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Today, members of the Philadelphia-based UAW Local 1069 ratified a new three-year contract offer from Boeing [NYSE: BA]. The ratification vote came one week after UAW members returned to work following a 7-day strike at the Boeing facility in suburban Philadelphia.

The contract was ratified by a 9-1 margin.

"We are very pleased that the membership ratified this offer," said Pat Shanahan, vice president and general manager, Army Programs, at the Philadelphia site. "We worked very hard to balance the needs of our people, their families, our customers, the community and our shareholders to achieve this settlement. Today's ratification positions us to successfully meet the challenges we will encounter as we move forward with our plans to improve our competitiveness and pursue new business."

Highlights of the new contract are:

WAGES

- There will be a lump sum payment of \$2,000 in the first and second years of the contract, a 2 percent general wage increase in the third year and a \$2,500 ratification bonus.
- The Cost of Living Allowance (COLA) will continue under the existing formula.
- Pension benefits increase from \$50 a month to \$58 a month per year of service.
- Lead premium increases from 15 cents per hour to 75 cents per hour.
- All B classified employees will be promoted to A classification, which represents a \$1.68 per hour wage increase for approximately 300 employees.

SAVINGS PLAN

- Employees may now contribute 20 percent of their earnings to the savings plan, up from 15 percent, and the company match increases from 25 cents for the first four percent to 50 cents on the dollar of the first four percent.

LAYOFF RULE CHANGE

- Senior employees can volunteer for layoff up to the number of declared surplus in their job classification, and will receive a lump sum layoff benefit payment equal to one week for every year of continuous service up to a maximum of 13 weeks.

JOB DEVELOPMENT

- A committee made up of company representatives and UAW-represented Boeing employees will work job revisions and new job development for the life of the contract.

HEALTH AND WELFARE

- Traditional Medical Plan -- Employees will begin to pay 5 percent of the cost of medical services, with an annual cap of \$2,000 for an individual and \$4,000 for a family. Doctor office visits will be \$15 and there will be a slight increase in prescription co-pay. Yearly deductibles will increase from \$125 to \$175 for an individual, and from \$375 to \$525 for a family. Monthly premiums for medical insurance will increase over the next three years. In year one an individual will pay \$20, employee and spouse or employee and children will pay \$40, and family will pay \$60. In year two, the amounts are \$30, \$60 and \$80 respectively. In year three, the amounts are \$40, \$80 and \$100 respectively.
- Coordinated Care Plan -- Employees are not required to contribute to monthly medical insurance premiums and covered medical services will be paid at 100 percent. Office visits will rise to \$10. Cost of prescriptions will rise slightly.

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