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Westfall's U.A.W. / Jobs Bank Early Retirement Pilot Proposal

Michael Westfall

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Abstract
This article is part of the collection of writings of Mike (Marshall) Westfall, retired autoworker from General Motors in Flint, Michigan (1964-1994) and activist critic of the auto industry restructuring that led to devastating job losses. It originally appeared online in The Westfall Papers. [http://michaelwestfall.tripod.com/id81.html, accessed 12/14/2011]
For two years beginning in 1988 the UAW and GM set Michael Westfall up in an offsite office at Cummings school, a closed Flint school complex, which GM had purchased for special projects.

The reason for this was to have Westfall develop programs including a win/win early out retirement pilot program to be used for national negotiations during the 1990 national negotiations.

Westfall spent a lot of energy doing this and used the Flint GM truck plant on Van Slyke Road as the model for his genesis pilot proposal.

This truck plant at the time was the largest truck production facility by volume in the world.

This pilot program was completed and bargained into existence at the 1990 negotiations.

One form or another of it has since been transferred all across American industries and it has been a powerful success which has saved the corporation's hundreds of millions of dollars, allowed older workers to retire earlier and thus open up thousands of jobs to younger workers who were slotted for the unemployment line.

Few negotiated benefits have surpassed this program in benefiting positively all elements of automobile production, both labor and management, in regards to employment redundancies.

All of today's similar programs owe their genesis to the following program developed and written by Westfall between 1988-1989 and negotiated into existence in the 1990 national General Motors agreement.
RARELY DOES A PROGRAM COME ALONG THAT WOULD GIVE GENERAL MOTORS BACK $30 MILLION FOR RETIRING 300 WORKERS BUT THIS PROGRAM COULD.

THIS POSITION PAPER WILL FLESH OUT A PROGRAM TO BE DEVELOPED JOINTLY THROUGH COOPERATIVE LABOR/MANAGEMENT EFFORTS.

A PROGRAM THAT WILL OFFER INnovATIVE, EFFICIENT AND COST ADVANTAGEOUS VOLUNTARY "EArLY OUtS" BASED EXCLUSIVELY ON THE SENIORITY SYSTEM TO REPLACE FULLY OR PARTIALLY THE J.O.B.S. BANK PROGRAM.

USING FLINT TRUCK ASSEMBLY AS THE CORPORATE PIONEER THIS PROGRAM WOULD EXCHANGE A NEGOTIATED NUMBER OF HIGHER CREDITED SERVICE WORKERS WITH LOWER CREDITED SERVICE J.O.B.S. BANKERS DISPLACED FROM G.M. PLANTS WITHIN OUR REGION.

PROGRAM COSTS WOULD COME DIRECTLY FROM THE J.O.B.S. BANK SAVINGS DERIVED FROM THIS PROGRAM. THERE ARE PRESENTLY ABOUT 2069 J.O.B.S. BANKERS IN THIS REGION.

EACH "EArLY OUt" PARTICIPANT WOULD EARN AN AMOUNT EQUAL TO A 30 & OUT RETIREE PENSION.

EACH "EArLY OUt" PARTICIPANT WOULD ACQUIRE ONE YEAR CREDITED SERVICE FOR PENSION APPLICATION FOR EACH YEAR THEY WERE IN THE PROGRAM AND RETIRE AFTER THEY HAVE ATTAINED 30 YEARS OF SERVICE.

ALL ACTIVE WORKERS WITH 20-29 YEARS CREDITED SERVICE, REGARDLESS OF AGE, WILL BE ALLOWED TO PARTICIPATE AND ALL SLOTS WILL BE FILLED IN ORDER OF HIGHEST CREDITED SERVICE FIRST.

"EArLY OUt" PARTICIPANTS WILL FOREVER HAVE THE CAP REMOVED ON THE AMOUNT OF PERSONAL INCOME THEY ARE ALLOWED TO EARN AND WILL RECEIVE A SOCIAL SECURITY SUPPLEMENT AT AGE 62 DERIVED FROM PROGRAM SAVINGS SET ASIDE IN ESCROW FOR THAT PURPOSE.

THIS ESCROW FUND WOULD GUARANTEE THAT EACH "EArLY OUt" PARTICIPANT WOULD RECEIVE BETWEEN SOCIAL SECURITY AND THE SUPPLEMENT

(1)

WHAT THEY WOULD HAVE MADE IN SOCIAL SECURITY HAD THEY WORKED 2080 HOURS IN EACH YEAR WITH FULL WAGES UP UNTIL THE TIME THEY RETIRE UNDER 30 & Out.

THE INTENT OF THIS PROGRAM FROM THE CORPORATIONS' PERSPECTIVE IS TO DEVELOP A MORE HUMANE AND INNOVATIVE EMPLOYMENT-BALANCING PLAN THAT WORKS IN TANDEM WITH G.M.'S BUSINESS PLAN.

A PROGRAM THAT WOULD SLICE COSTS AND HELP FACILITATE THE CHANGING OF THE WORKFORCE FROM AN OLDER WORKFORCE TO A YOUNGER AND MORE INNOVATIVE ONE.

THE INTENT OF THIS PROGRAM FROM THE UNION PERSPECTIVE IS TO CLEARLY REDUCE THE IMPACT OF JOB LOSS ON OUR WORKERS BY PAINLESSLY AND VOLUNTARILY REPLACING THE HIGHER SENIORITY WORKERS WHO WANT OUT WITH THE LOWER SENIORITY DISPLACED WORKERS WHO WANT IN.

IN TODAY'S WORLD G.M. REQUIREs EFFICIENCY WHILE THE U.A.W. REQUIREs JOB SECURITY.

JUST HOW JOB ENRICHING AND EFFICIENT IS IT IN HAVING THOUSANDS OF HIGHLY PAID INACTIVE "J.O.B.S. BANKER'S" SITTING AROUND YEAR AFTER YEAR MAKING A NEGATIVE CONTRIBUTION WHEN WE HAVE THOUSANDS OF HIGHER SENIORITY WORKERS WILLING TO TRADE PLACES AT A REDUCED WAGE?

THIS PROGRAM IS THE FIRST MAJOR STEP IN DEVELOPING AN ULTIMATE TOOL WITH WHICH TO EQUITABLY BALANCE PRESENT AND FUTURE MANPOWER REQUIREMENTS AND BY PILOTING THIS PROGRAM AT OUR PLANT IT WILL SAVE $30,000,000.00 IN THE PROCESS.

(2)
PROGRAM OUTLINE

1. A number of "Early Out" slots will be negotiated between the local union and local management at the Flint Truck Assembly.
   (A) Each "Early Out" participant will become an inactive worker.
   (B) Each filled "Early Out" slot will transfer one "J.O.B.S. Banker" to an active job.
   (C) Each filled "Early Out" slot will eliminate the corporations' monetary obligation to the resultant eliminated "J.O.B.S. Banker" slot.

2. Banker backfill for this pilot program will come exclusively from our specific U.A.W. region and be limited to its geographic area or miles radius breakdown.
   (A) Initial "Early Out" slot participation will be limited exclusively to voluntary participants from Flint Truck Assembly.
   (B) Displaced worker's within the "J.O.B.S. Bank" from our plant or those plants closest will be absorbed back into the workforce first.
   (C) Each plant may only wish to donate a percentage of their banker's and not totally deplete their local "J.O.B.S. Bank". The method for garnering bankers for backfill will acknowledge this concern.

3. The funding for the "Early Out" slots will come directly from the "J. O. B. s. Bank" savings derived from this program.

4. "Early Out" slot participation will be based exclusively on credited service in order of highest service first.

5. Participation in an "Early Out" slot will be voluntary.

6. All active workers with less than 29 years credited service will be allowed to make application for an "Early Out" slot.
   (A) Workers with 29 or more years credited service are either already able to retire or very close to retirement so the potential benefit to the union membership in this sector will be little or none.
   (B) There will be no age discrimination.

7. "Early Out" participants will receive wages equivalent to a retiree under the 30 & Out retirement which will translate today into $20,976.00 per year plus a full benefit package.
   (A) $20,976.00 per year includes a $1,500.00 per month wage plus $20.00 per month earmarked for a $100,000.00 life insurance policy. (Program will assume increased costs if insurance costs rise.) Plus $228.00 total worker and corporation co-pay on social security calculated at $1,500.00 X .0751 = $114.00 X 2 = $228.00.
   (B) Employer paid social security equivalency will be an "incentive for this workers sacrifice. If participant gets another job then the G.M. social security co-pay of .0751 of equal wages will be exempt as long as participant is employed elsewhere.
   (C) Should the G.M./U.A.W. national agreement improve the pension or benefit package for 30 & out retirees then the formula for this program will be updated and recalculated accordingly so participants receive equal improvements.
   (D) The "J.O.B.S. Banker" whom replaces the "Early Outer" is presently being paid $38,834.00 per year plus benefits. The $38,834.00 is calculated with and hourly wage of $14.12 + $1.50 C.O.L.A. = $15.62 X .0751 = $1.17 social security + $15.62 = $16.79 hourly wage X 2080 hours = $34,923.00
      + 100 vacation hours at $1,679.00 = $36,602.00 + 40 hours paid absence at $672.00 = $37,274.00 + perfect attendance bonus of $600.00 = $37,874.00 + performance bonus of $960.00 = $38,834.00.
8. "Early Out" participants will not be penalized on future social security benefits. Participants will receive a social security supplement at age 62 derived from "J. O. B. S. Bank" savings set aside in escrow for that purpose.

This escrow fund will guarantee that each "Early Out" participant will receive between social security and the supplement what they would have made in social security had they worked 2080 hours in each year with full wages up until the time they retire under the 30 & Out program.

9. Potential "Early Out' high seniority slot participants now actively employed at Flint Truck Assembly earn $41,426.00 per year plus benefits.

(4)

(A) $41,426.00 is calculated with an hourly wage of $14.12 + $1.50 C.O.L.A. = $15.52 X .0751 = $1.17 social security + $15.62 = $15.79 hourly wage + 2080 hours = $34,923.00 + 160 vacation hours at $2,686.00 + $37,609.00 + 40 hours paid absence at $672.00Q = $38,281.00 + perfect attendance bonus of $600.00 = $38,881.00 + performance bonus of $975.00 (calculated at $15.62 wage & C.O.L.A. X 2080 hours = $32,490.00 X 3% = $975.00) = $39,856.00 + $1,570.00 to cover additional manpower for extra vacation time off (calculated at 60 additional yearly vacation-manpower hours at $39,856.00 yearly wage + $7.00 per hour benefit costs X 2080 hours = $14,560.00 = $54,416.00 / 2080 hours = $26.16 X 60 hours = $1,570.00) + $39,856.00 = $41,426.00

10. Today's combined yearly cost of maintaining:

(A) A high seniority potential "Early Out" slot participant now actively employed at $41,426.00 per year plus benefits in combination with a displaced worker in the "J.O.B.S. Banker." who is paid $38,834.00 per year plus benefits = $80,260.00 per year.

(B) An ex-active worker now participating in an "Early Out" slot earning $20,976.00 per year plus benefits in combination with an ex-J.O.B.S. Banker who is paid $38,834.00 per year plus benefits = $59,810.00 per year.

(C) For each "Early Out" slot Flint Truck Assembly will enjoy a yearly savings on wages of $20,450.00 plus accumulative interest and dual educational costs. (For actual plant savings see calculation graph page 10) This $20,450.00 yearly savings is calculated by subtracting the $59,810.00 combined wage costs of an ex-J.O.B.S. Banker and an "Early Out participant" from the $80,260.00 combined wage costs of an active high seniority potential "Early Out" slot participant and a J.O.B.S. Banker.

11. For the life of this program there will be a 50-50 split of actual savings after costs. 50% will remain with the corporation and 50% will revert back to the union or a mutually acceptable third party whose responsibility it will be to invest, monitor and utilize these funds.

(A) One suggestion for the after cost proceeds of this program on a national scale is to use the savings as a funding mechanism to upgrade past pensions and put C.O.L.A. on all pensions.

(5)

12. Because this program is intended to be permanent, a voluntary return to active employment could include certain built in disincentives such as:

(A) Credited service accumulates for pension credit only

(B) Can only return certain times of the year according to negotiated windows.

(C) Will displace low seniority person in the plant, which will result in a "one for one" flow. The displaced worker would go to the J.O.B.S. Bank.

(D) Will be frozen on returning to job for one year.

(E) If participant returns to work it will create either another "Early Out" slot or J.O.B.S. Bank slot.

13. Informational meetings will be held and printed information made available to further explain this
14. When, "Early Out" participant accrues 30 years credited service they will retire with full pension and full be afforded under the most recent at time of retirement GM/UAW national agreement for 30 & out retirement.

15. "Early Out" participants will not be required to seek work for retraining or have any other work related obligation.

16. If death occurs to participant their spouse will receive all benefits and privileges afforded spouses under the current G.M./U.A.W. agreement.

17. If "Early Out" participants becomes disabled they will qualify for total and permanent disability like any other worker or retiree.

18. This should be a win/win program and we will strive to develop a method to compensate the International U.A.W. for the loss of dues as the "J. O. B. S. Bank" numbers are reduced.

(A) Areas of discussion could include monetary educational offsets such as Human Resource Center, Black lake etc. or just an upfront monetary contribution.

19. "Early Out" participants will forever have the cap removed on the amount of personal income they are allowed to earn as an incentive for our higher seniority workers to voluntarily participate and make the wage sacrifice.

20. Any subsequent program improvements will be made applicable to all "Early Out" participants past & future.

(6)

13-SECTOR PROJECTED PARTICIPATION ANALYSIS AND FLINT TRUCK ASSEMBLY PLANT SENIORITY AS OF 02/17/90

Seniority Date Credited Years Service Retirement Year 30 & Out Number in Each Sector Projected %
Participation Projected Participants

<table>
<thead>
<tr>
<th>1947-1960</th>
<th>30-40</th>
<th>1977-1990</th>
<th>429 Total</th>
<th>-0-</th>
<th>-0-</th>
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</thead>
<tbody>
<tr>
<td>Sector #1</td>
<td>149 Emp. 1961-1962</td>
<td>292827 19911-1992</td>
<td>593060 5%5%5%</td>
<td>323</td>
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</tr>
<tr>
<td>Sector #2</td>
<td>879 Emp. 1964-1965</td>
<td>262524 19941-1995</td>
<td>32046198 32%32%32%</td>
<td>10314831</td>
<td></td>
</tr>
<tr>
<td>Sector #3</td>
<td>193 Emp. 1967-1968</td>
<td>232221 19971-1998</td>
<td>599935 3%3%3%</td>
<td>231</td>
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</tr>
</tbody>
</table>

296

(7)

ADDITIONAL EDUCATIONAL PLANT SAVINGS

Without the "Early Out" program our plant will be training for our new product high seniority workers that are soon to retire and be replaced with new workers that again must be trained.

The "Early Out" program would eliminate the dual educational costs for the participants.

$41,426.00 wage per year / 280 hours = $19.92 X 240 hours (6 weeks) education = $4,781.00.

* Plant new product educational savings per "Early Out"

Participant $4,781.00

*Plant new product educational savings per 300 "Early
Out" participants $1,434,300.00

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**FLINT TRUCK ASSEMBLY LABOR COSTS PER 300 BANKERS & 300 HIGH SENIORITY WORKERS "WITHOUT "EARLY OUT" PROGRAM"**

Year 30 & Out Retirements Remaining Workers in Model Remaining Worker Costs @ $41,426.00 30 & Out Backfill 30 & Out Retirement Backfill Costs Eliminated Banker Slots @ 1 for 2 Retirements Remaining Banker Slots Remaining Banker Costs @ $38,834.00

<table>
<thead>
<tr>
<th>Year</th>
<th>Retirements</th>
<th>Remaining Workers</th>
<th>Remaining Worker Costs</th>
<th>Backfill Costs</th>
<th>Backfill Eliminated Banker Slots</th>
<th>Remaining Banker Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>3</td>
<td>297</td>
<td>$12,303,522</td>
<td>$116,502</td>
<td>1.5</td>
<td>$11,591,949</td>
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<tr>
<td>1992</td>
<td>2</td>
<td>295</td>
<td>$12,220,670</td>
<td>$194,170</td>
<td>1</td>
<td>$11,553,115</td>
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<tr>
<td>1993</td>
<td>3</td>
<td>292</td>
<td>$12,096,392</td>
<td>$310,672</td>
<td>1.5</td>
<td>$11,553,115</td>
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<tr>
<td>1994</td>
<td>103</td>
<td>189</td>
<td>$7,829,514</td>
<td>$4,310,574</td>
<td>51.5</td>
<td>$11,494,864</td>
</tr>
<tr>
<td>1995</td>
<td>143</td>
<td>41</td>
<td>$1,698,466</td>
<td>$10,058,006</td>
<td>74</td>
<td>$9,494,913</td>
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</table>

Total 1991-1995 $46,148,564 $14,989,924 $6,621,197

<table>
<thead>
<tr>
<th>Year</th>
<th>Retirements</th>
<th>Remaining Workers</th>
<th>Remaining Worker Costs</th>
<th>Backfill Costs</th>
<th>Backfill Eliminated Banker Slots</th>
<th>Remaining Banker Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>32</td>
<td>10</td>
<td>$414,260</td>
<td>$11,261,860</td>
<td>15.5</td>
<td>$50,756,038</td>
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<tr>
<td>1997</td>
<td>2</td>
<td>8</td>
<td>$331,408</td>
<td>$11,339,528</td>
<td>154</td>
<td>$6,019,270</td>
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<tr>
<td>1998</td>
<td>3</td>
<td>5</td>
<td>$207,130</td>
<td>$11,456,030</td>
<td>152.5</td>
<td>$5,980,436</td>
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<tr>
<td>1999</td>
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<td>4</td>
<td>$165,704</td>
<td>$11,494,864</td>
<td>52</td>
<td>$5,922,185</td>
</tr>
</tbody>
</table>

Total 1991-1999 $47,267,066 $60,542,202 $74,580,697

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* (D) Remaining worker costs $46,148,564
* (F) 30 & Out backfill costs $14,989,924.
* (I) Remaining Banker Costs + $50,756,038

$11,894,526

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**MODEL LABOR COSTS 1991-1999**

* (D) Remaining worker costs $47,267,066.
* (F) 30 & Out backfill costs $60,542,206.
* (I) Remaining Banker costs + $74,580,697.

$11,894,526
$182,389,969

(9)

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**FLINT TRUCK ASSEMBLY LABOR COSTS & SAVINGS "WITH EARLY OUT PROGRAM"

Year 30 & Out Retirements Remaining Early Out Participants Early Out Participants Costs @ $20,976.00 300 Ex-Banker Non Active @ $38,834.00

<table>
<thead>
<tr>
<th>Year</th>
<th>Early Out Retirements</th>
<th>Participant Costs</th>
<th>Ex-Banker Non Active</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>3 297</td>
<td>$6,229,872</td>
<td>$11,650,200</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>2 295</td>
<td>$6,187,920</td>
<td>$11,650,200</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>3 292</td>
<td>$6,124,992</td>
<td>$11,650,200</td>
<td></td>
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<tr>
<td>1994</td>
<td>103 189</td>
<td>$3,964,464</td>
<td>$11,650,200</td>
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<tr>
<td>1995</td>
<td>148 41</td>
<td>$860,016</td>
<td>$11,650,200</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL FOR 25 &amp; OUT</strong></td>
<td><strong>$23,367,264</strong></td>
<td><strong>$58,251,000</strong></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>32 10</td>
<td>$209,760</td>
<td>$11,650,200</td>
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<td>1997</td>
<td>2 8</td>
<td>$167,808</td>
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<tr>
<td>1998</td>
<td>3 5</td>
<td>$104,880</td>
<td>$11,650,200</td>
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<tr>
<td>1999</td>
<td>1 4</td>
<td>$83,904</td>
<td>$11,650,200</td>
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<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>$23,933,616</strong></td>
<td><strong>$104,851,800</strong></td>
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</tbody>
</table>


* (M) "Early Out" participant costs $23,367,264
(N) 300 Ex-Bankers now active + $58,251,000

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$81,618,264

**MODEL LABOR COSTS 1991-1999**

* (M) "Early Out" participant costs $23,933,616
(N) 300 Ex-Bankers now active + $104,851,800

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$128,785,416
PARTICIPATION PROJECTION

To enjoy maximum participation and success we must develop projected participation guidelines based on participation in past programs such as 28.5 mutuals and buyouts.

In the 20-29 credited year sector of our plant population there are three distinct groups of potential participants.

The first group is the 27-29 years credited service sector. This sector began their working careers with G.M. when the rules of retirement were far different and they had to be age 65 to draw an acceptable retirement package.

It wasn't until this sector was halfway through their working years that the 30 & Out early retirement was negotiated. This was after this particular segment of workers had entered into long-term mortgages and other financial commitments.

These workers faced many strikes and layoffs in a very cyclical industry. They are generally a one worker family and as a rule didn't plan or prepare for an early retirement. This is a group that is in varying proximity seniority wise to the group of workers who now have 30 or more years credited service, many of which will not retire. This is also a sector in varying proximity to the 28.5 group that was recently offered early outs, many of whom also would not go, even with 40 hours pay.

The potential participation factor for this group should be about equal to the 28.5 program participation or about 5%. As of 02/17/90 we have about 149 workers in the plant population with 27-29 years credited service. 5% of 149 workers equals about 8 participants in the program on the first wave from the credited service sector. The second possible low participation sector in plant population in our focus group is the sector from 21-23 years credited service.

Many of the 21-23 years credited service sector are still making house payments and the biggest thing on their mind isn't retirement but feeding their young families and holding that job so they can eventually get enough seniority to where they can afford to retire.

While some in this sector would participate many more would rather see as many higher credited service workers retire as soon as possible so they would be in a better condition seniority wise.

As of 02/17/90, there were about 193 workers in our plant population with 21-23 years credited service. It is realistic to consider participation for this group to be a little less than the participation rate of the higher seniority 28.5 program of a few months ago.

Since 5% participation was experienced in the 28.5 program we could experience about 3% participation in this program from this sector. 3% of 193 potential participants equal about 6 actual participants.

Finally we arrive at out "target group" which spans the credited service of between 24-26 years.

These workers were the first of the baby boomers and had 30 & Out retirements almost from the beginning of their working years. They are the first generation of autoworkers that were able to plan on retiring earlier and they adjusted their financial plans, mortgages and savings around it. They also saw the potential promise of even earlier retirements that were negotiated for their fellow U.A.W. brothers and sisters at G.M.'s foundries. They have been exposed to the laundry lists of early outs including 28.5 programs, mutual retirements, etc. and there will be no "non-participation" new program shock for this sector.

This sector has been better educated and has in most cases been a two-worker family with double the income of their older union brothers and sisters.
This sector experiences daily, if not hourly, changes they don't understand and changes that run against their nature.

These workers have prepared to get out, they can afford to get out and they want out.

This target group with the 24-26 years credited service is where the real participation will take place.

It is not unrealistic to expect participation in this sector to be around 32%. We currently have about 879 workers in this sector. 32% of 879 equal 281 participants.

If a real educational campaign was put on for this program it could potentially increase all segments of participation significantly.

Under the assumption of these projections we can expect to see about 296 actual participants between the credited service of 21-29 years.

It is understood that we are cutting new ground and there is no participation information based on past participation at other locations.

We therefore must base our assumptions on similar programs and understand that based on the laws of seniority the program will automatically find its low credited service point based entirely on slots negotiated and voluntary participation.

EARLY OUTS WITH INCREASED EMPLOYMENT?

If our plant opened up the "Early Out" slots necessary to accommodate the projected 290 participants from 24-29 years credited service referred to in the participation chart on page 7 and in 1993 or 1994 needed to bring in 290 or more new workers to accommodate the new product would this program still be monetarily beneficial?

Yes! Because this program backfills the "Early Out" slots "J.O.B.S. Bankers" displaced from many plants in our region that the corporation has a contractual responsibility to maintain with full wages.

The corporation would not be hiring new workers even if our plant needed to hire large numbers today or in the future.

The revolutionary significance of this program is that the efficiency of its mechanism warrants its use and guarantees full financial benefit even in a level employment mode.

The simple fact is that there are substantial benefits for everyone because there are higher seniority workers who are willing to voluntarily take a temporary wage reduction in order to get out early.

SOCIAL SECURITY

A. A 43 year old worker in 1989 that didn't use the "Early Out" program and had earned $30,908.00 in 1989 and for each year until 30 & Out retirement at age 48 would draw at age 62 an average benefit per month of: $715.00

B. A 43 year old worker with 1989 earnings of $30,908.00 retiring would earn per month at age 62 in Social Security payments: $610.00
C. A 43-year-old "Early Out" participant with 1989 earnings of $39,908.00 and established future average yearly earnings of $18,240.00 ("Early Out" program earnings), who formally retires at age 48 would earn per month in Social Security payments at age 62: $680.00

X. Under 30 & out, worker must begin drawing Social Security payments at age 62.

X. At age 62, participants pension formula is recalculated by multiplying the benefit class code X participant's years credited service. This will be in addition to social security payments,

X. If today's "Early Out" participant is age 43, with 25 years service and goes out with a benefit class code of $26.00 and then retires through the program at 30 years this calculates out to $26.00 class code X 30 years service = $780.00 pension per month at age 62. At this time participant will also pick up $680.00 in monthly Social Security benefits for a monthly total of $1,460.00.