



AutoKnow



General Motors Vision Statement: GM's vision is to be the world leader in transportation products and related services. We will earn our customers' enthusiasm through continuous improvement driven by the integrity, teamwork and innovation of GM people.

Frequently Asked Questions 2009 UAW-GM Special Attrition Program

These questions and answers related to the 2009 Hourly Special Attrition Program are based on the documents, policies and negotiated Agreements under which the benefits are provided. If there is any difference between the Plan texts and these answers, the Plan texts and negotiated Agreements always will govern.

The company reserves the right to end, suspend or amend 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.

Q. Isn't a buyout or early retirement package against the terms of the federal bridge loan?

A. The terms of the federal bridge loan require GM to adjust severance compensation to what is "customary" with other companies/industries. We believe this offer fits within that definition.

Q. Doesn't the president's designee or "car czar" need to approve this?

A. The terms of the Federal bridge loan require GM to adjust severance compensation to what is "customary" with other companies/industries. We believe this offer fits within that definition.

Q. How can GM afford a SAP?

A. Although it is an upfront expenditure, it will allow us to save layoff costs and will further help to cut costs when the market returns because we will be able to hire employees at a lower wage rate (Tier II).

Q. How many employees are eligible to retire?

A. Approximately 22,000 hourly employees are eligible for this program (i.e., already eligible for normal retirement under the 2007 National Agreement).

Q. What's the deadline for employees to decide?

A. Employees who are eligible to consider the special attrition offer will have until March 24, 2009 to make a decision.

Q. When will employees who accept the offer need to separate from the company?

A. Employees who are eligible April 1, 2009 and accept the offer would leave GM no later than April 1, 2009

Q. Will any of the employees who leave be replaced with Tier II employees?

A. The use of a Tier II wage structure is exactly for the purpose of transforming our workforce and replacing traditional wage workers, which helps GM become a more competitive and viable company. However, until the market recovers we will not be hiring any Tier II employees.

Q. Didn't Chrysler announce (or once they do), a SAP for their hourly work force and why is it so much richer?

A. I can't speak for another company, but we have a much larger potential pool of retirement-eligible candidates and we feel it's a responsible offer given our financial situation.

Q. Why is this program different from what was offered last year?

A. We believe this offer is responsible given our current financial situation.

(continued on page 2)

SAP Q&A

(continued from page 1)

Q. What should employees do if they believe they may be eligible for this program?

A. Employees interested in participating in the program should contact their benefits representative to determine their eligibility. GM also will hold informational meetings and share more details in the coming days.

Q. How many people took the buyout offer in the last SAP?

A. About 18,000 employees left GM as part of the last attrition program, which was held in the spring of 2008.

Q. How many total employees have left GM as part of Special Attrition Programs?

A. Approximately 35,000 (SAP I – 2006) and 18,000 (SAP II – 2008): Total 53,000 (hourly)

Q. What was the last offer to employees?

- A. There were four options:
1. *Retirement* – Eligible employees could choose retirement pension incentives of \$45,000 for production employees and \$62,500 for skilled trades employees.
 2. *Mutually Satisfactory Retirement (MSR)* – Employees who were at least 50 years old with 10 or more years of service could elect a pension payment with full benefits.
 3. *Pre-Retirement Program* – Employees with 26, 27, 28 or 29 years of service could grow into a full “30 and out” retirement. Until they reach 30 years of credited service, participating employees would receive a fixed monthly payment with full benefits.
 4. *Cash Buyout* – Employees who agreed to voluntarily quit and sever all ties with GM could receive:
 - \$140,000 buyout incentive if the employee had 10 or more years of credited service or seniority.
 - \$70,000 buyout incentive if the employee had less than 10 years of credited service or seniority.

Q. How many people are you targeting to participate in the program?

A. We would like as many employees who are interested and eligible to participate in the program.

Q. Will you offer a similar program to salaried employees?

A. Determining global salaried staffing requirements is a part of GM’s overall restructuring plan. At this time, specifics about that aspect of the restructuring are still under development.

Q. How many employees do you currently have in the U.S.?

A. At the end of 2008, GM had approximately 62,000 hourly employees and 29,000 salaried employees.

Q. When will the program specifics be rolled out to the facilities?

A. Communication plans for each plant are scheduled to be delivered by Friday, February 6, 2009.

Q. What are the Options in the program?

- A. *Option 1: Normal or Voluntary Retirement*
- 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)
- Cash payment of \$20,000 and \$25,000 vehicle voucher.

Option 2: Mutually Satisfactory Retirement (MSR)

- Age 55 or older with 10+ yrs credited service at facilities with employees on permanent layoff
- Age 50 or older with 10+ yrs credited service at designated closed plant locations

(Grand Rapids Metal Center has been approved to offer MSR for employees Age 50 or older with 10+ credited service as of December 31, 2009.)

- No incentive payment of \$20,000 or vehicle voucher
- Not all employees or locations will be eligible for this option because benefit plan rules limit who may be eligible.

Option 3: Voluntarily Quit

Cash payment of \$20,000 and \$25,000 vehicle voucher.

Q. When does the process start?

A. The program begins at the time it is communicated to the respective locations.

Grand Rapids Metal Center SAP program began Friday, February 6, 2009.

Q What will be the process to communicate program details to employees?

A Each location will determine the best communication method to hourly employees. Plants may be doing a combination of rollout meetings in the plant and mailings to employees not currently working in the plant. Employees will have a minimum of 45 days to decide to sign-up for one of the options and then 7 days to change their mind. This will be the only application period.

Q Does the 7-day revocation period begin based on date of signature on the paperwork?

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

Q I accepted the pre-retirement from the 2006 or 2008 SAP. Am I eligible to participate in the 2009 SAP?

A No.

Q If a plant is shut down temporarily on layoff during the roll out period, how will the employees receive information on the program?

A Plants will mail communication packages to employees on layoff to the employee's address of record.

Q 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 work to qualify for these programs?

A No.

Q Are entry level employees eligible for the SAP?

A No.

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

A Yes. The money will be paid 4 to 6 weeks from the effective date of your status change.

Q Can employees who retire under the SAP come back and work as contract, temporary or entry level employees?

A No.

Q 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?

A 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.

Q Will employees who retire on 4/1/09 be eligible for the performance bonus, if paid?

A The performance bonus is paid per the National Agreement to active employees and retirees.

Q 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?

A It is GM's position that the execution of the SAP Conditions of Participation Release Form satisfies GM's obligations and no award payment are due. However, GM typically volunteers to make outstanding suggestion award payments.

Q Is GM or the union going to provide a notary public at the plants to allow employees to sign off on the paperwork?

A No.

Q Can key people in production stay beyond the April 1, 2009, date?

A No.

Q What types of retirements are eligible for the vehicle voucher and cash payment?

A Retirement types for Option 1 are: age 65 or older; age 55 to 60 with 85 points (age plus credited service); 60 years of age with 10 years of credited service; 30 years of credited service.

Q Is a Mutually Satisfactory Retirement eligible for the vehicle voucher and cash payment?

A No.

Q Are T&PD retirees eligible for the SAP?

A No.

Q Will a participant's vacation, layoff, and sick leave time be included in determining credited service?

A Credited service is provided for paid vacation and certain periods of layoffs and sick leave under terms of the pension plan. In all cases, plan terms control.

Q Am I still eligible for the one- or two-year relocation payment if I retire prior to the one-year anniversary date?

A No.

(continued on page 4)

SAP Q&A

(continued from page 3)

Q 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?

A Yes.

Q Can employees use the cash payment to repay a PSP loan?

A Yes. 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.

Q Will Option 1 retirements have the opportunity to delay commencement of their retirement between April 1, 2009, and December 31, 2009?

A If an employee is not retirement eligible on March 31, 2009, but will become retirement eligible by December 31, 2009, he or she is eligible for Option 1 with a retirement date no later than January 1, 2010. The employee must retire the first of the month following the month he or she becomes retirement eligible.

If an employee is eligible for a voluntary retirement under 85 points on March 31, 2009, but will attain 30 years of credited service before December 31, 2009, he or she can choose to retire the first of the month following the month he or she attains 30 years of credited service but no later than January 1, 2010.

Q Will the cash payment be subject to any legal liens, levies or court orders? If so, will the lump sum payment be taken to satisfy them?

A 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 corporation, such as a disability overpayment. If there is no such order or overpayment, the cash payment will be paid (subject to all tax withholding).

Q There was an issue from previous SAP programs regarding eligibility for Social Security benefits. Social Security would argue over 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 to help?

A Yes. We have encountered problems with Social Security wanting to count the cash payment as earnings under the "earnings test." This can reduce

monthly Social Security benefits. Although each employee is responsible to manage his or her tax issues, GM does not believe the Option 1 and Option 3 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 3 payment is a severance payment.

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

A Yes.

Q I will be age 49 years and 10 months on April 1, 2009, and I have 20 years of credited service. Can I "grow into" a Mutual Retirement between April 1, 2009, and December 31, 2009?

A All Mutual Retirements are governed by the "Standards" under the Pension Plan.

(Grand Rapids Metal Center has been approved to offer MSR for employees Age 50 or older with 10+ yrs credited service as of December 31, 2009.)

Q Is Fidelity going to extend their call centers' hours during this period?

A No.

Q Is my Cash Payment from GM subject to employment taxes and withholding?

A Yes. All applicable employment taxes (federal, state, local and FICA) will be withheld. Federal income tax will be withheld at a flat 25%. These will be reported on your Form W-2 for 2009.

Q If I have not yet earned a year of credited service for 2009 by April 1, 2009, can I use my unpaid vacation towards my credited service for 2009 in order to reach 30 years for Option 1?

A It is unlikely that by April 1, 2009, you would have accumulated enough hours to qualify for a year of credited service. However, any vacation hours that are paid are counted towards your total credited service.

Q If I take Option 3 and voluntarily quit, at what age will I be able to start receiving my vested pension benefits?

A 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 health care or pension plan supplements. Please refer to plan documents or work with the UBR if you have questions about this.

Q Out of the \$20,000 – how much can I expect to see after taxes?

A The cash payment incentive is subject to federal (at flat 25%), state, local and FICA taxes, as well as any other deductions you currently have from your paycheck.

Q Why is Delphi mentioned or included in this package?

A Although we have split from Delphi, we still have some contractual obligations relative to employee flow back and other such commitments. We need to be sure it is understood that you would be severing all ties with both GM and Delphi.

Q Why is the MSR limited?

A The rules of the loan agreement specify that GM cannot modify the pension plan in order to offer a Special Attrition Program. The MSR in the 2009 Special Attrition Program follows the “Standards” in the 2007 GM-UAW Pension, which were in effect on December 31, 2008, and therefore, is not a modification.

Q Can I have PSP deductions taken from my Cash Payment?

A No.

Q Does age make a difference relative to taxation?

A No.

Q Can employees on permanent layoff sign up and retire under the program?

A If they are otherwise eligible – yes.

Q Is this Special Attrition Program retroactive?

A Yes, retroactive to February 1, 2009.

Q If I am laid off, collect unemployment and SUB, accept employment with another employer (which forfeits unemployment and SUB), subsequently leave the new employer, am I eligible to return to SUB?

A No.

Q Does Grand Rapids have a closing agreement / “Closed Plant” status?

A Not at this time. The national parties will advise us in the event we received “closed plant” status.

Q Are Paragraph (96) transfer rights currently available to Grand Rapids employees?

A At this time, there are no formal agreements regarding Paragraph 96 treatment for Grand Rapids work that has been reallocated. Also, there are currently no available job openings in the U.S.

Q What is the status of the Supplemental Unemployment Benefit (SUB) fund ?

A There have been no modifications to the provisions of the SUB plan. You will be advised if any changes are agreed to by the parties.

Q If Fidelity provides an employee inaccurate credited service information prior to the March 24 deadline, what is the remedy for an employee who retires but is subsequently determined that they were ineligible?

A The employee will be returned to work.

Voucher-Related Questions

Q If I purchase a vehicle for less than \$25,000, is there any cash refund?

A No.

Q Can the voucher be used on multiple vehicles? For example, a Cobalt and the balance toward another vehicle?

A (Under discussion – will advise as soon as possible)

Q Am I taxed on the whole \$25,000 if the vehicle I purchase is less than \$25,000?

A No, you are taxed on the amount for which the voucher is redeemed.

Q Am I taxed on the voucher when I receive it or when it is used?

A You will receive a Form W-2 at the end of the year in which the voucher is used, which will identify the amount for which the voucher was redeemed. You will then add this amount to your taxable income for the year.

(continued on page 6)

Q How do I obtain my voucher?

A You must use GM Family First (www.gmfamilyfirst.com) to obtain an authorization number. The program will ask you to provide the birth date and zip code of the purchaser and to identify the relationship of the purchaser. If the purchaser is not a family member listed in the drop down box, select "Prospect."

Follow the rest of the prompts from the system and you will be provided with an authorization number. The authorization number is valid for 18 months from the date of your retirement or voluntary quit from GM.

Q Are there any limitations on what type of vehicle can be purchased with the voucher?

A The voucher must be used to purchase a NEW vehicle. It cannot be used to purchase a PEP car, demo car or used car.

Q Who gets issued the Form W-2 if the voucher is transferred to a family member or other person?

A The employee.

Q Can the vouchers be combined – husband and wife each receive one but want to buy one car?

A (Under discussion – will advise as soon as possible)

Q Can I use an employee discount, rebates and credit card reward points along with my voucher for the purchase of a vehicle?

A Yes. However, the type of credit card reward points you have may limit your using the employee discount and reward points. You need to check the rules on using your reward points.

Q If an employee takes the Voluntary Quit, will they still be able to access GM Family First to obtain their authorization?

A Yes. The system is being modified to allow an authorization for an employee who takes Option 3.

Q Can I use the voucher to pay vehicle sales tax, dealer prep, license fees, etc?

A The voucher will be used like cash; it will go toward any and all costs to take possession of the vehicle.

Q Is the voucher retroactive to last year?

A No.

Q Do I have to buy a GM vehicle with the voucher?

A Yes.

Q I want to purchase a VOLT, but it will not be available within the 18-month period. Are there any provisions to extend the 18 months?

A No.

Q Can I transfer my voucher to a charity and deduct the donations from my taxes?

A No. The vehicle voucher is transferrable only to an individual.

Q If an employee purchases a vehicle with the voucher, are they required to keep the vehicle for a defined period of time?

A If the employee uses an employee discount, the employee discount rules apply – the vehicle must be retained for a period of six months or until the end of the model year whichever is longer. Corvettes must be retained for two years.

Q I don't have a computer or access to one. How do I get my voucher?

A Access to computer is available in a number of public places – libraries, coffee shops, etc.

Q When will employees be able to request their vehicle voucher?

A They can access GM Family First anytime after the effective date of their retirement or after 4/1/09 for a voluntary quit. The voucher is valid for 18 months from their retirement date or from 4/1/09 for a voluntary quit.