

HEALTH CARE TRUST

Under the contract, the union and the company have committed to negotiate a Health Care Trust (HCT) agreement to provide retiree health care benefits in the future. The federal government has agreed to make possible a new tax-efficient funding method, providing favourable tax treatment for companies expecting to pre-fund their retiree health care benefit costs (similar to the pre-funding of pensions).

The HCT will provide for retiree health care benefits only for current active members of GMCL (once they retire from service) and our currently retired members and their eligible dependents. (Future new hires will also be covered for retiree health care benefits, as specified in the New Hire Program contained in this collective agreement)

The HCT framework will determine all details of its operation, including:

- Timing of implementation
- Timeline of contributions into the trust

The agreed HCT framework will reduce the cost of financing negotiated retiree health care benefits, and will also help to protect retiree health care benefits if a company goes bankrupt. The Canadian HCT is premised on enough funds being deposited into the trust to fully support (according to reasonable actuarial and financial parameters) retiree health benefits as currently specified in our contract. Over the years, if long-run investment returns are higher or lower than assumed, then retiree benefits could be adjusted up or down in the future.

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.

PENSIONS

As a result of previous funding regulations, the deterioration in the number of active workers compared to retirees, and the current global financial crisis, the GM pension plan is currently seriously underfunded. A liquidation of GM would result in significant losses in pensions for both retirees and active workers.

A key victory in this round of bargaining is an agreement with GM to restructure the funding of the pension plan. GM commits to move to funding the pension plan on a solvency basis and to provide a significant upfront contribution within a month after rescinding qualifying plan status.

In addition, GM is obliged to fund the plan with further significant minimum contributions over the next several years. Together, these measures will mean the solvency funding level of the pension plan will be comparable to the plans at Ford and Chrysler, within a year, and will also be sustained at those levels.

GM will be making these payments as part of its overall restructuring plan. Governments on both sides of the border are helping GM avoid liquidation. Thanks to our contract, and to the overall restructuring package, GM will be able to live up to its pension responsibilities in the years to come.

This pension restructuring will be facilitated through the intended implementation of a special regulation by the provincial government. That regulation is expected to provide the opportunity for GM to elect 10 year funding under the Ontario solvency funding relief measures (as specified in the 2009 Ontario Budget) once they are in force. As part of this agreement, the regulation will also provide an exemption from the legislated grow-in provisions under Section 74 of the Pension Benefits Act until the plan reaches full solvency. (This does not apply to grow-ins under the GM collective agreement, which remain in place.)

Various sacrifices have been made in this agreement. In essence they are not only a contribution to the viability of the company, but can also be viewed as a contribution to the ongoing health of the pension plan.

We have managed to get this agreement without any reduction in the rates for both the Basic and 30-and-Out benefits, but we have agreed that there will be no pension benefit improvements until at least September, 2015.

In summary, our retirees and workers can be much more secure and confident about their current lives, and can look forward to a dignified and stable future.

