

# The time to start saving is NOW

By Matt Kempf  
SPEEA Senior Director of  
Compensation and Retirement

*(This is the first in a brief series of articles related to preparing financially for contract negotiations).*

The SPEEA Puget Sound Professional and Technical Collective bargaining agreements expire in October 2026, approximately 30 months from now.

The demands of the SPEEA negotiation teams have not yet been determined, no one knows what Boeing's contract offers will include and it's difficult to predict Boeing's financial position 30 months from now.

The tenor of the negotiations along with any decision on calling for a strike authorization vote is yet to be determined. However, what is known is if a strike vote authorization is called, it is best to approve the strike authorization to show strength and unity. The decision to seek a strike authorization vote of the membership is made by negotiating teams and is not taken lightly. It is extremely premature to discuss a strike on the merits of any contract offer, but it is never too early to prepare.

If a strike is called by your bargaining unit (only after a member-approved strike-authorization vote), you will not be paid while on strike. If a strike is called and the strike goes through to the end of a month, it's possible Boeing will cancel your medical and dental insurance.

This series of articles is designed to help you prepare for both situations, so you are not forced to break a picket line or go into credit card debt because of your lack of financial preparedness.

Remember, strength is measured through the unity and resolve of the membership and not clever theatrics at the bargaining table. Your preparations now will help ensure the success of your team and send a very clear message to Boeing we collectively resolve to reap a fair share of the fruits of our minds, efforts and labor.

One of the easiest ways to financially prepare for a strike is to have an emergency savings account. The general "rule of thumb" is to have an emergency savings account that can cover three to six months of monthly expenses in the event of an emergency.

If you have already accomplished this, congratulations. If you have not yet started, saving three to six months' worth of expenses can be a daunting task. Acting now will ensure that you have the ability to financially survive a work stoppage, in the extremely unlikely event one occurs in October 2026.

Your 401(k) at Boeing includes several tax advantages because the federal government has created incentives intended to promote

retirement savings. The primary purpose of your 401(k) at Boeing is to save for retirement. In addition to the 3%, 4%, or 5% age-based non-matching Special Company Retirement Contribution, the SPEEA collective bargaining agreements require Boeing to match 75% of the first 8% you save in the Pre-tax, After-tax and/or Roth 401(k) each payday (catchup contributions are not matched).

One of the lesser-known features of your After-tax 401(k) is the in-service distribution option. Contributions to the Pre-tax and/or Roth 401(k) do not have the same in-service distribution option.

The in-service distribution option allows participants to take a distribution while still employed. Any distribution must include contributions and the prorated investment gains those contributions have generated.

Ever since the IRS published Notice 2014-54, this in-service distribution option has been frequently used to convert After-tax 401(k) contributions to a Roth IRA with the associated After-tax gains transferring to a traditional tax-deferred IRA.

This "Mega Backdoor Roth" process has been a very popular method for Boeing employees to get large sums of money into their Roth IRA even if their modified adjusted gross income is too high to make a direct Roth IRA contribution.

## Fund the After-Tax 401(k) for a strike fund

One other option that SPEEA represented Boeing employees have is to use the in-service distribution option of the After-tax 401(k) to take their after-tax contributions back *as cash*, while still maintaining the ability to have the prorated gains roll to a traditional tax-deferred IRA. Since the after-tax contributions have already been taxed and since the tax-deferred gains are transferring to a tax-deferred IRA, there is no increased tax liability associated with this option.

Between April 11, 2024 and the end of the current Professional and Technical contracts (Oct. 26, 2026), there are 67 paydays. If SPEEA-represented individuals changed their 401(k) contributions from whatever they are now to 8% into the after-tax 401(k) from April 11, 2024 through Oct. 22, 2026, the 67 paydays of 8% after-tax contributions would equate to 5.36

## 2024 401k Options

	Pre-Tax	Roth	After-tax
Contributions	Pre-tax	After-tax	
402(g) limit	\$23,000 plus \$7,500 Catchup		n/a
Matching	Yes		
Gains	Tax Deferred	Tax Free	Tax Deferred
415(c) Limit	\$69,000 plus \$7,500 Catchup		

**Catchup Contributions**  
**A Separate Election - Not Matched**

paydays of cash eligible to be withdrawn in the event of a work stoppage. The 5.36 paydays would be enough to support someone for more than 75 days, in the unlikely event a strike is called.

In the event negotiations result in successfully ratified contracts, and if the IRS rules do not change between now and then, you can use the "Mega Backdoor Roth" process to convert your after-tax 401(k) contributions to a Roth IRA and transfer the associated After-tax gains to a traditional tax-deferred IRA.

## The time to start saving Is NOW

SPEEA does not have a strike fund. In the event a strike is called, you will need to support yourself with your own emergency funds. Every single represented individual in the SPEEA Professional and Technical units can save 8% in the after-tax 401(k) to support themselves for a 75-day strike in the extremely unlikely event a work stoppage is called.

The time to start saving is now. If every single SPEEA-represented person changed their 401(k) contributions and saved 8% in their after-tax 401(k), Boeing would know that SPEEA is unified and prepared to do what it takes to get the contract we deserve in 2026.

## About the NW negotiation process

See an overview of the SPEEA Northwest negotiation process on page 5. For the upcoming contract negotiations, SPEEA will provide more information, including how members can get involved and show support.

Now is a good time to sign up for home email for news and alerts. Go to [www.speea.org](http://www.speea.org).