UAW Reach New Contract Agreement

A new three-year contract between The Boeing Company in Philadelphia and Local 1069 of the United Automobile, Aerospace and Agriculture Workers was ratified today.

"The contract calls for a teaming arrangement between the company and the union to secure jobs, and grow the business to ensure Boeing Philadelphia's future," said Chuck Vehlow, vice president and general manager of Boeing in Philadelphia. "It also provides for the establishment of a gainsharing process, which will enable the workforce to share in monetary gains from improvements in productivity and efficiency.

"We are on a five-year path that will allow Boeing Philadelphia to maintain its competitiveness and leadership in the rotorcraft industry. This contract is a foundation for that effort."

Highlights of the contract include:

Wages

The contract contains a 3 percent general wage increase in each contract year. The effective dates will be Sept. 2, 1999, Sept. 2, 2000, and Sept. 2, 2001. In addition, each UAW employee on the active payroll as of Sept. 2, 1999, or approved of leave of absence for 90 days or less, will receive a flat $2,000 accelerated wage payment, payable on or before Oct. 7, 1999

Rates of Pay

The 22 cents cost of living payable prior to Sept. 2, 1999, has been folded into the maximum rates while the entry levels remain unchanged. Thereafter, the 3 percent general wage increase was folded into the maximum rate, which became effective Sept. 2, 1999.

The following base rate ranges will be effective Sept. 2, 1999:

LABOR GRADE	MINIMUM	MAXIMUM
13	$19.72	$28.01
12	$18.82	$27.13
11	$17.91	$26.34
10	$17.00	$25.48
9	$16.09	$24.68
8	$15.18	$23.88
7	$14.27	$23.15
6	$13.36	$22.39
5	$12.45	$21.67
4	$11.54	$20.94
3	$10.63	$20.27
2	$9.72	$19.57
1	$9.72	$19.57

COLA

The cost of living adjustment formula remains unchanged with quarterly adjustments and annual fold-in to base rates. The first COLA increase will become effective Dec. 2, 1999, and each three-month period thereafter.

Rest Periods

The company established two break periods consisting of a ten-minute period in the morning and a ten-minute period in the afternoon.

Subcontracting (Job Security)

Subject to the provisions of the production subcontracting letter of agreement, the company agreed that no employee will be laid off as a direct result of subcontract decisions.

Teaming

The proposal calls for a teaming arrangement between the company and the union to secure jobs and grow business to ensure Boeing Philadelphia's future.

Gainsharing

It also provides for establishing a gainsharing process, which will enable the workforce to share in any monetary gains from improvements in productivity and efficiency.

Health Care Benefits

Numerous improvements in health care provisions including an increase in the lifetime benefit maximum from $1 million to $1.5 million and expansion of the Tradition Medical Plan service area to include all locations in the United States.

Life and Disability Benefits

The life insurance and accidental death and dismemberment benefits will be increased from $25,000 to $32,000.

The weekly disability benefits will be increased by $60 to $280, $300 and $330 based on an employee's labor grade.

Survivor Income Benefit Plan

The maximum monthly Transition and Bridge Benefit will be increased to $210.

Dental Plan

The annual benefit maximum will be increased from $1,500 to $1,750, and the lifetime orthodontia maximum benefit will be increased from $1,500 to $2,000.

Retirement Plan Benefit

- The monthly benefit rate increases from $40 to $50 for each year of service.
- The early retirement factors will be improved to provide 90 percent of earned benefits at age 55 and 100 percent of earned benefits at age 60.
- The early retirement monthly Level Income Special Allowance will be increased from $425 to $550.
- A $250 one-time payment will be made to current retirees no later than March 1, 2000.

Voluntary Investment Plan

Effective Feb. 1, 2000, The Boeing Company Voluntary Investment Plan will become available to employees and include a company match of 25 percent of the first 4 percent of the employee's contribution. Employees will be able to invest up to 15 percent of their base salary.

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