

2024 CONTRACT FACTS ISSUES IN FOCUS



Retirement Security: 401(k) Details

Retirement security experts recommend that workers save roughly 15% of their pay, for every year of their career, in order to maintain the same standard of living in retirement. This, in addition to Social Security, should provide enough of an income replacement to live as comfortably as they did while working.

In the new agreement the Boeing Company 401(k) plan provides the following:

1. An automatic “SCRC” (Special Company Retirement Contribution) contribution to every IAM worker’s 401(k) account of 4% of pay.
 - The SCRC contribution includes overtime, differential pay, etc.
 - This is not contingent upon any employee contributions.
2. For workers who do contribute, a matching contribution of 100% up to 8% of pay.
 - The matching contribution is on an employee’s base rate only.
 - This is contingent upon employee contributions. The company will match dollar for dollar of your contributions, up to 8%.
 - If an employee contributes 4%, the company will match 4%.
 - If an employee does not contribute, the company does not provide a match.

3. This provides the opportunity to defer any or all of your \$12,000 ratification bonus, as well as your annual AMPP bonus each year, in addition to your contributions into your 401(k), to help grow your retirement nest egg even further, while also saving money on income taxes.

For the life of the contract:

- When IAM members contribute 8% of pay, the total company contribution is 12% of pay.
- This is a total contribution of 20% of pay. While a big chunk of this is contingent upon your own contributions, in total, it’s a bit more than what retirement experts believe is necessary for a secure retirement.

Context:

Retirement security experts typically recommend that workers without 401K match programs such as those reflected in this proposal save roughly 15% of their pay, for every year of their career, in order to maintain the same standard of living in retirement. This, in addition to Social Security, should provide enough of an income replacement to live as comfortably as they did while working. We have reached a proposal in which the employer is positioned to contribute nearly the entirety of that recommended 15% for employees who participate. The proposal establishes a clear pathway by which employees are able to achieve a majority-employer-funded 20% total contribution to exceed the recommended 15% threshold.

4% Employer Automatic Contribution
+ 8% Employer Match Contribution



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12% Total Employer Contribution

+ 8% Employee Contribution

= 20% Total Contribution