



# Your key to opportunity

Beyond traditional pay and benefits,  
Boeing provides a variety of development  
and worklife resources

# Opportunity: the fabric of who we are as a company

**W**hat does it mean to work at Boeing? That's a question that can spark long and lively discussion. It all depends on your outlook, your experience as a Boeing employee, and your set of personal circumstances.

I hope you think that your working life at Boeing provides you with many opportunities:

- To make a real difference to our business and to your own satisfaction, through your interest and involvement with your work team or teams
- To learn new jobs and skills and/or to earn degrees so that you will be employable for as long as you want to work
- To earn base pay that is market-based and competitive; with the potential for additional compensation based on individual and company performance factors
- To have access to good health care and reliable information about how to improve your own and your family's physical and mental health
- To help safeguard your loved ones' financial security, especially should you become disabled or when you die
- To take and enjoy time off for leisure
- To be able to take a leave of absence when the need arises
- To accumulate money toward a satisfactory retirement
- To increase the power of your charitable giving
- To work on amazing programs with people from all over the world

The Boeing employee experience is, and will always be, a work in progress. It is up to all of us to change those things that need to be changed. I'm convinced that the more informed and involved people are, the better they can deal with all these issues.

Boeing's strategy as an employer is to provide a competitive employment package. That doesn't mean the company guarantees any employee the highest pay and every conceivable benefit or perquisite. It does mean Boeing will provide a variety of opportunities for its people to enhance their careers and lifestyles—and in many cases to follow their own interests. And, by the way, the better we run our businesses, the greater our choices are.

The degree to which you exercise these choices is largely up to you. Boeing can't force you to sit down and learn; or to save

money; or to take a rotational job assignment. But the company in many cases can provide incentives for you to do so—and you'll likely be better off if you seize opportunities like these.

A great example is our philosophy of lifelong learning: It wasn't very long ago that young people could go to school, learn something, and then employ that knowledge for the rest of their careers. That simply is no longer the case. The fact that our business and its technologies are changing rapidly means that our people have to build their capabilities in those new areas, too. Otherwise, we as a company and our individual people's skills will be outdated very quickly. So Boeing offers Learning Together and other programs that help pay for our people's continuing education and provide rewards for completing degrees.

Or look at long-term saving opportunities for retirement. Boeing offers secure pension plans. But if you also put away money through a company-sponsored savings plan (most of which offer some degree of company matching) or personal savings, you'll have so much more at the end of your career.

We can take the logic in many directions.

If you're going to give money to certain charities or educational institutions, it's great to have your company, through the Matching Gifts program, putting more money where you donate yours.

Do you have qualifications you're not using and want to try something new? We're now posting job opportunities throughout the whole company. But you have to sign up through the Web. We won't send you a note and say "Have you thought about this job?" unless you first ask what's available in your area of interest.

In that same vein, I recommend that you give your expectations a reality check. I have regular conversations about job rotation with participants at the Boeing Leadership Center. Some people will say, "Give me an opportunity, and I'll take it. Period." Others will say, "Give me an opportunity, but, by the way, I don't want to have to move, or I'd like my commute to be shorter, or I'd like all weekends off."

The reality is that these responsibilities are shared. People who are willing to invest in themselves—and invest their talent in the company—will create greater opportunities for themselves.

Opportunity is freedom, really—the freedom to pursue your own goals. Opportunity is woven into the fabric of this company.



*MY VIEW*  
PHIL CONDIT,  
CHAIRMAN AND CEO,  
THE BOEING COMPANY

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## QUESTIONS?

This special section of the May *Boeing Frontiers* is designed to provide insight into some of the pay, benefits, development and work-life programs available at Boeing. The contents do not provide an exhaustive listing, since some Boeing locations and employee groups have specialized programs.

Please let us know if this publication is helpful and if it should be an annual communication, or if you have any questions about the contents. Send your comments and questions to the "Contact Benefits and Comp" link on the Benefits and Compensation website at [www.boeing.com/benefits/](http://www.boeing.com/benefits/) or to the email feedback address at "GRP Comp&Benefits" in Outlook.

**PLEASE NOTE:** This booklet summarizes a variety of pay policy and benefit details. Every effort has been made to provide accurate information, but in the event of a conflict between this booklet and the official plan documents or policies, the terms of the plans and policies will control. Although the company intends to continue these benefit plans and pay policies, the company reserves the right to change, modify, amend, or terminate them at any time.

## By The Numbers

# \$5+ billion

Amount of money Payroll deposited directly into employees accounts in 2002

# \$67,631,593

The money Boeing spent on tuition reimbursement in 2002.

# 4,451,100+

The number of prescriptions filled for Boeing employees, retirees and their families in 2002.

# 2.6 million

Number of vacation days earned by Boeing employees in 2002

# \$394,585

Money paid for National Merit Scholarships for children of Boeing employees in 2002.

# 10,944

Employees who participated in jury duty in 2002

# 9,022

The number of new children added to Boeing employees' health care coverage in 2002.

# Nearly 300

Boeing Recreation clubs and leagues available across the US.

# 70

Countries where Boeing has one or more people.

# 5

The number of years Boeing's military leave pay and benefits can be extended for reservist employees who are called to serve under Sept. 11 or Iraq war-related orders.

# 0

The number of times a payroll has been missed, even in the face of earthquakes and bad weather.

Welcome to this special insert to *Boeing Frontiers*. It is dedicated to the Boeing employee experience—that is, what it means to work here. It is an excellent source of information about our many Boeing benefits. We've also included personal stories, employee profiles and details about resources you can access to learn more. I hope this special information is helpful you. We welcome your feedback.

—Laurette Koellner

**Q: What does working at Boeing mean to you?**

**A:** For me, working at Boeing means experiencing new challenges and opportunities each and every day. It also means diversity—diversity of people, thoughts, ideas and products—in a dynamic global organization.

**Q: What is your key focus for 2003?**

**A:** Without a doubt, advances in employee involvement is at the top of the list. Boeing people tell us via surveys and other means that being able to offer their ideas and participate in process improvements related to their jobs is critical to being engaged and productive. From a People Organization perspective, we are working hard to make sure all Boeing people have the tools and resources available to ensure an engaged and involved team. All of us have a role to play in creating an environment that encourages engagement and the free flow of ideas.

**Q: When you envision the People Organization of the future, what does it look like?**

**A:** I believe the organization will look quite different than it does today and the people in the organization will work quite differently than they do today. The investments in technology in the People systems and processes are about to pay off. Our HR professionals will no longer need to perform the administrative tasks associated with gathering and administering people-related information. Our business leaders have made it clear that they want HR professionals to be key members of their teams performing in roles such as: change agents, coaches, teachers, subject matter experts, strategists, analysts, business partners and employee advocates. Thanks to the technology investments, Boeing HR professionals will be able to devote themselves to those roles and remove themselves from administra-

tive tasks. As employees, we will all have direct, secure access to manage our career, personal and benefits data via Boeing TotalAccess, available through my.boeing.com.

**Q: What do you think is the most misunderstood or undervalued aspect of working at Boeing?**

**A:** Two things. The first undervalued aspect is what I call the “options and opportunities” available to us as Boeing employees. Sometimes after we've been here for a length of time we become oblivious to the fantastic array of options and opportunities offered by the company. Locations all over the world, a wide range of functional roles, the ability to change career specialties through liberal tuition reimbursement policies and multiple learning opportunities, and the ability to change program assignments through job posting and rotational programs. Basically, we have the ability to enjoy multiple careers without ever leaving Boeing. This is a great competitive advantage for us when we are recruiting new people, and it's also a great advantage for “re-recruiting” current Boeing employees. The second undervalued aspect is the power of employee involvement. I believe we have a significant untapped potential, just waiting to be unleashed. The business case is clear—there is an absolute correlation between highly engaged workforces and great financial performance. Involved and engaged people are crucial to our success.

**Q: If you weren't doing this job, what is another job you would be interested in?**

**A:** I enjoy every second that I spend in this job, so it's hard to imagine something better. And I've been very fortunate to be able to say that in the past about many of the jobs I've held. If I wasn't doing this one, I would enjoy leading a business unit with profit and loss responsibility.



**Q & A**  
**LAURETTE KOELLNER,**  
**CHIEF PEOPLE AND**  
**ADMINISTRATION OFFICER**



# Ingredients of success

## How total pay and benefits can support you

Having a baby is a joyful and life-altering experience—just one of many “life events,” which show how Boeing’s pay and benefits programs work together to support our people and their families. Medical insurance benefits cover health care for mom and baby. Fitness programs help keep the employee healthy. Various time-off policies can be used: family leave, vacation time and/or sick time. Employees can take advantage of the pre-tax dependent care reimbursement account for child-care costs. And the baby can have long-term financial protection as the employee’s beneficiary for the Boeing savings and group benefits such as life insurance.

Boeing’s pay and benefits programs are designed to be a competitive, integrated package with some choices built in. In addition to “traditional” benefits—health, savings and pension plans—Boeing provides resources that help employees gain skills for lifelong employability and achieve balance between their work and personal lives.

“Just as Boeing provides customers with products that connect the world, the company is working to help connect and support its people,” said Chairman and CEO Phil Condit. “It’s up to Boeing people to optimize their benefits, ‘well-being’ programs and career resources.”

Whether it’s taking advantage of learning resources, using the Employee Assistance Program for private counseling or contributing to a Boeing Savings program, employees have the opportunity to take full advantage of the company’s pay, benefits, development and worklife programs. Together, they are part of the total

package that creates the working at Boeing experience (see the Total Package pie chart).

“If you add up the total value of annual pay and benefits—plus consider the intangibles of challenging work, opportunities to grow and/or move to new locations, and camaraderie among diverse coworkers—being part of Boeing is worth significantly more than what we typically think of as ‘base pay,’” said Laurette Koellner, chief People and Administration officer and member of the Office of the Chairman. “The People organization constantly monitors how these pieces fit together for our people throughout the world and how to make improvements.”

An example of adjusting with the times is Boeing’s military leave package. In response to call ups related to Sept. 11th, and then the war in Iraq, the company has extended for up to 60 months its military pay differential and medical, dental and basic life insurance benefits to National Guard and Reserve employees called to active duty (the standard policy is 90 days).

“We believe it is our duty to fully support these teammates so they can focus on their mission and know that their families are provided for in the interim,”

Koellner noted.

Layoffs are another example of where Boeing goes the extra mile to help our people by providing advance notices, transition centers and layoff benefits.

“As the aerospace industry goes through these tough economic times and as technol-



### Protected dreams: How Boeing benefits affected the course of director’s life

Dr. Eric Hisken, the director of Health, Benefits and Work/Life for Boeing, has lifelong, first-hand experience of the value of Boeing benefits.

“My father was a 30-year Boeing employee,” Hisken said. “Throughout my childhood, my family was glad to have Boeing benefits, but it was during college that I came to understand their true value.”

While Hisken was working on his undergraduate degree at the University of Washington, his father became very ill. “His condition required multiple surgeries, and he had to be out of work for an extended period of time,” Hisken said. “Had it not been for his Boeing benefits, which paid for his medical care and provided long-term disability compensation, I would have had to quit college and go to work to help support my family.”

Because of the benefits, Hisken was able to complete his undergraduate degree and go on to medical school.

“Needless to say, it impressed me that my family was able to carry on, affording me the opportunity to finish my education,” Hisken said. Fortunately, the elder Hisken recovered from his illness, returned to

Boeing, and finished his 30-year career as a manager at the company.

“And, when my dad retired 15 years ago, I saw what a difference Boeing benefits continued to make in his life,” said Hisken. “Thanks to his [Voluntary Investment Program] savings and his pension plan, he was able to enjoy his retirement, including some traveling he had always wanted to do, and buying a small cabin on Whidbey Island.”

As a 17-year employee now himself, Hisken also has experience as a customer of Boeing benefits.

“I enjoy real peace of mind when I think about my teenage son and daughter,” said Hisken. “They have a level of security in their lives and future prospects that wouldn’t be there if it weren’t for Boeing benefits.”

Hisken’s experience with Boeing benefits helps him in his current role as director of Health, Benefits and Work/Life.

“I understand how important the company’s benefits are to the families we serve,” Hisken said. “They’ve decisively shaped the quality of my family’s and my life, and I know they’re equally important to every other member of the Boeing community.”



## Did you know?

- For 2002, the expenses for benefits coverage at Boeing (as a percent of operating expenses) were 10.2 percent, compared to industry mean of 7.9 percent.
- Since being founded in 1951, the Employee Community Fund has coordinated more than \$400 million of donations from employees and retirees.
- In 2002, Boeing paid out \$2.2 billion in pension benefits to retirees or their beneficiaries.
- Five Career Transition Centers across the United States help laid-off employees through career counseling, workshops, job-search assistance, resume writing, access to computing and business equipment, and referrals to community and social services.
- In 2002, Boeing employees donated more than 18,000 units of blood, which helped more than 54,200 people.
- The Boeing Education Network is an interactive televised system that provides learning opportunities to more than 80 sites.

I have more to contribute than just the day-to-day work.”

Another “benefit” of working at Boeing can be employee involvement.

“It can be anything from being given the authority to address the frustrations in our daily work, to being invited to contribute to initiatives that change the way we do business,” said

Cheryl Park, Director, Organizational Development and member of the People Process Council.

“When we are each able to contribute the most of our skills, ability, interest and enthusiasm everyday, we all win—our people, our company, our customers and suppliers, our partners and shareholders—even our world.”

For example, Boeing’s Delta rocket factory in Decatur, Ala., strives to operate within the philosophy of employee involvement, encompassing the principles of Lean manufacturing, quality system thinking and team maturity.

“The team-based organization is a key foundation of the Decatur culture,” said Susan Moore, director, People and Administration, in Decatur. “All teammates, including salaried employees and the hourly employees represented by the International Association of Machinists and Aerospace Workers, benefit from the intangibles of this high involvement workplace. But the greatest rewards will benefit our customers.”

## The world in a wing

Working in C-17 Wing Assembly has afforded Shelly De Jesus the opportunity to work with people of many cultures, nationalities and perspectives. “I’ve developed many wonderful working relationships with teammates who have diverse backgrounds: African American, Latino (Mexican American, Spanish decent and Puerto Rican), Asian (Laos, Vietnam, Filipino) American Indian and Middle Eastern,” De Jesus said. “Throw me in the mix—as one of 12 female managers out of about 110—and we really were a unique team for the production arena.”

Over time they bonded as a team. Looking out for one another, bantering and sharing life’s ups and downs. She realized that as you work side by side on common goals, differences melt away.

“The Leading Edge Team was noted for its exceptional performance, quality and unity,” De Jesus added. “I concluded that it was the diverse perspectives of each member that made this a strong team. Southern California is one of the most diverse areas in the U.S. As our world expands, I hope that other Boeing sites will have the opportunity to experience this benefit of the amazing cultural diversity that makes up our workforce.”



**C17 Production Leading Edge Team, Wing Assembly IPT**

ogy changes ever faster, Boeing takes a strong position on continuous skill development for lifelong employability,” said Koellner. “Layoffs are painful for everyone. But we encourage people to take advantage of our numerous learning programs to keep up-to-date on marketable skills they can use ... preferably with Boeing, but also with other employers if necessary.”

### One of the ‘Intangibles’ — Employee Involvement

“At other companies, new guys don’t often get the chance to contribute as full participants,” said Bari Greenberg, a configuration management engineer with Boeing Training Systems and Services. “I’ve been with Boeing only two years, but I’ve had some positive experiences with process improvements, especially with the software engineering team working on the Apache Rotorcraft Training System. I’ve seen our managers provide opportunities for new people to share their ideas from a fresh perspective. It’s rewarding to know



# Variety of jobs, complex market influence pay ranges

**H**ow would you pay a group of people that includes: scientists, fire fighters, photographers, engineers, fitness trainers, machinists, teachers, drivers, painters, international relations specialists, computer experts, nurses, pilots, editors, welders, actuaries, and more? This is just a sampling of the wide range of jobs at Boeing around the world.

“Almost any type of job someone could think about doing, we have at Boeing,” said Amy White, director of Global Compensation and Leadership Resource Planning. “With such a complex workforce, it is not feasible to have one single approach to pay. It is also the key reason why it is difficult to compare the company’s pay—in aggregate—against a particular competitor. However, we do a significant amount of analysis at an industry level and the job level.”

The company reviews a variety of national compensation surveys, regional analyses, industry data and job category information on an annual basis to monitor competitiveness. We also benchmark ourselves against other major companies, including leaders in aerospace, manufacturing, and high-tech industries. As the economy is in constant motion, so too are the company’s activities to track current and emerging pay trends.

Each type of job has a variety of components, which influence its related pay range. The detailed behind-the-scenes work that goes into making sure compensation packages are competitive and matched to ever-changing job

skills, performance levels, business needs and market conditions is significant. A team of compensation specialists—from across all business units—takes into account the needs of business units’ operations both within and outside the United States.

“In measuring the competitiveness of base pay, many employees don’t realize that 66 percent of all salaried job classifications, covering 80 percent of our U.S. workforce, are reviewed on an annual basis at the company level,” said Angela Dellutri, manager of Competitive Pay and Delivery. “Given the size

of Boeing’s workforce, that’s a huge task to do every year. We also do mid-year targeted studies of specific job groupings as market conditions change.”

Adding to the variables in the mix—pay also has hundreds of legal and policy

**When your base pay increases, all the benefits that are tied to salary also increase, including pension, savings and life insurance.**

## The parts of pay

Pay can include several components:

- Base pay
- Additives (shift differential, weekend differential, overtime)
- Paid time off (sick leave, holidays, vacation, jury duty, etc.)
- Incentive pay (Employee Incentive Plan, cash awards, stock grants, gainsharing plans and other performance-based bonuses, and lump sum wage payments)
- Employer-payments to Social Security, workers comp and other government programs

components including: overtime, shift differentials, sick leave, vacation and holidays, work scheduling, and so on. Boeing has a cross-company pay practices team that focuses on these issues.

Pay is just one component of the total compensation and benefit package featured in this special section of Frontiers. Boeing’s compensation philosophy is to be fair and competitive in relation to the work being performed.

“Our complex workforce is one reason why we are able to design, build and service complex products around the world,” White added. “Our pay structures are designed to support our people, acknowledge their dedication and creativity, meet the changing needs of our business units, and keep pace with local markets and industry trends.”



## Putting benefits together to help students

“A slam dunk.”

That’s how Pam Valdez, F/A–22 training system manager, describes the value of putting Boeing benefits programs together to sponsor scholarships. “When the Employee Incentive Plan was established, I decided to take \$500 of my first EIP award and request a Boeing Gift Match to create a \$1,000 scholarship,” said Valdez. “Since then, I’ve created a second scholarship the same way.”

The annual scholarships are awarded to students at her former high school in West Babylon (Long Island), N.Y. One scholarship emphasizing math and science is named for her sixth grade teacher. The other is named for her mother and does not focus on a particular field of study. Valdez worked with the school so these scholarships might go to kids

**Pam Valdez created scholarships at her high school by combining the EIP and Gift Match programs.**

who “fall through the cracks” of other scholarship programs.

“The Gift Matching program is so generous,

I plan to continue supporting these scholarships even if I don’t get an EIP award in the future,” Valdez added. “The best part is going to the ceremony and meeting the kids. To meet the scholarship winners and to receive thank-you or heartwarming letters over the years is so rewarding. Even a small donation can make a big difference. I encourage other Boeing employees and retirees to take advantage of the Gift Match program.”

# BOEING'S REWARD & RECOGNITION PROGRAMS

Boeing offers a variety of reward and recognition programs. These programs honor individual and team accomplishments and contributions to the overall success of the company. The following table is a quick overview of these programs.

	Pride@Boeing	Cash Award	ShareValue Trust	Employee Incentive Plan	Special Incentive Award	Boeing Stock Options
<b>Purpose</b>	Recognize the individual and collective contributions of Boeing employees, contractors, suppliers and government employees.	"One time" cash payment to recognize individual or team accomplishments that are the result of extraordinary performance or beyond job expectations.	Created to give employees a direct financial stake in the success of Boeing.	To provide eligible employees with a direct stake in meeting the company's financial goals under its annual business plan.	"One time" stock award to recognize individual or team accomplishments that are the result of extraordinary performance or beyond job expectations.	Retain high potential and critical skilled employees.
<b>Intent</b>	To allow peers and managers to say thank you for a job well done.	Management recognition of significant individual and team accomplishments. Use of cash allows for more timely recognition.	A results-sharing approach to encourage everyone to work together to increase long-term shareholder value and align interests with those of our shareholders.	To engage eligible employees in seeking customer-focused solutions to grow Boeing's business and maximize economic profit.	Management recognition of the "most" significant and lasting individual and team accomplishments.	Recognize individuals with key responsibilities; motivate future contributions; encourage stock ownership.
<b>Form of Award</b>	Four levels of non-cash recognition	Cash only	Whole shares of Boeing Stock. Cash for partial shares. Cash for non-U.S. payroll employees.	Cash only	Boeing stock only	Boeing stock options (i.e., the "opportunity" to purchase shares of Boeing stock at a set price)
<b>Award Range</b>	<ul style="list-style-type: none"> <li>Instant Appreciation Award valued @ \$10 or less. Max value of \$1,000 for team awards.</li> <li>Achievement Award valued @ \$100 or less. Max value of \$4,000 for team awards.</li> </ul>	\$250 cash minimum, not to exceed \$5,000 to an individual in any calendar year	Depends on the increase in shareholder value above the threshold (3% per year) during a performance period and the number of months employees participate during the period.	1-20 days' pay	25 shares of Boeing stock (pre-tax), not to exceed a total value of \$10,000 in any calendar year.	100 – 1,000 Boeing stock options
<b>Availability</b>	January through December	January through November	14-year trust (1996-2010), seven overlapping four-year investment periods. Possibility of a distribution is determined every two years when a period ends (e.g., 1998, 2000, 2002, 2004, etc.)	Annual plan with payout in February	February through October	Once a year
<b>More Information</b>	<a href="http://recognition.web.boeing.com/">http://recognition.web.boeing.com/</a>	<a href="http://cashaward.web.boeing.com">http://cashaward.web.boeing.com</a>	<a href="http://sharevalue.web.boeing.com">http://sharevalue.web.boeing.com</a>	<a href="http://eip.web.boeing.com/">http://eip.web.boeing.com/</a>	<a href="http://sia.web.boeing.com">http://sia.web.boeing.com</a>	Contact your HR representative

NOTE: Some business units, subsidiaries, locations and collective bargaining agreements have different reward and recognition programs.

**QUESTIONS?** Send comment or questions to [www.boeing.com/benefits/](http://www.boeing.com/benefits/) (Contact Benefits and Comp) or to "GRP Comp&Benefits" in Outlook.



## Pay & benefits outside the United States

### Common philosophy with local competitiveness

Each country has its own culture, social and tax laws, competitive labor market, and employment practices,” said Linda Seber, senior manager People Europe, in Brussels, Belgium. “That’s what makes my job so interesting. I love working with such diverse issues and people, as well as being part of the Boeing team. Our name is a strong brand here.”

Linda Seber joined Boeing in the fall of 2001. Prior to that, she worked at the European headquarters of large multinationals that included Toyota Motor Europe, Hercules Europe, Federal Express Europe and Towers Perrin HR Consultancy. Linda has a bachelor’s degree in management from Chapman University (California) and a post-graduate degree in fiscal sciences from ICHEC (Brussels). A dual-national (Turkish/Belgian), she speaks English, French, Dutch and Turkish fluently.

Seber’s role has been changing to

help Boeing implement a companywide compensation and benefits structure for all locally hired employees outside the United States in 2003.

“Our philosophy is to be locally competitive around the world and at the same time to put pay and benefits packages together based on a Boeing format,” said Amy White, director of Global Compensation and Leadership Resource Planning. “Our global ‘total rewards’ program will support the company’s People strategies outside the U.S.”

“We provide competitive compensation and benefits across countries, but packages cannot be identical because of each country’s taxes, labor laws and cost of living,” White added. “For example, the company’s retirement program may focus on savings in those countries where the government provides the pension plan. The same is true with modified company health benefits in countries with socialized medicine.”

What are some of the People programs that are available worldwide? Most Boeing employees at non-U.S. locations are eligible for participa-

tion in the Employee Incentive Plan, the Learning Together Program, the Leadership Center, the Employee Assistance Program, the Learning Centers (including borrowing books and CDs from the library), recognition programs and some employee discount buying programs.

“Our overall competitive positioning is improving as Boeing strengthens its global presence,” White noted. “The challenge is for our People policies and services to keep pace with this growth.”

### Working at Boeing in Belgium

Across Europe, Seber sees both similarities and differences between countries.

“We have monthly base pay in each country, but the number of times it is distributed can vary,” Seber said. “Some countries have 12 monthly payments per year and others have 14 payments per year in which two payments are made in two of the months as per labor laws and/or market practice. They take the shape of vacation pay and end-of-year pay.”

The worldwide salary review cycle





- Asia**
- China
  - Hong Kong
  - India
  - Indonesia
  - Japan
  - Malaysia
  - Mongolia
  - Philippines
  - Singapore
  - South Korea
  - Taiwan
  - Thailand
  - Vietnam

- Middle East-Africa-Commonwealth of Independent States**
- Afghanistan
  - Algeria
  - Egypt
  - Ghana
  - Israel
  - Kazakhstan
  - Kenya
  - Kuwait
  - Ethiopia
  - Morocco
  - Oman
  - Qatar
  - Saudi Arabia
  - South Africa
  - Tunisia
  - Turkmenistan
  - United Arab Emirates
  - Uzbekistan
  - Yemen

- Australia-Pacific**
- Australia
  - Fiji
  - Marshall Islands
  - New Zealand

was aligned for most locations in March with the system being used in the United States. The performance evaluation process is also in place as an important tie to the compensation program.

She noted it's logical people would think having a new common currency (the Euro) would make salaries directly comparable across Europe; however, income taxes and local social security deductions still vary country to country.

"In fact, taxes have a big impact on how pay and benefits packages are put together," Seber added. "High taxes have led companies to provide other types of pay. For example, it's common in southern Europe for companies to provide daily lunch vouchers during the workweek to be used in restaurants or supermarkets... because they are either not taxed or not taxed as heavily as base salary."

On the benefits side, the basic components are the same across Europe: health care, life insurance, disability and pension. "Here again, each country has its



**Linda Seber provides human resources support for Boeing locations in Europe.**

own system," Seber said. "In countries like Sweden, the government provides a larger amount of local social security and then mandates that employers provide supplemental retirement savings benefits. In other countries (like the United Kingdom and Belgium), there is a small local social security benefit which causes employers to provide company-based plans."

Seber points out that most Boeing offices in Europe recognize "winter break" and close between

Dec. 25 and Jan. 2. Public holidays differ from those in the United States. For example, U.K. offices are closed Dec. 26 for Boxing Day. Personal vacation time in Europe is generally the same for all workers within a particular country and does not increase with seniority or position as it does in the United States. Some countries have flexible start and ending times

for the workday. "We consider ourselves to be Boeing people ... regardless of country," she noted. "We receive Frontiers. We are connected with e-mail, inside.boeing.com and the Boeing intranet sites. I think employees outside the U.S. would like to be even more involved with U.S.-based activities and strategies. When we say 'global' or 'international,' we mean all 70 countries ... including the U.S. ... where our Boeing family works and lives."

# Creating your own career path

In only six years, Sheila Murphy has energized her career by acquiring an impressive “tool kit” of skills and various job positions at Boeing with the help of her own strategic career plan. She is currently working as an enterprise auditor. Sheila’s home base is in St. Louis, but her work assignments take her to a variety of Boeing businesses sites.

“I took ownership of my career and it’s really paid off,” said Murphy. “I made myself accountable to my own career goals by establishing strategic career plans consistent with long-term growth.”

Murphy is in the first “class” of the Enterprise Auditor Program, a company-wide rotational program that deploys Boeing employees for eight, three-month assignments for exposure to a variety of business operations and functions.

In addition to her previous work experience in financial operations at Military Aircraft and Missile Systems and Phantom Works, she has performed detailed audits and business reviews at Commercial Airplanes, Boeing Capital Corp., Rocketdyne and at Boeing World Headquarters. In short, Murphy is developing her own career development plan.

“Employees who take ownership of their career development have a tremendous advantage,” said Laurette Koellner, Boeing’s chief People and Administration officer. “Boeing offers fantastic opportunities throughout the enterprise. When you work closely with your manager to develop a thorough and thoughtful Professional Development Partnership or when you take advantage of the Learning Together program, you are adding to your experience, your marketability and your value to the company.”

Keys to career development are

the periodic reviews and goal setting processes—referred to as Performance Evaluations (PE) and PDP:

- PEs clearly define the business goals that employees should accomplish throughout the year—as aligned to the company’s values. PEs also are used in the Salary Planning Process to determine how each nonunion employee is rewarded for his or her performance.

- PDPs provide an opportunity for an employee and manager to work together to develop and document the personal career goals of each employee.

## Rotation means rapid learning and development

One avenue for career development is through rotational programs and assignments. Often these assignments are available at different Boeing locations, even internationally. The Technology Planning and Acquisition Boeing Ventures team at Phantom Works has three active rotation programs underway: International Industrial Technology; the Technology Evaluation/Application team; and the Technology Planning function leadership in TP&A-BV rotates on a two-year cycle.

“The benefits of these rotations are numerous,” said Peter Hoffman, Phantom Works senior manager of International Industrial Technology. “The people who come in and out of these rotations bring fresh ideas and build ties between business functions and the technical community.”

“Without my PDP and clearly defining my goals for the future, I don’t think I would have taken on this new rotational program. It’s giving me a real advantage because of the opportunities to learn cross-functional areas and build additional skills,” Murphy said.



Pat Owen

## A call, referral and relief

Where do you turn when your ill, elderly parent is halfway across the country?

For Pat Owen, who works in telecommunication services in the Shared Services Group in Bellevue, Wash., the answer turned out to be easy.

She turned to the internal Boeing web where she found a link to “Live and Work Well.” She phoned the toll-free number (1-800-358-8515).

“I was desperate. I didn’t know where to begin,” Owen said.

Owen and her siblings had been worried for months about their mother Margaret Owen. The 82-year-old widow in Kansas City, Mo. had lost 60 pounds in a few months. “She was just fading away,” Pat Owen said. “We didn’t know why.”

Then, in the fall of 2002, Margaret Owen was hospitalized twice.

Owen found a counselor through the toll-free number who specializes in issues concerning the elderly who provided referrals for doctors in Kansas City.

“She was so nurturing,” Owen recalls. “I was pretty wobbly, and she was really compassionate.”

Since then, Margaret Owen has done better.

“It’s great to know that kind of service is out there. I’m grateful Boeing provides that kind of help.”

## Changing the way we do our work

Andy Miller lives in Arizona, and for more than two years, this director of Computing Infrastructure Services – SoCal Integrated Defense Systems has led a virtual team of about 400 people.

Thousands of employees companywide are moving into a virtual environment. Evolving network-centric technologies allow teams of people to collaborate on common projects around-the-clock and around-the-globe. Miller’s team members work in Southern California, Alabama, Texas, Florida and Arizona, with additional members in Wichita, Colorado and the Washington, D.C., area.

Miller said that in the “virtual environment,” developing trust and good collaborative relationships are more important than ever.

Working “virtually” means the emphasis is on managing information rather than managing people.

Managers need to become proficient with new enabling technologies that allow them to stay in touch with members of their group, Miller stressed.



Andy Miller

## Unsung benefits

In addition to health benefits (medical, dental, vision), Boeing provides a variety of group benefits. Often, these are benefits that people don’t think about:

- Pre-tax, annual reimbursement accounts for health care and dependent care
- Life insurance (basic and supplemental)
- Short- and long-term disability plans
- Business travel accident insurance
- Accidental death and injury coverage
- Layoff benefits

These benefits plans have some little-known features to help employees, especially in times of need. For example, many of Boeing’s life insurance plans have an accelerated benefit feature. If the employee or spouse becomes terminally ill while covered under the life insurance plans, they may be able to receive up to 50% of their life insurance benefit.



# Unlock your potential with learning resources

**B**oeing people around the world have a wide range of training opportunities. These include the company's Learning Together tuition-reimbursement program, instructor-led and online classes, interactive videos, CD-ROMs, television broadcasts, videotapes, and on-the-job training.

These training opportunities support the company's "lifelong employability" strategy. Although Boeing provides the tools, means and opportunities, it is the individual's responsibility to take action. While Boeing seeks to retain its workers, the lifelong employability strategy helps provide employees with transferable skills, increasing their "marketability" for other jobs inside and outside the company.

## A leading edge program

Boeing's Learning Together tuition reimbursement program is one of the most generous in any industry. Learning Together pays 100 percent of the cost of coursework on any subject from credited schools or universities, whether it relates to the employee's job or not.

Since the Learning Together program began in 1998, more than 88,000 Boeing employees have participated, resulting in more than 4,200 undergraduate and 3,700 advanced degrees. On average, 27,500 employees take courses each year through the program.

## Boeing "schools"

Boeing's seven Learning Centers include classrooms and access to the full range of learning materials. They provide more than 3,200 self-paced courses. The Leadership Center in St. Louis offers programs to develop leadership skills for people at all levels. Since the St. Louis Center opened in 1999, some 43,000 people have attended its programs, courses and seminars.

## Thousands of learning opportunities

Training professionals at Boeing who lead more than 2,000 classes ranging from industrial skills and certification programs to computing and business awareness. Employees accessing The Learning, Education, And Development website at <http://lead.web.boeing.com/> can find out about specialized curricula, Boeing Education Network classes, leadership development opportunities, and certification classes.

## Joint company-union learning programs

Boeing also has some progressive company-union learning programs. As part of joint programs with the International Association of Machinists and Aerospace Workers, the Quality Through Training Program offers programs for training, re-training, and personal growth, to support the shared continuous improvement process. The program has helped employees cope with technology and workplace changes, redeployment, and achieving individual goals since it began in 1989.

Another example of company-union learning programs is the Ed Wells Initiative. Named for a respected engineer, this joint Boeing-Society of Professional Engineering Employees in Aerospace program provides training, career development, mentoring, workshops and technology interest groups. This program was launched in 1995.

Combining the employee involvement and training initiatives, the company and the United Automobile, Aerospace and Agriculture Workers established the Employee Involvement Training Organization for UAW-represented employees in Southern California and Oklahoma. This program provides training on the principles of Employee Involvement and new technologies.

## Just like starting over



Woody Johnson

In 1996, Woody Johnson got some rough news when he started back to school.

Twenty-five years ago, he was just starting his senior year at University of Arkansas, when he left to go to work full time. But when it came to transfer his credits to Wichita State University, he discovered that the accreditation rules had changed and he was practically starting over as a freshman.

"But that was all right," Johnson said. "Fortunately, I'm in a great organization that accommodated my school schedule, and supported me as I worked on my degree.

After 24 years of electrical engineering and wiring design work at Boeing, Johnson will graduate with a degree in Business Quality Management and Manufacturing Technology in the spring. He is looking forward to the opportunities this will open for him.

"That, and a weekend without homework will be nice, too," Johnson said.

## Aiming high is a prerequisite



Jason Anderson

Jason Anderson is coming up on his fifth year with Boeing, and if everything works out, he'll complete his bachelor's degree about the same time. The stock award that accompanies this completion will be a nice anniversary present to top it all off.

As a software analyst for the International Space Station, Anderson builds and evaluates tools for both NASA ground crew and astronauts. He is currently working to complete a degree in computer science at the University of Houston, Clear Lake extension.

And after that? "I'll start on my master's," he said.

Despite the stress inherent in having a full-time job and a full-time school load, Anderson is philosophical:

"While school delivers some interesting theoretical material, you learn the practical, hands-on stuff on the job," Anderson said. "On the other hand, it gives you a chance to look at problems in a new light."

## Graduation? Getting warmer



Christy Paino

In May, Christy Paino will graduate from the University of Pennsylvania with a Bachelor of Science in both Economics and Systems Engineering. She hired into the company last summer, and while her final year of school has been a challenge—thanks to the Learning Together program, the tuition has been free.

"The hardest part about working and going to school full time is that I have absolutely no free time," Paino said. "I come home from Boeing and go right to class or dive into homework."

Upon completing her degree, she hopes to become a key contributor to the V-22 engineering group that she now supports as a student engineer. Paino also plans to take a vacation to Europe as soon as she graduates.

"And there had better not be any snow when I get there," she said, looking out her window onto 19 inches of freshly fallen powder—part of the blizzard that hit the Northeast in February.



# www.BoeingWellness.com

Online “house calls” from the experts at Mayo Clinic

With 20,000+ health-dedicated websites on the Internet, deciding where to go for factual, research-based information can be enough to send a person surfing for headache remedies. Now Boeing employees and their families will have a single, reliable source for health answers they can trust: [www.BoeingWellness.com](http://www.BoeingWellness.com).

This new eHealth portal—powered and maintained by the world-renowned Mayo Clinic—will be rolled out to Boeing people worldwide between May-August 2003.

Users will have access to a library of up-to-date health news, decision guides, and interactive wellness tools for losing weight, managing stress, exercising and staying on top of chronic conditions such as asthma and headaches. They can submit questions to Mayo Clinic physicians and sign up for healthy-lifestyle support services. All of this content is developed and frequently updated by Mayo Clinic experts, and much of it has been tested with patients.

“People are taking a more proactive approach to managing their personal well-being,” said Mike Brennan, manager of companywide wellness programs at Boeing. “And it’s critical they have credible and understandable health information. That’s why Boeing partnered with Mayo to create BoeingWellness.com.”



Because the site is administered for Boeing by Mayo Clinic, employees and their families can access it from any computer 24 hours a day, seven days a week—whether they’re at home or at work. They will also have Mayo Clinic’s guarantee for complete privacy.

In addition, BoeingWellness.com users will also get timely information about programs, services, and events that are offered exclusively to Boeing employees and family members. These include Boeing fitness centers, the Employee Assistance Program, and health fairs and seminars. Because users register when they visit the first time, they only see information specific to their areas.

“That’s another advantage to having a site like BoeingWellness.com,” Brennan

said. “People are interested in getting trustworthy information off the Internet, but they’re also interested in connecting with people, events, and other resources.

The eHealth site offers it all—tailored to our Boeing people.

“Following the mergers, we realized that we had a patchwork of wellness programs at various locations,” Brennan said. “Our team is integrating and developing tools that every member of the Boeing community can access, regardless of where they live and work.

“For example, we launched a ‘quit-tobacco’ program last year that all employees can use—whether they’re in Nebraska or Nepal,” Brennan said.

“BoeingWellness.com, along with the Harmony health letter, will allow people to stay informed and take advantage of everything that’s available to them.”

## Wellness works

Don’t ask Cathy Keaton how much weight she’s lost.

“I’ve been taught to say I’ve ‘gotten rid’ of 71 pounds,” said the financial accounting manager. “If I say I ‘lost’ them, that means I might ‘find’ them again, and I hope I never do that!”

What’s she doing? She uses a combination of two wellness services offered at Boeing: Weight Watchers at Work® and the Boeing Health & Fitness Center.

“Weight Watchers at Work is a great program,” said Keaton. “The point system is simple to follow, and I’ve learned how to make long-term, healthy changes to the way I eat.”

Keaton attends a lunchtime meeting in the building every week. “I don’t have to travel to and from an outside location,” Keaton said. “I just walk down the hall.”

Attending meetings with other Boeing employees offers an added benefit. “If you’re having a bad day, you know who you can ask to go for a walk around the block,” Keaton said. “We help each other stay focused on the goal we all share—feeling better about ourselves.”

Better nutrition is only half the picture. Keaton also follows a program of regular exercise at the Fitness Center. “For me, the group exercise classes work really well—especially kickboxing,” Keaton said.

## Other wellness programs

- **Free & Clear Quit Tobacco Program.**

Available to all Boeing employees free of charge, this program combines telephone-based counseling with nicotine replacement therapy, when appropriate. Call 1-800-292-2336 to learn more about this program.

- **Free flu shots.** Last fall, more than 57,000 Boeing employees at 74 company sites received a free flu shot.

- **The *Harmony* Health Letter.** Mailed monthly, *Harmony* is packed with health news, wellness information and tips for healthier lifestyles.

- **Health & Fitness Centers.** Boeing has 32 fitness centers, large and small, with equipment, classes and individualized counseling.

- **Weight Watchers at Work®.** Groups hold



**Darrin Stallworth works out at the World Headquarters fitness center in Chicago.**

their weekly meetings on company property. For more information, call 1-800-828-9675.

- Health fairs
- Screenings
- Health and wellness seminars

# How to ground skyrocketing health care costs?

## Being smart consumers is key

Imagine this scenario. Let's say you knew your car insurance or grocery bills were increasing at least 15 percent per year for the next three years. Would you take steps to reduce costs by: changing the deductible, shopping around, switching to a midsize car or less expensive food items, or reconsidering your use/consumption? Probably. Smart consumers use a variety of techniques to manage their costs.

Using the word "consumer" in relation to health care may seem odd, but the concept is critical to slowing the growth of these costs. The company projects that its health care costs will increase at a rate of 15 percent-per-year for the next few years. These increases have a direct impact on the company's competitiveness and financial health.

So to address these increases, the company, its employees and their families will need to work together as consumers. First, the company—as a major purchaser—is working to lower the rate of increase through supplier management and quality initiatives. Second, employees and their families can help address cost increases by becoming more proactive "consumers" of health care.

### What is Boeing doing?

"Just as our business units are applying 'lean' techniques, we are looking at similar strategies with health insurance carriers, hospitals, doctors and support services," said Greg Marchand, senior manager, Health and Welfare Operations. "There are many opportunities for improvements across the health care system." Some initiatives include:

- Plan Evaluation:

The company evaluates health plans for cost, quality, efficiency, service and access to providers. Boeing negotiates performance expectations and eliminates inefficient plans.

- Purchasing Leverage: As a provider of health and group insurance benefits coverage for more than 600,000 active employees, retirees and their dependents, the company uses its size to negotiate the best rates available in each market.

- Wellness and Prevention: The com-



Joyce Walters and Milo

### 'Incredibly generous' benefits

Joyce Walters is fairly savvy about financial issues; after all, she's a community investment manager in Puget Sound. Even so, she was surprised to learn how generous Boeing benefits can be.

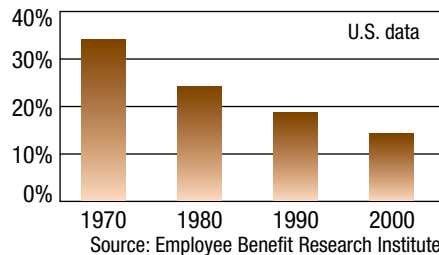
Walters has worked at Boeing 15 years. Until this past winter, however, she never scrutinized her health benefits. In November 2002, Walters' doctor informed her that she needed major surgery and six weeks to recover.

She didn't know how much the medical bills would be. But because she had accrued unused vacation and sick leave, she assumed she would tap into that store.

Instead, she was pleased to learn that a combination of Boeing benefits paid for all but a small fraction of her medical bills, and for her salary during her time away from work. She received short-term disability. Her unused sick leave covered the balance.

"I always knew we had a good benefits package," she said. "But until I had to use it, I hadn't realized how incredibly generous it was."

### Out-of-pocket costs as a percent of total health care expenditures



pany promotes health and well-being as another way to reduce long-term health care costs.

- Quality Initiatives: Studies show that medical mistakes cause unnecessary direct and indirect costs, as well as physical and emotional harm. Boeing is a member of The Leapfrog Group (a national coalition of 130+ organizations

focused on reducing preventable medical mistakes)—to encourage hospitals and doctors to improve patient safety and increase public access to data.

### Involving people in their health care

"People have been 'insulated' from the true costs of medications and health care," said Laurette Koellner, Chief People and Administration Officer and member of the Office of the Chairman. "In fact, Americans have been paying a

smaller percentage of their total health care costs over the last 30+ years. The burden of rising costs has been shouldered by employers."

Boeing strives to keep employee cost sharing competitive with the market. Many companies currently have their employees pay 25-35 percent of their total health care costs. Having employees share in the monthly premiums is a tough decision, but it is one that most employers made long ago.

As the ultimate "consumers" of health care, employees and their families can have a significant impact on costs by the choices they make every day (see Actions You Can Take). These actions impact the company's annual expenditures and help slow the growth of health care costs for employees and their families as well.

### Actions you can take

- Research physicians and hospitals before an illness or injury occurs.
- Comparison shop for medical goods and services. The Leapfrog Group web site lists other consumer-oriented health care resources.
- Ask about alternatives.
- Ask about medical outcomes and how often a health care practitioner has successfully done whatever procedure is being considered.
- Ask for generic drugs whenever possible.
- Use the mail order drug program when taking a prescription on an ongoing basis.



The Boeing Company understands that employees have diverse and active lifestyles. Balancing work, family and sometimes school can be a real juggling act. To help employees in the U.S. and some non-U.S. locations manage and maximize their work-life balance, Boeing provides or supports a wide range of non-traditional benefits and programs.

#### Boeing Leisure Travel

Boeing Leisure Travel (<http://www.boeingtravel.com/leisure.html>) is designed to meet the personal and family travel needs of Boeing employees at significant savings. Almost 10,000 employees took advantage of this in 2002.

#### Recreation clubs

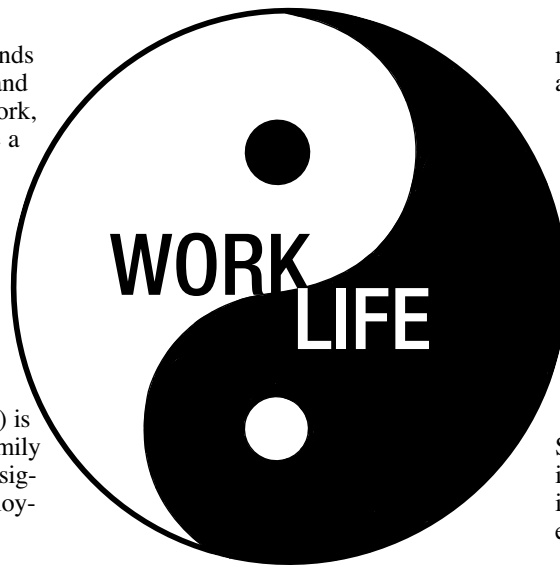
More than 20,000 Boeing employees, retirees and their families participate in approximately 300 Boeing Recreation clubs and leagues across the United States. The company provides resources, meeting facilities, gymnasiums and program oversight, as well as making equipment available for activities—everything from skydiving to softball.

#### Affinity groups

Employees participate in more than 31 affinity groups. Participants share common interests, pursue personal and professional development, and engage in business initiatives. Boeing provides resources, meeting facilities and program oversight through Diversity offices.

#### Gift matching

The Boeing Gift Matching Program is



## Beyond your basic benefits

one of the many ways for employees to provide financial support to their favorite organizations. In 2002, Boeing employees and retirees contributed more than \$8.2 million through the Gift Matching Program. The Boeing Company matched over \$5.8 million representing a total of \$14 million back to the community.

Contributions made by full-time and part-time employees (and their spouses) to accredited educational institutions and 501(c)3 cultural and art organizations are

matched dollar-for-dollar. Retirees' gifts are matched 50 cents to the dollar.

For additional guidelines and the form, visit the Community Web at <http://community.web.boeing.com/community/>

#### National Merit Scholarships

Children of Boeing employees and its subsidiaries are eligible for \$1500 scholarships per year if they are National Merit Finalists.

This year, sixty-five children of Boeing employees and its subsidiaries were selected as Boeing National Merit Scholars. The company has been participating in the program since 1955. For more information, go to <http://www.boeing.com/educationrelations/scholarships/>.

#### Employees Community Fund

Boeing employees can contribute to nonprofit and educational institutions through the Employees Community Fund (ECF). The Boeing Employees Community Fund is the largest employee-owned and employee-managed charitable fund in the world. The company handles all administrative cost so that 100% of employee contributions go to meet local needs. It is easy to participate. Visit <http://community.web.boeing.com/community/ecf/ecfabout.html> for information.

Employees are gearing up for the 2003 campaign May 5-16. Last year, employees raised over \$33 million for their communities.

#### Mothers' Rooms

Boeing enables employee mothers returning to work to make infant feeding choices best suited to their needs. Within company work site facilities, Mother's Rooms are private places. This program demonstrates an increased awareness of the health benefits that breastfeeding offers. To find Mothers' Room at a U.S. location visit <http://mothersroom.web.boeing.com/>

#### Boeing employee discount program

From appliances to zip drives, employees will find a range of discounted products and services at <http://employeediscount.web.boeing.com/> Included in the offerings are entertainment, dining, flowers, gifts and home improvement.

#### Deceased Affairs Office

In the event of an employee's death, Boeing provides personal assistance to help ease the burden for surviving family members and/or friends.

The Deceased Affairs Office will help the employee's family arrange for the disbursement of unpaid earnings, the exchange of personal and company property, and the disbursement of benefits to appropriate beneficiaries.

To reach Deceased Affairs call TotalAccess at 1-866-473-2016.



#### Musical in Missouri

"It all started four years ago with a couple guys playing holiday music in the cafeteria. Now, it's a 30-piece concert band and it's still growing," says Bill Grosch, spokesman for the band and a procurement agent with Weapons Programs in St. Louis.

"We're a not-for-profit group of employees, managers and retirees, as well as their spouses and kids. We typically play at company events like product rollouts for the Navy and Air Force. And we also perform at veteran's homes, local fairs, community centers, and the like."

The Boeing Concert Band's repertoire includes patriotic songs, Broadway hits, pop tracks, and classical pieces. It offers players a chance to practice with fellow enthusiasts while giving something back to the community.

"We have a lot of fun," Bill explains. "We're goodwill ambassadors for the company and we get to share the gift of music with those less fortunate."

Other Boeing musical groups in St. Louis include: The Balladeers chorus, Brass Quintet and Jazz Band. For information, contact Bill Grosch at 636-925-4379 or Don Halski at 314-232-0157.



# Getting ready for retirement on day one

The first day of a job and the day of retirement may seem like opposite ends of the career timeline. But they are closely tied. The “pension clock” starts on the hire date, which is used to calculate years of service. In addition, most employees become eligible to actively save for retirement on their first day with Boeing. The Voluntary Investment Plan, Boeing’s largest savings plan, has no waiting period for new hires to participate, a generous company match, plus immediate vesting of the company match.

“Saving for retirement may not be a top priority in everyone’s mind—especially for younger employees—but the company’s pension, savings and even other benefits (such as life insurance) provide opportunities for saving for the future on ‘day one’ and throughout an employee’s career with us,” said Pam French, director of Global Employee Benefits. “Our total retirement income benefits, in addition to Social Security and personal savings, are designed to help our people plan for their future beyond Boeing.”

Total retirement income can be thought of as a “formula” [see diagram below] of shared responsibility between the company and employees. Two elements (Social Security and Boeing pensions) have fixed designs for savings protection and growth, and are managed on employees’ behalf, while employees have control over the amounts and types of investments that they want to make in the other two elements (Boeing Savings Plan and personal savings). Combined, these retirement benefits can support each individual’s goal for income replacement after retirement.

## Planning for a longer life

“Many people focus on the income they will need at a certain retirement age: 55, 62, or 65,” said Julie Curtis, Boeing’s Chief Actuary. “Often they don’t consider that they could live another 20-40 years and will experience inflation and various expenses over a long time in their senior years. This results in underestimating the

## Planning for the future

“If I retire at 55, will I have enough saved up to last me through 40 years of inflation and health care costs? Will I be able to travel? Will I be a burden to my family?” Connie Blackford, an administrative specialist with Employee Services Business Operations, Business Systems Analysis, wonders aloud.

Blackford has turned her doubts into an aggressive search for knowledge. And to her delight, she’s found a number of classes offered by the Boeing Education Network that are free, close to her location, and easy to arrange.

“The BEN class I took on the subject, ‘Your VIP (Voluntary Investment Plan) at Retirement’ offered us access to the services of a professional financial planner for free,” Blackford said. “I just signed up for two more classes, ‘Life by Design: Making the Next Chapter the Best’ and ‘A Financial Planner’s View of Your VIP.’”

BEN courses are available for active employees at <http://leadcoursesearch.web.boeing.com>.

“People are living longer,” Blackford said. “And I hope to be one of those people. But it’s occurred to me that I need to be actively studying financial planning options now, even though I may have 20 years or more of full-time work.

“In fact, I wish I had started sooner.”



Connie Blackford

amount of money they will need to meet their income replacement goals to last another generation.”

Modeling tools are available. Most employees can model their Savings plans on the Boeing Savings web site at <http://boeing.csplans.com>. Pension projections can be obtained by phone through the Boeing Pension Service Center at 1-800-356-7240 (hearing impaired 1-800-356-7287; from non-U.S. locations 1-206-655-2121). A new online pension-modeling tool is available at <http://boeing.benefitcenter.com> for employees who do not have complex heritage pension combinations and who have been with Boeing for at least one year.

In addition, Boeing employees have access to a free financial consultation with a Certified Public Accountant, financial planner, budget specialist or licensed securities broker through the company’s Employee Assistance Program. The financial counselors provide telephone-based consultation for issues including debt management, retirement planning, family budgeting, and other personal financial issues. Call toll free at 1-866-719-5788 and select Option 2.



Fewer than 30 percent of workers in Australia, Brazil, Hong Kong, India, Japan, and the U.S. have actually calculated their retirement needs.

*Business Wire, 9/17/02*

## Retirement benefit enhancements announced

In April 2003, the company increased the minimum benefit formula from \$50 to \$60 per month per year of service for the Pension Value Plan (PVP) for nonunion salaried employees. The change is effective for employees—who are active, on leave of absence or laid-off but within the six-year “bridge period” of their layoff date as of April 1—and who start their pension benefit on or after April 1, 2003. Those retirement-eligible employees who left in March and started their pension benefit on April 1 are also eligible.

In addition, the company will enhance Boeing’s 401(k) Savings Plans by providing a pre-tax catch-up contribution option to all eligible employees who are at least age 50 by the end of each plan year, starting in 2003. This new feature is scheduled to be available on October 1, 2003, for employees who are age 50 or older anytime from January 1 to December 31, 2003.

“We recognize the importance of our pension and savings benefits to our people, now and long after their time working at Boeing,” said Laurette Koellner, Chief People and Administration Officer, and Office of the Chairman. “These changes are part of Boeing’s total retirement income philosophy whereby both pension and savings are designed to work together with Social Security and personal savings. It also demonstrates the company’s effort to ensure that we continue to provide a competitive overall benefits package.”

$$\text{Social Security} + \text{Boeing Pension Plan} + \text{Boeing Savings Plan} + \text{Personal savings} = \text{Total Retirement Income}$$

**QUESTIONS?** Send comment or questions to [www.boeing.com/benefits/](http://www.boeing.com/benefits/) (Contact Benefits and Comp) or to “GRP Comp&Benefits” in Outlook.

# 2003 QUICK REFERENCE GUIDE TO YOUR BENEFITS

This year, the Boeing TotalAccess web site and phone center will be adding benefits and other human resources services. In the future, you'll have one place and one Personal Identification Number for most human resources information on the Boeing Web—available 24 hours a day, everyday. During this transition period, you can use this handy reference guide.

<b>TotalAccess</b>	Inside the Boeing Web – <a href="http://my.boeing.com">my.boeing.com</a> , click on TotalAccess
	TotalAccess Telephone - 1-866-473-2016 (hearing impaired 1-800-755-6363)

Pay and Benefits	Area	Web
<b>General Information</b>	US Benefits and Comp	<a href="http://www.boeing.com/benefits/">http://www.boeing.com/benefits/</a> (available outside the Boeing Web)
	Policies and Procedures	<a href="http://policyplus.boeing.com/">http://policyplus.boeing.com/</a>
<b>Benefits</b>	Health and Welfare Plans	<a href="http://resources.hewitt.com/boeing">http://resources.hewitt.com/boeing</a>
	Savings Plans	<a href="http://boeing.csplans.com">http://boeing.csplans.com</a>
	Retirement Plans (pension)	<a href="http://boeing.benefitcenter.com">http://boeing.benefitcenter.com</a>
	Relocation "Mobility" Services	<a href="http://relocation.web.boeing.com/">http://relocation.web.boeing.com/</a>
<b>Pay and Incentives</b>	Pay Practices & Salary Review	<a href="http://active.boeing.com/companyoffices/empinfo/benefits/compensation/pay.cfm?goto=nonunion">http://active.boeing.com/companyoffices/empinfo/benefits/compensation/pay.cfm?goto=nonunion</a>
	Salaried Job Classifications	<a href="http://jobclass.web.boeing.com/">http://jobclass.web.boeing.com/</a>
	Employee Incentive Program	<a href="http://eip.web.boeing.com/">http://eip.web.boeing.com/</a>
	Cash Award Program	<a href="http://cashaward.web.boeing.com/">http://cashaward.web.boeing.com/</a>
	Special Incentive Awards	<a href="http://sia.web.boeing.com/">http://sia.web.boeing.com/</a>
	ShareValue Trust	<a href="http://sharevalue.web.boeing.com">http://sharevalue.web.boeing.com</a>
	Payroll and Timekeeping	<a href="http://my.boeing.com">my.boeing.com</a> , click on TotalAccess
	Leave of Absence/FMLA	<a href="http://my.boeing.com">my.boeing.com</a> , click on TotalAccess
<b>Fitness/Wellness/WorkLife</b>	Fitness Programs	<a href="http://fitness.web.boeing.com/">http://fitness.web.boeing.com/</a>
	Health Management	<a href="http://healthy.web.boeing.com/">http://healthy.web.boeing.com/</a>
	New! eHealth portal (w/ Mayo)	<a href="http://www.boeingwellness.com">www.boeingwellness.com</a> (roll out May – Aug 2003)
	Employee Assistance Programs	<a href="http://shea.ca.boeing.com/companymedical/coeap/call.html">http://shea.ca.boeing.com/companymedical/coeap/call.html</a>
	Employee Discount Program	<a href="http://www.BoeingEmployeeDiscount.com">http://www.BoeingEmployeeDiscount.com</a>
	Family Care Resources	<a href="http://familycare.web.boeing.com/">http://familycare.web.boeing.com/</a>
	Recreation@Boeing	<a href="http://www.boeing.com/companyoffices/aboutus/recreation/">http://www.boeing.com/companyoffices/aboutus/recreation/</a>
	Rideshare Programs	<a href="http://peopleorg.web.boeing.com/commute2/">http://peopleorg.web.boeing.com/commute2/</a>
Travel Vacations	<a href="http://www.boeingtravel.com/leisure.html">http://www.boeingtravel.com/leisure.html</a>	

Career and Learning	Area	Web
<b>Career</b>	Jobs @ Boeing (BESS)	<a href="http://bess.web.boeing.com/index.jsp">http://bess.web.boeing.com/index.jsp</a>
	Career Transition Center	<a href="http://www.boeing.com/companyoffices/empinfo/wfreduction/employeeassistance.html">http://www.boeing.com/companyoffices/empinfo/wfreduction/employeeassistance.html</a>
	Pre-Management Assessment	<a href="http://pmap.web.boeing.com/">http://pmap.web.boeing.com/</a>
	Performance Evaluation	<a href="http://www-co.boeing.com/hr/pe/">http://www-co.boeing.com/hr/pe/</a>
	Performance Development	<a href="http://www-co.boeing.com/hr/pdp/">http://www-co.boeing.com/hr/pdp/</a>
	Multiple Viewpoints	<a href="http://www-co.boeing.com/hr/mvp/">http://www-co.boeing.com/hr/mvp/</a>
	Recognition@Boeing	<a href="http://recognition.web.boeing.com">http://recognition.web.boeing.com</a> or TotalAccess
<b>Learning</b>	Boeing Education Network	<a href="http://lead.web.boeing.com/ben/ben.html">http://lead.web.boeing.com/ben/ben.html</a>
	Boeing Learning Centers	<a href="http://learningcenter.web.boeing.com/lcts.htm">http://learningcenter.web.boeing.com/lcts.htm</a>
	Learning Together Program	<a href="http://learningtogether.web.boeing.com/">http://learningtogether.web.boeing.com/</a>
	Leadership Center	<a href="http://leadershipcenter.web.boeing.com/">http://leadershipcenter.web.boeing.com/</a>