

Boeing shifting cost of health care onto technical workers' families



SEATTLE – Corporate leaders of The Boeing Company will shift up to \$8.2 million of medical costs onto engineers and technical workers as a result of upcoming changes to health care plans.

The cost-shifting maneuver is a result of Boeing's decision to change the premium structure of two medical insurance plans offered to more than 20,000 Puget Sound area employees represented by the Society of Professional Engineering Employees in Aerospace (SPEEA), IFPTE Local 2001.

"This change is part of a scheme to dismantle the benefits package earned by SPEEA members," said Ray Goforth, SPEEA executive director. "Boeing eliminated Early Retire Medical for new hires, is now shifting medical costs onto employees and has announced its intention to go after pensions. The company is doing this latest change because they want to sneak it through without negotiating."

The brunt of the cost shift falls heavily on members with families covered by the Select Network plan. Now provided to employees without a premium, starting in June, employees with families will begin paying \$138 per month.

To avoid premiums, employees in May can change to a less comprehensive medical plan, the Traditional Medical Plan (TMP). Presently, employees with TMP are charged premiums, but those premiums go away in June.

The actual extent of the cost shift depends on how many employees, if any, change medical coverage during open enrollment from May 2 to 22.

"A few people will pay less in premiums but even they may see their out-of-pocket costs increase," said Matt Kempf, SPEEA benefits director. "Boeing only recently revealed the new plan rates and that's when we learned the extent of their plan to shift costs onto employees."

Using the new 2008 rates, if the Select Network were the low cost plan and every SPEEA member stayed in the same plan they were in last year, SPEEA members would pay \$6.1 million in premium contributions for the Traditional Medical Plan over the next year. However, since Boeing is switching which plan carries premiums, if every SPEEA member stayed in the same plan they were in last year, union members will pay \$14.3 million in premium contributions over the next year, a total increase of \$8.2 Million.

"If Boeing worked with the union instead of unilaterally implementing these changes, we may have been able to agree on a formula that benefited all SPEEA members," Kempf said.

SPEEA is filing to take Boeing to binding arbitration over the change. However, the union cannot stop the change from taking place and is informing members to consider changing medical plans.

In October, SPEEA begins main table negotiations with Boeing for 21,000 employees in Washington, Kansas, Oregon, Utah and California. Negotiations begin in May for 3,000 represented employees at Spirit AeroSystems, Inc. in Wichita, Kansas.

A local of the International Federation of Professional and Technical Engineers (IFPTE), SPEEA represents more than 24,000 aerospace professionals at Boeing, Spirit, Triumph Composite Systems, Inc., in Spokane, Wash., and at BAE Systems, Inc., in Irving, Texas.

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