

CAW - Canada / General Motors BARGAINING REPORT

Highlights of the Tentative Restructuring Agreement between CAW-Canada and General Motors

Production and Skilled Trades

HIGHLIGHTS

- No cuts to base wages
- No cuts to pensions
- Maintained the Supplementary Unemployment Benefit program
- All previous restructuring agreements maintained



DEFENDING OUR MEMBERS THROUGH AN INCREDIBLE CRISIS

Dear Brothers and Sisters;

The meltdown of North America's auto industry is an economic catastrophe – absolutely unprecedented in our economic history. The global economy is in recession. But the auto industry is in a Great Depression. The Big Three have already shrunk in half since 2000, and there's more to come.

Is this the workers' fault? Not at all. We've all experienced the finger-pointing at auto workers. It's always easy to blame workers and their union. Politicians do it all the time.

But that blame-game is 100% wrong. Each CAW member on the auto assembly line produces \$300,000 of GDP per year. Our wages and benefits are justified by the high productivity of our work. And our wages are lower than auto wages in other countries (like Japan, Germany, and the U.S.).

It's not just CAW members who are suffering through the meltdown. Counting spin-offs, every CAW assembly job supports 7.5 jobs in total. Our communities rise and fall with the auto industry. We all have a stake in saving this industry.

The true cause of the immediate crisis is the global financial meltdown. That wasn't our fault. It was the speculators, and the government regulators who were asleep at the switch.

And the true cause of the deeper problems in our auto industry is globalization. Our governments failed to implement fair trade (not free trade). Canada and the U.S. tolerate what other governments reject: a one-way flood of imports, with no exports going back the other way, that's been destroying the foundation of North American industry for a decade. Now we're at the breaking point.

Elected CAW workplace representatives from GM, Ford, and Chrysler agreed to emergency bargaining. But not because we can somehow save the industry through cost cuts. Don't believe that for a moment. We could work for free all year, and it would extend GM's life for 5 working days. Our wages and benefits account for 7% of the cost of making a car – yet we're getting 99% of the blame.

We entered this bargaining for two specific reasons. First, we must retain a cost advantage versus the Big Three's U.S. plants, to fight to retain our investments and jobs. Second, the federal government (led by Industry Minister Tony Clement and Finance Minister Jim Flaherty) demanded CAW cuts, or they would reject the industry's request for emergency aid – in which case GM Canada would collapse.

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HEALTH CARE AND INSURANCE

New Health Care Co-Pay

Effective January 1, 2010 a new Health Care Co-pay will come into effect as follows:

- Active employees and retirees under age 65 will have a Co-pay of \$30 per month.
- Retirees who are age 65 or older will have a Co-pay of \$15 per month.
- Surviving spouses will have a Co-pay of \$15 per month.
- The Co-pay will be applicable to subscribers only, and not their dependents.

Drug Plan

- **Out of Pocket Maximum:** The current out-of-pocket maximum of \$250 for the 10% Co-pay on drugs is scheduled to increase to \$270 on January 1, 2010 and to \$290 on January 1, 2011. With the one year extension of the Collective Agreement, the out-of-pocket maximum will increase to \$310 on January 1, 2012.

The Drug Plan out-of-pocket maximums are combined family amounts.

- **Drug Listings:** When the Drug Plan carrier is able to negotiate a price for brand name drugs that is lower than the equivalent generic drug, the brand name drug will be included on the Controlled Formulary and dispensed. This will result in lower costs for the Plan, as well as lower Co-pays for participants.

Dental

Reimbursement levels will remain at the 2008 Ontario Dental Association (ODA) fee guide for the duration of the agreement.

The union will work to identify and list providers in each community who agree to limit their fees to the 2008 schedule.

Long Term Care

Effective January 1, 2011 the maximum rate for coverage for new entrants will be set at \$1,200 per month. Current residents of long term care facilities, and those entering prior to January 1, 2011, will remain at current coverage levels.

Life Insurance

COLA will no longer be included for the purposes of determining a member's life insurance benefit amount.

Annual Special Payment

The \$1,700 annual Special Payment will be diverted to offset the cost of legacy health care benefits, but the \$3,500 vacation buy-out has been maintained.

The company and the union agree to explore the possibility of establishing a Canadian VEBA to pre-fund retiree health care benefits.

CONTRACT TERM

- The current collective agreement has been extended by 1 year, with a new expiration date of September 17, 2012.
- Modified provisions become effective upon implementation of financial assistance agreements between GM and the Federal and Provincial governments.

PRODUCT COMMITMENTS

- During these restructuring talks, General Motors agreed to maintain the previously announced product commitments in Oshawa and St. Catharines.

WAGES AND COLA

- Base wage rates remain unchanged for the life of the new collective agreement.
- The current \$.05 per hour cost of living allowance float remains unchanged until June 2012. Cost of living adjustments will be reactivated beginning with the June 2012 COLA payment.

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OTHER BENEFIT MODIFICATIONS

- The Dependent Scholarship program benefit has been reduced to \$1,200 per dependent per year, beginning with the next academic year.
- Effective October 1, 2009, the employee Vehicle Purchase Discount has been reduced to \$2,000, once during the life of the collective agreement.
- The tuition refund reimbursement maximum has been reduced to \$2,500, commencing for new students with the start of the next academic year. The current level of \$3,250 will remain in effect for members on layoff, those currently enrolled in an approved program, and those enrolled in the CAW-McMaster certificate program.

PENSIONS

- The Basic and 30 and out Special Allowance pension benefit levels will remain at current levels for the life of the new agreement.
- There will not be any PCOLA increases for current and future retirees for the life of this agreement.

TIME OFF THE JOB

Scheduled Paid Absence has been reduced by 40 hours, beginning with the 2nd scheduled paid absence period in 2009.

RESTRUCTURING EVENTS

- All currently announced restructuring events remain covered under the terms of existing agreements.
- The Retirement Allowance amounts under Documents 12 and 13 will be modified for other events. The new amounts will be \$50,000 for production and \$60,000 for skilled trades, plus a \$20,000 vehicle voucher.

INCOME SECURITY FUND

- The Income Security Fund has been renewed.

WORKPLACE TRAINING PROGRAM AND SPECIAL CONTINGENCY FUND (SCCF)

- The Workplace Training program has been modified. The program will now provide 24 hours of training per member during the life of the contract.
- Funding commitments under the SCCF will be reduced over the life of the new agreement according to a negotiated timetable. The combined cost of all union-sponsored initiatives will be reduced by one-third.

PAID HOLIDAYS

The paid holiday schedule under the 2008 agreement remains unchanged. Paid holidays in 2011-2012 will be as follows:

*Friday October 7, 2011	Friday before Thanksgiving
Monday October 10, 2011	Thanksgiving
December 26, 27, 28, 2011	Christmas Holiday Period
December 29, 30, 2011	Christmas Holiday Period
January 2, 2012	Christmas Holiday Period
Friday April 6, 2012	Good Friday
Monday April 9, 2012	Easter Monday
Friday May 18, 2012	Friday before Victoria Day
Monday May 21, 2012	Victoria Day
Friday June 29, 2012	Friday before Canada Day
Friday August 31, 2012	Friday before Labour Day
Monday September 3, 2012	Labour Day

*Woodstock gets the August Civic Holiday three-day weekend (Monday August 6, 2012) instead of Thanksgiving.

RECOMMENDATION

Your Master Bargaining Committee unanimously recommends this tentative agreement and urge you to vote in favour of it.



Your CAW-Canada Master Bargaining Committee at General Motors



KEN LEWENZA
President



JIM O'NEIL
Secretary-Treasurer



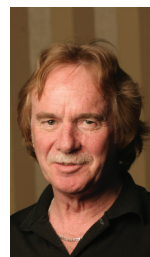
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GM Master Bargaining
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SANDRA ROSS
Chairperson,
Local 636,
Woodstock

DEFENDING OUR MEMBERS... (continued from front cover)

The cost reductions outlined in this brochure are painful. They will keep us well in the ballpark for new investments, once the industry turns the corner. Your elected bargaining committee designed these changes to maximize the savings, while minimizing (as much as possible) the pain on our members and families. We think you will agree, once you have read this brochure, that it could have been much worse. Crucially, we prevented any reductions in base wages, or in current pensions.

But this agreement, painful as it is,

cannot possibly save the auto industry. For that, government must live up to its responsibility: to help the companies survive the next 2-3 years, to implement a sensible long-run national auto strategy (including fair trade), and to fix the broken financial system which caused this crisis in the first place.

Your support for your union has been crucial for us to defend our wages and pensions, and to continue to fight for the better policies we need. Thank you, and we will need your continuing solidarity in the very difficult months and years ahead.

We join with every member of the elected CAW-GM Master Bargaining Committee in unanimously recommending this tentative agreement for your ratification.

In solidarity,

Ken Lewenza
CAW National President

Chris Buckley, Chairperson,
CAW-GM Master Bargaining Committee
and President, CAW Local 222