



UNION NEWS

Union Steward

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Approved for posting,

Jon Holden
 District President and
 Directing Business Representative
 IAM&AW District Lodge 751

Background on Wage Disparity Issue and Resolution

We are locked into a long agreement through 2024, and we have to take every opportunity to make improvements where we can during the life of this agreement. The wage disparity issue began when the company hired new employees well above minimum rates and sometimes even above current employees that internally promoted into the same jobs. This caused morale issues. As the contract only requires that the company pay our members at or above the minimum rates; it is not a contract violation to pay new members above what they pay those who internally promote into the same job. The promotion language is set in Article 6.3(c) and we do not have the ability to file a grievance on this issue. However, this wage disparity was at such a level and created so much animosity that we felt we could demand to bargain the impacts of the company's arbitrary decisions.

The membership bill of rights was meant to protect our membership from the union bargaining takeaways behind our member's backs; not meant to keep the union from being effective. We notified the membership through multiple communications that we had engaged in effects bargaining over these issues and this engagement has resulted in only improvements for many of our members.

Demanding to bargain secured the right for current members to receive more than 56 cents per hour per labor grade (now 75 cents) when promoting. Now members who accept internal promotions can receive more than 75 cents if promoting into a job that pays more for experience and as long as the member can show equivalent experience. This was a very important gain that would not have occurred if we had not demanded to bargain. Remember – the company always said “sorry, you internally promoted and the contract only allows 56 cent increase per labor grade.”

Letter of Understanding #45 (Joint Company/Union Wages Committee) gives us the ability during the life of the agreement to raise minimum rate issues. The State Minimum Wage has already forced increases in the lower labor grade minimum rates. The law however, did not require increases in all of the minimum rates. This LOU #45 gave us the mechanism to propose all the minimum rates for every labor grade be increased. Failing to increase all of the minimum rates would have been a missed opportunity to strengthen our bargaining unit.

Raising all the minimums helps us stay united and helps remove the existing split between our members. Keep in mind minimum rates last increased in 2008. Since that time all labor grade maximums (except Grade A) have increased between 34-36% (see chart at right) while minimums have not increased at all since 2008 – widening the difference in pay for our members who work side by side.

When the minimum rates become so far below the maximum rates it creates the haves and the have nots. Members struggling to survive on minimum rates may not focus on the same issues members making max pay will focus on, like retirement security, healthcare, seniority rights and many other issues needing improvement. Decreasing the distance between our members is essential to unifying our membership. That message is always clear at our union meetings; we must unite our members before the Company threatens us again and attacks our members over the next airplane program. If we didn't propose this, then thousands of people would not enjoy a substantial increase per hour.

Labor Grade	Maximum Rate in June 2008	Maximum Rates Effective March 2019	Overall Increase	Maximum Rate Increase Over this Time Period
A	\$18.04	\$19.97	\$1.93	11%
1	\$25.58	\$34.79	\$9.21	36%
2	\$26.52	\$36.02	\$9.50	36%
3	\$27.50	\$37.26	\$9.76	35%
4	\$28.43	\$38.44	\$10.01	35%
5	\$29.36	\$39.61	\$10.25	35%
6	\$30.34	\$40.88	\$10.54	35%
7	\$31.28	\$42.09	\$10.81	35%
8	\$32.27	\$43.35	\$11.08	34%
9	\$33.24	\$44.58	\$11.34	34%
10	\$34.12	\$45.73	\$11.61	34%
11	\$35.13	\$47.02	\$11.89	34%

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The Union proposed many other improvements for ALL of our members. We proposed:

- Additional GWI's for all members during years where our contract does not provide GWI's
- Shift increases for all shifts,
- A raise for everyone in progression
- Improvements to seniority progression that included preservation of seniority progression increases when promoting
- Retirement savings improvements
- Max pay increases
- Other improvements important to our membership as a whole

Clearly, we were not able to secure everything we proposed.

Under this long-term agreement; we don't have leverage to force the Company to provide additional general wage increases on the max rates. However, making these improvements now sets us up for proposing GWI's for all when we have the leverage later on; like at the expiration of the contract. A rising tide lifts all boats - Raising minimum rates now will help us increase the max rates later. We must use every resource, legal avenue, and opportunity available to fight for improvements for our members, and never pass on an opportunity to challenge this company.

In the end, the Union is forcing the company to hear our issues when they would rather ignore us, and we made substantial improvements. We did not get everything that we proposed. As we don't have a grievance or arbitration to move on, we don't have a violation of the contract, and we don't have the threat of a strike... The question we had to ask was: Do we accept these important improvements or refuse to accept them because we didn't get everything we had proposed? The answer is, of course we secure these improvements for our members. We will never stop fighting to improve wages and benefits for our members, and we will continue to build on what we have achieved today and on into the future.

Below are the positive improvements secure for thousands of our members:

Minimum Pay Rate Increase:

- Effective Jan. 1, 2019 the minimum rates will increase by the following:
 - \$4 an hour increase to grades 1 – 11
 - 8820A minimum will be increased to \$15.00 an hour
 - Those employees that are below the new minimum rate will have base rates increased to the new minimum rate. Employees currently making wages above those levels will not see any change to their wages.

Labor Grade Promotions:

- Effective for future promotions:
 - Increase promotion amount to \$0.75/hour from \$0.56/hour (maintain demotion at \$0.56/hour)
 - For internal promotions to jobs providing higher entry rates based on experience, Boeing will apply either the contractual promotion or match the higher offer rate; whichever the greater of the two.

Experience-Based Offers:

- Effective March 8, 2019
 - In jobs where the Company is offering experienced-based wage rates, we will review those employees previously hired (internally or externally) to ensure their current pay rate aligns with equivalent experience factors. Pay adjustments will be retroactive to the date at which the Company starts to bring in new employees at the higher amounts.

Second Shift Differential:

- Effective March 8, 2019
 - Second shift differential will increase from \$0.75 to \$1/hour