

# What is **GMRA** ?

GM Retirees Association

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

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 retiree
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 interest.

# What does **GMRA** do ?

GM Retirees Association

- **Represents GM retirees in the courts, to the media and public, as well as with 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** ?

GM Retirees Association

- **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, the 130,000 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** ?

GM Retirees Association

- **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 GM, currently a private company**

# Pension Fund

Return on Investments

GM Contributions ?

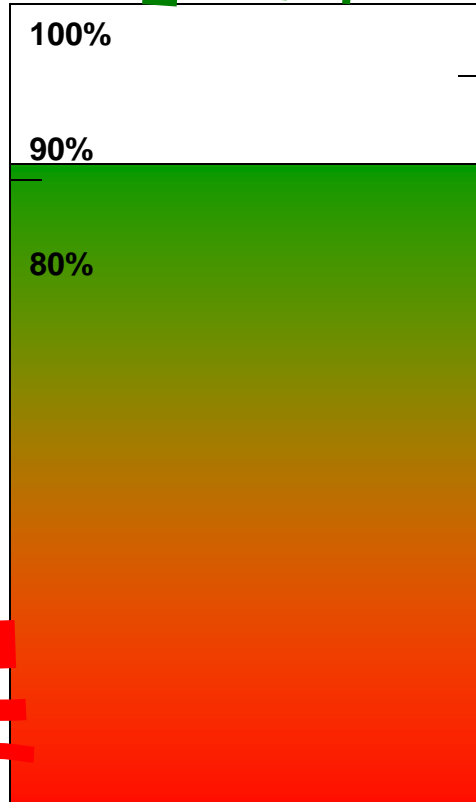
yrs

Current Employee. Part B  
Contributions v ? yrs

Funding Level 10/1/2009 = 89%  
\$29.3 B Underfunded \$3.7 B

Funding Level 12/31/2008 = 95%  
\$31.9 B Underfunded \$2.8 B

PBGC Take Over Level ≈ 75%



Retiree Pension Payments  
(130,341 People 40+ yrs)

Medigap Ins. Payments (50+ yrs)

Administrative Expense (50+ yrs)

Current Empl. Pension Liabilities  
(25,475 People 50+ yrs)

Buyouts

Future GM Initiated Pension  
Plan Changes

# 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 GM as part of the bankruptcy settlement**
- **Investments of assets and modifications to liabilities are controlled by 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 supplement for Medigap insurance

## 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).**



# Benefits

## 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 (2009)**
- **Recruiting new members**
- **Gained recognition from the GM 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**
- **Meetings with Congressional representatives on retiree interests**
- **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
  - Bankruptcy Reform
  
- **Expand the GMRA network in order to communicate directly with retirees on issues that could affect them**
  
- **Engage Members in campaigns to raise awareness of the situation with Congressional representatives, media, the public**
  
- **Continue to build collaborative relationships with NRLN, National Chrysler Retiree Organization, 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  
GM Retirees Association  
for more information:

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

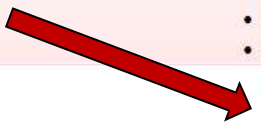


A Michigan Not-For-Profit Corporation  
1077 West Borton Road  
Essexville, MI 48732

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Click on the GMRA logo below to learn more-

- Who we are-
- What we do-
- Review of GM retiree benefits -
- Where we are-
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### LATEST GMRA NEWS

GMRA Letter to Whitacre 1/13/10



#### PRESIDENTS CORNER

January 5, 2010

We are off to Washington DC on January 11 to join forces with the National Retiree Legislative Network (NRLN) and other retiree organizations for the annual NRLN Leadership Conference and lobbying on the Hill.

The 2010 legislative agenda we are working toward addresses issues that are of concern to many of you: pension protection, health care protection for retirees, changes and amendments to Medicare policies, bankruptcy and Pension Benefit Guarantee reform, and changes to taxation associated with Social Security income.

The full Legislative Agenda is available here on the NRLN website.

While in DC, we will meet Senators and Representatives to voice our concerns for the unfair and questionable handling of our eroding retirement benefits and to gain their support for new legislation to protect your future.

Thanks to all of you who have given us your input and shared your concerns. We will be taking those concerns forward and are determined to be heard. More to follow when we return.

All the best in 2010!

John Christie, president