

Aerospace professionals denied SPEEA-representation by Boeing to share \$47 million in arbitration award



PALMDALE, CA – After a 13-year battle, 484 current and former employees of The Boeing Company are receiving nearly \$47 million in wages and benefits they were denied because the aerospace giant refused to recognize they were covered by contracts with the Society of Professional Engineering Employees in Aerospace (SPEEA), IFPTE Local 2001.

“Boeing spent more than a decade and countless dollars trying to break its contracts with these employees,” said Rich Plunkett, SPEEA director of strategic development who worked the issue since its start. “It’s disappointing it took so long, but the employees prevailed.”

The 251 current and 233 former employees learn this month what is included in their individual awards granted by an arbitrator’s ruling in January. Awards are based on, among many factors, the length of employment at the facilities. The majority will receive lump sum payments from a few dollars to in excess of \$400,000. Many current employees have already received salary increases of up to \$33,000 annually. For the small number of employees covered by the award who are deceased, payments go to their heirs.

The fight with the aerospace giant started with a grievance SPEEA filed in 2001 contesting Boeing’s denial of union-representation to a handful of employees working at Palmdale and Edwards Air Force Base in jobs covered by the union’s contracts. The company denied the grievance and then refused arbitration. With Boeing contesting and appealing every decision, the issue wound through district court, the regional office of the National Labor Relations Board (NLRB) and eventually to the national NLRB. Finally, the only avenue remaining was to let an arbitrator decide.

During the long fight, Boeing continued hiring and transferring employees in and out of the Southern California facilities, all the time refusing to recognize the engineers and technical workers were covered by the union contracts.

Like every ruling before, the arbitrator said Boeing was wrongly denying its workers the better wages and benefits guaranteed by the SPEEA Professional and Technical collective bargaining agreements.

| Arbitrator’s Award breakdown | |
|---|---------------------|
| Back pay | \$14,381,909 |
| Premium Pay | \$10,449,160 |
| Pension (<i>former</i>) | \$3,695,027 |
| 401(k) | \$826,429 |
| Early Retiree Medical | \$1,122,502 |
| Medicare Supplement (<i>Retirees</i>) | \$41,920 |
| Employee Incentive Plan | (\$1,002,838) |
| Lay off benefits | \$2,707,871 |
| Interest – 10% | \$14,581,460 |
| Total | \$46,803,440 |
| Average lump sum payment | \$90,000 |
| salary increases average (<i>current</i>) | 8.58% |

The arbitrator’s final ruling and award, issued in January, requires Boeing to “make whole” the employees for everything they should have received under the union contracts and then include 10% simple interest.

“It’s good to see the interest included because these awards represent money that in some cases should have been spread out to the employees over the past 14 years,” said Matthew Kempf, CFP(r), SPEEA benefits director.

The current and former workers are now located around the country. Meetings are planned at a number of locations to explain the award to recipients.

During a meeting with workers now living around Puget Sound on April 15, many were shocked by the amount of benefits and pay they almost lost because Boeing tried to deny their union representation.

“To be honest, I was never a union supporter until I started work at Boeing,” said Jim Pachall, who attended with his wife Debbie. “I learned unions are here to protect workers. For SPEEA to fight this so hard and for so long is amazing and appreciated.”

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