

# What is GMRA ?

**The General Motors Retirees Association (GMRA) is a national advocacy organization, organized and legally registered in the State of Michigan as a 'not for profit' social welfare organization.**

## Mission Statement

1. Promote the preservation and enhancement of pension, health care and other benefits earned by GM retirees
2. Work with the National Retiree Legislative Network (NRLN) to monitor proposed legislation and to promote new legislation that ensures fairness and equality for all GM retirees
3. Support the success of General Motors by engaging the GMRA network to promote GM products in the marketplace to the extent consistent with retiree interests

# What does GMRA do?

- **Represents GM retirees in the courts, to the media and public, as well as with the New GM, relative to pension, benefits and other post-employment matters that could impact the security and prosperity of GM retirees, and their spouses, during their retirement years.**
- **Communicates to the media and public the significant contributions made by GM retirees toward vehicle safety improvements and environmental technology development, as well their contributions within their communities as taxpayers, volunteers and voters.**
- **Monitors pending legislation and initiates legislative strategies designed to protect and benefit GM retirees through well-defined, well-connected working relationships in the political arena.**

# Why Join GMRA ?

- **GMRA membership gives retirees an opportunity to be heard and to be involved in legislative decisions that could impact their future. GMRA relies on and welcomes input from its members.**
- **United as one voice, 123,000 retirees can make a difference in their retirement future.**
- **GMRA membership includes membership in the National Retiree Legislative Network (NRLN), an organization representing about 2 million retirees from 87 different companies.**

# Why Join GMRA ?

- **GMRA is recognized by GM as an official interface with GM salaried retirees.**
- **Receive updates on both GMRA and NLRN activities through one source.**
- **GMRA is a broad-based representative organization. Initiatives are directed by 13 elected officers. Current openings include 2 regional VPs and a Legislative Director.**

***Members interested in actively supporting GMRA activities are invited to contact us about the open positions.***

## **Retiree Compensation Overview**

**Salaried retiree compensation falls into two distinct categories:**

➤ **Pension**

➤ **Benefits**

**Both forms of compensation are subject to the Reservation of Rights Clause (ROR) as stated in the “GM Benefits” booklet since the late-1980s.**

**“General Motors Corporation reserves the right to amend, change or terminate the Plans and Programs.”**

# Retiree Compensation Overview

## Salaried Pension Plan

- **Qualified Plan**
  - **Meets the requirements and is protected by the federal Employee Retirement Income Security Act of 1974 (ERISA)**
- **The plan is a legal obligation of the company**
- **The plan is separate from the UAW plan**
- **Plan assets are held in a trust (savings account) managed by the New GM, currently a private corporation**
- **As of December 2008, the Plan was 95% funded, with \$28.5 billion in the trust (Note: Underfunded by \$2.8 billion, per ERISA calculation methods)**

## Retiree Compensation Overview

### Salaried Pension Plan (continued)

- **In order to satisfy future claims the trust must be solvent enough to last the lifetime of all current & future pensioners**
- **Plan assets (\$) and liabilities (future pension claims) were transferred to the New GM as part of the bankruptcy settlement**
- **Investments of assets and modifications to liabilities are controlled by the New GM but still must comply with ERISA law**
- **GM is required to keep the trust 100% funded, but legally, funding can be delayed due to business conditions**

# Retiree Compensation Overview

## Pension Plan Modifications

- Could potentially jeopardize the payment of future pension benefits
- Significant underfunding of the fund (< 60%) could result in a turnover to the Pension Benefit Guaranty Corp (PBGC)

## GM Salaried Retirement Program (SRP) Modifications to date:

- Funding of employee buyouts
- Early retirements
- \$300/month Level Benefit

## Retiree Compensation Overview

**Benefits, such as those listed below, are moral obligations of the company but are not protected by law.**

- **Medical**
- **Prescription Drug**
- **Dental**
- **Vision**
- **Life insurance**
- **Extended Care Coverage**

**Note: Benefits are financed out of operating expenses (current cash flow).**

**Before bankruptcy**

**After bankruptcy**

**All ages**

Basic Life

One times base salary at retirement.

\$10,000 effective 8/1/2009.

Extended Care Coverage

Long-term hospital, skilled nursing or custodial care up to \$50,000/year

This benefit is terminated as of 1/1/2010 and is not available in the insurance market although some long term care plans are similar

**Under 65 years**

Medical (see [www.gmret.org](http://www.gmret.org) website for 2010 Salaried Retiree Health Care Plan details)

Co-pays and deductibles are significantly more than UAW employees. Out of pocket expenses limited to \$5,000 per year, per family

Insurance costs increased to \$2,472 / 2-party/year. Deductible increased to \$5,000 2-party/year the deductible must be satisfied before the 20% co-insurance starts. Max out of pocket \$7,000 2-party/year

Prescription Drugs

Co-pays and deductibles significantly more than UAW employees

Included with the medical expenses above.

Dental

Above average coverage

Terminated as of 1/1/2010

Vision

Above average coverage

Terminated as of 1/1/2010

# Benefits

## Before bankruptcy

## After bankruptcy

### Over 65 years

#### Medical

Co-pays and deductibles significantly more than UAW employees

Out of pocket expenses limited to \$5000 per year, per family

This benefit was terminated as of 1/1/2009 replaced with a \$300/month/retiree pension increase to offset the cost of buying replacement insurance. No limit to out of pocket expenses unless additional insurance purchased

#### Prescription Drugs

Co-pays and deductibles significantly more than UAW employees

This benefit was terminated as of 1/1/2009 replaced with a \$300/month/retiree pension increase to offset the cost of buying replacement insurance

#### Dental

Above average coverage

This benefit was terminated as of 1/1/2009

#### Vision

Above average coverage

This benefit was terminated as of 1/1/2009



## **We are on track ...**

- **Organized and incorporated GMRA as a legally registered social welfare organization**
- **Recruited new members, over 5,000 at present**
- **Gained recognition from the Corporation as an official interface with GM salaried retirees**
- **Represented GM retirees during the GM bankruptcy filing**
- **Collaborating with NRLN on new legislation and letter-writing campaigns**
- **Developed a communication network: [www.gmret.org](http://www.gmret.org)**



## **We are on track ...**

- **Actively pursued new opportunities to create awareness of GM retiree concerns including an organized demonstration during the Presidential visit to Michigan**
- **Gained media recognition and credibility**
- **Periodically meeting with members of Congress**
- **GM Clubs are actively being integrated, giving more retirees an opportunity to share and voice their concerns and issues**
- **Collaborating with the National Chrysler Retiree Organization (NCRO) in planning a national retiree conference**



## Priorities

- **Legislative agenda**
  - **Pension Protection**
  - **Benefit Protection**
  
- **Expand the GMRA network in order to communicate directly with retirees on issues that could affect them**
  
- **Newsletter**
  
- **Continue to build collaborative relationships with NRLN, NCRO, GM Clubs, and others**



## How can you help?

### Join GMRA!

Your membership contribution will be used for GMRA activities, including:

- Attorney fees (incorporation, bankruptcy court, 503(c)4 filing)
- Legal defense fund
- Website maintenance
- Member communications (mailings to non-email members)
- Conference calls
- Media & elected officials communications and meetings
- NRLN membership

**Note:** Board Members receive no compensation. They have all volunteered their time and talent to protect retiree pensions and benefits.



## How can you help?

### Actively participate

- **Help recruit new members to expand the GMRA network**
- **Stay connected - help us give you a voice**
- **Volunteer your skills**
- **Connect with your local GM retiree club**

Visit the **GMRA** website  
for more information:

[www.gmret.org](http://www.gmret.org)