



## GM Severance Program (GMSP) and Window Retirement Overview

The GM Severance Program (GMSP) provides benefits to eligible classified employees separated as a result of workforce reductions made under GM’s Staffing Reduction Policy. The GMSP provides salary equivalent payments based on length of service as of the date of separation, and continuation of other benefits to assist affected employees in their transition to new employment opportunities outside of GM.

As an alternative to benefits available under the GMSP, employees selected for separation under the Staffing Reduction Policy who meet certain age and service criteria, and who execute a release of claims, will have the option to receive Window Retirement program benefits that provide more favorable age reduction factors than generally available under a voluntary retirement. Employees who have the choice between Window Retirement and GMSP benefits may pick one, but not both. No employee may receive benefits under both the Window Retirement and the GMSP. A brief description of the GMSP and Window Retirement program option is provided below.

Non-retirement eligible employees that are selected for separation under the Staffing Reduction Policy who execute a release of claims will be only entitled to severance benefits under the GMSP.

*(NOTE: The following is only a summary of the aforementioned programs available to those separated employees who execute the required release of claims. A more complete description of the applicable program will be provided to those employees selected for separation. To the extent that this summary conflicts with the benefit plan terms, the plan terms shall control.)*

### GMSP Severance Payments & Benefits – For Classified Employees

- Employees with one or more years’ length of service will receive monthly payments equivalent to 50% of monthly base salary for each full year length of service as of the date of separation, up to a maximum of 6 months’ severance benefit (i.e., the affected employee would need to have 12 years length of service or greater to receive 6 months of severance).

<u>Length of Service Years</u>	<u>GMSP Payment Duration with Signed Release Agreement</u>	<u>GMSP Payment Duration without Signed Release Agreement</u>
<1	0	0
1	0.5 Month	
2	1.0 Month	
3	1.5 Months	
4	2.0 Months	
5	2.5 Months	
6	3.0 Months	
7	3.5 Months	
8	4.0 Months	
9	4.5 Months	
10	5.0 Months	
11	5.5 Months	
12	6.0 Months	

- GMSP severance payments will be based on base salary as of April 30, 2009 (prior to the May 1, 2009, temporary wage reduction).
- Health Care coverage, including Dental, Vision, and Extended Care Coverage will continue through month end, subject to all plan terms and cost-sharing provisions for those not eligible for benefits under the GMSP. For those who execute the release and are eligible for GMSP payments, the coverage will continue for a maximum of 6 months or for the duration of the Severance Period, whichever is shorter. Thereafter, Health Care coverage may be continued under applicable federal laws (e.g., COBRA). The GM Benefits & Services Center will send a COBRA package at the end of the Severance Period.
- Outplacement assistance will be provided.
- Separated employees will be entitled to vested vacation, less any days utilized prior to separation.
- Employees who are separated will be entitled to receive their salary for the remainder of the monthly period of employment (through the end of the month in which they last worked) though days not worked will count against their unused vested vacation.
- Those employees employed on a day-to-day basis (i.e., Flexible Service, Special Flexible Service and newly hired employees still in their Orientation & Development Period) will be entitled to receive their salary up through the last day of work.
- Employees must execute a release of claims to receive GMSP severance payments and benefits.

### **Window Retirement Option – For Eligible Classified Employees**

A Window Retirement option will be made available effective October 1, 2009, to certain employees who meet the specific eligibility requirements of the Window and are selected for separation.

- Employees selected for separation under the Staffing Reduction Policy will have the option, where eligible, of receiving Window Retirement program benefits in lieu of receiving GMSP severance payments. In other words, an employee who elects severance payments under the GMSP is ineligible for Window Retirement program benefits.
- The eligibility criteria for the Window Retirement program option is as follows:
  - Candidates must have a length of service date prior to January 1, 2001.
  - Candidates must be at least age 53 as of December 31, 2009, and have at least 10 years of credited service as of September 30, 2009. For purposes of Window eligibility, “credited service” is hereinafter defined as the total of credited service earned through December 31, 2006, plus eligibility service earned on and after January 1, 2007.
    - For otherwise eligible employees who are not age 53 as of October 1, 2009, but who become age 53 by or on December 31, 2009, provide Window benefits effective with a retirement date of October 1, 2009 based on the age 53 reduction factor.
  - Eligible candidates who are at least age 58 as of October 1, 2009, may retire with unreduced for age Part A Basic, Part B Primary and Part B Supplementary (if applicable) SRP benefits which became “frozen” as of December 31, 2006. Such participants also may receive an unreduced for age Part A Temporary benefit and a Part A Early Retirement Supplement (if applicable) until age 62 and one month. Additionally, they may retire with unreduced for age 1.25% Career Average Base Salary SRP benefits which were accrued on and after January 1, 2007.

- Eligible candidates who are ages 53 through 57 as of October 1, 2009, may retire with more favorable age reduction factors than those which normally apply to early voluntary retirements within these age brackets. Additionally, those employees who turn age 53 by or on December 31, 2009, will be eligible to retire on October 1, 2009, with the age 53 reduction factor. The enhanced age reduction factors will apply to the Part A Basic, Part B Primary and Part B Supplementary (if applicable) SRP benefits which became “frozen” as of December 31, 2006. Such participants also may receive an enhanced age reduced Part A Temporary benefit and an unreduced Part A Early Retirement Supplement (if applicable) until age 62 and one month. Additionally, they may retire with enhanced age reduced 1.25% Career Average Base Salary SRP benefits which were accrued on and after January 1, 2007.
- GM contributions toward Health Care and Basic Life will be provided if participants have a length of service date prior to January 1, 1993 and 10 or more years of credited service. Participants with a length of service date on or after January 1, 1993 but prior to January 1, 2001 are eligible to continue Health Care, Optional Life, Dependent Life, and Personal Accident Insurance in retirement at their own cost, subject to plan eligibility provisions
- Outplacement assistance is provided.
- Financial counseling is available to employees.
- In the very near future, all employees meeting the eligibility requirements for the Window will receive separate instructions on how to obtain an estimate of their pension benefits under a voluntary retirement and Window Retirement Program for comparison purposes through the on-line Pension Modeler available through [gmbenefits.com](http://gmbenefits.com). Employees with service time with GM Canada, Saab, or Saturn, or impacted by a QDRO; etc., will need to request a manual estimate.
- Employees must execute a release of claims to receive Window program option benefits.
- **Age Reduction Factors for the Window Retirement program are depicted on Page 4 of this document.**

## Age Reduction Factors – Classified Employees

The age reduction factor will be based on the participant's age as of October 1, 2009, unless employees reach the age 53 Window eligibility criteria by December 31, 2009 with at least 10 years of credited service by September 30, 2009. The age reduction factors are as follows:

Age at Retirement	Window Retirement Benefit Percent*	Voluntary Retirement Benefit Percent* with GMSP <small>With 30 years' credited service, or 85 Points, and a length of service date prior to 1/1/88; or age 60 to 62 with 10 years' credited service</small>	Voluntary Retirement Benefit Percent * with GMSP <small>Length of service date on or after 1/1/88 or age 55 to 62 with 10 years' credited service</small>
62	100.0	100.0	100.0
61	100.0	93.3	93.3
60	100.0	86.7	86.7
59	100.0	80.8	60.4
58	100.0	75.2	56.8
57	96.0	69.4	53.2
56	91.0	63.5	49.6
55	85.0	57.9	46.0
54	78.0	53.2	N/A
53	70.0	48.9	N/A

\*Pro-rated for intermediate ages where applicable.

### Expressions of Interest in Being Selected for Separation Under the Staffing Reduction Policy

*(NOTE: The Window Program is only available to those eligible employees separated under the Staffing Reduction Policy.)*

- All U.S. classified employees (including U.S. sourced International Service Personnel and Corporate Staffs) may be given the opportunity to formally express their interest in being separated from employment to their respective leadership.
- Employees who express interest in being separated and are subsequently selected for separation will be provided the option, where eligible, to elect either GMSP severance payments or Window Retirement program benefits. Additionally, selected employees will be permitted to collaborate with their respective leadership to determine an appropriate last day of work (but in no case later than September 30, 2009).
- **A form for expressing interest in being selected for separation has been provided on Page #6 of this document.** Upon completion, please submit this form to either your immediate leader or your respective HR Professional for consideration. **This form must be received by no later than August 3, 2009.**

- Employees who submit an expression of interest form are reminded that selection for separation is a management decision. Expressing interest will not guarantee that an employee will be selected for separation under the GMSP, and, all requests for consideration are subject to leadership decisions based on business needs and requirements. Additionally, as selection for separation is not a mutual decision, employees who do not express interest for the GMSP or the Window may still be selected for involuntary separation in accordance with GM's Staffing Reduction Policy.

**Note: All benefits are subject to all benefit plan terms and conditions. GM reserves the right to amend, modify or terminate each of its employment policies, programs, and procedures. To the extent that anything in this summary document conflicts or is inconsistent with benefit plant terms, the benefit plan shall supersede and control.**

**Notice to GM Leadership to Express Interest in  
Being Separated Under the Staffing Reduction Policy**

I, \_\_\_\_\_ by submission of this document confirm that I would like to express interest in being separated from my employment with GM under the Staffing Reduction Policy effective October 1, 2009. I have no objection to being selected for an involuntary separation and being eligible for benefits available to employees who are separated under the policy. I also understand that I will be required to sign a full Release of Claims relating to my employment and the termination of my employment as a condition of receiving benefits. I also understand that by requesting consideration, GM is not obligated to consider or factor my interest in being selected for termination. To the extent that GM would prefer to release employees who express interest in their separation, I agree that I would like to be released if eligible for benefits under either the General Motors Severance Program (GMSP) or the Window Retirement Program. By expressing this interest, I understand that GM will rely upon this representation and I intend for it to do so.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

**NOTE: Upon completion, please provide this form to your respective leader or HR Professional by no later than August 3, 2009, for consideration in the staffing reduction selection process.**