Local No. 2 and Local No. 5 | January 1, 2007 | \$70 per month                              |
| SPFPA and Certain Affiliated Amalgamated Locals Local No. 255               | January 1, 2007 | \$70 per month                              |
| SPFPA Local No. 507   | June 1, 2006    | \$70 per month                              |
| Lazy B Pilot Association  | April 1, 2006   | \$70 per month                              |
| SPEEA Professional Unit and Technical Unit                                  | January 1, 2006 | \$70 per month                              |
| SPEEA Wichita Engineering Unit  | January 1, 2006 | \$70 per month                              |
| SPEEA Wichita Technical & Professional Unit (WTPU)*                         | January 1, 2005 | \$60 per month                              |

\* Retired before July 1, 2007.

**Note:** The benefit amount per year of credited service earned while an eligible participant formerly represented by SPEEA WTPU is \$70 per month for benefits beginning on or after July 1, 2007.

If the benefit amount for your collective bargaining unit increases while you are on a leave of absence, the increased benefit will apply to you.

If you have credited service with two different union groups, your benefit will be calculated separately for each period of service and added together. For example, if you have five years of credited service at a rate of \$60 per year and 10 years of credited service at a rate of \$70 per year, your basic benefit will be \$1,000 [(5 x \$60 = \$300) + (10 x \$70 = \$700)].

### Standard Benefit Formula Example

Assume you were born on August 1, 1941. You retire at age 65 on August 1, 2006. You have 30 years of credited service. You choose a single life annuity as the payment option. Your pension benefit under the standard benefit formula would be calculated as follows:

|                                       |   |          |
|---------------------------------------|---|----------|
| Years of Credited Service             |   | 30       |
| Monthly Benefit as of January 1, 2000 | x | \$70*    |
| Monthly Benefit**                     | = | \$2,100† |

\* The monthly benefit amount will vary according to individual collective bargaining agreements.

\*\* This amount will be reduced if you retire early or if you choose a payment option other than a single life annuity.

† This example assumes no complement benefit is payable.

### Complement Benefit (Supplemental Benefits Earned Before 1978)

The complement benefit is a fixed benefit amount that equals the value of all supplemental benefits you earned before 1978, for which you were eligible as of December 31, 1995. You may have earned supplemental benefits before 1978 if your annual compensation used to determine Plan benefits at that time exceeded the Social Security wage base during any year before 1978. Supplemental benefits consisted of supplemental past and supplemental future service benefits.

- The *supplemental past service benefit* was earned for years of credited service before 1955 and was a fixed benefit amount.
- The *supplemental future service benefit* was earned from 1955 through 1977. This monthly benefit was converted to pension benefit units. The amount changed with the investment experience of the trust fund.

On January 1, 1996, the total of any pension benefit units you had earned was multiplied by 4.626 and became a complement benefit. If you have a complement benefit, it is added to your basic benefit under the standard benefit formula.

### Alternate Benefit Formula

The alternate benefit formula consists of the core benefit and the excess benefit. These benefits include your

- Final average earnings.
- Years of credited service.
- Social Security covered compensation.

*Final average earnings* are based on the average of your basic annual compensation, which is your annual rate of pay on the first day of each calendar month that you are on the active payroll. Final average earnings do not include overtime, shift differential, cost of living, or other payments that are in addition to your hourly rate or base salary.

Your final average earnings will be the highest average rate over any period of 60 consecutive months during your last 120 months of service. If you have fewer than 60 months of service, your final average earnings will be based on your actual months of service.

Final average earnings does not include lump-sum payments such as bonuses, incentive awards, lump-sum merit pay, and other special award payments. However, ratification bonuses paid within the five years before your retirement or termination date are included in final average earnings for certain employees:

- The ratification bonus paid during the fourth quarter of 2002 to employees who began receiving benefits on or after January 1, 2003, and who were represented by the International Association of Machinists and Aerospace Workers (IAM&AW), District Lodge Nos. 751, 70, 24, 44, or 2766 or the Society of Professional Engineering Employees in Aerospace (SPEEA): Professional Unit, Technical Unit, or Wichita Engineering Unit.

- The ratification bonus paid in May 2003 to employees who began receiving benefits on or after July 1, 2003, and who were represented by the Lazy B Pilot Association.
- Employee Incentive Plan (EIP) payments, divided by 60, if the following applies to you:
  - You were represented by the Society of Professional Engineering Employees in Aerospace (SPEEA) Professional Unit, Technical Unit, Wichita Engineering Unit, or Wichita Technical & Professional Unit or the Lazy B Pilot Association at the time the EIP payment is made.
  - EIP payments were made on or after January 1, 2006, and before you terminated your employment with the Company. EIP will be included only during the five years immediately preceding your retirement date.

*Covered compensation* is the average of Social Security wage bases during the 35 years before your employment terminates or you retire, whichever is earlier, including the year in which you retire. Covered compensation is \$51,348 for 2007.

### Core Benefit

Your core benefit is determined by multiplying the *core percentage* (1.025 percent) by your *final average earnings*. This amount is then multiplied by your *years of credited service*.

### Excess Benefit

Your excess benefit is determined by subtracting the appropriate *covered compensation* amount (\$51,348 in 2007) from your *final average earnings*. This amount is then multiplied by the *excess percentage* (0.450 percent), and the result is multiplied by your *years of credited service*.

Your core benefit and any excess benefit amount are added together to determine your total annual benefit payable at age 65 under the single life annuity. This amount will be reduced if you retire early or choose a different payment option.

### Old Alternate Benefit Formula for Employees on Active Payroll, Layoff, or Leave of Absence on January 1, 1993

You also may be eligible to have your benefit calculated under the old alternate benefit formula if either of the following applies to you:

- You were on the active Company payroll as of January 1, 1993, or
- You were on layoff or an approved leave of absence as of January 1, 1993, and later returned to the active payroll without a previous disruption of status.

If this applies to you, your pension benefit will be calculated using three formulas: the standard, alternate, and old alternate benefit formulas. You will receive benefits under the formula that produces the largest monthly benefit.

The old alternate benefit formula is based on your

- Final average earnings,
- Years of credited service, and
- Estimated primary Social Security retirement benefit.

## Alternate Benefit Formula Example

Assume you were born on August 1, 1942. You retire at age 65 on August 1, 2007. You have 30 years of credited service and your final average earnings are \$75,000. You choose a single life annuity as the payment option. Your pension benefit under the alternate benefit formula would be calculated as follows:

| Core Benefit              |                  | Excess Benefit            |              |
|---------------------------|------------------|---------------------------|--------------|
| Final Average Earnings    | \$75,000         | Final Average Earnings    | \$75,000     |
| Core Percentage           | x 0.01025        | Covered Compensation      | – \$51,348   |
| Years of Credited Service | x 30             | Excess Percentage         | x 0.00450    |
| Core Benefit              | = \$23,062.50    | Years of Credited Service | x 30         |
|                           |                  | Excess Benefit            | = \$3,193.02 |
| Total Annual Benefit      |                  |                           |              |
|                           | Core Benefit     |                           | \$23,062.50  |
|                           | Excess Benefit   | +                         | \$3,193.02   |
|                           | Annual Benefit   |                           | \$26,255.52  |
|                           |                  | ÷                         | 12           |
|                           | Monthly Benefit* | =                         | \$2,187.96   |

\* This amount will be reduced if you retire early or choose a payment option other than a single life annuity.

The old alternate benefit is your unadjusted annual benefit *less* the amount of your *Social Security adjustment*.

- Your unadjusted annual benefit is determined by multiplying your final average earnings by 1.5 percent. This amount is then multiplied by your years of credited service and divided by 12 to determine a monthly amount.
- Your Social Security adjustment is determined by multiplying your estimated Social Security retirement benefit by 1.25 percent. This amount is then multiplied by your years of credited service.

Your Social Security benefit estimate is determined using your basic annual compensation in the last year before retirement along with current Social Security tables. If you believe that the estimate does not reflect your true earnings history and would like your Social Security adjustment to be recalculated, you must obtain records of your actual earnings from the Social Security Administration and submit them to the Boeing Pension Service Center. The records must be submitted within six months of your retirement.

Benefits will be reduced under the old alternate benefit formula by three percent for each year you retire before age 60.

## Pension Benefits for Employees of IAM District Lodge No. 24, Portland Unit

Your monthly benefit under The Boeing Company Employee Retirement Plan will be reduced by your monthly benefit, if any, under the Western Metal Industry Pension Fund payable on account of services with the Company.

## When You May Retire

### Normal Retirement—Age 65

Normal retirement age is 65. Your normal retirement date is the first day of the month on or following your 65th birthday.

You may retire before or after your normal retirement date, depending on your age and years of service. These provisions are described in the following section.

## Deferred Eligible—Ages 55 to 65

If you leave the Company after you become eligible for early retirement, you can choose to begin receiving your benefits on the first day of any month after leaving and before normal retirement (age 65). You will be considered a deferred eligible participant. During this deferral period, you no longer earn credited service toward the amount of your benefit and will not be eligible for any increase to the benefit amount. However, the longer you wait to begin receiving benefit payments, the lower the early retirement adjustment will be. The early retirement adjustment will be the same as for early retirement shown in Exhibits 5 and 6.

## Early Retirement—Ages 55 to 65

You may retire as early as age 55. If you are younger than age 62, you must satisfy at least one of the following conditions:

- You have 10 or more years of vesting service under the Plan.
- You have earned credited service under the Plan and have been issued a declaration of permanent and total disability under a Company-sponsored group insurance plan or through a Social Security disability award.
- You have some credited service and are placed on layoff at or after age 55. The amount of the Plan benefit you receive depends on when you retire.
- *If you retire on or after your 60th birthday*, you will receive your entire Plan benefit.
- *If you retire between ages 55 and 60*, your Plan benefit will be reduced. This age-related adjustment is made to your benefit when you retire early because payments are expected to continue over a longer period of time. The early retirement adjustment schedules are shown in Exhibits 5 and 6 below.

### Exhibit 5 – Early Retirement Adjustments

#### Standard Benefit Formula

| Age at Retirement* | Percentage of Earned Benefit Payable |
|--------------------|--------------------------------------|
| 60 or older        | 100                                  |
| 59                 | 98                                   |
| 58                 | 96                                   |
| 57                 | 94                                   |
| 56                 | 92                                   |
| 55                 | 90                                   |

#### Example

Assume you were born on August 1, 1951. You retire at age 55 on August 1, 2006. You have 30 years of credited service. You choose a single life annuity as the payment option. Your monthly early retirement benefit under the standard benefit formula would be calculated as follows:

|                           |   |             |
|---------------------------|---|-------------|
| Basic Monthly Benefit**   |   | \$70        |
| Years of Credited Service | x | 30          |
| Early Retirement Factor   | x | <u>0.90</u> |
| Monthly Benefit           | = | \$1,890     |

\* The percentages shown here are based on whole ages. Your benefit will be based on your age in years and completed months.

\*\* The monthly benefit amount will vary according to individual collective bargaining agreements.

## Exhibit 6 – Early Retirement Adjustments Alternate Benefit Formula

| Age at Retirement* | Percentage of Earned Benefit Payable |                |
|--------------------|--------------------------------------|----------------|
|                    | Core Benefit                         | Excess Benefit |
| 60 or older        | 100                                  | 100            |
| 59                 | 98                                   | 95             |
| 58                 | 96                                   | 90             |
| 57                 | 94                                   | 85             |
| 56                 | 92                                   | 80             |
| 55                 | 90                                   | 75             |

### Example

Assume you were born on August 1, 1952. You retire at age 55 on August 1, 2007. You have 30 years of credited service and your final average earnings are \$75,000. You choose a single life annuity as the payment option. Your monthly early retirement benefit under the alternate benefit formula would be calculated as follows:

| Core Benefit              |               | Excess Benefit            |              |
|---------------------------|---------------|---------------------------|--------------|
| Final Average Earnings    | \$75,000      | Final Average Earnings    | \$75,000     |
| Core Percentage           | x 0.01025     | Core Percentage           | - \$51,348   |
| Years of Credited Service | x 30          | Years of Credited Service | x 0.00450    |
| Early Retirement Factor   | x 0.90        | Early Retirement Factor   | x 30         |
| Core Benefit              | = \$20,756.25 | Excess Benefit            | x 0.75       |
|                           |               |                           | = \$2,394.77 |

### Total Annual Benefit

|                   |               |
|-------------------|---------------|
| Core Benefit      | \$20,756.25   |
| Excess Benefit    | + 2,394.77    |
| Annual Benefit    | = \$23,151.02 |
| Monthly Benefit** | ÷ 12 Months   |
|                   | = \$1,929.25  |

\* The percentages shown here are based on whole ages. Your benefit will be based on your age in years and completed months.

\*\* This amount will be reduced if you choose a payment option other than a single life annuity.

## Retirement From Layoff Status

If you are placed on layoff before reaching age 55, you may be eligible to retire under the Plan. To be eligible to retire from layoff status, you must satisfy the following conditions:

- You must have 10 or more years of vesting service under the Plan.
- You must reach age 55 during the layoff period (within six years of the layoff date).

As explained in the previous section, you are eligible to retire immediately if you are placed on layoff at or after age 55 and have some credited service under the Plan.

## Late Retirement—After Age 65

The Plan provides for a late retirement benefit if you continue to work after age 65. This benefit is calculated in the same manner as a normal retirement benefit.

## If You Continue Working After Age 65

If you continue working for the Company after age 65, you will continue to earn credited service under the Plan. You will not begin to receive any benefit payments until the earlier of the first day of the month on or after the date you leave the Company, or your age 70½ distribution date, as described below.

If you work for the Company after age 65, you will experience what the U.S. Department of Labor considers a “suspension of benefits.” This means that during the period you work between age 65 and your age 70½ distribution date, you will not receive pension benefits even though you are eligible to retire and could elect to receive your benefits if you did. In general, your benefits will not begin before your age 70½ distribution date unless you leave the Company or work less than 40 hours per month.

## Age 70½ Distribution Date

Benefits under the Plan must begin by April 1 following the calendar year in which you reach age 70½, even if you are still working for the Company. This is known as the age 70½ distribution date. If you are an active employee on your age 70½ distribution date, you will begin to receive a monthly benefit based on the benefit formula that produces the larger monthly benefit, generally payable in the form of a single life annuity.

If you continue to work past your age 70½ distribution date, you will continue to earn credited service. Each January 1, your benefit will be recalculated to reflect the credited service you earned during the prior year and to reflect the payments you have received since your age 70½ distribution date. If your benefit increases because of this annual recalculation, you will receive the greater benefit. If the net effect of this recalculation would reduce your benefit, there will be no change in your benefit payment amount. When you retire, you may elect to receive the remainder of your benefit in any form of payment available under the Plan.

If you die while actively employed by the Company, your spouse (if you have one) automatically will receive a monthly benefit equal to a 100 percent surviving spouse option, calculated as if you had terminated employment and commenced benefits as of the first day of the month following the date of your death. If you are single, or if you are married and your spouse consents, you may elect another form of payment to be paid to a beneficiary in the event you die while actively employed by the Company. The benefit payable to your beneficiary will be calculated as if you had terminated employment and commenced benefits as of the first day of the month following the date of your death and may be subject to the actuarial adjustment applicable to the form of payment.

Before you become eligible for an age 70½ distribution, the Plan Administrator will notify you about the forms of payment for which you are eligible and the amount of your benefit. If you want to elect a form of payment other than the 100 percent surviving spouse option (to be payable if you die while actively employed by the Company), you must make the election within the time period specified in the notice.

## Disability Retirement

You may qualify for disability retirement benefits if you become permanently and totally disabled while an active employee of the Company or while on an approved leave of absence if you meet all of the following conditions:

- You have received a Social Security disability award.
- You have been unable to work due to medical reasons for six consecutive months after the date of your Social Security award. (A return to active employment for fewer than 30 calendar days will not interrupt this period.)
- You have not yet attained age 65.
- You were at least age 50 when the disability occurred.
- You have 10 or more years of vesting service in the Plan.
- You apply for disability retirement by submitting the Commencement Election form to the Boeing Pension Service Center.

You should contact the Boeing Pension Service Center to ask about disability retirement benefits under the Plan at the same time you apply to the Social Security Administration for disability benefits.

If Social Security disability payments are discontinued before your 65th birthday, your Plan disability payments will stop. You are required to notify the Boeing Pension Service Center of this development.

Disability retirement payments consist of benefits earned up to the time of disability. Benefits are not reduced because of your age. Normal reductions will be made, however, for benefits paid under the surviving spouse option.

If you satisfy the requirements for early retirement and have filed for Social Security disability benefits, you may begin receiving early retirement benefits under the Plan. If a Social Security disability award subsequently is granted, your early retirement benefits may be converted to disability retirement benefits under the Plan. That is, the early retirement age reduction may be removed, retroactive to the date you first met the conditions of entitlement for disability benefits.

## If You Leave Before Retirement

If you stop working for the Company before you become eligible to retire, but after you become vested, you may claim the vested benefits you have earned once you reach normal retirement age. You may select from the same payment options that would be available to you if you were retiring from active employment. The Boeing Pension Service Center must receive your completed Commencement Election form before your intended benefit commencement date.

You may claim vested benefits before normal retirement (age 65), *but the benefits will be reduced by six percent for each year before age 65* to account for the longer time over which they may be paid. This reduction for early retirement is substantially greater than the reduction applied to benefits of active employees retiring from the Company. To have vested benefits begin before age 65, you must have 10 or more years of vesting service under the Plan. The surviving spouse payment reductions also are different for a vested former employee. For more information regarding these reductions, contact the Boeing Pension Service Center.

Because important information about the Plan and your vested benefits may be mailed to you from time to time, you are encouraged to notify the Company whenever your address changes even though you may not yet be receiving benefits.

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## Benefit Payments

The payment methods available under this Plan include

- A single life annuity.
- A 50, 75, or 100 percent surviving spouse option, if you are married.
- Life annuity with a 10-year certain option.
- Accelerated income option.

After your benefit commencement date, you may not change the method of payment regardless of changes in your personal circumstances or marital status.

## Single Life Annuity

Under this payment method, you will receive a monthly benefit payment that will continue for the rest of your lifetime. No benefit payments are made after your death. If you are married and want to elect this option, you must have your spouse's written consent. Your spouse must sign the spousal consent section of the Commencement Election form and have it witnessed by a notary public.

## 50, 75, or 100 Percent Surviving Spouse Option

You must be married to choose the 50, 75, or 100 percent surviving spouse option, which is also known as a joint-and-survivor annuity.

Under this payment method, you receive a monthly benefit payment for the rest of your life. If you die before your spouse does, your surviving spouse will receive a percentage of your monthly benefit for life. (“Spouse” refers to the person to whom you are married when you start receiving payments, *regardless of any changes in marital status after retirement.*) The percentage will be the amount you specified on the Commencement Election form: 50, 75, or 100 percent.

Because the Plan is paying a benefit over the lifetimes of two people, the initial monthly benefit amount is smaller than it would be if it were paid as a single life annuity, as shown in Exhibit 7.

However, if your spouse dies before you do, the benefit will revert to the higher single life annuity for the rest of your life, beginning on the first day of the month after the death of your spouse.

## Life Annuity With a 10-Year Certain Option

The life annuity with a 10-year certain option guarantees a monthly pension benefit for your entire life. In addition, if you die within 10 years after your benefit payments begin, your beneficiary will receive the same monthly benefit amount for the rest of the 10-year period. For example, if you elect this option and die seven years after your benefit payments begin, your beneficiary will receive the same monthly benefit amount for the remaining three years of the guaranteed period.

Because of this arrangement, the monthly benefit amount is smaller than it would be if it were paid as a single life annuity.

If your beneficiary dies during the 10-year guaranteed period, you may name another beneficiary. You may name any beneficiary you choose. If you are married and want to elect this option, you must have your spouse’s written consent. Your spouse must sign the appropriate form and have it witnessed by a notary public.

This payment option is not available for disability retirements or pending disability retirements.

### Exhibit 7 – Comparison of Payment Methods

Below are sample monthly payments for you and your spouse, assuming you retire when you are age 65. These amounts are for illustration only and may not reflect your actual payment.

| Method                                     | Monthly Amount to Retiree for Life | Monthly Amount to Spouse* After Retiree’s Death                   |
|--|------------------------------------|---|
| Single Life Annuity                        | \$1,000.00                         | \$0   |
| Surviving Spouse Option                    |                                    |   |
| • 50% Option                               | \$950.00                           | \$475.00  |
| • 75% Option                               | \$900.00                           | \$675.00  |
| • 100% Option                              | \$850.00                           | \$850.00  |
| Life Annuity With a 10-Year Certain Option | \$958.00                           | \$958.00 for the years remaining in the 10-year guaranteed period |

\* For illustration purposes, this assumes you name your spouse as your beneficiary. This monthly benefit amount continues to the beneficiary you named.

## Accelerated Income Option

If you decide to retire before age 62 and one month, you may choose the accelerated income option. You may elect this option along with a single life annuity, the surviving spouse option (any percentage), or the life annuity with a 10-year certain option. If you are married and want to elect this option, you must have your spouse’s written consent. Your spouse must sign the appropriate form and have it witnessed by a notary public.

The accelerated income option allows you to collect a larger than normal portion of your pension benefit up to age 62 and two months and a smaller benefit afterward. Your single life annuity is reduced to pay for this option. For most employees who elect this option, the temporary supplement is \$700 per month and is offered until age 62 and two months. If your benefit is not large enough to pay for the \$700 temporary supplement, you will receive a smaller temporary supplement and your pension benefit will cease after age 62 and two months.

If you are married, elect a surviving spouse option, and die before reaching age 62 and two months, a portion of the temporary supplement will be paid to your spouse until the date you would have reached age 62 and two months. Your spouse will receive the same percentage that applies to the surviving spouse option you elected.

When you reach age 62 and two months (or would have reached age 62 and two months), the temporary supplement ends and your benefit is reduced. This reduced benefit is payable for life. If you are married, elect a survivor option, and die before your spouse, benefits will continue to your spouse.

If you elect the accelerated income option and the life annuity with a 10-year certain option and you die before age 62 and two months, your beneficiary will continue to receive the temporary supplement until the earlier of when you would have been age 62 and two months or the end of the 10-year period. If the 10-year certain period extends past the date you would have reached age 62 and two months, your beneficiary will receive the reduced amount for the balance of the 10 years.

This payment option is not available for disability retirements or pending disability retirements.

## Spousal Consent

If you are married and choose to elect any payment option other than the 50, 75, or 100 percent surviving spouse option, you must have your spouse's written, notarized consent.

You must have spousal consent witnessed by a notary public for the following options:

- Single life annuity.
- Life annuity with a 10-year certain option.
- Accelerated income option.

## If You Do Not Choose a Payment Method

If you do not specify a payment method on the Commencement Election form before you start your pension, and

- You are single, you automatically will receive a single life annuity.
- You are married, you automatically will receive benefits according to the 50 percent surviving spouse option.

## Deferring Benefit Payments

You may choose to delay receiving your benefits after you leave the Company, although payments must begin no later than the first day of the month after you reach age 65. If you delay, you must contact the Boeing Pension Service Center to initiate payments at least 90 days prior to when you want to begin receiving benefit payments.

You should carefully consider the consequences of whether to start your benefits now versus later. In deciding whether to defer your benefits, you should consider factors such as early retirement adjustments, tax liabilities, and the availability of optional forms (such as, the accelerated income option) and survivor options, and anticipated life expectancy. For example, if you start your benefit now, you will likely pay income taxes now. Also, the amount of your monthly benefit may be reduced to reflect the earlier retirement (see pages 16 and 17). If you defer your benefit, you will delay paying income taxes, although you might lose the value of an early retirement subsidy. You should also consider how your benefits will be paid if you die before payments begin (see page 23).

## Payment of Small Benefits

If the total value of your benefit (or your surviving Spouse's preretirement survivor benefit) is less than \$5,000 when you (or your surviving spouse) are eligible to receive it, the Plan automatically will pay you a lump sum. See Exhibit 8 for details on rolling over immediate lump sum distributions

### Exhibit 8 – Eligible Rollover Distributions

For Payment of Small Benefits or Immediate Lump-Sum Payments Only

You (your surviving spouse or former spouse under a qualified domestic relations order) may roll over certain eligible distributions (lump-sum payments) from The Boeing Company Employee Retirement Plan to another employer's qualified plan (including 401[a], 403[a], certain governmental 457[b] plans, or 403[b] annuity contracts) or to an individual retirement arrangement (IRA), if the plan or IRA accepts rollover amounts. Under Federal law, plans are not required to accept rollovers; therefore, you must check to find out whether the new plan receives rollovers. Amounts rolled from one type of plan to another may be subject to different distribution restrictions and tax rules after the rollover.

If you do not elect to roll over your lump-sum distribution directly from this Plan, your distribution will be subject to a 20 percent withholding tax. Payments also may be subject to a 10 percent early withdrawal penalty.

Distributions that are not eligible for rollover include

- Lifetime annuity options.
- Lump-sum distributions made to nonspouse beneficiaries.
- Annual distributions totaling less than \$200 in a calendar year.
- Distributions you receive because you have reached age 70½.

At the time your benefit becomes eligible for distribution, you have the choice of how the benefit will be distributed.

If your distribution is a lump-sum payment, you must decide whether to roll over the payment to an IRA or another eligible retirement plan or to receive the payment in cash.

By electing to roll over the lump-sum payment, you avoid the 20 percent withholding tax on the amount transferred. The plan receiving the direct rollover can be either a qualified rollover IRA or another employer's qualified retirement plan that accepts rollover contributions.

Your payment may not be rolled over to a Roth IRA, a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) IRA, or a Coverdell Education Savings Account (formerly known as an education IRA).

If you do not elect a direct rollover and instead take the distribution in cash, you will receive 80 percent; the remaining 20 percent will be withheld for Federal income tax. You still will have 60 days from the date you receive the check to change your mind and roll over part or all of the distribution, including the amount withheld for taxes. However, to roll over the entire amount, including the 20 percent withheld, you will have to supply the money to cover the amount withheld. The amount withheld will be an advance payment to the Internal Revenue Service of the Federal income taxes you may owe for the year of the distribution.

In addition, any lump-sum payment not rolled over is subject to a 10 percent early distribution penalty tax unless

- You are age 55 or older at the time of separation from service.
- You are age 59½ or older at the time of distribution.
- The distribution was due to death or total and permanent disability.
- The money was distributed under a qualified domestic relations order.
- You have deductible medical expenses that exceed your retirement payments.

If you were born before January 1, 1936, and you have been in The Boeing Company Employee Retirement Plan for at least five years, or if you were a participant in the Plan before 1974, you may qualify for special tax treatment on lump-sum distributions. Please consult your tax adviser or ask the Plan Administrator for more information.

If your distribution is eligible for a direct rollover, you will receive a notice explaining the tax consequences of not making a direct rollover. You will have at least 30 days to make your election. If your benefit is \$5,000 or less, you may waive the 30-day election period by returning your completed election forms to the Boeing Pension Service Center. Your election must be in writing on the form designated by the Plan Administrator.

You should consult a qualified tax adviser before making a benefit distribution election. There is no guarantee that the tax treatment of benefits will not be altered by future changes in tax laws or regulations. State tax rules also may apply. Only a qualified tax adviser can help you with how current or future tax laws, regulations, or rules may affect your specific situation.

## Qualified Domestic Relations Order

Federal law protects your benefits under the Plan from assignment and transfer to others. However, the Retirement Equity Act of 1984 specifically provides that this protection does not apply to a qualified domestic relations order (QDRO). A QDRO is a judgment, decree, or order that relates to divorce decrees, property settlements, and child support orders. If a court order of this type is received, you will be advised in writing.

For additional information regarding QDROs, contact the Boeing Pension Service Center through Boeing TotalAccess. You may obtain a copy of the Plan's general procedures governing QDROs without charge by contacting the Employee Benefit Plans Committee at The Boeing Company, 100 North Riverside, MC 5002-8421, Chicago, IL 60606-1596.

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## Preretirement Survivor Benefits

If you are vested and die before your benefit payments begin, your surviving spouse may be eligible for a lifetime benefit under the Plan. The amount payable to your spouse is based on a number of factors, including the age you would have been on the date payments begin and whether you are an active employee or a vested former employee when you die. Your spouse may elect to receive preretirement survivor benefits immediately or defer payments to a later date (but no later than the date you would have reached age 65). Your spouse must provide copies of birth, marriage, and death certificates.

## If You Die While Employed by Boeing

*If you are an active vested employee and die before age 55*, your spouse's benefits will be calculated as if you had terminated your employment and elected to receive a 50 percent surviving spouse option. This means that your spouse's benefits will be reduced by early retirement adjustment factors and the 50 percent surviving spouse option that apply to vested former employees. Your spouse may elect to begin receiving benefit payments immediately or defer payments until the date you would have reached age 65. If payments begin before you would have reached age 55, the payment amount will be reduced to reflect the longer payment period.

*If you are an active vested employee and die at or after age 55*, your spouse's benefits will be calculated as if you had terminated your employment and elected to receive a 100 percent surviving spouse option. This means your spouse's benefits will be reduced by the factors that apply to active employees and the 100 percent surviving spouse option conversion factor. Payments may begin on the first day of the month following your death, or your spouse may elect to defer payments until the date you would have reached age 65.

## If You Die After Terminating Your Employment

If you are vested, end your employment before you become eligible to start your pension, and you die before electing to receive your pension benefits, your spouse will be eligible for survivor benefits following your death.

If you die, your spouse's benefits will be calculated as if you had elected to begin receiving your vested pension benefits under the 50 percent surviving spouse option.

Your spouse may elect to begin receiving benefit payments immediately or defer payments until a later date (but no later than the date you would have reached age 65). If payments to your spouse begin before you would have reached age 55, the payment amount will be reduced to reflect the longer payment period.

## Preretirement Survivor Benefit Example

This example assumes that the employee is vested and dies before age 55. The benefit is determined as payable to the survivor when the employee would have reached age 55.

|  |   |       |
|--|---|-------|
| Monthly Early Retirement Benefit as of Date of Death                           |   | \$200 |
| 91% Surviving Spouse Factor (assumes spouse is not more than 10 years younger) | x | 0.91  |
|  |   | \$182 |
| 50% Surviving Spouse Annuity   | x | 0.50  |
| Benefit Payable to Survivor (when employee would have reached age 55)          | = | \$91  |

## Postretirement Death Benefit

If you retire as an active employee from a covered group under this Plan, your beneficiary is eligible to receive a \$2,000 death benefit under the Plan. Following your death, this benefit will be paid as a single lump sum payment to the person designated as your beneficiary on the Commencement Election form provided by the Boeing Pension Service Center. If you did not designate a beneficiary, or your beneficiary dies before you die, your postretirement death benefit will be paid to your surviving spouse, or to your estate if not married.

The postretirement death benefit is in addition to any survivor benefit available to your spouse based on the form of payment you elected when you retired.

Beneficiaries of vested former employees and employees who were not represented by a union that accepted the Plan when they retired are not eligible for the postretirement death benefit.

## Circumstances That May Affect Your Benefits

Under certain conditions, you may not receive pension benefits, or you may receive smaller payments than you expected. The following are some examples of such cases:

- If you fail to meet the eligibility requirements of the Plan, you will not earn benefits.
- If your employment terminates before you are vested, no benefits will be payable.
- If you do not use the designated forms from the Boeing Pension Service Center or complete them in a timely manner, benefits could be postponed.
- If you do not meet retirement age requirements, no vested benefits will be payable until you do.
- If you experience a layoff or your employment terminates, your benefits could be affected.
- If you receive a single life annuity, benefits will stop when you die.
- If you (or your beneficiary) fail to make a timely appeal of denied benefits, no benefits will be payable.
- If you are subject to a qualified domestic relations order, a portion of your benefit could be paid to an alternate payee.
- If you are not eligible for a particular benefit because you retired before that benefit became effective or because you are a vested former employee, that benefit will not be payable.
- If you fail to keep the Company informed of your current address, your benefits may be affected.
- If you experience a break in service and do not return to work, or you are rehired after a break in service but do not meet the necessary requirements for restoration of service, benefits in which you are not vested will not be payable.
- If you are affected by the Federal law that limits the amount of benefits that may be received from a qualified pension plan, your benefits may be limited. In particular, for 2007, no more than \$225,000 of annual compensation may be taken into account in determining your benefit. Also, in 2007, your annual benefit will be limited to the lesser of \$180,000 or 100 percent of your average compensation during your highest three years. These limits may be adjusted periodically for changes in the cost of living and may be adjusted depending on the form of benefit you select and the date you start receiving benefits.

- If the Plan terminates, your benefits are guaranteed by the Pension Benefit Guaranty Corporation (PBGC) up to certain limits (see page 27). If your Plan benefit exceeds PBGC limits, you may not receive the entire benefit you have earned. The Company does not guarantee any of the benefits payable under the Plan.

If you have questions concerning your application or would like additional information, call the Boeing Pension Service Center through Boeing TotalAccess.

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## Claim and Appeal Procedure

In general, if you have an issue regarding your benefit or your right to receive a benefit under the Plan, this can often be resolved by calling the Boeing Pension Service Center through Boeing TotalAccess and discussing the situation with a representative. If the issue is not resolved through an informal process, you may file a formal claim.

The Plan has established the following procedures for initiating a formal claim and appeal of denied benefits under the Plan. Copies of the claim and appeal procedures for the Plan are available by sending a written request to the Employee Benefits Plans Committee at The Boeing Company, 100 North Riverside, MC 5002-8421, Chicago, IL 60606-1596.

A formal claim for benefits should be sent to Boeing Pension Operations at The Boeing Company, P.O. Box 3707, MC 11-59, Seattle, WA 98124-2207. Boeing Pension Operations will respond in writing within 90 days of receiving the claim. If special circumstances require more time, the review period may be extended up to an additional 90 days. You will be notified in writing of this extension.

If your claim is denied, you will be notified in writing. This notice will include

- The specific reason for the denial.
- A reference to the specific Plan provisions on which the claim determination was based.
- A description and explanation of any additional information that is needed to process your claim.
- A description of the Plan's review procedures and the applicable time limits.
- A summary of your rights to take legal action.

You or a person you appoint may appeal a denial of benefits by writing to the Employee Benefit Plans Committee at The Boeing Company, 100 North Riverside, MC 5002-8421, Chicago, IL 60606-1596, within 60 days of receiving notice of the denial or partial denial of Plan benefits. If an appeal of an adverse benefit determination is not made within 60 days of receipt of such benefit determination notice, the claimant will be deemed to have waived his or her right for review. Upon request, you will be provided with reasonable access to any information that was relevant to your claim.

In your appeal, you must

- State, in writing, why you believe the claim should have been approved.
- Submit any information and documents you think are appropriate.
- Send the appeal and any supporting documentation to the Employee Benefit Plans Committee.

The Committee will review your appeal, render a decision, and notify you of its decision within 60 days of receipt of your appeal. If special circumstances require more time, the review period may be extended up to an additional 60 days. You will be notified in writing of this extension.

If your appeal is denied, in whole or in part, the Committee will send you a notice that will include

- The specific reason for the denial.
- A reference to the specific Plan provision on which the determination was based.
- A summary of your right to additional appeals or legal action.
- A statement of your right to obtain, free of charge, copies of documentation relevant to the decision.

If the Committee makes an adverse benefit determination on appeal, you may bring a civil action under section 502(a) of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Any action must be commenced within 180 days following the decision on appeal of your initial claim for benefits (or following the last date for filing an appeal, if no appeal is taken).

Benefits will be paid under the Plan only if the Committee decides in its discretion that you are entitled to them.

It is the Committee's exclusive right to interpret the terms of the Plan, to resolve eligibility for benefits, and exercising its discretion, to resolve all questions arising under the Plan. The decision of the Committee is final and binding.

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## Plan Amendment or Termination

The Boeing Company intends to continue the Plan. However, The Boeing Company may, at its sole discretion, change, modify, amend, or terminate the Plan at any time, subject to the provisions of any collective bargaining agreement. The Boeing Company Board of Directors has delegated the right to change, modify, and amend the Plan to the Employee Benefits Plan Committee, which is appointed by The Boeing Company Board of Directors. If the Plan is terminated, you will have a vested, nonforfeitable right to the benefit you have earned. The amount of your benefit, if any, will depend on Plan assets, the terms of the Plan, and the benefit guarantee of the Pension Benefit Guaranty Corporation (PBGC), a Federal insurance agency.

Plan assets will be shared among Plan participants and beneficiaries according to Federal regulations under the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and related regulations.

Your pension benefits under the Plan are insured by the PBGC. If the Plan terminates without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers

- Normal and early retirement benefits.
- Disability benefits if you become disabled before the Plan terminates.
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover

- Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates.
- Some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates.
- Benefits that are not vested because you have not worked long enough for the Company.
- Benefits for which you have not met all of the requirements at the time the Plan terminates.
- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age.
- Nonpension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the Plan has and how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator or contact the PBGC Technical Assistance Division, 1200 K Street NW, Suite 930, Washington, DC 20005-4026 or call 202-326-4000 (hearing impaired at 1-800-877-8339 and ask to be connected to 202-326-4000).

Additional information about the PBGC pension insurance program is available through the PBGC web site (<http://www.pbgc.gov/>).

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## Special Disclosure Information

### Plan Name

The official name of the Plan is The Boeing Company Employee Retirement Plan.

### Plan Sponsor

The Plan is sponsored by The Boeing Company. The mailing address is 100 North Riverside, MC 5002-8421, Chicago, IL 60606-1596.

### Plan Administrator and Agent for Service of Legal Process: Limitations on Actions

The Plan Administrator is the Employee Benefit Plans Committee of The Boeing Company, 100 North Riverside, MC 5002-8421, Chicago, IL 60606. Legal process may be served upon the Committee at Employee Benefit Plans Committee, The Boeing Company, c/o United States Corporation Company of Illinois, 33 North LaSalle, Chicago IL 60602.

Legal process also may be served upon the Plan Trustee at the address listed below. If you would like to commence a lawsuit against the Plan with respect to a denied benefit, you must do so within 180 days following the decision on appeal of your initial claim for benefits (or following the last date for filing an appeal, if no appeal is taken.)

### Limitations on Assignment

Your rights and benefits under the Boeing Company Employee Retirement Plan cannot be assigned, sold, transferred, or pledged by you or reached by your creditors or anyone else except under limited circumstances (e.g., qualified domestic relations order).

### Type of Administration

The Plan is administered in accordance with the provisions of the official Plan document, collective bargaining agreements, and the trust agreement.

### Type of Plan

The Plan is a defined benefit pension plan.

### Funding and Contributions

The Plan Sponsor funds the entire cost of the Plan by contributing actuarially determined amounts into a master trust, from which benefits are paid. No employee contributions are required or permitted.

### Top-Heavy Plan Provisions

Federal regulations require that the Plan include provisions that would take effect in the event the Plan were ever to become top-heavy. The Plan will be considered top-heavy if a large percentage of the Plan's benefits have accrued in favor of key employees. The Company does not expect this Plan to become top-heavy.

### Plan Records

Plan records are kept on a calendar-year basis (January 1 through December 31).

### Plan Number and Employer Identification Number

The Plan number is 001. The Company employer identification number is 91-0425694.

### Plan Trustee

The Plan Trustee is JP Morgan Chase Bank, Master Custody Department, Chase MetroTech Center, Brooklyn, NY 11245.

## Unions

The Boeing Company Employee Retirement Plan is provided according to agreements with the following unions:

International Association of Firefighters, AFL-CIO

Local No. I-17

Local No. I-66 (Washington, Kansas)

International Brotherhood of Electrical Workers, AFL-CIO

Local No. 271

International Union of Operating Engineers

Local No. 286

Local No. 286W

International Association of Machinists and Aerospace Workers, AFL-CIO

Aerospace Industrial District

Lodge No. 751

Lodge No. 24

Lodge No. 70

Space City Lodge No. 2766

River City Local No. 44

International Union, Security, Police and Fire Professionals of America and Certain Affiliated Amalgamated Locals

Local No. 2

Local No. 5

Local No. 255

Local No. 507

Lazy B Pilot Association

Society of Professional Engineering Employees in Aerospace

Professional Unit

Technical Unit

Wichita Engineering Unit

## Participant Rights and Protections Under ERISA

The Employee Retirement Income Security Act of 1974 (ERISA), as amended, guarantees certain rights and protections to participants of pension plans such as the Plan described in this booklet. ERISA provides that all Plan participants will be entitled to

### Receive Information About Your Plan and Benefits

- You may examine, without charge, at the Plan Administrator's office and at other specified locations, such as work sites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- If you want a personal copy of these documents or related material, send a written request to the Plan Administrator. You can obtain copies of documents governing the operation of the Plan, including insurance contracts, collective bargaining agreements, copies of the latest annual report (Form 5500 Series), and updated summary plan descriptions. You will be charged a reasonable cost.
- You may receive a summary of the Plan's financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

- You may obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide this statement free of charge.

## Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties on the people responsible for operating the employee benefit plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

## Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in Federal court.

The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

## Assistance With Your Questions

If you have any questions about your Plan, contact The Boeing Pension Service Center through Boeing TotalAccess or the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210. You also may obtain certain publications about your rights and responsibilities from the Employee Benefits Security Administration (EBSA) on the World Wide Web (<http://askebsa.dol.gov/>) or by calling the EBSA hotline at 1-866-444-EBSA (TTY/TDD service: 1-800-998-7542).

## Exhibit 9 – Where to Get Information

|                                   |   |
|-----------------------------------|---|
| <b>Boeing Web:**</b>              | <p><a href="https://my.boeing.com">https://my.boeing.com</a><br/>Log on to Boeing TotalAccess, click the My Savings &amp; Pension tab, and follow the links.</p>  |
| <b>World Wide Web:**</b>          | <p><a href="https://my-ext.boeing.com">https://my-ext.boeing.com</a><br/>Log on to Boeing TotalAccess and follow the links.</p>   |
| <b>Telephone:*</b>                | <p>Self-service applications are available seven days a week, 24 hours a day**<br/>1-866-473-2016<br/>1-800-755-6363 (TTY/TDD service)</p>  |
| <b>Representatives available:</b> | <p><b>Boeing TotalAccess representatives:</b><br/>Monday through Friday<br/>8 a.m. to 9 p.m. Eastern time<br/>7 a.m. to 8 p.m. Central time<br/>6 a.m. to 7 p.m. Mountain time<br/>5 a.m. to 6 p.m. Pacific time</p> <p><b>Boeing Pension Service representatives:</b><br/>Monday through Friday<br/>9 a.m. to 8 p.m. Eastern time<br/>8 a.m. to 7 p.m. Central time<br/>7 a.m. to 6 p.m. Mountain time<br/>6 a.m. to 5 p.m. Pacific time</p> <p><b>Automated Pension Service telephone hours:</b><br/>Monday through Friday,<br/>7 a.m. to 3 a.m., Eastern time<br/>Saturday,<br/>7 a.m. to midnight, Eastern time</p> |
| <b>Mailing address:</b>           | <p>Boeing Pension Service Center<br/>P.O. Box 7833<br/>Ocala, FL 34478-7833</p>   |
| <b>Fax:</b>                       | <p>856-770-3437</p>   |

\* Subject to minimum scheduled maintenance or downtime.

\*\* BEMS ID number (or Social Security number) and Boeing TotalAccess password required to receive information about your plan benefit.

## Summary of Benefit Plan Changes and Clarifications

### Employees Represented by SPEEA

This *Update* summarizes the collectively bargained and administrative changes and clarifications that will affect your benefit plans and updates your summary plan descriptions. The effective date of each change is July 1, 2009, unless otherwise noted.

The changes and clarifications in this *Update* will apply to you if you are an active employee of The Boeing Company (the “Company”) who is represented by the Society of Professional Engineering Employees in Aerospace.

This *Update* is for your information and is being provided to you as required by Federal law. **No action on your part is required.**

The changes or clarifications in this *Update* will apply to the following plans:

- The Boeing Company Employee Health and Welfare Benefit Plan (Plan 503).
- The Boeing Company Employee Health Benefit Plan (Plan 626).
- The Boeing Company Retiree Health and Welfare Benefit Plan (Plan 502).
- The Boeing Company Employee Retirement Plan (Plan 001).
- The Boeing Company Voluntary Investment Plan (Plan 002).

### Benefit Year Change

Effective January 1, 2010, the benefit year will be based on the calendar year, January 1 through December 31.

There will be a six-month plan year from July 1, 2009, through December 31, 2009. During that transitional period

- The medical plan out-of-pocket maximum will be half the annual maximum.
- For the medical and dental plans, the deductible will be half the annual deductible amount.

### Eligibility Clarification

Under certain circumstances, you and/or your eligible dependents may enroll in Company-sponsored health care coverage midyear if you or your dependent loses other health care coverage, as described in “Special Enrollment Events” in the 2006 edition of your health care summary plan description. For this purpose, loss of “other health care coverage” does not include coverage through Medicare or Medicaid.

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## Medical Plans

### Medical Plan Choices

Medical plan choices will be as follows:

#### **Washington**

- Traditional Medical Plan
- Select Network EPO
- Group Health HMO
- Aetna PPO+Account with a Health Savings Account (effective January 1, 2010)

#### **Oregon**

- Traditional Medical Plan
- Kaiser Permanente HMO (formerly Kaiser Permanente CCP)
- Selections Plus CCP
- Aetna PPO+Account with a Health Savings Account (effective January 1, 2010)

#### **Utah**

- Traditional Medical Plan
- SelectHealth HMO
- Aetna PPO+Account with a Health Savings Account (effective January 1, 2010)

#### **Other Locations**

- Traditional Medical Plan
- Kaiser Permanente HMO (California)
- Aetna PPO+Account with a Health Savings Account

### Traditional Medical Plan

#### **Annual Deductible**

The annual deductible (network and nonnetwork combined) will be the greater of \$225 or 0.225 percent of base annual salary per individual (\$675 or 0.675 percent of base annual salary per family of three or more).

#### **Lifetime Maximum Benefit**

The lifetime maximum benefit will be \$2 million per individual.

#### **Mental Health Treatment**

- Network coinsurance for outpatient services will be 100 percent.
- Nonnetwork coinsurance for inpatient services will be 60 percent. The nonnetwork 20-day annual limit on inpatient services will be eliminated.
- Nonnetwork coinsurance for outpatient services will be 60 percent. The nonnetwork 20-visit annual limit on outpatient services will be eliminated.

#### **Hearing Aids**

The hearing aid benefit will be \$800 per ear.

#### **Neurodevelopmental Therapy**

The neurodevelopmental therapy benefit maximum will be \$1,500 each benefit year.

### **Prescription Drug Program**

Retail pharmacy drug purchases will be covered as follows:

- The deductible no longer will apply to retail prescription drug purchases. At a participating pharmacy, the employee will be required to pay only his or her portion of the prescription cost at the time of purchase.
- 90 percent generic (\$5 minimum; \$25 maximum).
- 80 percent brand-name formulary (\$15 minimum; \$75 maximum).
- 70 percent brand-name nonformulary (\$30 minimum; no maximum).
- 34-day supply.

### **Preventive Care and Routine Physicals**

For network preventive care services and supplies, benefits will be paid as follows:

- Routine physical examinations for employees, spouses, and children age two and older:
  - 100 percent (annual deductible does not apply) up to \$500 each year per covered person, including related office visits, X-ray, and laboratory charges as well as childhood and adult immunizations and vaccines, excluding travel vaccines, as recommended by the U.S. Preventive Services Task Force (USPSTF) guidelines, including the applicable catch-up immunizations for children ages 2 to 18 years as recommended by the USPSTF. The annual deductible and network coinsurance will apply after the \$500 maximum has been met.
  - Limited to one examination per child every benefit year age 2 through age 18.
  - Limited to one examination per person every three benefit years for age 19 through age 34, then one examination per person every benefit year.
- Routine physical examinations for children to age two:
  - 100% (annual deductible does not apply).
  - Limited to eight examinations from birth to age two.
  - Includes immunizations and vaccines, excluding travel vaccines, as recommended by the USPSTF guidelines and the physician, including the catch-up immunization schedule for children age four months to two years as recommended by the USPSTF guidelines.
- Routine Pap tests, mammograms, prostate screenings, and colorectal screenings (including colonoscopies) covered at 100 percent (annual deductible does not apply) as recommended by the physician.

### **Substance Abuse Treatment**

Nonnetwork coinsurance for substance abuse treatment will be 60 percent.

### **Routine Vision Care**

The frame allowance will be \$90; the contact lens allowance will be \$120.

### **Wigs (new benefit)**

Wigs (and hair prostheses) will be covered at 80 percent coinsurance, after the annual deductible, up to \$500 per year for hair loss resulting from chemotherapy or radiation therapy.

### **Aetna PPO+Account**

Effective January 1, 2010, the Aetna PPO+Account with a Health Savings Account (HSA) will be introduced. The PPO+Account medical plan is a high-deductible health plan. This means it meets Federal requirements that allow the plan to offer an HSA. If you enroll in PPO+Account medical coverage, you may be eligible to set up an HSA through Aetna. Under the PPO+Account you may see any physician you choose. However, your out-of-pocket costs will be lower when you see a network provider for services covered by this plan.

## Aetna Health Savings Account

If you enroll in the PPO+*Account* medical plan, you will have the opportunity to set up a special tax-advantaged bank account, the Aetna Health Savings Account (HSA), for paying health care services.

The Company has contracted with service representatives to sponsor and administer your HSA. Service representatives answer questions, process transactions, maintain accounts, provide account information, and perform other account services. The current service representatives are as follows:

| Current HSA Service Representative | HSA Transactions Are Processed by |
|------------------------------------|-----------------------------------|
| Aetna/JPMorgan Chase               | JPMorgan Chase                    |

The Company reserves the right to change a service representative at any time. If this happens, you will be notified in writing.

### Aetna HSA Highlights

Boeing will make contributions to your account each pay period. You can choose to make your own additional contributions through payroll deductions. Contributions will not be subject to Federal income tax, but if you live in certain states, including California, they will be subject to state tax.

Money in your account earns interest free from Federal tax and is not taxed when withdrawn to pay for qualified health care expenses. However, if you live in certain states, including California, they will be subject to state tax.

If you do not use the money in one year to pay medical expenses, the balance rolls into the next year to use for future medical expenses—even after you retire. There is no limit on how much you can accumulate in your account.

You own the money in your Aetna HSA and choose how to spend or save the funds. If you leave Boeing, the funds are yours to take with you.

### Contributing to Your Aetna HSA

The amount Boeing will contribute to your account is based on the coverage level you elect. The contributions will be equally divided among your paychecks for the year.

You can make your own optional contributions to your Aetna HSA through payroll deductions. The amount you can contribute is subject to Federal limits. You can change your contribution amount at any time during the year, for any reason. Even if you decide not to contribute, you still will receive Boeing's contribution.

| 2010 Annual HSA Contributions  |                     |                           |  |
|--|---------------------|---------------------------|--|
| Your coverage level:   | Boeing contributes: | You can contribute up to: | Total maximum contributions (from Boeing and you): |
| Employee only  | \$1,000             | \$2,000*                  | \$3,000**  |
| Employee + spouse or child(ren)  | \$1,750             | \$4,200*                  | \$5,950**  |
| Employee + spouse and child(ren)   | \$2,500             | \$3,450*                  | \$5,950**  |
| <p>* If you are age 55 or older (or will turn 55 in 2010), you can contribute up to an additional \$1,000 as a "catch-up" contribution in 2010.</p> <p>** Contributions are subject to Federal limits and are adjusted annually. The contribution limits shown here are for 2009; 2010 limits are not known at this time but will apply to the Aetna HSA on January 1, 2010.</p> |                     |                           |  |

The amount that Boeing will contribute to your HSA in 2011, 2012, and 2013 is shown below.

| <b>2011–2013 Boeing Annual HSA Contributions</b> |                            |
|--|----------------------------|
| <b>Your coverage level:</b>                      | <b>Boeing contributes:</b> |
| Employee only                                    | \$700                      |
| Employee + spouse or child(ren)                  | \$1,250                    |
| Employee + spouse and child(ren)                 | \$1,750                    |

### ***Withdrawals and Tax Implications***

If you withdraw money to pay qualified health care expenses, there is no Federal or state tax in any state. Money withdrawn from an HSA for anything other than qualified medical expenses generally is taxable under Federal law as ordinary income and is subject to a 10 percent tax penalty. The additional 10 percent tax does not apply if the withdrawal is made after your death, disability, or reaching age 65.

### ***Important HSA Information***

The Aetna HSA is not subject to ERISA (the PPO+Account medical coverage is subject to ERISA). Because Boeing does not sponsor or endorse the Aetna HSA, there are some differences between it and medical plans sponsored by Boeing:

- Your Aetna HSA will not offer COBRA continuation rights (unlike the PPO medical coverage, which may be continued through COBRA). However, the HSA is your account and it is portable, which means you can maintain it with Aetna after you leave Boeing, or you can move it to another qualified HSA. You also can continue making contributions to your HSA after you leave Boeing, provided you are enrolled in a high-deductible health plan and meet all other contribution requirements.
- Aetna sponsors and administers the HSA; neither Boeing nor the Employee Benefit Plans Committee will have any involvement in HSA administration or claim issues.
- Please keep in mind the HSA is your personal account with Aetna. As a result, Boeing cannot sponsor or endorse it.

## **Prescription Drug Provisions—Traditional PPO**

### ***Pharmacy Management***

Certain dosages, quantities, and medications require preapproval by the service representative. Specific drugs are reviewed by the service representative at the point of sale to determine if the prescription is covered by the plan, clinically appropriate, and consistent with usage guidelines.

The service representative applies standards based on FDA-approved labeling and clinical guidelines. The service representative will seek to ensure that the patient receives the most appropriate prescription for the condition by reviewing

- Possible interactions with other current prescriptions.
- Cost-effectiveness.
- Whether the prescription is age appropriate.
- Whether the dosage and quantity are appropriate.

In certain situations, it may be more clinically appropriate to take a stronger dose once a day than to take a lower dose twice a day. If this opportunity exists, the service representative may ask the physician to approve the changes to dosage and strength before authorizing payment with the pharmacist.

Should a drug require preapproval, your physician will be required to furnish the service representative with clinical information. You, the pharmacy, or the physician may initiate the request for this review by calling the service representative.

## **Generic Incentive Program**

To encourage the use of generic drugs, if a brand-name drug is purchased when a chemically equivalent generic is available (for both retail pharmacy and mail order)—whether you or your physician requests the brand-name drug—you will pay the generic coinsurance/copayment plus the cost difference between the brand-name drug and generic drug.

If for any reason your physician believes that you must use a brand-name drug, he or she can ask for a coverage review by calling the service representative. The service representative will request information from your physician and review it to determine if your need for the brand-name drug meets the conditions to qualify for coverage. If coverage is approved, you will be charged the brand coinsurance/copayment for the brand-name drug. If coverage is not approved, coverage will be provided according to the generic incentive program.

## **Specialty Care Pharmacy**

Specialty medications are typically injectable medications administered by you or a health care professional, and they often require special handling. Newly prescribed medications may be purchased at any participating retail pharmacy up to two times. After that, the plan will cover these prescriptions only if they are purchased through the service representative's specialty care pharmacy.

The specialty care pharmacy program will not apply to medications ordered and billed through a physician's office.

## **EPO, CCP, and HMO Plans**

### **All EPO, CCP, and HMO Plans**

The lifetime maximum benefit will be \$2 million per individual.

### **Select Network EPO**

- The \$2,000 ambulance annual maximum will be eliminated.
- The 130-visit annual limit for home health care will be eliminated.
- For mental health treatment, the inpatient 30-day and outpatient 30-visit annual limits will be eliminated.
- Routine vision care allowances will be as follows:
  - \$90 for frames.
  - \$120 for contact lenses.
- For substance abuse treatment, detoxification and outpatient rehabilitation will be covered at a lifetime maximum of two courses of treatment, up to \$7,500 per course of treatment.
- Therapies will be revised as follows:
  - The neurodevelopmental therapy benefit maximum will be \$1,500 each benefit year.
  - The \$1,000 outpatient maximum per year and \$30,000 inpatient maximum per condition no longer will apply to occupational, physical, and speech therapies.
- For transplants, the \$200,000 lifetime maximum and \$25,000 donor procurement limit will be eliminated.

### **Selections Plus CCP**

- Mental health treatment will be revised as follows:
  - For inpatient treatment, the network and nonnetwork 30-day annual limits will be eliminated; nonnetwork inpatient coinsurance will be 60 percent.
  - For outpatient treatment, the network and nonnetwork 30-visit annual limits will be eliminated; nonnetwork outpatient coinsurance will be 60 percent.

- Substance abuse treatment will be revised as follows:
  - Nonnetwork inpatient and outpatient coinsurance will be 60 percent.
  - Inpatient and outpatient combined maximum will be two courses of treatment per lifetime, \$7,500 per course of treatment, network and nonnetwork combined.
- Routine vision care allowances will be as follows:
  - \$90 for frames.
  - \$120 for contact lenses.

### ***Kaiser Permanente HMO (California)***

The emergency room copayment will be \$50.

## **Medical Plan Contributions**

A no-contribution medical plan option will be offered in each area for the duration of the collective bargaining agreement as follows:

- Washington—Traditional Medical Plan.
- Oregon—Kaiser Permanente HMO.
- California—Kaiser Permanente HMO.
- Utah—SelectHealth HMO.
- All other locations—Traditional Medical Plan.

In addition, the PPO+Account will be offered as a no-contribution plan in all areas as of January 1, 2010.

Medical plans not specified above will continue to require an employee contribution of 12 percent.

Your contribution amount is governed by your collective bargaining agreement. For additional information regarding your contributions, please refer to your contract/collective bargaining agreement.

## **Dental Plans**

### **Preferred Dental Plan Changes**

The Preferred Dental Plan will be revised as follows:

- Two additional cleanings will be allowed per benefit year if periodontal disease is present.
- Examinations by a specialist will be covered (if the specialty is recognized by the American Dental Association and if the patient is not receiving treatment from the specialist), up to three times in a six-month period.

## **Short-Term Disability Plan**

### **How Your Benefit Changes if Your Salary Changes**

If you are actively at work and your weekly salary either increases or decreases, your short-term disability benefit amount will change automatically on the first day of the month after or coinciding with the date of the change in your salary.

### **When an Injury or Illness Is Caused by the Negligence of Another**

In some situations, you or a covered dependent may be eligible to receive, as a result of an accident or illness, disability benefits from an automobile insurance policy, homeowner's insurance policy or other type of insurance policy, or from a responsible third party. In these cases, this plan will pay benefits if the covered person agrees to cooperate with the service representative in administering the plan's subrogation rights.

If a person covered by this plan is injured by another party who is legally liable for the medical or dental bills or disability income, he or she may request this plan to pay its regular benefit on his or her behalf. In exchange, the covered person agrees to

- Complete a claim and submit all bills related to the injury or illness to the responsible party or insurer.
- Complete and submit all of the necessary information requested by the service representative.
- Reimburse the plan if he or she recovers payment from the responsible party or any other source.
- Cooperate with the service representative's efforts to recover from the third party any amounts this plan pays in benefits related to the injury or illness, including any lawsuit brought against the responsible party or insurer.

This provision applies whenever you or a covered dependent is entitled to or receives benefits under this plan and is also entitled to or receives compensation or any other funds from another party in connection with that same disability or medical condition, whether by insurance, litigation, settlement, or otherwise. The plan is entitled to such funds to the extent of plan benefits paid to or on behalf of the individual, whether or not the individual has been "made whole," and without regard to any common fund doctrine. This plan may recover such funds by constructive trust, equitable lien, right of subrogation, reimbursement, or any other equitable or legal remedy.

If an individual fails, refuses, or neglects to reimburse the plan or otherwise comply with the requirements of this provision, or if payments are made under the plan based on fraudulent information or otherwise in excess of the amount necessary to satisfy the provisions of the plan, then, in addition to all other remedies and rights of recovery that the plan may have, the plan has the right to terminate or suspend benefit payments and/or recover the reimbursement due to the plan by withholding, offsetting, and recovering such amount out of any future plan benefits or amounts otherwise due from the plan to or with respect to such individual. The plan also has the right in any proceeding at law or equity to assert a constructive trust, equitable lien, or any other equitable or legal remedy or recovery, against any and all persons who have assets that the plan can claim rights to. The plan has the right of first recovery from any judgment, settlement or other payment, regardless of whether the individual has been "made whole," and without regard to any common fund doctrine.

## **Life Insurance Plan**

### **How Your Benefit Changes if Your Salary Changes**

If you are actively at work and your annual salary either increases or decreases, your life insurance benefit amount will change automatically on the first day of the month after or coinciding with the date of the change in your salary.

## **Retiree Medical Coverage**

### **Eligibility**

#### ***Technical Unit Employees***

If you are an employee working in the Company's plants located in Weber and Davis counties, Utah, and were not eligible for Company-subsidized retiree medical coverage before becoming represented by SPEEA, you are not eligible for retiree medical coverage. This applies even if you were hired before January 1, 2007.

### **Dependent Eligibility**

The definition of covered dependents will be expanded to include eligible same-gender domestic partners and their eligible children.

## Savings and Retirement

### Voluntary Investment Plan

Effective January 1, 2009, employees may contribute from 1 percent to 25 percent of base pay on a pretax, after-tax, or combination of pretax and after-tax basis, in 1 percent increments.

### The Boeing Company Employee Retirement Plan

For retirements from the active payroll with a benefit commencement date on or after

- January 1, 2009, the retirement accrued benefit will be \$81 for each year of benefit service.
- January 1, 2012, the retirement accrued benefit will be \$83 for each year of benefit service.

### For More Information

Contact the Boeing service centers through Boeing TotalAccess.

- **On the Boeing Web:** Log on to <https://my.boeing.com> and click the TotalAccess tab.
- **On the World Wide Web:** Log on to [www.boeing.com/express](http://www.boeing.com/express) using your BEMS ID number (or Social Security number) and your Boeing TotalAccess password.
- **By telephone:** Call **1-866-473-2016**. TTY/TDD services are available at **1-800-755-6363**. You must have your BEMS ID number (or Social Security number) and your Boeing TotalAccess password. Customer service hours vary by service center; representatives generally are available during regular business hours.

### Plan Amendment Information

This *Update* is a summary of material modifications to your summary plan descriptions for the following Company benefit plans:

- The Boeing Company Employee Health and Welfare Benefit Plan (Plan 503).
- The Boeing Company Retiree Health and Welfare Benefit Plan (Plan 502).
- The Boeing Company Employee Health Benefit Plan (Plan 626).
- The Boeing Company Employee Retirement Plan (Plan 001).
- The Boeing Company Voluntary Investment Plan (Plan 002).

This document is provided to you in accordance with the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Every effort has been made to provide accurate information in this *Update*. In the event of a conflict between this *Update* and The Boeing Company Master Welfare Plan document and/or the Plan documents listed above, the terms of The Boeing Company Master Welfare Plan document and/or the Plan documents listed above will control. Copies of the summary plan descriptions may be obtained by contacting the Boeing service centers through Boeing TotalAccess.

Although the Company fully intends to continue the Plans described here, the Company reserves the right to change, modify, amend, or terminate them at any time and for any reason for employees, former employees, retirees, and their dependents and/or beneficiaries.



# Summary of Benefit Plan Changes and Clarifications

## Employees Represented by AMPA

This *Update* summarizes the collectively bargained and administrative changes and clarifications that will affect your benefit plans and updates your summary plan descriptions. The effective date of each change is July 1, 2009, unless otherwise noted.

The changes and clarifications in this *Update* will apply to you if you are an active employee of The Boeing Company (the “Company”) who is represented by the Airplane Manufacturing Pilots Association (AMPA).

This *Update* is for your information and is being provided to you as required by Federal law. **No action on your part is required.**

The changes or clarifications in this *Update* will apply to the following plans:

- The Boeing Company Employee Health and Welfare Benefit Plan (Plan 503).
- The Boeing Company Employee Health Benefit Plan (Plan 626).
- The Boeing Company Retiree Health and Welfare Benefit Plan (Plan 502).
- The Boeing Company Employee Retirement Plan (Plan 001).
- The Boeing Company Voluntary Investment Plan (Plan 002).

## Benefit Year Change

Effective January 1, 2010, the benefit year will be based on the calendar year, January 1 through December 31.

There will be a six-month plan year from July 1, 2009, through December 31, 2009. During that transitional period,

- The medical plan out-of-pocket maximum will be half the annual maximum.
- For the medical and dental plans, the deductible will be half the annual deductible amount.

## Eligibility Clarification

Under certain circumstances, you and/or your eligible dependents may enroll in Company-sponsored health care coverage midyear if you or your dependent loses other health care coverage, as described in “Special Enrollment Events” in the 2006 edition of your health care summary plan description. For this purpose, loss of “other health care coverage” does not include coverage through Medicare or Medicaid.

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## Medical Plans

### Medical Plan Choices

Medical plan choices will be as follows:

#### **Washington**

- Traditional Medical Plan
- Select Network EPO
- Group Health HMO
- Aetna PPO+*Account* with a Health Savings Account (effective January 1, 2010)

#### **Other Locations**

- Traditional Medical Plan
- Aetna PPO+*Account* with a Health Savings Account (effective January 1, 2010)

### Traditional Medical Plan

#### **Annual Deductible**

The annual deductible (network and nonnetwork combined) will be the greater of \$225 or 0.225 percent of base annual salary per individual (\$675 or 0.675 percent of base annual salary per family of three or more).

#### **Lifetime Maximum Benefit**

The lifetime maximum benefit will be \$2 million per individual.

#### **Mental Health Treatment**

- Network coinsurance for outpatient services will be 100 percent.
- Nonnetwork coinsurance for inpatient services will be 60 percent. The nonnetwork 20-day annual limit on inpatient services will be eliminated.
- Nonnetwork coinsurance for outpatient services will be 60 percent. The nonnetwork 20-visit annual limit on outpatient services will be eliminated.

#### **Hearing Aids**

The hearing aid benefit will be \$800 per ear.

#### **Neurodevelopmental Therapy**

The neurodevelopmental therapy benefit maximum will be \$1,500 each benefit year.

#### **Prescription Drug Program**

Retail pharmacy drug purchases will be covered as follows:

- The deductible no longer will apply to retail prescription drug purchases. At a participating pharmacy, the employee will be required to pay only his or her portion of the prescription cost at the time of purchase.
- 90 percent generic (\$5 minimum; \$25 maximum).
- 80 percent brand-name formulary (\$15 minimum; \$75 maximum).
- 70 percent brand-name nonformulary (\$30 minimum; no maximum).
- 34-day supply.

### **Preventive Care and Routine Physicals**

For network preventive care services and supplies, benefits will be paid as follows:

- Routine physical examinations for employees, spouses, and children age two and older:
  - 100 percent (annual deductible does not apply) up to \$500 each year per covered person, including related office visits, X-ray, and laboratory charges as well as childhood and adult immunizations and vaccines, excluding travel vaccines, as recommended by the U.S. Preventive Services Task Force (USPSTF) guidelines, including the applicable catch-up immunizations for children ages 2 to 18 years as recommended by the USPSTF. The annual deductible and network coinsurance will apply after the \$500 maximum has been met.
  - Limited to one examination per child every benefit year age 2 through age 18.
  - Limited to one examination per person every three benefit years for age 19 through age 34, then one examination per person every benefit year.
- Routine physical examinations for children to age two:
  - 100 percent (annual deductible does not apply).
  - Limited to eight examinations from birth to age two.
  - Includes immunizations and vaccines, excluding travel vaccines, as recommended by the USPSTF guidelines and the physician, including the catch-up immunization schedule for children age four months to two years as recommended by the USPSTF guidelines.
- Routine Pap tests, mammograms, prostate screenings, and colorectal screenings (including colonoscopies) covered at 100 percent (annual deductible does not apply) as recommended by the physician.

### **Substance Abuse Treatment**

Nonnetwork coinsurance for substance abuse treatment will be 60 percent.

### **Routine Vision Care**

The frame allowance will be \$90; the contact lens allowance will be \$120.

### **Wigs (new benefit)**

Wigs (and hair prostheses) will be covered at 80 percent coinsurance, after the annual deductible, up to \$500 per year for hair loss resulting from chemotherapy or radiation therapy.

### **Aetna PPO+Account**

Effective January 1, 2010, the Aetna PPO+Account with a Health Savings Account (HSA) will be introduced. The PPO+Account medical plan is a high-deductible health plan. This means it meets Federal requirements that allow the plan to offer an HSA. If you enroll in PPO+Account medical coverage, you may be eligible to set up an HSA through Aetna. Under the PPO+Account you may see any physician you choose. However, your out-of-pocket costs will be lower when you see a network provider for services covered by this plan.

### **Aetna Health Savings Account**

If you enroll in the PPO+Account medical plan, you will have the opportunity to set up a special tax-advantaged bank account, the Aetna Health Savings Account (HSA), for paying health care services.

The Company has contracted with service representatives to sponsor and administer your HSA. Service representatives answer questions, process transactions, maintain accounts, provide account information, and perform other account services. The current service representatives are as follows:

| Current HSA Service Representative | HSA Transactions Are Processed by |
|------------------------------------|-----------------------------------|
| Aetna/JPMorgan Chase               | JPMorgan Chase                    |

The Company reserves the right to change a service representative at any time. If this happens, you will be notified in writing.

### **Aetna HSA Highlights**

Boeing will make contributions to your account each pay period. You can choose to make your own additional contributions through payroll deductions. Contributions will not be subject to Federal income tax, but if you live in certain states, including California, they will be subject to state tax.

Money in your account earns interest free from Federal tax and is not taxed when withdrawn to pay for qualified health care expenses. However, if you live in certain states, including California, they will be subject to state tax.

If you do not use the money in one year to pay medical expenses, the balance rolls into the next year to use for future medical expenses—even after you retire. There is no limit on how much you can accumulate in your account.

You own the money in your Aetna HSA and choose how to spend or save the funds. If you leave Boeing, the funds are yours to take with you.

### **Contributing to Your Aetna HSA**

The amount Boeing will contribute to your account is based on the coverage level you elect. The contributions will be equally divided among your paychecks for the year.

You can make your own optional contributions to your Aetna HSA through payroll deductions. The amount you contribute is subject to Federal limits. You can change your contribution amount at any time during the year, for any reason. Even if you decide not to contribute, you still will receive Boeing's contribution.

| <b>2010 Annual HSA Contributions</b>  |                            |                                  |   |
|---|----------------------------|----------------------------------|---|
| <b>Your coverage level:</b>   | <b>Boeing contributes:</b> | <b>You can contribute up to:</b> | <b>Total maximum contributions (from Boeing and you):</b> |
| Employee only   | \$1,000                    | \$2,000*                         | \$3,000**   |
| Employee + spouse or child(ren)   | \$1,750                    | \$4,200*                         | \$5,950**   |
| Employee + spouse and child(ren)  | \$2,500                    | \$3,450*                         | \$5,950**   |
| <p>* If you are age 55 or older (or will turn 55 in 2010), you can contribute up to an additional \$1,000 as a "catch-up" contribution in 2010.</p> <p>** Contributions are subject to Federal limits and are adjusted annually. The contribution limits shown here are for 2009; 2010 limits are not known at this time, but will apply to the Aetna HSA on January 1, 2010.</p> |                            |                                  |   |

The amount that Boeing will contribute to your HSA in 2011, 2012, and 2013 is shown below.

| 2011–2013 Boeing Annual HSA Contributions |                     |
|---|---------------------|
| Your coverage level:                      | Boeing contributes: |
| Employee only                             | \$700               |
| Employee + spouse or child(ren)           | \$1,250             |
| Employee + spouse and child(ren)          | \$1,750             |

### **Withdrawals and Tax Implications**

If you withdraw money to pay qualified health care expenses, there is no Federal or state tax in any state. Money withdrawn from an HSA for anything other than qualified medical expenses generally is taxable under Federal law as ordinary income and is subject to a 10 percent tax penalty. The additional 10 percent tax does not apply if the withdrawal is made after your death, disability, or reaching age 65.

### **Important HSA Information**

The Aetna HSA is not subject to ERISA (the PPO+Account medical coverage is subject to ERISA).

Because Boeing does not sponsor or endorse the Aetna HSA, there are some differences between it and medical plans sponsored by Boeing:

- Your Aetna HSA will not offer COBRA continuation rights (unlike the PPO medical coverage, which may be continued through COBRA). However, the HSA is your account and it is portable, which means you can maintain it with Aetna after you leave Boeing, or you can move it to another qualified HSA. You also can continue making contributions to your HSA after you leave Boeing, provided you are enrolled in a high-deductible health plan and meet all other contribution requirements.
- Aetna sponsors and administers the HSA; neither Boeing nor the Employee Benefit Plans Committee will have any involvement in HSA administration or claim issues.
- Please keep in mind the HSA is your personal account with Aetna. As a result, Boeing cannot sponsor or endorse it.

## Prescription Drug Provisions—Traditional Medical Plan

### **Pharmacy Management**

Certain dosages, quantities, and medications require preapproval by the service representative. Specific drugs are reviewed by the service representative at the point of sale to determine if the prescription is covered by the plan, clinically appropriate, and consistent with usage guidelines.

The service representative applies standards based on FDA-approved labeling and clinical guidelines. The service representative will seek to ensure that the patient receives the most appropriate prescription for the condition by reviewing

- Possible interactions with other current prescriptions.
- Cost-effectiveness.
- Whether the prescription is age appropriate.
- Whether the dosage and quantity are appropriate.

In certain situations, it may be more clinically appropriate to take a stronger dose once a day than to take a lower dose twice a day. If this opportunity exists, the service representative may ask the physician to approve the changes to dosage and strength before authorizing payment with the pharmacist.

Should a drug require preapproval, your physician will be required to furnish the service representative with clinical information. You, the pharmacy, or the physician may initiate the request for this review by calling the service representative.

### **Generic Incentive Program**

To encourage the use of generic drugs, if a brand-name drug is purchased when a chemically equivalent generic is available (for both retail pharmacy and mail order)—whether you or your physician requests the brand-name drug—you will pay the generic coinsurance/copayment plus the cost difference between the brand-name drug and generic drug.

If for any reason your physician believes that you must use a brand-name drug, he or she can ask for a coverage review by calling the service representative. The service representative will request information from your physician and review it to determine if your need for the brand-name drug meets the conditions to qualify for coverage. If coverage is approved, you will be charged the brand coinsurance/copayment for the brand-name drug. If coverage is not approved, coverage will be provided according to the generic incentive program.

### **Specialty Care Pharmacy**

Specialty medications are typically injectable medications administered by you or a health care professional, and they often require special handling. Newly prescribed medications may be purchased at any participating retail pharmacy up to two times. After that, the plan will cover these prescriptions only if they are purchased through the service representative's specialty care pharmacy.

The specialty care pharmacy program will not apply to medications ordered and billed through a physician's office.

## **EPO and HMO Plans**

### **Select Network EPO and Group Health HMO**

The lifetime maximum benefit will be \$2 million per individual.

### **Select Network EPO**

- The \$2,000 ambulance annual maximum will be eliminated.
- The 130-visit annual limit for home health care will be eliminated.
- For mental health treatment, the inpatient 30-day and outpatient 30-visit annual limits will be eliminated.
- Routine vision care allowances will be as follows:
  - \$90 for frames.
  - \$120 for contact lenses.
- For substance abuse treatment, detoxification and outpatient rehabilitation will be covered at a lifetime maximum of two courses of treatment, up to \$7,500 per course of treatment.

- Therapies will be revised as follows:
  - The neurodevelopmental therapy benefit maximum will be \$1,500 each benefit year.
  - The \$1,000 outpatient maximum per year and \$30,000 inpatient maximum per condition no longer will apply to occupational, physical, and speech therapies.
- For transplants, the \$200,000 lifetime maximum and \$25,000 donor procurement limit will be eliminated.

## Medical Plan Contributions

A no-contribution medical plan option will be offered in each area for the duration of the collective bargaining agreement as follows:

- Washington—Traditional Medical Plan.
- All other locations—Traditional Medical Plan.

In addition, the PPO+*Account* will be offered as a no-contribution plan in all areas as of January 1, 2010.

Medical plans not specified above will continue to require an employee contribution of 12 percent.

Your contribution amount is governed by your collective bargaining agreement. For additional information regarding your contributions, please refer to your contract/collective bargaining agreement.

## Dental Plans

### Preferred Dental Plan Changes

The Preferred Dental Plan will be revised as follows:

- Two additional cleanings will be allowed per benefit year if periodontal disease is present.
- Examinations by a specialist will be covered (if the specialty is recognized by the American Dental Association and if the patient is not receiving treatment from the specialist), up to three times in a six-month period.

## Short-Term Disability Plan

### How Your Benefit Changes if Your Salary Changes

If you are actively at work and your weekly salary either increases or decreases, your short-term disability benefit amount will change automatically on the first day of the month after or coinciding with the date of the change in your salary.

### When an Injury or Illness Is Caused by the Negligence of Another

In some situations, you or a covered dependent may be eligible to receive, as a result of an accident or illness, disability benefits from an automobile insurance policy, homeowner's insurance policy or other type of insurance policy, or from a responsible third party. In these cases, this plan will pay benefits if the covered person agrees to cooperate with the service representative in administering the plan's subrogation rights.

If a person covered by this plan is injured by another party who is legally liable for the medical or dental bills or disability income, he or she may request this plan to pay its regular benefit on his or her behalf. In exchange, the covered person agrees to

- Complete a claim and submit all bills related to the injury or illness to the responsible party or insurer.
- Complete and submit all of the necessary information requested by the service representative.

- Reimburse the plan if he or she recovers payment from the responsible party or any other source.
- Cooperate with the service representative's efforts to recover from the third party any amounts this plan pays in benefits related to the injury or illness, including any lawsuit brought against the responsible party or insurer.

This provision applies whenever you or a covered dependent is entitled to or receives benefits under this plan and is also entitled to or receives compensation or any other funds from another party in connection with that same disability or medical condition, whether by insurance, litigation, settlement, or otherwise. The plan is entitled to such funds to the extent of plan benefits paid to or on behalf of the individual, whether or not the individual has been "made whole," and without regard to any common fund doctrine. This plan may recover such funds by constructive trust, equitable lien, right of subrogation, reimbursement, or any other equitable or legal remedy.

If an individual fails, refuses, or neglects to reimburse the plan or otherwise comply with the requirements of this provision, or if payments are made under the plan based on fraudulent information or otherwise in excess of the amount necessary to satisfy the provisions of the plan, then, in addition to all other remedies and rights of recovery that the plan may have, the plan has the right to terminate or suspend benefit payments and/or recover the reimbursement due to the plan by withholding, offsetting, and recovering such amount out of any future plan benefits or amounts otherwise due from the plan to or with respect to such individual. The plan also has the right in any proceeding at law or equity to assert a constructive trust, equitable lien, or any other equitable or legal remedy or recovery, against any and all persons who have assets that the plan can claim rights to. The plan has the right of first recovery from any judgment, settlement or other payment, regardless of whether the individual has been "made whole," and without regard to any common fund doctrine.

## Life Insurance Plan

### How Your Benefit Changes if Your Salary Changes

If you are actively at work and your annual salary either increases or decreases, your life insurance benefit amount will change automatically on the first day of the month after or coinciding with the date of the change in your salary.

## Supplemental Life Insurance Plan and Supplemental AD&D Plan

Effective July 1, 2007, employees represented by AMPA are eligible for the Supplemental Life Insurance Plan and the Supplemental AD&D Plan.

## Retiree Medical Coverage

### Dependent Eligibility

The definition of covered dependents will be expanded to include eligible same-gender domestic partners and their eligible children.

## Savings and Retirement

### Voluntary Investment Plan

Effective January 1, 2009, employees may contribute from 1 to 25 percent of base pay on a pretax, aftertax, or combination of pretax and aftertax basis, in 1 percent increments.

Employees hired or rehired on or after January 1, 2010, will receive an automatic Company contribution to the Plan. Each pay period, the Company will contribute to the Plan an amount equal to a percentage of the employee's eligible pay for the pay period, according to the schedule below. Employees will be 100 percent vested immediately in this Company contribution. An employee is considered rehired if the employee returns to work from layoff and the return date is more than six years after the date of layoff. Eligible pay, for the purpose of calculating the Company contribution, is base pay, shift differential, and incentive pay.

| <b>Age at End of Year</b> | <b>Automatic Company Contribution</b> | <b>Maximum Company Match (100% of first 4%; 50% of next 4%)</b> | <b>Total Company Contribution (assumes employee contributes 8% of pay)</b> |
|---------------------------|---------------------------------------|---|--|
| Under age 40              | 3%                                    | 6%  | 9%   |
| Age 40–49                 | 4%                                    | 6%  | 10%  |
| Age 50 and older          | 5%                                    | 6%  | 11%  |

If an employee returns directly from an authorized leave of absence or is rehired from a layoff status and returns within six years of being laid off and his or her most recent hire date before they were laid off or began their leave of absence was before January 1, 2010, the Plan provisions in this *Update* will not apply to the employee.

Employees hired or rehired on or after January 1, 2010, will be eligible for a Company matching contribution of 100 percent of the first 4 percent of base pay (as defined in the Plan, distinct from “eligible pay” defined above) contributed, and 50 percent of the next 4 percent of base pay contributed by the employee. Employees will be 100 percent vested immediately in the Company matching contribution.

### The Boeing Company Employee Retirement Plan

For employees whose most recent hire date is before January 1, 2010, who retire from the active payroll with a benefit commencement date on or after

- April 1, 2009, the retirement accrued benefit will be \$81 for each year of benefit service.
- January 1, 2012, the retirement accrued benefit will be \$83 for each year of benefit service.

Employees hired or rehired on or after January 1, 2010, will not be eligible for participation in The Boeing Company Employee Retirement Plan.

For purposes of determining Plan eligibility, the employee will be considered hired before January 1, 2010, if

- On an authorized leave of absence on December 31, 2009, and returns to active employment directly from that authorized leave of absence.
- On layoff on December 31, 2009, and returns to active employment within six years of the layoff date.
- An active employee on December 31, 2009, goes on an authorized leave of absence, and returns to active employment directly from that authorized leave of absence.
- An active employee on December 31, 2009, is laid off, and returns to active employment within six years of the layoff date.

An employee is considered rehired if the employee returns to work from layoff and the return date is more than six years after the date of layoff.

## For More Information

Contact the Boeing service centers through Boeing TotalAccess.

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- **On the World Wide Web:** Log on to [www.boeing.com/express](http://www.boeing.com/express) using your BEMS ID number (or Social Security number) and your Boeing TotalAccess password.
- **By telephone:** Call **1-866-473-2016**. TTY/TDD services are available at **1-800-755-6363**. You must have your BEMS ID number (or Social Security number) and your Boeing TotalAccess password. Customer service hours vary by service center; representatives generally are available during regular business hours.

## Plan Amendment Information

This *Update* is a summary of material modifications to your summary plan descriptions for the following Company benefit plans:

- The Boeing Company Employee Health and Welfare Benefit Plan (Plan 503).
- The Boeing Company Employee Health Benefit Plan (Plan 626).
- The Boeing Company Retiree Health and Welfare Benefit Plan (Plan 502).
- The Boeing Company Employee Retirement Plan (Plan 001).
- The Boeing Company Voluntary Investment Plan (Plan 002).

This document is provided to you in accordance with the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Every effort has been made to provide accurate information in this *Update*. In the event of a conflict between this *Update* and The Boeing Company Master Welfare Plan document and/or the Plan documents listed above, the terms of The Boeing Company Master Welfare Plan document and/or the Plan documents listed above will control. Copies of the summary plan descriptions may be obtained by contacting the Boeing service centers through Boeing TotalAccess.

Although the Company fully intends to continue the Plans described here, the Company reserves the right to change, modify, amend, or terminate them at any time and for any reason for employees, former employees, retirees, and their dependents and/or beneficiaries.



# Summary of Benefit Plan Changes and Clarifications

## Employees Represented by IAM 24, 70, and 751 and IUOE 286W

This *Update* summarizes the collectively bargained changes and administrative clarifications that will affect your benefit plans and updates your summary plan descriptions. The effective date of each change is July 1, 2009, unless otherwise noted.

The changes and clarifications in this *Update* will apply to you if you are an active employee of The Boeing Company (the “Company”) who is represented by the International Association of Machinists and Aerospace Workers (IAM), Local Nos. 24, 70, or 751, or the International Union of Operating Engineers (IUOE) 286W.

This *Update* is for your information and is being provided to you as required by Federal law. **No action on your part is required.**

The changes or clarifications in this *Update* will apply to the following plans:

- The Boeing Company Employee Health Benefit Plan (Plan 626).
- The Boeing Company Employee Retirement Plan (Plan 001).
- The Boeing Company Voluntary Investment Plan (Plan 002).

### Health Care Plans

#### Benefit Year Change

Effective January 1, 2010, the benefit year for health care plans will be based on the calendar year, January 1 through December 31.

There will be a six-month plan year from July 1, 2009, through December 31, 2009. During that transitional period,

- The medical plan out-of-pocket maximum will be half the annual maximum.
- For the medical and dental plans, the deductible will be half the annual deductible amount.

#### Eligibility Clarification

Under certain circumstances, you and/or your eligible dependents may enroll in Company-sponsored health care coverage midyear if you or your dependent loses other health care coverage, as described in “Special Enrollment Events” in the 2006–2007 edition of your health care summary plan description. For this purpose, loss of “other health care coverage” does not include coverage through Medicare or Medicaid.

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## When an Injury or Illness Is Caused by the Negligence of Another

In some situations, you or a covered dependent may be eligible to receive, as a result of an accident or illness, health care benefits from an automobile insurance policy, homeowner's insurance policy or other type of insurance policy, or from a responsible third party. In these cases, this plan will pay benefits if the covered person agrees to cooperate with the service representative in administering the plan's recovery rights.

If a person covered by this plan is injured by another party who is legally liable for the medical or dental bills, he or she may request this plan to pay its regular benefit on his or her behalf. In exchange, the covered person agrees to

- Notify the plan within 30 days of giving notice to any party, including an insurance company or attorney, of the covered person's intention to pursue a claim.
- Complete a claim and submit all bills related to the injury or illness to the responsible party or any insurer.
- Complete and submit all of the necessary information requested by the service representative.
- Reimburse the plan from any payment he or she receives from the responsible party or any other source.
- Allow the plan to be subrogated to all rights of recovery a covered person has against the responsible party or any other source and to cooperate with the service representative's efforts to recover from the responsible party or any other source any amounts this plan pays in benefits related to the injury or illness, including any lawsuit brought against the responsible party or insurer.
- Grant the plan a lien in the amount of benefits paid which can be enforced against any source of funds available to compensate the covered person for injury or illness caused by another party.

This provision applies whenever you or a covered dependent is entitled to or receives benefits under this plan and is also entitled to or receives compensation or any other funds from another party in connection with that same medical condition, whether by insurance, litigation, settlement, or otherwise. The plan is entitled to such funds to the extent of plan benefits paid to or on behalf of the individual as a first-priority right, whether or not the individual has been "made whole," and without regard to any common fund doctrine. The plan is entitled to such funds regardless of whether the plan's benefits are identified as being included in the funds and regardless of whether liability for payment of the funds is admitted by the responsible party or any other source of the funds. This plan may recover such funds by constructive trust, equitable lien, right of subrogation, reimbursement, or any other remedy allowed under applicable law.

The covered person shall do nothing to prejudice the plan's subrogation or recovery interest, including, but not limited to, refraining from making any settlement or recovery that attempts to reduce or exclude the full cost of all benefits provided by the plan. If an individual fails, refuses, or neglects to reimburse the plan or otherwise comply with the requirements of this provision, or if payments are made under the plan based on fraudulent information or otherwise in excess of the amount necessary to satisfy the provisions of the plan, then, in addition to all other remedies and rights of recovery that the plan may have, the plan has the right to terminate or suspend benefit payments and/or recover the reimbursement due to the plan by withholding, offsetting, and recovering such amount out of any future plan benefits or amounts otherwise due from the plan to or with respect to such individual. The plan also has the right in any proceeding at law or equity to assert a constructive trust, equitable lien, or any other remedy or recovery allowed under applicable law, against any and all persons or entities who have assets that the plan can claim rights to. The plan has a first-priority right of recovery from any judgment, settlement or other payment, regardless of whether the individual has been "made whole," and without regard to any common fund doctrine.

In the event that any claim is made that any part of this subrogation and recovery provision is ambiguous or questions arise concerning the meaning or intent of any of its terms, the plan or service representative shall have the sole authority and discretion to resolve all disputes regarding the interpretation of this provision.

## Retiree Medical Plans

### Effective Date of Coverage

If you are eligible for retiree medical coverage and you terminate employment on or after January 1, 2010, your active coverage will continue until the end of the month following the month in which your active employment ends. Your retiree medical coverage will begin on the first day of the month after your active coverage ends.

If you terminate employment on or after January 1, 2010, you do not need to be receiving your Company-sponsored pension benefit to start your retiree medical coverage.

## Savings Plan

Effective January 1, 2009, employees may contribute from 1 to 25 percent on a pretax, after-tax, or combination of pretax and after-tax basis, in 1 percent increments.

## Retirement Plan

Under The Boeing Company Employee Retirement Plan, for retirements from the active payroll, the retirement accrued benefit will be as follows:

- For a commencement date on or after January 1, 2009, \$81 for each year of benefit service.
- For a commencement date on or after January 1, 2012, \$83 for each year of benefit service.

## For More Information

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