

BULLETIN

Employee Option to Opt-Out of Transition Assistance Plan (TAP)

In early 2009, the UAW and Ford Motor Company entered into negotiations to identify and implement certain modifications to the 2007 Collective Bargaining Agreement (CBA) that were deemed necessary to assist Ford in its efforts to survive unprecedented economic challenges. One specific agreement, places limitations on the number of weeks of Supplemental Unemployment Benefit (SUB) benefits that an employee may receive while on a qualifying layoff. The Transition Assistance Plan (TAP) was added to provide additional benefit payments after SUB benefit payments have ended.

As an alternative to receiving weekly TAP benefit payments, an employee may elect to opt out of TAP benefits anytime prior to but no later than 30 days following their TAP eligibility date. The TAP Opt-Out election provides a lump-sum cash payment equivalent to the number of TAP weeks payable to the employee plus \$10,000. By electing to opt out of TAP, the employee will forfeit eligibility for weekly TAP benefit payments and all recall rights. The gross (pre-tax) amount of the opt out lump-sum cash payment is calculated at \$10,000 plus the maximum TAP benefit for which the employee would otherwise be eligible (i.e., 50 percent of gross weekly wages, based on a 40 hour week, multiplied by the employee's maximum TAP week eligibility). The lump sum is subject to applicable taxes and any other amounts required to be deducted under applicable law or court order, and it will include deductions for any un-repaid overpayments under the SUB plan. Lump sum checks will be mailed to the employee's address of record. An employee who elects to opt out of the TAP will continue to receive healthcare coverage as outlined in Volume III of the UAW-Ford CBA.

Each benefit has its own explanation in the CBA and in the "Your Employee Benefits" book. The following are "Your Employee Benefits" book topic and page references:

- o Healthcare Plans (H-S-M-D-D-V and hearing) Page 13
- o Life and Disability Pages 154-155
- o Retirement Plan Page 168 for continued service credit
- o Legal Services Plan Page 215
- o Profit Sharing Page 280 under Eligibility

If an employee elects to opt out of TAP, when must it to be done?

The election for the TAP Opt-Out must be effected prior to but no later than 30 days following the employee's TAP eligibility date. If the employee waits to make the election 31 days or more after their TAP eligibility date, the employee forfeits eligibility for the lump-sum payment, and the election will be denied.

Tips for Employees:

- o Regularly review your SUB check stubs for any possible messages;
- o Be aware of how many weeks of SUB benefits you have remaining, especially if you are considering the TAP Opt-Out option. (Remember: the week the SUB check is distributed is not the same as the week for which you were paid your SUB benefit -- there is a 2-3 week lag);
- o If you decide to elect TAP Opt-Out, contact your location's Human Resource Office at least 2-3 weeks prior to exhausting your SUB.

Employees with questions about TAP Opt-Out should contact their Local UAW Job Security Rep., UAW Benefits Rep., or Human Resource Associate.