# Boeing Extends Offer to Machinists' Union Lodge 837

Today, Boeing [NYSE:BA] amended an earlier proposal to the International Association of Machinists and Aerospace Workers (IAMAW) District Lodge 837 on compensation and health care and retirement benefits.

Leaders for both the company and the union have been meeting at the bargaining table since April 26 to discuss a new agreement that would replace the IAMAW's three-year contract that expires at midnight May 23. More than 2,800 employees in St. Louis, St. Charles, Mo., Patuxent River, Md., and China Lake, Calif., are members of the IAMAW 837.

"We are committed to reaching a fair and balanced agreement that will benefit our employees and their families, enhance our productivity, allow us to successfully sell our products and services and perpetuate our business," said John Van Gels, Boeing vice president of operations and St. Louis site executive, who is leading the company's bargaining team.

"Everyone associated with Boeing benefits from a more productive, competitive company - our employees, customers, community and investors. The company's ability to continue providing well-paying jobs with excellent benefits depends on how successful we are in the marketplace."

Highlights of the company's proposal follows:

## Wages

- Improves upon a compensation package that is already among the best in the industry and a leader in the St. Louis market
- Year One - A three percent general wage increase and a $1,500 signing bonus
- Year Two - A $1,200 lump sum wage payment
- Year Three - A two percent general wage increase
- A Cost-of-Living adjustment (COLA)
- Continued Production Performance Sharing Plan (PPSP)

## Health Care Benefits

- A new PPO+Account plan is being offered with no employee contribution toward premium cost
- Contribution levels at 12 percent for other plans, which is competitive with market rates
- A cap on contributions for active employees for the life of the contract
- In 2005 estimated St. Louis employee contributions will be as low as $46 a month for employee only coverage in the least expensive plan and up to $141 per month for family coverage in the most expensive plan. These figures contrast with the present range of $22 per month to $78 per month respectively.

## Funding of Reduction of Retirees' Medical Costs

- A portion of the future COLA generated under the agreement would be used to reduce retirees' medical costs

## Retirement Benefits

- The benefit increases 16 percent to $58 per year of service, up from $50 per year of service for retirements effective on or after July 1, 2004

## Point of Use

- Ensures that employees have parts, materials and tools readily available
- Internal/external suppliers deliver directly to installation site
- No layoffs of employees in support labor grades, which includes production control, will result because of Point of Use

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