

2024 CONTRACT FACTS ISSUES IN FOCUS



Medical cost share reduction from 16% to 15%:

*Effectively reducing your current
employee contributions by 9.3%*

Aggregate Medical Cost Share Cap of 16%

In 2018, employee contributions were set to rise 10% every year of the contract—however, an “**aggregate cost share cap**” was fortunately introduced.

An “**aggregate cost**” is a measure of the **total medical plan costs for all District 751 & W24 medical plans at Boeing**. The cost share cap means that the employee share of the total cost could not be greater than 16% of the total aggregate cost of all plans by all employee tiers.

From 2018 through the end of the current agreement, the aggregate cost share cap was set at 16%. **As a result of this cap, employee costs have been lower** than they would have otherwise been, because there were several years in which the cap prohibited any increase above 16% cost share which kept the contractually required monthly premium 10% increase from being fully implemented. In fact, in the last two years, the cost share cap forced the monthly premiums to be reduced each January 1.

- From 2018 – 2024 (seven years) with a cap of 16% in aggregate cost share, employee contributions **rose by 16.6%** for all plans and tiers.

- Under the 16% cap, employee contributions in all plans **went down** – by 3.6% in 2023 and down again by 1.5% in 2024.

What we achieved in the latest proposal:

- **We achieved a reduction in the Aggregate Medical Cost Share Cap from 16% to 15%, effectively reducing your current employee contributions by 9.3% in 2025 for all medical plans.**
 - o For example, for family coverage in the Traditional Medical Plan, the 2024 employee monthly contribution of \$153.96, will be reduced to \$139.59 in 2025.
 - o See the new Contribution Rates below.
- While our initial focus in bargaining was to reduce the cost of using the medical plans, we quickly realized that any cost decrease to use the plan would force an increase in the monthly premiums. We then focused on reducing the cost share from 16% to a lower cost share. We achieved a decrease of 1% to a total aggregate cost share of 15%.
- **This should serve us well in containing uncontrolled increases in the monthly premium through the life of the agreement.**

See additional reference and background material on following pages:

FOR REFERENCE :

January 2025 Employee Contribution Reduced by 9.3%

Plan and Coverage Tiers	Current Monthly Contribution (16% Cost Share Cap)	January 1, 2025 Monthly Contribution (15% Cost Share Cap)
Traditional Medical Plan		
Employee Only	\$51.32	\$46.53
Employee + Spouse	\$102.64	\$93.06
Employee + Child(ren)	\$102.64	\$93.06
Employee + Spouse + Child(ren)	\$153.96	\$139.59
Selections WA		
Employee Only	\$89.82	\$81.44
Employee + Spouse	\$179.64	\$162.88
Employee + Child(ren)	\$179.64	\$162.88
Employee + Spouse + Child(ren)	\$269.46	\$244.32
Selections Plus OR		
Employee Only	\$89.82	\$81.44
Employee + Spouse	\$179.64	\$162.88
Employee + Child(ren)	\$179.64	\$162.88
Employee + Spouse + Child(ren)	\$269.46	\$244.32
Kaiser WA		
Employee Only	\$89.82	\$81.44
Employee + Spouse	\$179.64	\$162.88
Employee + Child(ren)	\$179.64	\$162.88
Employee + Spouse + Child(ren)	\$269.46	\$244.32
Kaiser OR		
Employee Only	\$51.32	\$46.53
Employee + Spouse	\$102.64	\$93.06
Employee + Child(ren)	\$102.64	\$93.06
Employee + Spouse + Child(ren)	\$153.96	\$139.59
Kaiser CA		
Employee Only	\$51.32	\$46.53
Employee + Spouse	\$102.64	\$93.06
Employee + Child(ren)	\$102.64	\$93.06
Employee + Spouse + Child(ren)	\$153.96	\$139.59

See the history below.

Employees Have Experienced Significant Rising Healthcare Costs in the Last Decade

From 2013 through 2016, employee monthly premium contributions rose 10% each year, and in 2017 there was a huge one-time increase in the rates again.

- During the four-year period from 2013 - 2016, employee contributions increased by 33.1% for all plans and coverage tiers:

Employee Monthly Premium Contributions 2013 - 2016

Traditional Medical Plan	2013	2014	2015	2016	2013-16 % Change
Employee Only	\$20.00	\$22.00	\$24.20	\$26.62	33.1%
Employee + Spouse	\$40.00	\$44.00	\$48.40	\$53.24	33.1%
Employee + Child(ren)	\$40.00	\$44.00	\$48.40	\$53.24	33.1%
Employee + Spouse + Child(ren)	\$60.00	\$66.00	\$72.60	\$79.86	33.1%

From 2016 - 2017, employee contributions significantly increased by 33.6% on average* across all plans, in just one year.

- *Some plans increased employee contributions by 50.3% and other plans increased by 16.9%

Employee Monthly Premium Contributions 2016 - 2017

Traditional Medical Plan	2016	2017	2016-17 % Change
Employee Only	\$26.62	\$40.00	50.3%
Employee + Spouse	\$53.24	\$80.00	50.3%
Employee + Child(ren)	\$53.24	\$80.00	50.3%
Employee + Spouse + Child(ren)	\$79.86	\$120.00	50.3%

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