

# SPEEA and Boeing tentative agreements on new contract extensions

## Puget Sound Professional & Technical Units

(Details apply to both units unless otherwise specified. Contract duration: Feb. 11, 2016 to Oct. 6, 2022.)

- Six-year contract extension (expires October 2022)
- Most of the contract remains unchanged, changes to select articles only
- Intended ratification date of Feb. 10, 2016

### Compensation

- **2016 Salary Exercise**

- No change

- **2017-2021 Salary Exercise**

- 5% compensation pools (wages and lump-sum award) guaranteed by contract
  - Profs: Company targeting a SPEEA-weighted average at 115% of national medians
    - 2015:  $\$125,146 / \$111,557 = 112.2\%$
    - 5% compensation pools until target (115%) achieved, remaining in lump-sum award
  - Techs: Company targeting a SPEEA weighted average 2017 at 122%, 2018 at 121%, 2019 at 120%, 2020 at 119% and 2021 at 118%
    - 2015:  $\$93,787 / \$79,909 = 117.4\%$
    - 5% compensation pools until target achieved, if any remaining, in lump-sum award
- Annual 0.5% promotional funds continue to be guaranteed by contract

- **2022 Salary Exercise**

- Same as above, with 4.5% compensation pools (wages and lump-sum award) guaranteed by contract
  - Market targets of 115% for Profs, 117% for Techs
- Annual 0.5% promotional funds continue to be guaranteed by contract

- **Vacation: Upon Ratification:** Improved vacation accrual schedule as shown below

- Resulting in over 25,000 more vacation days each year for Profs and Techs

Beginning Year of Company Service	Annual Hours
0	80
1 to 4	96
5 to 9	120
10 to 14	136
15 to 24	160
25 or more	176

- **Sick Leave: Upon Ratification:** Up front lump-sum award of sick leave each year in lieu of monthly accrual
- **Continued participation in the Employee Incentive Plan (EIP)**

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## Puget Sound Professional & Technical Units

### Retirement

- Effective July 1, 2016: Added Roth 401(k) feature, ability to defer EIP and lump-sum award, increased employee maximum contribution to 30%
- Effective Jan. 1, 2017:
  - Boeing Company Employee Retirement Plan (BCERP) standard conversion factor increases to **\$100**, effective Jan. 1, 2017
  - Option to roll over cash value into IRA or 401(k) (more favorable than required by law)
  - Lump-sum awards (if applicable) count for final average earnings
- Company matching remains unchanged until Jan. 1, 2019, at which time all receive 75% of the first 8% (no change for those hired before 2013).
- BCERP soft freeze effective Jan. 1, 2019:
  - No more BCERP additional credited service, however continued final average earnings growth impacts alternate formulas.

	Profs hired before 3/1/2013 & Techs hired before 3/22/2013 (currently earning BCERP service)		Profs hired after 3/1/2013 & Techs hired after 3/21/2013 (Not currently earning BCERP service)
	Pension growth	Special 401(k) contribution	Special 401(k) contribution
2016	CS & FAE growth; CF \$91	0%	3%, 4%, or 5%
2017	CS & FAE growth; CF <b>\$100</b>	0%	3%, 4%, or 5%
2018	CS & FAE growth; CF <b>\$100</b>	0%	3%, 4%, or 5%
2019	FAE growth; CF <b>\$100</b>	<b>9%</b>	<b>6%, 7%, or 8%*</b>
2020	FAE growth; CF <b>\$100</b>	<b>8%</b>	<b>6%, 7%, or 8%*</b>
2021	FAE growth; CF <b>\$100</b>	<b>7%</b>	<b>6%, 7%, or 8%*</b>
2022	FAE growth; CF <b>\$100</b>	3%, 4%, or 5%	3%, 4%, or 5%

\* Limited to those active as of date of ratification

CS = Credited Service

FAE = Final Average Earnings

CF= Conversion Factor for standard benefit

### Medical, Dental, Life & Disability

- Plans stay the same through 2017
- Effective Jan. 1, 2018 – **All Locations**
  - Medical:**
    - Traditional Medical Plan** – 5% contribution (2018 – 2022)
      - \$300 deductible (\$900 per family), then 90%/10% coinsurance
      - Medical out-of-pocket max \$2,000 per person (\$4,500 per family) (including deductible)
      - Naturopaths now recognized
      - No change to in-network retail prescription co-pays
      - New prescription out-of-pocket max \$4,000 per person (\$8,000 per family)

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Traditional Medical Plan			
Estimated Employee Contributions (per paycheck)			
	Employee	Employee & Spouse/ Employee & Child(ren)	Full Family
2016	\$0.00	\$0.00	\$0.00
2017	\$0.00	\$0.00	\$0.00
2018	\$15.55	\$31.10	\$46.64
2019	\$16.17	\$32.34	\$48.51
2020	\$16.82	\$33.63	\$50.45
2021	\$17.49	\$34.98	\$52.47
2022	\$18.19	\$36.38	\$54.57
Assumes participation in Health Risk Assessment (HRA) and not in Preferred Partnership			

- **Select Network, Group Health, etc.** – 12% contribution
  - Office and Emergency Room co-pays increase
  - New \$250 co-pay per hospitalization
  - Select Network: Network expanded in Washington state
- **Advantage+** – 0% contribution
  - Lowered deductibles, higher Health Savings Account (HSA) contributions
    - HSA 2018: 75% deductible, 50% thereafter
  - Deductibles, out-of-pocket maximums and associated company HSA contributions grow with federal regulations
- **Preferred Partnership Option**
  - Option for Traditional, Select Network and Advantage+ in the Puget Sound only
    - Free generics and free primary care office visits
      - After deductible if in Advantage+
    - Lower paycheck contributions or increased company contribution to the HSA
      - Non-HSA -\$30/-/\$60/-/\$90
      - HSA 2018: 100% deductible, 80% thereafter
    - Quicker access to network primary care providers and specialists
    - More after-hours care availability
    - Dedicated care teams for complex medical situations
- **Health Risk Assessment & biometric screenings**
  - \$20/\$40 monthly additional contributions for non-compliance
- **Affordable Care Act:**
  - Employees will not pay excise tax (Cadillac Tax)
    - If threshold met, benefits and premiums reduced equally - equality subject to agreement between Boeing and SPEEA

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- **Retiree Medical:**
  - Contributions: No change
  - Retiree medical coverage remains protected for those hired before 2007
  - Medical plan benefits: Same as active employees
- **Dental Plans**
  - Effective Jan. 1, 2020, increase Preferred Dental annual maximum from \$2,000 to \$2,500
- **Long-Term Disability (LTD)**
  - All SPEEA-represented employees will be covered on Jan. 1, 2018 (company paid)
  - 10% employee-paid optional 'buy up' available, with one-time open enrollment (without Evidence of Insurability (EOI)) for Jan. 1, 2018
  - If not currently enrolled in LTD, pre-existing conditions apply
    - 12 month pre-existing with three-month look back

### Workforce

- **Movement of existing work** to other locations
  - Boeing commits to extraordinary efforts to place individuals
  - If placement doesn't occur, individuals are eligible to receive:
    - Six months of company subsidized (just like active employees) COBRA medical and dental
    - Two weeks of pay for each year of company service (lump sum)
      - **Minimum 26 weeks**, maximum 60 weeks
- **Voluntary layoff** benefits doubled up to 26 weeks of pay

### Ed Wells Partnership

- 2% funding growth remains

### Adoption Assistance

- Special adoption assistance plan codified in new Letter of Understanding (LOU)
  - Reimbursement of up to \$5,000 per child, up to two per employee



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