

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.

SAP Program Provisions

Q1 When will the program specifics be rolled out to the facilities?

A1 Communication plans for each plant are scheduled to be delivered by Friday, February 6, 2009.

Q2 What are the Options in the program?

A2 **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

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.

Q3 When does the process start?

A3 The program begins at the time it is communicated to the respective locations.

Q4 What will be the process to communicate program details to employees?

A4 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.

Q5 Does the 7 day revocation period begin based on date of signature on the paperwork?

A5 Yes. It should be signed and submitted on the same day.

- Q6 I accepted the Pre-Retirement from the 2006 or 2008 SAP. Am I eligible to participate in the 2009 SAP?
A6 No.
- Q7 If a plant is shut down temporarily on layoff during the roll out period, how will the employees receive information on the program?
A7 Plants will mail communication packages to employees on layoff to the employee's address of record.
- Q8 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?
A8 No.
- Q9 Are Entry Level Employees eligible for the SAP?
A9 No.
- Q10 If I have unused vacation pay at the time I retire or quit, will I receive my unused vacation pay?
A10 Yes. The money will be paid 4 to 6 weeks from the effective date of your status change.
- Q11 Can employees who retire under the SAP come back and work as contract, temporary or Entry Level employees?
A11 No.
- Q12 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?
A12 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.
- Q13 Will employees who retire on 4/1/09 be eligible for the Performance Bonus, if paid?
A13 The Performance Bonus is paid per the National Agreement to active employees and retirees.
- Q14 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?
A14 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.
- Q15 Is GM or the Union going to provide a notary public at the plants to allow employees to sign off on the paperwork?
A15 No.
- Q16 Can key people in production stay beyond the 4/1/09 date?
A16 No.
- Q17 What types of retirements are eligible for the Vehicle Voucher and Cash Payment?
A17 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.

- Q18 Is a Mutually Satisfactory Retirement eligible for the Vehicle Voucher and Cash Payment?
A18 No.
- Q19 Are T&PD retirees eligible for the SAP?
A19 No.
- Q20 Will a participant's vacation, layoff, and sick leave time be included in determining credited service?
A20 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.
- Q21 Am I still eligible for the one or two year relocation payment if I retire prior to the one year anniversary date?
A21 No.
- Q22 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?
A22 Yes.
- Q23 Can employees use the Cash Payment to repay a PSP loan?
A23 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.
- Q24 Will Option 1 retirements have the opportunity to delay commencement of their retirement between April 1, 2009 and December 31, 2009?
A24 If an employee is not retirement eligible on March 31, 2009 but will become retirement eligible by December 31, 2009, he/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 they become 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/she can choose to retire the first of the month following the month he/she attains 30 years of credited service but no later than January 1, 2010.
- Q25 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?
A25 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).
- Q26 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?
A26 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 their 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.

- Q27 Can employees have their retirement paperwork sent to their homes instead of being sent directly to the UBR?
A27 Yes.
- Q28 I will be age 49 years 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?
A28 All Mutual Retirements are governed by the "Standards" under the Pension Plan.
- Q29 Is Fidelity going to extend their Call Centers hours during this period?
A29 No.
- Q30 Is my Cash Payment from GM subject to employment taxes and withholding?
A30 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.
- Q31 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?
A31 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.
- Q32 If I take Option 3 and voluntarily quit, at what age will I be able to start receiving my vested pension benefits?
A32 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.
- Q33 Can the Voucher be used on multiple vehicles? For example, a Cobalt and the balance toward another vehicle?
A33 (Under discussion – Will advise as soon as possible)
- Q34 If I purchase a vehicle for less than \$25,000, is there any cash refund?
A34 No.
- Q35 Am I taxed on the whole \$25,000 if the vehicle I purchase is less than \$25,000?
A35 No, you are taxed on the amount for which the voucher is redeemed.
- Q36 Am I taxed on the voucher when I receive it or when it is used?
A36 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.
- Q37 Out of the \$20,000 – how much can I expect to see after taxes?
A37 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.

Q38 How do I obtain my voucher?
A38 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.

Q39 Are there any limitations on what type of vehicle can be purchased with the voucher?
A39 The voucher must be used to purchase a NEW vehicle. It cannot be used to purchase a PEP car, demo car or used car.

Q40 Who get issued the Form W-2 if the voucher is transferred to a family member or other person?
A40 The employee.

Q41 Why is Delphi mentioned or included in this package?
A41 Although we have split from Delphi, we still have some contractual obligations relative to employee flowback and other such commitments. We need to be sure it is understood that you would be severing all ties with both GM and Delphi.

Q42 Why is the MSR limited?
A42 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.

Q43 Can the vouchers be combined – husband and wife each receive one but want to buy one car?
A43 (Under discussion – Will advise as soon as possible)

Q44 Can I have PSP deductions taken from my Cash Payment?
A44 No.

Q45 If an employee takes the Voluntary Quit will they still be able to access GM Family First to obtain their authorization?
A45 Yes. The system is being modified to allow an Authorization for an employee who takes Option 3.

Q46 Can I use an employee discount, rebates and credit card reward points along with my Voucher for the purchase of a Vehicle?
A46 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.

Q47 Does age make a difference relative to taxation?
A47 No.

Q48 Can employees on permanent layoff sign up and retire under the program?
A48 If they are otherwise eligible – yes.