



Frequently Asked Questions for 2009 Minimum Required Distribution (MRD) Requirements

Q. What are Minimum Required Distributions (MRDs)?

A. Minimum Required Distributions (MRDs) are minimum amounts that a retirement plan account owner must withdraw annually, generally starting with the year that he or she reaches 70 ½ years of age or, if later, the year in which he or she retires. The MRD rules apply to all employer sponsored retirement plans, including qualified plans (such as 401(k) plans), 403(b) plans, and 457(b) plans. The MRD rules also apply, with some differences, to traditional IRAs and IRA-based plans such as SEPs, SARSEPs, and SIMPLE IRAs.

Q. How are distribution amounts determined?

A. Generally, an MRD is calculated for each account by dividing the prior December 31st balance of that IRA or retirement plan account by the applicable factor from life expectancy tables published by the IRS. These tables can be found on the IRS website, www.IRS.gov in Publication 590, *Individual Retirement Arrangements (IRAs)*. There are three separate tables:

- The Joint and Last Survivor Table is used by an account owner whose sole beneficiary of the account during the entire calendar year is his or her spouse and is more than 10 years younger than the account owner;
- The Uniform Lifetime Table is used by account owners who are unmarried, whose spouse is not the sole beneficiary for the entire calendar year, or whose spouse is not more than 10 years younger; and
- The Single Life Expectancy Table is used by a beneficiary of an account.

Q. Why are MRDs not required for 2009?

A. With the significant market volatility that began in 2008, government policymakers wanted to provide the opportunity for people to keep their money invested in retirement savings accounts rather than be forced to withdraw from accounts that may have suffered significant losses. The Worker, Retiree, and Employer Recovery Act of 2008 (the "Act") was signed into law in late December of 2008. One of the provisions of the Act suspends the MRD requirement for calendar year 2009 for participants in qualified defined contribution plans (such as profit sharing plans and 401(k) plans), 403(b) plans, governmental 457(b) plans, and IRA-based plans, as well as for IRA account owners and beneficiaries. MRDs must recommence in 2010.

Q. I was subject to the MRD requirements for the first time in 2008 and deferred my 2008 MRD to 2009. Does this payment qualify for the 2009 temporary suspension of MRD?

A. Even though you have deferred your first MRD payment to 2009, it is still considered a 2008 required withdrawal and therefore you will have to take that payment no later than April 1, 2009 or be subject to a potential 50% tax penalty.

Q. Can I stop my installment payments for 2009?

A. If you have set up installment payments from your GM Savings Plan, perhaps to satisfy your MRD, you may stop future payments by calling the GM Benefits & Services Center at 1-800-489-4646 at least 10 days prior to the date of your next scheduled installment payment. If you wish to continue receiving your scheduled installment payments, no action is required.

Please Note: Minimum Required Distributions can be an important part of your retirement and estate planning process. You should always consider consulting with your tax advisor for assistance regarding your individual situation.

Q. How will not taking my 2009 MRD affect future payouts?

A. Each year, your MRD amount is recalculated based upon the previous calendar year's ending balance of each of your defined contribution retirement accounts and your life expectancy. Since not taking a withdrawal in 2009 may increase your year-end account balance, the amount of your 2010 MRD may also increase over what it would have otherwise been, though not by an equivalent amount.

Q. In addition to my GM Savings Plan, I have IRAs with Fidelity. If I choose to stop my 2009 MRD payments for my Fidelity IRAs, do I need to contact Fidelity about each account?

A. Yes. Your GM Savings Plan and your Fidelity IRAs are serviced differently. If you have set up your Fidelity IRA to automatically pay out annual MRDs, and you wish to make a change, you will need to contact Fidelity to stop the MRD payment.

Be sure you understand the tax consequences and your plan's rules before you initiate a distribution. You may want to consult your tax advisor about your situation.

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