



BOEING **FINANCIAL AVIATOR**

HELPING BOEING PROFESSIONALS
NAVIGATE RETIREMENT WITH CONFIDENCE

Retiring from Boeing in the Next Two Years? Key Steps to Take Now

Many Boeing professionals spend decades building their retirement savings, yet the final two years before retirement often determine whether that retirement feels comfortable or at risk.

During this short window, several of the most important financial decisions of your career converge at once:

- Your pension election
- Your final opportunity to maximize Boeing retirement benefits
- Your health insurance transition
- The tax structure of your retirement income

Handled well, these decisions can meaningfully improve the flexibility of your retirement plan. Handled poorly, they can lock in unnecessary taxes or missed opportunities that are difficult to correct later.

For those expecting to retire from Boeing within the next two years, here are several key areas to focus on.

1. Maximize Boeing Benefits While You Still Can

Your final working years provide a unique opportunity to fully leverage Boeing's most valuable financial benefits.

This includes ensuring you are maximizing:

- Boeing 401(k) contributions and company match
- Mega Backdoor Roth contributions

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- Health Savings Account (HSA) contributions
- Additional brokerage or after-tax savings

Many Boeing professionals underestimate how powerful these final contributions can be.

For example, a 50+ year old Boeing engineer earning \$180,000 who maximizes Mega Backdoor Roth contributions during their final years of working could move as much as \$50,000 in after tax contributions into a Roth account after converting within the plan. Over a long retirement, that tax-advantaged pool can create meaningful flexibility when managing taxes, healthcare premiums, or large one-time expenses.

**This is a hypothetical example and is not representative of any specific investment. Your results may vary.*

These opportunities largely disappear once you leave Boeing, making the final stretch especially important.

2. Build Your Retirement Spending Plan

One of the most common surprises in retirement is that spending often looks different than expected.

Before retiring, it is important to map out what your lifestyle will realistically cost. A good starting point is to review your current net paycheck and then rebuild your expected expenses from there.

Be sure to include:

- Healthcare premiums and out-of-pocket costs
- Travel and lifestyle spending
- Home projects or renovations
- Helping children or family members
- Inflation over time

We often suggest completing a **trial run of retirement** while you are still working. This allows you to test your retirement income plan and identify potential gaps before they become real problems.

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3. Create Tax Flexibility Before Retirement

Many Boeing professionals accumulate the majority of their savings in pre-tax retirement accounts such as their 401(k). While this provides tax savings during working years, it can create challenges later when withdrawals are taxed as ordinary income.

Without planning, retirees often find that a large portion of their retirement income is fully taxable. Pension income, Social Security benefits, and required minimum distributions from retirement accounts can all stack together, pushing retirees into higher tax brackets than expected.

The goal heading into retirement should be to build **tax flexibility**.

Having assets across different tax categories allows you to control how much taxable income you recognize each year. This flexibility becomes particularly valuable when managing:

- Tax brackets in retirement
- Medicare IRMAA surcharges
- ACA healthcare subsidies before Medicare
- One-time expenses such as home renovations or large purchases

Creating a retirement income strategy that draws from multiple tax sources can help smooth income over time and reduce the likelihood of large tax spikes.

4. Evaluate Your Pension Strategy

Your Boeing pension will likely be one of the most important financial decisions of your retirement.

The key choice is whether to take the benefit as a **lump sum rollover** or a **monthly annuity**.

Each option has advantages.

Lump Sum

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- Full investment control
- Potential legacy for heirs
- Flexibility in retirement income planning

Pension Annuity

- Guaranteed lifetime income
- Defer investment risk
- Backed by the Pension Benefit Guaranty Corporation (PBGC)

Another factor many employees overlook is the **timing of pension commencement**.

The size of the lump sum pension is influenced by IRS segment rates, which change over time. Higher interest rates generally lead to lower lump-sum values, while lower rates increase the value of the lump sum. Even small timing differences can therefore affect the amount received.

Because of this, coordinating retirement timing with your pension decision can be an important part of the planning process.

5. Understand Your Health Insurance Path

Health insurance is one of the most important planning considerations when leaving Boeing.

If you were last hired before certain dates, you may qualify for Boeing's **early retiree medical coverage**, which can provide significant value before Medicare eligibility.

If you are not eligible, you will need to plan for alternatives such as:

- COBRA coverage
- ACA marketplace plans
- Coverage through a spouse's employer

Your retirement income plan should incorporate these costs, as well as the potential impact that taxable income may have on ACA insurance premiums before Medicare begins.

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6. Stress-Test Your Retirement Plan

Retirement is not simply about reaching a certain portfolio balance. It is about ensuring your financial plan can withstand a range of scenarios.

A thorough retirement analysis should test factors such as:

- Market volatility
- Inflation
- Longevity
- Unexpected expenses
- Changes in tax laws

Running this type of stress test before retiring allows you to adjust your strategy while you still have the flexibility of employment income.

Final Thoughts

The final two years before retirement represent a powerful planning window for Boeing professionals.

These years provide the last opportunity to optimize your savings strategy, structure your retirement income, and evaluate major decisions such as your pension election and healthcare transition.

Handled thoughtfully, the decisions made during this period can significantly improve the flexibility and confidence you bring into retirement.

If you are approaching retirement from Boeing and would like a second opinion on your plan, our team of Certified Financial Planners specializes in working with Boeing professionals. We offer a complimentary retirement review to help you evaluate your options and move into retirement with clarity. [Contact us here](#) to schedule your review today.

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