



UAW GM Report

October 2005

What Will Change?

No cost impact for retirees with \$8,000 or less per year in pension income and a benefit rate of \$33.33 or less per month per year of service. No new costs; some administrative changes.

All other retirees - Contribution of \$10 per month for individual coverage, \$21 per month for family coverage in the first year of the plan. Deductibles, increased drug co-payments and co-insurance payments will also be implemented.

Maximum out-of-pocket costs for deductibles and co-insurance. \$250 for individuals, \$500 for families.

No changes in health care benefits for active workers, except for increases in some prescription drug co-payments and plan administrative changes.

GM will pay \$3 billion to an Independent VEBA Trust, plus profit-sharing and potential stock appreciation rights.

Active UAW members will contribute to the Independent VEBA Trust to help fund post-retirement health care benefits with deferral of pay increases averaging \$1 per hour, plus future quarterly COLA deferrals of 2 cents per hour. There is no reduction in current pay; these are deferrals of future raises.

Independent VEBA Trust to subsidize cost of retiree benefits. Independent trustees will administer funds contributed by the company and wage deferrals by employees, with mandate to protect benefits and minimize costs for retirees.

Ratification, legal action required. Proposed changes require ratification by active members and court approval on behalf of retirees.

Joint efforts on health care reform. The UAW and GM have agreed to an unprecedented effort to improve the affordability, accessibility and accountability of the U.S. health care system, including the pursuit of universal coverage.

Health Care Changes for Active and Retired Workers

GM contributes \$3 billion to Independent VEBA Trust for future benefits

This summary explains the proposed changes to the UAW GM retiree health care plan and the deferral of future wage increases for UAW GM active workers. The changes will be implemented if the tentative agreement is ratified by UAW GM active members and approved by the U.S. District Court for the Eastern District of Michigan.

Overview

- For UAW GM retirees and surviving spouses with yearly GM pension income of \$8,000 or less and whose GM pension benefit rate is \$33.33 or less per month per year of service, health care coverage will continue as is, except for minimal modifications and administrative changes. More than 73,000 retirees and surviving spouses will be exempted under this provision. (See page 5, "Protection for Low-Income Retirees," and page 6, "Health Care Program Modifications and Administrative Changes".)

- The actual cost for all other retirees and surviving spouses will be monthly contributions of \$10 for individual coverage and \$21 for family coverage in the first year of the plan. Deductibles and co-insurance payments will also be implemented, with a maximum potential out-of-pocket cost for such payments of \$250 for an individual and \$500 for a family. (See "Proposed Changes in UAW GM Retiree Health Care Program," page 3 and Table 4, page 8.)

- These monthly contributions and other out-of-pocket expenses will be significantly smaller than they would otherwise be due to mitigation by an Independent Voluntary Employee Benefit Association (VEBA) Trust. GM will contribute \$3 billion to the Independent VEBA Trust, plus profit sharing, potential dividend payments and Stock Appreciation Rights. (See "Independent VEBA Trust," page 5.)

- GM active workers will forgo an average of \$1 per hour in future wage increases through the deferral of 17 cents in COLA and the 3 percent wage increase scheduled for September 2006. In addition, once the 17 cents of COLA has been accumulated, an additional 2 cents of each subsequent quarterly COLA adjustment will be deferred. This money will go into the Independent VEBA Trust. (See "UAW GM Active Workers," page 4.)

- To ensure that monthly contributions, deductibles, co-payments and out-of-pocket maximums are affordable over the long run, these obligations will increase by no more than 3 per cent per year, subject to funding. The Independent VEBA Trust is projected to have sufficient funds to maintain benefits for the next 20 years.

- Retirees and surviving spouses who choose not to enroll in the Modified Plan will be covered at no cost under a plan that covers only catastrophic health care expenses.

- Health care coverage for UAW GM active workers will continue as is, except for several administrative changes and increases in prescription drug co-payments. (See "UAW GM Active Workers" page 4 and "Health Care Program Modifications and Administrative Changes," page 6.)

- The tentative agreement is subject to ratification by active UAW GM members and court approval.

A message from UAW President Ron Gettelfinger and UAW Vice President Richard Shoemaker

October 29, 2005

Dear Brothers and Sisters,

This document presents for your consideration a tentative agreement between the UAW and GM on health care issues. This agreement was negotiated with the Corporation following consultations with the UAW National GM Council and an in-depth analysis of GM's financial situation by a team of UAW in-house experts and three internationally respected firms – Lazard LLP (financial advisers); Cleary, Gottlieb, Steen & Hamilton (attorneys); and Milliman (health care actuaries).

This analysis made it clear that in order to provide UAW-represented GM retirees and surviving spouses the strongest possible long-term protection for their health care benefits, action needed to be taken sooner rather than later.

As we all know, GM's market share has fallen dramatically over the past decades. In 1985, GM commanded 41 percent of the U.S. market. Today, even with aggressive incentives, GM's share of the U.S. market is hovering around 26 percent. In May of 2005, GM's credit rating was downgraded to noninvestment or "junk" status. So far this year, GM has reported losses of \$4.2 billion from its North American operations, and many analysts forecast that GM will suffer significant losses in 2006 and 2007 as well.

In 1992, GM's liability for retiree health care benefits — "Other Post Employment Benefits," commonly referred to as OPEB — was \$38.4 billion. Today the company's OPEB cost has increased to \$77 billion; \$61 billion of that amount is associated with union-represented hourly employees in the United States. Meanwhile, as the number of GM retirees has continued to increase, the number of active hourly workers has continued to decrease. In the 1970s, GM had 490,000 active hourly workers supporting 90,000 retirees. Today the numbers are almost exactly the reverse: 110,000 active hourly workers are supporting over 519,000 retirees, surviving spouses and dependents.

UAW-represented GM active workers, retirees and surviving spouses have long enjoyed some of the best health care coverage of any workers in America, and will continue to do so under the terms of this tentative agreement. This agreement preserves quality, affordable health care for UAW-represented GM workers, retirees and their dependents, and it will help GM remain viable for the long term.

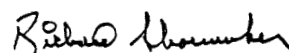
The health care problems at GM are part of a broader crisis which must be addressed on a national basis. As long as the United States remains the only industrialized nation (except for South Africa) without a universal national health care system, employers like GM that have accepted the responsibility of providing comprehensive health benefits to active and retired employees will continue to suffer from a competitive disadvantage.

While we will continue our long-term efforts to address America's health care crisis, we cannot afford to delay addressing its impact on General Motors.

The National UAW GM Negotiating Committee, the UAW National GM Council and the UAW Retiree Advisory Council have all unanimously voted to recommend ratification of this tentative agreement. We also recommend ratification of this tentative agreement.

Fraternally and in Solidarity,


Ron Gettelfinger


Richard Shoemaker

Proposed Changes in UAW GM Retiree Health Care Program

Under the current retiree health care program, General Motors provides a range of retiree health care benefits and bears the full cost of those benefits. The current program has co-payment requirements only in very limited areas, such as prescription drugs and mental health services.

Under the new program, retiree health care benefits would be provided by two separate plans:

1. Modified GM-Sponsored Plan: GM will continue to sponsor a retiree health care plan and bear the full cost of that plan. However, this modified plan will require a monthly contribution as well as deductibles, co-insurance and co-payments on the full range of medical and hospitalization services.

Those changes are summarized in *Table One* on page 4 and *Table Four* on Page 8. In addition, a number of changes have been made regarding administration of the plan.

These changes are outlined on page 6.

2. Independent VEBA Trust Plan: To offset or mitigate a large portion of the costs that would otherwise have to be paid by retirees under the modified plan, the UAW negotiated an Independent VEBA Trust that will provide additional funding for retiree health care benefits. The Independent VEBA Trust plan will pick up a large portion of the retiree health care costs that will not be covered by the modified GM-sponsored plan, thereby greatly reducing the impact on retirees of the proposed changes to the GM-sponsored plan.

Responsibility for the dental plan will also be transferred without change from GM sponsorship to the Independent VEBA Trust.

While it is important to understand how each plan – the modified GM-sponsored plan and the Independent VEBA Trust plan – will work on its own, the key point is these

two plans will work together to provide retirees with health care benefits at far lower cost than the modified GM-sponsored plan would provide on its own. Overall, the two plans acting together offer the full range of benefits and coverage as before.

Independent VEBA Trust Plan: Helps Pay Amounts Retiree Would Otherwise Pay Under Modified GM-Sponsored Plan

As noted above, the modified GM-sponsored plan — like most health care plans today — includes monthly contributions, deductibles, co-insurance and co-payment amounts. The new Independent VEBA Trust is designed to protect retirees from having to bear the full cost of these amounts.

The Independent VEBA Trust is not a GM-sponsored or administered plan. It is a trust fund, and its assets will be held in trust for the sole purpose of assisting retirees by paying some or all of the amounts they would otherwise be required to pay under the new modified GM-sponsored plan.

The new Independent VEBA Trust will be administered by a group of Trustees, independent of GM. The Independent VEBA Trust's funding sources are described on page 5.

Initially, the Independent VEBA Trust will pay 80% of the monthly contribution charges on behalf of retirees. For example, the Independent VEBA Trust will pay \$40 toward the Modified Plan's \$50 monthly contribution requirement for a single retiree, and the retiree will be required to pay \$10 per month.

The Independent VEBA Trust will also reduce the deductible and out-of-pocket maximum, so that a single retiree will have a deductible of \$150 and an out-of-pocket maximum of \$250, including the deductible, for in-network services.

Table One on page 4, Modified Plan Provision and Retiree Payment, shows the impact of the Independent VEBA Trust on amounts retirees would otherwise be required to pay.

Definitions

■ **Contributions** — The monthly contribution is the amount that a retiree must pay each month to remain enrolled in the Plan.

Retirees who choose not to contribute will be covered at no cost under a plan that covers only catastrophic health care expenses.

■ **Deductible** — A deductible is the amount a retiree must pay toward medical expenses before the plan begins paying. Excluded charges are not counted for purposes of meeting the deductible.

■ **Co-Insurance** — A co-insurance requirement means that, after a retiree meets the required deductible, the Plan and the retiree will “share” the costs of medical care. Typically, a participant's share of the co-insurance is capped by an out-of-pocket maximum. Under the modified plan, the co-insurance ratio is 90/10 for services obtained within the network up to the amount of the out-of-pocket maximum.

This means that after a retiree meets the deductible requirement, the plan will pay 90% of the medical costs, and a retiree will be required to pay 10% up to the amount of the out-of-pocket maximum.

For services obtained outside the network, the co-insurance is 70/30, which means that the plan pays 70%, and a re-

tiree pays 30%, for out-of-network services up to the amount of the out-of-pocket maximum. Excluded charges are not counted for purposes of meeting the coinsurance requirements

■ **Co-payment** — A charge paid by a retiree on a per service, per prescription or per office visit basis.

■ **Out-of-Pocket Maximum** — The out-of-pocket maximum is the maximum amount that the retiree may pay each year - including both the deductible and the co-insurance amounts. Once a retiree has paid the out-of-pocket maximum, the Plan will pay 100% of any further covered medical costs in the year. Excluded charges are not counted for purposes of meeting the out-of-pocket maximum.

■ **Excluded Charges** — Payments made by participants under the existing plan that are not reimbursable, including office visits, cost sharing under the mental health substance abuse program, prescription drug co-payments, dental and vision cost sharing, non-covered charges for durable medical equipment and prosthetic and orthotic appliances and any sanctions or exclusions such as participant payments in excess of Reasonable and Customary. It also excludes the new emergency room co-payment.

UAW GM Active Workers

Health Care Coverage Maintained, Future Wage Increases Deferred to Independent VEBA Trust

Health Care: Under the tentative agreement, the health care coverage for UAW GM active workers will *not* be subject to monthly contributions, deductibles or co-insurance. The modifications and other administrative changes described on page 6 will apply, as well as the increased co-payments on mail-order drugs and erectile dysfunction drugs (retail and mail-order) described in *Table Two*, below left.

Deferral of Future Wage Increases: Under the tentative agreement, an average of \$1 per hour of future wage increases will be deferred to help fund the Independent VEBA Trust, consisting of:

- A total of 17 cents per hour of COLA at a maximum rate of 6 cents per quarter, following court approval of the agreement;
- Plus the September 2006 3 percent wage increase.

Once the 17 cents of COLA has been accumulated, an additional 2 cents of COLA will be deferred in each quarter thereafter.

The deferrals will be fully rolled-up to account for overtime and shift premiums, vacations, holidays, FICA and other compensation costs, thereby allowing the full deferral value of these contributions to be deposited in the Independent VEBA Trust.

**Table One
Modified Plan Provisions and Retiree Payments**

	Modified Plan Provision	Retiree Pays
Monthly Contribution (single)	\$50	\$10
Monthly Contribution (family)	\$105	\$21
Deductible (single)	\$300	\$150
Deductible (family)	\$600	\$300
Out-of-Pocket Maximum* (in-network) (single)	\$500	\$250
Out-of-Pocket Maximum* (in network) (family)	\$1,000	\$500
Out-of-Pocket Maximum* (out of network) (single)	\$1,000	\$500
Out-of-Pocket Maximum* (out of network) (family)	\$2,000	\$1,000

Note: *The Independent VEBA Trust pays the difference between the Modified Plan provision and the retiree payment.*

**The out-of-pocket maximums shown above include the deductible and the co-insurance payments of 10% in network and 30% out of network. "Excluded charges" are not counted for purposes of meeting the deductible or out-of-pocket maximum (see Definitions, page 3.)*

These contributions, deductibles and co-insurance amounts do not apply to UAW GM retirees and surviving spouses with \$8,000 or less in pension income and a benefit rate of \$33.33 or less per month per year of active service.

**Table Two
New Prescription Co-payments**

	Generic	Brand	ED medications such as Viagra and Cialis
Retail (34 day supply)	\$5	\$10	\$15
Mail order (90 day supply)	\$10	\$15	\$18

These co-payments do not apply to UAW GM retirees and surviving spouses with \$8,000 or less in pension income and a benefit rate of \$33.33 or less per month per year of active service. This group will continue to be covered by the current drug co-payment arrangement.

Independent VEBA Trust

Sources of Funding

The Independent VEBA Trust will be funded as follows:

- GM will contribute \$3 billion to the Independent VEBA Trust, consisting of contributions of \$1 billion each in 2006, 2007 and 2011. The 2011 contribution will be made earlier if the balance of funds in the Independent VEBA Trust falls below \$600 million.

- Additionally, for the seven-year period 2006-2012, incremental profit-sharing payments attributable to the write-off of health care-related cost savings will be contributed to the Independent VEBA Trust. GM has guaranteed that such payments will be at least \$30 million for each of those years.

- Wage and COLA Deferral Payments, as described on page 4.

- The Independent VEBA Trust will also hold "Stock Appreciation Rights" on 8 million shares of GM stock. Under this provi-

sion, GM will be required to make additional deposits to the Independent VEBA Trust, based on future increases in GM's stock price and any dividend payments to shareholders other than the regular quarterly cash dividend.

- The Independent VEBA Trust will also receive an additional payment in the event GM increases its regular quarterly cash dividend to shareholders.

Use of Funds

The Independent VEBA Trust will initially pay 80% of the monthly retiree contribution, and the difference between the deductible and co-insurance amounts charged by the Modified Plan and the corresponding amounts paid by the retiree (as shown in *Table One*, Page 4.)

The ability of the Independent VEBA Trust to continue to cover those portions of these costs on behalf of retirees is not guaranteed by GM. Instead, the Independent VEBA Trust's ability to cover those

portions of the retirees' costs will depend on the investment income on the trust's assets, the number of active employees generating the wage deferral payments, numbers of retirements, profit sharing results, potential dividend payments, the exercise of Stock Appreciation Rights and other factors.

With contributions of more than \$3 billion in cash, profit-sharing payments, potential dividend payments and Stock Appreciation Rights from General Motors, as well as wage deferrals from active UAW members, the Independent VEBA Trust will have funding sources that should enable it to remain solvent for the next two decades. However, improving the funding of the Independent VEBA Trust will require our attention in future rounds of bargaining.

Trustees, who will be independent of GM, will govern the Independent VEBA Trust. The Trustees will make decisions about use of the funds in the Trust, in accordance with rules and guidelines that will be set forth in the Trust document.

Protection for Low-Income Retirees

The reduced contribution, deductible, and out-of-pocket maximums provisions are possible because the Independent VEBA Trust will fund large portions of those payments on behalf of retirees.

But for some of our retirees with low pension incomes, even the remaining costs could be a difficult burden to bear. The UAW therefore negotiated additional protection for more than 73,000 retirees with pension incomes below certain defined levels.

Retirees or surviving spouses who have annual GM pension benefit income of \$8,000 or less **and** a monthly benefit rate of \$33.33 or less will be exempt from the contribution, deductible and co-insurance provisions. People in this protected group will also retain the current prescription drug co-payments. The **only** changes in the health plan for this group will be the "Health Care Program Modifications and Administrative Changes" described on page 6.

Protection from Health Care Inflation

To make certain the monthly contributions, co-payments, deductibles and out-of-pocket maximums remain affordable for retirees over the long term, the tentative agreement provides that contributions, co-payments, deductibles and out-of-pocket maximums will increase by

no more than 3% per year, subject to funding.

With this protection, it takes 24 years of inflation before any of these figures double. In other words, it will be 24 years before the \$10 monthly contribution for a single retiree will become a \$20 monthly contribution.

Health Care Program Modifications and Administrative Changes

Upon ratification and court approval, the tentative agreement will also make a number of other changes to the health care plan. These include:

- A new \$50 emergency room co-payment will be applied in the case of an emergency room visit. It will be waived if there is an admission to the hospital. This co-payment does not apply to active employees or retirees protected under the low-income provisions.
- For retirees, dependent spouses, and surviving spouses eligible for Medicare Part B, plan payments will be based on the Medicare allowable charges whether the physician used participates in Medicare or not.
- Claims of retired employees eligible for Medicare Part B who do not enroll in Part B will be paid as if Medicare Part B were primary on the claim.
- Those current retirees (mostly surviving spouses) who never enrolled in Part B and are therefore subject to the Medicare Part B late enrollment penalty will have the penalty fully paid to date by GM or else the modification in the above bullet will not apply to them.
- Services related to non-covered cosmetic surgery will not be covered.
- Hold Harmless provisions will be amended so that the Program will not be responsible for all fees charged above Reasonable and Customary except in situations where the enrollee does not have the ability or control to select a par provider to perform

the service, such as an anesthesiologist.

- The parties will encourage Medicare Part B enrollees to have Medicare pay for medications that are covered by Part B by using pharmacies that electronically bill Medicare. If electronic billing capability becomes widely available in the pharmacy network, by mutual agreement, this electronic filing may become part of the program. In that event, those utilizing pharmacies without electronic billing capability will have to seek reimbursement from the drug carrier through submission of a paper claim.

The following changes, which flow from the 2003 agreement, will be implemented following ratification:

- Coverage for Proton Pump Inhibitors (PPIs) such as Nexium will be restricted to generic omeprazole, except in rare circumstances.
- Limiting the use of Statins to once daily dosing; requiring prior authorization for Revatio, Erythroid Stimulants, and Alzheimer's disease drugs; implementing step therapy for Enbrel, Cox II inhibitors and for Rheumatoid Arthritis patients; using generic citalopram prior to using Lexapro for enrollees new to therapy; and limiting access to Crestor and Pravachol over other comparable drugs.
- Implementing Integrated Care Management.
- Expanding the maintenance drug list to include the medications in *Table Three*, page 7.

PPOs

- The deductibles, co-payments, co-insurance and out-of-pocket maximums, modifications and administrative changes that apply in the Modified Plan will also apply to the PPO option.
- Prospective authorization will be required for out-of-network referrals in the PPO option. If authorization is not approved prior to a service being provided, the enrollee will be responsible for the out-of-network co-insurance amount. Any amount charged over Reasonable and Customary will not count toward deductibles, be covered by the Plan co-insurance portion, or be limited by the out-of-pocket maximum.

HMOs

The contribution amounts, emergency room co-payment and prescription drug co-payment changes implemented for the Modified Plan will also be applied to HMOs.

If an HMO is unable or unwilling to administer the prescription drug co-payment levels, a co-payment structure that achieves comparable savings will be implemented. In addition, beginning with the 2007 plan year, other changes will be made to the HMO benefit structure to achieve savings equivalent in value to the savings achieved by the implementation of deductibles and co-insurance in the Modified Plan.

The Trustees of the Independent VEBA Trust will mitigate the expenses of HMO participants to make the Trust's contribution on their behalf comparable to those for participants in the Modified Plan.

Legal Action Required to Protect Future Rights of UAW GM Retirees

For the health care modifications to take effect, a court must approve the agreement. By obtaining court approval, we will make certain the future rights of retirees are not compromised in any way as a result of these changes. We have insisted — and GM has agreed — that it will not make changes in the medical program (other than certain of the Administrative Changes which are already allowed under the existing agreement) until after court approval, which is expected in April of 2006.

Duration of Agreement

The agreement described here will remain in place until at least September 14, 2011.

At that time, either GM or the UAW can terminate the agreement. If the agreement is terminated after September 14,

2011, the retirees and the UAW will retain all of their legal rights as they exist today.

If neither party terminates the agreement, it will continue in effect beyond September 14, 2011.

UAW GM Report

This is a summary of the proposed tentative agreement. In all cases, the actual language of the agreement and plans will apply.

**Table Three:
Additions to Maintenance Drug List**

Drug Brand Name	Drug Generic Name	Therapeutic Class
ACCURETIC	quinapril/hydrochlorothiazide	Hypertension
ACEON	perindopril	Hypertension
ACTIVELLA	estradiol/norethindrone	Estrogen Replacement
ACTONEL	risedronate	Osteoporosis
ACTOS	pioglitazone	Diabetes
ADVICOR	lovastatin/niacin	High Cholesterol
AGGRENOX	dipyridamole/aspirin	Antiplatelet Agent - Stroke prevention
ALTOPREV	lovastatin xl	High Cholesterol
ATACAND	candesartan	Hypertension
ATACAND HCT	candesartan/hydrochlorothiazide	Hypertension
AVALIDE	irbesartan/hydrochlorothiazide	Hypertension
AVANDAMET	rosiglitazone/metformin	Diabetes
AVANDIA	rosiglitazone	Diabetes
AVAPRO	irbesartan	Hypertension
BENICAR	olmesartan	Hypertension
BENICAR HCT	olmesartan/hydrochlorothiazide	Hypertension
CADUET	amlodipine/atorvastatin	Hypertension - Cholesterol
CLIMARA PRO	estradiol/levonorgestrel	Estrogen Replacement
COMBIPATCH	estradiol/norethindrone	Estrogen Replacement
COMTAN	entacapone	Parkinson's Disease
COREG	carvedilol	Hypertension - CHF
DIOVAN HCT	valsartan/hydrochlorothiazide	Hypertension
EVISTA	raloxifene	Osteoporosis
FEMHRT	ethinyl estradiol/norethindrone	Estrogen Replacement
FOSAMAX	alendronate	Osteoporosis

Drug Brand Name	Drug Generic Name	Therapeutic Class
GLUCOVANCE	glyburide/metformin	Diabetes
GLYSET	miglitol	Diabetes
HYZAAR	losartan/hydrochlorothiazide	Hypertension
LEXCEL	enalapril/felodipine	Hypertension
LOTREL	amlodipine/benazepril	Hypertension
MIACALCIN	calcitonin	Osteoporosis
MICARDIS	telmisartan	Hypertension
MICARDIS HCT	telmisartan/hydrochlorothiazide	Hypertension
MIRAPEX	pramipexole	Parkinson's Disease
MOBIC	meloxicam	Pain Management - NSAID
ORTHO-PREFEST	estradiol/norgestimate	Estrogen Replacement
PLAVIX	clopidogrel	Antiplatelet Agent - Stroke prevention
PLETAL	cilostazol	Platelet Aggregation Inhibitor
PRANDIN	repaglinide	Diabetes
PRAVIGARD PAC	pravastatin/aspirin	Cholesterol - Stroke prevention
PRECOSE	acarbose	Diabetes
REQUIP	ropinarole	Parkinson's Disease
STARLIX	nateglinide	Diabetes
TARKA	trandolapril/verapamil	Hypertension
TEVETEN	eprosartan	Hypertension
TEVETEN HCT	eprosartan/hydrochlorothiazide	Hypertension
TRICOR	fenofibrate	Cholesterol - Triglycerides
ZETIA	ezetimibe	High Cholesterol
ZIAC	bisoprolol/hydrochlorothiazide	Hypertension
ZYFLO	zileuton	Asthma

**Table Four: Proposed Changes in UAW-GM Health Care Plan for Active and Retired Workers
Traditional Care Network and Preferred Provider Organizations**

	Monthly Contr. ^{a,d}	Yearly Deduct. ^{a,d}	Co-insurance & OOPM ^{a,d}	Yearly Total ^a		Prescription Drugs ^a		\$50 ER ^{a,b}	COLA & GWI Deferrals	Admin Changes
				Individual ^a	Family ^a	Retail	Mail ^e			
Low Pension Income (\$8000 and \$33.33)	N/A	N/A	N/A	N/A	N/A	No Change	No Change	N/A	N/A	YES
RETIRES	\$50/\$105 \$10/\$21* VEBA pays balance	\$300/\$600 \$150/\$300* VEBA pays balance	10% with \$500/\$1000 Max In-network \$250/\$500* ^f VEBA pays balance	\$120 Month Contrib \$150 Yearly Deduct \$100 Co-insurance \$370 MAXIMUM	\$252 Month Contrib \$300 Yearly Deduct \$200 Co-insurance \$752 MAXIMUM	\$5 Generic \$10 Brand \$15 ED	\$10 Generic \$15 Brand \$18 ED	Yes	N/A	YES
ACTIVE	N/A	N/A	N/A	N/A	N/A	\$5 Generic \$10 Brand \$15 ED	\$10 Generic \$15 Brand \$18 ED	N/A	An average of \$1.00 per hour Deferral: Comprised of \$0.17 COLA: Max \$0.06 per quarter and Sept 06 GWI Plus \$.02 per Quarter ongoing deferrals beginning December 2006	YES ^c

^a Increases 3% per year MAXIMUM (Amounts would take 24 years to double).

^b Waived if admitted to hospital

^c Excluding changes related to Medicare

^d Deductible, co-insurance & OOPM (out-of-pocket maximum) exclude office visits, Durable Medical Equipment, Prosthetic & Orthotic, Mental Health & Substance Abuse, Dental, Vision, Rx Co-payment and ER Co-payment

^e 90 day supply

^f Amount includes \$150/\$300 yearly deductible

* Amount paid by participant-single/family

Note: HMOs are covered on page 6. This is a summary of the tentative agreement. In all cases, the actual language of the agreement and plans will apply.