

# Special Attrition Programs

All workers will return to work at the Feb. 25, 2008 wage levels, including the COLA in effect at that time, until they are either released from work by signing up for a buy out program or having their wages reduced through the buy down program.

## Buy Out

The voluntary buy out program will be offered within 14 days of the effective date of the agreement and will include a 45-day election period and a seven-day reconsideration period.

Buyout packets will be made available to those who want to take a buy out without returning to work at each location.

Both parties have committed to working through these buy out dates to make it as flexible as possible for participants.

Anyone age 55 or older, by August 1, 2008, may elect an option to defer their buy-out or retirement incentive as an annuity or a rollover to a qualified plan, as allowed by law.

For those who participate in one of the six options, the latest release date for separation from AAM will be Feb. 1, 2009.

## Option 1

Eligible associates, who are active, on layoff or on leave, with one but fewer than 10 years seniority may elect to receive \$85,000.

## Option 2

Eligible associates, who are active, on layoff or on leave, with 10 or more years seniority may elect to receive a \$140,000 lump-sum payment.

## Option 3

Associates who are age 65, or who are between the ages of 60 and 65 with 10 or more years of credited service, 30-and-out or 85 points) may elect to retire and receive a \$55,000 lump-sum payment.

## Option 4

Eligible associates who have 26 but fewer than 30 years of credited service may elect to be placed on a pre-retirement leave until they reach 30 years of credited service. This option includes health care continuation.

Years of credited service	Amount per month paid weekly
29	\$2,900
28	\$2,850
27	\$2,800
26	\$2,750

## Option 5

Mutually satisfactory retirement program (age 50 with 10 years) will be offered at Tonawanda Forge (excluding Cheektowaga, Detroit 4 and 5 and Buffalo).

## Option 6

Eligible associates hired pursuant to the Three Rivers 11.5" Axle Agreement and all Cheektowaga associates may voluntarily quit in exchange for a \$50,000 lump-sum payment.

## Eligibility

The date of seniority and or credited service eligibility will be as of Aug. 1, 2008.

For those who do not sign up for the buy out, the buy down program is involuntarily offered.

## Buy Down Program

AAM will buy down all associates at non-closed plants who do not participate in a voluntary buy out program. The program will be administered within 90 days of contract ratification, following the buy out program.

The total amount of the buy down payment will not exceed \$105,000 in the three years in which partial payments are made. The initial payment of up to a maximum of \$40,000 will be paid on the first pay period which contains the new bought-down wages. This will be followed in the second year by a payment of up to \$35,000. The third and final year of buy-down payments will be capped by the maximum of the total program of \$105,000 less any payments made in years one and two.

If the buy-down amounts in years one or two would have exceeded the caps, the amount in excess will be carried forward to the succeeding years, so long as the overall program maximum of \$105,000 is not exceeded.

An associate who receives a buy down may elect to, during the first 30 days on an indefinite layoff, convert to a cash out by executing a separation agreement and release of claims in return for any remaining funds due on the total buy down. The amount will be paid as a lump sum less any SUB benefits received prior to separation.

The formula described above will be adjusted on a weighted average for weeks on different wage levels as well as S&A, disability or workers' compensation payments. (See charts.)

## Report

This report was prepared for the UAW-American Axle Manufacturing Department, Vice President Jimmy Settles, by the UAW Public Relations and Publications Department. This is a summary of the tentative agreement. In all cases, the actual contract language will apply.