Boeing Increases Employee Pay and Pension in Best and Final Offer

- General Wage Increases of 11 percent over three years

- Cost-of-Living Adjustments projected to add nearly 3 percent more to pay

- Lump-Sum Payment of 6% of annual pay - or $2,500 - whichever is greater

- First-vote ratification bonus of $2,500 if the contract is approved on or before Sept. 3

- Pensions increased to $80/month per year of service - tops in the aerospace industry

SEATTLE, Aug. 28 /PRNewswire-FirstCall/ -- Boeing (NYSE: BA) today presented its best and final contract offer to almost 27,000 employees represented by the International Association of Machinists and Aerospace Workers in Washington, Oregon and Kansas.

The contract proposal rewards employees for their role in the company's success with General Wage Increases of 11 percent over three years, cost-of-living adjustments, and increasing the pension to an industry-leading $80/month for each year of credited service. The offer also provides a lump-sum payment, a first-vote ratification bonus, an incentive pay plan, and outstanding health insurance at a fraction of the cost most Americans pay.

On average, the offer will provide employees with $34,000 in additional pay over the term of the three-year contract.

"This offer represents the best package of pay and benefits in the aerospace industry," said Doug Kight, Boeing vice president of Human Resources. "At the same time, it's a contract offer that allows our company to meet its commitments to customers and sustain our success into the future."

Kight stressed that Boeing listened to the union and to employees and responded to their top priorities, including providing employees with the best and final offer before the Labor Day weekend so they could have time to study the proposal before the ratification vote. Full details of the offer are available at http://www.boeing.com/2008negotiations. The union has scheduled a vote on the company's best and final offer on Wednesday, Sept. 3.

In addition to improving pay and benefits, Boeing made significant movements during negotiations on issues that remain important to the company but were of concern to the union. These include:

- -- Withdrawing a proposal to no longer offer early retiree medical coverage to individuals hired in the future.
- -- Withdrawing a proposal to create a new defined-contribution retirement program for individuals hired in the future.
- -- Withdrawing a proposal to negotiate a separate contract for Boeing employees in Wichita to better align the company's operations in Kansas with competitors in the military aircraft modification business.
- -- Withdrawing proposed changes on facilities maintenance subcontracting.

"We hope that our employees will recognize this as an outstanding offer by all measures," Kight said. "We encourage employees to take time to review the offer carefully, discuss it with their families, and vote in their best interest."

SOURCE: Boeing

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