

The Boeing Company Voluntary Investment Plan (VIP)

Roth Contribution Guide

There are different types of contributions that can be made to the VIP: participant contributions and company contributions (automatic and/or matching, depending on eligibility). VIP participants have three options for making participant contributions to save for retirement; pretax, aftertax and Roth contributions. This guide provides a comparison of Roth Contributions to the other participant contribution types as well as an overview of the Roth contribution type.

Comparison of Roth, Pretax and Aftertax Contributions in the VIP

	Roth*	Pretax	Aftertax
Tax Treatment of Contributions	Taxes paid at the time of contribution	Taxes deferred and paid at distribution	Taxes paid at the time of contribution
Tax Treatment of Earnings (at the time of distribution)	Not taxed if a qualified distribution. A qualified distribution is generally a distribution made at least five years after the first contribution and is either: <ul style="list-style-type: none"> • After attainment of age 59½ • After death or disability 	Taxed at distribution	
IRS Contribution Limit	The combination of Roth and pretax contributions is limited to the IRS annual elective deferral limit (refer to "Key Benefit Limits" within the Tools and Resources section of the My Retirement Income website). Once this limit is reached, contributions will continue on an aftertax basis for the remainder of the year up to the annual additions limit, unless a participant elects to stop such contributions.		There is no separate IRS limit on aftertax contributions, but the combination of all employee and employer contributions cannot exceed the IRS annual additions limit (refer to "Key Benefit Limits" within the Tools and Resources section of the My Retirement Income website). See exception for catch-up contributions below.
Catch-up Contributions	During a plan year when an employee will turn age 50 or older, the employee may make a separate election for catch-up contributions on a Roth and/or pretax basis. These contributions are subject to a separate IRS annual limit (refer to "Key Benefit Limits" within the Tools and Resources section of the My Retirement Income website). Catch-up contributions are not matched by the company.		Not applicable
Employer Match*	Roth, pretax and aftertax contributions qualify for employer matching contributions. All employer contributions are made on a pretax basis.		

Incentive Contributions*	Employees may make a separate election to contribute a portion or all of their incentive payment to the VIP. These contributions can be made on a Roth and/or pretax basis. Incentive contributions are not matched by the company.	Not applicable
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*Eligibility applies to certain nonunion employees and employees represented by a union that has negotiated for this plan feature. Most Boeing Aerospace Operations nonunion employees do not receive a match; Spectrolab employees are not eligible to defer their incentive contributions.

WHAT YOU NEED TO KNOW ABOUT ROTH CONTRIBUTIONS

Making Roth contributions

The Roth contribution option could provide additional tax savings, especially for participants who can benefit from years of tax-free, compounded growth or for participants who anticipate their tax rate during their retirement years will be higher than their current tax rate.

The difference between Roth and aftertax contributions

Both Roth and aftertax contributions are similar because they are made on an aftertax basis. The key difference between the two contribution types is the tax treatment of the earnings on these contributions:

- Upon a distribution of aftertax contributions, the contributions are distributed tax-free but the investment earnings on the contributions are taxed.
- When distributed, the Roth contributions and any investment earnings are distributed tax-free, as long as the withdrawal is considered a qualified distribution.

Defining a qualified distribution of Roth contributions

A distribution of Roth money from the VIP is considered qualified if the distribution is made at least five taxable years after the first contribution and is either:

- On or after you reach age 59½, or
- On account of death or disability.

For a qualified distribution of Roth contributions, how the five taxable year time period is determined

The five taxable year period begins on the first day of your taxable year for which you first made a Roth contribution to the plan. It ends when five consecutive taxable years have passed. Note, if you make a direct rollover from a former employer's plan designated Roth account and provide documentation of the first Roth contribution date, your five taxable year period begins on the first day of the taxable year that you made Roth contributions to the other plan, if this is earlier. If documentation of the first Roth contribution date is not provided, the date the Roth money is rolled into the VIP will be the first Roth contribution date.

How much you can contribute as Roth contributions

Nonunion employees and employees represented by a union that has negotiated for the change will have the option to make Roth contributions up to 30 percent of their base pay. Please note that the 30 percent plan limit applies to pretax, aftertax and Roth contributions or any combination of the three options (not to exceed 30 percent). Employees represented by unions that have not negotiated for the 30 percent maximum may contribute up to 25 percent of their base pay to the plan. Pretax and Roth contributions are also subject to the IRS annual deferral limit (refer to "Key Benefit Limits" within the Tools and Resources section of the My Retirement Income website).

Making incentive and catch-up contributions on a Roth basis

Eligible participants may elect all or a portion of their incentive contributions and catch-up contributions to be made as Roth contributions or a combination of pretax and Roth. Incentive

contributions and catch-up contributions are separate elections and are not matched by the company. Catch-up contributions (pretax and Roth) are subject to the IRS annual catch-up contribution limit.

Incentive contributions are available for nonunion employees who participate in an incentive plan recognized by the VIP and for employees represented by a union that has negotiated for the change. Executives are not eligible to defer incentive pay to the VIP.

Rolling over Roth contributions from a previous employer's qualified retirement plan into the VIP

Eligible participants may roll over Roth contributions from a previous employer's qualified retirement plan into the VIP on or after Jan. 5, 2015.

Roth contributions eligibility for the employer match

If a participant is eligible for employer matching contributions, the Roth contributions will also be matched. Please note the following:

- Although Roth contributions are aftertax, all matching contributions are pretax.
- Incentive payment contributions and catch-up contributions made on a Roth or pretax basis are not matched by the company

Converting your pretax or aftertax money to Roth

The VIP plan offers a Roth conversion feature that allows you to convert all or portions of your pretax and aftertax accounts to Roth. Please refer to the In-Plan Roth Conversion guide for more information.

A Roth IRA and Roth 401(k) are not the same

A Roth IRA and a Roth 401(k) such as the Roth money type in the VIP are not the same. An individual retirement account (IRA) provides a way for people to save money for retirement outside of an employer- sponsored plan like the VIP. Please consult with your tax adviser for more details about the differences between these two types of accounts and what may be appropriate for your circumstances.

Updating your contribution elections

Select "Enroll Now" if you have not already started contributing or, if you are already participating, select "Change Contribution Rates" within the I Want To section of the My Retirement Income website.

This Roth guide summarized the Plan's official legal text. The material provided here is for informational purposes only; it does not constitute a contract or contractual obligation. Certain eligibility provisions apply to each of the programs, policies, and benefits; not all of these provisions are described here. In the event of a conflict between this document and any of the benefit plans, the terms of the plans will control. The Boeing Company reserves the right to change, modify, amend, or terminate any or all of the provisions of the plans at any time and for any reason for employees, former employees, retirees, and their dependents and/or beneficiaries.