

## **2011 Special Attrition Program, Phase II for Eligible Skilled Trades Employees**

### **Frequently Asked Questions**

These questions and answers are related to the 2011 Special Attrition Program, Phase II for Eligible Skilled Trades Employees and are based on the documents, policies and negotiated Agreements under which the benefits are provided. If there is any difference between the Agreements and these answers, the Agreements and benefit plans always will govern.

**Q1. When will the Program specifics be communicated to employees?**

**A1.** Communication packets providing an overview of the Special Attrition Program are to be provided at plant communication meetings **by October 14, 2011**. Employees on leave of absence will have the packets mailed by Plant personnel to employee's home address of record. Employees from closed plants where there is no Hourly Employment office in operation will have their packets sent to the employee's home address of record by the Company.

**Q2. If employees are on layoff during the communication period of the SAP, how will these skilled trades employees receive information on the Program?**

**A2.** Plant Labor Relations will either inform laid-off employees of the scheduled communication meetings or will mail communication packages to employees on layoff to the employee's address of record.

**Q3. What are the eligibility requirements for skilled trades?**

**A3.** GM Skilled Trades employees who established skilled trades seniority while working in a facility, under a GM-UAW National Agreement. Therefore, skilled trades employees currently working a production job, or on layoff, who meet this criterion are eligible for the SAP. However, if a skilled trades employee transferred from Delphi or another organization under a Special Employee Placement Opportunity, is working production and has never held a GM skilled trades date of entry, the employee is not eligible for this Program. This means that SEPO and post- 10/18/99 former Delphi employees that returned to production positions in GM and have not subsequently established a skilled seniority date in GM are not eligible. Plant Management will be responsible for reviewing supporting documentation from the employee and confirming eligibility/non-eligibility for the Program. Eligibility must be confirmed and approved by the GM Labor Relations Staff Skilled Trades department.

**Q4. What are the Options under the Program?**

**A4. Option 1**

Normal or Voluntary Retirement - Effective no later than April 1, 2012 unless extended by General Motors

-Normal Retirement – At age 65

-Voluntary Retirement

✓ With 30+ years of credited service

✓ Age 60 with 10+ years of credited service

✓ With 85 points (age plus years of credited service equals 85 or more)

Note: Employees must be eligible to retire under the Normal or Voluntary provisions of the 20011 GM-UAW Hourly-Rate Employees Pension Plan by March 31, 2012.

Cash payment: \$65,000

- Cash Payment is subject to all applicable taxes as well as subject to court order (e.g., child support and/or alimony) and repayments owed to the Company.
- Skilled trades employees electing to retire under this SAP, are eligible to receive a \$10,000 lump sum cash payment that is applicable to all retirement eligible hourly rate employees (in accordance with a 2011 pension letter agreement), in addition to the \$65,000 they will receive under this program

With respect to post-employment benefits, GM reserves the right to suspend, modify or terminate its plans by action of its Board of Directors or its delegate, subject to applicable collective bargaining obligations, if any. Amendments may also be made to comply with applicable statutes and regulations.

## **Option 2**

Voluntarily Quit

Effective no later than March 31, 2012 (last day worked of 3/30/12) – sever all ties with GM LLC and GM Components Holding

Cash payment: \$65,000

- Cash payment is subject to all applicable taxes as well as subject to court orders (e.g., child support and/or alimony) and repayments owed to the Company.

**Q5. When does the sign-up process start?**

A5. The facility will provide an information package to eligible skilled trades employees, which includes the following: Form A – Application; Form B – Conditions of Participation Release; and Form C – SAP Memorandum of Understanding. Employees will have 45 calendar days from the date of their plant roll-out, which will take place no later than October 14, 2011, to select the option for which they wish to be considered.

**Q6. Does the 7 day revocation period begin based on date of signature on the paperwork?**

A6. Yes. It should be signed and submitted on the same day.

**Q7. Who determines the effective dates for retirements and quits?**

A7. Management determines the effective date for each individual (following the 45 plus 7 day decision and revocation period).

**Q8. I accepted the Pre-Retirement Leave option from the 2008 or 2009 SAP. Am I eligible to participate in this 2011 Skilled Trades SAP?**

A8. No.

**Q9. If I am on a leave of absence (sick leave, personal leave, educational leave, etc), or a temporary layoff do I need to return to active work status to qualify for this Program?**

A9. No.

**Q10. Why aren't Production employees eligible for the SAP?**

A10. This Special Attrition Program is not being offered to production. This program is designed to specifically address skilled trades issues.

**Q11. Are Entry Level Employees eligible for the SAP?**

A11. No.

**Q12. If I have unused vacation pay at the time I retire or quit, will I receive my unused vacation pay?**

A12. Employees leaving GM under this program will either be covered by the provisions of Para. 195 (for employees who retire under the provisions of the GM Hourly Rate Employees Pension Plan - who would be entitled to 1/26th of their Para. 191 vacation entitlement for each pay period worked within the eligibility year) or be covered by the provisions of Para. 198 (for employees who voluntarily quit - which requires that they have worked during at least 13 pay periods to be eligible for some portion of their vacation entitlement).

**Q13. Can employees who retire or otherwise terminate employment under the SAP come back and work as direct GM contract, temporary or Entry Level employees?**

A13. No.

**Q14. An individual has a grievance on file and it is settled after the employee takes one of the options. Will the grievance settlement be paid to the employee?**

A14. It is GM's position that the execution of the SAP Condition of Participation Release Form satisfies GM's obligations and that no grievance payments are due. In any case where the UAW prevails upon GM to secure a grievance notwithstanding GM's position, payment will be made.

**Q15. Will employees who retire or quit on or before 4/1/12 under the SAP be eligible for Profit Sharing, if paid?**

A15. They will be eligible to receive a profit sharing payment based on their compensated hours worked prior to their separation from service. The payment, if any, would be based on their hours worked (as defined in the Plan) in the Plan Year.

**Q16. If an individual has a suggestion submitted and they take one of the options, will they receive a suggestion award if one is deemed appropriate?**

A16. The execution of the SAP Conditions of Participation Release Form satisfies GM's obligations and no award payments are due. However, GM typically volunteers to make outstanding suggestion award payments, but this is not a waiver of its right not to make suggestion or other payments.

**Q17. Are T&PD retirees eligible for the SAP?**

A17. No, retirees are not eligible.

- Q18. **Will a participant's vacation, layoff, and sick leave time be included in determining credited service?**  
A18. Credited service is provided for paid vacation and certain periods of layoffs and sick leave under terms of the Pension Plan. In all cases, the Pension Plan terms control.
- Q19. **Am I still eligible for the one or two year relocation payment if I retire prior to the one year anniversary date?**  
A19. No.
- Q20. **If a married couple works at GM and one of them voluntarily quits with the cash payment and the other takes a retirement, can the one who quit go on their spouse's health care?**  
A20. Eligibility for benefits is determined by plan administrators of the non-GM plans (i.e., UAW Retiree Medical Benefits Trust). You should contact your UAW benefit representative and refer to plan documents provided by the UAW Retiree Medical Benefits Trust for direction.
- Q21. **Can employees use the Cash Payment to repay a PSP loan?**  
A21. When an employee retires, the PSP weekly loan repayments through payroll become monthly loan repayments via coupon books. You can use your cash payout towards those repayments.
- Q22. **Will the Cash Payment be subject to any legal liens, levies or court orders? If so, will the Cash Payment be taken to satisfy them?**  
A22. Yes. The Cash Payment is subject to all legal liens and attachments. If there is such an order, GM will comply with the order. Further, the Cash Payment will be used to satisfy any overpayments due the Company, such as a disability overpayment. If there is no such order or overpayment, the Cash Payment will be paid (subject to all tax withholding).
- Q23. **There was an issue from previous SAP programs regarding eligibility for Social Security benefits. Social Security would dispute what type of payment the Cash Payment represented: wages vs. severance pay vs. retirement pay. Is there a form that can be submitted to Social Security that might help?**  
A23. Yes. We have encountered problems with Social Security wanting to count the Cash Payment as earnings under the Social Security "earnings test." This can reduce monthly Social Security benefits. Although each employee is responsible to manage their tax issues, GM does not believe the Option 1 and Option 2 Cash Payments are earnings for this test. There is a form [Form SSA – 131] that can be sent to Social Security to explain what the payment represents. The Option 1 payment is on account of retirement; the Option 2 payment is a severance payment. GM cannot guarantee how the government

will treat these payments. A form letter that can be provided to employees is included at the end of the Q&A's.

**Q24. Can employees have their retirement paperwork sent to their homes instead of being sent directly to the UBR?**

A24. Yes.

**Q25. I am from a closed plant in a remote area. Even though this SAP does not offer a Mutually Satisfactory Retirement (MSR) Option, will I be able to take a MSR retirement?**

A25. Under the provisions of the Hourly-Rate Employee Pension Plan, retirement under mutually satisfactory conditions will be available to an employee who is laid off (i) as a result of a plant closing or discontinuance of operations or (ii) whose layoff appears to be permanent, and in either case has not been offered suitable work by the Company in the same labor market area in which the employee was last employed by the Company. This SAP does not modify the terms of the GM Hourly-Rate Employee Pension Plan and/or create any new MSR option. If an employee is eligible and chooses to retire under the Mutually Satisfactory retirement provisions, they are not eligible to receive the \$65,000 lump sum under the SAP nor are they eligible for the \$10,000 lump sum cash payment upon retirement.

**Q26. Is Fidelity going to extend their Call Centers hours during this period?**

A26. No.

**Q27. Is my Cash Payment from GM subject to employment taxes and withholding?**

A27. Yes. All applicable employment taxes (federal, state, local and FICA) will be withheld. Federal income tax will be withheld at a flat 25%; however, employees should consult with their tax advisor to determine the tax impact. These will be reported on your Form W-2 for 2011, and on your form for 2012 if that is the year in which your cash payment is received.

**Q28. If I take Option 2 and voluntarily quit, at what age will I be able to start receiving my vested pension benefits?**

A28. If a person is already retirement eligible at the time they take the buyout (i.e., 30 and out, 85 points or 60 & 10) they can begin receiving their benefit as soon as they wish to initiate. However, if they are not otherwise eligible and they are vested with at least 5 years of credited service, the earliest they may receive the deferred vested benefit is at age 55 (which is reduced for age). If they want to receive a deferred vested benefit unreduced for age, then they would have to wait until age 65. Remember that a deferred vested pension does not include eligibility for Life Insurance or Pension Plan supplements. Please refer to plan documents or work with the Union Benefit Rep (UBR) if you have questions about this.

**Q29. Are there any conditions about receiving the \$65,000 cash lump sum payment for a retirement or a voluntary quit?**

- A29. Yes. To be eligible for the cash lump sum payment, you must leave on the date determined by Management.
- Q30. **Can I have PSP deductions taken from my Cash Payment?**  
A30. No.
- Q31. **Can employees on permanent layoff sign up and retire under the program?**  
A31. If they are otherwise eligible – yes.
- Q32. **When may I expect to receive my Cash Payment under Option 1 or Option 2?**  
A32. Generally, 4 to 6 weeks following date of retirement or separation.
- Q33. **If I elect not to take one of the SAP options, when will I be able to apply for potential skilled trades openings?**  
A33. Phase I - Matching trades at home plant to take place following the SAP application and revocation periods.  
Phase II – Following the completion of the in-plant matching trade job placements.  
However, in both phases, there will be a plant posting identifying when these processes are underway.
- Q34. **Are there “retro retirees” eligible for this SAP program?**  
A34. No.
- Q35. **If an employee signs up for the SAP under Option 1 or Option 2, but dies before they separate from GM, will the surviving spouse/estate still receive the cash payment?**  
A35. If the employee signs up for Option 1 and has met all the eligibility requirements for the program and has been approved by Management for retirement, and dies before their retirement date, their surviving spouse/estate will be eligible to receive the Cash Payment. However, if an employee signs up for Option 1 but dies before they meet the eligibility requirements to retire, they are considered an “in-service” death and no payments will be made to the surviving spouse or the estate. The same is true for an Option 2 employee who dies before the voluntary quit effective date. They are considered an “in-service” death and no payments will be made to the surviving spouse or the estate.
- Q36. **If an employee signs up for the SAP under Option 1 or Option 2 and dies after their retirement date or date of separation but before the payment is made, can the payment still be made to the survivor or to the estate?**  
A36. Yes. If the person dies after commencing retirement under Option 1, or after separating under Option 2 and has not yet received the Cash Payment, their surviving spouse or estate will be eligible for the Cash Payment.
- Q37. **Is an employee who takes the SAP eligible for unemployment compensation?**

A37. GM believes that an employee who takes the SAP is ineligible for State unemployment compensation benefits, but eligibility determinations are made by the State. For unemployment compensation purposes, GM is allocating a portion of the \$65,000 payment provided to me under this Program in an amount equal to my regular weekly rate (forty hours times my hourly base rate) to each week following my separation or retirement until the full amount paid to me has been exhausted.

Q38. **What is the likelihood that I will get a skilled trades job offer if I am currently working in a production assignment or on layoff?**

A38. A job offer is not guaranteed. Offers will be made depending on the number of employees working in skilled trades assignments, who make application for the SAP.

Q39. **How many skilled trades job offers will I receive under this SAP?**

A39. One (1).

Q40. **What happens if I refuse a skilled trades job offer?**

A40. Laid off skilled trades employees who decline a job offer to another location, will remain on layoff without Company paid benefits, and are only eligible for recall at their home plant.

Impacted skilled trades employees working in production at a skilled trades rate of pay, who decline a job offer in their plant of assignment/area hire, will remain in their production assignment and will receive the production rate of pay.

Impacted skilled trades employees working in production at a skilled trades rate of pay, who volunteer and subsequently decline a job offer within their region/extended area hire, will remain in their production assignment and will receive the production rate of pay.

Impacted skilled trades employees working in production at a skilled trades rate of pay, who do not volunteer and subsequently decline a job offer within their region/extended area hire, will remain in their production assignment and will continue to receive the skilled trades rate of pay.

Q41. **How long will I have to accept or decline a skilled trades job offer, in writing, under this program?**

A41. One (1) day for in-plant offer;  
Three (3) days for an area hire offer  
Seven (7) days for an extended area hire offer

Q42. **Will I be guaranteed a skilled trades job offer within my current plant?**

A42. No. Offers may be area hire, region, and/or extended area hire.

Q43. **Will I be guaranteed a skilled trades job offer within my current trade?**

A43. No. Offers may be extended for re-training, which could result in a new date of entry into that trade.

- Q44. What happens if I choose not to apply for a skilled trades opening at my plant or any other GM locations?**
- A44. Skilled trades employees on layoff or working in a production assignment may still receive an involuntary job offer, for any GM location, which may include a re-training assignment.
- Q45. Will I be able to prioritize the locations to which I would prefer to be placed, in a skilled trades job assignment?**
- A45. No. There is no guarantee that you will receive a job offer for a location that you have identified on your application. Job offers are dependent upon the number and location of SAP applicants.
- Q46. If a skilled tradesperson from a closed GM plant accepts a Paragraph 96 move to another GM location, as a production employee, is he/she eligible to participate in the 2011 Skilled Trades SAP program, and would he/she be eligible to apply for a skilled trades position pursuant to the provisions of this SAP Placement Process?**
- A46. In this scenario, the former skilled tradesperson is eligible to participate in the SAP program, or to apply for a skilled trades opening pursuant to the provisions of the SAP Placement Process.
- Q47. Will the PES worksheet be used and faxed by the Union Benefits Representative to Fidelity, or do they each need to be individually called in to the Union Benefits Representative?**
- A47. In the past, PES worksheets were used due to the high volume of retirements. For this program, it is not anticipated that these worksheets will be utilized.
- Q48. Will there be a special form to fax to Fidelity to process retirements, as in previous SAP programs?**
- A48. No.
- Q49. Will there be a designation on the retirement paperwork for VCAP?**
- A49. No, GM does not ask for or accept such election.
- Q50. Can employees roll their lump sum cash payments into their PSPs?**
- A50. No. Neither the 10K or 65K can be rolled into a PSP.
- Q51. If I am a skilled trades employee currently working in production and am receiving the production rate of pay, and I apply for and am approved by GM to leave under Option 1 (Normal/Voluntary Retirement), will my pension be based upon my former skilled trades rate of pay?**
- A51. The Benefit Class Code applicable to an employee is the Benefit Class Code for the job classification held by the employee for the greatest number of calendar days during the 24 consecutive months immediately preceding the last day worked.
- Q52. If a skilled trades employee has been approved for the SAP (Option 1 or Option 2), and had previously relocated and received relocation monies, are they required to repay such monies?**

A52. Please see the below guidelines for Relocation Payments Related to the 2011 Skilled Trades Special Attrition Program - Phase II:

1) Employees who: a) transferred under the provisions of Appendix A or a Paragraph 96 transfer effective August 1, 2011 - October 10, 2011, b) received the \$30,000 enhanced relocation package and c) are approved for the current 2011 Skilled Trades - Phase II SAP, must reimburse GM for the relocation monies received. The \$65,000 SAP cash payment will be reduced to the extent necessary to recover the relocation payments received. These employees will not be paid any additional relocation payments after their retirement or cessation of employment.

2) Employees who accept an Appendix A or Paragraph 96 transfer effective October 17, 2011 through the period of the SAP (until April 1, 2012 unless extended by GM) and receive enhanced or basic relocation monies, will not be eligible for the SAP. They must choose one option and are not eligible to both transfer and participate in the SAP.

3) Employees who transferred and received Enhanced Relocation payments prior to August 1, 2011 and are approved for the current SAP will not be required to reimburse GM for relocation payments. The only exception will be employees who received advance compensation for the 1 year payment (\$8000) due to a mortgage. Those employees who received the advance payment will have their \$65,000 SAP cash payment reduced to recover this relocation payment.

**Q53. What criterion is being used to determine who can/can't retire under the SAP?**

A53. Immediately following the close of all SAP application/revocation periods (i.e. December 5<sup>th</sup>), Central Office will review submissions to determine operational impact based upon the number, location and classifications of all SAP applicants. If Management determines that a backfill is needed to replace a SAP applicant, an identified replacement from those working in production or on layoff, must have accepted the position before final approval is granted to the SAP applicant.

**Q54. If I am not approved for the SAP, can I cancel my retirement?**

A54. Yes. While awaiting final approval to retire under the provisions of the SAP, skilled trades employees may contact Fidelity to initiate their paperwork, without providing a definitive retirement date, until such time they have been given a final disposition by Management.

**Q55. Will GM seniority of skilled date of entry be used to determine who is eligible for the SAP, if some trades are denied?**

A55. Skilled date of entry.

**Q56. Will there be a "bridge" for credited service in this SAP?**

A56. No.

**Q57. If I turn down a skilled trades job offer, do I sever my ties back to skilled trades?**

A56. Please refer to Question #40 of this document, as well as to Attachment B – SAP Administrative Guidelines Placement Process to understand the impact of declining a job offer.

**Please note:** The provisions of the 2011 GM-UAW National Agreement – Appendix A will be temporarily suspended in conjunction with any placements resulting from the SAP. **Subsequent** to the expiration of the SAP, employees may apply for a skilled trades opening pursuant to the provisions of Appendix A and Paragraph 152 of the UAW-National Agreement.

**Q58. If I apply for the SAP and pull my application within the seven (7) day revocation period, am I allowed to reapply, if my 45 calendar day period has not expired?**

**A58.** Yes.

**Q59. When will I find out if I am eligible for the SAP and that my application has been accepted?**

**A59.** Following the close of the SAP application/revocation period, sometime after December 5<sup>th</sup>, Central Office will begin to review and approve SAP applicants. Such approval decision will be relayed to you by your local plant Management before April 1, 2012.

**Q60. Will there be a priority of who leaves under the SAP first...skilled working production or current skilled trades?**

**A60.** Central Office will determine SAP approvals based upon operational impact and backfill needs. Where two (2) tradespersons of the same classification apply for the SAP and only one (1) can go, the greatest skilled trades seniority will prevail, even if one is working in production and the other in a skilled trades assignment.