



STABLER

WEALTH MANAGEMENT

# Is Your Boeing Pension Safe?

## A Deep Dive into Boeing Pension Protections Amid Financial Woes

---

Over the past five years, Boeing has faced significant financial challenges, raising concerns among employees and retirees about the safety of their pensions. This article explores the protections in place for Boeing pension recipients and what they mean for your financial future.

### **Boeing's Pension Fund: A Strong Foundation**

First and foremost, Boeing has a dedicated fund for covering pension liabilities. As of the most recent reports in 2023, this fund is still over 100% funded. This means the assets in the fund are sufficient to cover the pension payments Boeing expects to make in the years ahead. This provides comfort that, despite Boeing's financial challenges and significant losses, the pension fund is separate from Boeing's normal operations and has an adequate balance to cover its committed outlays.

### **Market Volatility and Additional Risks**

It's important to note that Boeing's pension fund balance is a fluid figure, as demonstrated by the volatility in recent years. For example, the fund's status went from over 120% funded down to approximately 100% funded through the year 2022. This was likely the result of a down-market year, in which general stock and bond markets saw a similar drawdown. Additionally, there are other inherent risks that this funding status faces. One major one is longevity risk, where pensioners live longer than the mortality tables suggest. For example, the World Health Organization projects that by 2050, the number of people aged 80 years or older is expected to triple compared to today. This scenario would result in additional liability payments that the funds would need to cover.

### **The Boeing Backstop**

To help mitigate these risks, Boeing serves as an effective backstop, where it is required to make contributions to keep the plan above requisite levels in the event of underfunding. Essentially, Boeing would have to go bankrupt before allowing the pension fund to run out.

### **The Role of the PRGC: A Safety Net**

While these measures provide significant comfort, it's understandable that there may still be concerns about Boeing's financial health. This is where the true safety net comes into play. Boeing's single-employer pension plan is backed by the Pension Benefit Guaranty Corporation (PBGC). If Boeing were unable to make its pension payments, the PBGC would step in.

As a single-employer plan, the PBGC provides higher insurance coverage. For example, for someone 65 years old at the time of company bankruptcy, the PBGC would cover up to approximately \$7,000

# Is Your Boeing Pension Safe?

## A Deep Dive into Boeing Pension Protections Amid Financial Woes

---

per month. Additionally, the PBGC's single-employer plan is well-funded and, as a quasi-government organization, has the potential for further backing even in the event of a catastrophic scenario where its funds were depleted.

### PBGC Guaranteed Payments

Age	2024 Single Life	2024 50% Survivor
65	\$7,108	\$6,397
60	\$4,620	\$4,158
55	\$3,199	\$2,879

*Age is the age of the pension recipient the year the PBGC is required to step in.*

### Our Confidence Level

Our research has given us much more confidence in the probability that pension recipients will continue to receive their payments over their lifetime, even if Boeing's issues continue to spiral. However, there are always risks, such as potential changes in laws regarding pension protection and the possibility of the PBGC itself facing financial difficulties. While there is no formal requirement for the government to step in, historical precedents suggest that federal support could be provided if necessary.

### Considerations for Retirees and Employees

For anyone currently retired on the pension, based on our analysis, there is no need to lose sleep over the security of your benefits. For those considering retirement or dealing with recent layoffs, the fact that we are even debating this might push you towards taking the lump sum option. This allows you to receive a lump sum of money now and manage your own retirement income, often with the help of a fiduciary financial planner.

We suggest that as you assess this decision for yourself, you [schedule a free financial check-up](#) with one of our Certified Financial Planners! Our goal is to provide you with the information and confidence you need to make the best decision for your financial future.

---

No strategy assures success or protects against loss. Stabler Wealth Management and LPL Financial are not affiliated with or endorsed by Boeing.

This material was created for educational purposes only and is not intended as ERISA, tax, legal or investment advice. If you are seeking investment advice specific to your needs, such advice services must be obtained on your own separate from this educational material.

Securities and financial planning services provided through LPL Financial, a Registered Investment Advisor. Member FINRA/SIPC.