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# The Mega Backdoor Roth: A Retirement Game Changer for Boeing Professionals

For many Boeing professionals, the final stretch of your career is the most important savings window you will ever have. Your earnings are typically at their peak, the big expenses of midlife are often winding down, and retirement is close enough to plan for in real numbers.

Yet one of the most powerful savings opportunities inside the Boeing 401(k) goes unused by most employees. It is called the Mega Backdoor Roth, and used well, it can meaningfully change what your retirement looks like.

## Why Roth Dollars Count More

Contributions to Roth accounts are made with after-tax dollars. In exchange, qualified withdrawals of both your contributions and their growth are tax-free in retirement. A dollar in your Roth is a full dollar. A dollar in your traditional 401(k) still has a tax bill attached to it.

This matters more for Boeing professionals than for most. Many Boeing retirees receive pension income, and when you add Social Security and withdrawals from a traditional 401(k) or IRA, nearly every dollar of retirement income may be taxed as ordinary income. We call this the retirement tax headlock. Your pension and Social Security often fill the lower tax brackets, so each traditional 401(k) withdrawal stacks on top at higher rates.

Roth assets give you a way to loosen that headlock. Tax-free withdrawals can help you manage your tax bracket from year to year, control Medicare premium surcharges, and keep your taxable income low if you retire before 65 and need to manage health insurance costs. For Boeing professionals weighing an early retirement, that flexibility is often worth as much as the tax savings.

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## How It Works Inside the Boeing 401(k)

The Mega Backdoor Roth takes advantage of the gap between what you can defer from your paycheck and what the IRS allows in total contributions. Here are the 2026 numbers:

- You can defer up to $24,500 into your Boeing 401(k) as traditional or Roth contributions.
- If you are 50 or older, you can add a catch-up contribution of $8,000. Between ages 60 and 63, that catch-up rises to $11,250.
- Boeing matches contributions for many nonunion employees dollar for dollar on the first 10% of pay. Match formulas vary by employee group, so confirm yours.
- The IRS allows total contributions from all sources of up to $72,000 in 2026, not counting catch-up contributions.

The space between that $72,000 ceiling and the sum of your deferrals and Boeing's contributions is your after-tax contribution room. For example, an employee earning $160,000 who defers the full $24,500 and receives a $16,000 match would have roughly $31,500 of after-tax space available.

Contributing the after-tax dollars is only half of the strategy. On their own, those contributions grow tax-deferred, not tax-free. Converting them to Roth inside the plan, ideally soon after each contribution, is what locks in tax-free growth. When contributions are converted before meaningful earnings accumulate, the conversion itself generally creates little or no additional tax. Depending on your elections, this conversion may not happen automatically, so it is worth confirming your settings with Fidelity through Boeing NetBenefits.

Some employees take a different route: rolling after-tax dollars out to a Roth IRA rather than converting inside the plan. This can carry two added benefits. First, five years after a conversion, the converted amount generally becomes accessible without penalty, which can make these dollars a useful income source to supplement an early retirement. Second, a separate Roth IRA can be invested differently than your pre-tax dollars. Because this account has the potential to grow tax-free, many people target more growth here.

The right route depends on your situation. If you already have a sizable after-tax balance with years of accumulated earnings, converting everything inside the plan would mean paying ordinary income tax on those earnings. In that case, rolling the contributions to a

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Roth IRA with the earnings going to a traditional IRA may be the better path. This is worth reviewing carefully before you act.

## New for 2026: Some of Your Savings Just Went Roth

Starting this year, if you earned more than $150,000 in wages from Boeing in 2025, the IRS requires your catch-up contributions to be made as Roth. For many Boeing engineers and managers over 50, this is the first Roth money they have ever put away.

Rather than treating this as an inconvenience, consider it a starting point. If part of your savings is now building tax-free anyway, it is a natural moment to ask whether the Mega Backdoor Roth should carry that strategy much further.

### Where Boeing Employees Commonly Get Tripped Up

1. Contributing after-tax but never converting. The after-tax bucket quietly accumulates earnings that will eventually be taxed as ordinary income. The conversion step is the whole point of the strategy.
2. Confusing Roth 401(k) deferrals with after-tax contributions. They are different buckets with different limits. The Mega Backdoor Roth uses the after-tax bucket, on top of your regular deferrals.
3. Reaching for the SSP first. Boeing's Supplemental Savings Plan can play a role for some, but it comes with fixed distribution schedules, limited flexibility, and Boeing credit risk. In most situations, filling your after-tax 401(k) space first is the simpler and safer move.
4. Waiting until the final year. The Mega Backdoor Roth generally only works while you are on Boeing's payroll. The employees who benefit most are the ones who start several years before their retirement date, not several months.

## What Five Focused Years Could Look Like

Consider a 55-year-old Boeing professional earning $160,000 who plans to retire at 60. Fully using your 401(k) could mean roughly $64,000 in personal contributions each year: $24,500 in regular deferrals, $8,000 in Roth catch-up, and about $31,500 in after-tax contributions converted to Roth.

Over five years, that is roughly $320,000 in contributions, with well over half of it building in Roth accounts, before counting Boeing's match or any investment growth. Your numbers

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will differ depending on your pay, your match, and future limits, but the scale of the opportunity is the point.

## One Piece of a Bigger Boeing Picture

The Mega Backdoor Roth works best when it is coordinated with the rest of your Boeing retirement decisions: when to commence your pension, the lump sum versus annuity choice, how you will cover health insurance before Medicare, and when to file for Social Security. These decisions are more interconnected than most people realize, and the Roth assets you build now become flexibility you can spend later.

If you are within a handful of years of retiring from Boeing, this is worth getting right while the window is still open. We invite you to schedule a complimentary strategy session with our team to review how the Mega Backdoor Roth and the rest of your Boeing benefits fit into your retirement plan.

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