

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (date of earliest event reported): March 23, 2005

RAYTHEON COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

1-13699
(Commission File Number)

95-1778500
(IRS Employer
Identification Number)

870 Winter Street
Waltham, Massachusetts
(Address of principal executive offices)

02451
(Zip Code)

Registrant's telephone number, including area code: (781) 522-3000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On March 23, 2005, the Management Development and Compensation Committee of the Board of Directors of Raytheon Company (the "Company") approved the issuance of and lapsing of restrictions on 4,605 shares of restricted stock awarded to Richard A. Goglia, Vice President and Treasurer of the Company. The award, granted to Mr. Goglia in early 2004, provided for up to 6,500 shares of common stock, par value \$.01 per share, of the Company to be issued upon the attainment of certain performance goals for the 2004 fiscal year with respect to the operation of the Company's Airline Aviation Services unit. The performance measures included cash flow, planes owned by the Company and pre-tax loss. Shares were withheld to satisfy Mr. Goglia's tax obligations upon the lapsing of restrictions on the restricted stock award.

Also on March 23, 2005, the Management Development and Compensation Committee approved relocation benefits for Rebecca R. Rhoads, Vice President and Chief Information Officer of the Company. The benefits include financial assistance in selling her current home and purchasing a new home, as well as moving expenses and tax assistance with respect to relocation benefits that are includable in gross income. The benefits are provided pursuant to the Company's Key Employee Relocation Arrangement, a summary of which is attached as Exhibit 10.1.

Also on March 23, 2005, the Management Development and Compensation Committee approved the terms of Pamela A. Wickham's employment arrangement. Ms. Wickham is serving as Vice President of Corporate Affairs and Communications of the Company. A copy of the Letter Agreement with Ms. Wickham, containing compensation and benefits information regarding her employment by the Company, is attached as Exhibit 10.2. The terms of Ms. Wickham's employment arrangement with the Company, terminable by the Company at will, include an annual base salary and a target Results-Based Incentive award (guaranteed for her first year of employment) and participation in the Company's benefit plans and perquisites generally available to other executives of the Company. The Company also will enter into a Change in Control Severance Agreement with Ms. Wickham in the form of the Change in Control Severance Agreement filed as Exhibit 10.20 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004 filed with the Securities and Exchange Commission on March 15, 2005.

Also on March 23, 2005, the Management Development and Compensation Committee approved the following awards to Ms. Wickham: (i) 10,000 shares of restricted stock, the restrictions on which will lapse one-third per year over three years; and (ii) a target of 12,000 restricted stock units under the Company's 2005 – 2007 Long-Term Performance Plan, a part of the 2001 Stock Plan. The units entitle Ms. Wickham to the right to earn shares of common stock or cash or a combination thereof upon the attainment of certain performance goals over a three-year period.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Exhibit 10.1 Summary of Raytheon Company Key Employee Relocation Arrangement

Exhibit 10.2 Letter Agreement dated March 4, 2005 between Raytheon Company and Pamela A. Wickham

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 25, 2005

RAYTHEON COMPANY

By: /s/ Jay B. Stephens

Jay B. Stephens
Senior Vice President and General Counsel

**SUMMARY OF RAYTHEON COMPANY
KEY EMPLOYEE RELOCATION ARRANGMENT**

Raytheon Company (the "Company") provides the following benefits in the event that an officer or key employee of the Company relocates at the request of the Company. For purposes of this Arrangement, a key employee is defined as an employee who exhibits a critical skill set (either technical or managerial) or has a depth of experience in a critical area that is not easily matched by others. The determination of whether an employee is a key employee is based upon the importance of the employee in the hiring organization's productivity and performance and is a determinant of a business' needs at any given point in time.

- Assistance with the sale of the current residence, including a guaranteed offer facilitated by the Company's relocation vendor in the event that the employee is unable to sell the current residence. Price is based upon independent appraisals.
- Reimbursement of sale and closing expenses (broker's commissions, attorney fees and general closing expenses) up to 14% of the sale price of the current residence.
- Reimbursement for duplicate housing expenses (mortgage interest, taxes, insurance, utilities, lawn care, and snow removal) for up to 90 days if the employee has moved into his or her new location while still incurring expenses at the old location. The former residence must be on the market and not be inhabited. If the employee is a renter, the employee is entitled to receive reimbursement for up to 3 months' rent and rental finder's fee if relocation occurs prior to expiration of lease term.
- Assistance in searching for a new residence and reimbursement for two trips, for the employee and one adult household member, to search for new residence, not to exceed ten total days. For distances of 350 miles or less, reimbursement will be at IRS rates. For distances greater than 350 miles, reimbursement will be for round trip coach/economy airfare. Reasonable lodging and meal expenses per GSA rates.
- Reimbursement for temporary living expenses for one hundred twenty days (or 90 days for a renter) for lodging and meals, up to a predetermined maximum rate based on the destination, if the employee is required to report for work at the new location or move the employee's family prior to finding a new permanent residence.
- Reimbursements for up to 2 return trips for the employee to visit dependent family members or to attend to house-related business at the old location. For distances of 350 miles or less, reimbursement will be at IRS rates. For distances of greater than 350 miles, reimbursement will be for round trip coach/economy airfare.
- Reimbursement of customary buyer's closing costs in connection with the purchase of a new residence, including: (i) mortgage application fee; (ii) loan origination fee not to exceed 1%; (iii) loan discount points; (iv) attorney's fees up to \$1,000; (v) lender's title insurance; (vi) appraisal; (vii) recording fees; (viii) state and local transfer taxes; and (ix) inspections.

- 90-day interest free equity bridge loan to be used for earnest money, a down payment, or closing on the purchase of a new home in the new location in the event that the old residence has not been sold. Executive officers are not eligible for this benefit due to the loan prohibition provisions of the Sarbanes-Oxley Act.
- Reimbursement for a loss of equity if the purchase offer extended to the employee is less than the original purchase price for the employee's residence.
- Shipment of household goods, personal effects and 3 autos if distance is greater than 350 miles, for up to 2 locations, including packing and unpacking, up to 60 days of storage and full replacement insurance. If the employee moves without the assistance of the Company, the Company will reimburse the employee for all moving expenses.
- Reimbursement for all household members of a one-way trip to the new location. For distances of 350 miles or less, reimbursement will be at IRS rates. For distances of greater than 350 miles, reimbursement will be for round trip coach/economy airfare. Eligible reimbursements include one night's lodging in the old location and one night's lodging in the new location and meals.
- Miscellaneous expense allowance of up to \$5,000, to be used for any miscellaneous expenses incurred that are not specifically addressed by the Arrangement.
- Reimbursement of any higher mortgage interest expense incurred as a result of obtaining a higher interest rate for the purchase of the new residence than the rate on the mortgage for the old residence. Reimbursement is made for differences of between 2% and 5% for up to three years.
- Referral of employee's spouse/partner to a professional outplacement service company to assist in seeking employment in new location, or reimbursement of up to \$2,000 for such services.
- The Company will provide tax assistance for all relocation costs that are not excludable from an employee's income except for duplicate housing expenses, home purchase origination fees, home purchase points and expenses with respect to moves of less than 50 miles.

Raytheon

William H. Swanson
Chairman and CEO
781.522.5000
781.522.5001 fax
william_h_swanson@raytheon.com

Raytheon Company
870 Winter Street
Waltham, Massachusetts
02451 USA

March 4, 2005

Ms. Pamela Wickham
350 Sharon Park Drive #S25
Menlo Park, CA 94025

Dear Pam,

It is my sincere pleasure to extend to you this offer for the position of Vice President, Corporate Affairs & Communications for Raytheon Company reporting to me. You will be a great addition to our Leadership Team. Your position will be an officer of the corporation and, along with the compensation outlined below, is subject to election by the Raytheon Board of Directors.

The offer is a base salary of \$375,000 annually. The position resides in Raytheon's Global Headquarters in Waltham, Massachusetts.

Additional elements of this offer will consist of the following:

- You will participate in the Results Based Incentive Program (RBI) with a target incentive of 60% of your annualized base salary. For the 2005 performance year, you are guaranteed an RBI award of \$225,000 which represents 60% of your annualized salary.
- Subject to approval of the Management Development and Compensation Committee ("MDCC") of the Raytheon Board of Directors, you will be awarded 10,000 shares of restricted stock subject to the terms of the award and the provisions of the Raytheon Stock Plan. These shares will have restrictions lapse at a rate of one-third each year over three (3) years, but you will be eligible for dividends on the entire award.
- Subject to approval of the Management Development and Compensation Committee ("MDCC") of the Raytheon Board of Directors, you will be awarded 6,000 shares of restricted stock as part of our regular annual grant cycle, anticipated to occur in the May/June timeframe of 2005, subject to the terms of the award and the provisions of the Raytheon Stock Plan. These shares will have restrictions lapse at a rate of one-third each year after years two, three and four. You will be eligible for dividends on the entire grant.
- You will be eligible to participate in Raytheon's Long Term Performance Program (LTPP). For 2005, your participation is a targeted share opportunity of 12,000 shares of Raytheon stock. LTPP is a performance-based program and your final award is based on performance achieved at the end of a three-year cycle (2005-2007) relative to a defined peer group. Participation in this plan is subject to annual review. See enclosure.
- You will be eligible to participate in Raytheon's Deferred Compensation Program, subject to the terms and conditions of the program. See enclosure.
- A hiring bonus of \$75,000. This is considered taxable income and will be paid to you within one (1) month from your date of hire. Should you voluntarily leave the Company within one (1) year of your start date, you agree to repay the sum to the Company within thirty (30) days from your last day of employment with Raytheon.
- If the Company without cause involuntarily separates you from employment, you will be entitled to a Separation Payment of one (1) year's compensation (base salary/bonus).

- 20 days per year of Paid Time Off.
- Eligibility for the Raytheon Supplemental Executive Retirement Plan. This non-qualified plan provides a pension of 35% of final average compensation after 10 years of Raytheon service and age 55, increasing by 3% of final average compensation for every additional year of service up to a maximum of 50% of final average compensation after 15 years of service and age 60. Amounts payable under this plan will be offset by amounts payable under any other pension plan of the Company or any prior employer and by Social Security.
- A Company leased car with an annual lease value of \$14,000 or a \$14,000 maximum annual allowance (\$538.46 bi-weekly payment).
- You are eligible to participate in the Raytheon Excess Savings Plan when you reach one of the Internal Revenue Code limits, with a benefit equal to the amount you deferred into the Plan (and the Company match on your deferral of 100% up to the first 4% of your contribution) plus gains and losses based on your investment elections for the Raytheon Excess Savings Plan. See enclosure.
- You are eligible to receive Company paid senior executive life insurance which equals four (4) times your annual base salary. You are also eligible to receive enhanced life insurance equal to one (1) time your annual base salary. If you choose not to elect this benefit, your enhanced life insurance will be capped at \$50,000.00. See enclosure – Executive Benefits Program.
- Financial planning assistance of \$12,000 for your first year of employment and \$10,000 annually thereafter. See enclosure – Executive Benefits Program.
- Excess liability coverage of \$5 million. See enclosure – Executive Benefits Program.
- You will be eligible to participate in the Executive Health Program, which includes an annual comprehensive medical assessment. This benefit has an annual allowance of \$2,000 for your participation in the program. You will also be enrolled in the Executive Registry, a health care program designed for traveling executives and their families. The Registry operates as a domestic and international network of leading academic medical centers and affiliations. See enclosure – Executive Benefits Program.
- Eligibility for first class airfare for all business travel.
- Tax preparation assistance by KPMG for your international relocation which occurred with General Electric Healthcare.
- Necessary equipment and installation by Raytheon Company to establish home office capability.

Enclosed please find our Key Employee Relocation summary that details the relocation allowances you are authorized once you accept this offer of employment. Under our relocation policy you will be eligible for a \$5,000 Miscellaneous Expense Allowance (MEA). As a Key Employee, you will also receive a total of three (3) months' salary as a relocation incentive, and a guaranteed offer to purchase your current primary residence, if necessary. Cendant Mobility Services will coordinate your relocation as well as provide comprehensive counseling on all aspects of your relocation. We will have a Cendant representative contact you upon your acceptance of this offer. Should you voluntarily leave the Company within one (1) year of your date of hire, all monies paid to you or on your behalf for relocation related activities will become repayable in full to Raytheon within 30 days of your termination.

Pamela Wickham
March 4, 2005
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You should be aware that all monies paid by the Company in connection with your relocation must, by law, be included in your gross earnings and will be subject to applicable taxes. However, in recognition of the added federal and state tax obligation resulting from taxable relocation reimbursements, the Company will provide a tax allowance to give substantial relief for these taxes. Please refer to the enclosed relocation policy for these details.

This offer is contingent upon your meeting the requirements on the enclosed Minimum Conditions for Hire document. If you believe any of the terms or conditions in this letter are not consistent with your understanding, or if you have any questions, please don't hesitate to contact Keith Peden at his office at 781.522.5097.

Acceptance of this offer will be considered an acceptance to all terms and conditions listed in the offer and attachments. Please sign below to indicate your acceptance and return this offer letter to Keith Peden in the enclosed envelope. The duplicate letter is a copy for your records.

Pam, I am excited about the potential of you joining the team. I look forward to a swift and favorable response.

Yours truly,

/s/ William H. Swanson

William H. Swanson
Chairman and Chief Executive Officer

Enclosures: Attachment I
Duplicate Offer Letter
SAS envelope (to return acceptance letter)
Minimum Conditions for Hire
Conflict of Interest Policy
Conflict of Interest Certificate¹
Outside Interests or Activities Disclosure¹
Medical Clearance Requirements
Alcohol/Drug Use and Abuse Policy # 000000099-RP
Pre-employment Drug Testing Program Policy # 31-5017-110
Pre-placement Drug Testing Consent Form²
Pre-placement Occupational Health and Safety Questionnaire
Forensic Drug Testing Custody and Control Form²
ADR Brochure
Executive Relocation Policy – Key Employee
Relocation Expense Agreement¹
Raytheon Salaried Pension Plan Brochure
Raytheon Excess Savings Plan Brochure
Executive Benefits Program Brochure
Long Term Performance Program (LTPP)
Raytheon Deferred Compensation Plan

¹ to be completed/signed and returned in DHL envelope pre-addressed to Melissa Delin

² to be completed/signed and returned in DHL envelope pre-addressed to Raytheon Company Health Center

I hereby accept this offer of employment and agree to the terms and conditions described in this letter. I understand that my acceptance of this offer does not constitute an employment contract and that my employment with Raytheon Company may be terminated, either by my employer or myself at anytime, for any reason, with or without notice.

/s/ Pamela A. Wickham

3/7/05

Signature

Date

Attachment I

Please read the following information. Sign to signifying your acceptance of the terms and conditions contained within these paragraphs. Please return the Attachment with your signed offer letter.

Raytheon has confidence in the loyalty and honesty of its employees. Each employee is responsible for recognizing and avoiding activities, investments or relationships which involve or might appear to involve, or could result in a conflict of interest that might be adverse to the interests on Raytheon. Formal requirements to disclose conflicts of interest are imposed to enable the Company to demonstrate consistency that conflicts of interest are neither permitted nor condoned, and to ensure that proper standards of ethical conduct are maintained by its employees and consultants. Attached is a copy of the *Company's Conflict of Interest Policy* and the *Conflict of Interest Certificate and Outside Interests or Activities Disclosure* form that you will be asked to sign. If you have any issues with these documents, please contact me immediately.

You agree that, as a condition of this offer and your continued employment with Raytheon, any dispute arising between you and Raytheon will be subject to resolution under the provisions of the Raytheon Alternative Dispute Resolution Program. A summary of this program is attached for your review.

You represent and warrant that you are free to enter into the Company's employ and that such employment is not in conflict or in any way restricted by agreement or restraint you may have with your current or past employer. You further agree not to disclose any trade secrets or proprietary or confidential information that is the property of any other party now or hereafter in your possession. You represent that you have provided Raytheon copies of all employment, proprietary information, and other restrictive agreements currently in effect to which you are a party.

/s/ Pamela A. Wickham

3/7/05

Signature

Date