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# BENEFIT PLANS AND AGREEMENTS

*between*

UAW®

*and the*

FORD MOTOR COMPANY

## Volume II

RETIREMENT PLAN  
INSURANCE PROGRAM



Agreements Dated

November 5, 2015

*(Effective November 23, 2015)*

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Ford Motor Company and the UAW recognize their respective responsibilities under federal and state laws relating to fair employment practices.

The Company and the Union recognize the moral principles involved in the area of civil rights and have reaffirmed in their Collective Bargaining Agreement their commitment not to discriminate because of race, religion, color, age, sex, sexual orientation, union activity, national origin, or against any employee with disabilities.

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PRINTED IN U.S.A.

**NOTE:**

This booklet (Volume II) is being presented to you so that you may know the terms of the Retirement Plan and the Insurance Program negotiated between the UAW and the Company **November 23, 2015**. Specifically, the following material is presented in the order given:

1. Retirement Agreement and Plan
2. Insurance Program including:
  - a. Article IX, Section 27 of the Collective Bargaining Agreement
  - b. Group Life and Disability Insurance
  - c. Hospital-Surgical-Medical-Drug-Dental-Vision Expense Coverages

Portions of the Agreement reproduced here which are new or changed from previous agreements are shown in bold type.

Please note that any gender specific references in the Agreement language shall apply to either sex.

Other agreements and plans reproduced in separate booklets are: Volume I, Collective Bargaining; Volume III, Supplemental Unemployment Benefit Agreement and Plan, Guaranteed Income Stream Benefit Agreement and Program, Profit Sharing Agreement and Plan, Tax Efficient Savings Agreement and Plan, and UAW-Ford Legal Services Plan; and Volume IV, Letters of Understanding.

We hope you will find this booklet helpful.

**JIMMY SETTLES**  
Vice President and Director  
UAW, National Ford Department

**WILLIAM P. DIRKSEN**  
Vice President,  
Labor Affairs

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## **COLLECTIVE BARGAINING AGREEMENT**

On this **5<sup>th</sup>** day of **November, 2015**, at Dearborn, Michigan, Ford Motor Company, a Delaware corporation, hereinafter designated as the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, an unincorporated voluntary association, hereinafter designated as the Union, hereby agree as follows:

## AGREEMENT

### CONCERNING RETIREMENT PLAN

On this 5<sup>th</sup> day of **November, 2015**, at Dearborn, Michigan, Ford Motor Company, a Delaware corporation, hereinafter designated as the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, an unincorporated voluntary association, hereinafter designated as the Union, hereby enter into an Agreement Concerning Retirement Plan and agree that the Retirement Plan established by agreement between the parties, as heretofore amended, shall be further amended as set forth herein, both effective upon receipt of a ruling from the Director of Internal Revenue approving the Plan as amended and the trusts established in connection therewith, all as provided in Section 2 of such Agreement Concerning Retirement Plan, and upon receipt of any ERISA approvals and rulings, and upon receipt by the Company from the Union on or before expiration of the time for ratification specified in the **2015** Settlement Agreement of written notice that this Agreement Concerning Retirement Plan, the Skilled Trades Supplemental Agreement, the Collective Bargaining Agreement, Agreement Concerning Guaranteed Income Stream Benefit Program, the Agreement Concerning Supplemental Unemployment Benefit Plan, Agreement Concerning Ford Motor Company Profit Sharing Plan for Hourly Employees in the United States and Agreement Concerning Tax-Efficient Savings Plan for Hourly Employees, being entered into between the parties on **November 5, 2015** have been ratified by the Union, following which the provisions of this Agreement Concerning Retirement Plan shall become effective as specified herein.

As used herein:

- (a) "Agreement," unless specified otherwise in the context, means the Agreement Concerning Retirement Plan set forth in Part A.
- (b) "Plan" means the Retirement Plan established by agreement between the Company and the Union, as set forth in Part B.

## **PART A**

### **AGREEMENT CONCERNING RETIREMENT PLAN**

#### **Section 1. Introduction**

This Agreement and the Plan have been negotiated and are agreed to on behalf of the parties by the parties' respective committees.

#### **Section 2. Tax and ERISA Approvals**

The obligation to maintain the Plan as herein provided is subject to the requirement that continued approval of such Plan and each trust to be established in connection therewith by the Director of Internal Revenue as a qualified plan and trust (i) qualifying for exemption from taxation under Sections 501(a) and 401(a) of the Internal Revenue Code or any other applicable Section of the Federal tax laws (as such Sections are now in effect or are hereafter amended or adopted) and (ii) entitling the Company to deduction for contributions under Section 404 of the Internal Revenue Code or any other applicable Section of the Federal tax laws (as such Sections are now in effect or hereafter amended or adopted).

In accordance with applicable Internal Revenue Service revenue procedures, the Company shall submit the Plan and the trust agreements as executed or the purpose of obtaining such approval.

In the event that any revision in the Plan is necessary to obtain or maintain such approval or to obtain or maintain any approval of the Plan under the Employee Retirement Income Security Act of 1974, as amended (ERISA), the Board of Administration provided for in the Plan (which shall have such authority even though the approval referred to above shall not have been obtained), but only upon consent of the Company and the Union, is authorized to make or consent to such necessary revisions, adhering as closely as possible to the intent of the Company and the Union as expressed in this Agreement and in the Plan.

**Section 3. Involuntary Retirement**

The Company at its sole discretion may retire any employee at age 65 or older by reason of the employee's inability to perform efficiently work assigned to the employee. The provisions of this Section 3 shall not apply to any employee who attained age 65 on or after June 1, 1992.

**Section 4. Effects of Retirement on Seniority**

The seniority of any employee retiring under the Plan shall be deemed to have been broken for the purposes of applying any collective bargaining agreement now or hereafter in effect between the parties, except to the extent that the seniority of an employee retired for total and permanent disability shall be preserved upon the cessation of such retirement by the provisions of any such agreement relating to leaves of absence due to disability.

If an employee on either normal or early retirement shall be re-employed by the Company, the employee shall be considered, during such period of re-employment, as an employee at will without seniority rights for any purpose of tenure or retention of, or advancement in, employment or any particular job; but shall be treated on the basis of the seniority the employee had at the time of retirement for purposes of applying the eligibility rules applicable to paid holidays and paid vacations; it being understood that while working in the Bargaining Unit covered by any such collective bargaining agreement the employee shall be considered an employee covered by the contract except in the respects indicated above.

**Section 5. Company Contributions**

- (a) (i) For the period commencing January 1, 1980 and thereafter during the term of this Agreement, the Company shall make contributions to the Pension Fund which, together with its contributions heretofore made, shall be sufficient to fund (A) and (B) below, based upon estimates made by a qualified actuary<sup>1</sup> for each Plan Year starting January 1, 1980 and ending with the termination of this Agreement: (A) the normal cost<sup>2</sup> of the Plan (excluding the cost of benefits under Article VI of the Plan<sup>3</sup>) and (B) the respective unfunded lump sum past service costs of the Plan (excluding the cost of benefits under Article VI of the Plan) for such period on

the basis of a method of funding, approved by a qualified actuary, according to the following schedule:

- (1) December 31, 2009 with respect to the portion of such unfunded lump sum past service cost<sup>4</sup> attributable to the benefit structure in effect prior to January 1, 1980,
  - (2) Thirty years after the end of the Plan Year in which a revision of the benefit structure established by amendments to the Plan effective on or after January 1, 1980 becomes effective with respect to the portion of such lump sum past service cost attributable to such revision.
- (ii) For the period commencing September 1, 1965 through the date of termination of this Agreement, the Company shall make contributions to the Pension Fund to fund the cost of benefits under Article VI of the Plan on any basis from time to time approved by a qualified actuary; provided that the total of such contributions available in any calendar year shall be at least equal to total payments of benefits under Article VI of the Plan in such year.

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<sup>1</sup> Wherever used in this Section, "qualified actuary" means an independent actuary selected by the Company who is a Fellow or Associate of the Society of Actuaries, as those terms are used or defined by that Society and is enrolled with the Joint Board for Enrollment of Actuaries.

<sup>2</sup> "Normal cost" means an amount computed by a qualified actuary to fund the cost attributable to service after March 1, 1950, on the basis of the benefit structure in effect when such service was or is rendered.

<sup>3</sup> As used in this Section, "benefits under Article VI of the Plan" refers only to the Supplemental Allowance provided under Article VI of the Plan prior to October 1, 1973 and to the early retirement supplement and the interim supplement provided under Article VI of the Plan on or after October 1, 1973.

<sup>4</sup> "Lump sum past service cost" with respect to the original benefit structure of the Plan (which cost was not changed by the revision in the benefit structure effective October 1, 1950) means an amount computed by a qualified actuary which would fund the cost attributable to service before March 1, 1950 (referred to in the Plan as "past service") if paid in a lump sum on March 1, 1950; and with respect to each subsequent revision in the benefit structure of the Plan which shall affect the cost substantially means an amount computed by a qualified actuary which would fund the cost of such revision attributable to service before the effective date thereof (whether "past" or "future" service within the meaning of Article III of the Plan) if paid in a lump sum on such effective date.

- (iii) The “past service effective date” for the original lump sum past service cost of the Plan shall be March 1, 1950. The effective date of each revision in the benefit structure of the Plan (except benefits under Article VI of the Plan) which shall affect the cost substantially shall be the “past service effective date” for the additional lump sum past service cost attributable to such benefit revision, except that commencing on or after November 19, 1973, the “past service effective date” of each such revision in the benefit structure (including benefits under Article VI of the Plan) shall be the date on which benefits under such revised benefit structure first become payable.
- (iv) Nothing herein shall be deemed to prevent the Company from making contributions towards the lump sum past service cost greater than those required under this Section (or required under the basis of funding being used to fund the cost of benefits under Article VI of the Plan), nor shall a greater contribution in any year be construed to reduce the maximum funding period established as provided above.

All of the foregoing is subject to the understanding that (i) the Company shall be required to make in any year no contribution in an amount which is greater than the amount which is deductible for tax purposes in that year, and (ii) except as required by ERISA on and after January 1, 1980, the Company shall not be obligated to make additional payments to the Fund to make up deficiencies in any year arising from depreciation in the value of the securities in the Fund resulting from abnormal conditions.

The Company may elect to defer payment of its contributions for any year after 1981 to a date not later than the date on which such contributions are permitted by law to be paid for purposes of crediting such contributions to such year under the minimum funding standards of ERISA.

- (v) For the period commencing January 1, 2008 and thereafter, during the term of this Agreement, the Company shall make contributions to the Fund in accordance with, and required by, the Pension Protection Act of 2006, as amended.
- (b) The Company will cause the Union to be furnished annually with a statement, certified by a qualified actuary, that the amount of the assets in the Pension Fund is not less than the amount then required by Subsection (a) of this Section to be in such Fund. That amount shall be computed by a qualified actuary on the basis of the normal cost and the respective lump sum past service costs of the Plan, disregarding benefits under Article VI of the Plan, and then in use for funding purposes, and, with respect to the cost of benefits under Article VI of the Plan on the basis being used for funding such benefits.

### **Section 6. Obligations During Term of Agreement**

During the term of this Agreement, neither party shall demand any change in, deletion from, or addition to, this Agreement or in the Plan (except as otherwise provided in Section 2, above), nor shall either party be required to bargain with respect to any provision or interpretation of this Agreement or the Plan, or any modification thereof, deletion from or addition or supplement thereto, or with respect to any retirement benefit, Supplemental Allowance or Special Age 65 Benefit or retirement arrangements or plan, nor shall a change in, deletion from or addition to this Agreement or the Plan be an objective of or be stated as reason or cause for any strike, slowdown, work stoppage, sit-down, stay-in, curtailment of work or interference with production, lockout, picketing or other exercise of economic force or threat thereof by the Union or the Company.

### **Section 7. Term of Agreement; Notice to Modify or Terminate**

This Agreement and the Plan shall continue in effect until **September 14, 2019**. This Agreement and the Plan shall be renewed automatically for successive one-year periods thereafter

unless either party shall give written notice to the other at least sixty (60) days prior to **September 14, 2019** (or any subsequent anniversary date) of its desire to amend or modify this Agreement and the Plan as of one of the dates specified in this Section (it being understood, however, that the foregoing provision for automatic one-year renewal periods shall not be construed as an endorsement by either party of the proposition that one year is a suitable term for a retirement plan agreement). If such notice is given, this Agreement and the Plan shall be open to modification or amendment on **September 14, 2019** or the subsequent anniversary date, as the case may be.

If either party shall desire to terminate this Agreement, it may do so on **September 14, 2019**, or any subsequent anniversary date by giving written notice to the other party at least sixty (60) days prior to the date involved. Anything herein which might be construed to the contrary notwithstanding, however, it is understood that termination of this Agreement shall not have the effect of automatically terminating the Plan.

Any notice under this Section shall be in writing and shall be sufficient if sent by mail addressed, if to the Union, to International Union, UAW, 8000 E. Jefferson Avenue, Detroit, Michigan 48214, or to such other address as the Union shall furnish to the Company, in writing; and, if to the Company, to Ford Motor Company, One American Road, Dearborn, Michigan 48126, or to such other address as the Company shall furnish to the Union, in writing.

AGREEMENT CONCERNING RETIREMENT PLAN

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

**FORD MOTOR COMPANY**

**William C. Ford, Jr.**  
**Mark R. Fields**  
**Joe Hinrichs**  
**John J. Fleming**  
**William P. Dirksen**  
**Bruce Hettle**  
**Stacey Allerton**  
**Bernie Swartout**  
**Jack L. Halverson**  
**Alan Evans**  
**Frederiek Toney**  
**Anthony Hoskins**  
**Alex Maciag**  
**Helmut E. Nittmann**  
**David Cook**

**Jim Larese**  
**James E. Brown**  
**Steve Guilfoyle**  
**Tyffani Morgan-Smith**  
**Mark Jones**  
**Julie Lavender**  
**Stephen M. Kulp**  
**Terri Faison**  
**John Wright**  
**Don Gelinas**  
**Cameron Ruesch**  
**Christine Baker**

**UAW**

**International Union**  
**Dennis Williams**  
**Jimmy Settles**  
**Greg Drudi**  
**Chuck Browning**  
**Darryl Nolen**  
**Bob Tiseo**  
**Don Godfrey**  
**Garry Bernath**

**National Ford Council**  
**Bernie Ricke, Subcouncil #1**  
**Scott Eskridge, Subcouncil #2**  
**Anthony Richard, Subcouncil #1**  
**Tim Rowe, Subcouncil #2**  
**Fred Weems, Subcouncil #2**  
**Jeff Wright, Subcouncil #2**  
**Greg Tyler, Subcouncil #3**  
**Mike Beydoun, Subcouncil #3**  
**T. J. Gomez, Subcouncil #4**  
**Mark Payne, Subcouncil #4**  
**Dave Mason, Subcouncil #5**  
**Jim Caygill, Subcouncil #5**  
**Romeo Torres, Subcouncil #7**  
**Anderson Robinson Jr., Recording Secretary**

## PART B RETIREMENT PLAN

Established by Agreement between  
Ford Motor Company and  
International Union, United Automobile,  
Aerospace, and Agricultural Implement  
Workers of America, UAW

### ARTICLE I

#### DEFINITIONS

As used herein:

- (a) “Company” means Ford Motor Company, or AAI Employee Services Company, L.L.C. **prior to December 31, 2012**, or Volvo Cars North America. Prior to December 15, 1989, the term “Company” shall mean Ford Motor Company or Rouge Steel Company, as may be applicable.
- (b) “Union” means International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America, UAW.
- (c) “Plan” means the Retirement Plan described herein.
- (d) “Board” means the Board of Administration provided for in Article VII of the Plan.
- (e) “Pension Fund” means the trust fund provided for in Article VIII of the Plan.
- (f) “Trustee” means the bank or banks or trust company or companies or any combination thereof holding the Pension Fund severally or jointly as trustee or trustees.
- (g) “Collective Bargaining Agreement” means a collective bargaining agreement between the Company and the Union covering the Contract Unit.
- (h) “Contract Unit” means the bargaining unit described in Article II of the Plan.

- (i) “Employed” means enrolled on the active employment rolls of the Company (in the Contract Unit, unless the context shall indicate otherwise); “employment” means the status of being so enrolled; “employee” means a person in employment, including an employee in a skilled classification defined in Appendix F to the Collective Bargaining Agreement who was hired prior to October 24, 2011, but shall not include a leased employee as defined below; and “terminated” (when used in connection with employment) means to be removed from the active employment rolls for any reason. (It is understood that the definitions of the foregoing terms are not intended to affect in any way the meaning to be attributed to comparable terms under a Collective Bargaining Agreement, or the status of any individual thereunder.)

The term “leased employee” means any person (other than an employee of the Company) who, pursuant to an agreement between the Company and any other person (“leasing organization”), has performed services for the Company (or for the Company and related persons determined in accordance with section 414(n)(6) of the Internal Revenue Code) on a substantially full-time basis for a period of at least one year, and (i) for services prior to January 1, 1997, such services are of a type historically performed by employees in the business field of the Company, or (ii) for services performed after December 31, 1996, such services are performed under the primary direction or control of the Company. Contributions or benefits provided to a leased employee by the leasing organization which are attributable to services performed for the Company shall be treated as provided by the Company. A leased employee shall not be considered an employee of the Company if such employee is covered by the safe harbor requirements of Section 414(n)(5) of the Code.

- (j) “Retired employee” means an employee retired under the Plan.
- (k) “Federal Social Security Act” means such Act, as from time to time amended, or any future Federal legislation which shall

supplement, supersede or incorporate such Act, or the benefits provided therein.

- (l) “Eligible for an unreduced Social Security benefit” means attainment of the qualifying age for unreduced benefits by reason of age under the Federal Social Security Act or eligible for a disability insurance benefit under such Act, whichever occurs first. A person shall be considered as eligible for benefits under such Act even though the employee does not qualify for, or loses, such benefits through failure to make application for it, entering into covered employment, or other act or failure to act.
- (m) “Life income benefit” means the portion of the retirement benefits provided in Article V (except the Special Age 65 Benefit) that continues to be payable, subject to the provisions of the Plan, to a retired employee during the employee’s lifetime.
- (n) “Temporary Benefit” means the portion of the retirement benefits provided in Article V that is terminated upon the earlier of a retired employee’s attainment of age 65 (age 62 for an employee who shall retire on or after March 1, 1974 or age 62 and one month as provided in Article V) or becoming eligible for an unreduced Social Security benefit.
- (o) “Supplemental Allowance” means those portions of retirement benefits, consisting of the early retirement supplement, interim supplement, age-service supplement and lifetime supplement, provided in accordance with the provisions of Article VI. Unless otherwise expressly provided, a Supplemental Allowance is subject to the provisions of the Plan applicable generally to retirement benefits payable from the Pension Fund.
- (p) “Early retirement supplement” means that portion of the Supplemental Allowance provided in accordance with provisions of Article VI, Section 2(a) or 2(b).
- (q) “Interim supplement” means that portion of the Supplemental Allowance provided in accordance with the provisions of Article VI, Section 2(c).

- (r) “Age-service supplement” means that portion of the Supplemental Allowance provided in accordance with the provisions of Article VI, Section 2(d).
- (s) “Lifetime supplement” means that portion of the Supplemental Allowance provided in accordance with the provisions of Article VI, Section 2(e).
- (t) “Regular early retirement” means retirement under Article IV, Section 2(a), of the Plan.
- (u) “Special early retirement” means retirement under Article IV, Section 2(b), of the Plan.
- (v) “Special Survivorship Option” means the options provided under the provisions of Article V, Section 15.
- (w) “Benefit Class Code” means that classification for determining the life income benefit rate as set forth in Appendix B and Appendix C attached hereto.
- (x) “Special Age 65 Benefit” means that benefit provided in accordance with the provisions of Article V, Section 14.
- (y) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
- (z) “ERISA Service Credits” means service credits as described in Article III, Section 8.
- (aa) The “Board of Directors” means the Board of Directors of Ford Motor Company.
- (bb) “Age 62 and one month” means age 62 and one month except that for purposes of determining the month for which the Temporary Benefit provided in Article V and the Supplemental Allowance provided in Article VI shall cease and the month for which the regular early retirement benefit provided in Article V shall be redetermined, it shall mean age 62 if both a temporary benefit or Supplemental Allowance under the Plan and a reduced Old Age Benefit under the Federal Social Security Act could otherwise be payable.
- (cc) “Retirement Equity Act” means the Retirement Equity Act of 1984.
- (dd) “Internal Revenue Code” or “Code” shall mean the Internal Revenue Code of 1986, as amended.

(ee) Unless otherwise defined in the Plan, the “Actuarial Value” as of any determination date shall be calculated (i) for determination dates prior to January 1, 2000, on the basis of the 1989 GBB Hourly Male Mortality Table for employees and the applicable interest rate used by the Pension Benefit Guaranty Corporation (PBGC) to determine the present value of a lump sum distribution as of the first day of the Plan Year preceding the determination date; (ii) for determination dates on or after January 1, 2000, and prior to December 31, 2002 on the basis of the 1983 Group Annuity Mortality Table and the interest rate on 30-year U.S. Treasury Securities determined for the month of October of the year immediately preceding the year of the determination date; (iii) for determination dates on or after December 31, 2002 and prior to January 1, 2008, on the basis of the 1994 Group Annuity Reserving Table (94GAR) as set forth in Rev. Rul. 2001-62, 2001-2 C.B. 632 and the interest rate on 30-year U.S. Treasury Securities determined for the month of October of the year immediately preceding the year of determination date or such other interest rate as required by the Internal Revenue Code or any guidance issued thereunder; (iv) for determination dates on or after January 1, 2008 **and prior to January 1, 2016**, on the basis of the mortality table as defined under Section 417(e)(3)(B) of the Internal Revenue Code and the annual rate of interest as defined under Section 417(e)(3)(C) of the Internal Revenue Code, determined for the month of October of the year immediately preceding the year which includes the determination date, or such other rate of interest as required by the Internal Revenue Code or any guidance issued thereunder; **and (v) for determination dates on or after January 1, 2016, on the basis of the mortality table as defined under Section 417(e)(3)(B) of the Internal Revenue Code and the annual rate of interest as defined under Section 417(e)(3)(C) of the Internal Revenue Code, determined for the month of August of the year immediately preceding the year which includes the determination date, or such other rate of interest as required by the Internal Revenue Code or any guidance issued thereunder.**

(ff) “Plan Year” means the 12 month period beginning each January 1 and ending the following December 31.

**ARTICLE II****APPLICABILITY OF PLAN AND EXPECTED DATE**

The Plan shall be applicable to hourly-rated employees of the Company included within the Contract Unit described in the Collective Bargaining Agreement dated September 28, 1949, as such Unit now exists, or as it may hereafter be altered by agreement between the parties or by action of the National Labor Relations Board; provided, however, that if as the result of any such alteration there shall be included in the Contract Unit a group of employees whose function and type of work are substantially similar to those of none of the employees theretofore in the Contract Unit, the Plan shall not be applicable to such group unless and until the Internal Revenue Service shall rule that the inclusion of such group will not deprive the Plan of its character as a qualified plan and trust in accordance with the provisions of Section 2 of the Agreement Concerning Retirement Plan (Part A).

The provisions of this Plan shall apply only to those employees employed in a position covered by the Collective Bargaining Agreement and hired or rehired by the Company prior to November 19, 2007 except for an employee in a skilled classification defined in Appendix F to the Collective Bargaining Agreement who was hired prior to October 24, 2011.

The effective date of the Plan shall be March 1, 1950.

Effective as of January 1, 1989, the Plan shall benefit, on each day of each calendar year, the lesser of:

- (a) 50 employees of the Company; or
- (b) 40% or more of all employees of the Company.

The Plan may exclude certain employees as provided in Section 401(a)(26)(B) of the Internal Revenue Code, and any regulations issued thereunder.

## ARTICLE III

### SERVICE CREDITS

#### Section 1. Crediting of Service

- (a) An employee who retires under the Plan shall be credited with the employee's future service. The employee also shall be credited with the employee's past service if (i) the employee was in employment on March 1, 1950, or (ii) not having been in employment on March 1, 1950, the employee subsequently was reinstated in employment without having incurred a break in the employee's seniority, or (iii) not having been in employment on March 1, 1950, and having incurred a break in seniority before that date, the employee was rehired and acquired a seniority date after March 1, 1950 which date was within 24 consecutive calendar months following the employee's last day of work preceding the date on which the employee incurred such break in seniority, or (iv) not having been in employment on or after March 1, 1950 the employee has been absent from employment on Company-approved sick leave and otherwise is eligible to retire under the provisions of Article IV, Section 4(ii) of the Plan, or (v) not having been in employment on March 1, 1950, the employee had active service prior to that date, or (vi) the employee is entitled to credit for past service following a transfer from employment covered by another plan under the provisions of Section 4 of this Article. Until retirement takes place, the credits described in this Article are referred to as "creditable service."

The provisions of clause (iii) and (iv) of this Subsection (a) shall be applicable only to employees who have seniority on or after October 25, 1967, and who shall make application for such past service credit. The provisions of clause (v) of this Subsection (a) shall be applicable only to employees who have seniority on or after December 21, 1970, and who shall make application for such past service credit.

- (b) No future or past service shall be credited with respect to any period of employment preceding a break in the employee's seniority which occurred subsequent to March 1, 1950; provided, however, that (i) an employee meeting the age and service conditions for a deferred vested pension benefit under Article IV, Section 6 of the Plan at the time the employee incurred or incurs a break in the employee's seniority on or after June 1, 1955 shall, in lieu of benefits under Article IV, Section 6, have such future and past service as would have been used in the computation of such deferred vested pension benefit credited to the employee upon the employee again acquiring seniority (or the employee being rehired on or after September 1, 1964, at the plant where the employee worked immediately prior to the break in seniority) prior to the commencement of benefits, provided, however, that such an employee shall have all future and past service that was creditable to the employee at the time of such break in seniority credited to the employee upon: (A) the employee again acquiring seniority after such break but prior to commencement of benefits (or upon the employee being rehired on or after September 1, 1964, at the plant where the employee worked immediately prior to the break in seniority), in the case of an employee who had seniority on or after October 25, 1967 or (B) the employee's death (on or after October 1, 1979) after re-employment but before the employee shall again acquire seniority, and provided further that if such an employee (A) is re-employed by, and works for, the Company on or after December 21, 1970 and within 36 months of the date the employee shall have incurred or shall incur such break in seniority, and (B) becomes disabled while employed by the Company prior to again acquiring seniority and such disability is continuous for a period of 6 months (5 months for an employee who is re-employed by, and works for, the Company on or after October 1, 1979) during which the employee makes proper application to the Board and is found by the Board to be totally and permanently disabled as set forth in Article IV, Section 3 of the Plan, the

employee shall be deemed eligible for a disability retirement benefit under Article V, Section 3 of the Plan, based on the past and future service creditable to the employee as though the employee had been an employee with seniority throughout such disability period; and (ii) a person who is an employee and who has incurred a break in seniority which occurred subsequent to March 1, 1950 shall have the future and past service that was creditable to the employee at the time the employee incurred such break in seniority credited to the employee upon again acquiring a seniority date prior to commencing to receive benefits under the Plan, except that if such an employee does not have seniority on or after December 21, 1970, the employee must have acquired a seniority date which was within thirty-six (36) consecutive months following the date on which the employee incurred such break in seniority. For the purpose of the Plan, an employee's seniority shall be considered broken when it is broken within the meaning of the Collective Bargaining Agreement dated September 28, 1949, or of the Collective Bargaining Agreement in effect when such break shall occur. The provisions of clause (ii) of the first sentence of this Subsection (b) shall not be applicable to any employee who shall have retired prior to September 1, 1964.

## **Section 2. Past Service**

Past service shall be computed to the nearest quarter year and shall be credited at the rate of

- (a) One year for each year of the employee's seniority, as defined in the Collective Bargaining Agreement dated September 28, 1949, as of February 28, 1950, or as of the employee's last day worked before that date if applicable under Subsection 1(a)(iii) of this Article, excluding seniority credited for military service prior to employment by the Company; plus
- (b) In the case of an employee transferred into the Contract Unit from other employment by the Company after June 20, 1941, but prior to the effective date of the Plan, without seniority credit for the employee's service prior to such transfer, one year for each year of additional seniority that the employee

would have if the seniority rules referred to in (i), above, were applied to the employee's service with the Company preceding the date of such transfer, plus

- (c) One year for each year, if any, by which the employee's total years of accumulated active service prior to June 20, 1941, exceed by more than five years the employee's total seniority for such period prior to June 20, 1941 (including any hypothetical seniority computed under (ii), above), it being understood that this credit is applicable only to an employee who, as of February 28, 1950, or as of the employee's last day worked before that date if applicable under Subsection 1(a)(iii) of this Article, has seniority extending back before June 20, 1941, or has seniority extending back to the employee's first hire date following June 20, 1941, plus
- (d) One year for each year, if any, of (A) the employee's periods of seniority (including any periods of hypothetical seniority computed in the manner of (ii) above), as defined in the Collective Bargaining Agreement applicable to each such period, preceding the employee's seniority date as of February 28, 1950 or, if the employee did not have seniority as of that date, March 1, 1950, and (B) the employee's active service preceding the earliest of the employee's first period of seniority, the employee's seniority date as of February 28, 1950 or March 1, 1950 if the employee had no periods of seniority prior to that date, to the extent that such service under (A) and (B) above is not otherwise creditable under the provisions of this Section 2.

The provisions of clause (iv) of this Section 2 shall be applicable only to an employee who has seniority on or after December 21, 1970 and who shall make application for such past service credit.

### **Section 3. Future Service**

- (a) Future service shall be credited to an employee at the following respective rates for each calendar year subsequent to February 28, 1950, and prior to January 1, 1958 or the employee's attainment of age 68, whichever shall occur first:

- (i) One year for each calendar year in which the employee receives pay from the Company for 1800 or more hours;
- (ii) Three-quarters of a year for each calendar year in which the employee receives pay from the Company for 1300 or more hours and less than 1800 hours;
- (iii) One-half of a year for each calendar year in which the employee receives pay from the Company for 750 or more hours and less than 1300 hours; and
- (iv) No credit for any calendar year in which the employee receives pay from the Company for less than 750 hours.

For the period commencing March 1, 1950, and ending December 31, 1950, future service shall be credited on the basis of hours after February 28, 1950, for which the employee receives pay from the Company, in accordance with the following:

<b>Hours for Which Employee Receives Pay</b>	<b>Future Service Credit</b>
1350 or more	3/4 year
975 or more, but less than 1350	1/2 year
560 or more, but less than 975	1/4 year
Less than 560	0 year

- (b) Future service shall be credited to an employee at the following respective rates for each calendar year subsequent to December 31, 1958, and for those retired prior to October 1, 1987 prior to the end of the month in which the employee attains age 68 or for those retired prior to September 1, 1964, prior to the employee's attainment of age 68, except that an employee who has seniority on or after October 1, 1979, who retired before October 1, 1987 and who has less than 10 years of creditable service as of the end of the month in which the employee attains age 68 may accumulate creditable service hereunder

until the earlier of the employee's attainment of age 70 or 10 years of creditable service:

- (i) One year for each calendar year in which the employee receives pay from the Company for 1700 or more hours; or
  - (ii) A proportionate credit to the nearest one-tenth of a year for each year in which the employee receives pay from the Company for less than 1700 hours.
- (c) For the calendar year 1958, future service shall be credited to an employee by a weighted average of the results of applying the provisions of Subsection (a) and the provisions of Subsection (b) with respect to the hours for which the employee receives pay from the Company, during said calendar year (without distinction as to the time of the year when such hours occurred). In such weighted average, the result obtained by applying the provisions of Subsection (a) to such hours will be accorded a weight of eight-twelfths and the result obtained by applying the provisions of Subsection (b) to such hours will be accorded a weight of four-twelfths. The credited service of employees retired prior to September 1, 1958 will not be recomputed in accordance with this Subsection (c).
- (d) In addition to the hours provided for above, an employee shall receive future service credit based on hours occurring (i) in periods during which the employee shall have been engaged on the business of, or working for, the Union Local at the employee's plant while on approved leave of absence requested by such Local Union, (ii) in periods during which the employee shall have held a position on the Staff of the International Union while on approved leave of absence requested by the Union, and (iii) in periods during which the employee shall have held a full-time position as manager with a credit union which primarily serves Company employees and while on approved leave of absence requested by the credit union provided that the employee shall have been on such approved leave of absence on or after October 1, 1984. The

number of hours to be used under this paragraph shall be forty (40) hours per week during such leaves.

- (e) An employee who on or after March 1, 1950 was or is absent from employment because the employee left to enter into active service in the armed forces of the United States while on an approved leave of absence and who was or is reinstated with seniority credit under the Collective Bargaining Agreement for the period of such service shall be credited with forty (40) hours per week during such leave; provided, however, that (i) credited service based on such hours for an employee entering such service after June 1, 1955 shall be limited to four (4) years, on and after January 1, 2006, five (5) years, or such longer period during which the employee has reemployment rights pursuant to any Federal law, (ii) the employee is reemployed in accordance with the terms of such leave of absence, (iii) this paragraph shall not apply to an employee who retired or otherwise incurred a break in seniority subsequent to such reemployment and prior to September 1, 1961 and (iv) clause (iii) above shall not apply to an employee who has seniority on or after December 21, 1970.
- (f) Commencing on or after March 1, 1950, an employee who shall be absent from work because of occupational injury or disease incurred in the course of such employee's employment with the Company and on account of such absence receives Workers' Compensation while on Company-approved leave of absence shall receive future service credit based on forty (40) hours per week during such absence; provided, that if such absence occurred during the period from March 1, 1950 to September 1, 1958 the employee must first make application in order to receive such future service credit; and provided further, that (i) no future service for the period from March 1, 1950 to September 1, 1958 shall be credited to an employee who does not have seniority on or after October 25, 1967, (ii) no employee shall receive service credit under this Section after retirement, and (iii) an employee, who retires on or

after October 1, 1987 and would have received Workers' Compensation while on Company-approved medical leave of absence except that the employee is receiving benefits while disabled under the Insurance Program and such benefits completely offset the employee's Workers' Compensation, shall be treated as though the employee received Workers' Compensation during the period of any such offset.

- (g) Commencing on and after October 25, 1967, an employee who has seniority on or after that date and who accrues in any calendar year thereafter less than the total number of hours necessary for a full year of future service credit under the provisions of Section 3(b) of this Article III shall receive future service credit (in addition to any other hours creditable under this Section 3) based on forty (40) hours per week for the period of any absence during such year due to layoff or Company-approved sick leave provided that (i) the employee shall have received pay during that year for at least 170 hours but for less than 1700 hours **or shall have received pay for the prior year for at least 170 hours** and (ii) if such layoff or sick leave commencing in 1970 or any calendar year thereafter shall continue after that year, the employee shall receive future service credit for periods of absence due to layoff or Company-approved sick leave in the second calendar year, not to exceed 1530 hours of credit for all such absence related to receipt of such pay from the Company in the first year (it being understood that this clause (ii) shall apply to an employee who shall receive pay for 1700 or more hours in 1970 or any calendar year thereafter if the employee is absent due to layoff or Company-approved sick leave at the end of any such calendar year). An employee who has seniority on or after October 1, 1979 who returns to work on or after that date and receives pay for a period of less than 170 hours and who thereafter returns to such layoff or sick leave, shall not be disqualified, solely because of the receipt of such pay, from receiving any such credit for which the employee otherwise would be eligible under this Subsection. For the purposes of this Subsection only, an

employee who has seniority on or after October 1, 1979 who is laid off subsequent to October 1, 1979 and whose first day of absence due to such layoff is the first regularly scheduled work day in the January next following the employee's last day worked shall be deemed to have been laid off on December 31 of the year in which the employee last worked.

An employee who (i) is at work on or after March 1, 1982; (ii) has 10 or more years of seniority at time of layoff commencing on or after March 1, 1982; (iii) while on such layoff has received the maximum of 1530 hours of future service credit for periods of absence due to layoff or Company-approved sick leave in accordance with the preceding paragraph of this Subsection 3(g); and (iv) continues thereafter to be absent due to such layoff shall receive additional future service credit at the rate of forty (40) hours per week during such continuing absence due to such layoff up to a maximum of 1700 hours of credit.

In no event shall there be a duplication of future service credit by virtue of this Subsection.

- (h) An employee who (i) had at least five years of seniority as of January 1, 1971, and who was absent from work because of layoff during any calendar year after December 31, 1955 and before January 1, 1963 or (ii) has at least five years of seniority as of November 19, 1973, and who was absent from work because of layoff during any calendar year after December 31, 1950 and before January 1, 1956 or (iii) has at least five years of seniority as of October 1, 1979 and who was absent from work because of layoff during any calendar year after December 31, 1962 and before January 1, 1968 or (iv) has at least five years of seniority as of October 1, 1984 and who was absent from work because of layoff during any calendar year after December 31, 1978 and before January 1, 1984 or (v) has at least five years of seniority as of October 1, 1993, and who was absent from work because of layoff during any calendar year after December 31, 1973 and before January 1, 1977 or (vi) has at least five years of seniority as of October 1, 1996, and who was absent from work because of layoff during any calendar year after December 31, 1983

and before January 1, 1986 or (vii) has at least five years of seniority as of October 1, 1999, and who was absent from work because of layoff during any calendar year after December 31, 1978, and before January 1, 1984, and provided that the service granted under this subsection (vii) shall not be less than the service granted in subsection (iv) previously for calendar year 1979 through 1983, or (viii) has at least five years of seniority as of October 1, 2003, and who was absent from work because of layoff during any calendar year after December 31, 1975, and before January 1, 1980, and provided that the service granted under this subsection (viii) shall not be less than the service granted in subsection (v) previously for calendar year 1974 through 1977, or (ix) has at least five years of seniority as of October 1, 2003, and who was absent from work because of layoff during any calendar year after December 31, 1985, and before January 1, 1990 shall be credited with 40 hours for each complete calendar week of such absence during which the employee had seniority multiplied by a percentage as set forth in the following table:

Employee's Seniority on  
 January 1, 1971, in the  
 Case of (i) Above, on  
 November 19, 1973, in  
 the Case of (ii) Above,  
 on October 1, 1979, in  
 the Case of (iii) Above,  
 or on October 1, 1984 in  
 the case of (iv) Above,  
 on October 1, 1993 in the  
 case of (v) Above, on  
 October 1, 1996 in the case  
 of (vi) Above, on  
 October 1, 1999 in the case  
 of (vii) Above, on October 1, 2003  
 in the case of (viii and ix)  
 Above,

	Percent
20 years or more	100%
15 years but less than 20 years	75
10 years but less than 15 years	50
5 years but less than 10 years	25

provided that the employee (i) shall have received less than a full year of future service credit for such year, (ii) shall make proper application, (iii) shall not be credited with more than 1700 hours in any such calendar year, and provided further that there shall be no duplication of creditable service by virtue of this Subsection.

- (i) An employee who has seniority on or after October 1, 1979, and who was absent from work while on approved sick leave because of pregnancy on or after March 1, 1950 and before January 1, 1968, shall be credited with .3 year of creditable service for any such absence during which the employee had seniority provided that the employee makes proper application but in no instance shall there be duplication of creditable service by virtue of this Subsection.
- (j) Notwithstanding the provisions of Subsections (a) and (c), above, future service for the period from March 1, 1950 through December 31, 1958 shall be credited as provided in (b) above to an employee who has seniority on or after October 25, 1967, except that in no event shall such future service for the year 1950 exceed 3/4 year, nor shall any such employee be credited with less future service for such period by reason of this Subsection than would otherwise be credited to the employee in accordance with Subsections (a) or (c) above.
- (k) Notwithstanding any other Section of this Article III, in the case of an employee who shall retire on or after October 1, 2007, the employee's credited service for the period prior to January 1, 1996 shall not be less than the employee's seniority as of December 31, 1995.
- (l) If an employee who retired or was retired under the Plan for reasons other than total and permanent disability is re-employed, such employee shall not accumulate any additional credited service on or after January 1, 1965 by reason of such re-employment.
- (m) Nothing in this Section shall be deemed to affect in any way the definition of employee contained in Article I of the Plan, or to change the status for the purposes of the

Plan of persons receiving such credits during such periods of absence.

- (n) For purposes of the special early retirement plus benefit offered under a separation window program, an active employee, or an employee in protected status prior to March 16, 2009, at the locations named herein shall be granted additional years of credited service based upon the length of the employee's break in service, provided that (i) if the break in service is less than or equal to 1 (one) year, the employee shall be granted one (1) additional year of credited service, (ii) if the break in service is greater than one (1) year but less than or equal to two (2) years, the employee is granted two (2) years, and (iii) if the break in service is greater than two (2) years, the employee shall be granted three (3) years of credited service. Notwithstanding the forgoing, an employee's total credited service, including the additional years granted herein, shall not exceed thirty (30) years. Further, the additional credited service granted herein is for special early retirement benefit computation purposes only; such credit shall not be used toward eligibility for any other separation program.
- (i) The provisions of this Article III, Section 3(n) shall apply to all UAW-represented hourly employees of the ACH Nashville Glass Plant, including Carlite Warehouse, and the ACH Tulsa Glass Plant eligible for special early retirement under Article IV, Section 2(b)(lii) who during a special retirement window elected to retire no later than June 1, 2008.
- (ii) The provisions of this Article III, Section 3(n) shall apply to all UAW-represented hourly employees of the Atlanta Assembly, Chesterfield Trim, Edison Assembly, Maumee Stamping and the Norfolk Assembly Plants eligible for special early retirement under Article IV, Section 2(b)(liv) who during a special retirement window elected to retire no later than April 1, 2008.

- (iii) The provisions of this Article III, Section 3(n) shall apply to all UAW-represented hourly employees of all Ford Facilities (excluding the Closed and Idle Plants) and the ACH-LLC Facilities (excluding the Nashville, Carlite and Tulsa Plants) eligible for special early retirement under Article IV, Section 2(b)(lv) who during a special retirement window elected to retire no later than September 1, 2008 for the Batavia, Chicago Assembly and Sharonville Plants and no later than July 1, 2008 for all other Ford and ACH Plants.
- (iv) The provisions of this Article III, Section 3(n) shall apply to all UAW-represented hourly employees of the ACH Milan Facility eligible for special early retirement under Article IV, Section 2(b)(lvi) who during a special retirement window elected to retire no later than December 1, 2008.
- (v) The provisions of this Article III, Section 3(n) shall apply to all UAW-represented hourly employees of the Evansville High Velocity Center and the Kentucky Truck, Louisville Assembly, Batavia Transmission and Sharonville Transmission Plants eligible for special early retirement under Article IV, Section 2(b)(lvii) who during a special retirement window elected to retire no later than December 1, 2008, except in the event release dates are phased, in which case the employee release date is no later than June 1, 2009.
- (vi) The provisions of this Article III, Section 3(n) shall apply to all UAW-represented hourly employees of the Cleveland Engine 1, Cleveland Engine 2, Cleveland Casting Ohio Assembly, Walton Hills, AutoAlliance International-Flat Rock, Brownstown Parts Redistribution Center, Dearborn Diversified Manufacturing, Dearborn Engine, Dearborn Maintenance and Construction Unite, Dearborn Stamping, Dearborn Tool and Die, Dearborn Transportation Unit, Dearborn Truck, Detroit Parts

Distribution Center/Detroit HVC, Livonia Transmission, Maumee Stamping, Michigan Truck, National Parts Distribution Center, Rawsonville, Research & Engineering Center, Warranty Parts, Wayne Assembly, Wayne Stamping, Wixom Assembly, Woodhaven Forge, Woodhaven Stamping, Romeo Engine, Sterling, Van Dyke Transmissions, Atlanta HVC, Fort Worth HVC, Memphis Parts Distribution Complex., Phoenix HVC, Sacramento HVC, Twin Cities HVC, ACH Carlite, ACH Chesterfield, ACH Indianapolis, ACH Milan, ACH Monroe, ACH Nashville, ACH Saline, ACH Sandusky, ACH Sheldon Road, ACH Tulsa, ACH Utica, ACH Ypsilanti, Lima Engine and St. Louis Assembly locations eligible for special early retirement under Article IV, Section 2(b)(lviii) who during a special retirement window elected to retire no later than December 1, 2008, except in the event release dates are phased, in which case the employee release date is no later than June 1, 2009.

- (vii) The provisions of this Article III, Section 3(n) shall apply to all UAW-represented hourly employees of the Twin Cities Assembly Plant locations eligible for special early retirement under Article IV, Section 2(b)(lix) who during a special retirement window elected to retire no later than February 1, 2009, except in the event release dates are phased, in which case the employee release date is no later than June 1, 2009.
- (viii) The provisions of this Article III, Section 3(n) shall apply to all UAW-represented hourly employees of the ACH Milan Facility eligible for special early retirement under Article IV, Section 2(b)(lvi) who during a special retirement window elected to retire no later than July 1, 2009.

**Section 4. Service Outside the Contract Unit**

- (a) An employee outside the Contract Unit who shall, after March 1, 1950, transfer into the Contract Unit, and who shall retire without a subsequent break in seniority (subject to the provisions of Section 1(b) of this Article) shall be credited upon retirement with (i) the employee's creditable service for the period following the employee's transfer into the Contract Unit, plus (ii) such creditable service as the employee would have been entitled to for the period prior to such transfer had the employee remained in and retired while in employment outside the Contract Unit under a retirement plan of the Company applicable to such employees, including the employee, with the effect that the employee's retirement benefit under the Plan shall be computed as if the creditable service under both (i) and (ii), above, had been attributable to employment in the Contract Unit.
- (b) An employee who shall have seniority on or after October 1, 1979 and who before re-employment by the Company after March 1, 1950 shall have met the age and service requirements for a deferred vested pension benefit at the time of a prior break in service under another retirement plan of the Company, shall, upon acquiring seniority in the Contract Unit, have credited to the employee under this Plan, in lieu of such deferred vested pension benefit, all creditable service that was creditable to the employee under the other retirement plan at the time of such prior break in service, provided that the employee shall make proper application for it.
- (c) An employee who shall have seniority on or after October 1, 1979 and who before re-employment by the Company after March 1, 1950 shall have had creditable service under another retirement plan of the Company which shall have been forfeited on account of a prior break in service under such plan, shall, upon making proper application have all creditable service that was creditable to the employee under the other retirement plan at the time of such prior break in service credited to the employee under this Plan upon the employee acquiring seniority in the Contract Unit.

- (d) In no event shall the provisions of Subsection (a), (b) or (c) above, result in duplication of creditable service for the same period of time, under seniority rules or otherwise.

### **Section 5. Service with a Foreign Subsidiary**

Anything to the contrary in the Plan notwithstanding, an employee with seniority on or after December 21, 1970 whose employment as an hourly or salaried employee with any foreign subsidiary of the Company in which the Company at the time of such service directly or indirectly, owned a majority of the voting stock has been terminated other than by retirement, shall, upon proper application, be granted creditable service under this Plan for any periods of active service with such foreign subsidiary or, if greater, the amount of service creditable to such employee under any pension or retirement plan of the foreign subsidiary at the time of the employee's termination, provided such service was prior to the employee's most recent period of active service creditable under this Plan.

Any monthly benefits payable under this Plan to a retired employee who has received credited service under this Section 5 will be reduced by an amount equivalent to the total of any monthly benefits that could be payable to such retired employee under any retirement plan to which the foreign subsidiary has contributed, excluding, however, any such plan or any portion of any such plan providing retirement benefits purchased solely by voluntary employee contributions. Any survivor's benefits payable under this Plan to a survivor of such an employee shall be subject to similar reduction by monthly survivor's benefits payable under any plan to which the foreign subsidiary has contributed.

### **Section 6. Verification of Creditable Service**

The Board shall establish a procedure for final verification as promptly as practicable following March 1, 1950, of the amount of creditable past service of each employee under the Plan; and shall establish procedures for final verification of the amount of employees' creditable future service as promptly as practicable after the close of each calendar year.

### Section 7. Foundry Service

Commencing on October 1, 1975, for job classifications set forth in Appendix G and commencing on November 1, 1976 with respect to job classifications under Appendix F of the 1973 Collective Bargaining Agreement as herein below defined, an employee who was or is employed at a grey iron foundry of the Company on certain job classifications (which job classifications are set forth in Appendix G hereof or are otherwise defined as Foundry Jobs herein below and are hereafter referred to as Foundry Jobs) shall be credited with an additional amount of service for the portion of the employee's past and future service that is attributable to employment while on Foundry Jobs (which portion is hereafter referred to as Foundry Service), as determined in accordance with the next following paragraph of this Section 7, computed to the nearest one-tenth of a year (which additional amount of service is hereafter referred to as Additional Foundry Service), so that the employee's years of credited service at retirement shall consist of the total of (i) the portion of the employee's past and future service that is not attributable to employment while on Foundry Jobs, (ii) the employee's Foundry Service and (iii) any such Additional Foundry Service which shall be credited to the employee in accordance with the following table:

I. For Employees Retired On Or After October 1, 1975 But Before October 1, 1979

<b>Years of Foundry Service</b>	<b>Additional Credited Service For Each Year of Foundry Service</b>
For less than 25 years	0
For 25 or more years	20%

II. For Employees Who Have Seniority On Or After October 1, 1979

<b>Years of Foundry Service</b>	<b>Additional Credited Service For Each Year of Foundry Service</b>
For years 1 through 10	0
For years 10.1 through 25	33 1/3%
For years over 25	20%

For purposes of this Section, all job classifications listed in Appendix F of the 1973 Collective Bargaining Agreement which apply to a grey iron foundry of the Company shall be included as Foundry Jobs except job classifications with work assignments:

- (1) In enclosed areas inside the foundry,
- (2) Inside the foundry but not continuously exposed to the foundry environment and
- (3) Outside the foundry.

The past or future service creditable to an employee for any calendar year in which the employee was or is continuously employed, and while so employed was or is on Foundry Jobs exclusively, shall be counted as Foundry Service. The past or future service creditable to an employee for any calendar year in which the employee was not or is not continuously employed, or was or is employed on job classifications other than Foundry Jobs, shall be counted as Foundry Service or completely excluded from Foundry Service, depending on the number of complete calendar weeks in any such year that the employee was or is on a Foundry Job, in accordance with the following:

<p><b>If the Past or Future Service Creditable to an Employee For a Calendar Year Is:</b></p>	<p><b>Such Service Shall be Counted As Foundry Service If The Employee's Complete Calendar Weeks While on Foundry Jobs During Such Year Shall Equal or Exceed:</b></p>
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Past Service

1.0 (Year)	26
.75	20 *
.50	13
.25	7 **

Future Service

1.0 (Year)	26
.9	23
.8	21
.7	18
.6	16
.5	13
.4	10
.3	8
.2	5
.1	3

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\* Applicable also to future service for the period from March 1, 1950 through December 31, 1950.

\*\* Four weeks for past service for the period from January 1, 1950 through February 28, 1950.

**Section 8. ERISA Service**

- (a) Commencing on and after January 1, 1976, an employee who is not eligible for a deferred vested pension benefit under Article IV, Section 6 because the employee has not accumulated 10 years of creditable service (5 years for an employee with an ERISA Hour of Service on or after January 1, 1989) under the preceding Sections of this Article will be eligible for a deferred vested pension benefit if the employee has accumulated 10 years of ERISA Service Credits in lieu of 10 years of creditable service (5 years of ERISA Service Credits in lieu of 5 years of creditable service for an employee with an ERISA Hour of Service on or after January 1, 1989). The amount of the benefit will be determined under Article V, Section 4, utilizing years of creditable service rather than years of ERISA Service Credits.
- (b) In order to be eligible to accumulate ERISA Service Credits, an employee must complete a participation period of service not extending beyond the later of the following dates:
- (i) The date on which the employee attains age 21 (age 25 prior to January 1, 1985), or
  - (ii) The date on which the employee completes one year of service.
- (c) An employee who has completed the participation period stated in Subsection (b), above, and who is otherwise eligible to participate in the Plan for the purpose of accumulating ERISA Service Credits, shall be eligible to accumulate ERISA Service Credits as of:
- (i) The first day of the Plan Year in which the employee completes the participation period if the employee completes said period not later than the first half of the Plan Year, or
  - (ii) The first day of the Plan Year following the Plan Year in which the employee completes the participation period if the employee completes said period during the last half of the preceding Plan Year.

- (d) In computing the participation period there shall be excluded:
- (i) Service before a one-year break in service until the employee completes one year of service after such break.
  - (ii) Years of service by an employee, who is not eligible for a deferred vested pension benefit under Article IV, Section 6, before consecutive breaks in service of one year if the number of consecutive one-year breaks in service equals or exceeds the aggregate number of years of service prior to such breaks, or for such employee at work on or after January 1, 1985, years of service before consecutive breaks in service of one year if the number of consecutive one-year breaks in service equals or exceeds the greater of five or the aggregate number of years of service prior to such breaks. The aggregate number of years of service before such breaks shall not include any years of service not counted under this Subsection (d) by reason of any prior break in service.
- (e) ERISA Service Credits shall mean all of an eligible employee's years of service except:
- (i) Years of service during which the employee has not completed 750 ERISA Hours of Service,
  - (ii) Years of service before age 18 (age 22 prior to January 1, 1985),
  - (iii) Years of service before January 1, 1971 unless the employee had three years of service after December 31, 1970,
  - (iv) Years of service before January 1, 1976 to the extent that such service would have been disregarded under the Plan's break in service rules in effect on December 31, 1975,
  - (v) Years of service before a "one-year break in service" until the employee has completed one year of service after such break, and

- (vi) Years of service by an employee who is not eligible for a deferred vested pension benefit under Article IV, Section 6, before consecutive breaks in service of one year if the number of consecutive one-year breaks in service equals or exceeds the aggregate number of such years of service prior to such breaks, or for such employee at work on or after January 1, 1985, years of service prior to consecutive breaks in service of one year if the number of consecutive one-year breaks in service equals or exceeds the greater of five or the aggregate number of such years of service prior to such breaks. The aggregate number of years of service before such breaks shall not include any years of service not counted under this Subsection by reason of any prior break in service.
- (f) For the purpose of this Section:
  - (i) The term “year of service” for the purpose of Subsection (b), (c) and (d), above, means initially the 12 consecutive months commencing as of employment with the Company. If an employee fails to complete 750 ERISA Hours of Service in the initial 12-month eligibility computation period described above, the participation period will be the Plan Year which includes the first anniversary of the employment commencement date and, where additional eligibility computation periods are necessary, succeeding plan years. The term “year of service” for the purposes of Subsection (e), above, means a calendar year period during which the participating employee has completed 750 ERISA Hours of Service with the Company except that for any year prior to January 1, 1963, creditable service may be used in making the determination for such years.
  - (ii) The term “ERISA Hour of Service” means each regular time hour for which an employee is paid for the performance of duties.

- (iii) The term “one-year break in service” means a calendar year during which an employee has not completed 376 ERISA Hours of Service with the Company. In determining whether an employee has a “one-year break in service”, for any absence from work commencing on or after January 1, 1985 by reason of pregnancy of the employee, birth of a child of the employee, placement of a child with the employee in connection with the adoption of such child by such employee, or for purposes of child care immediately following such birth or placement, or for any absence from work commencing on or after September 17, 1993 for any reason that qualifies an employee for a leave under the Family and Medical Leave Act of 1993, the employee shall be credited with the hours for which such employee otherwise would have been scheduled to receive payment for the performance of duties or, if such scheduled hours cannot be determined by the Company, with 8 hours for each work day of such absence, not to exceed a total of 501 hours for any such absence. Such hours shall be credited in the year in which the absence commences if necessary to prevent incurring a one-year break in service, otherwise such hours shall be credited in the immediately following year.
- (iv) Service in any capacity with an employer other than the Company:
- (A) While such employer is a member of the same “controlled group of corporations” within the meaning of Section 414(b) of the Internal Revenue Code;
  - (B) While such employer is under common control with the Company within the meaning of Section 414(c) of the Code; or
  - (C) While such employer is a member of an affiliated service group within the meaning of Section 414(m) or Section 414(o) of the Code;

shall be deemed to be service for purposes of this Section 8.

- (g) For the purpose of the remote location re-employment incentive (RLREI) supplemental benefit offered under a separation window program, an employee of the Nashville Glass Plant, including Carlite Warehouse, and the Tulsa Glass Plant who accepts employment with a buyer of any such plant will be eligible for this RLREI supplemental benefit if, as of the effective date of employment with such buyer, the employee would be eligible for a normal or regular early retirement benefit under the Plan if (i) up to seven (7) years of service were added to the employee's years of credited service as of the employee's hire date with the buyer, (ii) if up to seven (7) years were added to the employee's age as of the employee's hire date with the buyer, and (iii) the employee is not otherwise eligible for immediate retirement under any other program offered to all such employees, including the Pre-Retirement Leave Program. Notwithstanding the forgoing, service credited herein shall be solely for eligibility purposes and shall not have any affect on the employee's benefit computation.

### **Section 9. Coke Ovens and Ingot Mold Foundry Service**

An employee who has seniority on or after October 1, 1979 and who is or was employed on job classifications in the Coke Ovens Operations or Ingot Mold Foundry of the Company, identified in Appendix G-I and hereinafter referred to as Coke Ovens and Mold Foundry Jobs, shall receive additional creditable service for the portion of the employee's past and future service that is attributable to employment while on Coke Ovens and Mold Foundry Jobs, determined in the same manner as set forth in Section 7 of this Article III for Foundry Jobs.

### **Section 10. Seniority Service Credits**

Notwithstanding any other Section of this Article, in the case of an employee who shall retire on or after October 1, 1987, the cumulative total of such employee's past and future service credits for the period before January 1, 1966 shall not be less than the employee's seniority

as of December 31, 1965 as determined under the collective bargaining agreement excluding seniority credited as past service for military service prior to employment by the Company.

### **Section 11. Qualified Military Service**

Notwithstanding any provision of this plan to the contrary, benefits and service credit with respect to qualified military service will be provided in accordance with the IRC section 414(u). In no event shall such benefits and service credit provided in accordance with the IRC Section 414(u) be less than otherwise provided for under the Plan.

In addition to the forgoing, in the event an employee's death occurs while performing qualified military service, as defined in IRC Section 414(u), the employee shall be treated as if such employee had resumed employment with the Company one day prior to the employee's death and terminated employment on the date of the employee's death.

**For purposes of this Section 11, the term "qualified military service" as defined in IRC Section 414(u) shall be applied as though the reemployment rights provided under section 4312(a) of chapter 43 of title 38, United States Code, were limited to individuals with a cumulative length of absence due to service in the uniformed services of eight years or less.**

### **Section 12. Ford Retirement Plan Recognition**

With regard to employees hired or rehired on or after November 19, 2007 by the U.S. Parent Company and Participating Subsidiaries that are excluded from membership in the Plan for service after that date pursuant to the Collective Bargaining Agreement, who become participants in the Ford Retirement Plan and who have an accrued benefit under this Plan, participation service in the Ford Retirement Plan shall be recognized under this Plan for purposes of (i) vesting, (ii) eligibility for Temporary Benefits, Interim and prorated 30- year Supplemental Allowance, (iii) eligibility for all retirement types (normal, early and disability), (iv) determination of flat dollar rates upon termination of employment, and (v) eligibility for re-determination of benefits at age 62.

**Section 13. Converted Visteon Employees**

Effective October 1, 2005, pursuant to the Visteon Hourly Employee Conversion Agreement (the "Conversion Agreement") between the Company and Visteon Corporation, the Plan will recognize eligibility and vesting service earned by an individual participating in the UAW Visteon Pension Account Plan who is deemed a Converted Employee, as such term is defined in the Conversion Agreement, and thereby becomes a participant in this Plan.

**Section 14. Employment with Successor Employers**

In the event (i) an employee's employment is transferred to a successor employer on or after January 1, 2008 in connection with a sale, disposition or reorganization of the Company's businesses; (ii) such employee's benefits and credited service are retained in this Plan; and (iii) the successor employer is not a member of the Company's controlled group of corporations, as defined in Section 414(b), (c) or (m) of the Internal Revenue Code, the employee may commence a monthly retirement benefit from this Plan on and after the date on which the employee becomes eligible to retire under this Plan.

**Section 15. Rouge Steel Group III and Group V Employees**

Credited service earned by former Group III and Group V Rouge Steel employees under the Rouge Steel Company UAW Retirement Plan and the Rouge Steel Company UAW Past Service Retirement Plan shall be recognized only for eligibility and vesting purposes under this Plan provided such employee:

- (a) Was transferred from Company employment to Rouge Steel employment as either a Group III or Group V employee under the terms of the Settlement Agreement between the Company, Rouge Steel Company, Marico Acquisition Corporation and the Union, dated November 28, 1989,
- (b) Was subsequently transferred back to Company employment, without a break in employment service, pursuant to the Rouge Transition Program outlined in the Memorandum of Understanding between the Company and the Union dated March 23, 2004,

- (c) Was provided Return to Ford Rights under Letter 9 of the 1989 Rouge Steel Transition Agreement,
- (d) Is an active employee with the Company on May 18, 2009, and
- (e) Elects to retire on or after May 18, 2009 and on or before June 16, 2009.

Employees who meet each of the requirements set forth above may elect to retire under any regular retirement option under the Plan for which the employee would otherwise be eligible upon recognition of the additional eligibility and vesting service.

### **Section 16. Kansas City Assembly Plant Extended Temporary Layoff**

**Notwithstanding any other Section of this Article, in the case of non-skilled hourly employees who have been identified from the surplus Escape System at Kansas City Assembly Plant, who had seniority prior to November 19, 2007, and who were placed on an extended temporary layoff between April 30, 2012, and February 28, 2014, such employees will be credited with 40 layoff hours for each complete calendar week of such absence, up to 1.0 credit per calendar year. Such employees shall receive service credit under this Section up to the date of retirement, death, termination or being placed on another type of leave.**

## ARTICLE IV

### RETIREMENT

#### **Section 1. Normal Retirement**

An employee shall be deemed to have reached normal retirement age on the employee's 65th birthday, or March 1, 1950, whichever is later.

An employee who reaches normal retirement age shall have a nonforfeitable right to a normal retirement benefit as provided in Article V, Section 1 of the Plan.

Any employee whose employment shall be terminated (other than by death) on or after reaching normal retirement age shall have the right to retire under the Plan.

#### **Section 2. Early Retirement**

- (a) On or after September 1, 1964, any employee (not retired prior to such date) who (i) shall have reached the employee's 60th birthday, but not the employee's normal retirement age, and shall have 10 or more years of creditable service or (ii) shall have reached the employee's 55th birthday but not the employee's 60th birthday and whose combined years of age (to the nearest 1/12th) and creditable service shall total at least 85, or (iii) for purposes of retirement on or after October 1, 1971, shall have 30 or more years of creditable service prior to the employee's 55th birthday, or (iv) for purposes of retirement on or after October 1, 1984, shall have reached the employee's 55th birthday, but not the employee's normal retirement age, and shall have 10 or more years of creditable service, may retire at the employee's option and, upon making due application for it, shall be eligible for a regular early retirement benefit as provided in the applicable provisions of Article V, Section 2 of the Plan.
- (b) On or after September 1, 1964, any employee (not retired prior to such date) who shall have reached the employee's 55th birthday (or the employee's 50th birthday in the case of an employee who is laid off (i) on or after October 1, 1984 but before October 1, 1987 by reason of a plant closing on or after such date where no other Company plants are in the same

labor market area as defined for purposes of preferential placement, or (ii) on or after October 1, 1987 by reason of a plant closing on or after such date where no other Company plants are in the same labor market area as defined by the State Employment Security Commission of the state in which the plants affected are located), but not the employee's normal retirement age, and shall have 10 or more years of creditable service may be retired at the option of the Company (for retirements prior to October 1, 1987) or under mutually satisfactory conditions under the standards set forth in Appendix I. Persons retired under this Subsection (b), upon making due application for it, shall be eligible for a special early retirement benefit as provided in the applicable provisions of Article V, Section 2 of the Plan.

- (i) The provisions of this Article IV, Section 2(b) shall apply to any employee of the Cincinnati Parts Distribution Center who is placed on permanent layoff as a direct result of the closing of the Cincinnati Parts Distribution Center effective on or about December 1, 1988 and (1) at the time of the closing is at least age 50 but less than age 65 and has 10 or more years of creditable service under the Plan, or (2) subsequent to the closing, attains age 50 with ten or more years of creditable service and has not incurred a break in seniority prior to the retirement date.
- (ii) The provisions of this Article IV, Section 2(b) shall apply to any employee who by October 1, 2003 is at least age 50, is on layoff from the San Jose Assembly Plant or the Sheffield Aluminum Casting Plant, has 10 or more years of creditable service and will not have incurred a break in seniority prior to the retirement date.
- (iii) The provisions of this Article IV, Section 2(b) shall apply to any employee of the Twin Cities Parts Distribution Center who is placed on permanent layoff as a direct result of the closing of the Twin Cities Parts Distribution Center effective on or about December 1,

1988 and (1) at the time of the closing is at least age 50 but less than age 65 and has 10 or more years of creditable service under the Plan, or (2) subsequent to the closing, attains age 50 with ten or more years of creditable service and has not incurred a break in seniority prior to the retirement date.

- (iv) The provisions of this Article IV, Section 2(b) shall apply to any employee who is at least age 50 but less than age 62 with 10 or more years of credited service as of October 22, 1990 and who was permanently laid off as of such date and who has not incurred a break in seniority prior to the retirement date. Such an employee must apply for the benefits provided by this Article IV, Section 2(b) during the period commencing November 1, 1990 and extending through May 1, 1991, inclusive. Notwithstanding the above, this Article IV, Section 2(b)(iv) shall apply only to the first 1,335 eligible employees that apply for this benefit.
- (v) The provisions of this Article IV, Section 2(b) shall apply to up to 10 employees of the Lorain Assembly facility based upon recommendation by the Joint Company-UAW National Job Security Operational Effectiveness and Sourcing Committee and an amendment approved by the designated Company officers as authorized under Article IV, Section 2(d) below, who during a special early retirement window elected to retire no later than October 1, 1994.
- (vi) The provisions of this Article IV, Section 2(b) shall apply to up to 250 employees of the Brook Park Ohio plants, based upon the recommendation by the Joint Company-UAW National Job Security Operational Effectiveness and Sourcing Committee and an amendment approved by the designated Company officers as authorized under Article IV, Section 2(d) below, who during a special early retirement window elected to retire no later than June 1, 1996.
- (vii) The provisions of this Article IV, Section 2(b) shall apply to up to 350 employees of the Brook Park, Ohio

plants, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below, who during a special early retirement window elected to retire beginning December 1, 1996, but no later than January 1, 1997.

- (viii) The provisions of this Article IV, Section 2(b) shall apply to any employee of the Lorain Assembly plant who, on the employee's employment separation date, is at least age 50 to age 65 with at least 10 years of credited service under the Plan, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below, who during a special early retirement window elected to retire no later than September 30, 1997.
- (ix) The provisions of this Article IV, Section 2(b) shall apply to any employee who is in a skilled trades classification at the Ohio Assembly plant, Walton Hills and Brook Park, Ohio complexes who, on the employee's employment separation date, is at least age 55 to age 65 with at least 10 years of credited service under the Plan, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below, who during a special early retirement window elected to retire no later than March 31, 1998.
- (x) The provisions of this Article IV, Section 2(b) shall apply to up to 80 employees of the Dearborn Glass plant, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an

amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below, who during a special early retirement window elected to retire no later than October 1, 1998.

- (xi) The provisions of this Article IV, Section 2(b) shall apply to up to 50 employees of the Dearborn Glass plant, who on the employee's employment separation date is at least age 50 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below, who during a special early retirement window elected to retire no later than October 1, 1999.
- (xii) The provisions of this Article IV, Section 2(b) shall apply to up to 80 employees of the Dearborn Glass Plant who on the employee's employment separation date is at least age 50 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than July 1, 2000.
- (xiii) The provisions of this Article IV, section 2(b) shall apply to up to 59 employees of the Cleveland Engine Plant who on the employee's employment separation date is at least age 55 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than February 1, 2001.

- (xiv) The provisions of this Article IV, section 2(b) shall apply to up to 206 employees of the Nashville Glass Plant who on the employee's employment separation date is at least age 55 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than October 1, 2001.
- (xv) The provisions of this Article IV, section 2(b) shall apply to up to 24 employees of the Rouge Powerhouse Operations who on the employee's employment separation date is at least age 55 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than January 1, 2002.
- (xvi) The provisions of this Article IV, section 2(b) shall apply to up to 300 employees of the Edison Assembly Plant who on the employee's employment separation date is at least age 50 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than April 1, 2002.
- (xvii) The provisions of this Article IV, section 2(b) shall apply to up to 212 employees of the Walton Hills Stamping Plant who on the employee's employment separation date is at least age 50 with at least 10 years of credited service, based upon the recommendation

by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than June 1, 2002.

- (xviii) The provisions of this Article IV, section 2(b) shall apply to up to 24 employees of the Rouge Powerhouse Operations who on the employee's employment separation date is at least age 55 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than May 1, 2002.
- (xix) The provisions of this Article IV, section 2(b) shall apply to up to 21 employees of the Rouge Railroad and Track Maintenance Operations who on the employee's employment separation date is at least age 50 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than April 1, 2003.
- (xx) The provisions of this Article IV, section 2(b) shall apply to up to 28 employees of the Nashville Glass Plant who on the employee's employment separation date is at least age 55 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d)

below who during a special retirement window elected to retire no later than March 1, 2003.

- (xxi) The provisions of this Article IV, section 2(b) shall apply to up to 98 employees of the Vulcan Forge Plant who on the employee's employment separation date is at least age 50 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than December 1, 2003.
- (xxii) The provisions of this Article IV, section 2(b) shall apply to up to 180 employees of the Chesterfield Trim Plant who on the employee's employment separation date is at least age 50 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than June 1, 2003.
- (xxiii) The provisions of this Article IV, section 2(b) shall apply to up to 109 employees of the Rouge Trucking Operations who on the employee's employment separation date is at least age 50 with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than October 1, 2003.
- (xxiv) The provisions of this Article IV, Section 2(b) shall apply to up to 50 employees of the Ford Rouge Maintenance and Construction Unit who on the

employee's employment separation date is at least age 55, but not yet age 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness and Sourcing Committee and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than June 1, 2004.

- (xxv) The provisions of this Article IV, Section 2(b) shall apply to up to 200 employees of the Chesterfield Trim and Utica Trim Plants who on the employee's employment separation date is at least age 50, but not yet age 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness and Sourcing Committee and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than July 1, 2004.
- (xxvi) The provisions of this Article IV, Section 2(b) shall apply to up to 403 employees of the Edison Assembly Plant who on the employee's employment separation date is least age 50, but not yet age 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness and Sourcing Committee and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than August 1, 2004.
- (xxvii) The provisions of this Article IV, Section 2(b) shall apply to up to 15 skilled employees of the Ford Rouge Center Transportation Unit who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based

upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than October 1, 2004.

- (xxviii) The provisions of this Article IV, Section 2(b) shall apply to up to 307 skilled employees of the Ford Rouge Center Maintenance and Construction Unit who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than October 1, 2004.
- (xxix) The provisions of this Article IV, Section 2(b) shall apply to up to 100 skilled employees of the Ford Rouge Center Tool & Die Unit who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than December 1, 2004.
- (xxx) The provisions of this Article IV, Section 2(b) shall apply to up to 100 skilled employees of the Cleveland Site who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness &

Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than January 1, 2005.

- (xxxi) The provisions of this Article IV, Section 2(b) shall apply to up to 1,200 Ford hourly employees employed at select Visteon locations who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than January 1, 2006.
- (xxxii) The provisions of this Article IV, Section 2(b) shall apply to up to 30 skilled employees of Wixom Assembly Plant who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than February 1, 2006.
- (xxxiii) The provisions of this Article IV, Section 2(b) shall apply to up to 240 skilled and non-skilled employees of the closed Edison Assembly Plant who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company

Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than February 1, 2006.

- (xxxiv) The provisions of this Article IV, Section 2(b) shall apply to all eligible UAW-represented employees of the St. Louis Assembly Plant who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than April 1, 2006.
- (xxxv) The provisions of this Article IV, Section 2(b) shall apply to up to 478 non-skilled and 168 skilled employees of the Ohio Assembly Plant (including Lorain employees) who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than April 1, 2006.
- (xxxvi) The provisions of this Article IV, Section 2(b) shall apply to up to 3,494 skilled and non-skilled employees at Automotive Components Holdings, LLC (ACH) locations (excluding Chesterfield Trim and Utica) who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, or in the case of a remote site closing who on the employee's employment separation date is at least age 50, but not yet age 65, with at least 10 years of credited service, based upon the

recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than April 1, 2006.

- (xxxvii) The provisions of this Article IV, Section 2(b) shall apply to up to 361 non-skilled and 72 skilled employees of the Wixom Assembly Plant, and 120 non-skilled employees of the Ohio Assembly Plant (including Lorain) who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than June 1, 2006.
- (xxxviii) The provisions of this Article IV, Section 2(b) shall apply to up to 18 non-skilled and 10 skilled employees of the Vulcan Forge Plant, and 217 employees of the Chesterfield Trim Plant (including 52 employees in the GEN pool at the Van Dyke Plant) who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than July 1, 2006.
- (xxxix) The provisions of this Article IV, Section 2(b) shall apply to up to 100 non-skilled and 30 skilled employees of the Woodhaven Stamping Plant who on

the employee's employment separation date is at least age 55, but not yet age 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness and Sourcing Committee and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than May 1, 2006.

- (xl) The provisions of this Article IV, Section 2(b) shall apply to up to 34 non-skilled and 14 skilled employees of the Ford Rouge Center Transportation Unit, 47 non-skilled and 192 skilled employees of the Ford Rouge Center Maintenance & Construction Unit, 6 skilled employees of the Quality, Manufacturing and Purchasing facility, 7 skilled employees of the Ford Shipping Equipment Design and Testing Center Parts Depot Unit, and 300 non-skilled and 50 skilled employees at the Kentucky Truck Plant who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than July 1, 2006.
- (xli) The provisions of this Article IV, Section 2(b) shall apply to up to 230 non-skilled and 220 skilled employees of the Cleveland Engine Plant #1, Cleveland Engine Plant #2, and Cleveland Casting Plant, who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by

the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than October 1, 2006.

- (xlii) The provisions of this Article IV, Section 2(b) shall apply to up to 238 non-skilled and 99 skilled employees of the Kansas City Assembly Plant who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than October 1, 2006.
- (xlili) The provisions of this Article IV, Section 2(b) shall apply to up to 90 non-skilled and 50 skilled employees of the Louisville Assembly Plant who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than October 1, 2006.
- (xliv) The provisions of this Article IV, Section 2(b) shall apply to all eligible non-skilled and skilled UAW-represented hourly employees of the Milan, Saline, Sandusky, Indianapolis, Ypsilanti, and Sheldon Road ACH Plants who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by

the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than August 1, 2006.

- (xlv) The provisions of this Article IV, Section 2(b) shall apply to up to 20 non-skilled and 75 skilled employees of the Lima Engine Plant who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than August 1, 2006.
- (xlvi) The provisions of this Article IV, Section 2(b) shall apply to up to an additional 91 non-skilled and 24 skilled employees of the Woodhaven Stamping Plant who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than August 1, 2006.
- (xlvii) The provisions of this Article IV, Section 2(b) shall apply to up to 47 skilled employees of the Michigan Truck Plant; up to 50 non-skilled and 20 skilled employees of the Wayne Integrated Stamping Plant; up to 100 non-skilled and 20 skilled employees of the Wayne Assembly Plant; and up to 300 non-skilled and 50 skilled employees of the Kentucky Truck Plant who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation

by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than September 1, 2006.

- (xlviii) The provisions of this Article IV, Section 2(b) shall apply to up to 268 non-skilled and 73 skilled employees of the Sterling Axle Plant who on the employee's employment separation date is at least age 55, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than September 1, 2006.
- (xlix) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of the Atlanta Assembly Plant who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than September 1, 2007.
- (l) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of all ACH Locations who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by

the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than September 1, 2007.

- (li) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of all Ford locations who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than September 1, 2007.
- (lii) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of the ACH Nashville Glass Plant, including Carlite Warehouse, and the ACH Tulsa Glass Plant who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than June 1, 2008.
- (liii) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of the ACH Monroe Plant who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company

Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than June 1, 2008.

- (liv) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of the Atlanta Assembly, Chesterfield Trim, Edison Assembly, Maumee Stamping and the Norfolk Assembly Plants who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than April 1, 2008.
- (lv) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of all Ford Facilities (excluding the Closed and Idle Plants) and the ACH-LLC Facilities (excluding the Nashville, Carlite and Tulsa Plants), who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than September 1, 2008 for the Batavia, Chicago Assembly and Sharonville Plants and no later than July 1, 2008 for all other Ford and ACH Plants.
- (lvi) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of the ACH Milan Facility who on the employee's employment separation date is at least age 50, but not

yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than December 1, 2008.

- (lvii) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of the Evansville High Velocity Center and the Kentucky Truck, Louisville Assembly, Batavia Transmission and Sharonville Transmission Plants who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than December 1, 2008, except in the event release dates are phased, in which case the employee release date is no later than June 1, 2009.
- (lviii) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of the Cleveland Engine 1, Cleveland Engine 2, Cleveland Casting Ohio Assembly, Walton Hills, AutoAlliance International-Flat Rock, Brownstown Parts Redistribution Center, Dearborn Diversified Manufacturing, Dearborn Engine, Dearborn Maintenance and Construction Unite, Dearborn Stamping, Dearborn Tool and Die, Dearborn Transportation Unit, Dearborn Truck, Detroit Parts Distribution Center/Detroit HVC, Livonia Transmission, Maumee Stamping, Michigan Truck, National Parts Distribution Center, Rawsonville,

Research & Engineering Center, Warranty Parts, Wayne Assembly, Wayne Stamping, Wixom Assembly, Woodhaven Forge, Woodhaven Stamping, Romeo Engine, Sterling, Van Dyke Transmissions, Atlanta HVC, Fort Worth HVC, Memphis Parts Distribution Complex., Phoenix HVC, Sacramento HVC, Twin Cities HVC, ACH Carlite, ACH Chesterfield, ACH Indianapolis, ACH Milan, ACH Monroe, ACH Nashville, ACH Saline, ACH Sandusky, ACH Sheldon Road, ACH Tulsa, ACH Utica, ACH Ypsilanti, Lima Engine and St. Louis Assembly locations who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than December 1, 2008, except in the event release dates are phased, in which case the employee release date is no later than June 1, 2009.

- (lix) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of the Twin Cities Assembly Plant who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than February 1, 2009, except in the event release dates are phased, in which case the employee release date is no later than June 1, 2009.

- (lx) The provisions of this Article IV, Section 2(b) shall apply to all UAW-represented hourly employees of the ACH Milan Facility who on the employee's employment separation date is at least age 50, but not yet 65, with at least 10 years of credited service, based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who during a special retirement window elected to retire no later than July 1, 2009.
  
- (c) On and after October 1, 2007, any employee employed at the locations named herein who (i) has 30 or more years of credited service, (i) shall have reached the employee's 55th birthday with 10 or more years of service, or (ii) shall have reached the employee's 65th birthday with 1 or more years of credited service, may retire at the employee's option and, upon making due application for it, shall be eligible for an enhanced retirement plan incentive benefit as provided in the applicable provisions of Article V, Section 2(l). Employees so eligible must be on the active employment roll at the time of application and on the last scheduled day of work. Further, an employee that elects to participate in this program is not eligible for any other special program or special incentive offered under the Plan.
  
- (i) The provisions of this Article IV, Section 2(c) shall apply to all UAW-represented hourly employees of the ACH Nashville Glass Plant, including Carlite Warehouse, and the ACH Tulsa Glass Plant based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who elected to retire no later than June 1, 2008.

- (ii) The provisions of this Article IV, Section 2(c) shall apply to all UAW-represented hourly employees of the Atlanta Assembly, Chesterfield Trim, Edison Assembly, Maumee Stamping and the Norfolk Assembly Plants based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who elected to retire no later than April 1, 2008.
- (iii) The provisions of this Article IV, Section 2(c) shall apply to all UAW-represented hourly employees of all Ford Facilities (excluding the Closed and Idle Plants) and the ACH-LLC Facilities (excluding the Nashville, Carlite and Tulsa Plants) based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who elected to retire no later than September 1, 2008 for the Batavia, Chicago Assembly and Sharonville Plants and no later than July 1, 2008 for all other Ford and ACH Plants.
- (iv) The provisions of this Article IV, Section 2(c) shall apply to all UAW-represented hourly employees of the ACH Milan Facility based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who elected to retire no later than December 1, 2008.
- (v) The provisions of this Article IV, Section 2(c) shall apply to all UAW-represented hourly employees of the Evansville High Velocity Center and the Kentucky Truck, Louisville Assembly, Batavia

Transmission and Sharonville Transmission Plants based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who elected to retire no later than December 1, 2008, except in the event release dates are phased, in which case the employee release date is no later than June 1, 2009.

- (vi) The provisions of this Article IV, Section 2(c) shall apply to all UAW-represented hourly employees of the Cleveland Engine 1, Cleveland Engine 2, Cleveland Casting Ohio Assembly, Walton Hills, AutoAlliance International-Flat Rock, Brownstown Parts Redistribution Center, Dearborn Diversified Manufacturing, Dearborn Engine, Dearborn Maintenance and Construction Unite, Dearborn Stamping, Dearborn Tool and Die, Dearborn Transportation Unit, Dearborn Truck, Detroit Parts Distribution Center/Detroit HVC, Livonia Transmission, Maumee Stamping, Michigan Truck, National Parts Distribution Center, Rawsonville, Research & Engineering Center, Warranty Parts, Wayne Assembly, Wayne Stamping, Wixom Assembly, Woodhaven Forge, Woodhaven Stamping, Romeo Engine, Sterling, Van Dyke Transmissions, Atlanta HVC, Fort Worth HVC, Memphis Parts Distribution Complex., Phoenix HVC, Sacramento HVC, Twin Cities HVC, ACH Carlite, ACH Chesterfield, ACH Indianapolis, ACH Milan, ACH Monroe, ACH Nashville, ACH Saline, ACH Sandusky, ACH Sheldon Road, ACH Tulsa, ACH Utica, ACH Ypsilanti, Lima Engine and St. Louis Assembly locations based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee,

and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who elected to retire no later than December 1, 2008, except in the event release dates are phased, in which case the employee release date is no later than June 1, 2009.

- (vii) The provisions of this Article IV, Section 2(c) shall apply to all UAW-represented hourly employees of the Twin Cities Assembly Plant based upon the recommendation by the Joint Company-UAW National Job Security, Operational Effectiveness & Sourcing Committee, and an amendment approved by the designated Company Officers as authorized under Article IV, Section 2(d) below who elected to retire no later than February 1, 2009, except in the event release dates are phased, in which case the employee release date is no later than June 1, 2009.
  
- (d) The Group Vice President and General Counsel, Executive Vice President and Chief Financial Officer and the Group Vice President-Human Resources and Corporate Services of the Company, with the consent of the Union, shall be authorized to adopt an amendment to the Plan to extend the provisions of this Article IV, in Section 2(b) above to any employee that meets the eligibility terms and conditions set forth in the amendment. The amendment may provide that an eligible employee must apply for the benefits provided by the amendment between specified dates, may limit the total number of retirements that may occur under the amendment, and may contain such other nondiscretionary terms and conditions as deemed necessary or desirable to accomplish the objectives of the amendment. In the event of a change in a designated officer's title, the officer or officers with functional responsibility for the Plan shall be authorized to adopt such an amendment.

### Section 3. Total and Permanent Disability Retirement

If the Board shall find that an employee has become totally and permanently disabled (i) on or after the employee's 50th birthday or June 1, 1955 for purposes of retirement before September 1, 1964, and (ii) after at least 15 years of creditable service, or is so disabled with at least 10 years of creditable service for purposes of retirement on or after September 1, 1961, and (iii) after the effective date of the Plan, and (iv) prior to the employee reaching normal retirement age, such employee thereupon shall be retired for total and permanent disability (which status is referred to in the Plan as "disability retirement"), and shall be eligible for a disability retirement benefit as provided in the applicable provisions of Article V, Section 3, of the Plan.

On and after June 1, 1955, a former employee who is on a substantiated sick leave of absence which does not exceed in duration the employee's seniority at the time of going on such leave or which continues for a period during which such former employee continues to be eligible for a Guaranteed Income Stream Benefit under the Guaranteed Income Stream Benefit Program, shall be deemed an employee for purposes of this Section and shall be eligible for disability retirement provided the employee: (i) has fulfilled the numbered conditions in the preceding paragraph, and (ii) during such leave of absence has become totally and permanently disabled, and applied for disability retirement benefits. An employee shall be deemed to be totally and permanently disabled only if the employee is not engaged in regular employment or occupation for remuneration or profit (excluding employment or occupation which the Board determines to be for purposes of rehabilitation **or which is necessary to avoid a reduction or termination of Workers' Compensation benefits under applicable state law**) and if the Board shall find, on the basis of medical evidence, for applications made or for Board determination of continuing eligibility for disability retirement on or after September 1, 1964, (i) that the employee is totally disabled by bodily injury or disease so as to be prevented thereby from engaging in any regular occupation or employment with the Company at the plant or plants where the employee has seniority and (ii) that such disability will be permanent and continuous

during the remainder of the employee's life; provided, however, that no employee shall be deemed to be totally and permanently disabled for the purposes of the Plan if the employee's incapacity resulted from service in the armed forces of any country, except that on or after October 25, 1967, nothing herein shall prevent an employee from being deemed so disabled under the Plan if the employee has accumulated at least ten (10) years of seniority (five (5) such years in the case of an employee who has seniority on or after November 19, 1973), after separation from service in the armed forces and before such incapacity occurs, or, for retirement prior to September 1, 1964, if the employee's incapacity consists of chronic alcoholism or addiction to narcotics, or if such incapacity was contracted, suffered or incurred while the employee was engaged in a felonious enterprise or resulted there from, or resulted from an intentionally self-inflicted injury.

In any case where the Board is required to make a determination with respect to the total and permanent disability of any employee applying for, or of any retired employee on disability retirement, the employee first shall be required to submit to an examination by a competent physician or physicians selected by the Board, and shall be required to submit to such re-examination as shall be necessary for the Board to make a determination concerning the employee's physical or mental condition. Whenever any such question is before the Board for determination, any three members of the Board may require the employee to submit to an examination by a physician of the employee's choice, who shall be afforded an opportunity to consult with the physicians appointed by the Board at any time before a final determination shall have been made. An employee or retired employee who shall refuse to submit to any physical examination properly requested under the Plan shall not be placed or continued on disability retirement.

Any retired employee on disability retirement shall be required to submit to a disability examination at any time during such retirement for the purpose of determining the employee's condition whenever such examination is requested by at least three members of the Board, but not more often than semi-annually. If the Board shall find the employee is no longer totally and

permanently disabled **pursuant to the eligibility requirements contained in this section** and a majority of the Board determines the employee may return to work the employee's disability retirement shall cease. In such event the employee shall be eligible to return to work consistent with the employee's seniority and any applicable work restrictions. If the Board shall find that the employee no longer is totally and permanently disabled **pursuant to the eligibility requirements contained in this section**, but a majority of the Board determines that the employee may not return to work, the employee's disability retirement shall continue.

If the disability retirement of a retired employee shall cease without loss of seniority, and provided the employee shall not subsequently have incurred a break in the employee's seniority, the employee shall be credited upon subsequent retirement with the creditable service the employee had at the time the employee's disability retirement commenced.

Disability retirement shall cease when the retired employee shall reach normal retirement age.

#### **Section 4. Persons Not in Employment**

In order to retire under the Plan, a person must have been in employment in the Contract Unit at the time of the employee's retirement except that (i) a person whose absence from employment commencing on or after March 1, 1950, is due to layoff, sick leave or other Company-approved leave of absence shall not be precluded from retiring, on or after September 1, 1958, without return to employment, provided the employee shall not have incurred a break in seniority, and (ii) a person who has been absent from employment commencing before March 1, 1950 on Company-approved sick leave shall not be precluded from retiring on or after October 25, 1967, without return to employment, provided the employee shall not have incurred a break in seniority, and (iii) a person who is eligible at age 62, or at a later age up to and including age 70, for benefits under the Guaranteed Income Stream Benefit Program shall not be precluded from retiring on or after March 1, 1982 without return to employment even though the employee shall have incurred a break in seniority while on continuous layoff from the Company, and (iv) a person shall not be precluded from retiring under Article IV, Section 3 of the

Retirement Plan without return to employment even though the employee shall have incurred a break in seniority while on continuous layoff from the Company if such employee is eligible for a Guaranteed Income Stream Benefit under the Guaranteed Income Stream Benefit Program.

A person who, while eligible to retire, receives (i) a separation payment pursuant to Appendix M, Attachment A of the Collective Bargaining Agreement or Article IV of the Supplemental Unemployment Benefit Plan or (ii) a GIS Redemption Payment under the Guaranteed Income Stream Benefit Program, shall not be eligible to retire under any of the provisions of the Plan for the period described in such agreements, plans or programs, commencing with the date such person terminates employment or breaks seniority pursuant to the terms of such agreements, plans or programs.

### **Section 5. Retirements Prior to Effective Date of Plan**

An employee whose employment terminated after July 15, 1949, but before March 1, 1950, and who would have qualified for benefits under the Plan had it been in effect at the time of such termination of employment, shall be treated as having retired under the Plan, with credit for service to the time of such termination of employment.

### **Section 6. Deferred Vested Pension**

Notwithstanding any other provisions of the Plan, any employee who shall incur a break in seniority on or after June 1, 1955, and if incurred before September 1, 1964 after the employee shall have reached the employee's 40th birthday, and (i) who then shall have 10 or more years of creditable service (5 years for an employee with an ERISA Hour of Service on or after January 1, 1989) and (ii) who shall not be eligible for or receiving any other type of retirement benefit under the Plan based (in whole or part) on service prior to the date of such break in seniority, shall be eligible, upon making due application for it, to receive a deferred vested pension benefit as provided in Article V, Section 4, of the Plan.

Application for a deferred vested pension benefit must be made to the Board by an applicant otherwise eligible for it not earlier than 90 days prior to the date on which the employee elects to have

benefits commence under Article V, Section 4, and for employees who shall have broken service prior to January 1, 1976 not later than the employee's 70th birthday; otherwise no deferred vested pension benefit shall be payable to the employee at any time; provided however, that effective October 1, 1996 this age restriction shall no longer be applicable for benefits payable thereafter.

Commencing January 1, 1965, a former employee who would be eligible to receive a deferred vested pension benefit but who has not made application for it by the 90th day prior to the employee's 65th birthday shall on or about that time be mailed by the Board a notice informing the employee that the employee may make such application. The notice shall be mailed to the employee's last address shown on the Board's records.

### **Section 7. Survivor's Benefits**

- (a) If an employee dies on or after September 1, 1964 and (i) on or after the employee shall have reached the employee's 60th birthday, or shall have reached the employee's 55th birthday with combined years of age (to the nearest 1/12) and creditable service that total at least 85, or before the employee shall have reached the employee's 55th birthday if the employee dies on or after October 1, 1974 and has 30 or more years of creditable service, or shall have reached the employee's 55th birthday on or after October 1, 1984 or if the laid off employee dies on or after October 1, 1987 between the employee's 50th and the employee's 55th birthday with less than 30 years of credited service when eligible for an immediate commencement of monthly special early retirement benefits under Article IV, Section 2(b), and (ii) at death the employee had 10 or more years of creditable service, and (iii) the employee had seniority at the time of the employee's death or, if the employee had broken seniority by retirement on or after September 1, 1964, the employee dies before the date when the employee's life income benefits are to commence, and (iv) the employee is survived by a spouse to whom the employee had been married for at least one year prior to death, and (v) in the case of a female employee who died prior to October 25, 1967, the employee had income

exceeding the employee's husband's income during the most recent calendar year, then the employee's surviving spouse shall be eligible upon due application for it to receive the monthly survivor's benefit described in Article V, Section 5(a) of the Plan.

- (b) In lieu of the applicable life income benefit provided in Section 1, 2, 3 or 4 of Article V, an employee who shall have retired on or after January 1, 1962 but before January 1, 1969 (including for purposes of this Subsection a former employee who incurred a break in seniority on or after January 1, 1962 but before January 1, 1969 and is entitled to a deferred vested pension benefit) may elect a reduced monthly benefit during the employee's lifetime, as provided in Article V, Section 5(b) of the Plan, and a monthly survivor's benefit, as provided in Article V, Section 5(d) of the Plan, shall be payable after the employee's death to the employee's designated spouse during the further lifetime of the spouse.

An employee may elect a survivorship coverage under this Subsection only by written election (i) at the time the employee shall apply or shall have applied for a normal, early or deferred vested pension benefit, or a disability retirement benefit that commenced at or after age 60 and after September 1, 1964 but before January 1, 1969 (with the election in each case being effective on the first day of the month for which the employee's first benefit under the Plan is payable), (ii) for a retired employee receiving a disability retirement benefit that commenced on or after January 1, 1962 and before September 1, 1964, during the month in which the employee attains age 60 or, if the employee had attained age 60 but not age 65 on September 1, 1964, during any month prior to January 1, 1965 (in each case, to be effective on the first day of the following month) or, (iii) for a retired employee receiving a disability benefit that commenced on or after September 1, 1964 but before January 1, 1969 and before age 60, during the month in which the employee attains age 60 (to be effective on the first day of the following month).

Survivorship coverage under this Subsection 7(b) may be elected only with respect to a spouse to whom the employee is married at the date of election and has been married for at least one year prior to that date and, in the case of a female employee who was eligible to elect the coverage prior to October 25, 1967, only with respect to a husband whose income during the most recent calendar year did not exceed the income of the female employee.

- (c) In lieu of the applicable life income benefit provided in Section 1, 2, 3 or 4 of Article V an employee who retires on or after January 1, 1969 (including for purposes of this Subsection a former employee who incurs a break in seniority on or after January 1, 1969 and is entitled to a deferred vested pension benefit) shall automatically be deemed to have elected a reduced monthly benefit during the employee's lifetime, as provided in Article V, Section 5(c) of the Plan, and a monthly survivor's benefit, as provided in Article V, Section 5(d) of the Plan shall be payable after the employee's death to the employee's designated spouse during the further lifetime of the spouse.

This automatic election shall be deemed to have been made (i) at the time that the employee shall apply or shall have applied for a normal or deferred vested pension benefit, or for an early retirement benefit commencing before April 1, 1971, or for a disability retirement benefit commencing at or after age 60 and before April 1, 1971, or for an early or disability retirement benefit commencing at or after age 55 and on or after April 1, 1971, or for an early or disability retirement benefit commencing before age 55 and on or after October 1, 1974 if the employee shall have 30 or more years of creditable service, or for an early retirement benefit commencing at or after age 50 and before age 55 and on or after October 1, 1984 pursuant to Subsection 2(b) of Article IV (with the election in each case being effective the first day of the month for which the employee's first benefit under the Plan is payable), or (ii) for a retired employee receiving a disability retirement benefit that commenced before September 15, 1970 and before the employee shall have

attained age 60 or for a retired employee receiving a disability retirement benefit that commenced on or after September 15, 1970 but before April 1, 1971 who shall have attained age 60 in that period, in the month that the employee attains age 60 (to be effective on the first day of the following month), or (iii) for a retired employee receiving a disability retirement benefit that commenced on or after September 15, 1970 but before April 1, 1971 who shall have attained age 55 but not age 60 on April 1, 1971, in the month of March, 1971 (to be effective on April 1, 1971), or (iv) for a retired employee receiving disability retirement benefit that commenced on or after September 15, 1970 but before April 1, 1971 who shall not have attained age 55 on April 1, 1971 or for a retired employee receiving an early or disability retirement benefit commencing on or after April 1, 1971 but before October 1, 1974 and before the employee has attained age 55, or for a retired employee with less than 30 years of credited service receiving a disability retirement benefit commencing on or after October 1, 1974 but before the employee has attained age 55, in the month that the employee attains age 55 (to be effective on the first day of the following month, except that the death on or after October 1, 1979 of an otherwise eligible employee who shall have retired under Section 3 of this Article IV, occurring on or after the employee attains age 55, but before the first day of the month following the date on which the employee dies, shall not disqualify an otherwise eligible surviving spouse from receiving a benefit under the provisions of Article V, Section 5(d).

The automatic election provided in this Subsection shall be applicable only with respect to a spouse to whom the retired employee is married at the date of election and has been married for at least one year prior to such date, except that in the case of an employee who shall retire on or after September 15, 1970 (including for purposes of this paragraph a former employee who incurs a break in seniority on or after December 21, 1970 and is entitled to a deferred vested pension benefit), the automatic election also shall be applicable with respect to a spouse to whom the employee has been married for less than one year at the time such

election shall be deemed to have been made, as set forth in the paragraph above, in which case the election shall become effective on the first day of the month following the month of the first anniversary of the marriage, or, if later, on the first day of the month for which the employee's first benefit under the Plan is payable.

An employee may prevent the automatic election provided in this Subsection at the time such election would otherwise be deemed to have been made, as set forth in the second paragraph of this Subsection (c), by specific written rejection, which for rejections made after December 31, 1984 includes the written consent of the employee's spouse witnessed by a Plan representative or a notary public executed in whatever form and manner may be prescribed by the Board for this purpose, in which event the employee shall be entitled to the applicable life income benefit provided in Section 1, 2, 3 or 4 of Article V without the reduction provided in Article V, Section 5(c) of the Plan.

The written consent must also show that the spouse acknowledges the effect of the written rejection. The written rejection shall be effective if it is established to the satisfaction of the Plan representative that the written consent may not be obtained because there is no spouse or the spouse cannot be located.

Any written consent by a spouse obtained under this provision (or establishment that the written consent of a spouse may not be obtained) shall be effective only with respect to such spouse. A revocation of a prior waiver may be made by an employee without the written consent of the spouse at any time prior to the commencement of benefits. The number of revocations shall not be limited. No written consent obtained under this provision shall be valid unless the employee has received notice as provided in Section 7(g) of this Article IV.

Waiver of the automatic election must be made within the 90-day period ending on the annuity starting date. The annuity starting date is the first day of the first period for which an amount is paid as an annuity or in any other form.

- (d) In any event, if the employee or the employee's designated spouse dies before the effective date of an election under Subsection (b) or (c) above, the election shall automatically be cancelled.
- (e) In lieu of the applicable life income benefit provided in Section 3 of Article V, an employee who retires on or after January 1, 1976 under Section 3 of Article IV and who is under age 55 and has less than 30 years of credited service shall automatically be deemed to have elected a reduced monthly benefit payable to the retired employee up to and including the month in which the employee dies or attains age 55, whichever occurs first, as provided in Article V, Section 5(f) of the Plan, and a monthly survivor's benefit, beginning on the first day of the month after the retired employee would have reached age 55 if the employee dies before the first day of the month after the employee would have reached age 55 (or if death occurs on or after October 1, 1979, before the employee shall have reached age 55), shall be payable to the employee's designated spouse during the further lifetime of the spouse as provided in Article V, Section 5(g) of the Plan.

This automatic election shall be deemed to have been made at the time the employee shall apply or shall have applied for a disability retirement benefit (with the election being effective the first day of the month for which the employee's first benefit under the Plan is payable), except that for employees retiring with benefits payable commencing prior to January 1, 1985 such election shall not be effective and no benefit shall be payable to the surviving spouse pursuant to Article V, Section 5(g) if the retired employee dies within a period not in excess of two years beginning on the date of the election unless the retired employee's death is from accidental causes.

The automatic election provided in this Subsection shall be applicable only with respect to a spouse to whom the employee is married on the date of the election with benefits payable pursuant to Article V, Section 5(g) only if the retired employee and the employee's spouse shall have been married

throughout the one-year period ending on the date of the retired employee's death.

An employee may prevent the automatic election provided in this Subsection at the time such election would otherwise be deemed to have been made, as set forth in the second paragraph of this Subsection (e), by specific written rejection, which for rejections made after December 31, 1984 includes the written consent of the employee's spouse witnessed by a Plan representative or a notary public executed in whatever form and manner may be prescribed by the Board for this purpose, in which event the employee shall be entitled to the applicable life income benefit provided in Section 3 of Article V without the reduction provided in Article V, Section 5(f) of the Plan.

In any event, the election shall automatically be canceled:

- (i) If the employee's disability retirement status terminates other than by death prior to the first day of the month after the retiree reaches age 55, or
  - (ii) If the retired employee survives on a disability retirement status until the first day of the month after the retiree reaches age 55 at which time the coverage described in Article IV, Section 7(c) becomes applicable.
- (f) An employee who shall have retired or shall retire on or after January 1, 1962, under the provisions of Section 1, 2 or 3 of this Article IV who marries, or remarries, subsequent to the earliest date a survivor benefit coverage was in effect, or was not in effect on such date solely because the retired employee was not then married, may elect, or re-elect, survivor benefit coverage. Any such coverage, and the benefits thereunder, shall be provided under the terms and conditions of the Plan in effect at the time of the employee's retirement. Such coverage shall become effective on the first day of the third month following the month in which the Board receives a completed election form, but in no event before the first day of the month following the month in which the retired employee has been married one year. For elections effective January 1, 1997 and thereafter, such coverage shall become

effective on the one year anniversary of the marriage. The applicable reduction in the retiree's life income benefit shall commence on the first day of the month following the one year anniversary date.

No election provided hereunder shall become effective under any circumstance for any retired employee whose completed election form is received by the Board after the first day of the month in which the retired employee has been married one year except that for a retired employee who is married on October 1, 1979, such election form must be received by the Board before April 1, 1980 or, if later, before the first day of the month in which the retired employee has been married one year. On or after October 1, 1999, such election must have been received by the Board before the first day of the month in which the retiree has been married 18 months. However, if the election is made after the retiree's one year anniversary of the employee's marriage but before the end of the 18 month election period, the coverage shall commence on the one year anniversary date and the applicable reduction shall commence on the first day of the month following the one year anniversary date. **Effective January 1, 2016, in the event that a Qualified Domestic Relations Order provides sole survivorship to the participant's former spouse, the 18 month election period commences on the date of the death of the former spouse named under the Qualified Domestic Relations Order; the coverage shall commence on the later of the one year marriage anniversary date or the date of the former spouse's death. The applicable reduction shall apply as of the first day of the month following commencement of survivorship benefits.**

- (g) Information on the coverages described in Section 7(c) and Section 7(e) of this Article IV for retirement on or after October 1, 1979 shall be included in the summary plan description which will be provided to each employee. No less than 30 days and no more than 90 days prior to the date the life income benefit commences, each employee shall be provided a written explanation of: (i) the terms and conditions of the survivor's benefit coverage; (ii) the participant's right

to make and the effect of an election to waive the survivor's benefit coverage; (iii) the rights of the employee's spouse; (iv) the relative values of the various benefit forms under the Plan, and (v) the right to make and effect a revocation of a previous selection to waive the survivor's benefit coverage.

- (h) For purposes of survivor's benefits as described under this Section 7, an employee, former employee or a retired employee whose election for survivor benefit coverage becomes effective on or after January 1, 2008 and who dies during the month such coverage was to become effective and prior to the one year anniversary date, shall be deemed to have met the one year marriage eligibility requirement.

### **Section 8. Pre-Retirement Survivor Coverage to Comply with the Retirement Equity Act of 1984**

- (a) If an employee on or after October 1, 1984:
  - (i) Has either 10 or more years of credited service, or 10 years of ERISA Service Credits (5 years of credited service or ERISA Service Credits for an employee with an ERISA Hour of Service on or after January 1, 1989), or
  - (ii) Breaks seniority and is eligible for a deferred pension under Article IV, Section 6,

and in either case is not eligible for the survivor benefit coverages provided under Section 7 of this Article IV, the pre-retirement survivor coverage described in Article V, Section 17 shall apply. Notwithstanding the above, any employee who worked on or after August 23, 1984, and would have been eligible hereunder except that such employee broke seniority or died prior to October 1, 1984 shall be eligible for the pre-retirement survivor coverage provided hereunder.

Such coverage shall remain in full force and effect until the date on which the employee or former employee becomes eligible for a survivor benefit coverage as provided under Article IV, Section 7, at which time the pre-retirement survivor coverage described herein shall cease to be effective.

In the event the employee or former employee predeceases the designated spouse while the pre-retirement survivor coverage provided hereunder is in effect, the designated spouse shall be eligible, during the further lifetime of such spouse, for a monthly benefit as described in Article V, Section 17, commencing on the first of the month following the month in which the employee or former employee would have become eligible, except for the fact that the employee died, to retire at the option of the employee.

The amount of any such monthly survivor benefit shall be determined by the life income benefit rate in effect for the employee under Article V on the date of death of such employee, or, if earlier, the date seniority broke.

- (b) The survivor coverage provided hereunder for an employee or former employee shall be effective on the date the employee or former employee attains 10 years of credited service or ERISA Service Credits (5 years of credited service or ERISA Service Credits for an employee with an ERISA Hour of Service on or after January 1, 1989).
- (c) The survivor coverage provided hereunder shall be effective with respect to a spouse to whom the employee or former employee is married, but only if the couple shall have been married throughout the one-year period ending on the date of the employee's or former employee's death. For coverage effective on and after January 1, 2008 for a former employee who dies during the month such coverage was to become effective, and prior to the one-year anniversary date, the employee or former employee shall be deemed to have met the one-year marriage eligibility requirement.
- (d) If an employee or former employee, marries or remarries, such survivor coverage shall be in effect in favor of the employee's spouse upon such marriage or remarriage. For the purposes of this paragraph, Subsections (b) and (c) of this Section 8 shall apply.

In the event a Qualified Domestic Relations Order within the meaning of Section 414(p) of the Code requires survivor coverage to be in effect for a former spouse, that coverage

will remain in effect to the extent required by the Qualified Domestic Relations Order and in which case such coverage cannot become effective for any other spouse of the employee or former employee. For the purposes of this paragraph, Subsection (b) and (c) of this Section 8 shall apply, and in addition, for Subsection (c) the one-year period shall be that period ending on the date of divorce from the former spouse.

- (e) In the event of divorce, the employee or former employee can revoke the coverage provided hereunder without spousal consent, unless a Qualified Domestic Relations Order within the meaning of Section 414(p) of the Code provides to the contrary.
- (f) The coverage provided hereunder shall be cancelled automatically on the date when any employee or former employee becomes eligible for any survivor coverage provided under the provisions of Article IV, Section 7 of the Plan even though such coverage is duly rejected.
- (g) Information regarding the coverage provided hereunder will be included in the summary plan description which will be provided to each employee covered by the Retirement Plan, in accordance with ERISA.
- (h) The pre-retirement survivor coverage provided hereunder and in Article V, Section 17, will apply to eligible employees and former employees separated from service:
  - (i) Whose last day worked for the Company was on or after January 1, 1976, and
  - (ii) Who have entitlement to but have not commenced receipt of deferred vested benefits, and
  - (iii) Who are alive as of August 23, 1984.

## ARTICLE V

### RETIREMENT BENEFITS

#### Section 1. Normal Retirement Benefit

The amount of the monthly normal retirement benefit payable out of the Pension Fund for an employee who shall have retired or shall retire upon or after reaching the employee's normal retirement age and who shall have made or shall make application to the Board for it, shall be whichever of the following is applicable:

- (a) For an employee who shall have retired prior to September 15, 1970, an amount with respect to benefits payable on or after October 1, 2007 equal to the life income benefit rate set forth in Appendix A hereof, multiplied by the number of the employee's years of credited service at retirement; or
- (b) For an employee who shall have retired on or after September 15, 1970 and before September 15, 1973, an amount with respect to benefits payable on or after October 1, 2007 equal to the life income benefit rate of the Benefit Class Code applicable to the employee's at retirement as provided in Appendix B hereof, multiplied by the number of the employee's years of credited service at retirement; or
- (c) For an employee who shall retire on or after September 15, 1973 an amount with respect to benefits payable on or after October 1, 2007 equal to the life income benefit rate of the Benefit Class Code applicable to the employee at retirement as provided in Appendix C hereof, based on the date of the employee's retirement under the Plan and the month for which payment is being made, multiplied by the number of the employee's years of credited service at retirement.

Provided, however, that no benefit shall be payable to any person retiring on normal retirement who has not completed the participation period of service stated in Article III, Section 8(b) except that an employee retired automatically on or after January 1, 1976 under the provisions of Section 3 of the

Agreement Concerning Retirement Plan (Part A) as in effect before October 1, 1987 shall be eligible for a benefit based on the number of the employee's years of credited service at retirement. The benefits payable to any such employee retired prior to October 1, 1979 shall be provided under the terms and conditions of the Plan in effect at the time of the employee's automatic retirement.

The monthly benefit payable from the Pension Fund shall become payable to the retired employee, if the employee then shall be living, on the first day of the first month after (i) the employee's employment shall have terminated, and (ii) the employee shall have filed an application for such benefit with the Board; and shall be payable on the first day of each month thereafter during the employee's lifetime.

## **Section 2. Early Retirement Benefit**

- (a) The amount of the monthly regular early retirement benefit payable on or after October 1, 2007 out of the Pension Fund to an employee who shall have retired at the employee's option before September 1, 1964 under the provisions of Article IV, Section 2, of the Plan as then in effect, shall be one of the following, as the employee shall have elected:
  - (i) A deferred benefit, commencing at age 65, determined in accordance with Section 1(a), of this Article, based upon credited service at the time of early retirement, or
  - (ii) An immediate benefit commencing at early retirement in an amount equal to the deferred benefit provided for in (i) above, reduced by a percentage equal to  $\frac{5}{8}$  of 1% (for early retirement prior to September 1, 1961) or  $\frac{5}{9}$  of 1% (for early retirement on or after September 1, 1961) multiplied by the number of months from the employee's early retirement date to the employee's normal retirement date.
- (b) The amount of the monthly regular early retirement benefit payable on or after October 1, 2007 out of the Pension Fund for an employee who shall have retired at the employee's option on or after September 1, 1964, but before September 15, 1970, under the conditions of Article IV, Section 2(a), of the Plan shall be a life income benefit commencing either on

or after the date of early retirement as specified in the employee's application for early retirement in amounts equal to the life income benefit rate set forth in Appendix A hereof, for each year of the employee's credited service at retirement, multiplied by the percentage applicable with respect to the employee's attained age when benefits commence in accordance with the table set forth in Section 2(d) of this Article.

- (c) The amount of the monthly regular early retirement benefit payable on or after October 1, 2007 out of the Pension Fund for an employee who shall have retired at the employee's option on or after September 15, 1970, but before September 15, 1973, under the conditions of Article IV, Section 2(a), of the Plan shall be a life income benefit commencing either on or after the date of early retirement as specified in the employee's application for early retirement in amounts equal to the life income benefit rate of the Benefit Class Code applicable to the employee's at retirement as provided in Appendix B hereof, for each year of credited service at retirement, multiplied by the percentage applicable with respect to the employee's attained age when benefits commence in accordance with the table set forth in Section 2(d) of this Article; provided, however, that in the case of an employee who shall have retired under Article IV, Section 2(a) on or after October 1, 1971 but before September 15, 1973 with 30 or more years of credited service, the monthly life income benefit otherwise payable to the employee's after age 65 for months prior to October 1, 1974 shall be re-determined on the basis of a reduction equal to  $\frac{1}{3}$  of 1% multiplied by the number of months from the date the employee's benefits commenced to the first day of the month which includes the employee's 62nd birthday, and for months on or after October 1, 1974 shall be re-determined without any reduction for the employee's benefits having commenced before the month which includes the employee's 62nd birthday.
- (d) The amount of the monthly regular early retirement benefit payable on or after October 1, 2007 out of the Pension Fund for an employee who shall have retired at the employee's

option on or after September 15, 1973 but prior to October 1, 1979 under the conditions of Article IV, Section 2(a), of the Plan and who shall make application to the Board for it shall be a life income benefit commencing either on or after the date of early retirement as specified in the employee's application for early retirement in amounts equal to the life income benefit rate of the Benefit Class Code applicable to the employee at retirement as provided in Appendix C hereof, based on the date of the employee's retirement under the Plan and the month for which payment is being made for each year of credited service at retirement, multiplied by the percentage applicable with respect to the employee's attained age when benefits commence in accordance with the following table:

<b>Age When Benefits Commence*</b>	<b>Percentage</b>
42	21.0%
43	22.6
44	24.3
45	26.1
46	28.2
47	30.4
48	32.8
49	35.4
50	38.3
51	41.5
52	45.0
53	48.9
54	53.2
55	57.9
56	63.5
57	69.4
58	75.2
59	80.8
60	86.7
61	93.3
62 and over	100.0

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\* For each additional full month of attained age when benefits commence, the applicable percentage shall be determined by a straight-line interpolation from the percentage applicable to the next lower age to the percentage applicable to the next higher age in the above table, rounded to the nearest 1/10 of 1%.

If an employee with 30 or more years of creditable service shall retire at the employee's option on or after September 15, 1973, the monthly life income benefit otherwise payable to the employee after age 65 for months on or after March 1, 1974 shall be re-determined without any reduction for the employee's benefits having commenced before the month which includes the employee's 62nd birthday.

- (e) The amount of the monthly regular early retirement benefit payable on or after October 1, 2007 out of the Pension Fund for an employee who shall retire at the employee's option on or after October 1, 1979 under the conditions of Article IV, Section 2(a), of the Plan and who shall make application to the Board for it shall be a life income benefit commencing either on or after the date of early retirement as specified in the employee's application for early retirement in amounts equal to the life income benefit rate of the Benefit Class Code applicable to the employee at retirement as provided in Appendix C hereof, based on the date of the employee's retirement under the Plan and the month for which payment is being made, for each year of credited service at retirement multiplied by the percentage applicable with respect to the employee's attained age when benefits commence in accordance with the table set forth in Section 2(d) of this Article, except that if such an employee (i) has 30 or more years of credited service, or (ii) has combined years of age and years of credited service (to the nearest 1/12 in each case) which shall total 85 or more years, the monthly life income benefit otherwise payable to the employee for months following the month in which the employee shall attain age 62 and one month shall be re-determined without any such reduction.

The life income benefit payable in any month under this Section 2(e) shall not be reduced below an amount which results in the early retirement supplement paid to the retired employee in such month under Article VI, Section 2(b) exceeding the old age insurance benefits unreduced on account of age, payable under Title II of the Federal Social Security Act.

- (f) The amount of the monthly special early retirement benefit payable on or after October 1, 2007 out of the Pension Fund for an employee who shall have been retired before October 25, 1967 at Company option or under mutually satisfactory conditions under the conditions of Article IV, Section 2(b) of the Plan, shall be a life income benefit in amounts equal to the life income benefit rate set forth in Appendix A hereof, for each year of the employee's credited service at retirement.

An employee discharged for cause on or after September 1, 1958 and before September 1, 1964, after such employee has attained age 60 but before age 65, and who has at least 10 years of credited service, shall be entitled only to the regular early retirement benefit as provided under Article V, Section 2(a) of the Plan.

- (g) The amount of the monthly special early retirement benefit payable on or after October 1, 2007 out of the Pension Fund for an employee who shall have been retired on or after October 25, 1967, but before September 15, 1970, at Company option or under mutually satisfactory conditions under Article IV, Section 2(b) of the Plan, shall be a life income benefit in an amount equal to the life income benefit rate set forth in Appendix A hereof, for each year of credited service at retirement.
- (h) The amount of the monthly special early retirement benefit payable on or after October 1, 2007 out of the Pension Fund for an employee who shall have been retired on or after September 15, 1970, but before September 15, 1973, at Company option or under mutually satisfactory conditions under Article IV, Section 2(b) of the Plan shall be a life income benefit in amounts equal to the life income benefit rate of the Benefit Class Code applicable to the employee at retirement as provided in Appendix B hereof, for each year of the employee's credited service at retirement.

- (i) The amount of the monthly special early retirement benefit payable on or after October 1, 2007 out of the Pension Fund for an employee who shall have been retired or shall retire on or after September 15, 1973, at Company option or under mutually satisfactory conditions under Article IV, Section 2(b) of the Plan shall be as follows:
  - (i) A life income benefit in amounts equal to the life income benefit rate of the Benefit Class Code applicable to the employee at retirement as provided in Appendix C hereof, based on the date of the employee's retirement under the Plan and the month for which payment is being made, for each year of credited service at retirement, and
  - (ii) A temporary benefit in an amount equal to the temporary benefit rate applicable to the employee as provided in Appendix D hereof, based on the date of the employee's retirement under the Plan, for each year of credited service at retirement; provided, however, that for any month after the retiree attains age 65, in the case of retirement before March 1, 1974, or age 62, in the case of retirement on or after March 1, 1974 (age 62 and one month in the case of such a retired employee who shall attain age 62 during or after March, 1982), or becomes eligible for an unreduced Social Security benefit the temporary benefit shall not be payable.
- (j) An employee discharged for cause on or after September 1, 1964, but before October 25, 1967, or an employee who incurs a break in seniority on or after October 25, 1967, after such employee (i) shall have reached the employee's 60th birthday, but not the employee's 65th birthday, and shall have 10 or more years of creditable service or (ii) shall have reached the employee's 55th birthday but not the employee's 60th birthday and whose combined years of age (to the nearest 1/12th) and creditable service shall total at least 85 or (iii) with respect to a break in seniority on or after October 1, 1971, shall have 30 or more years of creditable service prior to the employee's 55th birthday or (iv) on or after October 1, 1984, shall have 10 or more years of creditable service and shall have reached the employee's 55th birthday prior to a break in seniority, shall be considered a retired

employee, and the employee's benefits with respect to those payable on or after March 1, 1968 shall be the regular early retirement benefit as provided under either Section 2(b), 2(c), 2(d) or 2(e) of this Article, whichever is applicable.

- (k) The monthly early retirement benefit shall become payable to the retired employee, if the employee shall then be living, on the first day of the first month after (i) the employee shall have become eligible for such benefit, and (ii) the employee shall have filed application for such benefit with the Board; and shall be payable on the first day of each month thereafter during the employee's lifetime; provided, however, that any temporary benefit shall be subject to such further limitations as may be applicable to it.
- (l) The amount of the benefit payable on or after October 1, 2007 out of the Pension Fund for an employee who shall elect to receive the enhanced retirement plan incentive benefit under the conditions of Article IV, Section 2(c) of the Plan, and who shall make application to the Board for it shall be equal to \$50,000 for production (non-skilled) employees and \$70,000 for skilled trade employees. At the election of the employee, and subject to consent of the employee's spouse, the benefit shall be paid in the form of a single pre-tax lump sum payment or in the form of an annuity. If no election is made and the employee is single, such employee will receive the benefit in the form of a single life annuity; if no election is made and the employee is married, the employee and the employee's spouse will receive the benefit in the form of a 50% joint and survivor annuity.

### **Section 3. Disability Retirement Benefit**

The monthly retirement benefit payable on or after October 1, 2007 out of the Pension Fund for an employee who shall be eligible for a disability retirement benefit under the provisions of Article IV, Section 3, of the Plan shall be whichever of the following is applicable:

- (a) For an employee who shall have retired prior to September 1, 1958 a life income benefit in an amount equal to the life income benefit rate set forth in Appendix A hereof, for each year of credited service at retirement.

- (b) For an employee who shall have retired on or after September 1, 1958, but before September 1, 1961 a life income benefit in an amount equal to the life income benefit rate set forth in Appendix A hereof, for each year of credited service at retirement.
- (c) For an employee who shall have retired on or after September 1, 1961, but before September 1, 1964:
  - (i) A life income benefit in an amount equal to the life income benefit rate set forth in Appendix A hereof, for each year of credited service at retirement.
- (d) For an employee who shall have retired on or after September 1, 1964, but before October 25, 1967:
  - (i) A life income benefit in an amount equal to the life income benefit rate set forth in Appendix A hereof, for each year of credited service at retirement, and
  - (ii) A temporary benefit in an amount equal to \$15.40 for each year of credited service at retirement (not to exceed a total of \$385.00); provided, however, that after the retired employee attains age 65 or becomes eligible for an unreduced Social Security benefit the temporary benefit shall not be payable.
- (e) For an employee who shall have retired on or after October 25, 1967, but before September 15, 1970:
  - (i) A life income benefit in amounts equal to the life income benefit rate set forth in Appendix A hereof, for each year of credited service at retirement, and
  - (ii) A temporary benefit in an amount equal to \$15.65 for each year of credited service at retirement (not to exceed a total of \$391.25); provided, however, that after the retired employee attains age 65 or becomes eligible for an unreduced Social Security benefit the temporary benefit shall not be payable.
- (f) For an employee who shall have retired on or after September 15, 1970, but before September 15, 1973:
  - (i) A life income benefit in amounts equal to the life income benefit rate of the Benefit Class Code applicable to the employee at retirement as provided in Appendix B

hereof, for each year of credited service at retirement, and

- (ii) A temporary benefit in an amount equal to \$16.15 for each year of credited service at retirement (not to exceed a total of \$403.75); provided, however, that after the retired employee attains age 65 or becomes eligible for an unreduced Social Security benefit, the temporary benefit shall not be payable.
- (g) For an employee who shall have retired or shall retire on or after September 15, 1973:
- (i) A life income benefit in amounts equal to the life income benefit rate of the Benefit Class Code applicable to the employee at retirement as provided in Appendix C hereof, based on the date of the employee's retirement under the Plan and the month for which payment is being made, for each year of credited service at retirement, and
  - (ii) A temporary benefit equal to the temporary benefit rate applicable to the employee at retirement as provided in Appendix D hereof, based on the date of the employee's retirement under the Plan, for each year of the employee's credited service at retirement provided, however, that for any month after the retired employee attains age 65, in the case of retirement before March 1, 1974, or age 62, in the case of retirement on or after March 1, 1974 (age 62 and one month in the case of such a retired employee who shall attain age 62 during or after March, 1982), or becomes eligible for an unreduced Social Security benefit the temporary benefit shall not be payable.

The monthly disability retirement benefit payable from the Pension Fund shall become payable to the retired employee, if the employee then shall be living, on the first day of the first month after (i) the employee shall have filed an application for such benefit with the Board, and (ii) the employee's disability retirement shall have commenced, and (iii) at least 26 weeks (5 months for retirement on or after October 1, 1979) shall have

elapsed since the date upon which the employee's disability commenced, and shall be payable on the first day of each month thereafter until, but not including, the month after (i) the employee's disability retirement shall end, or (ii) the employee shall reach the employee's normal retirement age, or (iii) the employee shall die, whichever first shall occur.

When a retired employee receiving a disability retirement benefit shall reach normal retirement age or the qualifying age for an unreduced insurance benefit by reason of age under the Federal Social Security Act, the employee thereafter shall receive a normal retirement benefit in accordance with the provisions of Section 1 of this Article and shall no longer be considered to be on disability retirement.

#### **Section 4. Deferred Vested Pension Benefit**

The monthly retirement benefit payable out of the Pension Fund for an employee who shall be eligible for a deferred vested pension benefit under the provisions of Article IV, Section 6, of the Plan shall be whichever of the following is applicable:

- (a) For an employee who incurred a break in seniority prior to September 1, 1964, only the amount payable under the deferred vested pension benefit provisions in effect on August 31, 1964 applicable with respect to the time at which the employee incurred a break in seniority; or
- (b) For an employee who shall have incurred a break in seniority on or after September 1, 1964, but before October 25, 1967, an amount with respect to benefits payable on or after January 1, 1965 equal to \$4.25 multiplied by the number of the employee's years of creditable service.
- (c) For an employee who shall have incurred a break in seniority on or after October 25, 1967, but before January 1, 1969, an amount with respect to benefits payable on or after March 1, 1968 equal to \$5.25 multiplied by the number of his years of creditable service.

- (d) For an employee who shall have incurred a break in seniority on or after January 1, 1969, but before November 19, 1973, an amount equal to the life income benefit rate of the Benefit Class Code applicable to the employee at the time of such break in seniority as provided in Appendix B hereof, multiplied by the number of years of creditable service.
- (e) For an employee who shall have incurred or shall incur a break in seniority on or after November 19, 1973, an amount equal to the life income benefit rate of the Benefit Class Code applicable to the employee at the time of such break in seniority as provided in Appendix C hereof, multiplied by the number of years of creditable service.

The monthly retirement benefit shall become payable to such employee, if the employee shall then be living and the employee shall have filed an application for such benefit with the Board in accordance with Article IV Section 6, on the first day of the month coinciding with or next following the employee's 65th birthday, and shall be payable on the first day of each month thereafter during the employee's lifetime. Any such employee whose benefits commence on or after January 1, 1962 may elect a monthly retirement benefit commencing on the first day of any month after: (i) attainment of age 60 and before the employee shall have reached the employee's 65th birthday, in which event the employee's monthly retirement benefit shall be in an amount equal to the benefit payable at age 65 reduced by a percentage equal to  $5/9$  of 1% multiplied by the number of months from the date the employee's benefits are to commence to the first day of the month following the employee's 65th birthday or (ii) attainment of age 55 and before the employee shall have reached the employee's 60th birthday for an employee who shall have broken seniority on or after January 1, 1976 without eligibility for Early Retirement under Article IV, Section 2(a) in which event the employee's monthly retirement benefit shall be in an amount equal to the benefit payable at age 65 multiplied by the percentage applicable with respect to the employee's attained age when benefits commence in accordance with the following table:

<b>Age When Benefits Commence*</b>	<b>Percentage</b>
55	42.5%
56	46.4
57	50.6
58	55.4
59	60.7
60	66.7

### **Section 5. Survivor's Benefits**

- (a) The monthly survivor's benefit payable out of the Pension Fund to a deceased employee's spouse who shall have become eligible for such benefit under the provisions of Article IV, Section 7(a) of the Plan shall be the amount such survivor would have been entitled to receive under Section 5(d) of this Article V if the employee had retired on Normal or Regular Early Retirement on the date of the employee's death with benefits commencing the first of the following month and had effectively made the survivorship election specified in Article IV, Section 7(b) or 7(c) of the Plan, whichever is applicable at the time of death; provided, however, that no benefit shall be payable under this Subsection for any month prior to January 1, 1965 or prior to application to the Board for it nor for any month for which the surviving spouse is entitled, under the group insurance program to which the Company contributes, to receive a Transition Survivor Income Benefit or a Bridge Survivor Income Benefit and provided further that if an employee with less than 30 years of credited service dies on or after October 1, 1987 and on or after the employee's 50th and before the employee's 55th birthday, when eligible for an immediate commencement of monthly special early retirement benefits under Article IV, Section 2(b) but before such benefits begin, the monthly survivor's benefit shall begin on the first day of

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\* For each additional full month of attained age when benefits commence, the applicable percentage shall be determined by straight-line interpolation from the percentage applicable to the next lower age to the percentage applicable to the next higher age in the above table, rounded to the nearest 1/10 of 1%.

the month coincidental with or immediately after the employee would have attained age 55 and, prior to October 1, 1999, shall be sixty percent (60%) and effective October 1, 1999 shall be sixty-five percent 65% of (i) the amount of the employee's monthly life income benefit payable at age 65, using whatever rate is applicable as provided in Appendix C hereof as though the date of death was the date of the employee's retirement under the Plan, (ii) reduced by the percentage applicable under Subsection (5)(c) of this Section, and (iii) multiplied by the percentage applicable to the age the employee could have attained when benefits commence in accordance with Section 2(d) of this Article.

- (b) The amount of the reduced monthly life income benefit payable out of the Pension Fund to an employee who shall have retired prior to January 1, 1969 (including for purposes of this Subsection a former employee who shall have incurred a break in seniority prior to January 1, 1969 and is entitled to a deferred vested pension benefit) under Section 1, 2, 3 or 4 of this Article V and who shall have effectively made the survivorship election specified in Article IV, Section 7(b) of the Plan, shall be determined by reducing the amount of the applicable benefit by a percentage, determined as hereinafter provided, of the benefit that would have been payable to the retired employee after age 65 if the employee had not elected a survivorship option. The percentage to be used shall be ten percent (10%) if the employee's age and the spouse's age are the same (the age of each determined as being the age at the employee's or the spouse's respective birthday nearest the date on which the first payment of such employee's benefit shall be payable). Such percentage shall be decreased by 1/2 of 1% for each year up to twenty (20) years that the spouse's age exceeds the employee's age and shall be increased by 1/2 of 1% for each year that the spouse's age is less than the employee's age. The reductions provided in this Subsection shall be made in all monthly life income benefits to the retired employee payable on or after the retired employee's election of a survivorship option becomes effective; or, in the case of a retired employee who elected the option under Section 2(a)(iii) of this Article V, the reduction shall be equal to the reduction which would have applied if the employee had elected the option under Section 2(a)(ii) of this Article V.

- (c) The amount of the reduced monthly life income benefit payable out of the Pension Fund under Section 1, 2, 3 or 4 of this Article V to an employee who shall retire on or after January 1, 1969 (including for purposes of this Subsection a former employee who shall incur a break in seniority on or after January 1, 1969 and is entitled to a deferred vested pension benefit) and who shall have been deemed to have made the survivorship election provided in Article IV, Section 7(c) of the Plan, shall be determined by reducing the amount of the applicable benefit by a percentage, determined as hereinafter provided, of the benefit that would be payable to the retired employee after age 65 (age 62 if the employee shall retire on or after October 1, 1979 and the provisions of Article V, Section 2(e), clause (i) or (ii) are applicable to the employee or age 62 and one month in the case of such a retired employee who shall reach age 62 during or after March, 1982) if the employee had rejected such survivorship election. The percentage to be used shall be five percent (5%) except that such percentage shall be decreased by 1/2 of 1% for each year in excess of five (5) years up to ten (10) years that the spouse's age exceeds the employee's age and increased by 1/2 of 1% for each year in excess of five (5) years that the spouse's age is less than the employee's age (the age of each determined as being the age at the employee's or the spouse's respective birthday nearest the date on which the first payment of such employee's benefit shall be payable). The reductions provided in this Subsection shall be made in all monthly life income benefits payable to the retired employee on or after the date on which the retired employee's election becomes effective.
- (d) The amount of the monthly survivor's benefit payable out of the Pension Fund to the surviving spouse of a retired employee who shall have made the survivorship election specified in Article IV, Section 7(b) or 7(c) of the Plan, whichever is applicable, shall be whichever of the following is applicable: if the election became effective prior to September 1, 1964, the amount shall be fifty percent (50%) of the amount of the monthly life income benefit that was or would have been payable after age 65 to the retired employee

after the applicable reduction provided in Subsection (b) above, or in the case of a retired employee who elected the option under Section 2(a)(iii) of this Article V, fifty percent (50%) of the benefit that would have been payable to the retired employee under Section 2(a)(ii) of this Article V, after the applicable reduction provided in Subsection (b) above; if the election became effective on or after September 1, 1964 but before January 1, 1969 the amount shall be fifty-five percent (55%) of the amount of the monthly life income benefit that was or would have been payable after age 65 to the retired employee after the applicable reduction provided in Subsection (b) above; if the election becomes effective on or after January 1, 1969, but before November 1, 1976, the amount shall be fifty-five percent (55%) of the amount of the monthly life income benefit that was or would have been payable after age 65 to the retired employee after the reduction provided in Subsection (b) or (c) above, whichever is applicable; if the election becomes effective based on a retirement or a break in seniority on or after November 1, 1976, but before October 1, 1999, the amount shall be sixty percent (60%), and effective October 1, 1999, the sixty percent (60%) shall be increased to sixty-five percent (65%) for employees entitled to or currently receiving such benefit amount, if living, (excluding, employees and the employees' surviving spouses entitled to or currently receiving a benefit as a result of eligibility for a Deferred Vested Pension Benefit in accordance with Article V, Section 4) of the amount of the monthly life income benefit that was or would have been payable after age 65 (age 62 if the employee shall retire on or after October 1, 1979 and the provisions of Article V, Section 2(e) clause (i) or (ii) are applicable to the employee or age 62 and one month in the case of such a retired employee who shall attain age 62 during or after March, 1982) to the retired employee after the reduction provided in Subsection (c) above; if the election becomes effective, based on a retirement on or after October 1, 1999, the amount shall be sixty-five percent (65%) and if based on a break in seniority on or after October 1, 1999, the amount shall be sixty-five percent (65%) of the amount of the monthly life

income benefit that was or would have been payable after age 62 and one month to the retired employee after the reduction in subsection (c) above.

No benefit shall be payable under this Subsection or Article V, Section 17 for any month for which the surviving spouse of a retired employee is entitled, under the group insurance program to which the Company contributes, to receive a Transition Survivor Income Benefit or a Bridge Survivor Income Benefit.

The benefit rate used for purposes of calculating the amount of monthly life income benefit referred to in Subsections (b), (c) and (d) above as payable under Section 1, 2 or 3 of this Article V, shall be with respect to benefits payable on or after October 1, 2003, whatever rate is applicable to the retired employee under Section 1, 2 or 3 of this Article V based on the date of the employee's retirement under the Plan.

The benefit rate used for purposes of calculating the amount of monthly life income benefit referred to in Subsection (b), (c) and (d) above as payable under Section 4 of this Article V shall be with respect to benefits payable on or after October 1, 2003, whatever rate is applicable to the retired employee under that Section.

- (e) Anything to the contrary in the Plan notwithstanding:
  - (i) In the event the designated spouse of an employee who, on or after September 15, 1970, shall retire and make the survivorship election provided in Subsection 7(c) or Subsection 7(e) of Article IV (including for purposes of this clause (i) a former employee who incurs a break in seniority on or after December 21, 1970 and is entitled to a deferred vested pension benefit) shall predecease such retired employee, or such employee and spouse shall be divorced by court decree and the terms of a Qualified Domestic Relations Order within the meaning of Section 414(p) of the Code do not expressly prohibit cancellation of the survivor coverage, such retired employee may cancel the survivorship election and have the employee's monthly life income benefit restored to the amount payable without such election, effective the

first day of the third month following the month (for cancellations effective January 1, 1994 through September 30, 2007, that are the result of the death of the designated spouse, restoration of the employee's life income benefit shall be effective the first day of the month following the month) in which the Board shall receive (A) evidence satisfactory to the Board of the spouse's death, or (B) such retired employee's written revocation of the election because of divorce, on a form approved by the Board and accompanied by evidence satisfactory to the Board of a final decree of divorce; provided, however, that cancellation shall not be effective before January 1, 1988 in the case of a survivorship election under Subsection 7(e) of Article IV. For cancellations due to the death of a designated spouse who dies on or after October 1, 2007, the provisions under subsection (e)(iii) shall apply.

- (ii) An employee who shall have retired prior to September 15, 1970 (including for purposes of this clause (ii) a former employee who shall have incurred a break in seniority prior to December 21, 1970 and is entitled to a deferred vested pension benefit), and who has made or shall make a survivorship election as provided in Subsection 7(b) or 7(c) of Article IV or Subsection 15(a) or 15(b) of Article V, but whose designated spouse shall predecease the employee, may have the employee's monthly life income benefit restored to the amount payable without such coverage, effective the first day of the third month following the month (for cancellations effective January 1, 1994 through September 30, 2007, restoration of the employee's life income benefit shall be effective the first day of the month following the month) in which the Board receives evidence satisfactory to the Board of the spouse's death but not prior to April 1, 1971. For cancellations due to the death of a designated spouse who dies on or after October 1, 2007, the provisions under Subsection (e)(iii) shall apply.

- (iii) For employees who shall have made a survivorship election as described in subsection (i) and (ii) above and who shall cancel such election on or after October 1, 2007 because the employee's designated spouse shall have pre-deceased the employee, may have the employee's monthly life income benefit restored to the amount payable without such coverage effective the first day of the month following the date in which the spouse dies; provided, that satisfactory evidence of the death is submitted to the Board within six months of the date of death. If such evidence is submitted later than six months following the date of death, the life income benefit shall be restored to the amount without coverage six months prior to the date of receipt of notice by the Board.
- (iv) In lieu of receiving a reduced amount of any increase in the life income benefit otherwise payable to the employee under this Article V on or after April 1, 1971 in order to provide an increase in the amount of the survivor's benefit otherwise payable, an employee who shall have retired under Section 1, 2 or 3 of Article IV prior to September 15, 1970 and who is divorced by court decree from the designated spouse for whom the employee has a survivorship election in effect under Subsection 7(b) or 7(c) of Article IV, may cancel the survivorship election and have the employee's monthly life income benefit restored to the amount payable without such election unless the terms of a Qualified Domestic Relations Order within the meaning of Section 414(p) of the Code expressly prohibit cancellation or change of the survivor coverage. To make such election the employee must complete a form approved by the Board and file it with the Board, accompanied by evidence satisfactory to the Board of a final decree of divorce, in which case such election shall become effective with respect to benefits payable for months commencing on or after April 1, 1971 or, if later, the first day of the third month following the month (for such elections effective January 1, 1994 and thereafter,

restoration of the employee's life income benefit shall be effective the first day of the month following the month) in which the Board receives such completed election form and final decree of divorce.

The amount of any survivor's benefit payable to the designated spouse of a retired employee who shall have made the election provided in this clause (iv) shall be computed in accordance with applicable benefit provisions in effect on September 14, 1970 with respect to benefits commencing on or after the effective date of such election.

- (f) The amount of the reduced monthly life income benefit payable out of the Pension Fund under Section 3 of this Article V to an employee who shall retire on or after January 1, 1976 under Section 3 of Article IV and who shall have been deemed to have made the survivorship election provided in Article IV, Section 7(e) of the Plan, shall be determined by reducing actuarially the amount of the applicable benefit for the cost of the survivor benefit payable in the event of the retired employee's death before the first of the month following the attainment of age 55. The actuarial reduction shall be based on the age of the retired employee and the employee's spouse (the age of each being determined as the age at the employee's or the spouse's respective birthday nearest the date on which the benefits commence) and shall reflect the extra mortality associated with being disabled.

The table contained in Appendix H is the actuarial reduction factor at selected ages. Actuarial reduction factors for ages not shown will be calculated on the same basis as the factors shown in Appendix H.

- (g) The amount of the monthly survivor's benefit payable out of the Pension Fund to the surviving spouse of a retired employee who shall have been deemed to have made the survivorship election specified in Article IV, Section 7(e) of the Plan, commencing the first of the month following the date on which the retired employee would have reached age 55, shall be fifty (50%) percent of the amount of the monthly

life income benefit payable to the retired employee after the reduction provided in Subsection (f) above.

No benefit shall be payable under this Subsection for any month for which the surviving spouse of a retired employee is entitled, under the group insurance program to which the Company contributes, to receive a Transition Survivor Income Benefit or a Bridge Survivor Income Benefit.

The benefit rate used for purposes of calculating the amount of monthly life income benefit referred to in this Subsection and Subsection (f) above as payable under Section 3 of this Article V shall be whatever rate is applicable to the retired employee under Section 3 of this Article V based on the date of the employee's retirement under the Plan.

- (h) No benefit under Article V, Section 17 shall be payable if a survivor's benefit is payable under this Section or if any survivor's benefit under this Section has been duly rejected.

## **Section 6. Payment of Small Amounts**

**Prior to the commencement of benefits**, if the Actuarial Value in a lump sum of any benefit payable to any surviving spouse, **alternate payee, or any other individual who is not an employee immediately prior to the date of retirement** is less than **or equal to \$5,000** and if **such eligible individual** is no longer entitled to any payment from group insurance programs, such benefit shall be paid in a lump sum and the Plan shall be discharged of any further liability with respect thereto.

With respect to any distribution of any payment of a small amount under this Section after January 1, 1993, to the extent that such payment is at least \$200.00, an eligible surviving spouse may elect, at the time and in the manner prescribed, to have any portion of the distribution paid directly to an "eligible retirement plan" specified by the eligible surviving spouse in a direct rollover. However, effective for distributions paid pursuant to this Section on or after January 1, 2008 that are in excess of \$1,000, if the eligible surviving spouse does not elect to have such distribution paid directly to an "eligible retirement plan" specified by the eligible surviving spouse in a direct rollover or to receive the distribution directly, then the Plan will pay the distribution in a

direct rollover to an individual retirement plan designated by the Board. If the eligible surviving spouse does not elect a direct rollover, then the taxable portion of the distribution will be subject to the mandatory Federal income tax withholding described in Section 3405 of the Code.

For purposes of this Article V, Section 6, the following definitions shall apply:

- (a) **Eligible retirement plan:** shall mean an individual retirement account or annuity described in Section 408(a) and (b) of the Internal Revenue Code, on and after January 1, 2008 an individual retirement account described in Section 408A of the Internal Revenue Code, an annuity plan described in Section 403(a) of the Internal Revenue Code, a qualified trust described in Section 401(a) of the Internal Revenue Code, an annuity contract described in Section 403(b) of the Internal Revenue Code and an eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code. With regard to rollovers to a beneficiary who is not a spouse on and after January 1, 2010, eligible retirement plan shall mean an individual retirement account or annuity described in Sections 408(a), 408(b) and 408A (“IRA”) of the Internal Revenue Code that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Section 402(c)(11).
- (b) **Direct Rollover:** A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distribution.

The preceding provisions of this Article V, Section 6 shall also apply with regard to lump sum payments made pursuant to Article V, Section 2(l) and Article V, Section 24.

## Section 7. Commencement of Benefit Payments

- (a) Notwithstanding any other provision of this Article or Article VI, in determining any retirement benefits payable out of the Pension Fund to any employee retired on or after January 1, 1962, no benefit shall be payable for any month for which the retired employee is receiving weekly accident or sickness benefits under any plan to which the Company shall have contributed; for any month for which the retired employee is receiving such accident or sickness benefits for part of the month, a proportionate amount of any monthly retirement benefits otherwise payable shall be paid for that part of the month for which the retired employee receives no such accident or sickness benefits. This Section shall have no application with respect to Extended Disability Benefits payable under the group insurance program to which the Company contributes.
- (b) If the present value of an employee's vested accrued benefit derived from employer contributions exceeds (or at the time of any prior distribution exceeded) **\$5,000**, and the accrued benefit is immediately distributable, the employee and the employee's spouse (or where either the employee or the spouse has died, the survivor) must consent to any distribution of such accrued benefit. The consent of the employee and the employee's spouse shall be obtained in writing within the 180-day period ending on the annuity starting date. The annuity starting date is the first day of the first period for which an amount is paid as an annuity or any other form. The Plan Administrator shall notify the employee and the employee's spouse of the right to defer any distribution until the employee's accrued benefit is no longer immediately distributable. Such notification shall include a general description of the material features, and an explanation of the relative values of, the optional forms of benefit available under the Plan in a manner that would satisfy the notice requirements of section 417(a)(3) of the Internal Revenue Code, and shall be provided no less than 30 days and no more than 180 days prior to the annuity starting date. Monthly retirement benefits shall not commence sooner than the 30 days following the receipt of the required written

explanation of distribution options, provided however, that an employee may affirmatively elect in writing to commence the monthly retirement benefits in less than 30 days (but no less than 7 days).

Notwithstanding the foregoing, only the employee need consent to the commencement of a distribution in the form of a 50% joint and survivor annuity while the accrued benefit is immediately distributable. Neither the consent of the employee nor the employee's spouse shall be required to the extent that a distribution is required to satisfy section 401(a)(9) or section 415 of the Internal Revenue Code.

An accrued benefit is immediately distributable if any part of the accrued benefit could be distributed to the employee (or surviving spouse) before the employee attains (or would have attained if not deceased) the later of normal retirement age or age 62.

- (c) Notwithstanding any provision in this Article V, Section 7 hereof to the contrary, in the event that the written notice of an employee's optional forms of payment (the "QJSA notice") is required and is provided after the employee's annuity starting date, the employee's annuity starting date shall be deemed a "retroactive annuity starting date." In such event the following shall apply:
- (i) The date the first payment is actually made to the employee (the "current annuity starting date") shall occur no later than 90 days after the date the QJSA notice is provided to the employee (unless any delay beyond the 90 days is attributable to reasonable administrative delay in the payment of benefits).
  - (ii) The information included in the QJSA notice shall include information based on both the employee's retroactive annuity starting date and current annuity starting date.
  - (iii) The QJSA notice shall include the employee's right to elect in writing either (A) a benefit determined based on the retroactive annuity starting date or (B) a

benefit determined based on the current annuity starting date.

- (iv) In the event that (A) an employee elects to receive the employee's benefit determined as of a retroactive annuity starting date and (B) under the form of payment elected by such employee the benefit payable to the employee's spouse upon the employee's death would be less than the benefit payable to such spouse if the employee had elected to receive a 50% joint and survivor annuity with the employee's spouse as beneficiary payable as of the current annuity starting date, then the employee's spouse must consent in writing to the employee's election of such retroactive annuity starting date.
- (v) Except in the case where payment of the employee's benefit (other than a form of payment that is subject to IRC Section 417(e)) commences no more than 12 months after the retroactive annuity starting date, the employee's benefit determined based on the retroactive annuity starting date (including any interest adjustments) shall satisfy the requirements of IRC Section 415 if the current annuity starting date were to be substituted for the retroactive annuity starting date for all purposes, including for purposes of determining the applicable interest rate and the applicable mortality table used to adjust such limits.
- (vi) If the employee's benefit is payable in a form of payment which would have been subject to IRC Section 417(e) if payment had commenced as of the retroactive annuity starting date, then the amount of payment as of the current annuity starting date shall be no less than the amount of payment produced by applying the applicable interest rate and the applicable mortality table (as each is defined in IRC Section 417(e)(3)), in effect as of the third calendar month preceding the first day of the year which includes the date on which the distribution is paid from the Trust, to the annuity form that was used to

determine the amount of payment as of the employee's retroactive annuity starting date.

- (vii) In the event that an employee elects (with spousal consent, if applicable) to receive the employee's benefit determined as of a retroactive annuity starting date, the employee shall receive a make-up payment to reflect any missed payment or payments for the period from the retroactive annuity starting date to the date of the actual make-up payment, with an appropriate adjustment for interest from the date the missed payment or payments would have been made (including, if applicable, a payment of the single-sum value of the employee's retirement benefit) to the date of the actual make-up payment. If the employee's benefit is paid in a form other than a single-sum payment, the benefit payments, other than any required make-up payment, shall be in an amount that is equal to the amount which would have been paid to the employee had payments actually commenced on the employee's retroactive annuity starting date. For purposes of determining the make-up payment, the interest adjustment shall be based on the 3-month U.S. Constant Maturity Treasury Rate in effect as of the third calendar month preceding the first day of the year which includes the date on which the distribution is paid from the Trust.
- (viii) For purposes of the foregoing, references to an employee's spouse shall include an alternate payee who, under the terms of a qualified domestic relations order, is required to be treated as a surviving spouse in the event of the employee's death.

### **Section 8. Benefits Payable to Incompetents**

If, based on the determination of a court of competent jurisdiction, the Board shall find that any person to whom a benefit is payable from the Pension Fund is unable to care for such person's own affairs because of illness, accident, or other infirmity or personal circumstances, or is a minor, any payment due (including benefits that would be suspended in accordance with Section 13 of this

Article V) may be paid to the spouse, a child, a parent, or a brother or sister, or to any person or party (including a private or public institution) to whom or to which a court of competent jurisdiction has granted authority to receive such payment on behalf of such person unless prohibited by ERISA or the Code (unless a prior claim for it shall have been made by a duly appointed guardian, committee or other legal representative). Any such payment shall be a complete discharge of any liability of the Plan for it.

### **Section 9. Vesting**

No employee or other person shall have any vested right under the Plan except such rights, if any, as may accrue to the employee upon retirement or entitlement to deferred vested benefits or survivor's benefits in accordance with the provisions of the Plan.

### **Section 10. Applicability of Benefit Provisions**

Anything to the contrary in the Plan notwithstanding, the amount of any benefit payable to an employee who shall have retired under (i) Article IV, Section 1, pursuant to Section 3 of the Agreement Concerning Retirement Plan, (ii) Article IV, Section 2(b) or (iii) Article IV, Section 3 on or after September 6, 1967 and before October 25, 1967 (or the surviving spouse of such a retired employee who is eligible for a survivor's benefit under Article V, Section 5) shall be determined on the basis of the applicable provisions of the Plan in effect for retirement on November 1, 1967.

### **Section 11. Nonalienation of Benefits**

Except as hereinafter provided, no benefit payable at any time under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment or encumbrance of any kind except to the extent permitted by Code Section 401(a)(13) or ERISA Section 206 (d). Any attempt to alienate, sell, transfer, assign, pledge or otherwise encumber any such benefit, whether presently or thereafter payable, shall be void. No benefit nor the Pension Fund shall in any manner be liable for or subject to the debts or liability of any person to whom any benefit is or shall be payable. If such person shall attempt to, or shall, alienate, sell, transfer, assign, pledge, or otherwise encumber the employee's benefits under the Plan or any part thereof, or if by reason of the employee's bankruptcy or other event happening at any time such

benefits would devolve upon anyone else or would not be enjoyed by the employee, then the Board in its discretion may hold any such benefit and apply it to or for the benefit of such person, the employee's spouse, children, or other dependents in such manner as the Board may deem proper, and such application shall fully discharge the obligation of the Pension Fund with respect to any benefit so applied.

Provided, however, that (i) the Trustee shall be authorized by the Board of Administration to deduct from the monthly benefit payable to any retired employee or surviving spouse electing Blue Cross-Blue Shield or comparable coverage as part of the groups provided for in the Collective Bargaining Agreement, the amount of the contribution of the retired employee or surviving spouse as it may be established from time to time for such coverage as certified to the Trustee by the Board and to pay such amount directly to the appropriate Blue Cross and/or Blue Shield or other organization, (ii) commencing on or after January 1, 1971, any person to whom a benefit is or shall be payable under the Plan shall have (A) Federal income tax withheld by the Trustee where required by Federal statutes or regulations unless, elected otherwise in accordance with such statutes or regulations by submitting to the Board written authorization and direction acceptable to the Board, and (B) state income tax withheld by the Trustee where (a) required by state statutes or regulations, unless elected otherwise in accordance with such statutes or regulations, or (b) commencing on or after June 1, 1994, if the state permits voluntary withholding and such person requests voluntary withholding by submitting to the Board written authorization and direction acceptable to the Board; (iii) commencing on or after October 1, 1984, any retired employee to whom a benefit is or shall be payable under the Plan may elect to have any outstanding overpayments received under any Company benefit Plan or Program paid by the Trustee from amounts otherwise payable under this Plan, upon authorization by the Board of Administration, to such respective Plan or Program in monthly amounts of not less than \$40.00 or such lower outstanding overpayments nor more than 10% of the monthly retirement benefit and (iv) payment shall be made in accordance with

provisions of a Qualified Domestic Relations Order within the meaning of Section 414(p) of the Code.

Notwithstanding any other provisions of the Plan, the Trustee, upon authorization by the Board of Administration for the month of August, 1966, and thereafter while there is in effect an agreement between the Company and the Union concerning the maintaining of the Plan, and on or after November 19, 1973, during the life of any Collective Bargaining Agreement applicable to employees covered by the Plan shall deduct Union dues from any monthly retirement benefit otherwise payable to any retired employee who shall have duly authorized such deduction on a form acceptable to the Company, and effective January 1, 1995 shall, upon authorization by the Board of Administration, deduct the associate dues donation from any monthly retirement benefit otherwise payable to any surviving spouse who shall have duly authorized such deduction on a form acceptable to the Company to the extent permitted by applicable federal and state laws and regulations; and to remit such dues to the Union.

### **Section 12. Re-Employed Retired Employee**

A retired employee who is re-employed by the Company shall continue to receive, during such re-employment, any monthly life income and temporary benefits or monthly Special Age 65 Benefit to which the employee might otherwise be entitled, but not a Supplemental Allowance. The retired employee shall not receive any additional creditable service as a result of such employment and the employee's monthly benefits shall not be adjusted in any way with regard to such employment upon subsequent cessation of employment. This Section 12 is not applicable to a retired employee on disability retirement who recovers and returns to work.

### **Section 13. Waiver of Benefits**

Anything to the contrary in the Plan notwithstanding, a retired employee or surviving spouse entitled to receive a monthly benefit payable out of the Pension Fund may, for personal reasons and without disclosure thereof, request the Board in writing to suspend for any period the payment of all or of any part of such monthly benefit otherwise payable to the employee. On receipt of such written request, the Board shall authorize such suspension, and

such suspension shall remain in effect until revoked by such retired employee or surviving spouse by written notice to the Board. Upon any such revocation, future benefit payments to such person shall resume. Any suspension required hereunder by a retired employee of benefits payable to the employee under the Plan shall not affect benefits payable under any survivorship election the employee has made or is deemed to have made under the Plan.

#### **Section 14. Special Age 65 Benefit**

- (a) Commencing on or after November 19, 1973, (i) any retired employee age 65 years or older who is receiving a benefit payable out of the Pension Fund under Article V, Section 1, 2 or 3 or (ii) any eligible surviving spouse who is receiving a benefit payable out of the Pension Fund under Article V, who is age 65 or older, or who, on or after March 1, 1974, is under age 65 if such spouse is enrolled in the voluntary Medicare coverage that is available under the Federal Social Security Act by making contributions (excluding the eligible surviving spouse of a former employee who was receiving a deferred vested pension benefit under Article V, Section 4,) or (iii) any retired employee who, on or after March 1, 1974, has not attained age 65, who is receiving a benefit payable out of the Pension Fund under Article V, Section 2 or 3 and who is enrolled in the voluntary Medicare coverage that is available under the Federal Social Security Act by making contributions, shall, in any such case, receive a monthly Special Age 65 Benefit, subject to (b) and (c) below, of \$45.50, for months commencing on or after January 1, 1999 and prior to January 1, 2000; for months commencing on or after January 1, 2000, the lesser of \$61.50 or the generally applicable Medicare Part B Premium, for months commencing on or after January 1, 2004 the lesser of \$76.20 or the generally applicable Medicare Part B Premium, in addition to the amount of the life income benefit (or survivor's benefit), provided that in no event shall such payment under (i) or (ii) above (except in the case of an eligible surviving spouse described in (ii) above who on or after March 1, 1974 is under age 65 and enrolled in such voluntary Medicare coverage) commence prior to the first day of the first month following the month during which age

65 is attained, and in no event shall payment of such Special Age 65 Benefit continue under (iii) above, or to an eligible surviving spouse described in (ii) above who on or after March 1, 1974 is under age 65 and enrolled in such voluntary Medicare coverage, after the month during which age 65 is attained or after any earlier date on which the individual ceases to be enrolled in such voluntary Medicare coverage nor, for enrollments in such voluntary Medicare coverage effective prior to October 1, 1979, shall a Special Age 65 Benefit payable before attaining age 65 commence before the retired employee or surviving spouse makes application for it (except that, with respect to an otherwise eligible individual under age 65, payment shall commence with the first month of such enrollment, but in no event prior to October 1, 1979), and provided further that not more than one such payment shall be made to any individual for any one month.

No Special Age 65 Benefit shall be payable under this Article V, Section 14 to an otherwise eligible individual whose benefit payable out of the Pension Fund commences on or after October 1, 1979.

- (b) Effective January 1, 1991, the Special Age 65 Benefit payable to an eligible individual who is not enrolled in Medicare Part B as of October 1, 1990, but who was receiving a Special Age 65 Benefit, will be limited to \$28.00 per month. Such an individual will become entitled to the schedule of payments as stated above, upon proof of enrollment in Medicare Part B. Thereafter, continued receipt of a Special Age 65 Benefit will be contingent on maintenance of Medicare Part B enrollment.
- (c) For an individual enrolled in Medicare Part B as of October 1, 1990, or who first becomes eligible for Medicare Part B on or after October 1, 1990, receipt of a Special Age 65 Benefit on and after January 1, 1991 is contingent upon continued enrollment in Medicare Part B.

### **Section 15. Special Survivorship Option**

- (a) An employee who shall have retired under Sections 1, 2 or 3 of Article IV prior to October 25, 1967 (excluding for purposes of this Subsection 15(a) a retired employee on disability retirement who had not attained age 60 prior to March 1, 1968) and who had not made a survivorship election as provided in Subsection 7(b) of Article IV, may have elected a Special Survivorship Option in accordance with the following:
- (i) During the period commencing on October 25, 1967 and before March 1, 1968, the retired employee may have elected in writing as prescribed by the Board a Special Survivorship Option (effective on March 1, 1968) providing a survivor's benefit payable after the employee's death to the employee's designated spouse during the further lifetime of the spouse, in an amount equal to \$1.60 for each year of the employee's number of years of credited service at retirement, reduced or multiplied in accordance with Section 2(a) or 2(b) of Article V if such Subsections are applicable to the employee, provided that a retired employee may have elected this Special Survivorship Option only with respect to a spouse to whom the retired employee shall have been married for at least one year at the date the employee's election hereunder became effective, and provided further that in the case of a retired employee who elected the option under Section 2(a) (iii) of this Article V the reduction herein and the reduction under (ii) below shall be equal to the reduction which would have applied if the employee had elected the option under Section 2(a) (ii) of this Article V.
  - (ii) In the event that a retired employee shall have elected the Special Survivorship Option provided above, the monthly benefit payable to the employee out of the Pension Fund on or after March 1, 1968 shall be reduced by an amount equal to \$1.00 for each year of credited service at retirement, such amount to be

reduced or multiplied in accordance with Subsection 2(a) or 2(b) of Article V, if such Subsections are applicable to the employee.

- (iii) In any event, if the employee or the employee's designated spouse shall have died before the effective date of any such election, the election shall have been canceled.
- (iv) For months commencing on or after October 1, 1984 and prior to October 1, 1987, the survivor's benefit payable to a surviving spouse under this Subsection 15(a) shall be an amount equal to \$5.00 for each of the retired employee's years of credited service at retirement, reduced or multiplied as provided in clause (i) above, if applicable.
- (v) For months commencing on or after October 1, 1987 and prior to October 1, 1990, the survivor's benefit payable to a surviving spouse under this Subsection 15(a) shall be an amount equal to \$6.00 for each of the retired employee's years of credited service at retirement, reduced or multiplied as provided in clause (i) above, if applicable.
- (vi) For months commencing on or after October 1, 1990 and prior to October 1, 1991, the survivor's benefit payable to a surviving spouse under this Subsection 15(a) shall be an amount equal to \$7.00 for each of the retired employee's years of credited service at retirement, reduced or multiplied as provided in clause (i) above, if applicable.
- (vii) For months commencing on or after October 1, 1991 and prior to October 1, 1992, the survivor's benefit payable to a surviving spouse under this Subsection 15(a) shall be an amount equal to \$8.00 for each of the retired employee's years of credited service at retirement, reduced or multiplied as provided in clause (i) above if applicable.

- (viii) For months commencing on or after October 1, 1992, and prior to October 1, 1993, the survivor's benefit payable to a surviving spouse under this Subsection 15(a) shall be an amount equal to \$9.00 for each of the retired employee's years of credited service at retirement, reduced or multiplied as provided in clause (i) above, if applicable.
- (ix) For months commencing on or after October 1, 1993, and prior to October 1, 1996, the survivor's benefit payable to a surviving spouse under this Subsection 15(a) shall be an amount equal to \$9.55 for each of the retired employee's years of credited service at retirement, reduced or multiplied as provided in clause (i) above, if applicable.
- (x) For months commencing on or after October 1, 1996, and prior to October 1, 1999, the survivor's benefit payable to a surviving spouse under this Subsection 15(a) shall be an amount equal to \$9.95 for each of the retired employee's years of credited service at retirement, reduced or multiplied as provided in clause (i) above, if applicable.
- (xi) For months commencing on or after October 1, 1999, and prior to October 1, 2003, the survivor's benefit payable to a surviving spouse under this Subsection 15(a) shall be an amount equal to \$11.90 for each of the retired employee's years of credited service at retirement, reduced or multiplied as provided in clause (i) above, if applicable.
- (xii) For months commencing on or after October 1, 2003, and prior to October 1, 2007, the survivor's benefit payable to a surviving spouse under this Subsection 15(a) shall be an amount equal to \$13.10 for each of the retired employee's years of credited service at retirement, reduced or multiplied as provided in clause (i) above, if applicable.

- (xiii) For months commencing on or after October 1, 2007, the survivor's benefit payable to a surviving spouse under this Subsection 15(a) shall be an amount equal to \$14.10 for each of the retired employee's years of credited service at retirement, reduced or multiplied as provided in clause (i) above, if applicable.
- (b) An employee who shall have retired under Section 3 of Article IV prior to January 1, 1962 and who shall not have attained age 60 prior to March 1, 1968, may elect a Special Survivorship Option to provide that, if the employee's designated spouse shall be living at the date of the employee's death after such election shall have become effective, a survivor's benefit shall be payable to such spouse during the employee's further lifetime; provided that:
  - (i) The retired employee shall have completed the election on a form approved by the Board and shall have filed it with the Board on or after December 21, 1970 and prior to April 1, 1971, in which case the election shall have become effective on April 1, 1971; except that if the retired employee had not attained age 60 prior to April 1, 1971, the employee may complete and file such form with the Board during the month in which the employee attains age 60, in which case the election shall become effective the first day of the following month.
  - (ii) The retired employee may elect this Special Survivorship Option only with respect to a spouse to whom the employee shall have been married for at least one year prior to the effective date of such election.
  - (iii) An election under this Subsection (b) shall automatically be canceled upon the death of the retired employee or the employee's designated spouse prior to the effective date of the election.

For a retired employee who makes an election pursuant to this Subsection (b), the monthly life income benefit that would otherwise be payable to the employee under Section 3 of Article V shall be reduced for months commencing on or after the effective date of such election by an amount equal to \$1.00 for each year of credited service at retirement.

The survivor's benefit payable to the designated spouse of a retired employee who has completed an election pursuant to this Subsection (b), and who dies after such election becomes effective, shall be a monthly benefit for the further lifetime of the spouse equal to (i) \$5.00 for each year of the retired employee's credited service at retirement with respect to benefits payable for months commencing on or after October 1, 1984 but before October 1, 1987 or (ii) \$6.00 for each year of the retired employee's credited service at retirement with respect to benefits payable for months commencing on or after October 1, 1987 but before October 1, 1990 or (iii) \$7.00 for each year of the retired employee's credited service at retirement with respect to benefits payable for months commencing on or after October 1, 1990 but before October 1, 1991 or (iv) \$8.00 for each year of the retired employee's credited service at retirement with respect to benefits payable for months commencing on or after October 1, 1991 but before October 1, 1992 or (v) \$9.00 for each year of the retired employee's credited service at retirement with respect to benefits payable for months commencing on or after October 1, 1992 but before October 1, 1993 or (vi) \$9.55 for each year of the retired employee's credited service at retirement with respect to benefits payable for months commencing on or after October 1, 1993 but before October 1, 1996 or (vii) \$9.95 for each year of the retired employee's credited service at retirement with respect to benefits payable for months commencing on or after October 1, 1996 but before October 1, 1999 or (viii) \$11.90 for each year of the retired employee's credited service at retirement with respect to benefits payable for months commencing on or after October 1, 1999 but before October 1, 2003 or (ix) \$13.10

for each year of the retired employee's credited service at retirement with respect to benefits payable for months commencing on or after October 1, 2003 but before October 1, 2007 or (x) \$14.10 for each year of the retired employee's credited service at retirement with respect to benefits payable for months commencing on or after October 1, 2007.

### **Section 16. Deductions for Workers' Compensation**

Notwithstanding any other provisions of this Article V, or of Article VI, in determining the amount of the retirement benefit (including any Supplemental Allowance) payable out of the Pension Fund to any retired employee who shall retire on or after April 1, 1971 (including for purposes of this Section 16 a former employee who incurs a break in seniority on or after April 1, 1971 and is entitled to a deferred vested pension benefit), a deduction shall be made unless prohibited by law, equivalent to all or any part of Workers' Compensation (including compromise or redemption settlements) payable to such retired employee by reason of any law of the United States, or any political subdivision thereof, which has been or shall be enacted, provided that such deductions shall be to the extent that such Workers' Compensation has been provided by premiums, assessments, taxes or other payments paid by or at the expense of the Company, except that no deduction shall be made for the following:

- (i) Workers' Compensation payments specifically allocated for hospitalization or medical expense, fixed statutory payments for the loss of any bodily member or 100% loss of use of any bodily member, or payments for loss of industrial vision.
- (ii) Compromise or redemption settlements payable prior to the date monthly retirement benefits first become payable.
- (iii) Workers' Compensation payments paid under a claim filed not later than two years after the breaking of seniority.

**Section 17. Pre-Retirement Survivor's Benefit to Comply with the Retirement Equity Act of 1984**

- (a) The monthly survivor's benefit payable out of the Pension Fund to any surviving spouse who shall have become eligible for such benefit under the provisions of Article IV, Section 8 of the Plan shall be fifty percent (50%) of the monthly life income benefit as determined under Article V, Section 4, otherwise payable based on the (i) date of death of the employee, or (ii) date seniority broke for a former employee, after any reductions provided in Article V, Section 4 and Appendix I of the Plan.
- (b) No benefit shall be available under this Section 17 if the retired employee is receiving a disability retirement benefit before age 55 and survivor benefits are available under Article V, Section 5(f) and (g), even though such survivor benefits may have been duly rejected.
- (c) In the event of divorce the employee or former employee can revoke the coverage provided hereunder without spousal consent, unless a Qualified Domestic Relations Order within the meaning of Section 414(p) of the Code requires such coverage to remain in effect for the former spouse.
- (d) No benefit shall be payable under this Section for any month for which the surviving spouse of an employee is entitled, under the group insurance program to which the Company contributes, to receive a Transition Survivor Income Benefit or a Bridge Survivor Income Benefit.

**Section 18. Qualified Domestic Relations Order**

Notwithstanding any other provisions of the Plan, the amount of any monthly pension benefit otherwise payable under this Article V shall be reduced by the value of any past and future benefits paid or payable to any alternate payee(s) under a Qualified Domestic Relations Order within the meaning of Section 414(p) of the Code.

The Actuarial Value shall be used to determine the amount to be paid to such alternate payee(s), if applicable, and the remaining benefit entitlement payable under this Article V.

For an employee whose benefits become subject to a Qualified Domestic Relations Order requiring payment to an alternate payee prior to the employee's retirement and beginning on or after October 1, 1987, the amount of life income benefit payable to such alternate payee shall be based on the employee's monthly life income retirement benefit payable at the employee's age 65 multiplied by the percentage applicable with respect to the employee's attained age when payments commence in accordance with the table contained in Article V, Section 4(e) if the benefit payable to the alternate payee begins on or after the employee attains age 55 or if the benefit begins before the employee attains age 55 in accordance with the following table:

<b>Employee Age When Payments Commence*</b>	<b>Percentage</b>
41	14.5%
42	15.5
43	16.7
44	17.9
45	19.3
46	20.8
47	22.4
48	24.2
49	26.1
50	28.2
51	30.5
52	33.1
53	35.9
54	39.0

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\* For each additional full month of attained age when benefits commence, the applicable percentage shall be determined by straight-line interpolation from the percentage applicable to the next lower age to the percentage applicable to the next higher age in the above table, rounded to the nearest 1/10 of 1%.

For an employee or retired employee whose retirement benefit commences on or after January 1, 2008 and who submits or has submitted a Qualified Domestic Relations Order under which the employee's monthly pension benefit becomes subject to a provision that requires survivorship coverage under Article IV, Section 7, and assigns a portion of the employee's monthly pension benefit to an alternate payee, the reduction to provide the survivorship coverage under Article V, Section 5, shall apply only to the portion of the benefit to which survivorship coverage applies. The reduction shall not apply to any portion of the employee's monthly pension benefit not subject to the terms of a Qualified Domestic Relations Order unless the employee remarries and elects survivor benefits on the remaining portion of the employee's monthly pension benefit. This provision is not applicable in circumstances where the Qualified Domestic Relations Order provides that the alternate payee shall be treated as the surviving spouse and it does not limit the surviving spouse to that portion of the lifetime benefit awarded to the alternate payee.

### **Section 19. Section 415 Limits**

Notwithstanding any other provisions of the Plan, the amount of any monthly pension benefit otherwise payable under this Article V, shall not exceed the applicable limits set by Section 415 of the Internal Revenue Code. The limitations of Section 415 of the Internal Revenue Code, as from time to time amended and adjusted, are hereby incorporated by reference. In applying such limitations, the following provisions shall apply:

- (a) Without limiting the foregoing, annual adjustments to the limitations of Section 415 of the Internal Revenue Code that are made pursuant to Section 415(d) of the Internal Revenue Code shall be taken into account in applying this Section 19, and shall be applicable to the Limitation Year containing the January 1 for which such annual adjustment is made. Any such adjustment applicable to a Limitation Year after the Limitation Year in which an employee retired or terminated employment shall not be taken into account with respect to such retired or terminated employee for purposes of this Plan.

- (b) The term “Employer” shall mean solely for the limitations set forth in this Section 19, the employer that adopts this Plan, as well as all members of a controlled group of corporations, as defined in Section 414(b) of the Internal Revenue Code, as modified by Section 415(h) of the Internal Revenue Code, all commonly controlled trades or businesses (as defined in Section 414(c) of the Internal Revenue Code, as modified, except in the case of a brother-sister group of trades or businesses under common control, by Section 415(h) of the Internal Revenue Code), or affiliated service groups (as defined in Section 414(m) of the Internal Revenue Code) of which the adopting employer is a part, and any other entity required to be aggregated with the employer pursuant to Section 414(o) of the Internal Revenue Code.
- (c) For purposes of this Section 19 only, if the Employer maintains a plan that provides a benefit which the employee accrued while performing services for a former employer, the former employer is a “Predecessor Employer” with respect to the employee in the Plan. A former entity that antedates the Employer is also a “Predecessor Employer” with respect to an employee if, under the facts and circumstances, the Employer constitutes a continuation of all or a portion of the trade or business of the former entity.
- (d) Where the employee’s Employer-provided benefits (determined as of the same age) under all plans required to be aggregated with this Plan for the purposes of Section 415 of the Internal Revenue Code would exceed the limitations of Section 415 of the Internal Revenue Code, then benefits will be reduced plan by plan, until the limitations of Section 415 of the Internal Revenue Code are met. The employee’s benefits shall be reduced under this Plan first to meet this limitation.
- (e) Notwithstanding the foregoing, nothing in this Section 19 shall reduce benefits accrued or payable under the Plan as of December 31, 2007, pursuant to Plan provisions that were adopted and in effect before April 5, 2007, if such Plan provisions met the applicable requirements of statutory provisions, regulations, and other published guidance relating

to Section 415 of the Internal Revenue Code in effect as of December 31, 2007.

- (f) In addition, in applying such limitations, the following provisions shall also apply:
  - (i) The transition rule of Section 101(d)(3) of the Pension Funding Equity Act (PFEA), as described in IRS Notice 2004-78, will apply.
  - (ii) Compensation, as used herein, means all regular basic wages or salary or other pay that would be included in Code Section 415(c)(3) compensation as defined in the safe harbor definition under Treasury Reg. §1.415(c)-2(d)(3) to include wages within the meaning of Code Section 3401(a) (including any differential wage payments as defined in Code Section 3401(h)(2)) that are paid by the Employer during a period of qualified military service as defined in Code Section 414(u), plus amounts that would be included in such wages but for an election under Code Section 402(e)(3), 402(h)(1)(B), 402(k) or 457(b) to a salary reduction plan qualified under Code Section 401(k), 408(k), 408(p), or 457, under Code Section 125 to a cafeteria plan, or under Code Section 132(f)(4) to a qualified transportation fringe benefits plan; provided, however, any limitations on pay included in such wages based on the nature or location of the employment or services shall be disregarded for purposes of this definition. Amounts to a cafeteria plan under Code Section 125 include any amounts not available to the employee in cash in lieu of group health coverage because the employee is unable to certify that the employee has other health coverage. An amount will be treated as an amount under Code Section 125 only if the Employer does not request or collect information regarding the employee's other health coverage as part of the enrollment process for the health plan.

If an employee is a Five Percent Owner as defined under Code Section 415(i)(1)(B)(i) or one of the ten (10) highest paid Highly Compensated Employees as defined under Code Section 414(q), the family aggregation rules of Code Section 414(q)(6) shall apply for determining the annual compensation limitation under Code Section 401(a)(17), except in applying such rules, the term “family” shall include only the spouse of the employee and any lineal descendants of the employee who have not attained age nineteen (19) before the close of the year.

The annual Compensation of each employee taken into account for any Plan Year shall not exceed two hundred thousand dollars (\$200,000), as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17), to the extent permitted by the Code or the Secretary of the Treasury pursuant to the Code. The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year. The determination period shall be the Plan Year or such other consecutive twelve (12) month period over which annual Compensation is determined under the Plan.

- (iii) The “Limitation Year” shall be the Plan Year.
- (iv) In determining the limitations of Section 415 of the Internal Revenue Code, Compensation for a Limitation Year shall be determined in accordance with Sections 1.415(c)-2(b) and (c) of the regulations.
- (v) In determining the limitations of Section 415 of the Internal Revenue Code, Compensation for a Limitation Year shall include Compensation paid after the Limitation Year to the extent permitted under Section 1.415(c)-2(e)(2) of the regulations.

- (vi) The rule set forth in the preceding sentence, under which Compensation paid after the Limitation Year is included to the extent permitted under Section 1.415(c)-2(e)(2) of the regulations, shall apply for all Limitation Years since the adoption of the Plan.
- (vii) In determining the limitations of Section 415 of the Internal Revenue Code, Compensation for a Limitation Year shall include Compensation paid after an employee's severance from employment to the extent permitted under Section 1.415(c)-2(e)(3) of the regulations.
- (viii) In determining the limitations of Section 415 of the Internal Revenue Code, Compensation for a Limitation Year shall include Compensation paid to an employee who does not currently perform services for the Employer by reason of qualified military service, to the extent permitted under Section 1.415(c)-2(e)(4) of the regulations.
- (ix) In determining the limitations of Section 415 of the Internal Revenue Code, Compensation for a Limitation Year shall include Compensation paid to an employee who is permanently and totally disabled (within the meaning of Section 22(e)(3) of the Internal Revenue Code), to the extent permitted under Section 1.415(c)-2(e)(4) of the regulations.

### **Section 20. Payment of Benefits After Age 70-1/2**

- (a) Notwithstanding any other provisions of this Plan, in the case of an employee who is otherwise eligible for monthly retirement benefits under the Plan, who has attained age 70-1/2 on or after January 1, 1988 but on or before December 31, 1998, and who has not retired or otherwise incurred a break in seniority:
  - (i) The monthly life income benefit payable from the Pension Fund under the Plan shall begin no later than April 1 of the calendar year following the calendar year in which the employee attains age 70-1/2 (except that for an employee who attained age 70-1/2 during

calendar year 1988, the required beginning date shall be April 1, 1990; and, except for an employee who attained age 70-1/2 during calendar years 1996, 1997 or 1998, unless such employee makes an election as provided in subsection (d) below) in an amount determined under Article V, Section 1 as though the employee had retired as of such beginning date;

- (ii) Such monthly life income benefit shall be reduced to include survivorship, as provided in Article V, Section 5(c) as though the employee had retired on the commencement date of payment here-under, provided, however, that such automatic survivor election may be waived prior to the commencement date in accordance with the procedures set forth in Article IV, Section 7(e);
  - (iii) Any increase in the the employee's monthly life income benefit by reason of increases in the applicable rates or additional credited service after such benefit has begun pursuant to this Section 20 ("Additional Benefit Accruals"), shall begin no later than April 1 of each succeeding calendar year during the continued employment of such employee, provided, however, that such Additional Benefit Accruals shall be reduced by the actuarial value of the sum of all cash distributions received by any otherwise eligible employee prior to the employee's actual retirement under this Plan.
- (b) Notwithstanding any other provision of this Plan, in the case of an employee who is otherwise eligible for monthly retirement benefits under the Plan who has attained age 70-1/2 on or after January 1, 1997, and who has not retired or otherwise incurred a break in seniority, the monthly life income benefit payable from the Pension Fund under the Plan shall commence upon retirement, subject to any applicable reductions for survivorship, as provided in Article V, Section 5 (c). At the time of such employee's retirement under the Plan, the employee's accrued benefit at age 70-1/2 under the Plan will be actuarially increased, in accordance with Section

401(a)(9)(c) of the Internal Revenue Code, and regulations thereunder, to take into account the period after age 70-1/2 in which such employee was not receiving benefits under the Plan.

- (c) Effective January 1, 1997, an active employee who attained age 70-1/2 prior to January 1, 1997 and who commenced a monthly retirement benefit in accordance with subsection (a) above, shall continue to receive such monthly retirement benefit unless such employee irrevocably elects, on a form approved by the Board, to discontinue such payments until actual retirement. In the event the employee so elects, the employee's accrued retirement benefit upon actual retirement will be actuarially increased in accordance with subsection (b) above to take into account the period after the employee's election when such employee was not receiving benefits under the Plan.
- (d) An active employee who attained age 70-1/2 during calendar years 1996, 1997 or 1998 and who otherwise would commence a monthly retirement benefit in accordance with subsection (a) above shall have such monthly retirement benefit deferred until actual retirement unless such employee irrevocably elects, on a form approved by the Board, to commence distribution on or after April 1 of the calendar year following the calendar year in which the employee attains age 70-1/2. The employee's accrued retirement benefit will be actuarially increased in accordance with subsection (b) above to take into account the period after age 70-1/2 in which such employee was not receiving benefits under the Plan. However, the required beginning date for a participant who is a 5% owner is April 1 of the calendar year following the calendar year in which the participant attains age 70-1/2.
- (e) Distribution pursuant to this Section 20 shall be made in accordance with such further regulations prescribed by the Secretary of Treasury, pursuant to Section 401(a)(9) of the Internal Revenue Code (or other Section of the Internal Revenue Code governing required payments from a defined benefit pension plan before an employee's retirement), including Section 1.401(a)(9)-6 of the regulations, and the

Final Regulations issued June 15, 2004 under Section 401(a)(9) of the Internal Revenue Code, and subject to such regulations as the Board may prescribe. Additionally, all distributions required under this Section 20 shall be determined and made in accordance with the regulations under Section 401(a)(9) of the Internal Revenue Code, including the minimum distribution incidental benefit requirement of Section 1.401(a)(9)- 1(b)(1)(i) of the regulations. The requirements of this Section 20 will take precedence over any inconsistent provisions of the Plan.

### **Section 21. Accrued Pension Benefit**

In the event an employee is transferred to a job which results in a lower life income benefit rate, such employee's vested pension benefit, if any, shall not be less than the amount of the employee's accrued pension benefit on the date of such transfer to such job.

### **Section 22. Deemed Disability Survivor's Benefit**

Notwithstanding any other provision in this Plan to the contrary, the five month period described in Article V, Section 3(g) shall be waived for an employee who (i) while on medical leave of absence applied for the disability retirement benefit as provided in Article IV, Section 3, (except that, beginning October 1, 1999, in the case of an occupational injury or illness incurred in the course of the employee's employment by the Company resulting in death, the leave of absence requirement shall not apply), and (ii) died prior to completion of the five month period directly or indirectly as a result of the condition which gave rise to the medical leave of absence (for example excluding death as a result of homicide, suicide, or accidental death). The surviving spouse of such an employee shall be eligible to receive the survivor's benefit the spouse would have been eligible to receive if the employee had been approved for a disability retirement benefit and survived until the end of the five month period under any of the applicable survivor benefits provisions of this Plan, excluding a benefit payable under Article V, Section 17.

### **Section 23. Continued Employment After Age 65-Notice of Postponement of Retirement Income**

The commencement of retirement income is postponed for employees who are age 65 or older and who are active employees of the Company until the employee is credited with less than 40 Hours of Service, per calendar month in accordance with DOL Reg. 2530.203-3(c) (1). No later than the end of the first month following the month in which an eligible employee reaches age 65, the eligible employee shall be sent notice by first class mail that commencement of retirement income is being postponed due to the employee's continued employment with the Company.

### **Section 24. Lump Sum Payments**

The Plan shall provide lump sum benefits in accordance with this Section 24 to employees who are eligible for such benefits pursuant to Section 24(a). Such lump sum benefits shall be payable from the Retirement Fund in an amount determined pursuant to Section 24(b) and according to the payment schedule set forth in Section 2(c).

- (a) Eligibility for Lump Sum Benefits:
  - (i) Eligibility for December 2007 Lump Sum Benefits: Employees who meet the following eligibility requirements on December 1, 2007 shall be eligible for lump sum benefits payable for December 2007:
    - (A) Employees who retired prior to October 1, 2007 under Article IV, Section 1, 2 or 3 and were receiving benefits from the Plan on December 1, 2007;
    - (B) Surviving spouses of such eligible employees,
    - (C) Surviving spouses of such eligible employees who, prior to October 1, 2007, were eligible for surviving spouse benefits under Article IV, Section 7(a), excluding surviving spouses of former employees who broke seniority and were only eligible for deferred vested benefits under Article V, Section 6; or
    - (D) Surviving spouses of such eligible employees who, prior to October 1, 2007, were eligible for

surviving spouse benefits under Article V, Section 15 and were receiving benefits from the Plan on December 1, 2007.

- (ii) Eligibility for December 2008 Lump Sum Benefits: Employees who meet the following requirements on December 1, 2008 shall be eligible for lump sum benefits payable for each such year:
  - (A) Employees who were eligible for and received lump sum benefits for the previous December, are alive on December 1 of the applicable year for which the lump sum benefits will be provided, and otherwise are eligible for lump sum benefits for such year; and
  - (B) Surviving spouses of such eligible employees, either of whom were eligible for or received lump sum benefits for the previous December, and who are alive on December 1 of the applicable year for which the lump sum benefits will be provided and otherwise are eligible for lump sum benefits for such year
- (iii) Eligibility for December 2009 Lump Sum Benefits: Employees who meet the following requirements on December 1, 2009 shall be eligible for lump sum benefits payable for each such year
  - (A) Employees who were eligible for and received lump sum benefits for the previous December, are alive on December 1 of the applicable year for which the lump sum benefits will be provided, and otherwise are eligible for lump sum benefits for such year;
  - (B) Surviving spouses of such eligible employees, either of whom were eligible for or received lump sum benefits for the previous December, and who are alive on December 1 of the applicable year for which the lump sum benefits will be provided and otherwise are eligible for lump sum benefits for such year; and

- (C) Eligible employees and the employees' surviving spouses shall include those employees who retired and commenced benefit payment on October 1, 2007 or November 1, 2007 pursuant to the Unpublished Letter of Understanding entitled, "10/1/2007 and 11/1/2007 Ford-UAW Retirees' Lump sum Payment" dated May 15, 2008.
- (b) Amount of Lump Sum Benefits
- (i) The amount of any lump sum benefit payable to an eligible employee for December 2007 shall be \$700.00. The amount of any lump sum benefit payable to an eligible employee for December 2008 and 2009 shall be determined by multiplying such employee's years of credited service by \$23.33; provided, however, that the amount of any lump sum benefit payable pursuant to this Subsection for 2008 or 2009 shall not exceed \$700.00. The amount of any lump sum benefit payable to an eligible employee who has a disability overpayment under the Ford Motor Company Disability Plan shall be fifty percent (50%) of the lump sum benefit payment amount otherwise payable to eligible employee without disability overpayments under the Ford Motor Company Disability Plan.
  - (ii) The amount of any lump sum benefit payable to an eligible surviving spouse of an eligible employee will be sixty-five percent (65%) of the amount that would have been payable pursuant to Subsection B(i) to such employee.
  - (iii) For purposes of determining the amount of an employee's lump sum payment, if the employee has earned any credited service under the former AutoAlliance International, Inc. Retirement Plan for Employees represented by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, the lump sum amount payable from this Plan shall be prorated based on the credited service earned under the Plan divided by

the total credited service earned under this Plan and the former AAI-UAW Retirement Plan.

- (c) Payment of Lump Sum Benefits
  - (i) December 2007 Lump Sum Benefit Payment. A lump sum benefit shall be paid to each eligible employee and to each eligible surviving spouse as soon as administratively practicable on or after December 1, 2007.
  - (ii) December 2008 and 2009 Lump Sum Benefit Payments. A lump sum benefit shall be paid to each eligible employee and to each eligible surviving spouse as soon as administratively practicable on or after each applicable December 1 in 2008 and 2009.

Notwithstanding the forgoing, the lump sum benefit described herein is a negotiated benefit resulting from good faith bargaining between the Company and the Union and shall be subject to renegotiation from time to time. Therefore, this benefit shall in no event be construed to be part of the accrued benefit otherwise payable under the terms of the Plan.

## **Section 25. Funding-Based Limits on Benefits and Benefit Accruals**

**Notwithstanding any provision of the Plan to the contrary, effective January 1, 2010, the Plan shall apply funding-based limitations in accordance with this Section, Code Section 436, and any applicable regulations. Such limitations shall be based on the Plan's adjusted funding target attainment percentage as certified by the Plan's enrolled actuary, except to the extent the presumptions under Code Section 436(h) shall apply.**

- (a) **Limitations Applicable if the Plan's Adjusted Funding Target Attainment Percentage is less than 80%, but not less than 60%. Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 80% (or would be less than 80% to the extent described in Subsection 25(a)(ii) below) but is not less than 60%, then the limitations set forth in this Subsection 25(a) apply.**

- (i) **50% Limitation on Single Sum Payments, Other Accelerated Forms of Distribution, and Other Prohibited Payments.** An employee or beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable Code Section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, unless the present value of the portion of the benefit that is being paid in a prohibited payment does not exceed the lesser of:
- (A) 50% of the present value of the benefit payable in the optional form of benefit that includes the prohibited payment; or
  - (B) 100% of the PBGC maximum benefit guarantee amount (as defined in Treasury Regulations Section 1.436-1(d)(3)(iii)(C)).

The limitation set forth in this Subsection 25(a)(i) does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the employee. If an optional form of benefit that is otherwise available under the terms of the Plan is not available to an employee or beneficiary as of the annuity starting date because of the application of the requirements of this Subsection 25(a)(i), the employee or beneficiary is permitted to elect to bifurcate the benefit into unrestricted and restricted portions (as described in Treasury Regulations Section 1.436-1(d)(3)(iii)(D)). The employee or beneficiary may also elect any other optional form of benefit otherwise available under the Plan at that annuity starting date that would satisfy the 50% / PBGC maximum benefit guarantee amount limitation described in this Subsection 25(a)(i), or may elect to defer the benefit in accordance with any general right to defer commencement of benefits under the Plan.

- (ii) Plan Amendments Increasing Liability for Benefits. No amendment to the Plan that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become non-forfeitable shall take effect in a Plan Year if the adjusted funding target attainment percentage for the Plan Year is:**
- (A) Less than 80%; or**
  - (B) 80% or more, but would be less than 80% if the benefits attributable to the amendment were taken into account in determining the adjusted funding target attainment percentage.**

The limitation set forth in this Subsection 25(a)(ii) does not apply to any amendment to the Plan that provides a benefit increase under a Plan formula that is not based on compensation, provided that the rate of such increase does not exceed the contemporaneous rate of increase in the average wages of employees covered by the amendment.

- (b) Limitations Applicable if the Plan's Adjusted Funding Target Attainment Percentage is less than 60%. Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 60% (or would be less than 60% to the extent described in Subsection 25(b)(ii) below), then the limitations in this Subsection 25(b) apply.**
- (i) Single Sums, Other Accelerated Forms of Distribution, and Other Prohibited Payments Not Permitted. An employee or beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable Code Section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any**

other payment or transfer that is a prohibited payment. The limitation set forth in this Subsection 25(b)(i) does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the employee.

- (ii) **Shutdown Benefits and Other Unpredictable Contingent Event Benefits Not Permitted.** An unpredictable contingent event benefit with respect to an unpredictable contingent event occurring during a Plan Year shall not be paid if the adjusted funding target attainment percentage for the Plan Year is:
  - (A) Less than 60%; or
  - (B) 60% or more, but would be less than 60% if the adjusted funding target attainment percentage were redetermined applying an actuarial assumption that the likelihood of occurrence of the unpredictable contingent event during the Plan Year is 100%.
- (iii) **Benefit Accruals Frozen.** Benefit accruals under the Plan shall cease as of the applicable Code Section 436 measurement date. In addition, if the Plan is required to cease benefit accruals under this Subsection 25(b)(iii), then the Plan is not permitted to be amended in a manner that would increase the liabilities of the Plan by reason of an increase in benefits or establishment of new benefits.
- (c) **Limitations Applicable if the Company is in Bankruptcy.** Notwithstanding any other provisions of the Plan, an employee or beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date that occurs during any period in which the Company is a debtor in a case under Title 11,

United States Code, or similar Federal or state law, except for payments made within a Plan Year with an annuity starting date that occurs on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100%. In addition, during such period in which the Company is a debtor, the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, except for payments that occur on a date within a Plan Year that is on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100%. The limitation set forth in this Subsection 25(c) does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the employee.

**(d) Provisions Applicable after Limitations Cease to Apply.**

- (i) Resumption of Prohibited Payments.** If a limitation on prohibited payments under Subsection 25(a)(i), Subsection 25(b)(i), or Subsection 25(c) applied to the Plan as of a Code Section 436 measurement date, but that limit no longer applies to the Plan as of a later Code Section 436 measurement date, then that limitation does not apply to benefits with annuity starting dates that are on or after that later Code Section 436 measurement date.
- (ii) Resumption of Benefit Accruals.** If a limitation on benefit accruals under Subsection 25(b)(iii) applied to the Plan as of a Code Section 436 measurement date, but that limitation no longer applies to the Plan as of a later Code Section 436 measurement date, benefit accruals shall not resume prospectively with respect to service on or after that later Code Section 436 measurement date unless the Plan is amended to provide for such resumption. The Plan shall comply with the rules relating to partial years of

participation and the prohibition on double proration under Department of Labor Regulation 29 CFR Section 2530.204-2(c) and (d).

- (iii) **Shutdown and Other Unpredictable Contingent Event Benefits.** If an unpredictable contingent event benefit with respect to an unpredictable contingent event that occurs during the Plan Year is not permitted to be paid after the occurrence of the event because of the limitation of Subsection 25(b)(ii), but is permitted to be paid later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Treasury Regulations Section 1.436-1(g)(5)(ii)(B)), then that unpredictable contingent event benefit shall be paid, retroactive to the period that benefit would have been payable under the terms of the Plan (determined without regard to Subsection 25(b)(ii)). If the unpredictable contingent event benefit does not become payable during the Plan Year in accordance with the preceding sentence, then the Plan is treated as if it does not provide for that benefit.
- (iv) **Treatment of Plan Amendments that Do Not Take Effect.** If a Plan amendment does not take effect as of the effective date of the amendment because of the limitation of Subsection 25(a)(ii) or Subsection 25(b)(ii), but is permitted to take effect later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Treasury Regulations Section 1.436-1(g)(5)(ii)(C)), then the Plan amendment must automatically take effect as of the first day of the Plan Year (or, if later, the original effective date of the amendment). If the Plan amendment cannot take effect during the same Plan Year, then it shall be

treated as if it were never adopted, unless the Plan amendment provides otherwise.

- (v) **Methods to Avoid or Terminate Benefit Limitations.** See Code Section 436(b)(2), (c)(2), (e)(2), and (f) and Treasury Regulations Section 1.436-1(f) for rules relating to employer contributions and other methods to avoid or terminate the application of the limitations set forth in Subsections 25(a) through (c) for a Plan Year. In general, the methods the Company may use to avoid or terminate one or more of the benefit limitations under Subsections 25(a) through (c) for a Plan Year include employer contributions and elections to increase the amount of Plan assets which are taken into account in determining the adjusted funding target attainment percentage, making an employer contribution that is specifically designated as a current year contribution that is made to avoid or terminate application of certain of the benefit limitations, or providing security to the Plan.

**(e) Special Rules.**

- (i) **Rules of Operation for Periods prior to and after Certification of Plan's Adjusted Funding Target Attainment Percentage.**
  - (A) **In General.** Code Section 436(h) and Treasury Regulations Section 1.436-1(h) set forth a series of presumptions that apply (1) before the Plan's enrolled actuary issues a certification of the Plan's adjusted funding target attainment percentage for the Plan Year, and (2) if the Plan's enrolled actuary does not issue a certification of the Plan's adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (or if the Plan's enrolled actuary issues a range certification for the Plan Year

pursuant to Treasury Regulations Section 1.436-1(h)(4)(ii), but does not issue a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year). For any period during which a presumption under Code Section 436(h) and Treasury Regulations Section 1.436-1(h) applies to the Plan, the limitations under Subsections 25 (a) through (c) are applied to the Plan as if the adjusted funding target attainment percentage for the Plan Year were the presumed adjusted funding target attainment percentage determined under the rules of Code Section 436(h) and Treasury Regulations Section 1.436-1(h)(1), (2), or (3). These presumptions are set forth in Subsections 25(e)(i)(B) through (D).

- (B) **Presumption of Continued Underfunding beginning First Day of Plan Year.** If a limitation under Subsection 25 (a), (b), or (c) applied to the Plan on the last day of the preceding Plan Year, then, commencing on the first day of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date Subsection 25(e)(i)(C) or Subsection 25(e)(i)(D) applies to the Plan:
- (1) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the adjusted funding target attainment percentage in effect on the last day of the preceding Plan Year; and
  - (2) The first day of the current Plan Year is a Code Section 436 measurement date.

- (C) Presumption of Underfunding beginning First Day of 4th Month.** If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the 4th month of the Plan Year and the Plan's adjusted funding target attainment percentage for the preceding Plan Year was either at least 60% but less than 70% or at least 80% but less than 90%, or is described in Treasury Regulations Section 1.436-1(h)(2)(ii), then, commencing on the first day of the 4th month of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date Subsection 25(e)(i)(D) applies to the Plan:
- (1)** The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the Plan's adjusted funding target attainment percentage for the preceding Plan Year reduced by 10 percentage points; and
  - (2)** The first day of the 4th month of the current Plan Year is a Code Section 436 measurement date.
- (D) Presumption of Underfunding on and after First Day of 10th Month.** If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (or if the Plan's enrolled actuary has issued a range certification for the Plan Year pursuant to Treasury Regulations Section 1.436-1(h)(4)(ii), but has not issued a certification of the specific adjusted funding target attainment percentage for the Plan by the

last day of the Plan Year), then, commencing on the first day of the 10th month of the current Plan Year and continuing through the end of the Plan Year:

- (1) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be less than 60%; and
  - (2) The first day of the 10th month of the current Plan Year is a Code Section 436 measurement date.
- (E) **Special Rules Relating to Unpredictable Contingent Event Benefits and Plan Amendments Increasing Benefit Liability.** During any period in which none of the presumptions under Subsection 25(e)(i) apply to the Plan and the Plan's enrolled actuary has not yet issued a certification of the Plan's adjusted funding target attainment percentage for the Plan Year, the limitations under Subsection 25(a)(ii) and Subsection 25(b)(ii) shall be based on the inclusive presumed adjusted funding target attainment percentage for the Plan, calculated in accordance with the rules of Treasury Regulations Section 1.436-1(g)(2)(iii).
- (ii) **Special Rules Relating to Plan Termination.** The limitations on prohibited payments in Subsection 25(a)(i), Subsection 25(b)(i), and Subsection 25(c) do not apply to prohibited payments that are made to carry out the termination of the Plan in accordance with applicable law. Any other limitations under this section of the Plan do not cease to apply as a result of termination of the Plan.
  - (iii) **Interpretation of Provisions.** This Section 25, including the limitations imposed hereunder, are intended to comply with Code Section 436 and shall, to the extent practicable, be interpreted and

**administered in accordance therewith and in a manner that is consistent with Treasury Regulations Section 1.436-1, the terms of which are incorporated herein by reference.**

- (f) Definitions. The definitions in the following Treasury Regulations apply for purposes of Subsections 25 (a) through (e): Treasury Regulations Section 1.436-1(j)(1), defining adjusted funding target attainment percentage; Treasury Regulation Section 1.436-1(j)(2), defining annuity starting date; Treasury Regulations Section 1.436-1(j)(6), defining prohibited payment; Treasury Regulations Section 1.436-1(j)(8), defining Code Section 436 measurement date; and Treasury Regulations Section 1.436-1(j)(9), defining an unpredictable contingent event and an unpredictable contingent event benefit.**
- (g) Effective Date. The rules in Subsections 25 (a) through (f) are effective for Plan Years beginning on and after January 1, 2010.**

## ARTICLE VI

### SUPPLEMENTAL ALLOWANCE

#### **Section 1. Eligibility for Supplemental Allowance**

An employee who shall have (a) retired on regular or special early retirement on or after September 1, 1965 under the provisions of Article IV, Section 2 of the Plan (excluding a discharged employee, except as provided in Section 6 of this Article VI below) or who shall have retired on disability retirement on or after September 1, 1965 under the provisions of Article IV, Section 3 of the Plan or who shall have retired on normal retirement on or after March 1, 1974 and prior to October 1, 1979 under the provisions of Article IV, Section 1 of the Plan and (b) filed the employee's application for retirement benefits within two years (five years for retirement on or after March 1, 1982) after the last day the employee worked for the Company and (c) for earnings in calendar years prior to 1997 agreed to restrict the employee's participation in the labor force before age 62 (age 62 and one month for an employee who attains age 62 during or after March, 1982 and age 65 if retired prior to October 1, 1979) as provided in Section 4 below will receive a monthly Supplemental Allowance in addition to the employee's other retirement benefits under the Plan, as hereinafter provided in this Article VI.

#### **Section 2. Amount of Supplemental Allowance**

Subject to the provisions of the other sections of this Article VI, the amount of the monthly Supplemental Allowance payable on or after October 1, 2007 shall be whichever of the following is applicable:

- (a) For an employee who shall have retired under Article IV, Section 2 or 3 on or after October 1, 1971 but before March 1, 1974:
  - (i) If the employee shall have had 30 or more years of credited service at retirement, an early retirement supplement which when added to the employee's monthly retirement benefit under Article V of the Plan shall equal the applicable amount as provided in Appendix E based upon the month for which the

payment is made, the employee's attained age in such month and the date of the employee's retirement, subject to reduction by  $\frac{2}{3}$  of 1 percent for each month from the employee's retirement date to the first day of the month which includes the employee's 58th birthday; provided, however, that such reduction for age shall not apply if the employee shall have retired under the provisions of Article IV, Section 3 or if the employee shall have retired under the provisions of Article IV, Section 2 while on layoff from the Company for a continuous period of at least 12 months (or any shorter period determined by the Company) as a result of a plant closing or a discontinuance of operations and the employee shall not have been offered suitable work by the Company in the same labor market area.

- (ii) If the employee shall have had less than 30 years of credited service at retirement, an early retirement supplement which when added to the employee's monthly retirement benefit under Article V of the Plan shall equal the applicable amount as provided in Appendix E based on the employee's attained age in such month and the date of the employee's retirement reduced proportionately for each twentieth of a year that the employee's credited service at retirement is less than 30 years, with the resulting amounts multiplied, if the employee shall not have reached the employee's 60th birthday on the date of the employee's retirement, by a fraction the numerator of which is 60 and the denominator of which is the number of months from the employee's retirement date to and including the month in which the employee would attain age 65.
- (iii) In determining the amount of early retirement supplement payable under this Subsection (a) to an employee who shall have retired on or after October 1, 1972 but before March 1, 1974 with 30 or more years of credited service, the reduction for age provided in clause (i), above, shall be based on  $\frac{2}{3}$  of 1 percent for each month from the employee's retirement date to the first day of the month which includes the employee's 56th birthday.

- (iv) The amount of early retirement supplement payable under this Subsection (a) shall be determined as of October 1, 2007 in accordance with clause (i), (ii) and (iii) above and shall be re-determined in accordance with such clauses on each date thereafter that increases in life income benefit rates under Article V and early retirement supplements under this Article VI become effective.
- (b) For an employee who shall retire under Article IV, Section 2 or 3 on or after March 1, 1974 with 30 or more years of credited service:
  - (i) An early retirement supplement which when added to the employee's monthly retirement benefit under Article V shall equal the amount of total monthly benefits applicable to the employee as provided in Appendix E hereof, based upon the month for which the payment is made, the employee's attained age in such month and the date of the employee's retirement under the Plan.
  - (ii) The amount of early retirement supplement payable under this Subsection (b) shall be determined as of October 1, 2007 in accordance with clause (i) above for retired employees to whom it shall then apply and shall be re-determined in accordance with such clause on each date thereafter, with respect to retired employees to whom it then applies, when increases in life income benefit rates under Article V and early retirement supplements under this Article VI become effective.
  - (iii) If a re-determination under Section 2(b)(ii) of this Article VI results in the sum of monthly pension benefits and supplements being less than that payable immediately prior to such re-determination because of a prior election of a surviving spouse option, an amount of supplement shall be provided as may be necessary to maintain the monthly amount payable immediately prior to such re-determination.

- (c) For an employee who shall retire under Article IV, Section 2(a) on or after March 1, 1974 with less than 30 years of credited service and before the first day of the month following the month in which the employee shall attain age 62 and one month, an interim supplement payable until and including the month following the month in which the retired employee shall attain age 62 in an amount equal to the interim supplement rate applicable to the employee at retirement as provided in Appendix F hereof, based upon the month for which the payment is made, the employee's attained age at time of retirement under the Plan and the date of the employee's retirement under the Plan, for each year of credited service at retirement.
- (d) For an employee who shall have retired under Article IV, Section 2 or 3 on or after March 1, 1974 but before October 1, 1979 with less than 30 years of credited service and after the employee shall have attained age 62 and one month or for an employee who shall have retired under Article IV, Section 1 on or after March 1, 1974 but before October 1, 1979 with 10 or more but less than 30 years of credited service (excluding any employee who shall receive a normal retirement benefit under Section 1 of Article V after attaining age 65 while retired under Article IV, Section 3), an age-service supplement payable for life in an amount equal to \$2.00 prior to September 1, 2002 (\$1.00 for each year of credited service for supplement payable for months commencing on or after October 1, 1990) and prior to September 1, 2002 for each year of credited service at retirement, reduced in the case of retirement under Article IV, Section 2 or 3 by 1/36th for each month from the date the employee's benefits commence to the first day of the month following the month which includes the employee's 65th birthday.
- (e) For an employee who shall retire under Article IV, Section 1 on or after March 1, 1974 and before October 1, 1979 with 30 or more years of credited service or for an employee who shall retire under Article IV, Section 2 or 3 on or after March 1, 1974 and before October 1, 1979 with 30 or more years of credited service, commencing on or after the first day of the month following the month in which the employee shall attain age 65, a monthly lifetime supplement payable for life

in the amount of \$65.00 for months commencing on or after October 1, 1979 but before October 1, 1990 and \$35.00 for months commencing on or after October 1, 1990 and prior to September 1, 2002.

### **Section 3. Assumptions and Adjustments in Computing Amount of Supplemental Allowance**

- (a) In the case of an employee who shall have retired on regular early retirement under Article IV, Section 2(a) of the Plan on or after September 15, 1970, and before September 15, 1973, the monthly early retirement supplement shall be computed in accordance with the provisions of Section 2(a) of this Article VI on the assumption that the employee's retirement benefits under Article V of the Plan commenced immediately after retirement; and the amount so computed shall be reduced for any month prior to age 65 for which the employee would be eligible for an unreduced Social Security benefit
- (i) By \$7.50 with respect to benefits payable for any month on or after April 1, 1971 to a retired employee who shall have become eligible for an unreduced Social Security benefit on or after September 15, 1970 but before October 1, 1973, or
  - (ii) By \$8.50 with respect to benefits payable for any month on or after October 1, 1973 to a retired employee who shall become eligible for an unreduced Social Security benefit on or after October 1, 1973 but before October 1, 1979, or
  - (iii) By \$9.50 with respect to benefits payable for any month on or after October 1, 1979 to a retired employee who shall become eligible for an unreduced Social Security benefit on or after October 1, 1979 but before October 1, 1984, or
  - (iv) By \$10.50 with respect to benefits payable for any month on or after October 1, 1984 to a retired employee who shall become eligible for an unreduced

Social Security benefit on or after October 1, 1984 but before October 1, 1987, or

- (v) By \$11.50 with respect to benefits payable for any month on or after October 1, 1987 to a retired employee who shall become eligible for an unreduced Social Security benefit on or after October 1, 1987 but before October 1, 1990, or
- (vi) By \$12.75 with respect to benefits payable for any month on or after October 1, 1990 to a retired employee who shall become eligible for an unreduced Social Security benefit on or after October 1, 1990 but before October 1, 1993 or
- (vii) By \$13.75 with respect to benefits payable for any month on or after October 1, 1993 to a retired employee who shall become eligible for an unreduced Social Security benefit on or after October 1, 1993 but before October 1, 1996 or
- (viii) By \$14.90 with respect to benefits payable for any month on or after October 1, 1996 to a retired employee who shall become eligible for an unreduced Social Security benefit on or after October 1, 1996, but before October 1, 1999 or
- (ix) By \$16.15 with respect to benefits payable for any month on or after October 1, 1999 to a retired employee who shall become eligible for an unreduced Social Security benefit on or after October 1, 1999

multiplied by the number of years of credited service at retirement, it being understood that such reduction shall not exceed \$187.50 under clause (i) above, or \$212.50 under clause (ii) above, or \$237.50 under clause (iii) above, or \$262.50 under clause (iv) above, or \$287.50 under clause (v) above, or \$318.75 under clause (vi) above, or \$343.75 under clause (vii) above, or \$372.50 under clause (viii) above or \$403.75 under clause (ix) above.

- (b) In the case of an employee who shall retire on regular early retirement under Article IV, Section 2(a) of the Plan on or

after September 15, 1973, the monthly early retirement supplement shall be computed in accordance with the provisions of Section 2(a) or 2(b) of this Article VI, whichever is applicable, on the assumption that the employee's retirement benefits under Article V of the Plan would commence immediately after retirement; and the amount so computed shall be reduced for any month for which the employee would be eligible for an unreduced Social Security benefit in accordance with the following table:

Date of Retirement Under Plan	Date of Eligibility For An Unreduced Social Security Benefit	Amount of Reduction Per Year of Creditable Service at Retirement	Maximum Reduction	Amount of Reduction Applicable to Benefit Payable For Months Prior to Age
On or after September 15, 1973 but before March 1, 1974	Prior to October 1, 1979 On or after October 1, 1979 and prior to October 1, 1984	\$ 8.50 \$ 9.50	\$212.50 \$237.50	65 65
	On or after October 1, 1984 and prior to October 1, 1987	\$10.50	\$262.50	65
	On or after October 1, 1987 and prior to October 1, 1990	\$11.50	\$287.50	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$12.75	\$318.75	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$13.75	\$343.75	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$14.90	\$372.50	62*
	On or after October 1, 1999 and prior to October 1, 2007	\$16.15	\$403.75	62*
	On or after October 1, 2007	\$17.15	\$428.75	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after March 1, 1974 but before October 1, 1976	Prior to October 1, 1979	\$ 9.50	\$237.50	62*
	On or after October 1, 1979 and prior to October 1, 1984	\$10.50	\$262.50	62*
	On or after October 1, 1984 and prior to October 1, 1987	\$11.50	\$287.50	62*
	On or after October 1, 1987 and prior to October 1, 1990	\$12.50	\$312.50	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$13.75	\$343.75	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$14.75	\$368.75	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$15.90	\$397.50	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$17.15	\$428.75	62*
	On or after October 1, 2007	\$18.15	\$453.75	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1976 but before October 1, 1978	Prior to October 1, 1979 On or after October 1, 1979 and prior to October 1, 1984 On or after October 1, 1984 and prior to October 1, 1987 On or after October 1, 1987 and prior to October 1, 1990 On or after October 1, 1990 and prior to October 1, 1993 On or after October 1, 1993 and prior to October 1, 1996 On or after October 1, 1996 and prior to October 1, 1999 On and after October 1, 1999 and prior to October 1, 2007 On or after October 1, 2007	\$10.00 \$11.00 \$12.00 \$13.00 \$14.25 \$15.25 \$16.40 \$17.65 \$18.65	\$250.00 \$275.00 \$300.00 \$325.00 \$356.25 \$381.25 \$410.00 \$441.25 \$466.25	62* 62* 62* 62* 62* 62* 62* 62* 62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1978 but before October 1, 1979	Prior to October 1, 1979	\$11.00	\$275.00	62*
	On or after October 1, 1979 and prior to October 1, 1984	\$12.00	\$300.00	62*
	On or after October 1, 1984 and prior to October 1, 1987	\$13.00	\$325.00	62*
	On or after October 1, 1987 and prior to October 1, 1990	\$14.00	\$350.00	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$15.25	\$381.25	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$16.25	\$406.25	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$17.40	\$435.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$18.65	\$466.25	62*
	On or after October 1, 2007	\$19.65	\$491.25	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1979 but before October 1, 1980	On or after October 1, 1979 and prior to October 1, 1984	\$13.00	\$325.00	62*
	On or after October 1, 1984 and prior to October 1, 1987	\$14.00	\$350.00	62*
	On or after October 1, 1987 and prior to October 1, 1990	\$15.00	\$375.00	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$16.25	\$406.25	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$17.25	\$431.25	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$18.40	\$460.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$19.65	\$491.25	62*
	On or after October 1, 2007	\$20.65	\$516.25	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1980 but before October 1, 1981	On or after October 1, 1980 and prior to October 1, 1984	\$14.00	\$350.00	62*
	On or after October 1, 1984 and prior to October 1, 1987	\$15.00	\$375.00	62*
	On or after October 1, 1987 and prior to October 1, 1990	\$16.00	\$400.00	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$17.25	\$431.25	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$18.25	\$456.25	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$19.40	\$485.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$20.65	\$516.25	62*
	On or after October 1, 2007	\$21.65	\$541.25	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age</b>
On or after October 1, 1981 but before January 1, 1983	On or after October 1, 1981 and prior to October 1, 1984	\$15.00	\$375.00	62*
	On or after October 1, 1984 and prior to October 1, 1987	\$16.00	\$400.00	62*
	On or after October 1, 1987 and prior to October 1, 1990	\$17.00	\$425.00	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$18.25	\$456.25	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$19.25	\$481.25	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$20.40	\$510.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$21.65	\$541.25	62*
	On or after October 1, 2007	\$22.65	\$566.25	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after January 1, 1983 but before October 1, 1985	On or after January 1, 1983 and prior to October 1, 1984	\$15.00	\$450.00	62*
	On or after October 1, 1984 and prior to October 1, 1987	\$16.00	\$480.00	62*
	On or after October 1, 1987 and prior to October 1, 1990	\$17.00	\$510.00	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$18.25	\$547.50	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$19.25	\$577.50	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$20.40	\$612.00	62*
	On and after October 1, 1999	\$21.65	\$649.50	62*
	On or after October 1, 2007	\$22.65	\$679.50	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1985 but before October 1, 1986	On or after October 1, 1985 and prior to October 1, 1987	\$17.00	\$510.00	62*
	On or after October 1, 1987 and prior to October 1, 1990	\$18.00	\$540.00	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$19.25	\$577.50	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$20.25	\$607.50	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$21.40	\$642.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$22.65	\$679.50	62*
	On or after October 1, 2007	\$23.65	\$709.50	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1986 but before October 1, 1987	On or after October 1, 1986 and prior to October 1, 1987	\$18.00	\$540.00	62*
	On or after October 1, 1987 and prior to October 1, 1990	\$19.00	\$570.00	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$20.25	\$607.50	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$21.25	\$637.50	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$22.40	\$672.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$23.65	\$709.50	62*
	On or after October 1, 2007	\$24.65	\$739.50	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1987 but before October 1, 1988	On or after October 1, 1987 and prior to October 1, 1990	\$19.20	\$576.00	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$20.45	\$613.50	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$21.45	\$643.50	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$22.60	\$678.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$23.85	\$715.50	62*
	On or after October 1, 2007	\$24.85	\$745.50	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1988 but before October 1, 1989	On or after October 1, 1988 and prior to October 1, 1990	\$20.30	\$609.00	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$21.55	\$646.50	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$22.55	\$676.50	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$23.70	\$711.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$24.95	\$748.50	62*
	On or after October 1, 2007	\$25.95	\$778.50	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1989 but before October 1, 1990	On or after October 1, 1989 and prior to October 1, 1990	\$21.40	\$642.00	62*
	On or after October 1, 1990 and prior to October 1, 1993	\$22.65	\$679.50	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$23.65	\$709.50	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$24.80	\$744.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$26.05	\$781.50	62*
	On or after October 1, 2007	\$27.05	\$811.50	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1990 but before October 1, 1991	On or after October 1, 1990 and prior to October 1, 1993	\$25.00	\$750.00	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$26.00	\$780.00	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$27.15	\$814.50	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$28.40	\$852.00	62*
	On or after October 1, 2007	\$29.40	\$882.00	62*
On or after October 1, 1991 but before October 1, 1992	On or after October 1, 1991 and prior to October 1, 1993	\$27.20	\$816.00	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$28.20	\$846.00	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$29.35	\$880.50	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$30.60	\$918.00	62*
	On or after October 1, 2007	\$31.60	\$948.00	62*

\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1992 but before October 1, 1993	On or after October 1, 1992 and prior to October 1, 1993	\$29.30	\$ 879.00	62*
	On or after October 1, 1993 and prior to October 1, 1996	\$30.30	\$ 909.00	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$31.45	\$ 943.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$32.70	\$ 981.00	62*
	On or after October 1, 2007	\$33.70	\$1,011.00	62*
On or after October 1, 1993 but before October 1, 1994	On or after October 1, 1993 and prior to October 1, 1996	\$31.00	\$ 930.00	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$32.15	\$ 964.50	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$33.40	\$1,002.00	62*
	On or after October 1, 2007	\$34.40	\$1,032.00	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 1994 but before October 1, 1995	On or after October 1, 1994 and prior to October 1, 1996	\$31.95	\$ 958.50	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$33.10	\$ 993.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$34.35	\$1,030.50	62*
	On or after October 1, 2007	\$35.35	\$1,060.50	62*
On or after October 1, 1995 but before October 1, 1996	On or after October 1, 1995 and prior to October 1, 1996	\$33.10	\$ 993.00	62*
	On or after October 1, 1996 and prior to October 1, 1999	\$34.25	\$1,027.50	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$35.50	\$1,065.00	62*
	On or after October 1, 2007	\$36.50	\$1,095.00	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age</b>
On or after October 1, 1996 but before October 1, 1997	On or after October 1, 1996 and prior to October 1, 1999	\$34.50	\$1,035.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$35.75	\$1,072.50	62*
	On or after October 1, 2007	\$36.75	\$1,102.50	62*
On or after October 1, 1997 but before October 1, 1998	On or after October 1, 1997 and prior to October 1, 1999	\$35.75	\$1,072.50	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$37.00	\$1,110.00	62*
	On or after October 1, 2007	\$38.00	\$1,140.00	62*
On or after October 1, 1998 but before October 1, 1999	On or after October 1, 1998 and prior to October 1, 1999	\$37.40	\$1,122.00	62*
	On and after October 1, 1999 and prior to October 1, 2007	\$38.65	\$1,159.50	62*
	On or after October 1, 2007	\$39.65	\$1,189.50	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age</b>
On or after October 1, 1999 but before October 1, 2000	On or after October 1, 1999 and prior to October 1, 2007 On or after October 1, 2007	\$38.85 \$39.95	\$1,165.50 \$1,195.50	62* 62*
On or after October 1, 2000 but before October 1, 2001	On or after October 1, 2000 and prior to October 1, 2007 On or after October 1, 2007	\$40.45 \$41.45	\$1,213.50 \$1,243.50	62* 62*
On or after October 1, 2001 but before October 1, 2002	On or after October 1, 2001 and prior to October 1, 2007 On or after October 1, 2007	\$42.35 \$43.35	\$1,270.50 \$1,300.50	62* 62*
On or after October 1, 2002 but before October 1, 2003	On or after October 1, 2002 and prior to October 1, 2007 On or after October 1, 2007	\$44.45 \$45.45	\$1,333.50 \$1,363.50	62* 62*
On or after October 1, 2003 but before October 1, 2004	On or after October 1, 2003 and prior to October 1, 2007 On or after October 1, 2007	\$45.75 \$46.75	\$1,372.50 \$1,402.50	62* 62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 2004 but before October 1, 2005	On or after October 1, 2004 and prior to October 1, 2007 On or after October 1, 2007	\$47.05 \$48.05	\$1,411.50 \$1,441.50	62* 62*
On or after October 1, 2005 but before October 1, 2006	On or after October 1, 2005 and prior to October 1, 2007 On or after October 1, 2007	\$48.50 \$49.50	\$1,455.00 \$1,485.00	62* 62*
On or after October 1, 2006 but before October 1, 2007	On or after October 1, 2006 and prior to October 1, 2007 On or after October 1, 2007	\$49.80 \$50.80	\$1,494.00 \$1,524.00	62* 62*
On or after October 1, 2007 but before October 1, 2008	On or after October 1, 2007	\$50.80	\$1,524.00	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

<b>Date of Retirement Under Plan</b>	<b>Date of Eligibility For An Unreduced Social Security Benefit</b>	<b>Amount of Reduction Per Year of Creditable Service at Retirement</b>	<b>Maximum Reduction</b>	<b>Amount of Reduction Applicable to Benefit Payable For Months Prior to Age 62*</b>
On or after October 1, 2008 but before October 1, 2009	On or after October 1, 2008	\$51.00	\$1,530.00	62*
On or after October 1, 2009 but before October 1, 2010	On or after October 1, 2009	\$51.20	\$1,536.00	62*
On or after October 1, 2010	On or after October 1, 2010	\$51.40	\$1,542.00	62*

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\* Age 62 and one month in the case of a retired employee who shall attain age 62 during or after March, 1982.

- (c) In the case of an employee who shall retire on regular early retirement under Article IV, Section 2(a) of the Plan on or after March 1, 1974 with less than 30 years of credited service and before the first day of the month following the month in which the employee shall attain age 62 (age 62 and one month in the case of an employee who shall attain age 62 during or after March, 1982), the monthly interim supplement provided under Section 2(c) of this Article VI shall not be payable for any month for which the employee would be eligible for an unreduced Social Security benefit.
- (d) In the case of an employee retiring on special early retirement under Section 2(b) or disability retirement under Section 3 of Article IV of the Plan (except for such an employee who shall retire on or after March 1, 1974 with less than 30 years of credited service), the monthly early retirement supplement shall be computed in accordance with Section 2(a) or 2(b) of this Article VI on the assumption that the monthly retirement benefit under Article V of the Plan for any month for which the employee would be eligible for an unreduced Social Security benefit includes a temporary benefit determined in the same manner as the reductions provided for in Subsections (a)(i), (a)(ii), (a)(iii), (a)(iv), (a)(v), (a)(vi), (a)(vii), (a)(viii), (a)(ix) or (b) above, whichever may be applicable, based on the date of the employee's retirement under the Plan and the date the employee became or shall become eligible for an unreduced Social Security benefit, even though it shall not actually include the temporary benefit.
- (e) In the case of an employee entitled to an early retirement supplement who shall have elected a survivorship option under Section 5 or Section 15 of Article V of the Plan, the monthly early retirement supplement shall be computed in accordance with Section 2(a), or 2(b) of this Article VI of the Plan on the basis of the monthly retirement benefit the employee would have received if the employee had not elected any such survivorship option.

#### **Section 4. Payment of Allowance and Penalty Provision**

No Supplemental Allowance shall have been payable for any month prior to September, 1965. Subject thereto, the Supplemental Allowance of an employee entitled to such allowance shall become payable on the first day of the first month after (i) the employee's employment shall have terminated, and (ii) the employee shall have filed an application for a retirement benefit with the Board (except that the monthly lifetime supplement of an eligible employee who retires before age 65 shall not commence until the first day of the month following the month which includes the employee's 65th birthday) and shall be payable on the first day of each month thereafter until and including the first day of the month in which the employee dies, the employee is re-employed by the Company, or the employee's retirement benefits under Article V of the Plan cease for any other reason or the employee shall attain age 62 (age 62 and one month, if the employee attains age 62 during or after March, 1982) in the case of the interim supplement, or the employee shall attain age 62 (age 62 and one month, if the employee attains age 62 during or after March, 1982 and age 65 for an employee who shall have retired prior to October 1, 1979) in the case of the early retirement supplement, whichever shall occur first; provided that if any such retired employee shall be re-employed by the Company, or if the employee shall have been receiving a disability retirement benefit under Article V, Section 3 of the Plan and the Board shall find that the employee is no longer totally and permanently disabled and the employee's seniority is restored, the forfeiture shall not affect adversely any right the employee would otherwise have to receive a Supplemental Allowance if the employee should again cease employment; and further provided that if a retired employee entitled to receive a Supplemental Allowance has earnings (defined for this purpose as the type counted for the earnings test under the Federal Social Security Act) after retirement and before the employee attains age 62 (age 62 and one month if the employee attains age 62 during or after March, 1982 and age 65 for an employee who shall have retired prior to October 1, 1979) in excess of the amount indicated in the following table:

<b>Calendar Year</b>	<b>Annual Earnings Limitation Amount</b>
1979	\$ 3,480
1980	\$ 4,500
1981	\$ 5,000
1982	\$ 5,500
1983	\$ 6,000
1984	\$ 6,600
1985	\$ 7,200
1986	\$ 7,600
1987	\$ 8,000
1988	\$ 8,500
1989	\$ 9,200
1990	\$10,000
1991	\$15,000
1992	\$15,000
1993	\$15,000
1994	\$15,500
1995	\$15,500
1996	\$15,500

in any calendar year, a penalty equal to double the amount by which such earnings exceed the amount permitted shall be charged against each succeeding monthly Supplemental Allowance which the employee would otherwise be entitled to receive until the full amount of such penalty is satisfied, it being understood that penalties and charges herein shall be cumulative if appropriate, except, that the preceding annual earnings limitation provisions of this Section 4 shall not be applicable to any Special Early Retirement with benefit payment commencing on or after October 1, 1990 and prior to September 14, 1993. Notwithstanding the foregoing if a retired employee had earnings in a calendar year prior to January 1, 1968 and after retirement in excess of the amount permitted under the Federal Social Security Act during the year of such earnings the employee's Supplemental Allowance shall cease as of the month in which that amount is exceeded and the employee shall forfeit all right to Supplemental Allowance payments thereafter. The earnings limitation provisions of this

Section 4 shall not be applicable for earnings in calendar years 1997 and thereafter.

Each retired employee receiving a Supplemental Allowance before age 62 (age 62 and one month, if the employee attains age 62 during or after March, 1982 and age 65 for an employee who shall have retired prior to October 1, 1979) may be required, in accordance with regulations and procedures established by the Board, to certify that the employee's earnings have not been in excess of the permitted amount and to furnish verification of the amount of the employee's earnings. Unless repaid by the retired employee in a lump sum, any overpayments of Supplemental Allowance made after a retired employee incurred a penalty because of excess earnings in accordance with the preceding paragraph or after the employee shall have ceased to be entitled to a Supplemental Allowance for any other reason shall be deducted from future monthly benefits payable to the employee under the Plan.

#### **Section 5. Maximum Amount of Supplemental Allowance and Other Retirement Benefits**

If the total of a retired employee's other monthly retirement benefits under the Plan and the employee's monthly Supplemental Allowance receivable up to age 62 (age 62 and one month, if the employee attains age 62 during or after March, 1982 and age 65 for an employee who shall have retired prior to October 1, 1979) as computed in accordance with the foregoing sections of this Article VI (including in the total such additional benefit amount under Article V of the Plan as the retired employee who shall have elected a survivorship option would have received if the employee had not elected the survivorship option) would exceed seventy percent (70%), or eighty percent (80%) effective for retirements on or after October 1, 1999, of the employee's final monthly base pay, the employee's monthly supplement (but not the employee's monthly retirement benefits under Article V) shall be reduced to the extent required so that such other monthly retirement benefits plus the employee's supplement shall equal seventy percent (70%), or eighty percent (80%) effective for retirements on or after October 1, 1999, of the employee's final monthly base pay. For

this purpose, an employee's final monthly base pay shall mean 173-1/3 times

- (i) The highest straight-time hourly rate in effect for the employee during the 90 calendar days immediately preceding the employee's last day worked, or
- (ii) For an employee who worked under an incentive plan in at least 4 pay periods during the 90 calendar days immediately preceding the employee's last day worked, the employee's average earned straight-time hourly rate for the first 4 pay periods (or, if higher, for the last 4 pay periods) for which the employee had any incentive earnings (provided, however, that if an employee who has seniority on or after September 15, 1970 shall work in less than 4 pay periods during the 90 calendar day period but during each such pay period the employee worked under an incentive plan, the employee's average earned straight-time hourly rate for such pay periods shall be used), plus the cost of living allowance in effect on the employee's last day worked but excluding overtime pay, shift differentials or any other compensation.

Monthly benefits payable on or after October 1, 1979 to employees who retired prior to October 1, 1979, shall not be limited by the 70% benefit limitation in this Section 5.

### **Section 6. Discharged Employees**

A discharged employee who shall not have attained age 65 at time of discharge shall not be eligible to receive a Supplemental Allowance, except that a discharged employee eligible for a regular early retirement benefit under Article V, Section 2(j), of the Plan may retire and also process a grievance seeking a determination through the regular Grievance Procedure under the Collective Bargaining Agreement that the reason for the employee's discharge should not result in the employee being ineligible to receive a Supplemental Allowance.

### **Section 7. Exclusion of Certain Retirees from Supplemental Benefit**

Notwithstanding any other provision of this Article, an employee who shall have retired before November 19, 1973, while on an approved leave of absence requested by the International Union to permit the employee to engage in the business of or to work for the International Union shall not be entitled to a Supplemental Allowance.

## **ARTICLE VII**

### **BOARD OF ADMINISTRATION**

#### **Section 1. Establishment**

There shall be established a Board of Administration consisting of six members, three of whom shall be appointed by the Company (hereinafter referred to as the Company members), and three of whom shall be appointed by the National Ford Director of the Union (hereinafter referred to as the Union members), which Board shall administer the benefit structure of the Plan. Each member of the Board shall have an alternate appointed in the same way. In the event a member is absent from a meeting of the Board, the member's alternate may attend, and, when in attendance, shall exercise the powers and perform the duties of such member. Either the Company or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it. Both the Company and the Union shall notify each other in writing of the members and alternates respectively appointed by the Company and the Union before any such appointments shall be effective.

The Company and Union members of the Board shall appoint an impartial third person to act as an Impartial Chairperson who shall serve until such time as the member may be requested to resign by three members of the Board. In the event that the Company and Union members of the Board are unable to agree upon an Impartial Chairperson, the Impartial Umpire under the Collective Bargaining Agreement between the Company and Union then in effect shall make the selection; provided, however, that the Company and Union members may by agreement request such

Impartial Umpire to serve as the Impartial Chairperson of the Board. The Impartial Chairperson shall be considered a member of the Board with respect to matters on which the member is to vote.

## **Section 2. Function**

It shall be the function of the Board to administer the Plan except those provisions contained in Article VIII (Pension Fund) and Section 1 of Article X (Modification or Discontinuance). The Board shall have no function with respect to any of the provisions of the Agreement Concerning Retirement Plan (Part A) except as expressly provided otherwise in Section 2 thereof.

## **Section 3. Jurisdiction**

The Board shall have jurisdiction to pass upon all questions concerning the application or interpretation of the provisions of the Plan which it is empowered to administer. After review of an appeal, the disputed benefits under this plan will be paid only if the Board decides in its discretion that the employee or claimant is entitled to them under the terms of the Plan. The Board shall decide all such questions in accordance with the terms of the Plan, and all such decisions of the Board shall be final and binding upon the Company, the Union, the employees, and the beneficiaries or claimants under the Plan, subject only to the arbitrary and capricious standard of judicial review; provided, however, that the Board shall accept as final (i) determinations as to the scope of the Contract Unit as referred to in Article II, above, (ii) determinations made pursuant to the Collective Bargaining Agreement dated September 28, 1949, or any subsequent Collective Bargaining Agreement, with respect to the seniority of employees, as to breaks in or loss of seniority, and as to any other matter arising under a Collective Bargaining Agreement which may become material in its administration of the Plan, and (iii) any determinations made by the appropriate government agency as to the amount of any government-administered benefit which shall be material in the administration of the Plan, and all such questions referred to in (i), (ii) or (iii), above, upon which the Company and Union members of the Board are unable to reach agreement either shall be referred

to the appropriate procedure for determination, or, where prompt determinations on questions referred to in (i) and (ii) are required, shall be referred directly to the Umpire. The Board shall have no power to add to or subtract from, or to modify, any of the terms of the Plan, nor to change or add to any benefit provided by the Plan.

#### **Section 4. Powers**

The Board shall have such powers as are necessary for proper administration of the Plan, including the following:

- (a) To adopt and prescribe regulations and procedures to be followed by employees in filing applications for benefits, and for the furnishing and verification of evidence and proofs necessary to establish employees' rights to benefits under the Plan.
- (b) To make findings of facts and determinations as to the rights of any employee applying for retirement benefits, and to afford any such individual dissatisfied with any such findings or determinations the right to a hearing thereon.
- (c) To develop procedures for the establishment and verification of creditable service of employees, and after affording employees an opportunity to make objection with respect thereto, to establish such facts conclusively in advance of retirement.
- (d) To obtain from the Company, from the Union, and from employees such information as shall be necessary for proper administration of the Plan, including but not limited to an authorization for the Company to obtain the retired employee's earnings history maintained by the Social Security Administration, if not already provided by the retired employee.
- (e) To establish appropriate procedures for authorizing the Trustee to make benefit payments from the Pension Fund to persons entitled to benefits under the Plan, and to obtain from the Trustee such information concerning such payments and persons as shall be necessary for proper administration of the Plan.

- (f) To prepare and distribute in such manner as the Board determines to be appropriate information explaining the Plan.
- (g) To furnish to the Company and to the Union, upon request, such reports with respect to its administration of the Plan as are reasonable and appropriate.
- (h) To collect, evaluate, analyze, and prepare statistical and other data with respect to its administration of the Plan.
- (i) To maintain or arrange for such office space, equipment, services and other assistance as may be necessary for the proper administration of the Plan, with due regard to economical administration of the Plan, and to authorize payment by the Trustee from the Pension Fund of expenses necessary for the proper administration of the Plan.

Nothing in this Article shall be deemed to give the Board power to prescribe in any manner internal procedures or operations of either the Union or the Company.

### **Section 5. Claims Procedures**

#### **(a) Denial of a Claim**

If a claim for benefits or participation (other than a disability pension claim) is denied in whole or in part, the claimant will receive written notification from either the Plan Administrator or an employee of the Board of Administration within ninety (90) days from the date the claim for benefits or participation is received. Such notice shall be deemed given upon mailing, full postage prepaid in the United States Mail or if provided electronically to the claimant. Any actual denial of a claim under this Plan shall be written and set forth in a manner calculated to be understood by the claimant. The denial of claim shall include (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based along with a copy of such Plan provisions or a statement that one will be furnished at no charge upon the claimant's request; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and (iv) appropriate information as to the steps to be taken if the claimant wishes

to submit a claim for review, along with a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. If the Plan Administrator or an employee of the Board of Administration determines that an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial ninety (90) day period. In no event shall such extension exceed a period of ninety (90) days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination.

(b) Denial of a Disability Pension Claim

If a disability pension claim is denied in whole or in part, the claimant will receive written notification from either the Plan Administrator or an employee of the Board of Administration within forty-five (45) days of the date the claim is received. Two thirty (30) day extensions will be available to the Plan Administrator or an employee of the Board of Administration if necessary due to matters beyond the control of the Plan and with written notice to claimant. The extension notice will specify the circumstances requiring the extension and the expected date of the determination. If an extension is required because the information in the claim is incomplete, the extension notice will specifically explain (i) the standards on which entitlement is based; (ii) the unresolved issues that prevent a decision; (iii) the additional information required for a decision; and (iv) that claimant has at least forty-five (45) days to provide the information being requested. If such additional information is required, the period between the date of the request and the date of the claimant's response is not included when calculating the decision deadline. Any actual denial of a claim under this Plan shall be written and be set forth in a manner calculated to be understood by the claimant. The denial of claim shall include (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based along with a copy of such Plan provisions or a statement that one will be furnished at no charge upon the claimant's request;

(iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; (iv) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol or other similar criterion, or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge upon claimant's request; (v) if the adverse benefit determination is based on medical necessity or experimental treatment or similar exclusion or limit, either an explanation or the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request; and (vi) appropriate information as to the steps to be taken if the claimant wishes to submit a claim for review, along with a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. Such notice shall be deemed given upon mailing, full postage prepaid in the United States Mail or if provided electronically to the claimant.

(c) Review of Denial of Disability Pension Claim to the Board of Administration

In the event that the Plan Administrator or an employee of the Board of Administration denies a disability pension claim, a claimant may (i) request a review upon appeal by written application to the Board; (ii) review pertinent documents; and (iii) submit issues and comments in writing. A claimant must request a review upon an appeal of the denial of the claim by the Plan Administrator or an employee of the Board of Administration under this Plan within one hundred eighty (180) days after the **date of** the written notification of denial of the claim. The Board (i) shall give no deference to the earlier decision; (ii) provide for review by a fiduciary (Board of Administration) who did not make the initial decision and who is not a subordinate of the initial decision maker; (iii) if

the decision involves a medical judgment, provide that the fiduciary (Board of Administration) must consult with a health care professional who is independent of any health care professional involved in the initial denial; and (iv) provide for identification of all medical or other experts consulted.

A decision, as appropriate, shall be made within forty-five (45) days after receipt of the claimant's request for review, unless special circumstances require an extension of time for processing. One forty-five (45) day extension will be available to the Board if necessary due to matters beyond the control of the Plan and with written notice to the claimant. The extension notice will specify the circumstances requiring the extension and the expected date of the determination. If an extension is required because the information in the claim is incomplete, the extension notice will specifically explain (i) the standards on which entitlement is based; (ii) the unresolved issues that prevent a decision; (iii) the additional information required for a decision and (iv) that claimant has at least forty-five (45) days to provide the information being requested. If such additional information is required, the period between the date of the request and the date of the claimant's response is not included when calculating the decision deadline. Any actual denial of a claim under this Plan shall be written and be set forth in a manner calculated to be understood by the claimant. The denial of claim shall include (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based along with a copy of such Plan provisions or a statement that one will be furnished at no charge upon the claimant's request; (iii) if there is an adverse determination based upon a limit or an exclusion, an explanation of the scientific or clinical judgment applying Plan terms to claimant's facts and circumstances or a statement that the explanation will be furnished at no charge upon the claimant's request; (iv) if the adverse benefit determination is based on medical necessity or experimental treatment or similar exclusion or limit, either an explanation or the scientific or clinical judgment for the determination, applying

the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request; (v) a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review; and (vi) the following statement: "You and your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency." Such notice shall be deemed given upon mailing, full postage prepaid in the United States mail or if provided electronically to the claimant. Decisions of the Board are final and conclusive unless arbitrary and capricious.

- (d) **Review of Denial of the Claim to the Board of Administration**  
In the event that the Plan Administrator or an employee of the Board of Administration denies a claim (other than a disability pension claim), a claimant may (i) request a review upon appeal by written application to the full Board of Administration; (ii) review pertinent documents; and (iii) submit issues and comments in writing. A claimant must request a review upon an appeal of the denial of the claim by the Plan Administrator or an employee of the Board of Administration under this Plan within sixty (60) days after the **date of** the written notification of denial of the claim. Since the Board is reviewing the appeal, it will be considered at the Board's next regularly scheduled meeting. If it is filed within thirty (30) days of the next meeting, a decision by the Board shall be made by the date of the second meeting after receipt of the claimant's request for review. Under special circumstances an extension of time for processing may be required, in which case a decision shall be rendered by the date of the third meeting. If an extension is required because information is incomplete, the review period will be tolled from date the notice was sent to the date information is received. In the event such an extension is needed, written notice of the extension shall be provided to the claimant prior to the commencement of the extension. Written notice of a decision will be made not any later than five (5) days after

the decision has been made by the Board. The decision on review shall be in writing in a manner calculated to be understood by the claimant, and include (i) the specific reason or reasons for the denial, (ii) specific reference to pertinent Plan provisions on which the denial is based along with a copy of such Plan provisions or a statement that one will be furnished at no charge upon the claimant's request, (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits, (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. Decisions of the Board are final and conclusive unless arbitrary and capricious.

(e) **Participant Limitations for Filing Claims**

No legal action may be brought by a participant, dependent, beneficiary, or the estate or legal representative thereof for entitlement to benefits under the Plan, until after the claims and appeals procedures of the Plan have been exhausted and, unless a different period of limitation is specifically provided under ERISA, no later than two years after such claim has accrued. No other actions may be brought against the Plan more than six months after such claim has accrued.

## **Section 6. Quorum; Voting**

To constitute a quorum for the transaction of business, there shall be required to be present at any meeting of the Board at least two Union members and two Company members. At all meetings of the Board the Company members shall have a total of three votes and the Union members shall have a total of three votes; the vote of any absent member being divided equally between the members present appointed by the same party. Except on matters with respect to which the Plan itself specifies otherwise, decisions of the Board shall be by a majority of the votes cast, with the Impartial Chairperson empowered to cast the deciding vote in cases where there shall have been a tie vote.

**Section 7. Compensation and Expenses**

The Company and Union members shall serve without compensation from the Pension Fund. The Company and the Union each shall be responsible for the expenses of any expert or advisor selected by its members, but not by the Board as such.

**Section 8. Liability of Members**

The Board and any member thereof shall be entitled to rely upon the correctness of any information furnished by the Trustee, the Union, or the Company. Neither the Board nor any of its members, nor the Union, nor any officer or any other representative of the Union, nor the Company, nor any officer or other representative of the Company, shall be liable because of any act or failure to act on the part of the Board, or any of its members, to any person whatsoever, except that nothing herein shall be deemed to relieve any such individual from liability for the member's own fraud or lack of good faith or from responsibility or liability for any obligation or duty under ERISA.

**Section 9. Actuarial and Pension Fund Information**

- (a) The Company shall cause to be furnished to the Board of Administration annually, as of December 31 (commencing with December 31, 1958), (i) a statement reflecting the value (as determined by the Trustee) of the Pension Fund as then comprised of any contracts and total other assets, invested and un-invested, such total assets being valued on a basis at least equal to the total cost thereof; (ii) a statement showing in summary form the value of such assets by general categories of investment, such value being determined on a basis at least equal to the total cost thereof for each such category; and (iii) such information as to age, sex and service of employees covered by the Plan as a whole in the United States and as to the number of retired employees and amount of retirement benefits by age groups, as the Board may reasonably require. In no event shall the Company be required to furnish the Board with any data not furnished by the Company to the actuary (referred to in Section 5(a) of the Agreement Concerning Retirement Plan).

- (b) Commencing with the calendar year ending December 31, 1964, the Company shall cause to be furnished to the Board of Administration annually the actuarial report, prepared by the actuary, in respect of each year's valuation of the Plan (with respect to benefits payable under Article V of the Plan, except as otherwise provided below), including the following:
- (i) The amount of the annual normal cost contribution rate per employee and the amount of the payment toward amortization of the lump sum past service costs.
  - (ii) A statement of the method and of the assumptions, such as the interest rate, mortality rates, withdrawal rates, and retirement ages adopted for the valuation of the benefits paid under Article V of the Plan and adopted for the funding of the benefits under Article VI of the Plan, which statement shall include, commencing with the calendar year ending December 31, 1969 in respect to the report for the calendar year 1970, assumptions regarding retirement rates, average benefit unit, and assumptions used with respect to the survivor's benefit.
  - (iii) The amount, as of the end of each calendar year, of the difference between the present value of the prospective retirement benefits payable under the Plan and the then present value of the prospective normal cost contributions, if any, separately for (A) retired employees and other persons receiving benefits under the Plan, (B) non-retired employees and former employees, and (C) total.
  - (iv) The amount of assets used in the actuarial valuation, including, commencing with the calendar year ending December 31, 1969 in respect to the report for the calendar year 1970, a reconciliation of the amount of such assets with the amount used in the preceding valuation.
  - (v) The amount, as of the end of each calendar year, of the unfunded past service costs.

## ARTICLE VII

- (vi) The amount, as of the end of each calendar year, commencing with the calendar year ending December 31, 1970 in respect to the report for the calendar year 1971, by which the assets used in the actuarial valuation shall exceed the amount then required by Section 5(a) of the Agreement Concerning Retirement Plan (excluding the cost of benefits under Article VI) to be in the Pension Fund.
- (vii) The contribution made during the year toward the cost of benefits under Article VI, the amount of such benefits paid during the year and the cumulative balance of such contributions less payments.
- (viii) The extent to which, in event of termination of the Plan, the Pension Fund assets at market value as of the end of each calendar year, commencing with the calendar year ending December 31, 1970 in respect to the report for the calendar year 1971, would be sufficient to cover the benefit liabilities determined in accordance with Article X, Section 2(a) of the Plan with respect to each category of beneficiaries specified therein.
- (ix) The amount, commencing with the calendar year 1979 in respect to the report for the Plan Year 1979, of the actuarial present value of early retirement and interim supplements in the course of payment and in respect to such supplements the assets accumulated in the Pension Fund, both determined as of the valuation date.

For purposes of this Subsection 9(b), commencing with the calendar year ending December 31, 1974, in respect to the actuarial report for the calendar year 1975, age-service supplements and lifetime supplements shall be included with benefits under Article V and shall not be included with benefits under Article VI.

- (c) Commencing with the calendar year ending December 31, 1962, the Company shall cause to be furnished to the Board of Administration annually a statement setting forth:
- (i) The value of the Pension Fund computed in accordance with Subsection (a)(i) of this Section 9 as of the beginning of the calendar year for which the statement is being submitted, except that with respect to statements covering calendar years commencing on or after January 1, 1971 the value of the Pension Fund for purposes of this clause (i) shall instead be computed on the basis of the market value of the Fund as of the beginning of the year for which the statement is being submitted.
  - (ii) Additions during the calendar year:
    - (A) Payments by the Company into the Pension Fund
    - (B) Interest and dividends received by the Pension Fund
    - (C) Net profit realized on sales of securities by the Pension Fund, except that statements covering calendar years commencing on or after January 1, 1971 under this clause (ii)(C) shall instead show net investment gains in the calendar year to which the statement applies, and
    - (D) Total additions.
  - (iii) Total amount of retirement benefits paid during the calendar year.
  - (iv) The value of the Pension Fund computed in accordance with Subsection (a)(i) of this Section 9 as of the end of the calendar year for which the statement is being submitted, except that with respect to statements covering calendar years commencing on or after January 1, 1971 the value of the Pension Fund for purposes of this clause (iv) shall instead be computed on the basis of the market value of the Fund

as of the end of the calendar year for which the statement is being submitted.

- (d) **For the period commencing January 1, 2016, and thereafter, the Company will cause the UAW to be furnished with a funding valuation report, certified by a qualified actuary, in accordance with the Pension Protection Act of 2006, as amended.**
- (e) The Company shall cause to be furnished to the Board of Administration annually, as of March 31, commencing in 1971, a schedule setting forth:
  - (i) The amount of investment of the Pension Fund in residential real estate mortgages, by type, in communities with Company plants and in other communities,
  - (ii) The amount invested in such residential real estate mortgages during the preceding year in comparison with total new money investments during that year, and
  - (iii) A description of such residential mortgages in which funds were invested during the preceding year, by type, separately by plant city areas and in total for other areas.

## **ARTICLE VIII**

### **PENSION FUND**

The Company shall establish a fund, herein referred to as the Pension Fund, to be held and invested by a qualified bank or banks, trust company or companies or any combination thereof as trustee or trustees, herein referred to as the Trustee, into which the Company's contributions to finance the Plan shall be made. No employee shall make or be required to make any contribution to the Pension Fund. The Pension Fund shall be used to pay benefits as provided in the Plan pursuant to authorization by the Board; and such benefits shall be payable only from the Pension Fund. Expenses of the Plan also shall be payable from the Pension Fund.

The Company shall have the sole right to select and contract with the Trustee, to remove such Trustee, to select its successor, and to determine the form and terms of the trust agreement to be entered into with the Trustee, including, without limitation, the right to provide for investments to be made pursuant to the advice or direction of an investment advisor or investment advisors, or the Company.

Notwithstanding the above, the Company acknowledges and agrees to follow the terms of a letter dated October 7, 1990, entitled "Investment of Pension Fund" provided that the terms of the letter do not violate any of the provisions of ERISA or the Internal Revenue Code.

## **ARTICLE IX**

### **APPLICABLE LAW**

Where federal law does not control, the Plan, and all rights thereunder, shall be governed, construed, and administered in accordance with the laws of the State of Michigan.

## ARTICLE X

### MODIFICATION OR DISCONTINUANCE

#### **Section 1. Amendment and Termination of Plan**

So long as the Agreement Concerning Retirement Plan (Part A) shall remain in effect, the Plan shall not be amended, modified, suspended, or discontinued, except to such extent as may be proper or permissible under such Agreement.

Upon the termination of such Agreement, the Company shall have the right to continue the Plan in effect and to amend, modify, suspend, or discontinue the Plan, except as may be otherwise provided by any subsequent agreement between the Company and the Union.

Any modification or amendment of the Plan may be made retroactively, if necessary or appropriate, to qualify or maintain the Plan as a Plan and trust meeting the requirements of Section 401(a), 501(a), and 404 of the Internal Revenue Code of the United States, as now in effect or hereafter amended, or any other applicable sections of the Federal tax laws, as now in effect or hereafter amended or adopted, and the regulations issued thereunder.

#### **Section 2. Effects of Discontinuance**

Upon any termination or partial termination of the Plan within the meaning of Section 411 (d)(3)(A) of the United States Internal Revenue Code, the right of any affected employee, within the meaning of such Section 411 (d)(3), to benefits accrued to the date of such termination or partial termination, to the extent funded as of such date, shall be nonforfeitable. For purposes of this Section, the determination as to whether there is a termination or partial termination of the Plan and the date thereof and as to the employees affected thereby shall be made by the Company; provided, however, that such determination shall be in accordance with the applicable provisions of the United States Internal Revenue Code. In determining the applicability of such Code provisions, the Company may rely on an opinion of counsel.

### **Section 3. Disposition of Pension Fund**

(a) In the event of discontinuance of the Plan, the assets then remaining in the Pension Fund, after providing the expenses of the Plan, shall be allocated to the extent that they shall be sufficient, for the purpose of paying benefits in the following order of precedence:

(i) First, in the case of benefits payable in the form of an annuity -

(A) In the case of the benefit of a participant or beneficiary which was in pay status as of the beginning of the three-year period ending on the termination date of the Plan, to each such benefit, based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which such benefit would be the least;

(B) In the case of a participant's or beneficiary's benefit (other than a benefit described in Subsection (a) (i)(A)) which would have been in pay status as of the beginning of such three-year period if the participant had retired prior to the beginning of the three-year period and if the participant's benefits had commenced (in the normal form of annuity under the Plan) as of the beginning of such period, to each such benefit based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which such benefit would be the least.

For purposes of Subsection (a)(i)(A), the lowest benefit in pay status during a three-year period shall be considered the benefit in pay status for such period.

(ii) Second, to all other benefits (if any) of individuals under the Plan which are guaranteed under the plan termination insurance provisions of the Employee Retirement Income Security Act of 1974 determined without regard to Section 4022B(a) of said Act.

(iii) Third, to all other nonforfeitable benefits under the Plan.

- (iv) Fourth, to all other benefits under the Plan.
- (b) (i) The amount allocated under any of the preceding Subsections of this Section 3 with respect to any benefit shall be properly adjusted for any allocation of assets with respect to that benefit under a prior Subsection of this Section 3.
- (ii) If the assets available for allocation under Subsections (a)(i) and (a)(ii) are insufficient to satisfy in full the benefits of all individuals which are described in such Subsections, the assets shall be allocated pro rata among such individuals on the basis of the present value (as of the termination date) of their respective benefits described in such Subsection.
- (iii) If the assets available for allocation under Subsection (a)(iii) are not sufficient to satisfy in full the benefits of individuals described therein:
  - (A) Except as provided in Subsection (b)(iii)(B), the assets shall be allocated to the benefits of individuals described in Subsection (a)(iii) on the basis of the benefits of individuals which would have been described in Subsection (a)(iii) under the Plan as in effect at the beginning of the five-year period ending on the date of the Plans' termination.
  - (B) If the assets available for allocation under Subsection (b)(iii)(A) are sufficient to satisfy in full the benefits described therein (without regard to this Subsection (b)(iii)(B)), then for purposes of Subsection (b)(iii)(A), benefits of individuals described therein shall be determined on the basis of the Plan as amended by the most recent Plan amendment effective during such five-year period under which the assets available for allocation are sufficient to satisfy in full the benefits of individuals described in Subsection (b)(iii)(A) and any assets remaining to be allocated under such

Subsection shall be allocated under Subsection (b)(iii)(A) on the basis of the Plan as amended by the next succeeding Plan amendment effective during such period.

- (c) If the Secretary of the Treasury determines that the allocation made pursuant to this Section 3 results in discrimination prohibited by Section 401 (a)(4) of the Internal Revenue Code, then, if required to prevent the disqualification of the Plan (or any trust under the Plan) under Section 401(a), 403(a), or 405(a) of such Code, the assets allocated shall be reallocated to the extent necessary to avoid such discrimination.
- (d) Anything in the Plan which might be construed to the contrary notwithstanding, however, it shall be impossible at any time prior to the satisfaction of all liabilities with respect to employees under the Plan for any part of the corpus or income of the Pension Fund to be used for, or diverted to, purposes other than for the exclusive benefit of the employees. After satisfaction of all liabilities to participants and beneficiaries under the Plan, any residual assets of the Pension Fund will be distributed to the Company if the distribution does not contravene any applicable provision of the law.
- (e) Upon termination of the Plan, benefits of any missing participants shall be treated in accordance with Section 4050 of ERISA.

#### **Section 4. Mergers, Consolidations or Transfer of Assets or Liabilities**

In the event of any merger or consolidation with, or transfer of assets or liabilities to, any other plan after September 2, 1974, each employee, former employee or surviving spouse eligible under the Plan shall, if the plan then terminated, receive a benefit immediately after the merger, consolidation or transfer, which is equal to the benefit the employee would have been entitled to receive immediately before the merger, consolidation or transfer if the Plan had then terminated.

**ARTICLE XI****CERTAIN FORMER EMPLOYEES  
OF WOOD BROS., INC.**

Notwithstanding any express or implied provision of the Plan to the contrary, any person covered as of October 31, 1955, by the Wood Bros., Inc. Retirement Income Plan (hereinafter referred to as the "Wood Plan") who subsequently thereto is employed by the Company and is retired under the Plan without a subsequent break in combined seniority for service with Wood Bros., Inc., and with the Company, shall be credited upon such retirement with: (i) the employee's creditable service under the Plan after 1955, plus (ii) such creditable service prior to 1956 as the employee would have been entitled to for such period under the Wood Plan had the employee remained in and retired under the Wood Plan as it existed prior to June 1, 1955, with the effect that the employee's retirement benefit under the Plan shall be computed as if the creditable service under both (i) and (ii), above, had been attributable to employment by the Company in the Contract Unit; it being understood, however, that there shall be no duplication of creditable service for the same period of time, under seniority rules or otherwise. Any person who is a retired employee under the Wood Plan shall be considered as retired under the Plan on June 1, 1955, or on the employee's actual retirement date if that be later, and shall be entitled to benefit payments thereafter under the Plan computed on the basis of the employee's creditable service under the Wood Plan except that the employee's creditable service for any period subsequent to June 1, 1955, shall be computed as provided in (i) and (ii) above. Any monthly benefits payable under the Plan shall be reduced by the amount of the benefits actually paid the employee after June 1, 1955, under the Wood Plan.

**ARTICLE XII****CERTAIN FORMER EMPLOYEES OF  
THE ELECTRIC AUTOLITE COMPANY**

Notwithstanding any express or implied provision of the Plan to the contrary, any person who (i) was an employee of The Electric Autolite Company (hereinafter referred to as "Autolite") on April 12, 1961 employed at, or on layoff or leave of absence from, the operations of Autolite acquired by the Company on that date, (ii) had not applied on or before such date for a retirement benefit under the Autolite-UAW Pension Plan (hereinafter referred to as the "Autolite Plan") and (iii) during the period commencing April 12, 1961 and ending December 31, 1961, both dates inclusive, is employed by the Company in employment to which the Plan is applicable, or placed by the Company on leave from such employment or on a list dated December 31, 1961 for purposes of recall to such employment, shall have creditable service under the Plan equal to the employee's creditable past and future service under the Autolite Plan, together with the employee's future service after having become employed by the Company:

Provided, however, that

- (i) For the calendar year 1961, each such person shall receive future service credit in the amount with which the employee would have been credited had the employee been employed by, and received pay from, or been on leave from, the Company during the portion of such year in which the employee was an employee of Autolite;
- (ii) Creditable service under the Autolite Plan for a portion of a year shall be converted to creditable service under the Plan to the nearest twentieth of a year; and
- (iii) In no event shall any future or past service credits be credited with respect to any period of employment preceding a break in the employee's seniority which occurred subsequent to the employee's date of employment by the Company, except to the extent specifically provided otherwise in the Plan, nor shall any future or past service credits attributable to

employment with Autolite be credited for any person who receives after April 12, 1961 a Separation Payment under the Autolite-UAW Supplemental Unemployment Benefit Plan.

Creditable service attributable to employment while a member of the Autolite Plan shall be considered as creditable service attributable to employment while a member of the Plan for all purposes under the Plan, including the computation of benefits; provided, however, that the amount of the monthly retirement benefit for any such person shall in no event be less than that which the employee would have been eligible to receive under the Autolite Plan if the employee had retired under that Plan at the time of the employee's termination of employment with Autolite.

In no event shall there be any duplication of creditable service for the same period of time, under seniority rules or otherwise.

Any benefits payable under the Plan for any month to any person covered by this Article shall be reduced by the amount of any benefits paid to the employee for such month after April 12, 1961 under the Autolite Plan, and the amount of any benefits received under the Autolite Plan for any period after April 12, 1961 during which the employee was employed by the Company shall be offset against benefits subsequently payable under this Plan.

## **ARTICLE XIII**

### **CERTAIN FORMER EMPLOYEES OF VULCAN FORGING COMPANY OR VENUS DIE ENGINEERING COMPANY**

Notwithstanding any express or implied provision of the Plan to the contrary, any employee who on or after July 1, 1968 is part of the Contract Unit of the Collective Bargaining Agreement as a result of the Agreement between the Company and the Union dated March 22, 1968, shall be credited with: (i) creditable service after July 1, 1968 as provided in Article III, Section 3, but with not more than one-half of a year credit for employment subsequent to June 30, 1968 and prior to January 1, 1969, plus (ii) such creditable service prior to July 1, 1968 as the employee would have been entitled to for such

period under Group Annuity Contract Number GR-1641 issued by Connecticut General Life Insurance Company had the employee remained under and retired under such annuity contract as it existed on March 22, 1968, with the effect that the employee's retirement benefit under the Plan shall be computed as if the creditable service under both (i) and (ii), above, had been attributable to employment by the Company in the Contract Unit.

## **ARTICLE XIV**

### **CERTAIN FORMER EMPLOYEES AT OWOSSO BATTERY PLANT TRANSFERRED TO GLOBE-UNION, INC. RETIREMENT PLAN**

Notwithstanding any express or implied provision of the Plan to the contrary, the provisions of this Article shall apply to any person (i) who shall have been an employee of Ford Motor Company assigned to, or on layoff or leave of absence from, the Owosso Plant immediately prior to the date that it shall have been sold to Globe-Union, Inc., (ii) whose employment by the Company, or whose layoff or leave status with the Company, terminates in connection with the sale, and (iii) who shall have been covered by a retirement plan of Globe-Union, Inc. with creditable service generally comparable to the employee's creditable service under the Plan as of the date of the sale and providing benefits at employee's subsequent retirement or termination of employment with Globe-Union, Inc. for such service at least equal to what the employee would have received if the employee's subsequent retirement or termination of employment with Globe-Union, Inc., had occurred under the Plan in accordance with the provisions in effect therein on the date of the sale.

#### **Section 1. Cancellation of Creditable Service**

Each such person, as of the date covered by a plan of Globe-Union, Inc. under (iii) above, shall have the employee's creditable service under the Plan cancelled and shall be entitled to no benefits or payments under the Plan. Each such person who subsequently becomes employed by the Company shall be deemed, for purposes of the Plan, to be a new hire and shall be

entitled to count for purposes of crediting service under the Plan only the employee's service with the Company from and after the date the employee so becomes employed.

## **Section 2. Pension Fund**

There shall be withdrawn from the Pension Fund and transferred to the trust under the above-mentioned retirement plan of Globe-Union, Inc. that portion of the assets of the Pension Fund that is allocable to Owasso employees on an actuarial basis as provided in the Agreement between the Company and the Union dated February 17, 1972.

## **ARTICLE XV**

### **CERTAIN FORMER EMPLOYEES AT FOSTORIA, OHIO SPARK PLUG PLANT TRANSFERRED TO BENDIX HOURLY PENSION PLAN**

Notwithstanding any express or implied provision of the Plan to the contrary, the provisions of this Article shall apply to any person (i) who shall have been an employee of Ford Motor Company assigned to, or on layoff or leave of absence from, the Fostoria, Ohio Spark Plug Plant immediately prior to the date that it shall have been sold to Bendix Autolite Corporation, (ii) whose employment by the Company, or whose layoff or leave status with the Company, terminates in connection with the sale, and (iii) who shall have been covered by a retirement plan of Bendix Autolite Corporation with creditable service generally comparable to the employee's creditable service under the Plan as of the date of the sale and providing benefits at the employee's subsequent retirement or termination of employment with Bendix Autolite Corporation for such service at least equal to what the employee would have received if the employee's subsequent retirement or termination of employment with Bendix Autolite Corporation had occurred under the Plan in accordance with the provisions in effect therein on the date of the sale.

**Section 1. Cancellation of Creditable Service**

Each such person, as of the date covered by a plan of Bendix Autolite Corporation under Subpart (iii) above, shall have the employee's creditable service under the Plan cancelled and shall be entitled to no benefits or payments under the Plan. Each such person who subsequently becomes employed by the Company shall be deemed, for purposes of the Plan, to be a new hire and shall be entitled to count for purposes of crediting service under the Plan only the employee's service with the Company from and after the date the employee so becomes employed.

**Section 2. Pension Fund**

There shall be withdrawn from the Pension Fund and transferred to the Trust under the above-mentioned retirement plan of Bendix Autolite Corporation that portion of the assets of the Pension Fund that is allocable to Fostoria employees on an actuarial basis as provided in the Agreement between the Company and the Union dated November 26, 1973.

**ARTICLE XVI****NAMED FIDUCIARY AND ALLOCATION  
OF RESPONSIBILITIES**

Pursuant to ERISA, the Company shall be the sole named fiduciary with respect to the Plan and, except as otherwise stated with respect to the functions, jurisdiction and powers of the Board of Administration in Article VII, shall have authority to control and manage the operation and administration of the Plan.

The Board of Directors shall have the authority on behalf of the Company to determine major funding policy under the Plan, to appoint and remove trustees and investment advisors under the Plan, to approve policies relating to the allocation of contributions and the distribution of assets among trustees and investment advisors, and to approve Plan amendments, except that the Group Vice President and General Counsel, Group Vice President-Human Resources and Corporate Services and Executive Vice President and Chief Financial Officer are designated to approve Plan additions, deletions and

modifications on behalf of the Company to the extent deemed necessary or appropriate under ERISA or the Internal Revenue Code.

The Vice President - Treasurer shall be authorized on behalf of the Company to carry out a funding policy and method with respect to the Plan, to contract with the trustees and investment advisors under the Plan and to determine the form and terms of the trust and investment advisors agreements to allocate contributions and distribute assets among trustees and investment advisors, and to appoint an actuary and auditor under the Plan, and shall have authority to designate other persons to carry out specific responsibilities in connection therewith; provided, however, that such actions shall be consistent with ERISA, the policy of the Board of Directors and the Plan.

Except as otherwise provided in this Article or elsewhere in the Plan, the Group Vice President-Human Resources and Corporate Services and the Executive Vice President and Chief Financial Officer are designated to carry out the Company's responsibilities with respect to the Plan. The Group Vice President-Human Resources and Corporate Services and the Executive Vice President and Chief Financial Officer may allocate responsibilities between themselves and may designate other persons to carry out specific responsibilities on behalf of the Company.

In the event of a change in a designated officer's title, the officer or officers with functional responsibility for the Plan shall have the authority to the extent described in this Article.

Any Company director, officer or employee who shall have been expressly designated pursuant to the Plan to carry out specific Company responsibilities shall be acting on behalf of the Company. Any person or group of persons may serve in more than one capacity with respect to the Plan and may employ one or more persons to render advice with regard to any responsibility such director, officer or employee has under the Plan.

## ARTICLE XVII

### EMPLOYEES OF ROUGE STEEL COMPANY

Notwithstanding any express or implied provision of the Plan to the contrary, the provisions of this Article shall apply to any person who, prior to December 15, 1989, the date that Rouge Steel Company (hereafter Rouge) was sold (hereafter the Closing), shall have been (i) an employee of Rouge or assigned to, or on layoff or leave of absence from Rouge, or (ii) an employee of Ford Motor Company (Ford) assigned to the Rouge Area and who thereafter shall have become a Rouge employee pursuant to the November 28, 1989 Settlement Agreement between the UAW, Rouge and Ford (the 1989 Settlement Agreement). For purposes of this Article “Asset Transfer” and “Asset Transfer Date” shall mean respectively the amount of, and the date for, the transfer of assets, which are allocable to certain credited service and benefits of Rouge employees under this Plan, to the retirement plan and fund established by Rouge for UAW employees of Rouge (the “Rouge-UAW Retirement Plan”), as agreed between Ford and Rouge.

#### **Section 1. Continuing Rouge Employee Benefits for Pre-Asset Transfer Credited Service**

If when eligible after the Closing a Rouge employee has elected to remain an employee of Rouge and not to exercise the employee’s rights to return to Ford under the 1989 Settlement Agreement, the following shall determine such employee’s retirement benefits based on credited service before the Asset Transfer Date:

- (a) For such a Rouge employee who is eligible for an immediate normal or early retirement benefit under the Plan as of the Closing or whose age and Ford seniority as determined in accordance with the 1989 Settlement Agreement equal 60 provided such employee could become eligible for an immediate normal or early retirement benefit within the period after Closing equal to the employee’s accumulated seniority at Closing, the employee’s benefit shall be determined as follows:

- (i) For credited service through the Closing (which will be retained in this Plan), the benefit rates and supplements in effect under Appendices C, D, E and F for a Ford employee shall apply.
  - (ii) Subject to reimbursement from the Rouge-UAW Retirement Plan, for credited service after the Closing and before the Asset Transfer Date, benefits determined at rates that, with supplementation provided in the 1989 Settlement Agreement, are equal to the benefit rates in effect at the Closing under Appendices C, D, E and F of this Plan shall apply until such benefits become payable by the Rouge-UAW Retirement Plan; provided that any temporary benefit or early retirement supplement payable under this Plan and the Rouge-UAW Retirement Plan shall be subject to coordination as provided in Subsection 6(a) of this Article.
- (b) For such a Rouge employee who is not covered by Subsection 1(a) immediately above, the employee's benefit rates under the Rouge-UAW Retirement Plan (i) for credited service through December 31, 1987 shall be the rates as in effect on the Closing under the Ford-UAW Retirement Plan, (ii) for credited service in 1988 and 1989 shall be the rates applicable for such years for Rouge employees under the Plan as in effect immediately before the Closing, and (iii) for credited service after the Closing shall be the same rates as provided in Subsection 1(b)(ii) supplemented by amounts necessary to increase the combined rates to amounts equal to the amounts in Subsection 1(b)(i) above.
- (c) Any such employee's retirement benefits for credited service after the Closing under Subsection 1(a) or for all credited service under Subsection 1(b) shall be paid from the Rouge-UAW Retirement Plan.

## **Section 2. Rouge Employees Who Elect To Exercise Ford Seniority**

- (a) If when eligible after the Closing a Rouge employee has elected to exercise the employee's seniority rights to return to Ford, the following shall determine the employee's retirement benefits:
- (i) For such an employee who, either before or after the Asset Transfer Date, has either returned to Ford or has sufficient seniority to return to Ford but retires or dies or incurs a break in seniority before such return, the employee's benefits will be payable under the Ford-UAW Retirement Plan as in effect for a Ford employee at retirement or death or break in seniority as though all such credited service had been with Ford.
  - (ii) For such an employee who dies or retires or otherwise incurs a break in seniority before attaining sufficient seniority to return to Ford, (A) the Ford-UAW Retirement Plan will pay the employee's benefits as in effect for a Ford employee at retirement or break in seniority but based only on credited service through the Asset Transfer Date, and (B) the Rouge-UAW Retirement Plan will pay the employee's retirement benefits based on credited service after the Asset Transfer Date based on the Rouge-UAW Retirement Plan provisions; provided however that any temporary benefit or early retirement supplement payable under this Plan and the Rouge-UAW Retirement Plan shall be subject to coordination as provided in Subsection 6(a) of this Article. Provided, however, that there shall have been transferred from the Rouge-UAW Retirement Plan assets allocable to credited service and benefits under the Rouge-UAW Retirement Plan for the period after the Closing.
- (b) If when eligible after the Closing a Rouge employee has elected to remain an employee of Rouge and not to exercise the employee's seniority rights to return to Ford and if thereafter such employee is laid off by Rouge and if pursuant to Attachment 9 to the 1989 Settlement Agreement such

person shall have become a Ford employee, any retirement benefits based on (i) any credited service before the Closing shall be determined and paid pursuant to Section 1, (ii) credited service after the Closing and before the employee returns to Ford employment shall be determined and paid under the Rouge-UAW Retirement Plan, and (iii) credited service with Ford after such person returns to Ford employment shall be determined and paid under this Plan.

### **Section 3. Laid Off Ford Employees**

- (a) If when eligible pursuant to Attachment 16 of the 1989 Settlement Agreement after the Closing and before October 1, 1990 a Ford employee shall have become a Rouge employee, benefits shall be payable under the Rouge-UAW Retirement Plan for credited service (i) before such person shall have become a Rouge employee, at the rates in effect under the Plan prior to the October 1, 1990 amendments to the Plan, and (ii) after such person shall have become a Rouge employee, at the rates provided in the Rouge-UAW Retirement Plan.
- (b) If a Ford employee shall have been laid off and shall have become a Rouge employee pursuant to the provisions of Attachment 14 to the 1989 Settlement Agreement, the employee's benefits based on (i) credited service through the employee's transfer date shall be determined and payable from this Plan, and (ii) credited service after the employee's transfer date shall be determined and payable from the Rouge-UAW Retirement Plan.

### **Section 4. Pre-Closing Transfers (Power House and Other Employees)**

The benefit rates for a Rouge employee including an employee in the Rouge Power House Operations who became a Ford employee prior to the Closing shall be the benefit rates provided in this Plan as though all such credited service had been with Ford, provided that the employee shall have continuing Ford seniority as of October 1, 1990.

### **Section 5. Pension Fund Asset Transfer and Cancellation of Creditable Service**

There shall be withdrawn from the Pension Fund and transferred to the trust fund under the Rouge-UAW Retirement Plan that portion of the assets of the Pension Fund on an actuarial basis that is allocable to the credited service and benefits of Rouge employees (i) as of the Closing in the case of an employee covered by Section 1(b) of this Article, and (ii) as of the date the employee shall have become a Rouge employee in the case of an employee covered by Section 3(a) of this Article; provided that such benefits will be paid by the Rouge-UAW Retirement Plan. All or that portion of a Rouge employee's credited service and benefits under the Plan that has been transferred from the Plan to the Rouge-UAW Retirement Plan shall be cancelled and such employee shall be entitled to no benefits or payments under this Plan for such periods. Any Rouge employee who subsequently becomes a new hire of Ford Motor Company shall be entitled to count for purposes of eligibility and credited service under the Plan only the employee's service with Ford from and after the date the employee so becomes employed.

### **Section 6. Proration of Temporary Benefit and Early Retirement Supplement, Reduction of Early Supplement, Earnings Limitation**

- (a) In making any proration for purposes of the temporary benefit or the early retirement supplement for an employee with benefits payable under this Plan, when an employee's total credited service with Rouge and Ford exceeds thirty years, years of credited service with the employer with the lower temporary benefit or early retirement supplement and in excess of 30 years of credited service in total will be disregarded, provided however that for purposes of determining the amount of early retirement supplement such credited service shall be disregarded only after determining the monthly benefit applicable under Article V of this Plan and comparable provisions of the Rouge-UAW Retirement Plan. The amount of any reduction applicable under Article VI, Section 3 of the Plan shall be determined in the same manner as the amount of the temporary benefit under Section

1(a) of this Article XVII had the employee retired on the Date of Eligibility for an unreduced Social Security Benefit.

- (b) The Annual Earnings Limitation amount applicable to the Supplemental Allowance payable from this Plan for 1990 and future calendar years shall be as provided in Article VI, Section 4 of the Plan for the applicable calendar year. Earnings after retirement in excess of the applicable limit and the penalties thereon shall be allocated between this Plan and the Rouge-UAW Retirement Plan based on the ratio of the amount of the retired employee's Supplemental Allowance under this Plan to the aggregate amount of the retired employee's Supplemental Allowance under this Plan and the employee's supplemental allowance under the Rouge-UAW Retirement Plan. Any penalty amount under the supplemental allowance provisions of the Rouge-UAW Retirement Plan in excess of the amount that can be charged against the retired employee's supplemental allowance under the Rouge-UAW Retirement Plan shall be charged against the employee's Supplemental Allowance under this Plan to the extent that such excess penalty is attributable to earnings in excess of the applicable limit under this Plan.

### **Section 7. Pre-Closing Retirees**

For monthly benefit payments beginning January 1, 1990 to an employee with credited service based on Rouge employment who shall have retired prior to the Closing, the benefit will be determined by counting all years of credited service with Ford and Rouge Steel under this Plan with the rates as applicable to such employee based on the date of the employee's retirement. The benefits of an employee who broke seniority prior to the Closing shall be determined and payable under this Plan as in effect at the time of the break in seniority.

### **Section 8. General**

- (a) A Rouge employee must retire or break seniority with Rouge in order to receive a benefit for which the employee is otherwise eligible under this Plan. In no event shall there be a duplication of credited service and benefits under this Plan and the Rouge-UAW Retirement Plan for the same period of service.

- (b) Solely for purposes of fulfilling the minimum years of creditable service required as a condition of eligibility for a benefit under this Plan, there shall be added to an employee's creditable service under this Plan any years of creditable service the employee shall have accumulated under the Rouge-UAW Retirement Plan during a continuous period of employment with Ford and Rouge for which the employee shall have received full seniority credit.
- (c) The Board and the Company shall administer the Plan as applicable to Rouge employees and certain Ford employees in the Rouge Area consistent with the provisions of this Article and the provisions of the 1989 Settlement Agreement, as modified in 1990 Ford-UAW negotiations. In the event of an inconsistency between the provisions of this Article and the 1989 Settlement Agreement, as modified in 1990 Ford-UAW negotiations, the 1989 Settlement Agreement, as modified in 1990 Ford-UAW negotiations, shall govern and the Board shall be authorized to modify the provisions of this Article accordingly with the written consent of the Company and the Union.
- (d) A Rouge employee described in Subsection 1(a) of this Article who becomes totally and permanently disabled within the meaning of Article IV, Section 3 shall be eligible for a disability retirement benefit as provided in the applicable provisions of Article V, Section 3.

**Section 9. Employees of Rouge Steel Who Elect  
Employment with Severstal North America,  
Inc.**

- (a) A former Rouge employee, as determined under Section 1(a) of this Article XVII, who elected to be employed with Severstal North America, Inc. (herein referred to as Severstal) on January 30, 2004, and who became a seniority employee with Rouge or Severstal, and is not employed by the Company prior to the effective date of retirement, may upon timely application, and without separation from Severstal employment, commence receipt of retirement benefits under Article IV, Section 1 or 2 of this Plan.

- (b) For purposes of meeting the credited service requirement under Article IV, Section 2(a) of this Plan and pro-ration of the Temporary Benefit or Early retirement supplement under Section 6(a) of this Article XVII, service with Severstal shall apply until such time as the former Rouge employee makes application for retirement benefits under this Plan and upon such retirement date no future Severstal service shall be recognized for any purpose under the Plan.

## **ARTICLE XVIII**

### **EMPLOYEES OF AAI EMPLOYEE SERVICES COMPANY LLC**

Notwithstanding any express or implied provision of the Plan to the contrary, the provisions of this Article XVIII shall apply to any person (i) who shall have been an hourly employee of AutoAlliance International Inc. (“AAI”), (ii) whose employment was transferred to AAI Employee Services Company, L.L.C., a wholly owned subsidiary of the Company, effective on or after March 24, 1997 (“Transition Date”) and (iii) who has credited service under the AutoAlliance International, Inc. Retirement Plan for Employees Represented by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (“UAW-AAI Retirement Plan”) (“AAI Services Employees”). AAI Services Employees shall not include an inactive employee of AAI who was on voluntary layoff status with reinstatement rights as of the Transition Date, unless such employee works at least 170 hours at AAI Services after the Transition Date.

#### **Section 1. Recognition of Service for Eligibility and Vesting Purposes**

- (a) Eligibility Service  
Solely for purposes of fulfilling the minimum years of credited service required as a condition of eligibility for a retirement benefit under this Plan, there shall be added to an AAI Services Employee’s credited service under this Plan any “Years of Service” the employee shall have recognized under Section 2.38 of the UAW-AAI Retirement Plan.

- (b) **Vesting Service**  
Solely for the purposes of achieving vesting for a deferred vested pension benefit under Article V, Section 4 because of accumulating 5 years of ERISA Service Credits under Article IV, Section 6, there shall be added to an AAI Services Employee's ERISA Service Credits under this Plan any "Years of Service" the employee shall have accumulated under Section 2.38 and Section 8 of the UAW-AAI Retirement Plan.
- (c) **Credited Service for Benefit Computation Purposes**  
The Plan shall not recognize any Years of Service credited under the UAW-AAI Retirement Plan for purposes of computing any retirement benefits under this Plan.
- (d) **No Duplication of Credited Service**  
In no event shall there be a duplication of credited service and benefits under this Plan and the UAW-AAI Retirement Plan. No AAI Services Employee shall accrue more than one year of service for any one calendar year under both plans combined.

For calendar year 1997, the amount of credited service recognized under Article III of this Plan shall equal the difference between (A) and (B) where

- (A) Equals the sum of (i) the Hours of Service under the AAI Retirement Plan and (ii) the Hours of Service under this Plan, both converted to credited service pursuant to the table below, and
- (B) Equals the Hours of Service under the AAI Retirement plan converted to credited service pursuant to the table below.

<b>If Hours of Service Are:</b>	<b>Credited Service Is:</b>
1,615 or more hours	1.0 years
1,445 but less than 1,615	0.9 years
1,275 but less than 1,445	0.8 years
1,105 but less than 1,275	0.7 years
935 but less than 1,105	0.6 years
765 but less than 935	0.5 years
595 but less than 765	0.4 years
425 but less than 595	0.3 years
255 but less than 425	0.2 years
85 but less than 255	0.1 years
less than 85 hours	None

In the event an employee is credited with one year of service for 1997 under the AAI Retirement Plan based on Hours of Service earned to the Transition Date, this Plan shall credit no future service for the balance of 1997 regardless of the number of hours worked for AAI Services during 1997.

## **Section 2. Proration of Early Retirement Supplement**

An AAI Services Employee who has accumulated thirty or more years of combined credited service under the UAW-AAI Retirement Plan and this Plan, and who is eligible for an Early Retirement Supplement under Article VI, Section 2(b) of this Plan shall have such Early Retirement Supplement determined as follows: The amount of total monthly benefit that would otherwise be used for determining the Early Retirement Supplement under Article VI, Section 2(b)(i) of this Plan at the time the AAI Services Employee retires shall be multiplied by a fraction, the numerator of which is the number of years of credited service, including fractions of a year, under this Plan not to exceed thirty years, and the denominator of which is thirty.

### **Section 3. Calculation of Interim Supplement or Temporary Benefit.**

To the extent that any Interim Supplement under Article VI, Section 2(c) or Temporary Benefit under Article V, Section 2(i)(ii) or 3(g)(ii) of the Plan is payable to an AAI Services Employee, the amount of the Interim Supplement or Temporary Benefit, as applicable, shall be determined by multiplying the years of credited service, including fractions of a year, under this Plan by the monthly Interim Supplement Rate, or Temporary Benefit Rate, as applicable in effect at the time of retirement.

## **ARTICLE XIX**

### **EMPLOYEES OF VOLVO CARS NORTH AMERICA**

Notwithstanding any express or implied provision of the Plan to the contrary, the provisions of this Article XIX shall apply to any person (i) who shall have been an hourly employee of Volvo Cars North America (VCNA) (ii) who on December 31, 2002 shall have been an active hourly employee of VCNA (iii) who was concurrently a member of UAW Local 882 at the Distribution Center located at 1125 B Northbrook Parkway, Suwanee, Georgia and (iv) who has credited service under the Volvo Cars of North America Retirement Plan (VCNA Plan). VCNA employees shall not include inactive hourly employees of VCNA who are either on medical leave, military leave or layoff with reinstatement rights unless such employees work at least 170 hours at VCNA on or after January 1, 2003.

### **Section 1. Recognition of Service for Eligibility and Vesting Purposes**

#### **(a) Eligibility Service**

Solely for purposes of fulfilling the minimum years of credited service required as a condition of eligibility for a retirement benefit under Article IV, Sections 1,2,3,6,7 and 8 of this Plan, there shall be added to a VCNA Employee's credited service under this Plan any "Years of Service" the employee shall have recognized under Section 1.12 of the VCNA Retirement Plan.

- (b) **Vesting Service**  
Solely for the purpose of achieving vesting for a deferred vested pension benefit under Article V, Section 4 because of accumulating 5 years of ERISA Service Credits under Article III, Section 8, there shall be added to a VCNA employee's ERISA Service Credits under this Plan any "Years of Service" the employee shall have accumulated under Section 1.41 of the VCNA Retirement Plan.
- (c) **Credited Service**  
The Plan shall not recognize any years of service credited under the VCNA Retirement Plan for purposes of computing any retirement benefits under this Plan.
- (d) **No Duplication of Credited Service**  
In no event shall there be a duplication of credited service and benefits under this Plan and the VCNA Retirement Plan. No VCNA employee shall accrue more than one year of service for any one calendar year under both plans combined.

For calendar year 2003 and after, VCNA employees shall accrue credited service under this Plan in accordance with Article III, Section 3,(b).

### **Section 2. Determination of Benefit Class Code**

For purposes of determining the Life Income benefit rates for VCNA employees under this Plan, Appendix C will apply.

### **Section 3. Proration of Early Retirement Supplement or Temporary Benefit When Total Combined Credited Service Equals Thirty or More Years**

To the extent that any Early Retirement Supplement under Article VI, Section 2(b) or a Temporary Benefit under Article V, Section 2(i) (ii) or 3 (g) (ii) may be payable under this Plan to an hourly VCNA employee, the Early Retirement Supplement amount will be determined under Article VI, Section 2(b) or the Temporary Benefit amount will be determined under Article V, Section 2(i) (ii) or 3(g) (ii) of this Plan at the time that such Employee retires by multiplying such amount by a fraction, the numerator of which is thirty less the number of years of credited service, including

fractions of a year under the VCNA Plan not to exceed thirty years and the denominator of which is thirty.

In the event that a VCNA employee has thirty or more years of service under the VCNA Plan, no Early Retirement Supplement or Temporary Benefit shall be payable under this Plan.

## **ARTICLE XX**

### **EMPLOYEES OF ASSEMBLY PLANT MATERIAL SERVICES INCORPORATED**

Notwithstanding any express or implied provision of the Plan to the contrary, the provisions of this Article XX shall apply to any person (i) who shall have been a former hourly employee of Assembly Plant Material Services Incorporated (APMSI) a wholly owned subsidiary of the Company and (ii) who hired into Company employment as a result of the closing of APMSI on August 3, 2001 and (iii) who has credited service under the Assembly Plant Material Services Incorporated UAW Pension Plan (APMSI Plan). Former APMSI employees shall not include an inactive employee or active employee who elected to receive a lump-sum distribution of his/her accrued retirement benefit under Article VIII, 8.06 (c) of the APMSI Plan.

#### **Section 1. Recognition of Service for Eligibility and Vesting Purposes**

(a) Eligibility Service

Solely for purposes of fulfilling the minimum years of credited service required as a condition of eligibility for a retirement benefit under Article IV, Sections 1,2,3,6,7 and 8 of this Plan there shall be added to a former hourly APMSI employee's credited service under this Plan any "Years of Service" the employee shall have recognized under the APMSI Plan.

(b) Vesting Service

Solely for the purpose of achieving vesting for a deferred vested pension benefit under Article V, Section 4 because of accumulating 5 years of ERISA Service Credits under Article

III, Section 8, there shall be added to a former hourly APMSI employee's ERISA Service Credits under this Plan any "Years of Service" the employee shall have accumulated under the APMSI Plan.

- (c) **Credited Service for Benefit Computation Purposes**  
The Plan shall not recognize any years of Service credited under the APMSI Plan for purposes of computing any retirement benefits under this Plan.
- (d) **No Duplication of Credited Service**  
In no event shall there be a duplication of credited service and benefits under this Plan and the APMSI Plan. No APMSI employee shall accrue more than one year of service for any one calendar year under both Plans combined.

## **Section 2. Proration of Early Retirement Supplement or Temporary Benefit When Total Combined Credited Service Equals Thirty or More Years**

To the extent that any Early Retirement Supplement under Article VI, Section 2(b) or a Temporary Benefit under Article V, Section 2(i)(ii) or 3(g)(ii) may be payable under this Plan to a former hourly APMSI employee, the Early Retirement Supplement amount will be determined under Article VI, Section 2(b) or the Temporary Benefit amount will be determined under Article V, Section 2(i)(ii) or 3(g)(ii) of this Plan at the time that such Employee retires by multiplying such amount by a fraction, the numerator of which is the number of years of credited service, including fractions of a year, under this Plan not to exceed thirty years and the denominator of which is thirty.

## ARTICLE XXI

### EMPLOYEES OF BATAVIA TRANSMISSIONS, LLC

Notwithstanding any express or implied provision of the Plan to the contrary, the provisions of this Article XXI shall apply to any person (i) who shall have been a former hourly employee of Batavia Transmissions LLC (Batavia Transmissions), formerly known as ZF Batavia, LLC, a wholly owned subsidiary of the Company and (ii) who on December 27, 2004 shall have been an active employee of Batavia Transmissions, and (iii) who has credited service under the ZF Batavia–UAW Retirement Plan (ZF Pension). Batavia Transmissions employees shall include inactive hourly employees of Batavia Transmissions who are on a leave of absence with reinstatement rights. Such employees must work at least 85 hours at Batavia Transmissions on or after December 27, 2004 to accrue credited service under this Plan.

#### **Section 1. Recognition of Service for Eligibility and Vesting Purposes**

(a) Eligibility Service

Solely for purposes of fulfilling the minimum years of credited service required as a condition of eligibility for a retirement benefit under Article IV, Sections 1, 2, 3, 6, 7 and 8 of this Plan, there shall be added to a former hourly Batavia Transmissions employee's credited service, under this Plan, any credited service the employee shall have accumulated under the ZF Pension.

(b) Vesting Service

Solely for the purpose of achieving vesting for a deferred vested pension benefit under Article V, Section 4, because of accumulating 5 years of ERISA Service Credits under Article III, Section 8, there shall be added to a former hourly Batavia Transmissions Employee's ERISA Service Credits, under this Plan, any ERISA Service Credits the employee shall have accumulated under the ZF Pension.

- (c) **Credited Service for Benefit Computation Purposes**  
The Plan shall not recognize any service under the ZF Pension for purposes of computing any retirement benefits under this Plan.
- (d) **No Duplication of Credited Service**  
In no event shall there be a duplication of credited service and benefits under this Plan and the ZF Pension. No former hourly Batavia Transmissions employee shall accrue more than one year of credited service for any one calendar year under both plans combined.

For calendar year 2005 and after, former hourly Batavia Transmissions employees shall accrue credited service under this Plan in accordance with Article III, Section 3, (b).

### **Section 2. Determination of Benefit Class Code**

For purposes of determining the Life income benefit rates for former hourly Batavia Transmissions employees under this Plan, Appendix C will apply.

### **Section 3. Proration of Early Retirement Supplement or Temporary Benefit When Total Combined Credited Service Equals Thirty or More Years**

To the extent any Early retirement supplement under Article VI, Section 2(b) or a Temporary Benefit under Article V, Section 2(i)(ii) or 3(g)(ii) may be payable under this Plan to a former hourly Batavia Transmissions employee, the Early retirement supplement amount will be determined under Article VI, Section 2(b) or the Temporary Benefit amount will be determined under Article V, Section 2(i)(ii) or 3(g)(ii) of this Plan at the time such employee retires, by multiplying such amount by a fraction, the numerator of which is thirty less the number of years of credited service, including fractions of a year under the ZF Pension, not to exceed thirty years and the denominator of which is thirty.

#### **Section 4. Merger of the ZF Batavia UAW Retirement Plan**

Effective December 31, 2008, the ZF Batavia UAW Retirement Plan is hereby merged into this Plan. With regard to an employee whose benefit commences after December 31, 2008, the provisions of this Article XXI, Section 1(c) and Section 3 shall cease to apply and credited service earned under the ZF Batavia UAW Retirement Plan shall be recognized by this Plan for (i) calculation of monthly retirement benefits, (ii) eligibility and calculation of the 30-year Supplemental Allowance under Article VI, Section 2(b), and (iii) eligibility and calculation of the Temporary Benefit under Article V, Section 2(i)(ii) or 3 (g)(ii), an unreduced life income benefits at age 62 and one (1) month or an employee's attainment of eligibility to receive 80% of the employee's full Social Security Retirement benefit if born between January 1, 1944 and September 14, 1949, if at retirement the employee obtained 30 years of credited service or the employee's age and years of credited service totals at least eighty-five (85).

Except as otherwise stated in this Article XXI, Section 4, the preceding provisions of this Article XXI shall remain in full force and effect.

## ARTICLE XXII

### OPTIONAL FORMS OF SURVIVORSHIP COVERAGE

#### **Section 1. Optional 100% Surviving Beneficiary Benefit**

Beginning on or after January 1, 2004, an employee may elect a reduced monthly life income benefit payable during the retired employee's life to provide the following survivor's benefits for a contingent annuitant designated by the employee in writing when the employee elects this form of survivorship benefit. If the contingent annuitant is the employee's spouse, the benefit payable to the spouse shall be equal to 100% of the reduced monthly life income payable to the employee if the spouse survives the employee. If the contingent annuitant is not a spouse, the contingent annuitant benefit shall be equal to the lesser of (i) 100% of the employee's reduced monthly life income benefit or (ii) the maximum percentage of the employee's reduced monthly life income benefit set forth in Treasury Regulations Section 1.401(a)(9)-6, Q&A-2(c)(2), as such regulations may be amended from time to time, if the contingent annuitant survives the employee. If the employee is married at the time of the election, and the contingent annuitant is other than the employee's spouse, the spouse must execute a written consent to the election witnessed by a Plan representative or a notary public at the time of the application for a normal, early or deferred vested retirement benefit. The benefit provided for under this subsection shall be the Actuarial Equivalent (as defined below) of the life income benefit that would have been payable to the retired employee if the employee had not elected a survivorship option under this subsection. The Actuarial Equivalent shall be calculated on the basis of the 1994 Uninsured Pensioner Male Mortality Table for retirees and the 1994 Uninsured Pensioner Female Mortality Table for contingent annuitants and a six percent (6%) interest rate. This option is not available to those employees who retire on disability retirement. This option shall become effective on the employee's retirement effective date and may not be cancelled for any reason.

## **Section 2. Qualified Optional 75% Surviving Beneficiary Benefit**

Beginning on or after January 1, 2008, an employee may elect a reduced monthly life income benefit payable during the retired employee's life to provide the survivor's benefits described in this Section 2 for a contingent annuitant designated by the employee in writing when the employee elects this form of survivorship benefit. If the contingent annuitant is the employee's spouse, the benefit payable to the spouse shall be equal to 75% of the reduced monthly life income payable to the employee if the spouse survives the employee. If the contingent annuitant is not a spouse, the contingent annuitant benefit shall be equal to the lesser of: (i) 75% of the employee's reduced monthly life income benefit, or (ii) the maximum percentage of the employee's reduced monthly life income benefit set forth in Treasury Regulations Section 1.401 (a) (9)-6, Q&A-2 (c) (2), as such regulations may be amended from time to time, if the contingent annuitant survives the employee. If the employee is married at the time of the election, and the contingent annuitant is other than the employee's spouse, the spouse must execute a written consent to the election witnessed by a Plan representative or a notary public at the time of application for a normal, early, or deferred vested retirement benefit. The benefit provided under this subsection shall be the Actuarial Equivalent of the life income benefit that would have been payable to the retired employee if the employee had not elected a survivorship option under this subsection. The Actuarial Equivalent shall be calculated on the same basis as described in Section 1 above. This option is not available to an employee who retires on disability retirement unless or until the date the employee meets the requirement for early retirement under Article IV, Section 2 of the Plan and upon such date shall make an irrevocable election for this option. This option shall otherwise become effective on the retired employee's retirement effective date, provided such employee does not die before such date, and may not be cancelled for any reason.

**Section 3. Optional 50% Surviving Beneficiary Benefit**

Beginning on or after January 1, 2004, an employee may elect a reduced monthly life income benefit payable during the retired employee's life, and upon death, a benefit equal to fifty percent (50%) of the reduced monthly life income benefit shall be paid during the life of, and to, the contingent annuitant designated by the employee in writing when the employee elects this form of survivorship benefit, if the contingent annuitant survives the employee. If the employee is married at the time of the election, and the contingent annuitant is other than the employee's spouse, the spouse must execute a written consent to the election witnessed by a Plan representative or a notary public at the time of application for a normal, early, or deferred vested retirement benefit. The benefit provided under this subsection shall be the Actuarial Equivalent of the life income benefit that would have been payable to the retired employee if the employee had not elected a survivorship option under this subsection. The Actuarial Equivalent shall be calculated on the same basis as described in Section 1 above. This option is not available to those employees who retire on disability retirement. This option shall become effective on the retired employee's retirement effective date, provided such employee does not die before such date, and may not be cancelled for any reason.

## APPENDIX A

### LIFE INCOME BENEFIT RATES

The life income benefit rate for monthly benefits payable on or after October 1, 2007 shall be \$28.50 to an employee who shall have retired before September 15, 1970 with benefits under Section 1, 2 or 3 of Article V.

The above life income benefit rates shall be reduced for those retirees with an overpayment balance under the Group Life and Disability Insurance Program. The amount of the reduction shall be 50% of the increase to the monthly benefit for each year of credited service until the overpayment balance has been reduced to zero (\$0). When the overpayment balance under the Group Life and Disability Insurance Program has been reduced to zero (\$0), the retired employee's monthly benefit rate will be increased to the applicable rate above, beginning the first of the month following the month in which full reduction in the Group Life and Disability Insurance Program overpayment has been achieved and subject to any applicable proration of the final reduction for the overpayment.

## APPENDIX B

### BENEFIT CLASS CODES

#### I. Benefit Class Codes

For retirement on or after October 25, 1967 but before September 15, 1973 with eligibility for a life income benefit under Section 1, 2 or 3 of Article V or a break in seniority on or after January 1, 1969 but before November 19, 1973 with eligibility for a deferred vested pension benefit under Section 4 of Article V, a Benefit Class Code for the sole purpose of this Plan is established for each job classification (or job classification with special identification) in effect on September 6, 1967, on the basis of the maximum hourly base rate (which term as used herein shall include incentive earnings) applicable to that job classification as set forth below:

Benefit Class Code	For Job Classifications* Having a Maximum Base Hourly Rate of	During the Period
A	\$3.410 or less	On or after October 25, 1967
B	\$3.415 through \$3.540	but prior to
C	\$3.545 and over	November 25, 1968

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\*For purposes hereof, the following incentive job classifications in effect on September 6, 1967 have been assigned Benefit Class Codes as stated below:

## I. Benefit Class Codes (contd.)

Benefit Class Code	For Job Classifications* Having a Maximum Base Hourly Rate of	During the Period
A	\$3.510 or less	On or after November 25, 1968
B	\$3.515 through \$3.645	but prior to
C	\$3.650 and over	November 24, 1969
A	\$3.615 or less	On or after November 24, 1969
B	\$3.620 through \$3.755	but prior to
C	\$3.760 and over	November 2, 1970
A	\$4.275 or less	On or after November 2, 1970
B	\$4.28 through \$4.42	but prior to
C	\$4.425 and over	November 22, 1971
A	\$4.405 or less	On or after November 22, 1971
B	\$4.41 through \$4.555	but prior to
C	\$4.56 and over	November 20, 1972
A	\$4.535 or less	On or after November 20, 1972
B	\$4.54 through \$4.69	but prior to
C	\$4.695 and over	September 15, 1973

\* For purposes hereof, the following incentive job classifications in effect on September 6, 1967 have been assigned Benefit Class Codes as stated below:

**INCENTIVE JOB CLASSIFICATIONS**  
**(In Effect September 6, 1967)**

**BENEFIT CLASS CODE A**

**Blast Furnace and Coke Ovens:**

Janitor (Dept. 1435); Janitor (Dept. 1624); Sweeper (Dept. 1721); Sweeper (Dept. 1722); Sweeper (Dept. 5000); Janitor #1 (Dept. 5300); Janitor (Dept. 6030); Sweeper (Dept. 7030)

**Basic Oxygen Furnace:**

Cleaner #1 (Dept. 2270)

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**Blast Furnace and Coke Ovens:**

Tool Crib Attendant General (Dept. 1624); Parts and Material Handler Heavy (Dept. 1624); Laborer (Dept. 5000); Laborer (Dept. 5300); Laborer (Dept. 5400); Labor (Dept. 6030); Labor (Dept. 6060); Labor (Dept. 6500); Labor Utility (Dept. 6500); Labor Material Unloading (Dept. 6500); Laborer (Dept. 7030); Labor Utility (Dept. 7030); Sulphate Bagging (Dept. 7270)

**Basic Oxygen Furnace:**

Cleaner (Dept. 1751); Cleaner (Dept. 2270); Cleaner #2 (Dept. 2270); Power Sweeper Operator (Dept. 2270); Labor Utility (Dept. 2400)

**Rolling Mill:**

Cleaner #1 (Dept. 1711); Cleaner #1 (Dept. 3000)

**BENEFIT CLASS CODE C**

All other incentive job classifications not listed in this footnote for Benefit Class Code A or B.

## II. Life Income Benefit Rates

The life income benefit rates for monthly benefits payable to an employee who shall have retired on or after September 15, 1970 but before September 15, 1973 with benefits under Section 1, 2 or 3 of Article V shall be as follows:

### LIFE INCOME BENEFIT RATES FOR MONTHS COMMENCING

Benefit Class Code	10-1-2007 and After
A	\$28.50
B	\$28.50
C	\$28.50

The above life income benefit rates shall be reduced for those retirees with an overpayment balance under the Group Life and Disability Insurance Program. The amount of the reduction shall be 50% of the increase to the monthly benefit for each year of credited service until the overpayment balance has been reduced to zero (\$0). When the overpayment balance under the Group Life and Disability Insurance Program has been reduced to zero (\$0), the retired employee's monthly benefit rate will be increased to the applicable rate above, beginning the first of the month following the month in which full reduction in the Group Life and Disability Insurance Program overpayment has been achieved and subject to any applicable proration of the final reduction for the overpayment.

## II. Life Income Benefit Rates (contd.)

The life income benefit rates for monthly benefits payable to a former employee who shall have incurred a break in seniority on or after January 1, 1969 but before November 19, 1973 with eligibility for a deferred vested pension benefit under Section 4 of Article V are as follows:

<b>Date of Break in Seniority</b>	<b>Benefit Class Code</b>	<b>Life Income Benefit Rate</b>
On or After January 1, 1969 But Before December 21, 1970	A	\$5.50
	B	\$5.75
	C	\$6.00
On or After December 21, 1970 But Before November 19, 1973	A	\$7.25
	B	\$7.50
	C	\$7.75

The life income benefit rate applicable to a retired employee (or former employee who shall have incurred a break in seniority and is entitled to a deferred vested pension benefit) shall be determined by the Benefit Class Code as provided herein for the job classification held by the employee for the greatest number of calendar days during the 24 consecutive months immediately preceding the employee's last day worked.

### **III. New or Obsolete Job Classifications**

The Benefit Class Code established for each job classification as provided herein shall continue in effect without change, it being understood that the Benefit Class Code established for any new job classification (or job classification with special identification) put into effect after September 6, 1967 shall have been whichever Benefit Class Code was applicable to other job classifications having the same maximum base hourly rate on the date that such new job classification was put into effect, and further, that with respect to a job classification that was obsolete as of September 6, 1967 a hypothetical maximum base hourly rate applicable thereto as of October 25, 1967 shall have been determined by increasing the maximum base hourly rate for that job classification at the time of its discontinuance to the extent necessary so as to give effect to general wage increases (including cost-of-living allowance transfers) that had occurred from the date of such discontinuance through October 25, 1967 and the Benefit Class Code for such classification so derived shall have been whichever Benefit Class Code herein was applicable to other job classifications having the same maximum base hourly rate on that date.

## APPENDIX C

### BENEFIT CLASS CODES

#### I. Benefit Class Codes

For retirement on or after September 15, 1973 with eligibility for a life income benefit under Section 1, 2 or 3 of Article V or for a break in seniority on or after November 19, 1973 with eligibility for a deferred vested pension benefit under Section 4 of Article V, a Benefit Class Code for the sole purpose of this Plan is established for each job classification (or job classification with special identification) in effect on September 14, 1973 on the basis of the maximum hourly base rate (which term as used herein shall include incentive earnings) applicable to that job classification as set forth below:

<b>For Job Classifications* Having a Maximum Base Hourly Rate on September 14, 1973 of</b>	<b>Benefit Class Code</b>
\$4.535 or less	A
\$4.54 through \$4.69	B
\$4.695 through \$5.345	C
\$5.35 and over	D

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\* For purposes hereof, the following incentive job classifications in effect on September 15, 1973 are assigned Benefit Class Codes

**INCENTIVE JOB CLASSIFICATIONS**  
(In Effect on September 15, 1973)

**Benefit Class Code A**

**Steel Division**

Blast Furnace and Coke Ovens: Janitor (Dept. 1435); Janitor (Dept. 1624); Sweeper (Dept. 1721); Sweeper (Dept. 1722); Sweeper (Dept. 5000); Janitor #1 (Dept. 5300); Janitor (Dept. 6030); Sweeper (Dept. 7030)  
Basic Oxygen Furnace: Cleaner #1 (Dept. 2270)

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**Benefit Class Code B**

**Steel Division**

Blast Furnace and Coke Ovens: Tool Crib Attendant General (Dept. 1624); Parts and Material Handler Heavy (Dept. 1624); Laborer (Dept. 5000); Laborer (Dept. 5300); Laborer (Dept. 5400); Labor (Dept. 6030); Labor (Dept. 6060); Laborer (Dept. 7030); Labor Utility (Dept. 7030); Sulphate Bagging (Dept. 7270)  
Basic Oxygen Furnace: Cleaner (Dept. 1751); Cleaner (Dept. 2200); Cleaner (Dept. 2270); Cleaner #2 (Dept. 2270); Power Sweeper Operator (Dept. 2270); Labor Utility (Dept. 2400) Rolling Mill: Cleaner #1 (Dept. 1711)

**Benefit Class Code C**

**Canton Forge Plant**

Crane Hooker (Dept. 60); Industrial Lift Truck Operator (Dept. 60)

**Steel Division**

Blast Furnace and Coke Ovens: Inspector Receiving Non-Production (Dept. 1435); Coal & Coke Sampler (Dept. 1435); Coal & Coke Sampler-Leader (Dept. 1435); Checker-Machinery and Special Equipment (Dept. 1624); Checker Receiving (Dept. 1624); Cycle Checker (Dept. 1624); Badge Crib Attendant (Dept. 1624); Crib Man-Head Stock (Dept. 1624); Head Tool Crib Attendant (Dept. 1624); Industrial Lift Truck Operator (Dept. 1624); Helper-Labor (Dept. 1721); Oiler (Dept. 1722); Clerk Maintenance (Dept. 1722); Helper-Labor (Dept. 1752); Checker-Receiving (Dept. 5300); Car Placer-Building (Dept. 5300); Clerk-Routing & Shipping (Dept. 5300); Helper-Fireman (Dept. 5300); Crane Operator Stock (Dept. 6030); Sump, Tank & Pit Cleaner (Dept. 6030); Pig Cast Floorman-Clay Mix (Dept. 6030); Labor-Leader (Dept. 6030); Labor-Utility (Dept. 6030); Gas Equipment Operator (Dept. 6030); Sprayman (Dept. 7030); Sump, Tank & Trench Cleaner (Dept. 7030); Sump, Tank & Trench Cleaner-Leader (Dept. 7030); Coal Machine & Conveyor Operator (Dept. 7040); Heater-Helper (Dept. 7150); Refractory Gun Man (Dept. 7150); Utility Oven Operator (Dept. 7150); Coke Wharf Operator (Dept. 7160); Coke Screen Operator (Dept. 7160); Coal Machine and Conveyor Operator (Dept. 7160); Loader & Shipper-Coke (Dept. 7160); Light Oil Operator (Dept. 7251); Light Oil Operator (Dept. 7252); A.C. Still Operator (Dept. 7253); Sulphate Operator (Dept. 7253); Naphthalene Operator (Dept. 7255); Gas Holder Attendant (Dept. 7260); Sulphate Dryer Operator (Dept. 7270); Sulphate Dryer Operator-Leader (Dept. 7270) Basic Oxygen Furnace: Cleaner #3 (Dept. 2200)

Rolling Mill: Cleaner #2 (Dept. 1623, 1711); Steam Cleaner (Dept. 1712); Cleaner #2 (Dept. 1712, 1713, 1931, 1932, 1934, 1935, 3351, 3400); Steam Cleaner (Dept. 3560); Cleaner #2 (Dept. 3560, 3650, 3660, 3680, 3687, 3688); Sweeper Operator (Dept. 3695); Cleaner #2 (Dept. 3695, 3752)

**Vulcan Forging Operations**

Trim Press Operator

**Benefit Class Code D**

All other incentive job classifications not listed in this footnote for Benefit Class Code A, B or C.

## II. Life Income Benefit Rates

The life income benefit rates for monthly benefits payable to employees who shall retire on or after September 15, 1973, with benefits under Section 1, 2 or 3 of Article V shall be in accordance with Table A for such retirements prior to October 1, 2007 and in accordance with Table B for retirements thereafter:

**TABLE A**  
**Life Income Benefit Rates for Months Commencing**

<b>Date of Retirement Under Plan</b>	<b>Benefit Class Code</b>	<b>10-1-2007 and After</b>
September 15, 1973 through September 1, 1984	A	\$28.50
	B	\$28.50
	C	\$28.50
	D	\$28.50

The above life income benefit rates shall be reduced for those retirees with an overpayment balance under the Group Life and Disability Insurance Program. The amount of the reduction shall be 50% of the increase to the monthly benefit for each year of credited service until the overpayment balance has been reduced to zero (\$0). When the overpayment balance under the Group Life and Disability Insurance Program has been reduced to zero (\$0), the retired employee's monthly benefit rate will be increased to the applicable rate above, beginning the first of the month following the month in which full reduction in the Group Life and Disability Insurance Program overpayment has been achieved and subject to any applicable proration of the final reduction for the overpayment.

II. Life Income Benefit Rates (contd.)

**TABLE A (contd.)**

**Life Income Benefit Rates for Months Commencing**

Date of Retirement Under Plan	Benefit Class Code	10-1-2007 and After
October 1, 1984 through September 1, 1985	A	\$29.50
	B	\$29.75
	C	\$30.00
	D	\$30.25
October 1, 1985 through September 1, 1986	A	\$29.60
	B	\$29.85
	C	\$30.10
	D	\$30.35
October 1, 1986 through September 1, 1987	A	\$29.70
	B	\$29.95
	C	\$30.20
	D	\$30.45

II. Life Income Benefit Rates (contd.)

**TABLE A (contd.)**

**Life Income Benefit Rates for Months Commencing**

Date of Retirement Under Plan	Benefit Class Code	10-1-2007 and After
October 1, 1987 through September 1, 1988	A	\$32.70
	B	\$32.95
	C	\$33.20
	D	\$33.45
October 1, 1988 through September 1, 1989	A	\$32.80
	B	\$33.05
	C	\$33.30
	D	\$33.55
October 1, 1989 through September 1, 1990	A	\$32.90
	B	\$33.15
	C	\$33.40
	D	\$33.65

**II. Life Income Benefit Rates (contd.)**  
**TABLE A (contd.)**  
**Life Income Benefit Rates for Months Commencing**

Date of Retirement Under Plan	Benefit Class Code	10-1-2007 and After
October 1, 1990 through September 1, 1993	A	\$36.10
	B	\$36.35
	C	\$36.60
	D	\$36.85
October 1, 1993 through September 1, 1996	A	\$39.10
	B	\$39.35
	C	\$39.60
	D	\$39.85
October 1, 1996 through September 1, 1999	A	\$42.50
	B	\$42.75
	C	\$43.00
	D	\$43.25

## II. Life Income Benefit Rates (contd.)

**TABLE A (contd.)**  
**Life Income Benefit Rates for Months Commencing**

<b>Date of Retirement Under Plan</b>	<b>Benefit Class Code</b>	<b>10-1-2007 and After</b>
October 1, 1999 through September 1, 2003	A	\$48.70
	B	\$48.95
	C	\$49.20
	D	\$49.45
September 1, 2003 through September 1, 2007	A	\$52.90
	B	\$53.15
	C	\$53.40
	D	\$53.65

The above life income benefit rates shall be reduced for those retirees with an overpayment balance under the Group Life and Disability Insurance Program. The amount of the reduction shall be 50% of the increase to the monthly benefit for each year of credited service until the overpayment balance has been reduced to zero (\$0). When the overpayment balance under the Group Life and Disability Insurance Program has been reduced to zero (\$0), the retired employee's monthly benefit rate will be increased to the applicable rate above, beginning the first of the month following the month in which full reduction in the Group Life and Disability Insurance Program overpayment has been achieved and subject to any applicable proration of the final reduction for the overpayment.

## II. Life Income Benefit Rates (contd.)

**TABLE B**  
**Life Income Benefit Rates for Months Commencing**

Date of Retirement Under Plan	Benefit Class Code	10-1-2007 through 9-1-2008	10-1-2008 through 9-1-2009	10-1-2009 through 9-1-2010	10-1-2010 and After
October 1, 2007 and After	A	\$52.90	\$53.10	\$53.30	\$53.55
	B	\$53.15	\$53.35	\$53.55	\$53.80
	C	\$53.40	\$53.60	\$53.80	\$54.05
	D	\$53.65	\$53.85	\$54.05	\$54.30

The above life income benefit rates shall be reduced in accordance with Section I and II of Appendix C-1 for those retirees with an overpayment balance under the Group Life and Disability Insurance Program.

## II. Life Income Benefit Rates (contd.)

The life income benefit rates for monthly benefits payable to former employees who shall incur a break in seniority on or after November 19, 1973 with eligibility for a deferred vested pension benefit under Section 4 of Article V shall be as follows:

<b>Date of Break in Seniority</b>	<b>Benefit Class Code</b>	<b>Life Income Benefit Rate</b>
November 19, 1973	A	\$ 8.00
through	B	\$ 8.25
February 28, 1974	C&D	\$ 8.50
March 1, 1974	A	\$ 8.75
through	B	\$ 9.00
September 30, 1974	C&D	\$ 9.25
October 1, 1974	A	\$ 9.25
through	B	\$ 9.50
September 30, 1976	C	\$ 9.75
	D	\$10.00

**II. Life Income Benefit Rates (contd.)**

<b>Date of Break in Seniority</b>	<b>Benefit Class Code</b>	<b>Life Income Benefit Rate</b>
October 1, 1976 through September 30, 1978	A	\$9.75
	B	\$10.00
	C	\$10.25
	D	\$10.50
October 1, 1978 through September 30, 1979	A	\$10.75
	B	\$11.00
	C	\$11.25
	D	\$11.50
October 1, 1979 through January 31, 1980	A	\$15.75
	B	\$16.00
	C	\$16.25
	D	\$16.50
February 1, 1980 through July 31, 1980	A	\$15.95
	B	\$16.20
	C	\$16.45
	D	\$16.70

**II. Life Income Benefit Rates (contd.)**

<b>Date of Break in Seniority</b>	<b>Benefit Class Code</b>	<b>Life Income Benefit Rate</b>
August 1, 1980 through September 30, 1980	A	\$16.20
	B	\$16.45
	C	\$16.70
	D	\$16.95
October 1, 1980 through January 31, 1981	A	\$16.55
	B	\$16.80
	C	\$17.05
	D	\$17.30
February 1, 1981 through July 31, 1981	A	\$16.85
	B	\$17.10
	C	\$17.35
	D	\$17.60
August 1, 1981 through September 30, 1981	A	\$17.15
	B	\$17.40
	C	\$17.65
	D	\$17.90

**II. Life Income Benefit Rates (contd.)**

<b>Date of Break in Seniority</b>	<b>Benefit Class Code</b>	<b>Life Income Benefit Rate</b>
October 1, 1981 through January 31, 1982	A	\$17.55
	B	\$17.80
	C	\$18.05
	D	\$18.30
February 1, 1982 through July 31, 1982	A	\$17.85
	B	\$18.10
	C	\$18.35
	D	\$18.60
August 1, 1982 through September 30, 1984	A	\$18.20
	B	\$18.45
	C	\$18.70
	D	\$18.95
October 1, 1984 through March 31, 1985	A	\$19.20
	B	\$19.45
	C	\$19.70
	D	\$19.95

## II. Life Income Benefit Rates (contd.)

Date of Break in Seniority	Benefit Class Code	Life Income Benefit Rate
April 1, 1985 through September 30, 1985	A	\$19.75
	B	\$20.00
	C	\$20.25
	D	\$20.50
October 1, 1985 through March 31, 1986	A	\$20.30
	B	\$20.55
	C	\$20.80
	D	\$21.05
April 1, 1986 through September 30, 1986	A	\$20.90
	B	\$21.15
	C	\$21.40
	D	\$21.65
October 1, 1986 through March 31, 1987	A	\$21.45
	B	\$21.70
	C	\$21.95
	D	\$22.20

## II. Life Income Benefit Rates (contd.)

Date of Break in Seniority	Benefit Class Code	Life Income Benefit Rate
April 1, 1987 through September 30, 1987	A	\$22.05
	B	\$22.30
	C	\$22.55
	D	\$22.80
October 1, 1987 through September 30, 1988	A	\$23.45
	B	\$23.70
	C	\$23.95
	D	\$24.20
October 1, 1988 through September 30, 1989	A	\$24.85
	B	\$25.10
	C	\$25.35
	D	\$25.60
October 1, 1989 through September 30, 1990	A	\$26.25
	B	\$26.50
	C	\$26.75
	D	\$27.00

**II. Life Income Benefit Rates (contd.)**

<b>Date of Break in Seniority</b>	<b>Benefit Class Code</b>	<b>Life Income Benefit Rate</b>
October 1, 1990 through September 30, 1991	A	\$28.35
	B	\$28.60
	C	\$28.85
	D	\$29.10
October 1, 1991 through September 30, 1992	A	\$29.50
	B	\$29.75
	C	\$30.00
	D	\$30.25
October 1, 1992 through September 30, 1993	A	\$30.70
	B	\$30.95
	C	\$31.20
	D	\$31.45
October 1, 1993 through September 30, 1994	A	\$32.50
	B	\$32.75
	C	\$33.00
	D	\$33.25

**II. Life Income Benefit Rates (contd.)**

<b>Date of Break in Seniority</b>	<b>Benefit Class Code</b>	<b>Life Income Benefit Rate</b>
October 1, 1994 through September 30, 1995	A	\$33.50
	B	\$33.75
	C	\$34.00
	D	\$34.25
October 1, 1995 through September 30, 1996	A	\$34.70
	B	\$34.95
	C	\$35.20
	D	\$35.45
October 1, 1996 through September 1, 1997	A	\$36.10
	B	\$36.35
	C	\$36.60
	D	\$36.85
October 1, 1997 through September 1, 1998	A	\$37.50
	B	\$37.75
	C	\$38.00
	D	\$38.25

**II. Life Income Benefit Rates (contd.)**

<b>Date of Break in Seniority</b>	<b>Benefit Class Code</b>	<b>Life Income Benefit Rate</b>
October 1, 1998 through September 1, 1999	A	\$39.25
	B	\$39.50
	C	\$39.75
	D	\$40.00
October 1, 1999 through September 1, 2000	A	\$40.80
	B	\$41.05
	C	\$41.30
	D	\$41.55
October 1, 2000 through September 1, 2001	A	\$42.50
	B	\$42.75
	C	\$43.00
	D	\$43.25
October 1, 2001 through September 1, 2002	A	\$44.50
	B	\$44.75
	C	\$45.00
	D	\$45.25

**II. Life Income Benefit Rates (contd.)**

<b>Date of Break in Seniority</b>	<b>Benefit Class Code</b>	<b>Life Income Benefit Rate</b>
October 1, 2002 through September 1, 2003	A	\$46.70
	B	\$46.95
	C	\$47.20
	D	\$47.45
October 1, 2003 through September 1, 2004	A	\$47.75
	B	\$48.00
	C	\$48.25
	D	\$48.50
October 1, 2004 through September 1, 2005	A	\$48.80
	B	\$49.05
	C	\$49.30
	D	\$49.55
October 1, 2005 through September 1, 2006	A	\$49.85
	B	\$50.10
	C	\$50.35
	D	\$50.60

**II. Life Income Benefit Rates (contd.)**

<b>Date of Break in Seniority</b>	<b>Benefit Class Code</b>	<b>Life Income Benefit Rate</b>
October 1, 2006 through September 1, 2007	A	\$50.90
	B	\$51.15
	C	\$51.40
	D	\$51.65
October 1, 2007 through September 1, 2008	A	\$52.90
	B	\$53.15
	C	\$53.40
	D	\$53.65
October 1, 2008 through September 1, 2009	A	\$53.10
	B	\$53.35
	C	\$53.60
	D	\$53.85
October 1, 2009 through September 1, 2010	A	\$53.30
	B	\$53.55
	C	\$53.80
	D	\$54.05

## II. Life Income Benefit Rates (contd.)

Date of Break in Seniority	Benefit Class Code	Life Income Benefit Rate
October 1, 2010	A	\$53.55
and	B	\$53.80
After	C	\$54.05
	D	\$54.30

The life income benefit rate applicable to a retired employee or a former employee who shall incur a break in seniority and is entitled to a deferred vested pension benefit shall be determined by the Benefit Class Code for the job classification held by the employee for the greatest number of calendar days during the 24 consecutive months immediately preceding the employee's last day worked.

## III. New or Obsolete Job Classifications

The Benefit Class Code established for each job classification as provided herein shall continue in effect without change throughout the term of the Agreement Concerning Retirement Plan, it being understood that the Benefit Class Code to be established for any new job classification (or job classification with special identification) put into effect after September 14, 1973 shall be whichever Benefit Class Code is applicable to other job classifications having the same maximum base hourly rate on the date that such new job classification is put into effect, and further, that with respect to a job classification that was obsolete as of September 14, 1973 a hypothetical maximum base hourly rate applicable thereto as of that date shall be determined by increasing the maximum base hourly rate for that job classification at the time of its discontinuance to the extent necessary so as to give effect to general wage increases (including cost-of-living allowance transfers) that have occurred from the date of such discontinuance through September 14, 1973 and the Benefit Class Code for such classification so derived shall be whichever Benefit Class Code herein is applicable to other job classifications having the same maximum base hourly rate on that date.

## APPENDIX – C-1

**Life Income Benefit Rates for Retired Employees with a Benefit Overpayment Under the Group Life and Disability Insurance Program at or after Retirement**

I. For Benefits Commencing on or after October 1, 2007 with overpayment on or before October 1, 2007:

<b>Benefit Class Code</b>	<b>10-1-2007 to 9-1-2008</b>	<b>10-1-2008 to 9-1-2009</b>	<b>10-1-2009 to 9-1-2010</b>	<b>10-1-2010 and after</b>
A	\$51.90	\$52.00	\$52.10	\$52.25
B	\$52.15	\$52.25	\$52.35	\$52.50
C	\$52.40	\$52.50	\$52.60	\$52.75
D	\$52.65	\$52.75	\$52.85	\$53.00

For Benefits Commencing between October 1, 2007 and September 1, 2008 with overpayment on or before October 1, 2008:

<b>Benefit Class Code</b>	<b>10-1-2007 to 9-1-2008</b>	<b>10-1-2008 to 9-1-2009</b>	<b>10-1-2009 to 9-1-2010</b>	<b>10-1-2010 and after</b>
A	\$52.90	\$53.00	\$53.10	\$53.25
B	\$53.15	\$53.25	\$53.35	\$53.50
C	\$53.40	\$53.50	\$53.60	\$53.75
D	\$53.65	\$53.75	\$53.85	\$54.00

For Benefits Commencing between October 1, 2008 and September 1, 2009 with overpayment on or before October 1, 2009:

<b>Benefit Class Code</b>	<b>10-1-2007 to 9-1-2008</b>	<b>10-1-2008 to 9-1-2009</b>	<b>10-1-2009 to 9-1-2010</b>	<b>10-1-2010 and after</b>
A	\$52.90	\$53.10	\$53.20	\$53.35
B	\$53.15	\$53.35	\$53.45	\$53.60
C	\$53.40	\$53.60	\$53.70	\$53.85
D	\$53.65	\$53.85	\$53.95	\$54.10

For Benefits Commencing between October 1, 2009 and September 1, 2010 with overpayment on or before October 1, 2010:

<b>Benefit Class Code</b>	<b>10-1-2007 to 9-1-2008</b>	<b>10-1-2008 to 9-1-2009</b>	<b>10-1-2009 to 9-1-2010</b>	<b>10-1-2010 and after</b>
A	\$52.90	\$53.10	\$53.30	\$53.45
B	\$53.15	\$53.35	\$53.55	\$53.70
C	\$53.40	\$53.60	\$53.80	\$53.95
D	\$53.65	\$53.85	\$54.05	\$54.20

## II. Reduction of Group Life and Disability Insurance Program Overpayment

Notwithstanding any other provisions in the Plan to the contrary, once the overpayment balance under the Group Life and Disability Insurance Program is reduced to zero (\$0), the benefit rates under I and II of this Appendix shall revert to the amounts under Appendix C as applicable, beginning the first of the month following the month in which full reduction in the Group Life and Disability Insurance Program overpayment has been achieved and subject to any applicable proration of the final reduction for the overpayment.

## APPENDIX D

## TEMPORARY BENEFIT RATES

The temporary benefit rate payable October 1, 2007 and after for an employee who shall retire on or after September 15, 1973 with benefits under Section 2(i) or 3(g) of Article V shall be as follows:

<b>Date of Retirement Under Plan</b>	<b>Payable 10-1-2007 and After Monthly Temporary Benefit Amount for Each Year of Credited Service up to Maximum of 25 Years*</b>	<b>Maximum Monthly Temporary Benefit</b>
September 15, 1973 through February 1, 1974	\$17.15	\$428.75
March 1, 1974 through September 1, 1976	\$18.15	\$453.75
October 1, 1976 through September 1, 1978	\$18.65	\$466.25
October 1, 1978 through September 1, 1979	\$19.65	\$491.25
October 1, 1979 through September 1, 1980	\$20.65	\$516.25

\* Monthly Temporary Benefit amount for each year of credited service up to a maximum of 30 years effective for an employee who shall retire on or after January 1, 1983 with benefit under Section 2(i) or 3(g) of Article V.

<b>Date of Retirement Under Plan</b>	<b>Payable 10-1-2007 and After</b>	
	<b>Monthly Temporary Benefit Amount for Each Year of Credited Service up to Maximum of 25 Years*</b>	<b>Maximum Monthly Temporary Benefit</b>
October 1, 1980 through September 1, 1981	\$21.65	\$541.25
October 1, 1981 through December 1, 1982	\$22.65	\$566.25
January 1, 1983 through September 1, 1985	\$22.65	\$679.50
October 1, 1985 through September 1, 1986	\$23.65	\$709.50
October 1, 1986 through September 1, 1987	\$24.65	\$739.50
October 1, 1987 through September 1, 1988	\$24.85	\$745.50
October 1, 1988 through September 1, 1989	\$25.95	\$778.50

\* Monthly Temporary Benefit amount for each year of credited service up to a maximum of 30 years effective for an employee who shall retire on or after January 1, 1983 with benefit under Section 2(i) or 3(g) of Article V.

<b>Date of Retirement Under Plan</b>	<b>Payable 10-1-2007 and After</b>	
	<b>Monthly Temporary Benefit Amount for Each Year of Credited Service up to Maximum of 25 Years*</b>	<b>Maximum Monthly Temporary Benefit</b>
October 1, 1989 through September 1, 1990	\$27.05	\$811.50
October 1, 1990 through September 1, 1991	\$29.40	\$882.00
October 1, 1991 through September 1, 1992	\$31.60	\$948.00
October 1, 1992 through September 1, 1993	\$33.70	\$ 1,011.00
October 1, 1993 through September 1, 1994	\$34.40	\$1,032.00
October 1, 1994 through September 1, 1995	\$35.35	\$1,060.50

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\* Monthly Temporary Benefit amount for each year of credited service up to a maximum of 30 years effective for an employee who shall retire on or after January 1, 1983 with benefit under Section 2(i) or 3(g) of Article V.

<b>Date of Retirement Under Plan</b>	<b>Payable 10-1-2007 and After</b>	
	<b>Monthly Temporary Benefit Amount for Each Year of Credited Service up to Maximum of 25 Years*</b>	<b>Maximum Monthly Temporary Benefit</b>
October 1, 1995 through September 1, 1996	\$36.50	\$1,095.00
October 1, 1996 through September 1, 1997	\$36.75	\$1,102.50
October 1, 1997 through September 1, 1998	\$38.00	\$1,140.00
October 1, 1998 through September 1, 1999	\$39.65	\$1,189.50
October 1, 1999 through September 1, 2000	\$39.85	\$1,195.50
October 1, 2000 through September 1, 2001	\$41.45	\$1,243.50

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\* Monthly Temporary Benefit amount for each year of credited service up to a maximum of 30 years effective for an employee who shall retire on or after January 1, 1983 with benefit under Section 2(i) or 3(g) of Article V.

<b>Date of Retirement Under Plan</b>	<b>Payable 10-1-2007 and After</b>	
	<b>Monthly Temporary Benefit Amount for Each Year of Credited Service up to Maximum of 25 Years*</b>	<b>Maximum Monthly Temporary Benefit</b>
October 1, 2001 through September 1, 2002	\$43.35	\$1,300.50
October 1, 2002 through September 1, 2003	\$45.45	\$1,363.50
October 1, 2003 through September 1, 2004	\$46.75	\$1,402.50
October 1, 2004 through September 1, 2005	\$48.05	\$1,441.50
October 1, 2005 through September 1, 2006	\$49.50	\$1,485.00
October 1, 2006 through September 1, 2007	\$50.80	\$1,524.00

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\* Monthly Temporary Benefit amount for each year of credited service up to a maximum of 30 years effective for an employee who shall retire on or after January 1, 1983 with benefit under Section 2(i) or 3(g) of Article V.

<b>Date of Retirement Under Plan</b>	<b>Payable 10-1-2007 and After</b>	
	<b>Monthly Temporary Benefit Amount for Each Year of Credited Service up to Maximum of 25 Years*</b>	<b>Maximum Monthly Temporary Benefit</b>
October 1, 2007 through September 1, 2008	\$50.80	\$1,524.00
October 1, 2008 through September 1, 2009	\$51.00	\$1,530.00
October 1, 2009 through September 1, 2010	\$51.20	\$1,536.00
October 1, 2010 and After	\$51.40	\$1,542.00

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\* Monthly Temporary Benefit amount for each year of credited service up to a maximum of 30 years effective for an employee who shall retire on or after January 1, 1983 with benefit under Section 2(i) or 3(g) of Article V.

**APPENDIX E****EARLY RETIREMENT SUPPLEMENT**

The amount of total monthly benefits for determining the early retirement supplement payable on or after October 1, 2007, under the provisions of Article VI, Section 2(a), or 2(b) of the Plan shall be as follows:

- I. Amount of Total Monthly Benefits for Determining the Early Retirement Supplement Through the Month in Which the Retired Employee Attains Age 62 and One Month Shall be Determined in Accordance With Table A for Retirements Prior to October 1, 2007, and in Accordance With Table B for Retirements Thereafter.

**TABLE A**

<b>Date of Retirement Under Plan</b>	<b>For Months Commencing 10-1-2007 and After</b>
Prior to October 1, 1984	\$1,545.00
October 1, 1984 through September 1, 1985	\$1,640.00
October 1, 1985 through September 1, 1986	\$1,650.00
October 1, 1986 through September 1, 1987	\$1,660.00
October 1, 1987 through September 1, 1988	\$1,905.00

**TABLE A**

<b>Date of Retirement Under Plan</b>	<b>For Months Commencing 10-1-2007 and After</b>
October 1, 1988 through September 1, 1989	\$1,915.00
October 1, 1989 through September 1, 1990	\$1,925.00
October 1, 1990 through September 1, 1993	\$2,150.00
October 1, 1993 through September 1, 1996	\$2,320.00
October 1, 1996 through September 1, 1999	\$2,505.00
October 1, 1999 through September 1, 2003	\$2,850.00
October 1, 2003 through September 1, 2007	\$3,140.00

**TABLE B**

<b>Date of Retirement Under Plan</b>	<b>For Months Commencing</b>			
	<b>10-1-2007 through 9-1-2008</b>	<b>10-1-2008 through 9-1-2009</b>	<b>10-1-2009 through 9-1-2010</b>	<b>10-1-2010 and After</b>
October 1, 2007 and After	\$3,140.00	\$3,150.00	\$3,160.00	\$3,170.00

II. Amount of Total Monthly Benefits for Determining the Early Retirement Supplement After the Month in Which the Retired Employee Attains Age 62 and One Month and Through the Month in Which the Employee Attains Age 65.

<b>Date of Retirement Under Plan</b>	<b>For Months Commencing 10-1-99 through September 1, 2002</b>
Prior to March 1, 1974	\$720.00
March 1, 1974 through September 1, 1976	\$712.50
October 1, 1976 through September 1, 1978	\$712.50
October 1, 1978 through September 1, 1979	\$712.50

**APPENDIX F****INTERIM SUPPLEMENT RATES****TABLE A**

The amount of interim supplement\* for each year of credited service for an employee who shall retire under Article IV, Section 2(a) on or after October 1, 1990 with less than 30 years of credited service and before age 62 and one month shall be as follows:

**Date of Retirement Under the Plan  
Prior to October 1, 1996**

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<b>Attained Age At Date of Retirement Under The Plan</b>	<b>For Months Commencing October 1, 2007 and After</b>
55	\$ 15.95
56	18.80
57	22.80
58	26.70
59	29.85
60	34.50
61	34.50

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\* Prorated for intermediate ages computed on the basis of the number of complete calendar months by which the employee is under the age that the employee will attain at the employee's next birthday.

**TABLE A (contd.)**

The amount of interim supplement\* for each year of credited service for an employee who shall retire under Article IV, Section 2(a) on or after October 1, 1990 with less than 30 years of credited service and before age 62 and one month shall be as follows:

**Date of Retirement Under the Plan  
On Or After October 1, 1996 but prior to October 1, 1999**

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<b>Attained Age At Date of Retirement Under The Plan</b>	<b>For Months Commencing October 1, 2007 and After</b>
<u>          </u>	<u>          </u>
55	\$ 17.40
56	20.50
57	24.85
58	29.10
59	32.50
60	37.60
61	37.60

**Date of Retirement Under the Plan  
On Or After October 1, 1999 but prior to October 1, 2003**

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<b>Attained Age At Date of Retirement Under The Plan</b>	<b>For Months Commencing October 1, 2007 and After</b>
<u>          </u>	<u>          </u>
55	\$ 20.00
56	23.60
57	28.55
58	33.45
59	37.30
60	43.20
61	43.20

\* Prorated for intermediate ages computed on the basis of the number of complete calendar months by which the employee is under the age that the employee will attain on the employee's next birthday.

**TABLE A (contd.)**

The amount of interim supplement\* for each year of credited service for an employee who shall retire under Article IV, Section 2(a) on or after October 1, 1990 with less than 30 years of credited service and before age 62 and one month shall be as follows:

**Date of Retirement Under the Plan**  
**On Or After October 1, 2003 but prior to October 1, 2007**

<b>Attained Age At Date of Retirement Under <u>The Plan</u></b>	<b>For Months Commencing October 1, 2007 <u>and After</u></b>
55	\$ 22.35
56	26.35
57	31.90
58	37.35
59	41.65
60	48.25
61	48.25

\* Prorated for intermediate ages computed on the basis of the number of complete calendar months by which the employee is under the age that the employee will attain on the employee's next birthday.

**TABLE B****For Retirements on or After October 1, 2007****Amount of Interim Supplement  
for Months Commencing**

<u>Attained Age at Date of Retirement Under Plan</u>	<u>October 1, 2007 through September 1,2008</u>	<u>October 1, 2008 through September 1, 2009</u>	<u>October 1, 2009 through September 1, 2010</u>	<u>October 1, 2010 and After</u>
55	\$22.35	\$22.45	\$22.55	\$22.60
56	\$26.35	\$26.50	\$26.60	\$26.70
57	\$31.90	\$32.00	\$32.15	\$32.25
58	\$37.35	\$37.50	\$37.65	\$37.80
59	\$41.65	\$41.85	\$42.00	\$42.20
60	\$48.25	\$48.45	\$48.65	\$48.85
61	\$48.25	\$48.45	\$48.65	\$48.85

## APPENDIX G

### FOUNDRY SERVICE

For the sole purpose of Article III, Section 7 of this Plan, all job classifications in effect on September 15, 1973, in the Cleveland Casting Plant, the Dearborn Iron Foundry, the Dearborn Specialty Foundry and the Michigan Casting Center, are designated Foundry Jobs except the following job classifications:

Cleveland Casting Plant, Dearborn Iron Foundry, Dearborn Specialty Foundry, Michigan Casting Center:

All job classifications included in Appendix F of the Collective Bargaining Agreement

Cleveland Casting Plant:

- Crane Operator (Lima-Northwest)
- Crane Operator-Bridge (Outside)
- Driver-Truck
- Driver-Truck-Semitrailer
- Heavy Equipment Operator-Riverfront

Dearborn Iron Foundry:

- Cleaner-General-Group #1\*
- Cleaner-General-Group #2\*
- Cleaner-General-Group #3\*
- Crib Attendant-Head Tool\*
- Crib Attendant-Tool Die and Machine Repair\*
- Trucker\*
- Cylinder Block Handler\*
- Grinder-Finish\*
- Impregnator & Water Tester\*
- Repair-Bench-Heavy\*
- Repair-Cylinder Block\*
- Welder-Arc, Acetylene and Gas\*
- Janitor & Mover
- Clerk-Key Punch & Verifier
- Clerk-Tabulator

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\* Excluded from designation as a Foundry Job only in the case of an employee who is assigned to the Dearborn Iron Foundry payroll but is working outside the Dearborn Iron Foundry building.

## Michigan Casting Center:

- Driver-Truck
- Driver-Truck-Semitrailer
- Gas Pump Attendant & Checker
- Trackmobile
- Heavy Equipment Operator & Minor Maintenance

No other job classifications shall be designated Foundry Jobs, except that (i) any job classification put into effect after September 15, 1973 at a plant identified above in this Appendix G shall be designated a Foundry Job if such job classification (A) supersedes or replaces a job classification designated above as a Foundry Job for such plant and (B) becomes applicable to employees who perform substantially the same work as had been performed by employees while on a job classification designated above as a Foundry Job for such plant; and (ii) any job classification in effect at a plant identified above in this Appendix G that was discontinued at such plant prior to September 15, 1973 shall be designated a Foundry Job if the work that was performed by employees on such discontinued job classification shall conform substantially to work performed at the same plant by employees on a job classification designated above as a Foundry.

**APPENDIX G-1****COKE OVENS AND MOLD FOUNDRY JOBS**

For the sole purpose of Article III, Section 9 of this Plan, all job classifications in effect on October 1, 1979 in the Steel Division Departments identified below are designated Coke Ovens and Mold Foundry Jobs:

Departments 1435, 1722, 2400, 7030, 7040, 7150 and 7160

No other job classifications shall be designated Coke Ovens and Mold Foundry Jobs, except that (i) any job classification put into effect after October 1, 1979 in the Departments identified above shall be designated a Coke Oven and Mold Foundry Job if such job classification (A) supersedes or replaces a job classification designated above as a Coke Ovens and Mold Foundry Job and (B) becomes applicable to employees who perform substantially the same work as had been performed by employees while on a job classification designated above as a Coke Ovens and Mold Foundry Job, and (ii) any job classification in effect in these departments that was discontinued prior to October 1, 1979 shall be designated a Coke Ovens and Mold Foundry Job if the work that was performed by employees on such discontinued job classifications shall conform to work performed by employees on a job classification designated above as a Coke Ovens and Mold Foundry Job.

**APPENDIX H****REDUCTION FACTORS AT SELECTED AGES FOR  
DISABILITY SURVIVOR OPTION BEFORE AGE 55  
PURSUANT TO ARTICLE V, SECTION 5 (f)**

Age of Employee When Benefits Commence	Age Difference Between Disabled Employee and Spouse; Spouse is;				
	10 Years Younger	5 Years Younger	Same Age	5 Years Older	10 Years Older
30	8.6%	8.1%	7.5%	6.7%	5.9%
35	10.4	9.9	9.2	8.3	7.2
40	12.5	11.8	11.0	10.0	8.8
45	14.3	13.5	12.7	11.6	10.3
50	13.9	13.2	12.4	11.4	10.2
51	13.1	12.5	11.7	10.8	9.7
52	10.4	9.9	9.3	8.6	7.7
53	3.4	3.2	3.0	2.8	2.5
54	3.4	3.3	3.1	2.8	2.5

NOTE: Actuarial reduction factors for ages not shown above will be calculated on the same basis as the factors shown above.

**APPENDIX I****STANDARDS FOR APPLICATION OF SPECIAL  
EARLY RETIREMENT PROVISION FORD-UAW  
RETIREMENT PLAN<sup>1</sup>**

Article IV, Section 2(b) of the Ford-UAW Retirement Plan provides that an employee on or after October 1, 1987, may be retired early under mutually satisfactory conditions providing the employee is otherwise eligible. The following standards have been adopted by the Company as a guide in the application of this provision.

**STANDARDS**

- A. An employee who is inefficient by reason of permanent disability and who has been on the active employment rolls on or after 9-1-58.\*

The retirement must be in the best interests of the Company. It is intended to benefit employees unable to work efficiently through no fault of their own. This contemplates that the efficiency of operation will be improved by reason of the retirement which may be the case in any of the following situations:

- (i) The employee is no longer physically or mentally capable of performing the employee's work in an efficient and satisfactory manner.
- (ii) The employee, though still capable of performing the employee's work satisfactorily, is prevented by chronic physical illness or physical disability (less than total) from working regularly to the extent that efficiency of operation is interfered with.

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<sup>1</sup> This language was formerly in the 1990 Letter of Understanding, Standards to Implement Special Early Retirement Provisions.

\* Person on the medical layoff list may be considered if the employee has been on the active employment rolls on or after March 1, 1950.

- (iii) The employee's condition, based on medical evidence satisfactory to the Company, is such that, although able to perform the duties of the employee's job satisfactorily, the employee would thereby be jeopardizing the employee's health or that of fellow employees, and it is expected that this condition will be continuous until the employee's normal retirement age.
- (iv) The employee is on medical leave (medical leave expired) or medical layoff and the employee's condition, based on medical evidence satisfactory to the Company, is expected to be continuous until the employee's normal retirement age, and the probability that the employee will be reinstated prior to the employee's normal retirement age is remote because of the employee's physical condition.

The determination of Company interest is not necessarily to be made only in reference to the particular job held by the employee; consideration should be given to the possibility of placing the employee on other work in line with the employee's physical capacity and seniority.

It is in the Company's interest to see that this provision of the Plan is not abused or misused.

A discharge for cause shall not constitute retirement under mutually satisfactory conditions. It is not in the Company's best interests to reward misconduct, including deliberate poor job performance or absenteeism, with higher retirement benefits.

- B. An employee who is laid off:
  - (i) Special early retirement will be offered to an employee who is laid off on or after October 1, 1987 as a result of a plant closing or discontinuance of operations.
  - (ii) Effective on or after October 1, 1987 special early retirement will also be offered to an employee whose layoff appears to be permanent and who appears to have no further opportunity for employment with the Company.

## INSURANCE PROGRAM

### ARTICLE IX\*

#### WAGES AND OTHER ECONOMIC MATTERS

##### Section 27. Insurance

###### (a) The Insurance Program

For the duration of this Agreement, the Insurance Program shall be that which is attached hereto, hereinafter referred to as the “Program.”\* It consists of two parts, each negotiated by the Company and the Union and made a part of this Agreement, one known as “Group Life and Disability Insurance” and one known as “Hospital-Surgical-Medical-Drug-Dental-Vision Expense Coverages” or “H-S-M-D-D-V Program.”

###### (b) Financing

The Company will make the payments or contributions (collectively “contributions”) due from it for the Program in respect to insurance premiums, subscription rates, administrative services only arrangements or other arrangements, in accordance with the terms of the Program. The Company by payment of its contributions shall be relieved of any further liability with respect to the benefits of the Program, except as otherwise may be required by the Employee Retirement Income Security Act of 1974 (ERISA). The Company shall receive and retain any divisible surplus, credits or refunds or reimbursements under whatever name arising out of the Program.

###### (c) Administration

The Company shall arrange for the administration of the Program, subject to its provisions. The Company shall be under no obligation by reason of the Program except in good faith to endeavor to obtain its coverages and to fulfill any other obligations specifically required in this Section 27 or in the Program.

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\* The provisions of Section 27 of Article IX of the Collective Bargaining Agreement are reprinted here for convenience.

**(d) Named Fiduciary and Allocation of Responsibilities**

Pursuant to ERISA, the Company (except where an insurer or third party contractor must be treated as a fiduciary to process claims or hear appeals from benefit denials) shall be the sole named fiduciary with respect to the Program and, except as otherwise specifically provided in this Program, shall have authority to control and manage the operation and administration of the Program.

The Board of Directors of the Company shall have the authority on behalf of the Company to approve Program amendments except that the Group Vice President and General Counsel, Group Vice President-Human Resources and Corporate Services and Executive Vice President and Chief Financial Officer are designated to approve Program additions, deletions and modifications on behalf of the Company to the extent deemed necessary or appropriate under ERISA, HIPAA, the Affordable Care Act and such other laws as may contain requirements for the Insurance Program in effect from time to time.

Except as otherwise provided in this Section or in the Program, the Group Vice President-Human Resources and Corporate Services and Executive Vice President and Chief Financial Officer are designated to carry out the Company's responsibilities with respect to the Program. The Group Vice President Human Resources and Corporate Services and Executive Vice President and Chief Financial Officer may allocate responsibilities between themselves and may designate other persons to carry out specific responsibilities on behalf of the Company.

In the event of a change in a designated officer's title, the officer or officers with functional responsibility for the Program shall have the authority to the extent described in this subsection.

Any Company director, officer or employee who shall have been expressly designated pursuant to the Program to carry out specific Company responsibilities shall be acting on behalf of the Company. Any person or group of persons may serve in more than one capacity with respect to the Program

and may employ one or more persons to render advice with regard to any responsibility such director, officer or employee has under the Program.

(e) **Exclusion from Umpire's Powers**

The Umpire shall have no jurisdiction over any matter arising under this Section 27 or under the Program.

(f) **Effective Dates**

- (1) Except as otherwise specifically provided in the Program, its H-S-M-D-D-V Program provisions shall become effective **November 23, 2015**.
- (2) Except as otherwise specifically provided in the Program, its Group Life and Disability Insurance provisions shall become effective **November 23, 2015**, with respect to employees then at work, and on the first day worked thereafter with respect to other employees. Group Life and Disability Insurance for employees for whom the provisions of the Program shall not have become effective shall be governed by the provisions, conditions, and limitations of the Program as constituted on the date each such employee was last actively at work.
- (3) For those to whom they become applicable, the provisions of the Program shall be used in lieu of the provisions of the previous programs, and benefits under the Program shall be reduced where benefits received under the previous programs would reduce benefits if they had been received under this Program.

## GROUP LIFE AND DISABILITY INSURANCE

Incorporated by reference in the Collective Bargaining Agreement dated **November 23, 2015** (herein called the **2015 Collective Bargaining Agreement**).

### Section 1. Coverages

For Temporary Part-Time or **Short-Term Supplemental Employees**, see Appendix K. **The benefits and provisions of the Program are not applicable for Long-Term Supplemental Employees.**

**In-Progression employees** hired on or after November 19, 2007 as “Entry Level” employees, as defined in the 2007 UAW-Ford Collective Bargaining Agreement, will be eligible for benefits as set forth in the provisions of the Appendix V, Memorandum of Understanding, UAW-Ford **In-Progression Wage & Benefit Agreement For Employees Hired On Or After November 19, 2007**, provided in the **2015 Collective Bargaining Agreement**.

**Skilled Trades employees hired after October 24, 2011, and former Entry Level employees who transitioned to regular employment during 2015 shall be eligible for benefits as set forth in this section, except as specified in Letter of Understanding dated November 5, 2015, Subject: Benefits for Former “Entry Level” Employees Who Transitioned to Regular Employment and Certain Skilled Trades Employees.**

For the Group Life and Disability Insurance Program, references to “insurance,” “insured,” “insurance coverage,” “insurance contract” or “premiums” may include the Company’s provision of coverage through insurance, an administrative services only arrangement or any other arrangement as may be subsequently agreed upon by the Company and the Union. “Insurer” means UniCare Life and Health Insurance Company (or another reputable insurance company of the Company’s choice) or, if a benefit is provided under an administrative services only arrangement, the administrator of such arrangement.

The following coverages, each as hereinafter described, shall be provided under the Company’s group insurance contract with UniCare Life and Health Insurance Company (or another reputable

insurer or insurers of the Company's choice) except that accident and sickness insurance and extended disability insurance shall be provided through an administrative services only arrangement:

- (a) Life insurance, and
- (b) Safety belt user benefit, and
- (c) Survivor income benefits, and
- (d) Accidental death and dismemberment insurance, and
- (e) Accident and sickness insurance, and
- (f) Extended disability insurance.

The Company will provide employees the opportunity to purchase the following coverages; Optional Life, Dependent Life, and Optional Accident through group insurance contracts.

### **Section 2. Company Contributions**

The Company shall pay for the applicable coverage of an employee:

- (a) For any month he receives pay from the Company for any time during such month, and
- (b) For life insurance provided after the month in which the employee becomes age 65 if he is insured at age 65.

The Company shall also pay for the applicable coverages for periods during which coverages are continued under Section 14 without cost to the employee, and shall pay the portions not covered by employee contributions for periods during which coverages are continued under Section 14 by employee contributions.

**Section 3. Schedule of Benefits****(a) For employees****(i) Life and Accidental Death and Dismemberment Coverage**

Base Hourly Rate <sup>1</sup>	Life Insurance	Accidental Death and Dismemberment Benefit <sup>2</sup>
Up to but less than 14.30	32,500	16,250
14.30 but less than 14.65	33,500	16,750
14.65 but less than 15.00	34,000	17,000
15.00 but less than 15.35	35,000	17,500
15.35 but less than 15.70	36,000	18,000
15.70 but less than 16.05	36,500	18,250
16.05 but less than 16.40	37,500	18,750
16.40 but less than 16.75	38,000	19,000
16.75 but less than 17.10	38,500	19,250
17.10 but less than 17.45	39,500	19,750
17.45 but less than 17.80	40,500	20,250
17.80 but less than 18.15	41,000	20,500
18.15 but less than 18.50	42,500	21,250
18.50 but less than 18.85	43,000	21,500
18.85 but less than 19.20	44,000	22,000
19.20 but less than 19.55	44,500	22,250
19.55 but less than 19.90	45,500	22,750
19.90 but less than 20.25	46,500	23,250
20.25 but less than 20.60	47,000	23,500
20.60 but less than 20.95	47,500	23,750
20.95 but less than 21.30	48,500	24,250
21.30 but less than 21.65	49,000	24,500
21.65 but less than 22.00	50,000	25,000
22.00 but less than 22.35	50,500	25,250
22.35 but less than 22.70	51,500	25,750
22.70 but less than 23.05	52,500	26,250
23.05 but less than 23.40	53,000	26,500
23.40 but less than 23.75	54,000	27,000
23.75 but less than 24.10	54,500	27,250
24.10 but less than 24.45	55,500	27,750
24.45 but less than 24.80	56,500	28,250
24.80 but less than 25.15	57,000	28,500

<sup>1</sup> If an employee is under an incentive plan, coverage is based upon average straight time hourly earnings (as defined in Section 5).

<sup>2</sup> Three times the scheduled amount may be payable for an occupational-related death (as defined in Section 10).

Base Hourly Rate <sup>1</sup>	Life Insurance	Accidental Death and Dismemberment Benefit <sup>2</sup>
25.15 but less than 25.50	58,000	29,000
25.50 but less than 25.85	58,500	29,250
25.85 but less than 26.20	59,500	29,750
26.20 but less than 26.55	60,500	30,250
26.55 but less than 26.90	61,000	30,500
26.90 but less than 27.25	62,000	31,000
27.25 but less than 27.60	62,500	31,250
27.60 but less than 27.95	63,500	31,750
27.95 but less than 28.30	64,500	32,250
28.30 but less than 28.65	65,000	32,500
28.65 but less than 29.00	66,000	33,000
29.00 but less than 29.35	67,500	33,750
29.35 but less than 29.70	68,000	34,000
29.70 but less than 30.05	69,000	34,500
30.05 but less than 30.40	70,000	35,000
30.40 but less than 30.75	70,500	35,250
30.75 but less than 31.10	71,500	35,750
31.10 but less than 31.45	72,000	36,000
31.45 but less than 31.80	72,500	36,250
31.80 but less than 32.15	73,000	36,500
32.15 but less than 32.50	74,000	37,000
32.50 but less than 32.85	75,000	37,500
32.85 but less than 33.20	75,500	37,750
33.20 but less than 33.55	76,500	38,250
33.55 but less than 33.90	77,000	38,500
33.90 but less than 34.25	78,000	39,000
34.25 but less than 34.60	79,000	39,500
34.60 but less than 34.95	79,500	39,750
34.95 but less than 35.30	80,500	40,250
35.30 but less than 35.65	81,000	40,500
35.65 but less than 36.00	82,500	41,250
36.00 but less than 36.35	83,500	41,750
36.35 but less than 36.70	84,500	42,250
36.70 but less than 37.05	85,000	42,500
37.05 but less than 37.40	86,000	43,000
37.40 and over	86,500	43,250

<sup>1</sup> If an employee is under an incentive plan, coverage is based upon average straight time hourly earnings (as defined in Section 5).

<sup>2</sup> Three times the scheduled amount may be payable for an occupational-related death (as defined in Section 10).

(ii) Disability coverage for employees last at work on or after **November 23, 2015** through September 14, **2019**.

Base Hourly Rate <sup>1</sup>	Weekly Accident and Sickness Benefits <sup>2</sup>	Monthly Extended Disability Benefits <sup>2</sup>	
		Schedule I <sup>3</sup>	Schedule II <sup>3</sup>
Up to but less than \$14.30	\$340	\$1250	\$1370
14.30 but less than 14.65	345	1280	1405
14.65 but less than 15.00	355	1310	1440
15.00 but less than 15.35	365	1340	1475
15.35 but less than 15.70	375	1370	1505
15.70 but less than 16.05	380	1405	1540
16.05 but less than 16.40	390	1435	1575
16.40 but less than 16.75	400	1465	1610
16.75 but less than 17.10	405	1495	1640
17.10 but less than 17.45	415	1525	1675
17.45 but less than 17.80	425	1560	1710
17.80 but less than 18.15	430	1590	1745
18.15 but less than 18.50	440	1620	1780
18.50 but less than 18.85	450	1650	1810
18.85 but less than 19.20	455	1680	1845

<sup>1</sup> If an employee is under an incentive plan, coverage is based upon average straight time hourly earnings (as defined in Section 5).

<sup>2</sup> Subject to reduction for other benefits described in Section 11 or 13. Accident and Sickness Benefits subject to adjustment for short-service employees as described in Section 11(d).

<sup>3</sup> Schedule II applies to eligible employees who on their last day worked preceding a continuous period of disability either have ten or more years of credited service under the Retirement Plan or ten or more years of participation under Group Life and Disability Insurance. Schedule I applies to all other employees eligible for Extended Disability Benefits.

Base Hourly Rate <sup>1</sup>	Weekly Accident and Sickness Benefits <sup>2</sup>	Monthly Extended Disability Benefits <sup>2</sup>	
		Schedule I <sup>3</sup>	Schedule II <sup>3</sup>
\$19.20 but less than \$19.55	\$465	\$1710	\$1880
19.55 but less than 19.90	475	1745	1915
19.90 but less than 20.25	480	1775	1950
20.25 but less than 20.60	490	1805	1980
20.60 but less than 20.95	500	1835	2015
20.95 but less than 21.30	505	1865	2050
21.30 but less than 21.65	515	1900	2085
21.65 but less than 22.00	525	1930	2120
22.00 but less than 22.35	530	1960	2150
22.35 but less than 22.70	540	1990	2185
22.70 but less than 23.05	550	2020	2220
23.05 but less than 23.40	555	2055	2255
23.40 but less than 23.75	565	2085	2290
23.75 but less than 24.10	575	2115	2320
24.10 but less than 24.45	585	2145	2355
24.45 but less than 24.80	590	2175	2390
24.80 but less than 25.15	600	2205	2425
25.15 but less than 25.50	610	2240	2460

<sup>1</sup> If an employee is under an incentive plan, coverage is based upon average straight time hourly earnings (as defined in Section 5).

<sup>2</sup> Subject to reduction for other benefits described in Section 11 or 13. Accident and Sickness Benefits subject to adjustment for short service employees as described in Section 11(d).

<sup>3</sup> Schedule II applies to eligible employees who on their last day worked preceding a continuous period of disability either have ten or more years of credited service under the Retirement Plan or ten or more years of participation under Group Life and Disability Insurance. Schedule I applies to all other employees eligible for Extended Disability Benefits.

Base Hourly Rate <sup>1</sup>	Weekly Accident and Sickness Benefits <sup>2</sup>		Monthly Extended Disability Benefits <sup>2</sup>	
	Schedule I <sup>3</sup>	Schedule II <sup>3</sup>	Schedule I <sup>3</sup>	Schedule II <sup>3</sup>
\$25.50 but less than \$25.85	\$615	\$2270	\$2490	\$2490
25.85 but less than 26.20	625	2300	2525	2525
26.20 but less than 26.55	635	2330	2560	2560
26.55 but less than 26.90	640	2360	2595	2595
26.90 but less than 27.25	650	2395	2630	2630
27.25 but less than 27.60	660	2425	2660	2660
27.60 but less than 27.95	665	2455	2695	2695
27.95 but less than 28.30	675	2485	2730	2730
28.30 but less than 28.65	685	2515	2765	2765
28.65 but less than 29.00	690	2550	2795	2795
29.00 but less than 29.35	700	2580	2830	2830
29.35 but less than 29.70	710	2610	2865	2865
29.70 but less than 30.05	715	2640	2900	2900
30.05 but less than 30.40	725	2670	2935	2935
30.40 but less than 30.75	735	2700	2965	2965
30.75 but less than 31.10	740	2735	3000	3000
31.10 but less than 31.45	750	2765	3035	3035
31.45 but less than 31.80	760	2795	3070	3070

<sup>1</sup> If an employee is under an incentive plan, coverage is based upon average straight time hourly earnings (as defined in Section 5).

<sup>2</sup> Subject to reduction for other benefits described in Section 11 or 13. Accident and Sickness Benefits subject to adjustment for short service employees as described in Section 11(d).

<sup>3</sup> Schedule II applies to eligible employees who on their last day worked preceding a continuous period of disability either have ten or more years of credited service under the Retirement Plan or ten or more years of participation under Group Life and Disability Insurance. Schedule I applies to all other employees eligible for Extended Disability Benefits.

Base Hourly Rate <sup>1</sup>	Weekly Accident and Sickness Benefits <sup>2</sup>		Monthly Extended Disability Benefits <sup>2</sup>	
	Schedule I <sup>3</sup>	Schedule II <sup>3</sup>	Schedule I <sup>3</sup>	Schedule II <sup>3</sup>
\$31.80 but less than \$32.15	\$765	\$2825	\$3105	\$3105
32.15 but less than 32.50	775	2855	3135	3135
32.50 but less than 32.85	785	2890	3170	3170
32.85 but less than 33.20	795	2920	3205	3205
33.20 but less than 33.55	800	2950	3240	3240
33.55 but less than 33.90	810	2980	3275	3275
33.90 but less than 34.25	820	3010	3305	3305
34.25 but less than 34.60	825	3045	3340	3340
34.60 but less than 34.95	835	3075	3375	3375
34.95 but less than 35.30	845	3105	3410	3410
35.30 but less than 35.65	850	3135	3445	3445
35.65 but less than 36.00	860	3165	3475	3475
36.00 but less than 36.35	870	3195	3510	3510
36.35 but less than 36.70	875	3230	3545	3545
36.70 but less than 37.05	885	3260	3580	3580
37.05 but less than 37.40	895	3290	3615	3615
37.40 and over	900	3320	3645	3645

<sup>1</sup> If an employee is under an incentive plan, coverage is based upon average straight time hourly earnings (as defined in Section 5).

<sup>2</sup> Subject to reduction for other benefits described in Section 11 or 13. Accident and Sickness Benefits subject to adjustment for short service employees as described in Section 11(d).

<sup>3</sup> Schedule II applies to eligible employees who on their last day worked preceding a continuous period of disability either have ten or more years of credited service under the Retirement Plan or ten or more years of participation under Group Life and Disability Insurance. Schedule I applies to all other employees eligible for Extended Disability Benefits.

**(b) After Retirement****(1) Life Insurance-10 or more Years**

Effective March 1, 2012, if an employee is insured who retires with 10 or more years of creditable service under the Retirement Plan, his/her Life Insurance shall be continued until his/her death. However, effective the first day of the 18th month following the employee's retirement effective date, the amount of such insurance shall be gradually reduced at the rate of 2% each month until an ultimate amount of Life Insurance called "Continuing Group Life Insurance" (CGL) is reached.

The Continuing Group Life Insurance (CGL) amount will be determined by multiplying by 1 1/2% his/her years of creditable service under the Retirement Plan. This amount will then be multiplied by the amount of Life Insurance in force on the date of retirement.

The minimum amount of CGL is the greater of 15% of Life Insurance in force at retirement (with 10 years of creditable service) or \$5,000. Under the Disability Retirement provisions of the Retirement Plan, life insurance will not reduce to less than \$15,000.

**(2) Life Insurance-Less than 10 Years**

Effective March 1, 2012, if an employee retires with less than 10 years of creditable service under the Retirement Plan, his/her Life Insurance will not be continued.

**Section 4. Commencement of Coverage**

Coverage becomes effective as set forth below:

- (a) Employees hired or rehired: The date of hire or rehire, except that Accident and Sickness and Extended Disability Benefit Insurance coverages do not commence until the first of the sixth month following date hired or rehired.
- (b) Employees reinstated: Date of reinstatement for Life, AD&D, and Survivor Income Benefit; for A&S and EDB, if insured at last termination.

Provided, however, that if accident or sickness keeps the employee from work on the day he/she would otherwise

become insured, the insurance does not take effect until the day he/she returns to work.

An employee returning from military service under Article VIII, Section 33 of the Collective Bargaining Agreement shall be eligible for all coverage on the first day he/she is reinstated.

### **Section 5. When Scheduled Amounts of Insurance Change**

Changes in the employee's scheduled amounts of benefits as a result of changes in his base hourly rate, will be made as follows:

<b>If in a New Insurance Bracket on</b>	<b>The Change Takes Effect on</b>
January 1	February 1
April 1	May 1
July 1	August 1
October 1	November 1

Provided, however, that if accident or sickness keeps him from work on the day the change would otherwise be effective, the change does not take effect until the day he returns to work.

For employees under an incentive plan, benefit amounts are determined on the basis of average straight-time hourly earnings (exclusive of shift differentials, overtime, cost-of-living allowance or other extras) during the four pay periods worked immediately preceding January 1, April 1, July 1 and October 1.

### **Section 6. Benefit Payments**

#### **(a) General**

Life and Accidental Death and Dismemberment claims are paid promptly upon submission of satisfactory proof of death, accident or loss. Survivor Income Benefits are paid upon continuing proof of eligibility as a Survivor. Accident and Sickness Benefits are paid to the eligible employee weekly subject to receipt of due proof. Extended Disability Benefits are paid to the eligible employee monthly following the date of expiration of the maximum number of weeks for which

the employee is entitled to receive Accident and Sickness Benefits, subject to receipt of due proof.

Except for Survivor Income Benefits, benefit payments shall be based upon the employee's base hourly rate (exclusive of shift differentials, overtime, cost-of-living allowance or other extras) on the last day the employee worked preceding death or disability, or if higher, the greater of the scheduled amounts applicable to the employee as described in Section 5 on the last two dates on which Insurance Bracket changes took effect, immediately preceding death or disability.

For Accident and Sickness Benefits and Extended Disability Benefits, if an employee at work on or after October 25, 1999 becomes disabled again by an old accident or illness without having returned to work for three consecutive months or more, the benefits shall be the amount the employee would have received under a continuation of the prior claim.

If an employee is under an incentive plan, benefits (other than Survivor Income Benefits) shall be based on the employee's average straight-time hourly earnings (exclusive of shift differentials, overtime, cost-of-living allowance or other extras) during the four pay periods worked immediately preceding the pay period during which the employee dies, or becomes disabled, or, if higher, on the scheduled amounts applicable to the employee as described in Section 5 on the last two dates on which Insurance Bracket changes took effect, immediately preceding death or disability.

If an employee is assigned a lower rated job because of an occupational disability with a resulting loss in pay, benefit payments shall be based on base hourly rate at the time of injury, during periods while the employee is at work and for which weekly Workers' Compensation is received by the employee for such loss in pay.

(b) **Incompetents**

If the person to whom a payment is otherwise payable is incompetent or otherwise incapable of giving a valid release, the Insurer may withhold payment until a guardian of such person is appointed or, at its option in the case of payments

due on a weekly or monthly basis, pay any relative of such person by blood or marriage or any other individual or institution appearing to it to have assumed custody of such person. The liability of the Insurer shall be fully discharged to the extent of such payment.

(c) **Settlement Options**

The amount of any valid life insurance or accidental death and dismemberment insurance claim for death, less, in the case of life insurance, any payment made in accordance with Subsection 7(c) below, shall be paid in one sum if such amount is less than \$10,000. If \$10,000 or more **and the beneficiary so elects, an interest bearing draft account** shall be established for the beneficiary under the provisions of UNICARE'S **Access Advantage** Program once the beneficiary's claim form is completed and submitted. **If not elected by the beneficiary, the amount shall be paid in one sum.**

(d) **Recovery of Benefit Overpayments**

If it is determined that any benefits paid to an employee should not have been paid or should have been paid in a lesser amount, including a situation where other payments for a previous period cause a redetermination of the benefits that should have been paid, written notice thereof shall be given to such employee and he shall repay the amount of the overpayment to the Insurer provided, however, that no repayment shall be required if notice has not been given within one year from the date the overpayment was established and the overpayment was caused solely by Company or Insurer error.

If the employee fails to repay such amount of overpayment promptly, the Insurer may arrange to recover the amount of the overpayment by making an appropriate deduction or deductions from any future benefit payment or payments payable to the employee, or the Company at the Insurer's request may make an appropriate deduction or deductions from future compensation payable by the Company to the employee.

(e) **Subrogation**

If an employee's death or disability for which any Accident and Sickness (A&S) and/or Extended Disability Benefits (EDB) are paid under the Plan is the result of circumstances or an event which creates a legal liability in another person or entity and the employee (or his/her dependents or personal representative) seeks to recover compensatory or economic damages through legal or other action against that person or entity, the Company or Insurer may take legal or other action to join the action initiated by the employee to recover the cost of benefits paid by the Plan. If compensatory or economic losses (but not punitive damages or sums allocated to compensate for pain and/or suffering) are recovered by an employee or his/her estate in a personal injury action, such payments shall be offset from the benefits paid or payable from the Plan. If the employee's recovery creates an overpayment of the benefits paid by the Plan and the Company or Insurer is not reimbursed by the employee from such recovery, the Insurer may initiate its normal "Overpayment Recovery Procedures" to recoup the overpayment from the employee. When recovery is made by the Company or claims processor under this provision, a share of the expense of the recovery, including attorney fees, will be paid by the Plan. The expenses to be paid will be those ordered by the court or, in absence of a court order, in the same proportion as the amount recovered by the Plan represents of the total recovered as a result of the personal injury action.

If the employee (or his/her dependent or personal representative) does not commence an action to enforce the liability of the other person or entity within eighteen (18) months after the occurrence of the death or disability, the Company or Insurer may, in its own name and within the period of time for commencement of actions prescribed by statute, initiate action to enforce the right of recovery against the liable person or entity.

The amount to be subrogated under this provision will not exceed the total cost of the benefits paid by the Plan.

Subrogation will not be pursued if it will result in an employee's gross recovery being less than the total of the benefits paid or payable under the Plan.

This subrogation provision will not impede any action initiated by the Company to recover medical benefits paid under the HSMDDV Plan according to the subrogation provisions of that Plan.

## **Section 7. Life Insurance**

### **(a) Benefit**

If an employee dies from any cause while insured, the amount for which he/she is insured shall be paid to the person he/she has named as beneficiary. If an employee names more than one primary beneficiary, and a primary beneficiary predeceases the employee, the full death benefit upon the death of the employee is paid to the remaining primary beneficiaries. In the event the last named beneficiary dies before the employee, or if no beneficiary shall have been named, the life insurance will be paid to the employee's wife, husband, or Qualified Same-Sex Domestic Partner (as defined in Section 9(f)), if living; if not living, equally to the employee's surviving children; if none survive, to either the employee's mother or father, or to both equally if both survive; **if none survive, equally to the employee's surviving siblings**; if there are no such survivors, to the executors or administrators of the employee's estate.

### **(b) Beneficiary Designation**

An employee, or retiree with life insurance in force, has the right to name the beneficiary of his/her choice, and to change his/her beneficiary at any time. The beneficiary is that designation last made by the employee or retiree as indicated on the records of the Insurer.

When the Insurer receives notice of a beneficiary change, the change then relates back to and takes effect as of the date the employee signed such notice, according to the date shown thereon, whether or not he/she is living when the Insurer

received such notice, but without prejudice to the Insurer on account of any payment it may have made before receipt of such written notice.

(c) **Burial Expenses**

The Insurer, upon receipt of satisfactory documentation, may deduct from the sum payable upon an employee's death up to the statutory limit (\$10,240.00 in 2015, and adjusted annually for changes in the Consumer Price Index (CPI)), to be paid to any person or persons who appear to have incurred expenses in connection with the employee's burial. The insurer will not exercise the right to distribute some of the proceeds for burial expenses under the following circumstances:

- Where the death claim is in dispute or litigation
- Where the beneficiary (or guardian of a beneficiary who is a minor, incompetent or otherwise unable to give a valid release) does not agree to such a distribution.

(d) **Assignment**

Life Insurance is not assignable, unless the assignment is made in writing and consented to by the Insurer in writing.

(e) **Accelerated Benefits**

Terminally ill employees and retirees may elect to receive a portion of their life insurance plan proceeds in advance of their deaths. The amount of life coverage that remains in force will be reduced by the amount paid out under the accelerated benefits option. Accelerated benefits may be paid to an employee or retiree only once.

Under this option insured employees and retirees who are diagnosed with a terminal condition may receive up to **eighty** percent of coverage in force in a one-time lump sum payment. **The combined accelerated benefit amounts under Basic and Optional Life Insurance may not exceed \$500,000.** Under this provision, "terminal illness" means an injury or sickness expected to result in death within one year without any reasonable prospect of recovery as determined by the insurer, its medical staff or a qualified party selected by the insurer.

The accelerated benefit will be calculated on the amount of life insurance in force when application for the benefit is made, except the maximum benefit would be 50% of the Continuing Group Life (CGL) or ultimate amount for any employee or retiree whose benefit is in the process of reducing when application is made or whose benefit will begin to reduce during the one-year life expectancy period.

The accelerated benefits option would apply to all employees and retirees with Company paid coverage. The option will not apply to the following:

- Individuals who are cash paying for life insurance coverage while a grievance is pending or while on layoff or leave of absence.
- Permanently and totally disabled individuals who have already drawn on their life benefits.
- Individuals who have irrevocably assigned their life insurance and
- When all or a portion of the life insurance is to be paid to a former spouse as part of a divorce agreement.

### **Section 8. Safety Belt User Benefit Program**

The Company will provide coverage for a Safety Belt User Benefit as set forth in Exhibit II.

In the event of any conflict between the provisions of Exhibit II and any other provision of this Program, the provisions of Exhibit II will supersede such other provision to the extent they apply to Exhibit II. The terms of the insurance policy or the terms of an administrative services only arrangement shall govern as to any determination regarding the payment of benefits.

### **Section 9. Survivor Income Benefits**

**Any reference in this Section to Same-Sex Domestic Partner, including the definition of spouse, shall be governed by the letter of understanding, dated November 5, 2015, titled “Transition of Same-Sex Domestic Partner Benefits.”**

#### **(a) Transition Survivor Income Benefit**

If an employee dies while insured for Survivor Income Benefits, leaving one or more Survivors, as defined below, the Insurer shall begin payment of not more than 24 monthly Survivor Income Benefits (“Transition Survivor Income Benefits”), provided at least one of such Survivors is living on the first day of the month following the employee’s death and then qualifies as the employee’s Survivor.

The amount of the monthly Transition Survivor Income Benefit is \$700 for eligible survivors of an employee who is at work on or after October 24, 2011 for any month for which no eligible survivor of the deceased employee is eligible for an unreduced old-age benefit, a survivor’s benefit not reduced because of age or disability benefit under the Federal Social Security Act as now in effect or as hereafter amended, and otherwise is \$375 for eligible survivors of an employee who is at work on or after October 24, 2011. For months in which two or more survivors share a Benefit, each survivor’s share is computed as a fraction of the Benefit that would be paid to the survivor as a sole survivor, according to such survivor’s own eligibility for Social Security benefits.

The amount of monthly Transition Survivor Income Benefit for a survivor of an employee who last worked prior to October 24, 2011 remains unchanged.

The first such benefit is payable on the first day of the month following the employee's death. Thereafter, a monthly Survivor Income Benefit is payable on the first day in each of the next 23 months, but if on the first day of any month after the employee's death no person then living qualifies as the employee's survivor, no such benefit is payable for that month or any subsequent month.

Survivors are classified and defined as follows:

- (1) A "Class A Survivor" means the employee's widow, whether or not remarried, but only if she was married to the employee for at least a year immediately prior to his death.
- (2) A "Class B Survivor" means an employee's widower, whether or not remarried, but only if he was married to the employee for at least a year immediately prior to her death.
- (3) A "Class C Survivor" means the employee's child who at the employee's death and at the time a Survivor Income Benefit first becomes payable to such child is both unmarried and either (i) under 21 years of age, or (ii) at least age 21 but under age 25, or (iii) totally and permanently disabled at any age over 21; provided, however, that a child under clause (ii), (iii), or (iv) must have been legally residing with and dependent upon the employee at the time of his/her death. A child ceases to be a Class C Survivor upon marrying, or if not totally and permanently disabled, upon reaching his or her 25th birthday. To qualify as the employee's child, the child must be one of the following:
  - (i) The employee's own child born prior to the first of the month following the employee's death,
  - (ii) The employee's legally adopted child or a child with respect to whom he/she had initiated legal

adoption proceedings which were terminated by his/her death,

- (iii) The employee's step-child who resided with him/her at the time of his/her death.
- (iv) The unmarried child of an employee's Qualified Same-Sex Domestic Partner (Partner) if they are that Partner's natural or legally adopted child, a child under age 18 placed with the Qualified Same-Sex Domestic Partner for legal adoption, or a child for whom the Qualified Same-Sex Domestic Partner has been appointed legal guardian. The child/children must live with the employee and be claimed as an exemption by the employee under sections 151 and 152 of the Internal Revenue Code for income tax purposes.

For purposes of (1) and (2) above, a Qualified Same-Sex Domestic Partner of an employee qualifies as a survivor of that class whether or not such person has married or entered into a new SSDP relationship, but only if he or she was identified by the Company as a Qualified Same-Sex Domestic Partner of the deceased employee from an Affidavit for Same-Sex Domestic Partnership Benefits filed by the employee with the Company for at least one year prior to the employee's death.

- (4) A "Class D Survivor" means the employee's parent for whom he had, during the calendar year immediately preceding his death, provided at least 50% of such parent's support, if such parent was
  - (i) The employee's father or mother by blood relationship, or
  - (ii) The employee's adopting parent.
- (5) The survivors entitled to each monthly Survivor Income Benefit that becomes payable under this Subsection 9(a) shall be determined as follows:
  - (i) The employee's Class A or Class B Survivor who is living on the first day of a month shall be

entitled to the benefit payable for such month;

- (ii) If neither the employee's Class A nor Class B Survivor is living on the first day of a month, persons who qualify on that day as his Class C Survivors, excluding any then deceased, shall be entitled to the benefit payable for that month; two or more such persons to share the benefit equally;
- (iii) If neither the employee's Class A nor Class B Survivor is living on the first day of a month and no living person qualifies on that day as the employee's Class C Survivor, persons who qualify on that day as the employee's Class D Survivors, excluding any then deceased, shall be entitled to the benefit payable for that month; two such persons to share the benefit equally;
- (iv) In any case in which the Class A or Class B eligible survivor does not receive Survivor Income Benefits because of a waiver under Section 9(e), any payments of Transition Survivor Income Benefits to a Class C or Class D eligible survivor shall be determined as if the deceased Class A or Class B eligible survivor had not waived such benefits. In no event, however, would any such benefit be paid to a Class C or Class D eligible survivor for any month for which Transition Survivor Income Benefits would have been payable to the Class A or Class B eligible survivor except for the waiver or for any month subsequent to 24 calendar months after the date of death of the insured employee.

(b) **Bridge Survivor Income Benefit**

A Class A or Class B Survivor to whom 24 monthly Transition Survivor Income Benefits have been paid shall be paid an additional monthly Survivor Income Benefit ("Bridge Survivor Income Benefit") for each month thereafter (except as provided in (e), below) while such survivor lives and continues to qualify as a survivor until the earlier of (i) her or his remarriage, or (ii) her or his attainment of age 62 (age

62 and one month, if she or he attains age 62 and (1) will not receive any Widow's or Widower's Insurance Benefits under the Federal Social Security Act during such additional month, (2) will not be eligible for a Survivor Benefit under the Retirement Plan and (3) will be eligible to receive and applies for a reduced Old-Age Benefit under the Federal Social Security Act that will initially be paid during the 2nd month following the 62nd birthday) or such lower age at which full Widow's or Widower's Insurance Benefits become payable under the Federal Social Security Act as it may be amended, provided, however, that no additional monthly survivor benefit shall be payable to a Class A or Class B Survivor for any month for which she or he is eligible because of the care of a child to receive under such Act Mother's Insurance Benefits or a comparable benefit for a father, whether or not called a Father's Insurance Benefit.

The amount of the monthly Bridge Survivor Income Benefit is \$700 for a survivor of an employee at work on or after **November 23, 2015**.

The amount of the monthly Bridge Survivor Income Benefit for a survivor of an employee who last worked prior to **November 23, 2015** remains unchanged.

(c) **Assignment and Attachment**

An employee may not assign his Survivor Income Benefits and his survivors may not assign any monthly Survivor Income Benefit that becomes payable.

To the extent permitted by applicable law, monthly Survivor Income Benefits shall not be subject to attachment or other encumbrance or subject to the debts or liability of any survivor.

(d) **Proof of Death and Entitlement**

Survivor Income Benefits become payable only if due proof of the employee's death is submitted to the Insurer. Payment of each monthly Survivor Income Benefit is subject to the condition that the person claiming the benefit submit to the Insurer due proof of entitlement to such benefit.

(e) **Waiver**

An eligible Class A or Class B Survivor of an employee may execute a waiver with respect to any right to receive Survivor Income Benefits for any period by completing a waiver form furnished by the Insurer for that purpose, regardless of the date the deceased employee last worked, such waiver being effective the first of the second month following the month in which such waiver is received by the Insurer. No Survivor Income Benefits shall be payable for any period covered by such waiver; provided, however, any month in which a Survivor Income Benefit is not paid because of such waiver shall be counted as if it is a month for which a benefit is paid under (a) above for the purpose of determining the maximum number of monthly Transition Survivor Income Benefits. An eligible Class A or Class B Survivor may revoke such a waiver by completing the appropriate form furnished by the Insurer, such revocation being effective with respect to Survivor Income Benefits payable on and after the first of the second month following the month in which such revocation is received by the Insurer.

(f) **Same-Sex Domestic Partner (SSDP)**

To qualify as a Same-Sex Domestic Partner of an employee, an individual must meet all of the following conditions:

The employee and partner must:

- (i) Be of the same sex;
- (ii) Share a continuous committed relationship with each other for no less than six months, intend to do so indefinitely, and have no relationship with any other person.
- (iii) Be jointly responsible for each other's welfare and financial obligations;
- (iv) Reside in the same household;
- (v) Not be related by blood to a degree of kinship that would prevent marriage from being recognized under the laws of their state of residence;

- (vi) Must reside in a state where marriage between persons of the same-sex is not recognized as a valid marriage, or, if residing in a state that recognizes same-sex unions, enter into such union as recognized by the state;
- (vii) Both partners be over age 18, of legal age, and legally competent to enter into a contract in the state residence;
- (viii) Neither partner be married to a third party; and
- (ix) Provide the Company with an affidavit for Qualified Same-Sex Domestic Partnership benefits, such affidavit form to be available from the Company upon request.

Benefit coverage for an individual as a Qualified Same-Sex Domestic Partner of an employee ends when the individual ceases to meet all of the above eligibility criteria.

Prior to payment of any benefits under the Plan to a Qualified Same-Sex Domestic Partner (SSDP), evidence will be required that the domestic partner relationship has been continuous in existence from the date on which the employee submitted an Affidavit for Domestic Partnership Benefits to the date of the event for which benefits are claimed.

Coverage of Qualified Same-Sex Domestic Partners is limited to active employees covered by this Agreement. Current retirees may not cover an SSDP. Active employees who retire while providing coverage for an SSDP may continue to cover that person, and the person's eligible children, during retirement. Additional persons may not be added to those covered under the SSDP provisions after an employee's retirement or death.

## **Section 10. Accidental Death and Dismemberment Insurance**

### **(a) Benefit**

If an employee has an accidental bodily injury and dies or incurs any of the other losses described below as a result of such injury, and dies or incurs any of the other losses within two years of such accident, the employee or the employee's designated beneficiary receives the following benefits, provided the employee is insured for this coverage at the time of such injury and at the time of such loss:

<b>Loss</b>	<b>Accidental Death and Dismemberment Benefit</b>
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Accidental Death, including presumption of accidental death due to disappearance, or death due to exposure to elements as a result of an accident, or accidental loss of more than one of the following: hand, foot, or sight of an eye

Equal to one-half Life Insurance in force

Accidental loss of one of the following: hand, foot, or sight of an eye

Equal to one-quarter Life Insurance in force

If the employee is unavoidably exposed to the elements solely as the result of an Accident, and as a direct result of such exposure the employee suffers a Loss for which benefits would otherwise be payable under the Schedule of Losses, such Loss will be covered in accordance with all other provisions.

If, as a result of the Accidental destruction or disappearance of a conveyance in which the employee is riding, the employee disappears and if the body is not found within one year of the date of the report of the disappearance, then it will be presumed that there was Loss of life due to Accidental bodily Injury if there is no evidence to the contrary and supporting documentation from the appropriate court is provided. If the employee is later found alive after a benefit has been paid, the beneficiary must repay the benefit paid. If the employee is later found dead after this benefit has already been paid, additional benefits are not payable.

Loss of a hand or a foot means loss by severance at or above the wrist or ankle joint; and loss of sight of an eye means total and irrevocable loss of sight.

Accidental Death and Dismemberment Insurance is provided while the employee is insured for life insurance during active service and while life insurance is continued as specified in

Section 14, but in no event beyond eighteen months following the employee's retirement effective date.

If loss of life results from accidental bodily injuries caused solely by employment with the Company, and results solely from an accident in which the cause and result are unexpected and definite as to time and place, the total amount payable as an accidental death and dismemberment benefit shall be three times the scheduled amount of Accidental Death and Dismemberment Benefit then in force.

(b) **Examination**

In the case of Dismemberment claims, the Insurer has the right as often as it may reasonably require to examine the employee at its expense while the claim is pending. It also has the right to make an autopsy, where not forbidden by law, in connection with Accidental Death claims.

(c) **Limitations**

- No payment shall be made for any loss caused wholly or partly, directly or indirectly, by:
- Disease or bodily or mental infirmity, or medical or surgical treatment thereof,
- Any infection, except infection caused by an external visible wound accidentally sustained,
- Self-destruction or intentionally self-inflicted injury, while sane or insane,
- War or any act of war, whether declared or undeclared,
- The employee's act of aggression, participation in a felonious enterprise or illegal use of drugs.

Notwithstanding the provisions of this Section 10(c) and, other than for medical malpractice or other medical errors, a claim for Accidental Death and Dismemberment Insurance will not be denied on the basis that a physical illness or infection either (1) contributed to an accidental covered loss or (2) hastened the occurrence of an accidental covered loss.

The total amount payable on account of more than one of the losses listed in (a) above sustained in any one accident shall not exceed the amount equal to one-half the Life Insurance in force, except that in the event of loss of life resulting from

accidental injuries caused solely by employment with the Company as set forth in (a) above, the total amount payable as an accidental death and dismemberment benefit on account of such accident shall not exceed three times the scheduled amount of Accidental Death and Dismemberment Benefit in force for the employee on the date of the accident.

(d) **Assignment**

Accidental Death and Dismemberment Insurance is not assignable unless the assignment is made in writing and consented to by the Insurer in writing.

## **Section 11. Accident and Sickness Insurance**

(a) **Eligibility Requirements**

To be eligible for benefits, an employee must:

- Become wholly and continuously disabled by accidental bodily injury, sickness or pregnancy (which includes resulting childbirth or miscarriage), while insured for Accident and Sickness Insurance,
- Be unable to perform all duties of the employee's occupation,
- Be under a doctor's care, and
- Furnish the Insurer with notice and satisfactory proof of disability on a timely basis under Subsection (j) below.

The requirement that an employee be under a doctor's care shall be deemed to have been met if an employee under treatment for **substance use disorder** in an inpatient residential, day treatment or outpatient **substance use disorder** treatment facility approved for benefits under the H-S-M-D Program furnishes the insurance company with certification of disability, provided either by the facility's physician director, or by a physician consultant selected by the facility, based on information furnished by, and upon the recommendation of, **a provider who is licensed and accredited to treat substance use disorders**, who is supervising the employee's therapy. An employee under treatment for mental health issues may submit disability certification from a **licensed and accredited mental health care provider** during the first **90** days of disability. After the

first **90** days of disability a legally licensed doctor of medicine or osteopathy who is a specialist in Psychiatry must submit subsequent disability certification for any disability extending beyond **90** days (**30** days for any recurrent claims). The employee must be compliant with the prescribed treatment plan.

Upon implementation of the Medical Substantiation process described in the Letter of Understanding dated October 24, 2011. Subject: Medical Substantiation and Disability Benefits, for an employee to be deemed wholly and continuously disabled, such employee must (1) provide medical evidence satisfactory to the Insurer that substantiates total disability (“Medical Substantiation”), and (2) the employee must not be engaged in any employment or occupation for remuneration or pay which is the same or similar to the employee’s job classification duties and which is inconsistent with the employee’s disability and/or restriction(s). Absent Medical Substantiation the employee’s claim for benefits under the Program will be denied.

(b) **Commencement of Benefits**

If an employee is eligible for benefits as the result of an accident, benefits start on the first day of disability. If an employee is eligible for benefits as the result of a sickness or pregnancy, benefits start on the eighth day of disability, but if the sickness or pregnancy confines the employee in a hospital before the eighth day of disability, benefits start on the employee’s first day in the hospital. Benefits start on the first day for treatment of an employee for alcohol or substance abuse in a free-standing residential alcohol or substance abuse facility approved for benefits under the H-S-M-D Program, or such other free-standing residential facilities as the Company and the Union shall mutually approve. If an employee undergoes an outpatient surgical procedure for which a payment of at least \$25 is payable under the H-S-M Program, benefits start the day following the day of surgery. An employee is confined in a hospital only if confinement is for at least 18 consecutive hours **whether for observation care, emergency room, inpatient or**

**otherwise**, or if the hospital makes a room and board charge. For this Subsection (b), a day of disability includes such a day that an employee works less than four hours.

(c) **Duration of Benefits**

An employee is eligible for benefits for as many weeks as any one accident, illness or pregnancy keeps the employee disabled with a limit of 52 weeks for one continuous period of disability. Benefits stop when the employee is able to return to work.

In addition to the time limits above, Accident and Sickness Benefits are further limited for one continuous period of disability due to accident, sickness or pregnancy to the lesser of 52 weeks or a period equal to the time at commencement of disability since an employee's most recent hire or rehire, except that if, at the date of expiration of the period Accident and Sickness Benefits are payable, such an employee for the same disability is confined in a hospital or is receiving lost time benefits because of employment with the Company under Workers' Compensation laws or other laws providing benefits for occupational injury or diseases but excluding specific allowances for loss or 100 percent loss of use of a body member, benefits continue to be payable while the employee continues to be so confined or to receive such lost time benefits, but in no event after 52 weeks of such benefits have become payable for that continuous period of disability.

One continuous period of disability includes successive periods of disability due to the same or related causes, unless before the later period of disability begins, the employee has returned to work with the Company for the applicable following period:

- (i) In the case of employees whose employment is subject to the California Unemployment Compensation Disability Benefits Law or the New Jersey Temporary Disability Benefits Law, two or more consecutive weeks,
- (ii) In the case of all other employees including employees whose employment is subject to the New York

Disability Benefits Law, three or more consecutive months.

An employee shall have returned to work only if such employee works four or more hours on each working day (where state laws permit).

If an employee becomes disabled again by a new illness or accident, the employee can make a new claim for benefits. The employee can also make a new claim for benefits if an old accident or illness disables the employee again, provided the employee has been back to work as described herein above.

**(d) Short-Service Employees**

The benefit amount for any period that an employee is otherwise eligible for benefits during any period of disability occurring prior to the day one year of seniority is attained shall be 75 percent of the benefit amount set forth in Schedule of Benefits (Section 3(a)).

**(e) Examination**

The Insurer has the right to have the employee examined at its expense, while the Accident and Sickness claim is pending or being paid. Failure to report for such examination may result in denial of Accident and Sickness Benefits.

**(f) Unemployment Compensation**

An employee is not entitled to Accident and Sickness Benefits while he is eligible for unemployment benefits under any unemployment compensation law or for any period for which he would have been entitled to such benefits had he not rejected or otherwise waived his rights to such benefits.

**(g) Workers' Compensation**

An employee's Accident and Sickness Benefits are reduced by the amount of any lost time Workers' Compensation benefits to which he is entitled. However, there will be no reduction in Accident and Sickness Benefits for Workers' Compensation payments for loss of member or 100 percent loss of use of member, or permanent partial disability payments for a work-related disability unrelated to the

disability for which Accident and Sickness Benefits are payable.

No Accident and Sickness Benefit is payable for an occupational disability if the employee has rejected or otherwise waived his rights to coverage under the Workers' Compensation Law applicable to him.

(h) **Social Security**

Accident and Sickness Benefits are reduced by the weekly equivalent of any Disability Insurance Benefit or old-age insurance benefits, except old-age benefits reduced because of age, to which the person is entitled (primary insurance amount) payable for the same period under the Federal Social Security Act or any future legislation providing similar benefits. For purposes of such reduction, one monthly benefit shall be deemed equal to 4.33 weekly benefits.

(i) **Accident and Sickness Benefits for Less than a Week**

For an employee schedule to work a regular work week (five days/forty hours), Accident and Sickness Benefits for less than a full week are determined on the basis of one-fifth of the Weekly Benefit for each regular work day of disability (where state laws permit).

For an employee scheduled to work an alternate work schedule (for example, three crew and four/forty), Accident and Sickness benefits for less than a full week will be an amount calculated in accordance with the agreement with the Union for operation of an alternate work schedule at the plant at which the employee works.

(j) **Notice and Proof of Claim**

Written notice of injury or sickness must be given to the Insurer within 20 days after the date of the accident causing such injury or the commencement of disability resulting from such sickness or as soon thereafter as is reasonably possible. Proof of such injury or sickness must be furnished to the Insurer within 90 days after the termination of the period for which Weekly Benefits are payable under the plan.

Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required

(k) **Pay from Company**

Accident and Sickness Benefits are not paid for any day for which the employee is entitled to holiday pay or receives pay from the Company for at least eight hours of work or, if employed under an alternate work schedule, the number of hours the employee is scheduled to work in a regular work day. For an employee who shall have received pay for any day for less than eight hours of work or for employees working an alternate work schedule, the number of hours scheduled in the employee's regular work day, any Accident and Sickness Benefits for which he/she may otherwise be eligible for that day shall not exceed the difference between eight hours, or the hours scheduled on a regular work day for employees working under an alternate work schedule, and the number of hours paid multiplied by his/her base hourly rate.

(l) **New York-New Jersey-and California Employees**

If an employee is employed in New York or New Jersey, his/her Accident and Sickness Benefits are at least equivalent to those required under the State disability compensation law.

If an employee is employed in California, his/her Accident and Sickness Benefits will be reduced by State Unemployment Compensation Disability benefits for which he/she is eligible, whether or not he/she has rejected or otherwise waived his/her rights thereto.

(m) **Waiver**

An employee who has one or more years of seniority may waive irrevocably any right he/she may have to receive Accident and Sickness Benefits with respect to any period of disability by completing a waiver form furnished by the Insurer for that purpose. No Accident and Sickness Benefits

shall be payable for any period of disability covered by such waiver.

## **Section 12. Reinstatement of Accident and Sickness Insurance During Layoff**

### **(a) Eligibility Requirements**

Accident and Sickness Insurance shall be reinstated, subject to the modifications set forth herein, for an employee at work on or after **November 23, 2015** who:

- Becomes wholly and continuously disabled while on a qualifying layoff as defined in the **2015** Ford-UAW Supplemental Unemployment Benefit Plan (SUB Plan) or who, upon responding to recall from such layoff, is found medically disabled by the plant physician, thereby preventing return to work, or is certified by such employee's physician to be unable to return to work because of disability, and while insured for Life Insurance, and
- Has been eligible for a Regular Benefit under the SUB Plan, or has been employed by another employer, immediately prior to his becoming disabled.

Notwithstanding the provisions of Section 11, Accident and Sickness Benefits provided under this Section 12 are payable only if, with respect to each week for which a benefit is claimed, the employee:

- Is unable to perform all duties of the employee's occupation,
- Is under a doctor's care, and
- Is otherwise eligible to receive a benefit under the SUB Plan or, if the 1987 Ford-UAW Supplemental Unemployment Benefit Plan (1987 SUB Plan) is reinstated, has to his credit at least a Credit Unit under the 1987 SUB Plan.

**(b) Payment of Benefits**

Benefits start on the first day following the last day for which a Regular Benefit was payable to the employee if such employee was receiving Regular Benefits immediately prior to his becoming disabled; otherwise on the first day of qualifying disability. No benefit shall be payable beyond the time that the employee no longer satisfies the disability requirement except that, if such employee remains on qualifying layoff under the SUB Plan, benefits shall be payable for remaining days in the same week as defined in the SUB Plan for which the employee does not receive a Regular Benefit.

**(c) Suspension or Reduction of Benefits**

No benefit shall be payable for any week in which:

- The employee receives an Accident and Sickness or Extended Disability Benefit under Section 11 or 13 of this Program, or
- If the 1987 SUB Plan is reinstated, the Credit Unit Cancellation Base is below the applicable dollar amount at which a Supplemental Unemployment Benefit is payable in accordance with the employee's seniority as provided under Article II, Section 5(b) of the 1987 SUB Plan.

The benefit for any week shall be reduced by the amount of any disability benefit the employee receives for the same week under a plan financed in whole or in part by another employer.

**(d) Other**

Except as specifically modified herein, benefits under this Section 12 shall be governed by the applicable provisions of Section 11.

**Section 13. Extended Disability Benefits****(a) Eligibility for Benefits**

An employee who is insured for Accident and Sickness Benefits and who, at the date of expiration of the maximum number of weeks for which the employee is entitled to receive Accident and Sickness Benefits and during a

continuous period of disability thereafter, is totally disabled receives monthly Extended Disability Benefits for the period described in (c) below. Upon the request from the Insurer, an employee or retiree receiving Extended Disability Benefits will be required to provide to the Insurer an affidavit certifying that the employee/retiree has no other employment **(except for purposes of rehabilitation as defined in 13(d) or employment necessary to avoid a reduction or termination of Workers' Compensation benefits under applicable state law)**, and/or a signed authorization to secure social security or income tax records in order to determine employment status and verify eligibility for continued receipt of Extended Disability Benefits. Failure to supply the Insurer with an affidavit or authorization, within 30 days of a request, will result in a suspension of the employee's/retiree's benefit payments under the Disability Plan until such authorization is provided.

To be deemed totally disabled, the employee must not be engaged in regular occupation or employment for remuneration or profit **(except for purposes of rehabilitation as defined in 13(d) or employment necessary to avoid a reduction or termination of Workers' Compensation benefits under applicable state law)** and be prevented by bodily injury or disease from engaging in any regular occupation or employment with the Company at the plant or plants where the employee has seniority.

(b) **Amount of Benefit**

- (1) The monthly Extended Disability Benefit is the applicable amount shown in the Schedule of Benefits in Section 3, reduced by an amount equal to the monthly equivalent of the total of the following benefits for which the person receiving Extended Disability Benefits is eligible:
  - (i) All benefits under any retirement plan for the Company's employees;
  - (ii) Lost time benefits under Workers' Compensation laws or other laws providing benefits for occupational injury or disease, including lump-sum

- settlements, but excluding specific allowances for loss, or 100 percent loss of use, of a body member or permanent partial disability payments for a work-related disability unrelated to the disability for which Extended Disability Benefits are payable;
- (iii) Disability or old-age insurance benefits to which the person is entitled (primary insurance amount) under the Federal Social Security Act or any future legislation providing similar benefits, except old-age benefits reduced because of the age at which received;
  - (iv) Benefits under any state or federal law providing benefits for working time lost because of disability.
- (2) In determining the amount by which Extended Disability Benefits are reduced:
- (i) The monthly equivalent of benefits paid on a weekly bases are computed by multiplying the weekly benefit rate by 4.33, and
  - (ii) Lump-sum settlement under state Workers' Compensation laws result in reductions equal to the amount equivalent of the amount of the Workers' Compensation benefit to which the employee would have been entitled under applicable law had there been no lump-sum payment, but not to exceed in total the amount of the settlement, and
  - (iii) The amount of the benefit under Subsection (b)(1)(i), (ii), (iii) or (iv) above is not increased subsequent to the first day for which Extended Disability Benefits are payable, except that the amount of such increase is not disregarded if it represents an adjustment in the original determination of the amount of such benefit.
  - (iv) Extended Disability Benefits will not be reduced by benefits for total disability due to

pneumoconiosis, as defined on November 19, 1973 under the Federal Black Lung Benefits Act of 1972

- (3) Extended Disability Benefit computations presume eligibility for Social Security disability insurance benefits and Retirement Plan disability retirement benefits. However, for employees at work on or after the effective date of this Agreement, such presumption of Retirement Plan disability retirement benefits is not made with respect to any Extended Disability Benefit payments due for the 24-month period immediately following the date of expiration of the maximum number of weeks for which the employee is entitled to receive Accident and Sickness Benefits. Amounts deducted from Extended Disability Benefits on this basis are paid upon presentation of satisfactory evidence that these benefits were applied for and denied; provided, however, that reduction in Extended Disability Benefits is made in an amount equal to Social Security Disability Insurance Benefits that would have been payable except for refusal to accept vocational rehabilitation services.
  - (4) Benefits payable for less than a full calendar month are prorated on the basis of the ratio of calendar days of eligibility to total calendar days in the month.
  - (5) The Insurer may require each applicant or recipient of Extended Disability Benefits to certify or furnish verification of the amounts of his income from sources listed in (1), above.
- (c) **Commencement and Duration of Benefits**
- (1) Extended Disability Benefits to an eligible applicant shall be for the period commencing the day following the last day of disability included within the period for the maximum number of weekly Accident and Sickness Benefits, including weeks in which such Accident and Sickness Benefits were partially or wholly offset because of receipt of Workers' Compensation benefits.

- (2) The maximum period during which Extended Disability Benefits may be payable shall be: (i) in the case of an employee who has ten or more years of seniority as of the day on which disability commenced, the number of months commencing with the month in which the date of the expiration of the maximum number of weekly Accident and Sickness Benefits occurs and terminating with the end of the month in which the employee attains age 65; and (ii) in the case of an employee who has less than ten years of seniority as of the day on which disability commenced, the number of months by which the employee's full months of seniority at commencement of disability exceeds the maximum number of weeks for which he/she is entitled to receive Accident and Sickness Benefits. In any event, Extended Disability Benefits shall not be payable beyond the date of the employee's death, the end of the month in which he/she attains age 65, or the date he/she no longer satisfies the disability requirement. Notwithstanding the foregoing, if the employee becomes disabled at or after age 60 and subsequently becomes eligible for Extended Disability Benefits, the employee will be eligible for a maximum of five years of such benefits.

If an employee's return to work with the Company is not effective to qualify him for a new period of Accident and Sickness Benefits (i.e., an ineffective return to work) or if he engages in some gainful occupation or employment other than one for which he is reasonably qualified by education, training or experience, his satisfying of the disability requirement shall not be deemed to end, but his Extended Disability Benefit shall be suspended for the period of the ineffective return to work or the period he engages in such occupation or employment. **Nothing in this paragraph shall affect the eligibility for Extended Disability Benefits if the employee is required to engage in some gainful occupation or employment to avoid a reduction or**

**termination of Workers' Compensation benefits under applicable state law.**

- (3) If monthly Extended Disability Benefits payable to an employee are discontinued because the employee no longer satisfies the disability requirement, and within two weeks of the effective date of such discontinuance and before the employee returns to work with the Company, the employee again becomes disabled so as to satisfy the disability requirement, monthly Extended Disability Benefits are resumed.
  - (4) For purposes of applying the maximum period for monthly Extended Disability Benefits, a month in which such benefits are partially or wholly offset by benefit payments from sources listed in (b)(1) above, suspended under (c)(2), above, or not paid between periods of disability under the circumstances described in (c)(3), above, are counted as a full month. Fractions of the first and last month are counted as fractions of a month.
  - (5) The cumulative total number of months during any previous periods of eligibility for Extended Disability Benefits, regardless of whether for the same or related disabling condition, reduces the maximum number of monthly benefit payments for which the individual is otherwise eligible under Subsection (c)(2)(ii) when Extended Disability Benefits again commence.
- (d) **Rehabilitation**  
There is no ineligibility for Extended Disability Benefits because of work which is determined to be primarily for training under a recognized program of vocational rehabilitation.
- (e) **Proof of Disability**  
The Insurer may require an applicant, as a condition of eligibility, to submit to examinations by a physician designated by it for the purpose of determining his initial or continuing disability.

(f) **Waiver**

An employee may waive irrevocably any right he may have to receive Extended Disability Benefits with respect to any period of disability by completing a waiver form furnished by the Insurer for that purpose. No Extended Disability Benefits shall be payable for any period of disability covered by such waiver.

(g) **Medicare Enrollees**

An employee eligible for Extended Disability Benefits, regardless of when such employee last ceased active work, who is enrolled in the voluntary Medicare coverage which is available under the Federal Social Security Act, will while so enrolled receive a monthly special benefit equal to:

- (i) \$45.50 for months commencing on or after January 1, 1999,
- (ii) The lesser of the generally applicable Medicare Part B Premium, or \$61.50 for months commencing on or after January 1, 2000,
- (iii) The lesser of the generally applicable Medicare Part B Premium, or \$76.20 for months commencing on or after January 1, 2004,

provided that in no event shall such payment commence prior to the first day of the month following the earlier of (i) the month during which age 65 is attained, or (ii) receipt by the Company of application on a form provided for this purpose from an otherwise eligible employee under age 65, in which case such payment shall be made effective for the month such employee enrolls. Not more than one such payment shall be made to any employee for any one month. No such payment shall be made to any employee receiving under the Retirement Plan, or the H-S-M-D-D-V Program (Exhibit VI), the same amount because of having enrolled for such voluntary coverage. Payment of such monthly special benefit provided under this Subsection (g) will be made concurrent with a monthly Extended Disability Benefit payment and for the same period of disability except that, in the event an eligible employee receives no monthly Extended Disability Benefit payment for a

period of disability because of reductions under (b) above, such monthly special benefit will be paid for that month.

### **Section 14. When an Employee Stops Working for Any Reason**

#### **(a) Quit or Discharge**

Coverage for an employee whose employment is terminated, except as provided under other Subsections of this Section 14, shall terminate as follows:

- (1) For an employee whose employment is terminated by quitting or being discharged, coverage terminates as of the date he/she quits or is discharged, except that for a discharged former employee who has a grievance pending to protest loss of seniority, Life Insurance continues subject to the provisions of Section 14(i);
- (2) For an employee whose employment is terminated for failing to report or overstaying leave, coverage terminates as of the end of the month in which seniority is broken;
- (3) For an employee whose employment is terminated for reasons not otherwise provided for in this Section 14, coverage shall terminate as of the end of the month in which employment is terminated.

Death benefits (Life Insurance and Survivor Income Benefits) remain payable during the conversion period as provided under Section 15 which is for 31 days following the employee's termination of coverage.

#### **(b) Layoff**

If an employee is laid off, all Insurance coverages will be continued for one month after the month in which the layoff occurred. If a returning veteran is not reinstated and is placed on layoff, his/her Life, Accidental Death and Dismemberment Insurance, and Survivor Income Benefits coverages will be in effect at no expense to him/her for the balance of the month in which the layoff occurred.

In addition, Life Insurance, Accidental Death and Dismemberment Insurance and Survivor Income Benefit

coverage shall be provided for a laid off employee without cost to him during a layoff meeting the conditions of Section 3 of Article I of the Supplemental Unemployment Benefit Plan on the basis of the greater of:

- (i) One full calendar month of layoff (for which he receives no pay), not to exceed twenty-four months, for each full four weeks of Regular Benefits to which the employee's Credit Units entitle him, pursuant to Article III of the Supplemental Unemployment Benefit Plan on the basis of his seniority and the Credit Unit Cancellation Base as of the last day worked prior to layoff\* (as of the date placed on layoff in the case of a returning veteran); or
- (ii) The number of months of coverage, up to a maximum of twenty-four months, for which he would be eligible on the basis of his years of seniority as of the last day worked prior to layoff (as of the date placed on layoff in the case of a returning veteran), in accordance with the following table:

<b>Year(s) of Seniority on Last Day Worked Prior to Layoff</b>	<b>Maximum Number of Months for Which Coverage Will Be Provided Without Cost to Employee</b>
Less than 1	0
1 but less than 2	2
2 but less than 3	4
3 but less than 4	6
4 but less than 5	8
5 but less than 6	10
6 but less than 10	12
10 and over	24

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\* If an employee after his last day worked prior to layoff is initially credited during such layoff with Credit Units under the SUB Plan, use the date on which he is entitled to be credited with Credit Units.

Such months of coverage under the above formula shall be for months following the last month for which coverages were provided under the first paragraph of this Subsection (b).

If he remains on layoff beyond the period for which coverages are provided hereunder, he may continue Life Insurance, Accidental Death and Dismemberment Insurance and Survivor Income Benefits coverage for up to an additional twelve months of layoff by paying the applicable contributions referred to in (k) below.

If an employee on layoff becomes wholly and continuously disabled and becomes eligible for reinstated Accident and Sickness Benefits under the provisions of Section 12, the Company will provide Life and Accidental Death and Dismemberment Insurance and Survivor Income Benefits while the employee remains wholly and continuously disabled but not to exceed the period for which the employee is eligible to receive Extended Disability Benefits.

For purposes of this Subsection (b), "returning veteran" means an employee applying for reemployment who would be entitled to reinstatement under Article VIII, Section 33 of the Collective Bargaining Agreement if he had sufficient seniority to work. If such employee is immediately placed on layoff, the day he reports for work shall be deemed to be his last day worked prior to layoff but only for purposes of determining the period of continuation and eligibility for Company contributions for such coverages under the provisions of the Program applicable to laid-off employees.

**(c) Leave of Absence (Other Than Medical)**

If an employee goes on approved leave of absence, except an employee serving in the capacity of International Union Representative, all of his insurance coverages will be continued for the first full month of the leave. Throughout the rest of an approved non-medical leave of absence, such an employee can continue all of his insurance coverages in force by paying the applicable contributions referred to in (k) below.

If an employee goes on an approved Union Leave of Absence in accordance with Article VIII, Section 31 (a) of the Collective Bargaining Agreement while serving in the capacity of International Union Representative, he may

continue Life and Accidental Death and Dismemberment Insurance and Survivor Income Benefits coverage by paying the applicable contributions referred to in (k) below.

(d) **Medical Leave of Absence**

If an employee ceases active work because of disability, the Company will continue all of his/her insurance coverages while he/she is absent due to disability but not to exceed a period equal to his/her seniority when his/her absence commenced. (Accident and Sickness Insurance or Extended Disability Insurance terminates when maximum duration of benefits is reached.)

During the period of an absence due to pregnancy, the Company will continue all of the employee's insurance coverages in force through the month following the month of delivery and thereafter will continue the employee's insurance coverages while continuously absent due to disability subject to the maximum duration for the total period of absence being the same as for an employee ceasing active work because of disability.

If an employee remains continuously and totally disabled beyond the period for which the Company pays the entire cost, he/she may continue his/her Life and Accidental Death and Dismemberment Insurance in force by paying the applicable contributions referred to in (k) below.

If an employee is placed on a medical leave of absence as a result of a recall from layoff, the Company will provide Life and Accidental Death and Dismemberment Insurance and Survivor Income Benefits coverage for any month while the employee remains totally and continuously disabled and on a medical leave of absence on the same basis as if the employee ceased active work because of disability.

(e) **Early and Special Early Retirement**

If an employee retires early under the Retirement Plan, the Company will continue such employee's Life and Accidental Death and Dismemberment Insurance in force according to Section 3(b)1 & 10.

(f) **Disability Retirement**

If an employee retires under the Disability Retirement provisions of the Retirement Plan, the Company will continue such employee's Life Insurance, Survivor Income Benefits coverage and Accidental Death and Dismemberment Insurance according to Section 3(b)1 & 10.

(g) **Uninsured Retirees**

An uninsured employee retiring before age 65 under the Retirement Plan without returning to work from layoff or leave of absence shall become insured, if then under age 65, on the first day of the month following the month in which seniority is broken because of such retirement for the same coverages the employee otherwise could have continued at the time of retirement in the amount such employee had in force while last working. Such coverages shall then be continued as provided in (e) or (f) above.

(h) **Termination Between Ages 60 and 65 (Excluding Retirement)**

If employment of an employee terminates for any reason except retirement between ages 60 (or prior to that age if he/she is still insured at age 60) and 65 and he/she has at least five years of creditable service under the Retirement Plan at age 60, he/she may continue Life Insurance, Survivor Income Benefits coverage and Accidental Death and Dismemberment Insurance until age 65 by paying the applicable contributions referred to in (k) below based on the amount of Life Insurance he/she had in force while working unless terminated for total and permanent disability in which event the Company will pay the cost.

(i) **While a Grievance is Pending**

While an employee has a grievance pending to protest loss of seniority from discharge, failure to report, overstaying leave or to protest a disciplinary layoff, Life Insurance, Survivor Income Benefits and Accidental Death and Dismemberment Insurance (but not Accident and Sickness and Extended Disability coverage) will be continued by the Company at its expense through the end of the month in which the discharge occurred and for the next two additional

months. Thereafter, the employee may continue Life Insurance, Survivor Income Benefits coverage, and Accidental Death and Dismemberment Insurance by paying the applicable contributions referred to in (k) below. If he/she is reinstated or if his/her disciplinary layoff is reduced, the Company will reimburse him/her for premium payments that the Company would have paid had he/she remained at work.

If the loss of seniority is upheld through the grievance procedure, the employee's eligibility to continue such coverage will cease at the end of the month in which the grievance determination becomes final.

(j) **Limitations**

(1) Age

Contributions, if any, which an employee may make for continuing any of the insurance coverages under any of the situations described in this Section 14, may not be continued beyond the month in which seniority is broken after age 65. At the end of such month, all insurance other than Life Insurance terminates and the employee's Life Insurance is subject to the provisions of Section 3(b).

(2) Work Elsewhere

No insurance will be continued while an employee is working elsewhere except if the employee qualifies under Subsection (e), (f), (g), (h), or (i) of this Section, or if the employee is on Leave of Absence for public political office or union business, or for any month for which the Company continues coverage without contributions by the employee.

(k) **Payment of Premiums**

In all of the circumstances described in this Section (except (a)) the Company pays all or part of the premium. An employee must contribute his/her portion of the premium in order to keep his/her insurance in force when required or eligible to do so. The Company will reimburse an employee for a premium paid by the employee to continue coverage under the GL&DI Program which was paid for the month during which such reinstatement from layoff occurred

provided the employee is actively at work during that month. Monthly contributions required and the amount payable are as follows:

	<b>Company Pays</b>	<b>Employee Then Contributes In Accordance with the Appropriate Contribution Schedule Below</b>
(1) Quit or Discharge	—	—
(2) Layoff	First month and the further period provided in (b) above	II
(3) Leave of Absence, except Medical & Union Leave	First month	I
(4) Union Leave of Absence (Local Union)	First month	III
(5) Union Leave of Absence (International Representatives)	Through month in which leave is issued	IV
(6) Medical Leave	Length of absence due of Absence to disability but not to exceed a period equal to seniority	II
(7) Early & Special Early Retirement, Normal Retirement (with 10 years credited service)	Entire period	—
(8) Disability Retirement	Entire period	—
(9) Between Ages 60 & 65	—	II
(10) While a Grievance is Pending	Month of Discharge plus up to two additional months	II

**MONTHLY CONTRIBUTION RATES:**

The monthly contribution an employee is required to pay depends upon the insurance bracket as determined by Base Hourly Rate the employee was receiving as of the last day worked and the kinds of insurance which can be continued. The required monthly contribution schedule is subject to change if necessary by mutual agreement between the Company and the Union.

<b>Base Hourly Rate</b>	<b>Contribution Schedule I</b>	<b>Contribution Schedule II</b>
Up to but less than 14.30	26.36	15.75
14.30 but less than 14.65	27.22	16.25
14.65 but less than 15.00	27.65	16.75
15.00 but less than 15.35	28.51	17.25
15.35 but less than 15.70	29.37	17.75
15.70 but less than 16.05	29.80	18.00
16.05 but less than 16.40	30.66	18.50
16.40 but less than 16.75	31.09	18.75
16.75 but less than 17.10	31.52	19.00
17.10 but less than 17.45	32.38	19.50
17.45 but less than 17.80	33.24	20.00
17.80 but less than 18.15	33.67	20.25
18.15 but less than 18.50	34.96	21.00
18.50 but less than 18.85	35.39	21.25
18.85 but less than 19.20	36.25	21.75
19.20 but less than 19.55	36.68	22.00
19.55 but less than 19.90	37.54	22.50
19.90 but less than 20.25	38.40	23.00
20.25 but less than 20.60	38.83	23.25
20.60 but less than 20.95	39.26	23.50
20.95 but less than 21.30	40.12	24.00
21.30 but less than 21.65	40.55	24.25
21.65 but less than 22.00	41.41	24.75
22.00 but less than 22.35	41.84	25.00
22.35 but less than 22.70	42.70	25.50
22.70 but less than 23.05	43.56	26.00
23.05 but less than 23.40	43.99	26.25
23.40 but less than 23.75	44.85	26.75
23.75 but less than 24.10	45.28	27.00
24.10 but less than 24.45	46.14	27.50
24.45 but less than 24.80	47.00	28.00
24.80 but less than 25.15	47.43	28.25
25.15 but less than 25.50	48.29	28.75
25.50 but less than 25.85	48.72	29.00
25.85 but less than 26.20	49.58	29.50

<b>Base Hourly Rate</b>	<b>Contribution Schedule I</b>	<b>Contribution Schedule II</b>
26.20 but less than 26.55	50.44	30.00
26.55 but less than 26.90	50.87	30.25
26.90 but less than 27.25	51.73	30.75
27.25 but less than 27.60	52.16	31.00
27.60 but less than 27.95	53.02	31.50
27.95 but less than 28.30	53.88	32.00
28.30 but less than 28.65	54.31	32.25
28.65 but less than 29.00	55.17	32.75
29.00 but less than 29.35	56.46	33.50
29.35 but less than 29.70	56.89	33.75
29.70 but less than 30.05	57.75	34.25
30.05 but less than 30.40	58.61	34.75
30.40 but less than 30.75	59.04	35.00
30.75 but less than 31.10	59.90	35.50
31.10 but less than 31.45	60.33	35.75
31.45 but less than 31.80	60.76	36.00
31.80 but less than 32.15	61.19	36.25
32.15 but less than 32.50	62.05	36.75
32.50 but less than 32.85	62.91	37.25
32.85 but less than 33.20	63.34	37.50
33.20 but less than 33.55	64.20	38.00
33.55 but less than 33.90	64.63	38.25
33.90 but less than 34.25	65.49	38.75
34.25 but less than 34.60	66.35	39.25
34.60 but less than 34.95	66.78	39.50
34.95 but less than 35.30	67.64	40.00
35.30 but less than 35.65	68.07	40.25
35.65 but less than 36.00	69.36	41.00
36.00 but less than 36.35	70.22	41.50
36.35 but less than 36.70	71.08	42.00
36.70 but less than 37.05	71.51	42.25
37.05 but less than 37.40	72.37	42.75
37.40 and over	72.80	43.00

### **Contribution Schedule III**

60¢ per \$1,000 Life Insurance in addition to \$5.00 a month.

### **Contribution Schedule IV**

60¢ per \$1,000 Life Insurance.

**Section 15. Conversion of Life Insurance**

- (a) If All or part of an Employee's Life Insurance or Survivor Income Benefit Terminates Before Age 65

If an employee ceases active work and is eligible for continued insurance beyond the end of the month in which he ceased active work, as provided under Section 14, his Group Life Insurance, including Survivor Income Benefits coverage, will remain payable during the conversion period of:

- 31 days following the end of the period for which the Company pays the full cost, or
- If eligible to continue insurance for an additional period beyond such month, 31 days following the end of the month for which premium contributions are paid and accepted,

except that Survivor Income Benefits remain in force only as provided in Section 14(f), after he retires under the Retirement Plan.

If an employee ceases active work and is not eligible for continued insurance beyond the end of the month in which he ceases active work, as provided under Section 14, his Life Insurance, including Survivor Income Benefits coverage, will remain payable 31 days following loss of coverage.

During the applicable 31 day period, an employee may convert, without medical examination, to any individual policy of Life Insurance then customarily issued by the Insurer, except term insurance. This is done by making application and paying the required premium to the Insurer. The premium for the individual policy will be that required by the class of risk to which the employee belongs, the form and amount of the individual policy, and his age. The maximum amount of the individual policy will be equal to the amount of his Group Life Insurance, including Survivor Income Benefits in force on the day immediately preceding the 31 day period during which he can convert to an individual policy. However, the individual policy may be in any lesser amount (minimum \$500) that he selects.

In determining the maximum amount of individual Life Insurance to which an employee may convert, the total of all monthly Survivor Income Benefits that would have become payable to his Survivors under Section 9 had he died on the day before the 31 day period for converting will be included assuming that persons who would then have qualified as his survivors did not become ineligible for such Benefits because of marriage or death.

(b) If All or part of Life Insurance or Survivor Income Benefit Terminates at or After Age 65

An insured employee or retiree may convert lost coverage to an individual policy of Life Insurance, without medical examination, as described in Subsection (a) above, provided that the employee/retiree makes application and pays the first premium for the individual policy within 31 days following his/her loss of coverage.

During the 31 day period for converting coverage to an individual policy in accordance with this Subsection (b), Group Life Insurance, including Survivor Income Benefits remains payable.

(c) If the Company's Group Life and Disability Insurance Policy is terminated or changed to exclude certain participants

An employee or retiree regardless of age who has

- (1) Been insured under the Group Policy for at least five years or
- (2) Whose life insurance was not fully replaced by another group insurance plan within the 31 day period for converting coverage, may convert to an individual policy up to \$2,000.

### **Section 16. Termination of Insurance**

An employee's Insurance under this plan will terminate on the earliest of the following dates:

- (a) The date the group insurance contract terminates;
- (b) The date of expiration of the period for which the employee's last premium contribution (if any is required) is made;

- (c) The end of the month in which the employee is transferred to an ineligible class of employees;
- (d) With respect to each insurance coverage, the date the provision of the group insurance contract relating to such insurance coverage terminates;
- (e) The end of the month in which the employee ceases active work unless insurance coverages are continued as provided in Section 14;
- (f) The end of the day on which the employee quits or is discharged unless the employee has a grievance pending to protest loss of seniority, subject to the provisions of Section 14(i).

### **Section 17. Data**

Each year the Company will furnish or will request the Insurer to furnish the Union the following information:

- (a) **Company Provided Coverage**
  - (1) Number of employees (under age 65 only) insured for Life, Accident and Sickness and Extended Disability Benefit Insurance by age (5-year brackets), by insurance bracket and by coverage and total aggregate insurance in force for each such coverage and for Accidental Death and Dismemberment Insurance during December in the preceding policy year;
  - (2) Number of employees age 65 and over and retirees (separately) insured for Life Insurance and aggregate insurance in force, by insurance bracket and age (5-year brackets), during December in the preceding policy year;
  - (3) Average number of lives insured for life (under age 65 only), Accident and Sickness, Extended Disability, and Life (age 65 or over) Insurance, by coverage in the preceding policy year;
  - (4) Unit premiums, total premiums paid, claims paid, increase in claim reserves, and claims incurred, by type of coverage, for the preceding policy year;

- (5) Increase in reserves, by type of reserve, during the preceding policy year and amount of reserves by type of reserves, at the end of the preceding policy year;
- (6) Interest allowed on reserves, expenses and taxes, net cost, refund of excess premiums and employee contributions for the preceding policy year;
- (7) Separately for Life and Accidental Death and Dismemberment Insurance, the number of insured deaths by total amount paid (in \$500 brackets), age (in 5-year brackets) and sex of deceased for the preceding policy year;
- (8) Number of Survivor Income Benefit claims, separately for such claims which involve transition benefits only and for such claims which involve both transition and bridge benefits, with the first payment made during the preceding policy year, by survivor class and by age of survivor at date of employee's death;
- (9) For Survivor Income Benefit claims with the first payment made during the preceding policy year, the present value at commencement of such claims, separately for such claims which involve transition benefits only and for such claims which involve both transition and bridge benefits;
- (10) For Survivor Income Benefit claims terminated during the preceding policy year, the number of claims, the average number of payments made, and total amount paid, by reason of termination (death, marriage, maximum payment, age, waiver), separately for such claims which involve transition benefits only and for such claims which involve both transition and bridge benefits;
- (11) Monthly average number of employees insured for Accident and Sickness Insurance in the preceding policy year, number of claims, amount, the average gross weekly benefit, the average weekly amount of Social Security Benefit offset, average duration (including and excluding waiting period) and average daily benefit of

accident and sickness benefit claims closed during the preceding policy year, by sex. Such information will exclude pregnancy claims and California claims;

- (12) Number of Accident and Sickness benefit claims closed during the preceding policy year, by duration (including and excluding waiting period), type of claim (hospitalizing illness, nonhospitalizing illness, illness involving outpatient surgery\*, hospitalizing occupational accident, hospitalizing nonoccupational accident, nonhospitalizing occupational accident and nonhospitalizing nonoccupational accident, occupational accident involving outpatient surgery\*, non-occupational accident involving outpatient surgery\*), and sex. Such information will exclude pregnancy claims and California claims;
  - (13) With respect to Extended Disability Benefit claims for which first payment was made during the preceding policy year, number of claims, average gross monthly benefit, average monthly amount of each benefit offset (Retirement, Workers' Compensation, Social Security, Other) and average net monthly benefit, by sex, age (5-year brackets) and full years of seniority;
  - (14) For Extended Disability Benefit claims terminated during the preceding policy year, the number of claims and the average number of payments made, by reason of termination (recovery, death, age 65, maximum duration, waiver), by age at commencement of benefit (5-year brackets), and sex with totals by category.
- (b) **Optional Employee and Dependent Group Life Insurance Plans**
- (1) The number of employees insured by age (5-year brackets) and insurance schedule during December in the preceding policy year.

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\* For which a benefit of \$25 or more was payable under the H-S-M Program.

- (2) The number of claims paid by age (5-year brackets) and insurance schedule (distinguished between spouse and child for the Dependent Life Insurance Plan) during the preceding policy year.
  - (3) Total premiums paid, interest allowed on reserves, expenses and taxes, claims paid, claims pending, liability for unreported claims, claims incurred, premium stabilization reserve and surplus or deficit for the preceding policy year.
- (c) **Optional Accident Insurance**
- (1) The number of employees insured, by insurance schedule during December in the preceding policy year.
  - (2) The number of retirees insured, by insurance schedule during December in the preceding policy year.
  - (3) Number of claims paid by insurance schedule, separately for employees and retirees during the preceding policy year.
  - (4) Total premiums paid, claims paid, claims pending, liability for unreported claims, claims incurred and surplus or deficit for the preceding policy year.

### **Section 18. Group Insurance Contract**

A representative of the Company and the Union will sign and approve a copy of any group insurance contract and any riders or amendments thereto.

### **Section 19. Company-Union Committee**

- (a) A Committee composed of two members designated by the Union and two members designated by the Company shall be established to study and evaluate the Group Life and Disability Insurance Program and to make recommendations to the carrier, implement pilot programs, and make modifications to the Program for the purpose of improving the functioning of the Program and to reduce costs while continuing to provide the level of the benefits under and consistent with the intent of the Program. In the performance of its duties, this Committee shall consult and advise with representatives of organizations providing the Group Life and

Disability Insurance benefits and services and keep the parties to the Collective Bargaining Agreement informed with respect to the problems which arise in the operation of the Program.

- (b) The Company-Union Committee shall continue current pilot programs, explore their possible expansion and develop new programs consistent with this Section. By mutual agreement of the parties:
- The Social Security Disability Insurance Benefit Pilot Program will cease to be a pilot program and will be continued as a regular part of disability benefit claim processing procedure.
  - A Ford-UAW Joint In-Plant Placement Pilot Program for employees who are on “no work available” status will be investigated.
  - A “no work available” Out-Placement Pilot Program will be investigated.
  - The Independent Medical Evaluation Program will be monitored and recommendations made for its improvement.
  - Payroll issuance of benefit checks and deduction of optional insurance premiums from benefit checks will be studied and, if feasible, recommendations will be made for implementation.
  - Coordination between the medical leave of absence and disability programs will be studied and recommendations made for improvement and possible consolidation.

Any of the above pilot programs may be modified, terminated or not implemented by mutual agreement between the Company and the Union if it appears that positive results are not or will not be forthcoming.

### **Section 20. Dependent Group Life Insurance**

The Company will arrange to make available the Dependent Group Life Insurance as set forth in the attached Exhibit I.

In the event of any conflict between the provisions of Exhibit I and any other provisions of this Insurance Program, the provisions of Exhibit I will supersede such other provisions to the extent they apply to Exhibit I.

### **Section 21. Optional Group Life Insurance**

The Company will arrange to make available the Optional Group Life Insurance as set forth in the attached Exhibit III.

In the event of any conflict between the provisions of Exhibit III and any other provisions of this Insurance Program, the provisions of Exhibit III will supersede such other provisions to the extent they apply to Exhibit III.

### **Section 22. Optional Accident Insurance Plan**

The Company will arrange to make available the Optional Accident Insurance Plan as set forth in the attached Exhibit IV.

In the event of any conflict between the provisions of Exhibit IV and any other provisions of this Insurance Program, the provisions of Exhibit IV will supersede such other provisions to the extent they apply to Exhibit IV.

### **Section 23. UAW-Ford Group Life and Disability Appeal Committee**

A UAW-Ford Group Life and Disability Appeals Committee (Appeal Committee) shall be established consisting of six (6) members, three of whom shall be appointed by the Company (Company members) and three of whom shall be appointed by the National Ford Director of the Union (Union members) which Committee shall review and decide employee and retiree appeals of disputed Group Life and Disability Insurance claims. Each member of the Appeal Committee shall have an alternate appointed in the same way. In the event a member of the Appeal Committee is absent from a meeting, the member's alternate may attend and, when in attendance, shall exercise the powers and perform the duties of such member. If a member and his or her alternate are both absent, that member's vote shall be divided equally among the other members appointed by the same party. Either the Company or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it. Both the Company

and the Union shall notify each other in writing of the members and alternates respectively appointed by them before any such appointments shall be effective. The Appeal Committee shall appoint a Secretary who shall keep minutes of its proceedings.

The Appeal Committee may act by majority of its appointed members, and such action may be taken from time to time by vote at a meeting, or in writing without a meeting. In the event the Appeal Committee is unable to reach a decision, the Company and Union members shall mutually agree on an appropriate method to resolve the appeal. The Appeal Committee may authorize any one or more of its members or its Secretary to execute any document on its behalf.

After review of an appeal, disputed benefits under the applicable Plan will be paid only if the Appeal Committee decides in its discretion that the claimant is entitled to them under the terms of the Plan. The Appeal Committee shall not, however, take any action not uniformly applicable to all employees similarly situated. The Appeal Committee shall have no power to add to or subtract from, or to modify, any of the terms of the applicable Plans, nor to change or add to any benefit provided by the applicable Plans. Any action of the Appeal Committee (within the scope of its functions) shall be final and conclusive upon any claimant and upon every other person entitled to or claiming benefits under the Plan, subject only to the arbitrary and capricious standard of judicial review. A member of the Appeal Committee who is also entitled to receive benefits under the Plan shall not vote or act as a member of the Appeal Committee upon any matter relating solely to himself or herself.

Each employee and every other person entitled to or claiming benefits under the applicable Plan shall file with the Appeal Committee such pertinent information concerning such employee or other person (including without limitation, information certified by the proper Social Security officials regarding the employee's social security status and the amount credited or payable to the employee under the Social Security Law), and no employee shall have any rights, or be entitled to any benefits under the applicable Plan unless such information is filed by the employee or on his or her behalf. Any necessary adjustment in the amount of any

benefits paid or to be paid shall be made in such reasonable manner as the Appeal Committee shall determine.

## **Section 24. Group Life Insurance and Disability Claims Procedures**

### **(a) Denial of Life Insurance, Accidental Death and Dismemberment, Safety Belt User or Survivor Income Claims**

An employee shall make a claim for life insurance benefits or accidental death and dismemberment benefits by making a request in accordance with Section 6. An employee or other person entitled to claim benefits shall make a claim for Safety Belt User Benefits under Section 8 or Survivor Income Benefits under Section 9. If a claim is denied in whole or in part, the claimant will receive written notification from the claims processor ninety (90) days from the date the claim is received. Such notice shall be deemed given upon mailing, full postage prepaid in the United States mail or if provided electronically to the claimant. Any actual denial of a claim under the applicable Plan shall be written and set forth in a manner calculated to be understood by the claimant. The denial of a claim shall include (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based along with a copy of such Plan provisions or a statement that one will be furnished at no charge upon the claimant's request; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; (iv) appropriate information as to the steps to be taken if the claimant wishes to submit his or her claim for review, along with a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse determination on review. If the claims processor determines that an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial ninety (90) day period. In no event shall such extension exceed a period of ninety (90) days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of

time and the date by which the applicable Plan expects to render the determination.

(b) **Review of Denial of a Life Insurance, Accidental Death and Dismemberment, Safety Belt User or Survivor Income Claims**

In the event that the Plan Administrator denies a claim for life insurance, accidental death or dismemberment, safety belt user or survivor income benefits, a claimant may (i) request a review upon appeal by written application to the Appeal Committee; (ii) review pertinent documents; and (iii) submit issues and comments in writing.

A claimant must request a review upon an appeal of the denial of the claim by the Plan Administrator under this Plan within sixty (60) days after the claimant receives the written notification of denial of the claim. Since a committee is reviewing the appeal, it will be considered at the Appeal Committee's next regularly scheduled meeting. If it is filed within thirty (30) days of the next meeting, a decision by the Appeal Committee shall be made by the date of the second meeting after receipt of the claimant's request for review. Under special circumstances an extension of time for processing may be required, in which case a decision shall be rendered by the date of the third meeting. If an extension is required because information is incomplete, the review period will be tolled from date the notice was sent to the date information is received. In the event such an extension is needed, written notice of the extension shall be provided to the claimant prior to the commencement of the extension. Written notice of a decision will be made not any later than five (5) days after the decision has been made by the Appeal Committee. The decision on review shall be in writing in a manner calculated to be understood by the claimant, and include (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based along with a copy of such Plan provisions or a statement that one will be furnished at no charge upon the claimant's request; (iii) a statement that the claimant is entitled to receive, upon request and free of charge,

reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. Decisions of the Appeal Committee are final and conclusive and are only subject to the arbitrary and capricious standard of judicial review.

**(c) Denial of a Disability Claim**

An employee shall make a claim for a disability benefit by making a request in accordance with Section 11, Section 12 and Section 13. If a disability claim is denied in whole or in part, the claimant will receive written notification from the claims processor within forty-five (45) days of the date the claim is received. Two thirty (30) day extensions will be available to the claims processor if necessary due to matters beyond the control of the Plan and with written notice to claimant. The extension notice will specify the circumstances requiring the extension and the expected date of the determination. If an extension is required because the information in the claim is incomplete, the extension notice will specifically explain (i) the standards on which entitlement is based; (ii) the unresolved issues that prevent a decision; (iii) the additional information required for a decision; and (iv) that claimant has at least forty-five (45) days to provide the information being requested.

If such additional information is required, the period between the date of the request and the date of the claimant's response is not included when calculating the decision deadline. Any actual denial of a claim under this Plan shall be written and be set forth in a manner calculated to be understood by the claimant. The denial of claim shall include (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based along with a copy of such Plan provisions or a statement that one will be furnished at no charge upon the claimant's request; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an

explanation of why such material or information is necessary; (iv) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol or other similar criterion, or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge upon claimant's request; (v) if the adverse benefit determination is based on medical necessity or experimental treatment or similar exclusion or limit, either an explanation or the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request; and (vi) appropriate information as to the steps to be taken if the claimant wishes to submit his or her claim for review, along with a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. Such notice shall be deemed given upon mailing, full postage prepaid in the United States Mail or if provided electronically to the claimant.

**(d) Review of Denial of a Disability Claim by the Claims Processor**

In the event of denial of a disability claim by the claims processor, a claimant may (i) request a review upon appeal by written application to the claims processor who provided the denial of the claim; (ii) review pertinent documents; and (iii) submit issues and comments in writing. A claimant must request a review upon appeal of the denial of a claim under this Plan within one hundred eighty (180) days after the claimant receives the written notification of denial of a claim.

The claims processor (i) shall give no deference to the earlier decision; (ii) provide for review by a claims processor who did not make the initial decision and who is not a subordinate of the initial decision maker; (iii) if the decision involves a medical judgment, (including medical necessity or experimental treatments), provide that the claims processor

must consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment and who is independent of any health care professional involved in the initial denial; and (iv) provide for identification of all medical or other experts consulted.

A decision, as appropriate, shall be made within forty-five (45) days after receipt of the claimant's request for review, unless special circumstances require an extension of time for processing. One forty-five (45) day extension will be available to the claims processor if necessary due to matters beyond the control of the Plan and with written notice to claimant. The extension notice will specify the circumstances requiring the extension and the expected date of the determination. If an extension is required because the information in the claim is incomplete, the extension notice will specifically explain (i) the standards on which entitlement is based; (ii) the unresolved issues that prevent a decision; (iii) the additional information required for a decision and (iv) that claimant has at least forty-five (45) days to provide the information being requested. If such additional information is required, the period between the date of the request and the date of the claimant's response is not included when calculating the decision deadline.

Any actual denial of a claim under this Plan shall be written and be set forth in a manner calculated to be understood by the claimant. The denial of claim shall include (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based along with a copy of such Plan provisions or a statement that one will be furnished at no charge upon the claimant's request; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; (iv) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol or other similar criterion; or a statement that such rule, guideline,

protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge upon claimant's request; (v) if the adverse benefit determination is based on medical necessity or experimental treatment or similar exclusion or limit, either an explanation or the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request; and (vi) appropriate information as to the steps to be taken if the claimant wishes to submit his or her claim for review by the Appeal Committee, along with a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. Such notice shall be deemed given upon mailing, full postage prepaid in the United States Mail or if provided electronically to the claimant.

(e) **Review of Denial of a Disability Claim to the Appeal Committee**

In the event that the claims processor denies the appeal of a disability claim under Section (d), a claimant may (i) request a review upon appeal by written application to the UAW-Ford Group Life and Disability Appeal Committee; (ii) review pertinent documents; and (iii) submit issues and comments in writing. The procedures and time limits for reviewing the appeal shall be the same as set forth in Section (d) above, except that any adverse benefit determination on review shall include the following statement: "You and your Plan may have other voluntary alternative dispute resolution options, such as mediation." Decisions of the Appeal Committee are final and conclusive and are only subject to the arbitrary and capricious standard of judicial review.

(f) **Denial of Other Insurance Claims**

In the event that a claim for benefits under dependent group life insurance provided in Section 20, optional group life insurance benefits provided in Section 21 or optional accident insurance benefits provided in Section 22 is denied, the

Insurer responsible for providing such benefits shall handle the initial claim and any requests for review of the denial according to the applicable claims procedures and policies of the Insurer. The Appeal Committee shall have no responsibility to review any such claims or the denial of any such claims by the insurer.

**(g) Limitation Period**

No legal action may be brought by an employee or retiree, dependent, beneficiary, or the estate or legal representative thereof for entitlement to benefits under the Plan, until after the claims and appeals procedures of the Plan have been exhausted and unless a different period of limitation is specifically provided under ERISA or any insurance policy, no later than two years after such claim has accrued. No other actions may be brought against the Plan more than six months after such claim has accrued.

## EXHIBIT I

### DEPENDENT GROUP LIFE INSURANCE

**Any reference in this Exhibit to Same-Sex Domestic Partner, including the definition of spouse, shall be governed by the letter of understanding, dated November 5, 2015, titled “Transition of Same-Sex Domestic Partner Benefits.”**

**I. Eligibility Date**

An employee shall become eligible for Dependent Group Life Insurance on the first of the month following date employed provided that the employee is then insured for Life Insurance described in Section 3 of the Group Life and Disability Insurance provisions and has at least one eligible dependent as defined in Section III, below. If the employee is not then insured for such Life Insurance or does not have such a dependent, he shall become eligible for Dependent Group Life Insurance on the first day of the calendar month following the date both these conditions are first met.

The date that the employee becomes eligible for amounts of Dependent Group Life Insurance under a Schedule shall be hereinafter referred to as the employee's eligibility date for purposes of the insurance under such Schedule.

## II. Enrollment and Effective Dates

The employee's Dependent Group Life Insurance shall become effective as set forth below:

- A. If the employee enrolls in \$75,000 spouse/\$30,000 child option or less on or before his/her eligibility date, insurance becomes effective on the eligibility date.
- B. If the employee enrolls in \$75,000 spouse/\$30,000 child option or less during the 31-day period following his/her eligibility date, insurance becomes effective on the first day of the calendar month following the date of enrollment.
- C. If the employee enrolls (1) in greater than \$75,000 spouse/\$30,000 child option, or (2) subsequent to the 31st day following his/her eligibility date, or (3) if the employee becomes insured for the amounts of insurance under any Schedule in Section IV and later decides to enroll for increased amounts of insurance under any other Schedule in Section IV, the employee must furnish evidence satisfactory to the insurance company of each dependent's good health. In either case, insurance will become effective on the first day of the calendar month following the date the insurance company approves the evidence, with respect to those persons whose evidence has been approved and who are still eligible dependents, as defined in Section III, below.
- D. If the employee enrolls during an open enrollment, coverage is effective (1) for the guaranteed coverage amounts (coverage where Evidence of Insurability is not required) as specified in the open enrollment the 1st of the month following the enrollment, or (2) for amounts requiring Evidence of Insurability, the 1st of the calendar month following the date the insurance company approves the evidence.

In any event, for insurance to become effective, the employee must be actively at work on the date insurance would otherwise become effective. If the employee is not actively at work on such date, insurance becomes effective on the date the employee returns to active work, provided he/she is then still eligible as set forth in Section I, above. If the employee becomes insured for the amounts of insurance under any Schedule in Section IV and later enrolls for decreased amounts of insurance under any other Schedule in Section IV, the decreased amounts of insurance shall become effective on the first day of the calendar month next following the last month for which he/she made the required contribution for the larger amounts of insurance, whether or not he/she is then

### III. Definition of Dependent

“Dependent” means (a) the employee’s spouse, (b) the employee’s Qualified Same-Sex Domestic Partner (SSDP) as defined under Section 9(f), and (c) any unmarried child over 14 days of age (i) of the employee by birth, legal adoption, or legal guardianship, while such child legally resides with and is dependent upon the employee, (ii) of the employee’s spouse or SSDP as provided in Section 9(a)(3)(iv) while such child is in the custody of and dependent upon the employee’s spouse or SSDP and is residing in and a member of the employee’s household, (iii) as defined in (i) and (ii) who does not reside with the employee but is the employee’s legal responsibility for the provision of health care, and (iv) who resides with and is related by blood or marriage to the employee, for whom the employee provides principal support as defined by the Internal Revenue Code of the United States, and who was reported as a dependent on the employee’s most recent income tax return or who qualifies in the current year for dependency tax status. A child as defined in (i), (ii), (iii), or (iv) is included until the end of the calendar year in which the child attains age **26**, or regardless of age if totally and permanently disabled as defined hereinafter, provided that any such child after the end of the calendar year in which the child attains age 19 must be dependent upon the employee within the meaning of the Internal Revenue Code of the United States and must legally reside with, and be a member of the household of, the employee. “Totally

and permanently disabled” means having any medically determinable physical or mental condition which prevents the child from engaging in substantial gainful activity and which can be expected to result in death or to be of long-continued or indefinite duration.

No person may be considered a dependent of more than one employee.

The definition of dependent used in this Exhibit shall apply only to the Dependent Group Life Insurance set forth herein and shall be entirely independent of any such definition used for benefits as set forth in the H-S-M-D-D-V Program.

#### IV. Amount of Insurance

The amount of Dependent Group Life Insurance applicable to each dependent is as follows:

<b>Amount of Insurance</b>					
<b>Dependent</b>	<b>Schedule I</b>	<b>Schedule II</b>	<b>Schedule III</b>	<b>Schedule IV</b>	<b>Schedule V</b>
Spouse/SSDP.....	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000
Child.....	2,000	4,000	6,000	8,000	10,000
	<b>Schedule VI</b>	<b>Schedule VII</b>	<b>Schedule VIII</b>	<b>Schedule IX</b>	<b>Schedule X</b>
Spouse/SSDP.....	\$30,000	\$35,000	\$40,000	\$50,000	\$60,000
Child.....	12,000	14,000	16,000	20,000	24,000
	<b>Schedule XI</b>	<b>Schedule XII</b>	<b>Schedule XIII</b>	<b>Schedule XIV</b>	
Spouse/SSDP.....	\$75,000	\$100,000	\$125,000	\$150,000	
Child.....	30,000	40,000	50,000	60,000	

For dependents of retirees, surviving spouses, or Qualified Same-Sex Domestic Partner (SSDP) of deceased employees or retirees who continue coverage beyond age seventy (70), the maximum amount of insurance applicable will be the following percentages of the scheduled coverage in force on the last day worked by the employee or retiree upon whom the dependent’s coverage is based:

**Retiree, Surviving****Spouse or SSDP Age****Maximum Insurance Amount**

70-74

75% of the scheduled insurance in force on the employee's or retiree's last day worked.

75 and over

37.5% of the scheduled insurance in force on the employee's or retiree's last day worked.

**V. Contributions**

The employee shall contribute the full cost of Dependent Group Life Insurance and contributions shall be payable monthly in advance. Regardless of the number of dependents on whose account the employee is insured, the required monthly contribution, which is subject to change if necessary by mutual agreement between the Company and the Union during the duration of this Agreement. Premium rates and monthly contributions are set forth in the following schedules and are not determined based on the last date actively at work.

Monthly Rates per \$1,000 of Insurance  
(Effective 1-1-2016)

Dependents (including children) of Employees and Retirees, and Surviving Spouses or Qualified Same-Sex Domestic Partners of Deceased Employees or Retirees

Employees' or Retirees Age	Monthly Rates	
	Dependents of Employees	Dependents of Retirees and Surviving Spouse /SSDP of Deceased Employee or Retiree
Under 30	\$0.051	\$0.074
30-34	.068	.095
35-39	.077	.119
40-44	.085	.166
45-49	.128	.238
50-54	.196	.363
55-59	.366	.575
60-64	.561	.830
65-69	1.080	1.384
70-74	1.751	2.185*
75-79	2.531	3.165**
80-84	3.480	4.345**
85-89	4.580	5.724**
90-94	5.907	7.376**
95 and over	7.735	9.662**

\* For dependents of retirees, surviving spouses, and Qualified Same-Sex Domestic Partners of deceased employees and retirees, maximum coverage is 75% of scheduled insurance amount in force on last day employee or retiree worked.

\*\* For dependents of retirees, surviving spouses, and Qualified Same-Sex Domestic Partners of deceased employees and retirees, maximum coverage is 37.5% of scheduled insurance amount on last day employee or retiree worked.

**When the employee/retiree attains a birthday which places the employee/retiree in a higher age bracket, the monthly contribution will change on the first day of the calendar month following the month in which such birthday occurs.**

## VI. Payment of Benefits

### (a) Death

If a dependent dies from any cause while the employee is insured for Dependent Group Life Insurance, the amount of such insurance in force on account of the dependent shall be paid in a lump sum to the employee (the employee is the beneficiary for Dependent Group Life Insurance). The employee's insurance certificate shall set forth the procedure for payment of insurance in case a dependent dies subsequent to the death of the employee.

The insurance is term insurance without cash, loan or paid-up values.

### (b) Accelerated Benefits for Terminal Illness

Effective November 19, 2007 an Accelerated Benefits provision is provided for terminally ill spouses or Same Sex Domestic Partners insured under the Dependent Group Life Insurance Program. A terminal illness is one in which life expectancy is less than 12 months. A terminally ill spouse or Same Sex Domestic Partner or their legal representative may request a one-time lump sum payment of up to 80% of their life insurance amount in advance of their death by submitting the request for such payment to the Insurer. The Insurer will determine if the benefit is payable. The Accelerated Benefits provision is not an option for insured dependent children.

The Accelerated Benefits provision is not available if the spouse or Same Sex Domestic Partner has irrevocably assigned Group Life benefits under the program.

The amount of coverage that remains in force will be reduced by the amount paid out under the Accelerated Benefits provision. The amount of Dependent Group Life Insurance that may be converted in accordance with the Conversion Privilege provision of the program will be reduced by the amount of accelerated benefit paid. Additionally, premium payments must continue to be paid on the full amount of Dependent Group Life Insurance.

**VII. Cessation of Insurance**

Dependent Group Life Insurance shall automatically cease on the earliest of the following:

- A. The date the employee or retiree ceases to have a dependent as defined in Section III, above.
- B. The date the employee or retiree ceases to be insured for Life Insurance provided in accordance with Section 3 or Section 14 of the Group Life and Disability Insurance provisions.
- C. The date on which the employee or retiree dies except as provided in section IX (Continuation of Coverage for Survivors of Deceased Employees or Retirees) of Exhibit I.
- D. If the employee or retiree fails to make a required contribution for Dependent Group Life Insurance when due, the last day of the calendar month immediately preceding the calendar month for which such contribution was due.
- E. The date of discontinuance of Dependent Group Life Insurance under the Insurance Program.
- F. On account of any dependent, the day immediately preceding the date such person ceases to be an eligible dependent as defined in Section III, above.

If Dependent Group Life Insurance terminates for all or any dependents, any loss of coverage may be converted to an individual policy under Exhibit I, section VIII. Dependents losing coverage may also be eligible for continuation of coverage for Survivors of Deceased Employees or Retirees in Exhibit I, section IX or portability of coverage under Exhibit I, section X. If eligible, coverage may be continued under Exhibit I, section VIII, or section IX or section X, but not under more than one.

**VIII. Conversion Privilege**

Upon written application made by a person to the insurance company within 31 days after the date of cessation of the

Dependent Group Life Insurance on account of such person because of:

- A. Cessation of the employee's Life Insurance provided in accordance with Section 3 of the Group Life and Disability Insurance provisions, unless such cessation was due to discontinuance of Dependent Group Life Insurance under the Insurance Program, or
- B. Such person's ceasing to be a dependent as defined in Section III, above,

such person shall be entitled to have an individual policy of Life Insurance only, without Disability or Accidental Means Death Benefits, issued by the insurance company, without evidence of insurability. Such individual policy shall be upon one of the forms then customarily issued by the insurance company, except term insurance, and the premium for such individual policy shall be the premium applicable to the class of risk to which such person belongs and to the form and amount of the individual policy at such person's attained age at the date of issue of such individual policy. The amount of such individual policy shall be equal to (or at the option of such person less than) the amount of Dependent Group Life Insurance in force on account of such person on the date of cessation of such insurance.

Any individual policy of Life Insurance so issued shall become effective at the end of the 31-day period during which application for such individual policy may be made. If, however, the person who is entitled to the privilege of obtaining an individual policy of Life Insurance dies during such 31-day period, the insurance company shall pay to the employee, whether or not application for such individual policy shall have been made, the maximum amount of Life Insurance for which an individual policy could have been issued. The employee's insurance certificate shall set forth the procedure for payment of insurance in case such person dies subsequent to the death of the employee.

**EXHIBIT II****SAFETY BELT USER BENEFIT PROGRAM**

**Any reference in this Exhibit to Same-Sex Domestic Partner, including the definition of spouse, shall be governed by the letter of understanding, dated November 5, 2015, titled “Transition of Same-Sex Domestic Partner Benefits.”**

**I. Effective Date**

The Safety Belt User Benefit coverage becomes effective January 1, 1985.

**II. Eligibility Requirement**

Covered Participants are persons who have Company-paid Hospital-Surgical-Medical coverage as described in the H-S-M-D-D-V Program. This includes employees, surviving spouses, Qualified Same-Sex Domestic Partners as defined in Section 9(f) and their eligible dependents.

**III. Description of Benefit**

The Safety Belt User Benefit of \$15,000 shall be paid by the Insurer to the beneficiary (as hereinafter provided) of a Covered Participant who dies as a result of bodily injury caused solely by an automobile accident, and independently of all other causes, that occurs in the United States or Canada, while the Covered Participant is properly using a qualified passenger restraint.

Loss of life as a result of such accident must occur within 365 days from the date of accident.

A qualified passenger restraint means an unaltered seat belt or lap and shoulder restraint installed by the manufacturer of the automobile or a seat belt or lap and shoulder restraint provided by such manufacturer and installed by an authorized dealer of such manufacturer. If such Covered Participant is a child, the restraint must be approved by the National Highway Traffic Safety Administration, properly secured, and utilized as recommended for children of like age and weight.

For purposes of this coverage, automobile means a private passenger land motor vehicle of pleasure design. Automobile includes vans, four-wheel drive vehicles, self-propelled motor homes and trucks with a factory-rated load capacity of 2,000 pounds or less, but excludes custom-fabricated specialty vehicles. An automobile does not include any vehicle used for farming, commercial business, military business, racing or any type of competitive speed event.

Only one \$15,000 benefit shall be paid as a result of the death of a Covered Participant.

#### IV. **Notice and Proof of Claim**

Within thirty days of the date of death of a Covered Participant, a claim for benefits hereunder must be submitted to the Insurer together with: (1) written notice of injury and proof of death, and (2) verifiable evidence sufficient to demonstrate to the satisfaction of the Insurer that the Covered Participant was properly wearing a qualified passenger restraint as provided herein at the time of the automobile accident resulting in death of the Covered Participant. Failure to furnish such notice and/or proof within 30 days shall not invalidate or reduce any claim if it was not reasonably possible to give notice or proof within such time, provided such notice or proof is furnished as soon as reasonably possible and in any event within **two** years.

The Insurer will make available proper claim forms, as well as information describing the type of evidence required.

#### V. **Beneficiary**

After receipt of proper notice and proof of claim as provided above, the Safety Belt User Benefit shall be paid by the Insurer in equal shares to the members of the highest priority beneficiary class identified as containing one or more members who survived the Covered Participant. Once a beneficiary class is identified by the Insurer to be the highest that exists, the benefit shall not be paid to any other class.

##### **Beneficiary Class**

Class 1. Employee.

Class 2. Spouse or Qualified Same-Sex Domestic Partner (as defined in Section 9(f)), or

Surviving Spouse or Surviving Qualified Same-Sex Domestic Partner of an Employee.

Class 3. Children of Employee, including eligible children of a Qualified Same-Sex Domestic Partner (as defined in Section 9(f)).

Class 4. Parents of Employee.

Class 5. **Surviving Siblings of Employee**

**Class 6.** The estate of the deceased Covered Participant.

VI. Safety Belt User Benefit is not assignable.

VII. **Limitations**

No payment shall be made for any loss caused wholly or partly, directly or indirectly, by:

- Disease or bodily or mental infirmity, or medical or surgical treatment thereof,
- Any infection, except infection caused by an injury sustained in an automobile accident as provided herein,
- Self-destruction or intentionally self-inflicted injury, while sane or insane,
- War or any act of war, whether declared or undeclared,
- The Covered Participant's act of aggression or participation in a felonious enterprise.

VIII. **Termination of Coverage**

This Safety Belt User Benefit Coverage shall not be payable for deaths of Covered Participants resulting from accidents occurring on or after the date on which a Covered Participant is no longer eligible for Company-paid coverage under the H-S-M-D-D-V Program, as provided above.

**EXHIBIT III****OPTIONAL GROUP LIFE INSURANCE****I. Eligibility Date**

An employee shall become eligible for Optional Group Life Insurance for the amounts of insurance determined in accordance with section III herein, on the first of the month following date employed provided that, in either case, the employee is then insured for Life Insurance described in Section 3 of the Group Life and Disability Insurance provisions. If the employee is not then insured for such Life Insurance, he/she shall become eligible for Optional Group Life Insurance on the first day of the calendar month following the date both these conditions are first met.

The date that the employee becomes eligible for Optional Group Life Insurance shall be hereinafter referred to as the employee's eligibility date.

**II. Enrollment and Effective Dates**

The employee's Optional Group Life Insurance shall become effective as follows:

- A. If the employee enrolls on or before his/her eligibility date, insurance of \$200,000 or less becomes effective on the eligibility date.
- B. If the employee enrolls during the 31-day period following his/her eligibility date, insurance of \$200,000 or less becomes effective on the first day of the calendar month next following the date of enrollment.
- C. If the employee enrolls (1) in greater than \$200,000, or (2) subsequent to the 31st day following his/her eligibility date, or (3) if the employee becomes insured for Optional Group Life Insurance and later decides to enroll for a higher amount of insurance as set forth in Section III herein, the employee must furnish evidence satisfactory to the Insurer (a) of his/her good health, or (b) that he/she has married or

acquired a child or children by birth or adoption during the 31-day period immediately prior to such enrollment. In either case, insurance shall become effective on the first day of the calendar month next following the date the Insurer approves such evidence, provided that in the case of (b) above, the change in status is still in existence.

- D. If the employee enrolls during an open enrollment, coverage is effective (1) for guaranteed coverage amounts (coverage amounts as specified in the open enrollment where evidence of insurability is not required), the 1st of the month following enrollment, or (2) for amounts requiring evidence of insurability, the first of the calendar month following the date the insurance carrier approves coverage.

In any event, for an employee to become insured initially or for a higher amount of insurance, the employee must be actively at work on the date the insurance would otherwise become effective. If the employee is not actively at work on such date, the insurance becomes effective on the date the employee returns to active work, provided the employee is then still eligible as set forth in Section I above.

If the employee becomes insured for Optional Group Life Insurance and later enrolls for a lower amount of insurance as set forth in Section III herein, the employee shall become insured for such lower amount of insurance on the first day of the calendar month next following the last month for which he/she made the required contribution for the higher amount, whether or not the employee is then actively at work.

### III. Amount of Insurance

An employee may elect one of the following Schedules of Optional Group Life Insurance:

	<b>Amount of Life Insurance</b>
Schedule 1	\$10,000
Schedule 2	20,000
Schedule 3	30,000
Schedule 4	40,000
Schedule 5	50,000
Schedule 6	75,000
Schedule 7	100,000
Schedule 8	125,000
Schedule 9	150,000
Schedule 10	175,000
Schedule 11	200,000
Schedule 12	225,000
Schedule 13	250,000
Schedule 14	275,000
Schedule 15	300,000
Schedule 16	400,000
Schedule 17	500,000
<b>Schedule 18</b>	<b>600,000</b>

Retired employees may continue that amount of insurance in force on the last day the retiree worked, or a lesser amount according to the above schedule at their option, until they attain age 70. Commencing the first day of the month following the month in which their 70th birthday occurs, if they are then participating in the program, the maximum amount of insurance the retired employee may continue will be seventy-five percent (75%) of the amount of insurance in force on their last day worked prior to retirement. Commencing on the first day of the month following the month in which their 75th birthday occurs, if they are then participating in the program, the maximum amount of insurance the retired employee may continue thereafter will be thirty-seven and one-half percent (37.5%) of the amount of insurance in force on the last day worked prior to retirement.

**IV. Contributions**

The employee shall contribute the full cost of the Optional Group Life Insurance and contributions shall be payable monthly in advance. Premium rates are not based on the last date actively at work and the required monthly contribution for each \$1,000 of Optional Group Life Insurance is set forth in the following table, which is subject to change if necessary during the duration of this Agreement by mutual agreement between the Company and the Union:

**Employee Contribution Rates**

<b>Employee's Age*</b>	<b>Monthly Contribution for Each \$1,000 of Insurance Effective 1-1-16</b>
Less Than 30	<b>\$.028</b>
30-34	<b>.043</b>
35-39	<b>.057</b>
40-44	<b>.075</b>
45-49	<b>.113</b>
50-54	<b>.172</b>
55-59	<b>.322</b>
60-64	<b>.494</b>
65-69	<b>.950</b>
70-74	<b>1.541</b>
75-79	<b>2.435</b>
80-84	<b>3.492</b>
85-89	<b>5.028</b>
90-94	<b>7.064</b>
95 & over	<b>11.973</b>

**Retiree Contribution Rates**

<b>Retiree's Age*</b>	<b>Monthly Contribution for Each \$1,000 of Insurance Effective 1-1-16</b>
Less Than 30	\$.060
30-34	.080
35-39	.090
40-44	.108
45-49	.194
50-54	.370
55-59	.540
60-64	.918
65-69	1.760
70-74	3.420
75-79	5.214
80-84	7.481
85-89	10.776
90-94	15.134
95 & over	25.651

\* **When the employee/retiree attains a birthday which places the employee/retiree in a higher age bracket, the monthly contribution will change on the first day of the calendar month following the month in which such birthday occurs.**

## V. Payment of Benefits

- A. If an employee dies from any cause while the employee is insured for Optional Group Life Insurance, the amount of such insurance in force shall be paid to the person or persons designated by the employee as beneficiary. The beneficiary is that designation the employee has last made as indicated on the records of the Insurer.

When the Insurer receives notice of a beneficiary change, the change then relates back to and takes effect as of the date the employee signed such notice, according to the date shown thereon, whether or not the employee is living when the Insurer received such notice, but without prejudice to the Insurer on account of any payment it may have made before receipt of such written notice.

In the event the last named beneficiary dies before the employee, or if no beneficiary shall have been named, the Optional Group Life Insurance will be paid to the employee's wife or husband, or Qualified Same-Sex Domestic Partner (SSDP), as provided in Section 9(f), if living; if not living, equally to the employee's surviving children; if none survive, to either the employee's mother or father, or to both equally if both survive; **if none survive, equally to the employee's surviving siblings**; if there are no such survivors, to the employee's estate.

- B. The amount of Optional Group Life Insurance shall be paid in one sum or if the employee so requests, in accordance with any of the settlement options made available by the Insurer. In the event that provision for payment in accordance with any settlement option made available by the Insurer has not been made by the employee prior to his/her death, then such provision may be made by the beneficiary entitled to receive the Optional Group Life Insurance in the event of the employee's death.
- C. This insurance is term insurance without cash, loan or paid-up values.

- D. Optional Group Life Insurance may be assigned if the assignment is made by the employee in writing and the Insurer consents in writing.
- E. Effective November 19, 2007 an Accelerated Benefits provision is provided for terminally ill employees or retirees insured under the Optional Group Life Insurance Program. A terminal illness is one in which life expectancy is less than 12 months. A terminally ill employee or retiree or their legal representative may request a one-time lump sum payment of up to 80% of their life insurance amount in advance of their death by submitting the request for such payment to the Insurer. **The combined accelerated benefit amounts under Basic and Optional Group Life Insurance may not exceed \$500,000.** The insurer will determine if the benefit is payable.

The Accelerated Benefits provision is not available if;

- (a) The employee or retiree has irrevocably assigned Group Life benefits under the program, or
- (b) All or part of Optional Group Life benefits are to be paid to a former spouse as part of a divorce agreement.

The amount of coverage that remains in force will be reduced by the amount paid out under the Accelerated Benefits provision. The amount of Optional Group Life Insurance that may be converted in accordance with the Conversion Privilege provision of the program will be reduced by the amount of accelerated benefit paid. Additionally, premium payments must continue to be paid on the full amount of Optional Group Life Insurance for which the employee or retiree was enrolled.

#### VI. **Cessation of Insurance**

Optional Group Life Insurance shall automatically cease on the earliest of the following:

- A. The date the employee ceases to be insured for Life Insurance provided in accordance with Section 3 or

Section 14 of the Group Life and Disability Insurance provisions.

- B. If the employee fails to make a required contribution for Optional Group Life Insurance when due, the last day of the calendar month immediately preceding the calendar month for which such contribution was due.
- C. The date of discontinuance of Optional Group Life Insurance under the Insurance Program.

If Optional Group Life Insurance terminates, any coverage lost may be converted to an individual policy as specified under Exhibit III, section VII. An employee or retiree may also be eligible to continue coverage under Exhibit III, section VIII Portability Provision. However, coverage may not be continued under both Exhibit III, section VII Conversion Privilege and Exhibit III, section VIII Portability provision.

#### VII. **Conversion Privilege**

Upon written application made by the employee to the Insurer within 31 days after the date of cessation of the employee's Optional Group Life Insurance because of cessation of the employee's Life Insurance provided in accordance with Section 3 or Section 14 of the Group Life and Disability Insurance provisions (unless such cessation was due to discontinuance of Optional Group Life Insurance under the Insurance Program) the employee shall be entitled to have an individual policy of Life Insurance only, without Disability or Accidental Means Death Benefits, issued by the Insurer, without evidence of insurability. Such individual policy shall be upon one of the forms then customarily issued by the Insurer, except term insurance, and the premium for such individual policy shall be the premium applicable to the class of risk to which the employee belongs and to the form and amount of the individual policy at the employee's attained age at the date of issue of such individual policy. The amount of such individual policy shall be equal to (or, at the option of the employee, less than) the amount of the employee's Optional Group Life Insurance in force on the date of cessation of such insurance.

Any individual policy of Life Insurance so issued shall become effective at the end of the 31-day period during which application for such individual policy may be made. If, however, the employee dies during such 31-day period, the Insurer shall pay to his/her beneficiary of record, whether or not the employee shall have made application for such individual policy, the maximum amount of Life Insurance for which an individual policy could have been issued.

#### VIII. **Portability Provision**

Effective November 19, 2007, an insured employee or retiree who loses coverage under the Optional Group Life Insurance program due to any of the following reasons:

- (a) Employment with the Company ends,
- (b) Failure to meet the eligibility requirements of the Optional Group Life Insurance program, or
- (c) Termination of the Policy by the Company or the Carrier without its replacement with a substitute program from the same Carrier,

may be eligible to continue their coverage by electing Life Insurance under the Insurance Portability Provisions of the program without providing evidence of insurability. To be eligible for Portability coverage, a written application must be submitted to the Carrier and payment of the first premium made within 31 days after their insurance under the Optional Group Life Insurance program ends.

The amount of insurance ported under this provision may not exceed the amount of coverage in effect when coverage under the Optional Group Life program ended; however, coverage may be for a lesser amount. The amount of insurance under this provision, once elected, may not be increased. Premium rates for portability are age banded, premiums will increase with age, and are set by the carrier. Insurance under the Portability provision will end on the earliest of the day the employee or retiree:

- (a) Reaches the age limit as specified in the insurance policy
- (b) Fails to pay an applicable premium when due

- (c) Receives reinstated coverage under the Optional Group Life Insurance Program
- (d) Enters the Armed Forces, National Guard, or Reserves of any state or country on active duty (except for temporary active duty of two weeks or less) if the insurance policy includes this provision

## EXHIBIT IV

### OPTIONAL ACCIDENT INSURANCE

**Any reference in this Exhibit to Same-Sex Domestic Partner, including the definition of spouse, shall be governed by the letter of understanding, dated November 5, 2015, titled “Transition of Same-Sex Domestic Partner Benefits.”**

#### I. **Eligibility Date**

An employee shall become eligible to elect Optional Accident Insurance as described in Section III herein for the amounts of insurance therein described, on the first day of the month following date employed provided that the employee is then insured for Life Insurance described in Section 3 of the Group Life and Disability Insurance provisions. If the employee is not then insured for such Life Insurance, the employee shall become eligible for Optional Accident Insurance on the first day of the calendar month following the date both these conditions are first met.

The date that the employee becomes eligible for Optional Accident Insurance shall be hereinafter referred to as the employee’s eligibility date.

#### II. **Enrollment and Effective Dates**

The employee’s Optional Accident Insurance shall become effective as follows:

- A. If the employee enrolls on or before the employee’s eligibility date, insurance coverage becomes effective on the eligibility date.
- B. If the employee enrolls subsequent to the employee’s eligibility date, or if the employee becomes insured for

Optional Accident Insurance and later decides to enroll for a higher amount of insurance as provided in Section III herein, insurance shall become effective on the first day of the calendar month next following the date of enrollment or change.

- C. In any event, for an employee to become insured initially or for a higher amount of insurance, the employee must be actively at work on the date the insurance would otherwise become effective. If the employee is not actively at work on such date, the insurance or the higher amount of insurance becomes effective on the date the employee returns to active work, provided the employee is then still eligible as set forth in Section I above.
- D. If the employee becomes insured for Optional Accident Insurance and later enrolls for a lower amount of insurance as provided in Section III herein, the employee shall become insured for such lower amount of insurance on the first day of the calendar month next following the last month for which the employee made the required contribution for the higher amount, whether or not the employee is then actively at work.

### III. **Amount of Insurance**

An employee may elect either Employee Coverage or Family Coverage. Coverage must be purchased in Units of \$10,000. Employees may buy a principal sum of up to ten (10) times annual base pay, rounded to the next \$10,000, up to a maximum benefit of \$500,000.

#### A. **Loss of Life or a Bodily Injury**

If the employee sustains an accidental bodily injury which results in one of the following losses within 365 days of the accident, the following schedule applies:

<b>LOSS</b>	<b>AMOUNT PAYABLE</b>
Loss of Life .....	The Principal Sum
Loss of both hands or both feet .....	The Principal Sum
Loss of one hand and one foot.....	The Principal Sum
Loss of the entire sight of both eyes.....	The Principal Sum
Loss of speech and hearing .....	The Principal Sum
Loss of the entire sight of one eye and one hand or foot.....	The Principal Sum
Loss of one hand or one foot.....	One-Half The Principal Sum
Loss of the entire sight of one eye.....	One-Half The Principal Sum
Loss of speech or hearing.....	One-Half The Principal Sum
Loss of thumb and index finger (of the same hand) .....	One-Quarter The Principal Sum

If the employee elects Family Coverage, both the employee and eligible Family members are insured; a spouse or a qualified Same-Sex Domestic Partner (as defined in Section 9 (f)) is covered for an amount equal to fifty percent (50%) of the employee’s coverage and each other eligible dependent is covered for ten percent (10%) of the employee’s coverage.

Benefits under this provision will not be paid under any circumstances for more than one of the losses, the greatest, sustained by the covered employee or covered family member as the result of any one injury.

“Loss,” used with reference to hand or foot, means complete severance through or above the wrist or ankle joint; as used with reference to eye, means irrecoverable loss of the entire sight thereof; as used with reference to speech and hearing, means entire and irrecoverable loss of speech or hearing and as used with reference to thumb and index finger, means complete severance through or above metacarpophalangeal joints.

**B. Paralysis Benefits**

If an insured employee sustains an accidental bodily injury that results in permanent paralysis within 365 days of the accident, the following schedule applies:

Quadriplegia .....	The Principal Sum
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Paraplegia/Triplegia....Three-Quarters The Principal Sum  
 Hemiplegia/Uniplegia .....One-Half The Principal Sum

If the employee elects Family Coverage, a spouse or qualified Same-Sex Domestic Partner (as defined in Section 9(f)) is covered for an amount equal to fifty percent (50%) of the employee's coverage and each other eligible dependent is covered for ten percent (10%) of the employee's coverage.

If an insured employee sustains an accidental bodily injury that results in a permanent paralysis within 365 days of the accident and less than The Principal Sum is payable by reason of such loss and the insured employee thereafter suffers a greater loss as a result of the same accidental bodily injury within such 365 day period following the accident, the excess benefit amount will be payable.

**C. Comatose Benefit**

If an insured employee sustains an accidental bodily injury that results in lapse into a comatose state within 365 days of the accident, a benefit equal to one percent (1%) of the Principal Sum shall be payable on the 32nd day of the coma and each month thereafter for a maximum of 100 months, or until death if earlier at which time any balance would be paid. If the employee regains consciousness, benefits shall cease and coverage for Optional Accident Insurance would resume only upon re-enrollment and payment of premiums.

If the employee elects Family Coverage, a spouse or Qualified Same-Sex Domestic Partner (as defined in Section 9(f)) is covered for an amount equal to fifty percent (50%) of the employee's coverage and each other eligible dependent is covered for ten percent (10%) of the employee's coverage.

**D. Special Education Benefit**

If Family Coverage has been elected and the insured employee dies as a result of a covered accident, an additional benefit in the amount of six percent (6%) of

the employee's Principal Sum (subject to a maximum of \$7,000 effective January 1, 2004 for covered accidents on or after that date) per year will be paid for each eligible dependent child of the employee, surviving spouse or SSDP enrolled within 365 days of the death of the employee as a full-time student in an accredited college or university.

This benefit is payable annually for a maximum of four consecutive years providing the eligible child consecutively continues his/her education as a full-time student. Benefits beyond the first year require evidence that the child has successfully completed all academic requirements of the prior school year.

No payment will be made for room, board, or other living, traveling, or clothing expenses.

If there is no dependent child who qualifies, an additional benefit of \$1,000 will be paid to the beneficiary.

**E. Special Child Care Center Benefit**

If Family Coverage has been elected, upon the death of an insured employee, spouse or qualified Same-Sex Domestic Partner (as defined in Section 9(f)) from a covered accident, the beneficiary will receive an additional benefit in the amount of six percent (6%) of the employee's Principal Sum (subject to a maximum of \$7,000 effective January 1, 2004 for covered accidents occurring on or after that date) per year for up to four years for each eligible dependent child, under the age of 13, enrolled (or who becomes enrolled within 90 days) in a qualified child care center.

If there is no dependent child who qualifies, an additional benefit of \$1,000 will be paid to the beneficiary.

**F. Spousal Occupational Training Expense**

If Family Coverage is elected and the insured employee dies as a result of a covered accident, a surviving spouse or qualified Same-Sex Domestic Partner (as defined in

Section 9(f)) who participates in a formal occupational training program in order to become specifically qualified for active employment in an occupation for which the spouse or qualified Same-Sex Domestic Partner would not have sufficient qualification otherwise, will be reimbursed for expenses actually incurred up to 6% of the employee's Principal Sum (subject to a maximum of \$7,000 effective January 1, 2004 for covered accidents occurring on or after that date).

To be reimbursed, such expenses must be reasonable and necessary and must be incurred within (3) years of the date of the death. No payment will be made for room, board, or other living, traveling, or clothing expenses.

**G. Common Disaster Benefit**

If Family Coverage is elected and an insured employee, spouse, or qualified Same-Sex Domestic Partner (as defined in Section 9(f)) suffers a loss of life in the same covered accident, or separate covered accidents which occur within 48 hours of each other (common disaster), the amount payable by reason of the spouse's or Qualified Same-Sex Domestic Partner's death will equal the amount payable by reason of the insured employee's death. The common disaster benefit for the insured employee and spouse or Qualified Same-Sex Domestic Partner will not exceed \$1,000,000.

**H. Repatriation Benefit**

For losses occurring on or after January 1, 2004, if an insured employee or retiree or, if family coverage is elected, a covered spouse/Qualified Same-Sex Domestic Partner (as defined in Section 9(f)) or dependent child, sustains a loss of life as a direct result of a covered accident, both the accident and death occurring at a distance of 100 miles or more from the deceased person's principal residence, reimbursement up to a maximum benefit of \$5,000 will be made for the

expenses incurred for preparation of the body and its transportation to the city of his/her principal residence.

**I. Seatbelt Benefit**

For losses occurring on or after January 1, 2004, if an insured employee or retiree, or, if family coverage is elected, a spouse, Qualified Same-Sex Domestic Partner (as defined in Section 9(f)), or dependent child also sustains a loss of life while wearing a seatbelt in an automobile, 10% of principal sum to a maximum of \$10,000 is payable for each insured member whose life was lost.

For the purposes of seatbelt benefit, “injury” shall mean bodily injury caused solely by an automobile accident that occurs while the policy is in force and while the Insured Person sustaining such injury is insured under the policy, and that occurs in the United States or Canada, while the Insured Person is properly wearing an unaltered seat belt or lap and shoulder restraint provided by such manufacturer and installed by an authorized dealer of such manufacturer. If such occupant is a child, the restraint must be one approved by the National Highway Traffic Safety Administration, properly secured, and utilized as recommended by its manufacturer for children of like age and weight.

“Automobile” means a private passenger land motor vehicle of pleasure design. Automobile includes vans, four-wheel drive vehicles, self-propelled motor homes and trucks with a factory-rated load capacity of 2,000 pounds or less, but excludes custom-fabricated specialty vehicles. An automobile does not include any vehicle used for farming, commercial business, military business, racing or any type of competitive speed event.

**J. Continuation of Coverage for Surviving Spouses**

If an employee’s or retiree’s coverage ends due to their death, a covered surviving spouse or Qualified Same-Sex Domestic Partner (SSDP) has the option to continue coverage for themselves and dependent children who were insured at the time of the employee’s or retiree’s

death by paying the applicable premium. No increase in coverage will be permitted. The rate for this coverage will be the difference between the family rate and employee only rate in force at that time.

For enrolled survivors of employees, coverage is provided at no cost for twelve (12) months from the date of the employee's death. If continued coverage is elected following the initial twelve (12) months, it will be effective beginning the thirteenth (13th) month following the employee's death. The elected coverage for the surviving spouse or SSDP and their covered dependents may be continued under the Plan until the spouse or SSDP reaches age 65 at which time they will be allowed to convert coverage to the Retiree Plan at the applicable rates and coverage levels. Eligible dependents of the surviving spouse or SSDP who are enrolled for coverage at the time of the conversion to the Retiree Plan also may be covered provided they continue to meet the eligibility requirements and pay the applicable premium.

Coverage for the surviving spouse or SSDP of a retiree and their covered dependents will be continued through the last month covered by the retiree's annual premium, after which the surviving spouse or SSDP may continue coverage by paying the applicable premium on a timely basis. Eligible dependents of the surviving spouse or SSDP who are enrolled for coverage at the time of the retiree's death, also may be covered.

Coverage will terminate if the spouse remarries or the SSDP marries or establishes a new same-sex relationship with another party or for non-payment of required premiums.

#### IV. **Exclusions**

The policy doesn't cover loss caused or contributed by:

- A. Suicide or self-destruction or any attempt thereat, whether sane or insane;
- B. Bodily infirmity, sickness or disease;

- C. Medical or surgical treatment (except medical or surgical treatment necessitated only due to an injury);
- D. War, declared or undeclared, or any act of war except while the Insured Person is outside the United States and Puerto Rico on Company assignment or while Insured Dependents are outside the United States and Puerto Rico because of the Insured's assignment;
- E. Injury sustained while serving in the armed forces of any country, for which period premiums will be refunded, provided, however, that a member of an Organized Reserve Corps or National Guard Unit shall be covered during short periods of training or participation in public ceremonies;
- F. Injury sustained while engaged in or taking part in aeronautics and/or aviation of any description or resulting from being in an aircraft. This policy covers riding as a passenger but not as an operator or crew member, in or on, boarding or unloading from any aircraft having a current and valid airworthiness certificate or any transport type aircraft operated by the Military Airlift Command (MAC) of the United States of America or by any similar air transport service of any duly constituted governmental authority of the recognized government of any nation anywhere in the world. Persons who are not members of the operating crew of any aircraft, who are engaged in testing, measuring, calibrating and similar operations, shall be considered passengers and not crew members;
- G. The Insured Person's act of aggression, participation in a felonious enterprise or illegal use of drugs.

Notwithstanding the provisions of Section IV and, other than for medical malpractice or other medical errors, a claim for Optional Accident Insurance will not be denied on the basis that a physical illness or infection either (1) contributed to an accidental covered loss or (2) hastened the occurrence of an accidental covered loss.

**V. Contributions**

The employee shall contribute the full cost of the Optional Accident Insurance and contributions shall be payable monthly in advance. Premium rates are not based on the last date actively at work. Effective January 1, 2016, the required monthly contribution for each \$10,000 is \$.35 for Employee Coverage or \$.59 for Family Coverage. These contributions are subject to change during the duration of this Agreement if necessary and by mutual agreement of the Company and the Union.

**VI. Definition of Dependent**

“Dependent” means (a) the employee’s spouse and (b) Qualified Same-Sex Domestic Partner (SSDP), as provided in Section 9(f), (c) any unmarried child (i) of the employee by birth, legal adoption, or legal guardianship, while such child legally resides with and is dependent upon the employee, (ii) of the employee’s spouse or SSDP while such child is in the custody of and dependent upon the employee’s spouse or SSDP and is residing in and a member of the employee’s household, (iii) as defined in (i) and (ii) who does not reside with the employee but is the employee’s legal responsibility for the provision of health care, and (iv) who resides with and is related by blood or marriage to the employee, for whom the employee provides principal support as defined by the Internal Revenue Code of the United States, and who was reported as a dependent on the employee’s most recent income tax return or who qualifies in the current year for dependency tax status. A child as defined in (i), (ii), (iii), or (iv) is included until the end of the calendar year in which the child attains age 26, or regardless of age if totally and permanently disabled as defined hereinafter, provided that any such child after the end of the calendar year in which the child attains age 19 must be dependent upon the employee within the meaning of the Internal Revenue Code of the United States and must legally reside with, and be a member of the household of, the employee. “Totally and permanently disabled” means having any medically determinable physical or mental condition which prevents the child from engaging in substantial gainful activity and which can be expected to

result in death or to be of long-continued or indefinite duration.

No person may be considered a dependent of more than one employee.

The definition of dependent used in this Exhibit shall apply only to the Optional Accident Insurance set forth herein and shall be entirely independent of any such definition used for benefits as set forth in the H-S-M-D-D-V Program or any other Program.

## VII. **Payment of Benefits**

A. If an employee dies as a result of accidental death while the employee is insured for Optional Accident Insurance, the amount of such insurance in force shall be paid to the person or persons designated by the employee as beneficiary. The beneficiary is that designation the employee has last made as indicated on the records of the Insurer.

When the Insurer receives notice of a beneficiary change, the change then relates back to and takes effect as of the date the employee signed such notice, according to the date shown thereon, whether or not the employee is living when the Insurer received such notice, but without prejudice to the Insurer on account of any payment it may have made before receipt of such written notice.

In the event the last named beneficiary dies before the employee, or if no beneficiary shall have been named, the Optional Accident Insurance will be paid to the employee's wife or husband or SSDP, if living; if not living, equally to the employee's surviving children; if none survive, to either the employee's mother or father, or to both equally if both survive; **if none survive, equally to the employee's surviving siblings**; if there are no such survivors, to the employee's estate.

B. If a covered spouse or SSDP or dependent dies as a result of accidental death while insured for Optional Accident Insurance, the amount of such insurance in

force on account of such person shall be paid in a lump sum to the employee (the employee is the beneficiary for Optional Accident Insurance). The employee's insurance certificate shall set forth the procedure for payment of insurance in case such person dies subsequent to the death of the employee.

- C. All other indemnities are payable to the injured person suffering the loss.

#### VIII. **Cessation of Insurance**

For an employee or a retiree who has retained coverage after retirement, Optional Accident Insurance shall automatically cease on the earliest of the following:

- A. The date the employee or a covered retiree ceases to be insured for Life Insurance provided in accordance with Section 3 or Section 14 of the Group Life and Disability Insurance provisions, unless continued as described in Section IX herein.
- B. If the employee or covered retiree fails to make a required contribution for Optional Accident Insurance when due, the last day of the calendar month immediately preceding the calendar month for which such contribution was due.
- C. The date of discontinuance of Optional Accident Insurance under the Insurance Program.

For a dependent, other than in the instance of the death of an employee, Optional Accident Insurance shall automatically cease on the earliest of the following:

- A. On the date of termination of the employee's insurance.
- B. On the date the dependent ceases to be an eligible dependent as defined in Section VI herein.
- C. On the date ending the period for which the last premium payment is made for dependent's insurance.

For a dependent, in the event an employee or covered retiree dies while enrolled in the Family Coverage Option, Optional Accident Insurance shall automatically cease on the earliest of the following:

- A. On the date the dependent ceases to be an eligible dependent as defined in Section VI herein.
- B. On the date the surviving spouse remarries or surviving Qualified Same-Sex Domestic Partner marries or enters another same-sex relationship.
- C. On the date of discontinuance of Optional Accident Insurance under the Insurance Program.
- D. On the expiration of twelve (12) months following the date of the employee's death unless the surviving spouse or Qualified Same-Sex Domestic Partner applies to continue coverage for a longer period and pays the necessary premium.
- E. At the end of the month for which the last premium payment was made if a surviving spouse or Qualified Same-Sex Domestic Partner fails to make the required premium payment.

**IX. Continuation After Cessation of Active Work**

- A. Unpaid leave of absence and medical leave of absence\*

During the month an approved leave of absence commences, an insured employee on such leave will be covered for the full calendar month provided the premium has been deducted for that month; and

Coverage may be continued by an employee while on approved leave of absence provided the applicable monthly premium is paid to the Insurer.

- B. Layoff\*

If an employee is laid off, coverage may be continued according to the following schedule:

<b>Years of Seniority on Last Day Worked Prior to Layoff</b>	<b>Maximum Number of Months for Which Coverage Can Be Continuous</b>
Less than 1	0
1 but less than 2	14
2 but less than 3	16
3 but less than 4	18
4 but less than 5	20
5 but less than 6	22
6 but less than 1	24
10 or more	36

\* Premiums must be paid to the Insurer within 31 days of the last month covered by payroll deduction and on the first of each month thereafter.

### C. **Retirement**

Effective January 1, 2000, employees enrolled as of last day worked may continue a portion of coverage by making annual payments in advance. For Retired Employee Coverage, the annual rate is \$6.18 per \$10,000 of coverage. For Retired Family Coverage, the annual rate is \$9.27 per \$10,000 of coverage. These contributions are subject to change during the duration of this Agreement if necessary by mutual agreement of the Company and the Union.

If eligible, coverage up to \$150,000 or the amount in force as of last day worked, whichever is less, may be continued. This amount cannot be increased, but may be decreased or cancelled at any time. Coverage may be changed from Retired Family Coverage to Retired Employee Coverage at any time, and may be changed from Retired Employee Coverage to Retired Family Coverage at the point of retirement or each year thereafter only on the anniversary of the employee's retirement date and at no other time during the year.

Retired employees and their dependents are ineligible for loss of speech and hearing, loss of speech or hearing, loss of thumb and index finger benefits or benefits described in III D., E., or F. above.

**INSURANCE PROGRAM**

**HOSPITAL-SURGICAL-MEDICAL  
DRUG-DENTAL-VISION**

**(“H-S-M-D-D-V” PROGRAM)**

Incorporated by reference in the Collective Bargaining Agreement dated **November 23, 2015**, (herein called the **2015** Collective Bargaining Agreement).

**Section 1. Coverages**

(a) **Negotiated Benefits**

For eligible employees, hospital-surgical-medical-drug-dental-vision-hearing aid coverages shall be:

- (1) The hospital expense benefits negotiated by the Company and the Union, which benefits are the same as those for semi-private accommodations under the Series A 80 Group Health Care Benefit Certificate of Blue Cross and Blue Shield of Michigan **or mutually agreed upon coverage provided by another carrier**,
  - A. With provisions, as specified in the Administrative Manual dated **September, 2013** or as to be updated, by mutual agreement of the parties, during the first year of the term of this Agreement to reflect the **2015** Collective Bargaining Agreement; and
  - B. With revised provisions, as have been agreed upon between the parties and included in Exhibit III “Utilization Review and Cost Containment” and Exhibit VI “Understandings With Respect To The H-S-M-D-D-V Program General”; and
- (2) The surgical-medical expense benefits negotiated by the Company and the Union, which benefits are the same as those under Series A 80 Group Health Care Benefit Certificate of Blue Cross and Blue Shield of Michigan **or mutually agreed upon coverage provided by another carrier**,

- A. With provisions, as specified in the Administrative Manual dated **September, 2013** or as to be updated, by mutual agreement of the parties, during the first year of the term of this Agreement to reflect the **2015** Collective Bargaining Agreement; and
  - B. With revised provisions, as have been agreed upon between the parties and included in Exhibit III “Utilization Review and Cost Containment” and Exhibit VI “Understandings With Respect To The H-S-M-D-D-V Program General”; and
- (3) The prescription drug expense benefits negotiated by the Company and the Union, presently provided through the **designated mutually agreed upon Pharmacy Benefit Manager (PBM)** which benefits are the same as those provided under Series A 80 Group Health Care Benefit Certificate of Blue Cross and Blue Shield of Michigan **or mutually agreed upon coverage provided by another carrier** and the Administrative Manual, which is to be updated during the first year of the term of this Agreement.
- A. Effective January 1, **2016**, a co-payment of **six** dollars (\$**6.00**) for each separate generic prescription order and refill and **twelve** dollars (\$**12.00**) for each separate brand-name prescription order and refill. There is a co-payment of **seventeen** dollars (\$**17.00**) for each separate erectile dysfunction medication prescription order and refill.
  - B. The Mail Order Prescription Drug Program will continue to be available to all enrollees except those enrolled in alternative plans. Effective January 1, **2016**, a co-payment of **twelve** dollars (\$**12.00**) for each separate covered generic prescription order and refill, **seventeen** dollars (\$**17.00**) for each separate covered brand-name prescription order or refill and twenty **one** dollars (\$**21.00**) for each separate erectile dysfunction medication prescription order and refill. The Mail

Order Prescription Drug Program shall include the Maximum Allowable Cost Program provisions.

- C. Maintenance drugs shall be covered as specified in Exhibit VI “Understandings With Respect To The H-S-M-D-D-V Program General” and as specified in the H-S-M-D-D-V and Self-funded PPO Prescription Drug Program Letter of Understanding dated November 3, 2007.
- (4) The hearing aid expense benefits provided under the “Hearing Aid Expense Benefits Program” as set forth in Exhibit V hereof; and
  - (5) The dental expense benefits provided under the “Dental Expense Benefits Program” as set forth in Exhibit I hereof; and
  - (6) The vision expense benefits provided under the “Vision Expense Benefits Program” as set forth in Exhibit IV hereof (or such other vision expense benefit programs as mutually agreed to by the Company and the Union).

The coverages, as of their respective effective dates, provided in (1), (2) and (3) of this Subsection (a) shall include the benefits negotiated by the Company and the Union as of **November 23, 2015**, as specified in additional detail in the Exhibits hereto. References to the specifically identified Certificate are to the form in which it existed on **November 23, 2015**. Should the provisions of the Certificate or Administrative Manual conflict with the provisions specified herein or in the Exhibits hereto, the latter shall control.

(b) **National Program Benefits**

Health care (other than dental or vision) coverages shall be those provided under a national program by agreement between the Company and Blue Cross and Blue Shield of Michigan or another carrier, hereinafter referred to as the Control Plan. The Control Plan shall have responsibility for assuring that uniform health care coverages, as negotiated by the Company and the Union, are provided. The Company and the Union expressly reserve the right to choose, by mutual agreement, the carrier(s) through which the benefits agreed

upon will be provided and/or which carrier(s) will administer the Control Plan functions.

(c) **Enrollment Classifications**

At the employee's option coverage under this Section 1 may include protection for (i) self only, (ii) self and spouse or self and child, or (iii) self and family (including spouse and eligible child(ren)) as defined in Section 10.

(d) **Third Parties**

It is understood that the provisions herein and in the attached Exhibits are agreements between the Company and the Union and, although they set forth intended arrangements involving third parties, they shall not be relied upon by any such third party as establishing any right for it against the Company or the Union.

(e) **Intent of Modifications**

Modifications of H-S-M-D-D-V coverages resulting from the 2007 collective bargaining negotiations should not be interpreted to remove or limit any previously existing coverage except where more limited coverage has been specifically provided.

- (f) For the H-S-M-D-D-V Program, reference to "insurance," "carrier(s)," "contributions," "subscription rates" and "premium charges" include the Company's provision of coverage through a pre-payment agency, insurance, self-insurance, administrative services only arrangement or any other arrangement.

## **Section 2. Alternative Plans**

- (a) For employees in certain areas served by alternative plans, including but not limited to health maintenance organizations (HMOs) and preferred provider organizations (PPOs), the Company has made arrangements to afford them the option(s) to subscribe to such plan(s) in their area, as a partial or complete substitute for the coverages provided in Section 1 above, subject to the limitation on Company contributions contained in Section 4(f) below. The coverages provided under such alternative plans shall be in compliance with the benefits as negotiated by the parties or as otherwise mutually

agreed to by the parties. Each individual plan shall be offered only by mutual agreement of the Company and the Union. Subsequent opportunities with respect to such option(s) shall be provided annually during a specified enrollment period to be mutually agreed upon by the parties. All PPOs made available to employees are required to attain National Committee for Quality Assurance (NCQA) or the Utilization Review Accreditation Commission (URAC) accreditation. All HMOs made available to employees are required to apply for National Committee for Quality Assurance review and to attain at least provisional accreditation. Any PPO or HMO which does not have the required accreditation will not be made available during the next open enrollment. Provided, that a plan may be offered or retained by mutual agreement of the parties. All PPOs and HMOs shall also be required to publicly report NCQA, URAC, HEDIS and any other data as mutually agreed to by the parties that may be relevant to consumer information needs.

These same arrangements shall be extended or continued with respect to similar plans by mutual agreement between the parties hereto in the same area or other areas where similar plans are or may become available.

- (b) By the mutual agreement of the parties, alternative plans of benefits with limited numbers of providers, similar to the arrangements for prescription drugs and vision care in effect on **November 23, 2015**, may be implemented and substituted for the benefits described in Section 1. Such arrangements can be implemented for diagnostic radiology in addition to durable medical equipment and prosthetic and orthotic devices, vision care, diagnostic laboratory and pathology services, and prescription drugs.
- (c) All HMOs and PPOs shall administer claims and appeals in accordance with their own claims and appeals procedure. Certain self-funded PPOs to be chosen by mutual agreement of the parties may follow the same claims and appeals procedures as the National PPO and Blue Preferred Plus PPO Plans.

### **Section 3. Optional Coverages**

Plans shall provide under the employee's contract optional coverages for dependents other than those specified in Section 10 (a), (b), (c), and (d) below. The coverages shall be those hospital-surgical-medical-drug-hearing aid expense coverages (but not dental or vision expense coverages) provided in Sections 1(a) or (2) above (provided, however, that the provisions of Sections I, II, V, XI and XII of Exhibit VI and the Home Hemophilia Program shall not apply) and shall be for those dependents eligible for optional coverage as defined in the Administrative Manual and Section 10(e) below. Those eligible for optional coverage are not included in references in this H-S-M-D-D-V Program to "eligible dependents." Coverages provided under this Section for a dependent enrolled at the time of an employee's death may be continued at the option of the employee's surviving spouse while such spouse is enrolled for coverages as provided in Section 4(e) and Section 6(d). The employee or surviving spouse of an employee shall pay the full additional cost of coverage under this Section.

### **Section 4. Company Contributions**

#### **(a) While Employed**

The Company will make monthly contributions for the following month's coverage (unless there is no coverage for that month under Section 5 or 7) on behalf of each subscribing employee while the employee is at work (as defined below) toward the cost of the hospital-surgical-medical-drug-dental-vision-hearing aid coverages described in Section 1 above equal to the full subscription rate or premium charge for the classification of coverage to which the employee shall have subscribed according to his/her enrollment classification.

For purposes of this Section, an employee shall be considered "at work" in any month if the employee receives pay from the Company for any time during such month.

#### **(b) While Disabled**

During an employee's approved medical leave of absence or absence while disabled so as to be unable to work on his/her customary job or available work or while an employee is

receiving Extended Disability Benefits after exhaustion of reinstated Accident and Sickness Benefits under Section 12 of the Group Life and Disability Insurance part of the Program, the Company shall pay the full subscription rate or premium charge of hospital-surgical-medical-drug-dental-vision-hearing aid coverages (but not dental expense coverage for absences commencing prior to September 17, 1979) under Section 1 above for the employee and eligible dependents for the duration of such absence; but not to exceed the period equal to his/her seniority when the absence commenced or, if greater, the period the employee is receiving such Extended Disability Benefits. Notwithstanding any other provisions of this paragraph (b), **Company-paid coverage shall cease for In-Progression employees at the end of the month in which the maximum Extended Disability Benefit (EDB) amount is payable; and** if an employee on medical leave of absence who is determined to be "Able" in accordance with Independent Medical Evaluation Process of the Group Life and Disability Program and does not return to work following such determination, H-S-M-D-D-V coverage will be discontinued on the first day of the second month following the month in which such determination is made and not reinstated until the employee returns to work.

(c) During Layoff

Hospital-surgical-medical-drug-dental-vision-hearing aid coverages under Section 1 above shall be provided for a laid-off employee and eligible dependents, without cost to the employee, during a layoff meeting the conditions of Section 3 of Article I of the Supplemental Unemployment Benefit Plan on the basis of the greater of (i) one full calendar month of layoff (for which he/she receives no pay), not to exceed twelve (12) months (or, in the case of an employee who has ten (10) or more years of seniority on his last day worked prior to layoff, not to exceed twenty-four (24) months), for each full four (4) weeks of Regular Benefits to which the employee's Credit Units would entitle him/her, pursuant to Article III of the Supplemental Unemployment Benefit Plan on the basis of seniority and the Credit Unit

Cancellation Base as of the last day worked prior to layoff (as of the date placed on layoff in the case of a returning veteran) or, if later, the date initially credited with Credit Units during such layoff; or (ii) the number of months of coverage, up to a maximum of twenty-four (24) for which the employee would be eligible on the basis of years of seniority as of the last day worked prior to layoff, in accordance with the following table:

### **Layoff Commencing On or After March 1, 1982**

<b>Year(s) of Seniority as of Last Day Worked Prior to Layoff</b>	<b>Maximum Number of Number of Months for Which Coverage Will Be Provided</b>
Less than 1	0
1 but less than 2	2
2 but less than 3	4
3 but less than 4	6
4 but less than 5	8
5 but less than 6	10
6 but less than 10	12
10 and over	24

Such months of coverage under either of the above formulas shall be for months following the last month of the employee's coverage for which contributions were made while at work.

For purposes of this Subsection (c), "returning veteran" means an employee applying for reemployment who would be entitled to reinstatement under Article VIII, Section 33 of the Collective Bargaining Agreement if the employee had sufficient seniority to work.

(d) For Retired Employees

Any employee (or any spouse, surviving spouse, same sex domestic partner or dependent) who is not in the "Covered Group", as defined in the Memorandum of Understanding

Post-Retirement Health Care, dated November 3, 2007 shall not be eligible for the H-S-M-D-D-V Program when they retire and shall have a contribution for health care coverage in retirement of \$1.00 for every compensated hour made by the Company on their behalf to the Tax-Efficient Savings Plan for Hourly Employees when they become eligible for that plan. The parties have agreed to continue to study more efficient methods for delivering this benefit.

(e) For Surviving Spouse

- (1) The Company will make monthly contributions for the following month's hospital-surgical-medical-drug-dental-vision-hearing aid expense coverages on behalf of a surviving spouse who would receive benefits under Article IV Section 8 of the Retirement Plan except for receipt of survivor income benefits under the Group Life and Disability Insurance part of this Program, and the eligible dependents as defined in Section 9 of any such spouse.
- (2) The Company will make monthly contributions for hospital-surgical-medical-drug-hearing aid expense coverages (but not dental or vision expense coverages) provided under Section 1 above for the first twelve (12) months in which monthly survivor income benefits provided in Section 9(a) of the Group Life and Disability Insurance part of this Program are payable to a surviving spouse of an employee who was actively at work on or after September 17, 1979, such surviving spouse also is eligible (or would be eligible except such surviving spouse is at least age sixty (60) or older) for monthly survivor income benefits provided in Section 9(b) of the Group Life and Disability Insurance part of this Program. For a surviving spouse who first becomes eligible on or after October 25, 1999, and prior to January 1, 2004, the Company will make monthly contributions for an additional twelve (12) months of hospital-surgical-medical-drug-hearing aid expense coverages (but not dental or vision expense coverages). For a surviving spouse who first becomes eligible on or

after January 1, 2004, the Company will make monthly contributions for hospital-surgical-medical-drug-hearing aid expense coverages (but not dental or vision expense coverages) (i) for an additional twelve (12) months for surviving spouses of employees who had less than ten (10) years of credited service (or comparable service if credited service is not counted) under Company retirement plans and (ii) for an additional eighteen (18) months for surviving spouses of employees who had ten (10) years or more of credited service (or coverable service if credited service is not counted) under the Company retirement plans. After such applicable Company contributions cease, the surviving spouse shall make full payment for such coverages continued in accordance with Section 6(d).

- (3) The Company will make monthly contributions for hospital-surgical-medical-drug-dental-vision-hearing aid expense coverages provided under Section 1 above for a surviving spouse of an employee who was actively at work on or after September 17, 1979, whose loss of life results from accidental bodily injuries caused solely by employment with the Company, and results solely from an accident in which the cause and result are unexpected and definite as to time and place and shall terminate upon the remarriage or death of the surviving spouse.

(f) Under Alternative Plans

On behalf of those subscribing to an alternative plan under Section 2 above, the Company will make monthly contributions toward the cost of such coverage on the same basis and subject to the same limitations as are contained in Subsections (a), (b), (c), (d) and (e) of this Section; provided, however, that the Company's contributions shall be equal to the rate as negotiated by the Company and agreed to by such plan, but not in excess of the amount which the Company would have contributed had the employees, or surviving spouses subscribed to the coverages provided in Section 1

above. The Company may, from time to time in areas it may designate, waive this limitation in whole or in part.

### **Section 5. Commencement of Coverage**

(a) **Employees Hired or Rehired**

An employee hired or rehired shall become eligible for hospital-surgical-medical-drug-dental-vision-hearing aid coverages **as of the 90<sup>th</sup> day** following **date of hire** or rehire.

For purposes of this Section, if an employee is scheduled to be at work, but is absent due to disability, illness, or injury and is consequently placed on a medical or disability leave of absence, the employee will be deemed to be “actively at work”.

(b) **Employees Returning from Military Service**

An employee returning from military service under Article VIII, Section 33 of the Collective Bargaining Agreement, shall be eligible for hospital-surgical-medical-drug-dental-vision-hearing aid coverages in effect on the day he/she is reinstated or placed on layoff upon return. Coverage for the balance of the month in which the employee becomes eligible under this paragraph shall be without cost to him/her.

### **Section 6. Continuation of Coverages**

(a) **Extended Coverage During Layoff**

An employee may continue hospital-surgical-medical-drug-vision-hearing aid coverages (but not dental expense coverage) during layoff without a break in seniority through the twelfth consecutive month following the last month of coverage for which contributions were made by the Company under Section 4(a), 4(c), or 5(b) above.

(b) **Extended Coverage During Leaves**

An employee on approved leave of absence, other than for disability, may continue hospital-surgical-medical-drug-vision-hearing aid coverages through the twelfth consecutive month following the last month of coverage for which contributions were made while the employee was at work (and during the period of renewed union leaves of absence).

An employee may not continue dental expense coverage unless on an approved local union leave, during which the

employee may continue such coverage for the duration of the approved local union leave.

(c) While Grievance Pending

During such period as a former employee has a grievance pending to protest loss of seniority from discharge, failure to report or overstaying leave as provided in Article VIII, Section 5, of the Collective Bargaining Agreement, to protest a discharge under Article VIII, Section 4(b), or to protest a disciplinary layoff, the employee may continue hospital-surgical-medical-drug-dental-vision-hearing aid coverages following the last month of coverage for which contributions were made while the employee was at work.

(d) Surviving Spouse

For months following the last month of coverage for which contributions were made by the Company,

- (1) A surviving spouse while eligible to receive survivor income benefits under the Group Life and Disability Insurance part of the Program (including for this purpose a surviving spouse whose survivor income benefit is not payable because she is receiving Mother's Insurance Benefits) or,
- (2) A surviving spouse who would be eligible for Bridge Survivor Income Benefits except such spouse is at least age 62 or older but not beyond the end of the month in which such spouse reaches age 65 or,
  - (i) A surviving spouse as defined in Section 4(e)(1)(i) and
  - (ii) May continue, as part of the groups covered thereby, hospital-surgical-medical-drug-hearing aid expense coverages (but not dental or vision expense coverages) provided under Sections 1 or 2 for themselves and eligible dependents as defined in Section 10.

**Notwithstanding any other provisions of this section (d), the opportunity for survivors of In-Progression employees to continue coverage shall be limited to self-pay continuation that may be available under federal law.**

(e) **Payment for Continuation**

An employee continuing coverage under Subsections (a), (b) or (c) of this Section beyond the period for which contributions were made by the Company, or a surviving spouse continuing coverage under Subsection (d) of this Section, must pay for such continuation the Company's cash pay rate for the plan such employee was enrolled under at the time of employment termination or such plan the surviving spouse is enrolled under; provided, however, that if an employee continues coverage under Subsection (c) or, is eligible to continue coverage under Subsection (c), but enrolls for coverage under another plan (other than a Company plan) and incurs a monthly contribution as a result of such enrollment, and is reinstated following such loss of seniority or if the disciplinary layoff is reduced, the Company will reimburse the employee for all the contributions in respect to coverage thereunder equal to the lesser of: (i) the Company's cash pay rate for the plan such employee was enrolled under at the time of the employment termination or (ii) the amount such employee paid for his/her coverage under another plan (other than a Company plan).

**Section 7. Termination of Coverages**

(a) **Hospital-Surgical-Medical-Drug-Vision-Hearing Aid Coverages**

Hospital-surgical-medical-drug-vision-hearing aid coverages for an employee whose employment is terminated by quitting, being discharged, failing to report or overstaying leave, shall terminate as of the employment termination date unless such a former employee incurring a break in seniority by being discharged, failing to report or overstaying leave has a grievance pending to protest loss of seniority under Article VIII, Section 5 of the Collective Bargaining Agreement or to protest a discharge under Article VIII, Section 4(b) of the Collective Bargaining Agreement. Except as provided above, hospital-surgical-medical-drug-vision-hearing aid coverages shall terminate as of the last day of the month following the month in which an employee was last at work unless continued under Section 4 or 6 above.

(b) Dental Expense Coverage

Except for dental expense coverage continued under Section 4(b), 4(c), 4(d), 4(e), or 6(c), dental expense coverage shall terminate as of the last day of the month in which an employee was last at work, except that (i) for an employee whose employment is terminated by quitting, dental expense coverage shall terminate as of the end of the day in which loss of seniority occurs and (ii) for an employee on a layoff meeting the conditions of Section 3 of Article I of the Supplemental Unemployment Benefit Plan including an employee placed on a model change or inventory adjustment layoff or for an employee incurring a break in seniority by being discharged, failing to report or overstaying leave who has a grievance pending to protest loss of seniority under Article VIII, Section 5 of the Collective Bargaining Agreement, dental expense coverage shall terminate as of the last day of the month following the month in which the employee was last at work. In the event of death of the employee, dental expense coverage shall terminate as of the last day of the month following the month in which the employee dies. Dental expense coverage commenced under Section 5(b) for an employee placed on layoff upon returning from military service shall terminate as of the last day of the month he/she is placed on layoff unless the employee is at work that month. Notwithstanding the above, an employee may continue dental expense coverage while on approved local union leave under Section 6(b).

**Section 8. Availability of Coverage**

Any provision as to the coverage to be provided or as to eligibility for coverage or for continuation of coverage hereunder is limited by the availability of such coverage from the plans.

**Section 9. Enrollment**

An eligible employee electing to enroll for applicable coverages must complete an application, or enroll in such other manner as determined by the Company, for the coverages in which he/she elects to participate. The surviving spouse of a deceased employee electing to enroll for applicable coverages must

complete an enrollment process if the applicable plan so requires. A surviving spouse eligible for such coverages at the surviving spouse's expense under Section 6(d) as part of the group covered hereunder, in order to continue coverage must enroll no later than three months following the month of the employee's death, or three months following the month for which contributions were made by the Company.

## **Section 10. Dependent Eligibility Provisions**

### **(a) General Provisions**

- (1) As used in this Section 10, when reference is made to a person (i.e., person A) being "dependent upon" another person (i.e., person B), the term shall mean that person B may legally claim an exemption for person A, under Section 151 of the Internal Revenue Code, for federal income tax purposes.
- (2) The provisions of this Section 10 apply with respect to enrollment of certain dependents as secondary enrollees under primary enrollees (eligible employees) who elect "self and spouse," "self and child(ren)," or "self and family" enrollment, in accordance with Section 1(c) of the Program. Unless specifically provided otherwise in the Program, such a dependent has no individual or personal right of enrollment, right to select an option within the Program, or right to continue coverages under the Program.
- (3) The Company shall have the right of determining eligibility of a dependent, consistent with the provisions of this Program.
- (4) A primary enrollee or eligible surviving spouse claiming initial or continuing eligibility of a dependent shall furnish:
  - (i) The social security number of such dependent for whom they are claiming eligibility and for whom they are required to provide a social security number to claim an exemption on their Federal income tax return. If the dependent has not been assigned a social security number at the time the

eligibility claim is made, a social security number shall be obtained promptly and reported to the Company within six (6) months; and

- (ii) Any other documentation that may be necessary to substantiate the claimed eligibility of a dependent.

Refusal or failure to furnish a dependent's social security number or any other documentation necessary, when requested to do so, shall result in denial or withdrawal of eligibility for such dependent.

- (5) Unless otherwise provided in Paragraph (c)(1)(i)(ii) of this Section 10, a dependent who loses eligibility in accordance with the provisions of this Program, and who once again meets the requirements for dependent eligibility, including the requirements in 4 above, may have coverage reinstated. The effective date of coverage in such cases will be the date first eligible.
- (6) When, as a result of oversight or error, an eligible primary or secondary enrollee entitled to Company-paid coverage is not enrolled in a timely manner, coverage may be provided retroactive to the date of eligibility that would have been established if proper processing had occurred. However, in no event will the retroactivity exceed twelve (12) months from the month in which the error or omission is discovered.

This retroactive enrollment provision shall not apply to surviving spouses who are not entitled to Company-paid coverage. Such surviving spouses electing under Sections 6(e) to continue coverages on a self-paid basis must make such election within three (3) months following the month of the deceased employee's death, or within three (3) months of the last month for which the Company made contributions for health care coverages. This retroactive enrollment provision also shall not apply to sponsored dependents, as discussed in Subsection (d) of this Section and Section 3 of the Program, respectively.

- (7) The receipt of a benefit under the Retirement Plan as a retiree or as an “alternate payee” in accordance with the Retirement Equity Act of 1984 shall not serve to entitle such recipient to coverages or continuation of coverages under this Program.
  - (8) Notwithstanding any other provisions of the H-S-M-D-D-V Program, the Program shall provide coverages in accordance with the applicable requirements of a qualified medical child support order and establish reasonable procedures related to such orders as required by and consistent with the Omnibus Budget Reconciliation Act of 1993 (OBRA 93).
  - (9) There shall only be a Rescission of Plan coverage when an individual (or person seeking coverage for an individual on behalf of the individual) performs an act, practice, or omission that constitutes fraud, or unless the individual makes an intentional misrepresentation of material fact. A Rescission of coverage will be effective only after the Plan has provided written notice to each Member who would be affected at least 30 days prior to the effective date of the Rescission. “Rescission” means a cancellation or discontinuance of coverage that has retroactive effect. A cancellation or discontinuance of coverage is not a rescission if:
    - (i) The cancellation or discontinuance of coverage has only a prospective effect; or
    - (ii) The cancellation or discontinuance of coverage is effective retroactively to the extent it is attributable to a failure to timely pay required premiums or contributions toward the cost of coverage.
- (b) Spouse
- (1) The spouse of an eligible and enrolled employee shall be eligible for coverage. A surviving spouse of an employee may not have or add a new spouse as a dependent.
  - (2) A spouse by common-law marriage shall be eligible for coverage only to the extent such relationship is

recognized by the laws of the state in which the employee is enrolled, and the employee has met such requirements for documentation of the status as may be necessary by law and required by the Company.

- (3) The effective date of coverage for a spouse shall be the later of the effective date of coverage for the employee or the date of marriage. For a common-law spouse, the effective date of coverage shall be the later of the effective date of coverage for the employee or the date of a valid enrollment and receipt by the Company of any necessary supporting documentation.
- (4) A spouse's eligibility for coverage shall cease on the earlier of:
  - (i) The date the primary enrollee's coverage ceases, except that, in the case of the primary enrollee's death, coverage shall cease on the last day of the month following the month in which the primary enrollee dies, unless the spouse is eligible for coverage as a surviving spouse as set forth in Sections 4(e) and 6(d) of this Program, or
  - (ii) The date of the final decree of divorce.
- (c) Children
  - (1) Children of a primary enrollee, or of the spouse of an eligible and enrolled employee, shall be eligible for coverage if, as to each one, the following criteria are met:
    - (i) Relationship. The child must be the child of the primary enrollee, or of an employee's spouse, by birth, legal adoption, placement for legal adoption of a child under age eighteen (18), or legal guardianship (including a custody order where a guardianship order is not available). In the case of a child who has been placed for adoption with the primary enrollee, or an enrollee's spouse or retiree's spouse, such enrollee or spouse must have assumed and retained a legal obligation for total or partial support of such child in anticipation of

adoption consistent with the applicable provisions of OBRA 93.

For purposes of this Subsection, effective November 19, 2007, children by “legal guardianship” will be limited to children who are related by blood (up to and including second degree relatives) to the primary enrollee or the primary enrollee’s current spouse.

This requirement will be deemed to have been met for a child who was properly enrolled under the then applicable “legal guardianship” or “principally supported children” provisions as of November 19, 2007, who has continued to be the primary enrollee’s dependent since that time, and who has been continuously enrolled and has continuously satisfied the other eligibility criteria for children.

If a child who is deemed to have met legal guardianship is terminated from coverage due to loss of eligibility reenrollment will not be allowed unless the primary enrollee or the spouse obtains legal guardianship of the child.

- (ii) Age. The child must not have reached the end of the calendar year in which the child becomes age twenty-five (25), age nineteen (19) effective January 1, 2009. To be eligible for continued coverage, however, a child between the ages of nineteen (19) and the end of the calendar year in which they turn age twenty-four (24), must meet the eligibility criteria in (a)(1) above and qualify as a full-time student as defined by the Internal Revenue Code.

Coverage may also be continued beyond the end of the year the child becomes age nineteen (19) (age twenty-four (24) for a child who is a full-time student) if the child has been determined to be totally and permanently disabled.

For the purposes of this Subsection, “totally and permanently disabled” means having any medically determinable physical or mental condition which prevents the child from engaging in substantial gainful activity and which can be expected to result in death or be of long-continued or indefinite duration.

A child shall not be deemed to be “totally and permanently disabled” if he or she is engaged in regular employment or occupation for remuneration or profit which exceeds \$10,000 annually.

Coverage will not be reinstated for a child who first becomes totally and permanently disabled after the end of the calendar year in which age twenty-five (25), age nineteen (19) (age twenty-four (24) for a full-time student) effective January 1, 2009, is attained or who was eligible for coverage as a totally and permanently disabled child, recovers, and, after the end of such calendar year, again becomes so disabled; or who was not eligible for coverage at the time of the disability.

- (iii) Marital Status. The child must be unmarried.
- (iv) Residency. The child must reside with the primary enrollee or eligible surviving spouse, as a member of such enrollee’s household or, if not a member of the household, such enrollee must be legally responsible for the provision of health care for the child (such as children of certain divorced parents, legal guardianships, children confined in training institutions, or children in school).
- (v) Dependency. The child must be dependent upon the primary enrollee, or upon the spouse of an eligible and enrolled employee. This requirement shall be waived with respect to a child (by birth, legal adoption or legal guardianship) of an employee, if a divorce decree, or order of the court

of proper jurisdiction, or amendment of such decree or order, stipulates that such employee is legally responsible for providing health care coverage for such child. Effective September 29, 2003, a child who is determined by the Company to be totally and permanently disabled as provided in Section 10(c)(1)(ii) and who would otherwise be dependent upon the primary enrollee or surviving spouse except that such child's earnings from regular employment or occupation for remuneration or profit exceed the "exemption amount" defined in Section 151(d) of the Internal Revenue Code, but are less than \$10,000 per year from such regular employment or occupation for remuneration or profit, will be eligible for coverage, provided that such child is considered a "dependent" under Section 152 of the Internal Revenue Code.

- (2) An eligible surviving spouse may not enroll a child unless the child was eligible to be enrolled prior to the death of the employee or, in the case of a child born after the death of the employee, unless such child is the issue of the surviving spouse's marriage to the deceased employee, and was conceived prior to such employee's or retiree's death.
- (3) Except as provided by law, the effective date of coverage for a child shall be the later of the effective date of coverage for the primary enrollee, or in the case of:
  - (i) Birth - the date of birth;
  - (ii) Legal Adoption - the date of placement in the employee's household or petition for adoption, whichever occurs earlier; or, in the case of a child who meets the criteria for placement for adoption under OBRA 93, the date of the assumption and retention of a legal obligation for total or partial support;

- (iii) Legal Guardianship - the date of petition for guardianship and residence and
  - (iv) Stepchild - the date the child becomes a member of the employee's household.
- (4) A child, as defined above, shall cease to be eligible for coverage upon the earliest to occur of:
- (i) The date of marriage of such child;
  - (ii) The last day in which the child ceases to be dependent upon the primary enrollee, or upon the spouse of an eligible and enrolled employee, unless Subsection 10(c)(1)(v) applies;
  - (iii) The last day in which the child ceases to meet the residency criteria of Subsection 10(c)(1)(iv) above;
  - (iv) The last day of the calendar year in which the child becomes age twenty-five (25), effective January 1, 2009, age nineteen (19) (age twenty-four (24) for a full-time student), except in the event coverage for a totally and permanently disabled child is continued, eligibility for such coverage shall cease as of the last day in which the child ceases to be totally and permanently disabled, as defined by this Program; and in the event coverage for a full-time student is continued, eligibility for such coverage shall cease as of the last day in which the child is no longer a full-time student.
  - (v) The date the primary enrollee's coverage ceases, except that, in the case of the primary enrollee's death, coverage for such dependent child shall cease on the last day of the month following the month in which the primary enrollee dies, unless such child is eligible for coverage as a dependent child of the surviving spouse of such employee or
  - (vi) The last day of the month in which the primary enrollee, or the spouse of an eligible and enrolled employee, or the order of a court of competent jurisdiction, terminates the legal obligation for total

or partial support for a child who met the criteria for placement for adoption under OBRA 93.

(vii) The last day of the month the enrollee's legal guardianship of the child is terminated.

(d) Affordable Care Act Provisions

Pursuant to the Patient Protection and Affordable Care Act, effective January 1, 2011, children by birth or legal adoption of a primary enrollee, or the spouse of a primary enrollee, do not have to meet the age, marital status, and residency criteria described in subsection (c)(1) above, in order to be eligible for coverage through the end of the month in which the child turns age 26. This does not apply to the children of an eligible domestic partner or children covered under legal guardianship. Should this law be repealed or amended to no longer require this extension of eligibility for the children by birth or legal adoption of a primary enrollee, or the spouse of a primary enrollee, the age, marital status, and residency requirements will again be required in order for the child to be eligible for coverage.

(e) Optional Sponsored Dependents

(1) A primary enrollee may obtain optional health care coverages (other than dental or vision) for dependents other than those specified in Subsections (b), and (c) above. Such dependents will include persons who are (i) related to such primary enrollee by blood or marriage, or if not related, residing with such primary enrollee as members of the household, (ii) resident of the United States for at least one (1) full year prior to being enrolled for such coverages and (iii) legally entitled to remain in the United States indefinitely before becoming eligible for coverage. They must be dependent upon the primary enrollee for more than half of their support as defined by the Internal Revenue Code of the United States and must either qualify in the current year for dependency tax status or have been reported as a dependent on the primary enrollee's most recent income tax return. They must be designated as sponsored dependents through a

valid enrollment process as determined by the Company. The coverages shall be the hospital, surgical, medical, prescription drug, and hearing aid coverages provided in Section 1 above.

- (2) Coverages provided under this Subsection for a sponsored dependent enrolled at the time of an employee's or retiree's death may be continued at the option of the employee's or retiree's surviving spouse while such surviving spouse is enrolled for coverages as provided in Sections 4(e) and 6(d) of this Program. A surviving spouse may not add any new sponsored dependents.
- (3) The primary enrollee or eligible surviving spouse shall pay the full additional cost of coverages under this Subsection, and the Company shall not contribute toward the cost of health care coverages for any sponsored dependents.
- (4) The effective date of coverage for an eligible sponsored dependent shall be the later of the effective date of coverage for the primary enrollee, or the first day of the month following the month of receipt by the Company of a completed enrollment and any supporting documentation as may be required by the Company; provided, however, that the effective date of coverage for a sponsored dependent previously enrolled as such, and whose coverage as a sponsored dependent was discontinued, shall be the first day of the sixth month following the month in which a valid enrollment is completed.
- (5) Coverage of a sponsored dependent shall cease on the earlier of:
  - (i) The last day of the month in which the person ceases to meet the eligibility criteria set forth in Subsection (1) above,
  - (ii) The last day of the month preceding the month for which the required contribution was due but not paid, or

- (iii) The date the primary enrollee's coverage ceases except that in the case of the primary enrollee's death, coverage for such sponsored dependent shall cease on the last day of the month following the month in which the primary enrollee dies, unless the sponsored dependent has coverage continued in accordance with Subsection (2) above.

## **Section 11. California and Federal Benefits**

### **(a) California Employees**

For California employees, hospital benefits under this H-S-M-D-D-V Program shall be reduced by the amount of the daily hospital benefits provided under the California Unemployment Insurance Code.

### **(b) Federal Hospital-Surgical-Medical-Drug-Dental-Vision-Hearing Aid Expense Benefits Provided by Law**

- (1) To the extent legally permissible under the Medicare secondary payer provisions of the Federal Social Security Act or similar laws, the provisions of this H-S-M-D-D-V Program shall not be applicable to employees or surviving spouses who are or may become eligible for hospital-surgical-medical-drug-dental-vision-hearing aid expense benefits under any federal law providing such benefits for the public at large. Compliance by the Company with such laws shall be deemed full compliance with the provisions of this Hospital-Surgical-Medical-Drug-Dental-Vision-Hearing Aid Program with respect to employees or surviving spouses eligible for benefits under such laws.

If, as a result of such laws, the level of benefits provided for any group of employees or surviving spouses, or their dependents, is generally lower than the corresponding level of benefits under Section 1 above, the Company shall upon mutual agreement with the Union provide a plan of benefits supplementary to the benefits provided by law to the extent necessary to make total benefits as nearly comparable as practicable to the benefits provided in Section 1 above, with such

contributions by employees, or surviving spouses as are mutually determined to be consistent with the contributions established in this H-S-M-D-D-V Program.

- (2) Notwithstanding the provisions of (1) above and upon mutual agreement between the Company and the Union, the Company may, if such laws permit, substitute a plan of benefits for the benefits provided by the laws referred to in (1) above, and modify the applicable provisions to the extent and in the respects necessary to secure the approval of such substitution from the appropriate governmental authority. The Company may make such plan available to employees and surviving spouses and require from them such contributions as are mutually determined to be consistent with the contributions established in this H-S-M-D-D-V Program.
- (3) To the extent legally permissible under the Medicare secondary payer provisions of the Federal Social Security Act or similar laws, hospital-surgical-medical-drug-dental-vision-hearing aid benefits provided employees or surviving spouses, under this H-S-M-D-D-V Program may be reduced by the amount of such benefits provided under any federal law. In cases where the employee or surviving spouse exercises an option under the Federal Social Security Act or similar law to take cash payments in lieu of hospital-surgical-medical-drug-dental-vision-hearing aid benefits, the equivalent of such payments will be required as a contribution toward the coverages provided in this H-S-M-D-D-V Program, but not to exceed local plan premiums or subscription charges.

### **Section 12. Company-Union Committee**

A Committee composed of two members designated by the Union and two members designated by the Company has been established to study and evaluate this H-S-M-D-D-V Program and to make recommendations and take such action as necessary for the purpose of achieving the maximum coverage and service for those covered by the various hospital-surgical-medical-drug-

dental-vision-hearing aid plans for the money spent for such protection and improving the quality, and cost-effectiveness of the health care plans. In the performance of its duties, this Committee shall consult and advise with representatives of organizations providing the health insurance benefits and services and keep the parties to the Collective Bargaining Agreement informed with respect to the problems which arise in the operation of the Program. The Committee shall also undertake the functions that are set forth for it in Exhibit III and in Sections II, VI, VII, IX, XI, XIII and XIV of Exhibit VI. The decisions made by this Company-Union Committee will be made by mutual agreement.

### **Section 13. Claim Denials**

- (i) An enrollee seeking payment from a carrier directly or indirectly will be furnished the specific reason or reasons for denial of a claim with reference to the applicable provisions of the H-S-M-D-D-V Program and an explanation of additional information required from, or on behalf of, the person for reconsideration of the claim in accordance with the carrier's claim review procedure. Claims and appeals with respect to benefits under the National PPO and Blue Preferred Plus PPO Plans, or with respect to an enrollee's rights under the National PPO, and Blue Preferred Plus PPO Plans, shall be administered in accordance with the National PPO and Blue Preferred Plus PPO Plans' claims and appeals procedures that meet the requirements of ERISA and the Affordable Care Act (ACA).
- (ii) After review of an appeal, benefits under this Program will be paid only if the Plan Administrator or its designee (or, in the case of an external appeal to an Independent Review Organization, by the Independent Review Organization) decides in its discretion that the enrollee is entitled to them.
- (iii) No legal action may be brought by an enrollee, dependent, beneficiary or the estate or legal representative thereof for entitlement to benefits under this Program, until after the claims and appeals procedures of this Program (exclusive of the voluntary appeal procedure described in Exhibit II, VIII(c), have been exhausted and, no later than two (2) years after such claim has accrued, unless a different period of

limitation is specifically provided under ERISA, in which case such period of limitation would apply. No other actions may be brought against the Program at all more than six (6) months after such claim has accrued.

#### **Section 14. Miscellaneous Requirements Under OBRA 93**

Subject to the provisions of the H-S-M-D-D-V Program and to the extent required by applicable law:

- (i) Payments or contributions for coverages made with respect to an enrollee will be made in accordance with any assignment of rights made by or on behalf of such enrollee as required by a State plan for medical assistance approved under the applicable provisions of the Federal Social Security Act;
- (ii) When enrolling an individual or determining or making payment for coverages with respect to such individual, the Program will not take into account the fact that such individual is eligible for or is provided assistance under a State plan for medical assistance approved under the applicable provisions of the Federal Social Security Act; and
- (iii) In any case where the Program is legally liable for payment for items constituting medical assistance which have been paid for by a State plan approved under the applicable provisions of the Federal Social Security Act, the Program will make payment for such medical assistance in accordance with the applicable provisions of OBRA 93.

#### **Section 15. Standard of Review**

The Plan Administrator or its designee shall have full power and authority to administer the H-S-M-D-D-V Program and to interpret its provisions including, but not limited to, discretionary authority to determine eligibility for an entitlement to Program benefits, and any final decisions shall be subject only to an external review by an Independent Review Organization, where permitted by law, and to the arbitrary and capricious standard of review when reviewed by a court.

**Section 16. New Hire Coverage**

Notwithstanding any other provisions of the H-S-M-D-D-V Program, an employee shall become eligible to subscribe in any H-S-M-D-D-V-H coverages provided in Section 1 above, or HMO and PPO coverages as provided in Section 2 above, effective **90 days from date of hire or rehire** (“Initial Eligibility Date”), or such shorter period when required by law.

**Section 17.**

Notwithstanding anything to the contrary previously contained in this Program, with respect to retirees, future retirees and surviving spouses whose eligibility is based upon former UAW-represented employment, the terms and conditions of the Program are modified as set forth by the provisions of the settlement agreement, dated February 13, 2006 and approved in the class action of Int’l Union, UAW, et. al. v. Ford Motor Company, Case No. 05-74730 (“the Hardwick Case”), which provides that such retirees, future retirees and surviving spouses are no longer eligible to participate in the H-S-M-D-D-V Program.

## EXHIBIT I

### DENTAL EXPENSE BENEFITS PROGRAM

#### I. **Enrollment Classifications; Carriers**

Dental expense benefits coverage for an eligible employee or surviving spouse shall include coverage for eligible dependents as defined for hospital-surgical-medical-drug coverage. The dental expense benefits shall be those provided herein under arrangements made with **Delta Dental** of Michigan or other carrier(s) mutually agreed upon by the Company and the Union.

#### II. **Description of Benefits**

Dental expense benefits will be payable, subject to the conditions herein, if an employee, surviving spouse or eligible dependent, while dental expense coverage is in effect with respect to such individual, incurs Covered Dental Expenses.

#### III. **Covered Dental Expenses**

Covered dental expenses are the allowable amounts which an employee or surviving spouse is required to pay a dentist for services and supplies which are necessary for treatment of a dental condition, for services and supplies customarily employed for treatment of that condition, and only if rendered in accordance with accepted standards of dental practice. Such expenses shall be only those incurred in connection with the following dental services which are performed, except as otherwise provided in Section VII(B), by a licensed dentist and which are received while insurance is in force.

(A) The following covered dental expenses shall be paid at 100 percent of the allowable amount:

- (1) Routine oral examinations and prophylaxis (scaling and cleaning of teeth), but not more than twice each in any calendar year. Four cleanings per calendar year will be covered if there is a documented history of periodontal disease.

- (2) Topical application of fluoride, provided that such treatment is only for enrollees under 15 years of age unless a specific dental condition makes such treatment necessary.
  - (3) Space maintainers that replace prematurely lost teeth for children under nineteen (19) years of age.
  - (4) Emergency palliative treatment.
  - (5) Fluoride trays used in the delivery of topical fluoride for enrollees undergoing radiation therapy of the head and neck due to cancer, payable once with the initial cancer diagnosis and thereafter once with each subsequent recurrence of cancer, as medically necessary.
  - (6) One Oral Exfoliative Cytology (brush biopsy) will be covered per calendar year for enrollees presenting with an un-resolving oral lesion/ulceration, or an enrollee with an oral lesion/ulceration having a history of behaviors that places the enrollee at risk for oral cancer. Covered services will include the collection of the biopsy specimen, and its laboratory interpretation.
- (B) The following covered dental expenses shall be paid at 90 percent of the allowed amount:
- (1) Dental x-rays, including full mouth x-rays (but not more than once in any period of five (5) consecutive calendar years), supplementary bitewing x-rays (but not more than once in any calendar year for enrollees age 14 and younger; and once every two years for enrollees age 15 and older), and such other dental x-rays, including but not limited to those specified in this Section III (B) (1), as are required in connection with diagnosis of a specific condition requiring treatment.
  - (2) Extractions.
  - (3) Oral surgery.

- (4) Amalgam, synthetic porcelain, resin-based composite, and other American Dental Association (ADA)-approved direct restorative materials that meet Program standards and are used to restore diseased or accidentally injured teeth.
- (5) General anesthetics and intravenous sedation when medically necessary and administered in connection with oral or dental surgery.
- (6) Treatment of periodontal and other diseases of the gums and tissues of the mouth.
- (7) Endodontic treatment, including root canal therapy.
- (8) Injection of antibiotic drugs by the attending dentist.
- (9) Repair or recementing of crowns, inlays, onlays, bridgework or dentures; or relining or rebasing of dentures more than six (6) months after the installation of an initial or replacement denture, but not more than one relining or rebasing in any period of thirty-six (36) consecutive months.
- (10) Initial installation of inlays, onlays, gold fillings, or crown restorations to restore diseased or accidentally injured teeth, but only when the tooth, as a result of extensive caries or fracture, cannot be restored with an amalgam, synthetic porcelain, resin-based composite or other American Dental Association (ADA)-approved materials that meet Program standards and are used for direct filling restoration.
- (11) Replacement of crowns more than three (3) years after installation of an initial or replacement crown if the crown has been damaged and cannot be made serviceable, or if there is recurrent decay under the existing crown or decay at a crown-to-natural-tooth margin that cannot be repaired by a direct-fill restoration.
- (12) Oral brush biopsy up to two (2) times per year per member over the age of 18.

- (13) An occlusal guard (maxillary or mandibular) is a covered supply only for the palliative treatment of bruxism and/or acute pain of the muscles of mastication. The benefit is payable for one occlusal guard in a five-year period.
- (C) The following covered dental expenses shall be paid at 50 percent of the allowable amount:
- (1) Initial installation of fixed bridgework (including inlays and crowns as abutments).
  - (2) Initial installation of partial or full removable dentures (including precision attachments and any adjustments during the six (6) month period following installation).
  - (3) Replacement of an existing partial or full removable denture or fixed bridgework by a new denture or by new bridgework, or the addition of teeth to an existing partial removable denture or to bridgework, but only if satisfactory evidence is presented that:
    - (a) The replacement or addition of teeth is required to replace one or more teeth extracted after the existing denture or bridgework was installed; or,
    - (b) The existing denture or bridgework cannot be made serviceable and, if it was installed under this Dental Expense Benefits Program, at least five (5) years have elapsed prior to its replacement; or
    - (c) The existing denture is an immediate temporary denture which cannot be made permanent and replacement by a permanent denture takes place within twelve (12) months from the date of initial installation of the immediate temporary denture. Normally, dentures will be replaced by dentures but if a professionally adequate result can be achieved only with bridgework, such bridgework will be a covered dental expense.

- (4) Orthodontic procedures and treatment (including related oral examinations) consisting of surgical therapy, appliance therapy, and functional/myofunctional therapy (when provided by a dentist in conjunction with appliance therapy) for covered persons under nineteen (19) years of age, provided, however, that benefits will be paid after attainment of age nineteen (19) for continuous treatment which began prior to such age.
- (5) The placement of an endosteal, single tooth, implant, the implant abutment, and crown, including any supportive services with the exception of IV sedation and/or general anesthesia. Coverage does not include bone grafts or specialized implant surgical techniques.

#### IV. **Maximum Benefit**

The Dental Expense Benefits Program plan year shall be a calendar year (from January 1 through December 31). The maximum benefit payable for all covered dental expenses incurred during any Dental Expense Benefits Program plan year (except for services described in Section III(C) (4) above) shall be \$1,850 for each individual.

For covered dental expenses in connection with orthodontics described in Section III(C)(4) above, the maximum benefit payable shall be during the lifetime of each individual.

Effective January 1, 1997, payments for covered dental services related to the repair of accidental injury to sound natural teeth due to a sudden unexpected impact from outside the mouth will not count against the annual benefit limit or the lifetime orthodontic limit. Regular copayments will be required for all such services.

#### V. **Predetermination of Benefits**

If a course of treatment can reasonably be expected to involve Covered Dental Expenses of \$200 or more, a description of the procedures to be performed and an estimate of the dentist's charges must be filed with the carrier prior to the commencement of the course of treatment.

The carrier will notify the employee and the dentist of the benefits certified as payable based upon such course of treatment. In determining the amount of benefits payable, consideration will be given to alternate procedures, services, or courses of treatment that may be performed for the dental condition concerned in order to accomplish the desired result. The amount included as certified dental expenses will be the appropriate amount as provided in Sections III and IV, determined in accordance with the limitations set forth in Section VI.

If a description of the procedures to be performed and an estimate of the dentist's charges are not submitted in advance, the carrier reserves the right to make a determination of benefits payable taking into account alternate procedures, services or courses of treatment, based on accepted standards of dental practice. To the extent verification of Covered Dental Expenses cannot reasonably be made by the carrier, the benefits for the course of treatment may be for a lesser amount than would otherwise have been payable.

This predetermination requirement will not apply to courses of treatment under \$200 or to emergency treatment, routine oral examinations, x-rays, prophylaxis and fluoride treatments.

## VI. Limitations

### (A) Restorative:

- (1) Gold, baked porcelain restorations, crowns and jackets.

If a tooth can be restored with a material such as amalgam, payment of the applicable percentage of the charge for that procedure will be made toward the charge for another type of restoration selected by the patient and the dentist. The balance of the treatment charge remains the responsibility of the patient.

- (2) Reconstruction.

Payment based on the applicable percentage will be made toward the cost of procedures necessary to eliminate oral disease and to replace missing teeth. Appliances or restorations necessary to increase

vertical dimension or restore the occlusion are considered optional and their cost remains the responsibility of the patient.

(B) Prosthodontics:

(1) Partial Dentures.

If a cast chrome or acrylic partial denture will restore the dental arch satisfactorily, payment of the applicable percentage of the cost of such procedure will be made toward a more elaborate or precision appliance that patient and dentist may choose to use, and the balance of the cost remains the responsibility of the patient.

(2) Complete Dentures.

If, in the provision of complete denture services, the patient and dentist decide on personalized restorations or specialized techniques as opposed to standard procedures, payment of the applicable percentage of the cost of the standard denture services will be made toward such treatment and the balance of the cost remains the responsibility of the patient.

(3) Replacement of Existing Dentures.

Replacement of an existing denture will be a covered dental expense only if the existing denture is unserviceable and cannot be made serviceable. Payment based on the applicable percentage will be made toward the cost of services which are necessary to render such appliances serviceable. Replacement of prosthodontic appliances will be a covered dental expense only if at least five (5) years have elapsed since the date of the initial installation of that appliance under this Dental Expense Benefits Program, except as provided in Section III(C)(3) above.

(C) Orthodontics:

- (1) If orthodontic treatment is terminated for any reason before completion, the obligation to pay benefits will cease with payment to the date of termination. If such

services are resumed, benefits for the services, to the extent remaining, shall be resumed.

- (2) The benefit payment for orthodontic services shall be only for months that coverage is in force.

## VII. Exclusions

Covered dental expenses do not include and no benefits are payable for:

- (A) Charges for services for which benefits are otherwise provided for surgical, medical, and prescription drug coverage.
- (B) Charges for treatment by other than a dentist, except that scaling or cleaning of teeth and topical application of fluoride may be performed by a licensed dental hygienist if the treatment is rendered under the supervision and guidance of the dentist.
- (C) Charges for veneers or similar properties of crowns and pontics placed on or replacing teeth, other than the ten upper and lower anterior teeth.
- (D) Charges for services or supplies that are cosmetic in nature, including charges for personalization or characterization of dentures.
- (E) Charges for prosthetic devices (including bridges), crowns, inlays and onlays and the fitting thereof which were ordered while the individual was not insured for dental expense benefits or which were ordered while the individual was insured for dental expense benefits but are finally installed or delivered to such individual more than sixty (60) days after termination of coverage.
- (F) Charges for the replacement of a lost, missing, or stolen prosthetic device.
- (G) Charges for failure to keep a scheduled visit with the dentist.
- (H) Charges for replacement or repair of an orthodontic appliance.

- (I) Charges for services or supplies which are compensable under a Workers' Compensation or Employer's Liability Law.
- (J) Charges for services rendered through a medical department, clinic, or similar facility provided or maintained by the patient's employer.
- (K) Charges for services or supplies for which no charge is made that the patient is legally obligated to pay or for which no charge would be made in the absence of dental expense coverage.
- (L) Charges for services or supplies which are not necessary, according to accepted standards of dental practice, or which are not recommended or approved by the attending dentist.
- (M) Charges for services or supplies which do not meet accepted standards of dental practice, including charges for services or supplies which are experimental in nature.
- (N) Charges for services or supplies received as a result of dental disease, defect or injury due to an act of war, declared or undeclared.
- (O) Charges for services or supplies from any governmental agency which are obtained by the individual without cost by compliance with laws or regulations enacted by any federal, state, municipal or other governmental body.
- (P) Charges for any duplicate prosthetic device or any other duplicate appliance.
- (Q) Charges for any services to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any state or political subdivision thereof.
- (R) Charges for the completion of any insurance forms.
- (S) Charges for sealants and for oral hygiene and dietary instruction.
- (T) Charges for a plaque control program.

- (U) Charges for services or supplies related to periodontal splinting.

The carrier shall follow the same procedures with respect to coordination of dental expense benefits as are provided under the H-S-M-D-D-V Program for coordination of hospital-surgical-medical-drug benefits, except that other dental expense benefits will be coordinated only if provided by either a group dental benefit plan or by a comprehensive medical plan providing dental benefits, to which, in either case, an employer contributes at least 50 percent of the cost.

#### VIII. **Coordination of Benefits**

The carrier shall follow the same procedures with respect to coordination of dental expense benefits as are provided under the H-S-M-D-D-V Program for coordination of hospital-surgical-medical-drug-benefits, except that other dental expense benefits will be coordinated only if provided by either group dental benefit plan or by a comprehensive medical plan providing dental benefits, to which, in either case, an employer contributes at least 50 percent of the cost.

#### IX. **Subrogation**

In the event of any payment for dental expense benefits, the carrier or Ford's designated subrogation vendor shall be subrogated to all the individual's rights of recovery against any person or organization except against insurers on policies of insurance issued to and in the name of the individual, and the individual shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights.

#### X. **Proof of Loss**

The carrier reserves the right at its discretion to accept, or to require verification of, any alleged fact or assertion pertaining to any claim for dental expense benefits. As part of the basis for determining benefits payable, the carrier may require x-rays and other appropriate diagnostic and evaluative materials.

#### XI. **Administrative Manual**

Policies, procedures and interpretations to be used in administering dental expense benefits negotiated by the Company and the Union shall be incorporated **as a supplement**

**to the Administrative Manual. Among other things the supplement shall:**

- (A) Explain the benefits and the rules and regulations governing their payment.
- (B) Include administrative practices and interpretations which affect benefits.
- (C) Define professionally recognized standards of practice to be applied to benefits and procedures.
- (D) List the eligibility provisions and limitations and exclusions of the coverage, and procedures for status changes and termination of coverage.
- (E) Provide the basis upon which charges will be paid, including provisions for the benefit payment mechanism and protection of individuals against excess charges.
- (F) Provide for cost and quality controls by means of predetermination of procedures and charges, utilization and peer review, clinical post-treatment evaluation and case reviews involving individual consideration of fees or treatment.
- (G) Provide definition of terms.

## **XII. Alternative Plans**

The Company will make arrangements for employees to be afforded the option to subscribe for dental expense coverage under alternative plans approved and qualified by mutual agreement of the Company and the Union, instead of dental expense coverage hereunder. The Company's contributions toward coverage under such alternative plan shall not be greater than the amount the Company would have contributed for dental expense coverage hereunder.

## **XIII. Definitions**

The term "dentist" means a legally licensed dentist practicing within the scope of his/her license. As used herein, the term "dentist" also includes a legally licensed physician authorized by his/her license to perform the particular dental services rendered.

Carriers reimbursement methodology is based on the maximum payment (allowed amount).

The term “maximum payment (allowed amount)” means the lower of the provider’s charge or the **carrier’s** maximum payment for a covered service.

The term “area” means a metropolitan area, a county or such greater area as is necessary to obtain a representative cross section of dentists rendering such services or furnishing such supplies.

The term “course of treatment” means a planned program of one or more services or supplies, whether rendered by one or more dentists, for the treatment of a dental condition diagnosed by the attending dentist as a result of an oral examination. The course of treatment commences on the date a dentist first renders a service to correct or treat such diagnosed dental condition.

The term “orthodontic treatment” means preventive and corrective treatment of all those dental irregularities which result from the anomalous growth and development of dentition and its related anatomic structures or as a result of accidental injury and which require repositioning (except for preventive treatment) of teeth to establish normal occlusion.

The term “ordered” means, in the case of dentures, that impressions have been taken from which the denture will be prepared; and, in the case of fixed bridgework, restorative crowns, inlays and onlays, that the teeth which will serve as abutments or support or which are being restored have been fully prepared to receive, and impressions have been taken from which will be prepared the bridgework, crowns, inlays or onlays.

#### XIV. **Data**

The carrier annually shall furnish the Company and the Union such information and data as may be mutually agreed upon by the parties with respect to dental expense coverage.

**EXHIBIT II****UNDERSTANDINGS WITH RESPECT TO THE  
CONTROL PLAN****I. Master Group Operating Agreement**

By signed agreement between the Company and Blue Cross and Blue Shield of Michigan (or another carrier), the latter is designated the Control Plan. The Control Plan shall accept the responsibility for assuring that the hospital-surgical-medical and hearing aid expense benefits negotiated by the Company and the Union are provided and to this end shall accept responsibility for the implementation and overall administration in those areas designated in II below.

**II. Areas in Which Coverage Shall be Provided**

Hospital, surgical, medical and/or hearing aid expense benefits shall be provided under the Control Plan for all employees subscribing for coverage under the Collective Bargaining Agreement except in those areas in which such coverages are provided by another carrier.

**III. Administration**

It is the intent and expectation that all local Blue Cross and Blue Shield Plans **or another carrier** serving the areas described in II above will underwrite (assume the risk) and/or service (process claims) the benefits as negotiated by the Company and the Union in their respective geographical areas if such plans enter into a formal participation agreement with the Control Plan.

If a plan is unable or unwilling to underwrite any or all of the benefits and/or services negotiated by the Company and the Union, supplementary or replacement benefits shall be provided through another carrier by mutual agreement of the Company and Union.

If a local plan does not underwrite and/or service the specified benefits as required by the Control Plan, the Control Plan shall, unless the parties mutually agree otherwise:

- Underwrite the specified benefits with the servicing being handled by the local plan, or
- Underwrite those portions of the specified benefits not underwritten by the local plan with the servicing being handled by the local plan, or
- Underwrite and/or service the benefits in a plan area if the local plan does not participate in any capacity, or
- Arrange for another local plan in the region to underwrite and/or service the specified benefits, or
- Underwrite the specified benefits with the servicing being handled by another local plan in the region.

It is also the intent and expectation that the Control Plan and local plans shall carry out their respective obligations as set forth in Exhibit III.

#### IV. **Administrative Manual**

##### (A) **Contents**

An Administrative Manual developed by Blue Cross and Blue Shield of Michigan **or another carrier**, and approved by the parties, for use by all participating plans shall be brought up to date as necessary so as to describe the benefits specified in the Collective Bargaining Agreement. Among other items, the Manual should:

- (1) Explain the benefits and the regulations governing their payment.
- (2) Include the standardized administrative practices and interpretations which affect benefits.
- (3) List the limitations and exclusions of the coverage.
- (4) Define all those terms related to the programs provided (such as facility, physicians, etc.).
- (5) Describe procedures for status changes and terminations.
- (6) Define the data to be provided with respect to operations of the Program.

(B) **Amendment**

The Control Plan may amend its administrative practices and interpretations as established in its Administrative Manual in order to better facilitate the implementation of the benefits. If, in the judgment of either the Company or the Union, such changes in administrative practices and interpretations materially affect the benefits in the Program, the mutual consent of the parties is required.

(C) **Interpretation**

At the request of the Union, the Company, a participating local Blue Cross or Blue Shield Plan or another carrier, the Control Plan shall provide written replies to questions regarding the interpretation of the Administrative Manual.

V. **Data**

The Control Plan and any other carrier(s) annually shall furnish the Company and the Union such information and data as may be mutually agreed upon by the parties with respect to hospital-surgical-medical-drug coverages provided under the H-S-M-D-D-V Program, to the extent permitted by HIPAA.

VI. **Performance**

The Control Plan shall be responsible to ensure that the scope and level of benefits negotiated by the Company and the Union and as further specified in the Administrative Manual **are provided**. The Control Plan may, in exercising its responsibilities, audit local plans to determine if they are providing the specified level of benefits.

VII. **Relationships to Providers of Service and Participation in Community Health Planning**

It is expected that the Control Plan, the participating plans and any other carrier(s) will maintain continuing and close relationships with the providers of health services and will actively participate in comprehensive community health planning.

VIII. **Miscellaneous Administrative Understandings**

(A) The Company-Union Committee will request the Control Plan and its participating plans (to be requested by the Control Plan), and/or any other carrier(s) as determined by the Company-Union Committee, to:

- Designate a person or persons whom individuals, Union and Management representatives may contact regarding the status of individual claims or individual employee problems. Plans will be requested to keep the Union and Management representatives advised of the name of the person(s) to whom such inquiries should be made.
  - Develop a periodic follow-up procedure for claim inquiries and advise the party making the inquiry of the status of the plan's investigation regarding specific claims.
  - Submit written replies upon request of individuals, including Company or Union representatives, when properly authorized by such individuals, regarding inquiries concerning denied or disputed claims.
- (B) The Control Plan or any other carrier(s) as determined by the Company-Union Committee, will administer the claims and appeals procedures as set forth in Section 13 and 15, to resolve appealed claims involving an interpretation of the scope or level of hospital-surgical-medical-drug-dental-vision-hearing aid benefits negotiated by the Company and the Union.
- (C) Under the Affordable Care Act (ACA), after all internal claims and appeals procedures under the Program have been exhausted, enrollees may make an external appeal for certain issues to an independent third party. The present voluntary appeals process for those enrolled in the National PPO and Blue Preferred Plus PPO Plans, which are afforded a means by which they can file a voluntary appeal with Ford Motor Company, will be limited to those matters not subject to the ACA external review process. The Program's external and voluntary appeals procedures for claims under the National PPO and Blue Preferred PPO Plans will be administered as set forth in the Plan's Summary Plan Description to be updated during the term of this Agreement.

## EXHIBIT III

### UTILIZATION REVIEW AND COST CONTAINMENT

#### I. Utilization Review

All carriers shall implement and maintain processes for predetermination, concurrent utilization review, retrospective and focused utilization review and case management of coverages provided under Section 1 of the H-S-M-D-D-V Program, consistent with the criteria set forth below and in the Administrative Manual. The Control Plan shall have responsibility for assuring that plans have such processes in their respective plan areas.

The Company and the Union may agree to modify, terminate or not implement such processes, in whole or in part, in any area(s) where the processes are found not to be cost effective. In addition, by mutual agreement of the Company and the Union, other programs may be substituted for or added to the processes detailed below.

#### (A) Predetermination

- (1) Predetermination is the process by which the necessity for a given health care service, appropriateness of the service and/or the proposed setting for the service is reviewed and approved by a carrier before the performance of such service. The review and approval are performed by qualified health care professionals employed or retained by the carriers or their contracted facilities, using accepted standards to examine pertinent medical documentation.
- (2) Carriers shall provide predetermination for services under Subsections (i), (ii) and (iii) below;
  - (i) All hospital admissions except maternity and emergency (emergency admissions are to be reported to and reviewed by the carriers within twenty-four (24) hours after inpatient admission);
  - (ii) When associated with certain diagnoses or prescribed for certain medical conditions determined by retrospective utilization review to be subject to

overutilization and amenable to control by predetermination:

- (a) Any nonemergency, outpatient medical or surgical procedures performed in a facility or a physician's office;
  - (b) All ancillary services provided in inpatient and outpatient settings (including home health care); and
  - (c) All medical equipment, prosthetic and/or orthotic devices;
- (iii) All skilled nursing home admissions.

All covered services listed above shall be referred to the carriers for predetermination according to standards and procedures to be developed and inserted in the Administrative Manual. The carriers may focus their review by diagnosis, treatment plan, and/or individual patient characteristics. As appropriate, carriers shall recommend outpatient or office settings for selected procedures and diagnostic tests and use discharge planning to facilitate transfer to more cost-effective settings. The carriers may also recommend alternative treatment plans as appropriate.

The predetermination of inpatient care shall include the designation of appropriate lengths of stay and appropriateness of setting, based on diagnosis, patient characteristics, and/or appropriate practice patterns. An appeal process for individual cases will be available for use as needed. The carriers will provide to the Company and the Union such data and reports on the performance of the predetermination program as may be requested.

- (3) The carriers shall establish and maintain a telephone service and other appropriate communication methods to provide accurate information to enrollees and providers regarding the program procedures and requirements. Such communications will specify the responsibilities of providers and enrollees in obtaining necessary predetermination. Such communications will include forms and letters, as appropriate, to indicate confirmation and nonconfirmation and will be provided to physicians,

facilities, and enrollees by the carriers. All such communications will be designed to assist providers and enrollees to secure the required predetermination.

Identification cards furnished to enrollees by the carriers shall contain toll-free telephone numbers for obtaining predetermination information or other required approvals of services.

- (4) The carriers shall provide timely written notification of any actions taken with respect to the predetermination process. Such notification will be mailed to the provider and the enrollee within twenty-four (24) hours following receipt by the carrier of oral or written request for predetermination.
- (5) An appeal procedure will be available and will be administered as set forth in Sections 13 and 15 of the H-S-M-D-D-V Program.
- (6) Benefits for inpatient hospital services which require predetermination, when provided without obtaining necessary predetermination approvals, will be payable at 80 percent of the maximum payment after the first \$100 of expense for such services. The reimbursement to providers will be reduced to reflect any waiver or forgiveness by a provider of the \$100 or remaining 20 percent.

Under this Subsection, the 80 percent limitation on payment for the maximum payment and the requirement that payment be made for the first \$100 of covered expenses shall not be applicable (i) to an individual enrollee who has incurred a personal expense of \$750 for such covered services in a calendar year or (ii) to the covered members of the enrollee's family, if any, after the enrollee and such members have incurred a total of \$1,500 in personal expense for such covered services in the same calendar year.

- (7) A procedure will be available for carriers to hold the enrollee harmless for errors of commission or omission involving the predetermination process over which the

enrollee has no control. This procedure shall be published in the Administrative Manual. The carriers shall require participating providers to hold the enrollee harmless from the provider's errors of commission or omission involving the predetermination process.

- (8) The carriers shall monitor for and identify providers who have a pattern of inappropriately prescribing services. The carriers shall provide selective screening of such identified providers. The carriers also shall provide screening for diagnoses identified as being subject to such inappropriate practices.

**(B) Concurrent Utilization Review**

- (1) Concurrent utilization review is the process by which the continued need for inpatient treatment is reviewed while the patient is receiving inpatient care. Determination of the need for continuation of such treatment is performed by qualified health care professionals employed or retained by the carriers, using accepted standards to review pertinent medical documentation.
- (2) The carriers shall provide a process of concurrent utilization review to supplement the predetermination process. Through this process of concurrent utilization review, the carriers shall identify providers who utilize services inappropriately and develop educational and/or corrective action programs for these providers.

**(C) Retrospective and Focused Utilization Review**

- (1) Retrospective utilization review is the process by which the necessity, appropriateness and setting of a given health care service is reviewed following the performance of the service. The review is performed by qualified health care professionals employed or retained by the carriers, using accepted standards to examine pertinent medical documentation.
- (2) Focused utilization review is the process by which intensive review of certain providers (professionals and facilities) and/or diagnoses is conducted in cases where such providers and/or diagnoses have been identified as

warranting such review. The review is performed by qualified health care professionals employed or retained by the carriers, to audit the necessity of a given health care service, appropriateness of the service, the setting of the service, the quality of care rendered, and the financial accuracy of claims submitted for reimbursement related to such services.

- (3) The carriers shall develop a program to conduct ongoing retrospective review which will include audits of claims for medical necessity, appropriateness of services provided, treatment setting, quality of care, and financial accuracy. At the option of the carriers, this review can focus on specific diagnoses and/or providers identified as warranting such focused review.

Such review may occur post-payment; however, the carriers should develop and implement a plan for making this review, where practicable, prepayment (or presettlement with respect to providers paid on a prospective basis).

**(D) Case Management**

- (1) Case management is a process to identify potential high cost cases and to develop alternative treatment plans for such cases where appropriate. It focuses on those whose care could be maintained, improved or prolonged by more effective use of existing Program provisions or, in appropriate cases, through alternative treatment plans designed to provide care in a more cost-effective manner while maintaining or improving the quality of care.
- (2) Participation of an enrollee and/or a provider in the case management process is voluntary. Provider and enrollee educational programs will be offered to assist the enrollee and the provider in deciding on whether or not to participate.
- (3) The Control Plan will continue the case management program.

- (4) Minimum components of the case management program are:
- (a) Use of qualified case management coordinators employed or retained by the carriers;
  - (b) Establishment of a physician advisory committee as consultants to the coordinators;
  - (c) Use of criteria to identify the potential high cost cases early upon diagnosis or hospitalization;
  - (d) Establishment of a procedure for development of alternative treatment plans; and
  - (e) Establishment of a procedure to waive utilization control requirements and/or coverage requirements.
- (5) Services recommended by the case management coordinator will be covered as long as the total alternate treatment plan is designed to be less expensive than the original treatment plan which otherwise would have been followed. Coverage of the alternate treatment plan services will cease at such time as the total amount of benefits paid for such services equals the total amount of benefits which otherwise would be payable in the original treatment plan. If the severity of the patient's condition improves or worsens, the treatment plan can be reviewed and modified by the case management coordinator.
- (E) The carriers will provide to the Company and the Union such data and reports as may be requested to determine the effectiveness of the processes of predetermination, concurrent utilization review, retrospective and focused utilization review and case management.

Those enrolled in Medicare will not be subject to the predetermination and review procedures as set forth herein.

## II. **Annual Cost Containment Reports**

Each H-S-M-D-D-V carrier shall be required to report annually on its cost containment efforts for the preceding year, including but not limited to (a) a description of its cost containment activities, (b) the results/savings, (c) problems, and (d) plans for the next year.

The Control Plan shall prepare an evaluation of cost containment efforts and shall highlight particularly successful approaches and areas of less than desirable performance (in the latter instance, including the reasons therefore).

The report shall cover the preceding calendar year and shall be submitted to the Company-Union Committee by May 15 each year. The Company-Union Committee may specify the content or format for such reports.

### III. **Pilot Programs**

The Company-Union Committee shall continue current pilot programs, explore their possible expansion and develop new programs to provide quality care in a cost effective manner. By mutual agreement of the parties, maximum allowable cost prescription drug programs offering provisions as in the Michigan Program will be offered by all carriers as soon as practicable. All enrollees except those in alternative plans provided under Section 2 of the H-S-M-D-D-V Program will be eligible.

### IV. **Other Activities**

The Company-Union Committee shall investigate, consider and, upon mutual agreement, engage in other activities that may have high potential for cost savings. This may involve instituting by mutual agreement other hospital, surgical, medical, drug, dental, vision and substance abuse pilot programs.

The parties agree that PPO options providing health care coverages may be made available upon mutual agreement of the Company and Union.

The Company-Union Committee also shall: review the experience of the use of “par” and/or contracted provider networks and provisions applicable to reimbursement for physician and other medical providers, and make a determination (based on data supplied by the carriers and other resources) as to whether the provisions are a barrier to delivery of quality and cost-effective care.

**V. Review**

The results of any pilot programs and activities in III and IV, above, will be reviewed prior to the expiration of the Collective Bargaining Agreement so that the parties to the agreement may be prepared to consider the continuation or modification of the pilot programs and other activities of the Company-Union Committee.

**EXHIBIT IV****VISION EXPENSE BENEFITS PROGRAM****I. Enrollment Classifications; Carriers**

Vision expense benefits coverage for an eligible employee or surviving spouse shall include coverage for eligible dependents as defined for hospital-surgical-medical-drug expense coverage. The vision expense benefits shall be those provided herein under arrangements made with Blue Cross and Blue Shield of Michigan or other carrier(s) mutually agreed upon by the Company and the Union.

**II. Description of Benefits**

Vision expense benefits will be payable, subject to the conditions herein, if any covered person, while vision expense coverage is in effect with respect to such covered person, incurs covered vision.

**III. Definitions**

As used herein:

- (A) "Physician" means any licensed doctor of medicine or osteopathy legally qualified to practice medicine and who within the scope of his/her license performs vision testing examinations and prescribes lenses to improve visual acuity;
- (B) "Optometrist" means any person licensed to practice optometry in the state in which the service is rendered;
- (C) "Optician" means any person licensed in the state in which the service is rendered to supply eyeglasses prescribed by a physician or optometrist to improve visual acuity, to grind or mold the lenses or have them ground or molded

according to prescription, to fit them into frames and to adjust the frames to fit the face;

- (D) “Provider” means any of the foregoing;
- (E) “Participating provider” means a provider that has a written agreement with the Program carrier to provide vision testing examinations, lenses or frames under the Program in accordance with the terms and conditions stated in Section IV(A) hereof and to accept as payment therefore the amounts determined in accordance with Section IV(A);
- (F) “Maximum payment” means the allowed amount.
- (G) “Lenses” means ophthalmic corrective lenses, either glass or plastic, ground or molded as prescribed by a physician or optometrist to be fitted into frames;
- (H) “Contact lenses” means ophthalmic corrective lenses, either glass or plastic, ground or molded as prescribed by a physician or optometrist to be fitted directly to the patient’s eyes; these are subject to limitations and exclusions applicable to lenses generally;
- (I) “Frames” means standard eyeglass frames into which two lenses are fitted;
- (J) “Covered person” means the eligible employee, surviving spouse and eligible dependents;
- (K) “Covered vision expense” means the charges incurred for vision testing examinations, lenses and frames for such lenses as described below, and are either for vision testing examinations, lenses or frames obtained from a participating provider, payable in accordance with Section IV(A), or for vision testing examinations, lenses or frames obtained from a nonparticipating provider payable in accordance with Section IV(B):
  - (1) Vision testing examination, performed by a physician or optometrist, including a determination as to the need for correction of visual acuity, prescribing lenses, if needed, and confirming the appropriateness of eyeglasses obtained under the prescription. It

shall include: history; testing visual acuity; external examination of the eye; binocular measure; ophthalmoscopic examination; tonometry when indicated; medication for dilating the pupils and desensitizing the eyes for tonometry, if applicable; and summary and findings. If an optometrist as a result of examination recommends that the covered person be examined by an ophthalmologist with respect to a vision problem, and the ophthalmologist's examination occurs within sixty (60) days of the optometrist's examination, both vision examinations are a covered vision expense;

- (2) Lenses of a quality equal to the first quality lens series manufactured by American Optical, Bausch and Lomb or Univis, such as Tillyer, Orthogon or Univis, respectively, which meet Z80.1 or Z80.2 standards of the American National Standards Institute, including equivalent plastic lenses or, when prescribed, tints equal to Rose Tints #1 and #2. Lenses not more than sixty-five (65) millimeters in diameter will be a covered vision expense under the Program. If lenses are of a quality or size that result in an additional charge, only charges in accordance with Section IV shall be payable;
  - (3) Frames adequate to hold lenses which are a covered vision expense; and
  - (4) Contact lenses when the covered person's visual acuity cannot otherwise be corrected to at least 20/70 in the better eye, or when medically necessary due to keratoconus, irregular astigmatism or irregular corneal curvature. If selected for other reasons, only the benefit within the limits described in Section IV (A)(4) shall be payable;
- (L) "Acquisition cost" means the actual cost of the lenses and/or frames to the provider;

- (M) “Dispensing fee” means a fee predetermined by the Program carrier for dispensing lenses and/or frames as provided for in this Program.
- (N) **“Corrective eye surgery” means a surgical procedure used to alter the cornea or shape/surface of the eye in order to improve visual acuity, correct vision conditions such as myopia, hyperopia or astigmatism and reduce or eliminate the reliance on eyewear. Such surgeries can include, but are not necessarily limited to, Laser-assisted In-Situ Keratomileusis (LASIK), PhotoRefractive Keratectomy (PRK) and Radial Keratotomy (RK).**

#### IV. Benefits

- (A) From a participating provider, the covered person by paying the balance of the provider’s charge may obtain vision testing examinations and lenses and frames which the participating provider shall have agreed to furnish covered persons in accordance with the following arrangements for reimbursement by the carrier:
- (1) For a vision testing examination, the allowed amount charge less any co-payment as described in (C) below;
  - (2) For regular lenses, the acquisition cost of lenses that are described in the first two sentences of Section III(K)(2) less any co-payment as described in (C) below;
  - (3) For contact lenses, the acquisition cost of the contact lenses suitable for the covered person, when the covered person’s visual acuity cannot otherwise be corrected to at least 20/70 in the better eye, or when medically necessary due to keratoconus, irregular astigmatism or irregular corneal curvature, less any co-payment as described in (C) below;
  - (4) For contact lenses, except when provided in accordance with (3), above, the acquisition cost of the contact lenses suitable for the covered person, which when combined with the dispensing fees for lenses and frames in (6) below, shall not exceed \$75;

- (5) For frames, the acquisition cost up to a maximum acquisition cost of
- (i) \$18.75 through December 31, 1999;
  - (ii) \$19.00 from January 1, 2000 through December 31, 2000;
  - (iii) \$19.25 from January 1, 2001 through December 31, 2001;
  - (iv) \$19.50 from January 1, 2002 through December 31, 2002;
  - (v) \$19.75 on and after January 1, 2003;  
less any co-payment as described in (C) below; and
- (6) For lenses, contact lenses and frames, the dispensing fees for usual services in dispensing such lenses or frames, less any co-payment as described in (C) below.
- (7) Corrective Eye Surgery: Effective January 1, 2016, corrective eye surgery performed by an ophthalmologist will become a covered service. Coverage includes any related pre-and post-surgical professional services, facility expense and medically necessary supplies. Coverage is subject to the following provisions:**
- (i) A covered person may not receive benefits for both corrective eye surgery and for frames and/or lenses (including contact lenses) in the same calendar year;**
  - (ii) Upon proof of payment to the corrective eye surgery provider, the carrier will reimburse the employee for covered expenses, up to the lesser of the charges or the maximum benefit of \$295.00 in any four (4) year period; and**
  - (iii) A covered person receiving benefits for corrective eye surgery in any one calendar year will be ineligible for lens (including contact lens) and/or frame benefits for that year and three (3) subsequent years. For example, a covered person undergoing corrective eye surgery in 2016 would**

**be eligible for lens and/or frame benefits in 2020. Such covered persons will be eligible for benefits for a vision exam. They will also have access to the participating provider fee schedule for non-covered services and for lenses and/or frames for which no benefits are payable.**

For a vision testing examination, the participating provider shall charge the covered person a \$5 co-payment as described in (C) below. For lenses and frames provided pursuant to (2), (3) and (5) above, the participating provider may charge the covered person a \$7.50 co-payment as described in (C) below. If a covered person chooses lenses or frames costing more than those provided pursuant to (2), (3), (4), or (5), above, or if he/she requests unusual services from the provider, the covered person shall pay in addition the full additional charge of the provider.

- (B) For covered vision expense incurred from a nonparticipating provider, the Program shall pay (i) 75 percent of the provider's allowed amount for covered vision testing examinations after such charge has been reduced by a covered person co-payment of \$5 and (ii) for covered lenses and frames, the lesser of covered vision expense benefits as shown in the table below or the provider's charge for such lenses and frames:

	<b>Covered Vision Expense Benefit</b>
• Frames	\$15
• Regular Lenses—Pair <sup>1</sup>	
-Single Vision	\$14
-Bifocal	\$21
-Trifocal	\$25
• Contact Lenses <sup>1</sup>	
-In accordance with the first sentence of Section III(K)(4)	\$101
• Contact Lenses other than those covered above <sup>1</sup>	\$37
• Other covered special lenses (e.g., Aphakic, Lenticular and Aspheric) <sup>2</sup>	
• Plastic Lenses	\$3 plus Covered Vision Expense Benefit provided above for covered lenses.
• Tints equal to Rose Tints #1 and #2	\$3
• Prism	\$2
• Photochromic/transition lenses	
-Single/multi lens	In network only
 (C) For each covered person incurring covered vision expense under (A) above there is a \$5.00 co-payment applicable to the covered vision expense for each vision testing examination and a \$7.50 co-payment for the combined covered vision expenses for lenses, contact lenses, and frames. The total co-payment for each such covered person, during any period of twenty-four (24) consecutive months, will not exceed \$12.50.	

<sup>1</sup> The Covered Vision Expense Benefit for single lens shall be equal to one-half the applicable amount shown on the table above

<sup>2</sup> The lesser of 50 percent of the provider's charge for the lenses, or 75 percent of the average Covered Vision Expense Benefits paid to participating providers for comparable lenses.

**V. Limitation**

Frequency: If a covered person has received a vision testing examination, for which benefits were payable under the Program, benefits will be payable for each subsequent vision testing examination, only if received more than twelve (12) months after receipt of the most recent previous vision testing examination for which benefits were payable under the Program. Until the end of the calendar year they become sixteen years of age, children who are diagnosed as having severe, progressive myopia (i.e., myopia of 2.00 diopters of myopia or greater and progressing at the rate of 1.00 diopter or more per year, in the meridian of greatest change) who have a change of 1.00 diopter or more during the preceding twelve (12) months, will be eligible for appropriate corrective lenses payable by the Program. If a covered person has received lenses or frames for which benefits were payable under the Program, benefits will be payable for lenses or frames only if received more than twenty-four (24) months after receipt of the most recent lenses or frames for which benefits were payable under the Program.

Lenses and frames received under the Company's prescription safety glasses program for which no benefits were received under this Program shall not be considered lenses and frames received under this Program. An employee may utilize duplicate copies of the prescription for which a benefit is paid under this Program to obtain lenses and frames under both the Program and the Company's prescription safety glasses program if the employee is otherwise eligible under both and complies with the procedures of each.

**VI. Exclusions**

Covered vision expense does not include and no benefits are payable for:

- (A) Sunglasses to the extent the charge for such lenses exceeds the benefit amount for regular lenses as provided in Section IV (tinted lenses with a tint other than the equivalent of Rose Tints #1 or #2 are considered to be sunglasses for the purpose of this exclusion);

- (B) Photosensitive or anti-reflective lenses to the extent the charge for such lenses exceeds the benefit amount for regular lenses as provided in Section IV;
- (C) Medical or surgical treatment **except as provided in Exhibit IV, A(7) of the HSMDDV Program**;
- (D) Drugs or any other medication not administered for the purpose of a vision testing examination;
- (E) Procedures determined by the Program carrier to be special or unusual, such as, but not limited to, orthoptics, vision training, subnormal vision aids, aniseikonic lenses and tonography;
- (F) Vision testing examinations, lenses or frames furnished for any condition, disease, ailment or injury arising out of and in the course of employment;
- (G) Vision testing examinations and lenses or frames ordered:
  - (1) Before the covered person became eligible for coverage; or
  - (2) After termination of coverage;
- (H) Lenses or frames ordered while insured but delivered more than sixty (60) days after coverage terminated;
- (I) Charges for vision testing examinations, lenses or frames for which no charge is made that the covered person is legally obligated to pay or for which no charge would be made in the absence of vision expense benefits coverage;
- (J) Charges for vision testing examinations, lenses or frames which are not necessary, according to accepted standards of ophthalmic practice, or which are not ordered or prescribed by the attending physician or optometrist;
- (K) Charges for vision testing examinations, lenses or frames which do not meet accepted standards of ophthalmic practice, including charges for any such services or supplies which are experimental in nature;
- (L) Charges for vision testing examinations, lenses or frames received as a result of eye disease, defect or injury due to an act of war, declared or undeclared;

- (M) Charges for vision testing examinations, lenses or frames from any governmental agency which are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal, state, municipal or other governmental body;
- (N) Charges for any vision testing examinations, lenses or frames to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any state or political subdivision thereof;
- (O) Replacement of lenses or frames which are lost or broken unless at the time of such replacement the covered person is otherwise eligible under the frequency limitation set forth in Section V; and
- (P) Charges for the completion of any insurance forms.

**VII. Coordination of Benefits**

Coordination of benefits will be administered under the same provisions applicable to hospital-surgical-medical-drug expense coverage.

**VIII. Subrogation**

In the event of any payment for vision testing examinations, lenses or frames under this Program, the Program carrier shall be subrogated to all the covered person's rights of recovery against any person or organization, except against insurers on policies of insurance issued to and in the name of the covered person, and the covered person shall execute and deliver such instruments and papers as may be required and do whatever else is necessary to secure such rights.

**IX. Administrative Manual**

Policies, procedures and interpretations to be used in administering the Vision Expense Benefits Program as negotiated by the Company and the Union shall be incorporated in an Administrative Manual prepared by the Program carrier upon review and approval by the Company and the Union.

**X. Data**

The Program carrier(s) annually shall furnish the Company and the Union such information and data as may be mutually agreed upon by the parties with respect to vision expense coverage.

**XI. Cost and Quality Controls**

The Program carrier(s) will each undertake the following review procedures and mechanisms and report annually to the Company-Union Committee:

**(A) Utilization Review**

Analysis of various reports displaying such data as provider/patient profiles, procedure profiles, utilization profiles and covered vision expense benefits payments summaries to:

- (1) Evaluate the patterns of utilization, cost trends and quality of care;
- (2) Establish guidelines and norms with respect to profiles of practice in order to identify providers with either a high or low percentage of prescriptions issued in relation to the number of covered persons examined or other departures from the guidelines; and
- (3) Establish the percentage of covered vision expense benefits payments that are paid to participating providers.

**(B) Price Reviews**

Where possible, price reviews or other audit techniques shall be conducted to examine records, invoices and laboratory facilities and materials and to verify that charges for covered persons are the same as for other patients. These examinations may include patient interviews and clinical evaluations of services received.

**(C) Evaluation of Services Received**

On a random or selective basis, covered persons who have received services under the Program will be selected for subsequent evaluation and examination by consulting providers to ensure that the services reported were actually provided and were performed in accordance with accepted professional standards. Such evaluations may include (1) re-examinations to determine the accuracy of the prescription, (2) the quality of lenses and frames, (3) whether the vision testing examinations administered by providers are as comprehensive as contemplated by Section III(K)(1) and (4) other aspects of the services provided.

**(D) Survey of Services Received**

On a random or selective basis, covered persons who have received services under the Program may be sent a questionnaire to:

- (1) Determine the level of satisfaction with respect to these services;
- (2) Determine whether services for which vision expense benefits were paid were actually received; and
- (3) Determine whether providers recommend unnecessary optional services or supplies; and
- (4) Identify other problem areas.

**(E) Claims Processing**

The Program carrier(s) may conduct audits of claims being processed such as an analysis of patient histories and screening for duplicate payments in addition to the normal eligibility, benefit and charge verifications.

**(F) Peer Review**

When the Program carrier or a covered person does not agree with the appropriateness of a charge or service provided under the Program, an appeal procedure involving peer review may be utilized. Peer review may also be used to resolve situations involving providers with aberrant utilization patterns. The Program carrier(s) will seek to establish peer review where it does not exist.

**XII. Alternative Plans**

The Company and the Union by mutual agreement will make arrangements for eligible employees and certain surviving spouses, to be afforded the option to subscribe for vision expense coverage under approved and qualified alternative plans, instead of vision expense coverage hereunder; provided, however, that the Company's contributions toward coverage under such plans shall not be greater than the amount the Company would have contributed for vision expense coverage hereunder.

## EXHIBIT V

### HEARING AID EXPENSE BENEFITS PROGRAM

#### I. Enrollment Classifications

Hearing aid expense benefits coverage for an eligible employee or surviving spouse shall include coverage for eligible dependents as they are defined for hospital-surgical-medical-drug expense coverage.

#### II. Description of Benefits

Hearing aid expense benefits will be payable, subject to the conditions herein, if any covered person, as defined in Section III(K), while hearing aid expense coverage is in effect with respect to such covered person, incurs covered hearing aid expense.

#### III. Definitions

As used herein:

- (A) "Physician" means a participating otologist, otolaryngologist or otorhinolaryngologist who is board certified or eligible for certification in his/her specialty in compliance with standards established by the respective professional sanctioning body, who is a licensed doctor of medicine or osteopathy legally qualified to practice medicine and who, within the scope of his/her license, performs a medical examination of the ear and determines whether the patient has a loss of hearing acuity and whether the loss can be compensated for by a hearing aid.
- (B) "Audiologist" means any participating person who (1) possesses a master's or doctorate degree in audiology or speech pathology from an accredited university, (2) possesses a Certificate of Clinical Competence in Audiology from the American Speech-Language-Hearing Association and (3) is qualified in the state in which the service is provided to conduct an audiometric examination and hearing aid evaluation test for the purposes of measuring hearing acuity and determining and prescribing the type of hearing aid that would best improve the covered person's loss of hearing acuity. Where a physician

performs the foregoing services he/she shall be deemed an audiologist for purposes of this Program;

- (C) “Dealer” means any participating person or organization that sells hearing aids prescribed by a physician or audiologist to improve hearing acuity in compliance with the laws or regulations governing such sales, if any, of the state in which the hearing aids are sold;
- (D) “Provider” means a physician, audiologist or dealer;
- (E) “Participating” means having a written agreement with the Program carrier pursuant to which services or supplies are provided under this Program;
- (F) “Maximum payment” means the allowed amount.
- (G) “Hearing aid” means an electronic device worn on the person for the purpose of amplifying sound and assisting the physiologic process of hearing, and includes an ear mold, if necessary;
- (H) “Ear mold” means a device of soft rubber, plastic or a nonallergenic material which may be vented or nonvented that individually is fitted to the external auditory canal and pinna of the patient;
- (I) “Audiometric examination” means a procedure for measuring hearing acuity that includes tests relating to air conduction, bone conduction, speech reception threshold and speech discrimination;
- (J) “Hearing aid evaluation test” means a series of subjective and objective tests by which a physician or audiologist determines which make and model of hearing aid will best compensate for the covered person’s loss of hearing acuity and which make and model will therefore be prescribed, and shall include one visit by the covered person subsequent to obtaining the hearing aid for an evaluation of its performance and a determination of its conformity to the prescription;
- (K) “Covered person” means the eligible employee, eligible surviving spouse and their eligible dependents;

- (L) “Dispensing fee” means a fee predetermined by the Program carrier to be paid to a dealer for dispensing hearing aids, including the cost of providing ear molds, under this Program;
- (M) “Covered hearing aid expense” means the lesser of the billed charge and the maximum payment (allowed amount) for (1) audiometric examinations and hearing aid evaluation tests, and, in the case of hearing aid evaluation tests, do not exceed **\$161** per test effective **January 1, 2016** or, if higher, the adjusted maximum determined as described below, (2) hearing aids, and (3) replacement ear molds as set forth below:
- (a) Audiometric examination performed by a physician or audiologist, but, for the initial hearing aid payable under this Section or for any hearing aid for a person under age 18, only when performed following or in conjunction with the most recent medical examination of the ear by a physician (but not including the medical examination of the ear);
  - (b) Hearing aid evaluation test performed by a physician or audiologist, which may include the trial and testing of various makes and models of hearing aids to determine which make and model will best compensate for the loss of hearing acuity but only when indicated by the most recent audiometric examination;
  - (c) Hearing aids and ear molds must be prescribed based upon the most recent audiometric examination and most recent hearing aid evaluation test and the hearing aid provided by the dealer must be the make and model prescribed by the physician or audiologist and must be certified as such by the physician or audiologist.

In order for the charges for services and supplies described in Section III(M)(b) and (c) to be payable as hearing aid expense benefits under this Program, upon each occasion that a covered person receives such services and supplies

the covered person must have an audiometric examination and obtain a medical examination of the ear by a physician, and such medical examination and audiometric examination must result in a determination that a hearing aid would compensate for the loss of hearing acuity.

The maximum covered hearing aid expense (**\$161** effective **January 1, 2016**) for a hearing aid evaluation test shall be adjusted on October 1 of each year, by the percentage increase as of the May levels in the U.S. Consumer Price Index for the immediately preceding twelve months. The result will be rounded to the nearest dollar.

- (N) “Acquisition cost” means the actual cost to the dealer of the hearing aid.

#### IV. **Benefits**

The covered person may obtain audiometric examinations, hearing aid evaluation tests and hearing aids that the provider shall have agreed to furnish covered persons in accordance with the following reimbursement arrangements:

- (A) For an audiometric examination, the lesser of billed charge or the carrier allowed amount for audiometric examinations performed by a physician or audiologist, but only when performed in conjunction with the most recent medical examination of the ear by a physician;
- (B) For hearing aid evaluation tests, the lesser of billed charge or the carrier allowed amount, but not to exceed **\$161** effective **January 1, 2016** or such adjusted amount as provided in Section III(M);
- (C) Audiometric tests and hearing evaluation services used to diagnose any condition, disease, or injury of the ear, are covered.
- (D) (i) For covered hearing aids, the acquisition cost, and effective January 1, 2004, digital programmable hearing-aids are covered up to a maximum of \$900 and within plan limitations;

- (ii) For hearing aids (for enrollees under the age of 18, a medical examination is required each time a hearing aid is covered), the dispensing fees; and
  - (iii) For replacement ear molds for children up to age seven (7), the maximum payment.
- (E) Effective **January 1, 2016**, for hearing aids and ear molds, an allowance of up to **\$2,200** every three years (3) for the acquisition cost and dispensing fee to purchase hearing aids and ear molds (as applicable), plus replacements, adjustments and repairs (as required).

If the covered person requests unusual services from the provider, the covered person shall pay the full additional charge therefore.

#### V. **Limitations**

Frequency: If a covered person has received an audiometric examination, a hearing aid evaluation test or a hearing aid for which benefits were payable under the Program, benefits will be payable for such subsequent audiometric examination, hearing aid evaluation test or hearing aid only if received more than thirty-six (36) months after receipt of the most recent previous audiometric examination, hearing aid evaluation test and hearing aid, respectively, for which benefits were payable under the Program.

Not more than four (4) replacement ear molds are covered annually for children up to age three (3), and not more than two (2) are covered for children ages three (3) to seven (7).

Effective **January 1, 2016**, only one (1) audiometric examination, one (1) hearing aid evaluation test and one (1) **\$2,200** allowance for hearing aids/ear molds will be provided for an individual enrollee in a three (3) year period.

#### VI. **Exclusions**

Covered hearing aid expense does not include and no benefits are payable for:

- (A) Medical or surgical treatment;
- (B) Drugs or other medication;

- (C) Audiometric examinations, hearing aid evaluation tests and hearing aids provided under any applicable Workers' Compensation law;
- (D) Audiometric examinations and hearing aid evaluation tests performed, and hearing aids ordered:
  - (1) Before the covered person becomes eligible for coverage; or
  - (2) After termination of coverage;
- (E) Hearing aids ordered while covered but delivered more than sixty (60) days after termination of coverage;
- (F) Charges for audiometric examinations, hearing aid evaluation tests and hearing aids for which no charge is made to the covered person or for which no charge would be made in the absence of hearing aid expense benefits coverage;
- (G) Charges for audiometric examinations, hearing aid evaluation tests and hearing aids which are not necessary, according to professionally accepted standards of practice, and, in the case of an initial hearing aid or any hearing aid for a person under age 18, charges for hearing aid evaluation tests and hearing aids which are not recommended or approved by the audiologist or physician;
- (H) Charges for audiometric examinations, hearing aid evaluation tests and hearing aids that do not meet professionally accepted standards of practice, including charges for any such services or supplies that are experimental in nature;
- (I) Charges for audiometric examinations, hearing aid evaluation tests and hearing aids received as a result of ear disease, defect or injury due to an act of war, declared or undeclared;
- (J) Charges for audiometric examinations, hearing aid evaluation tests and hearing aids provided by any governmental agency that are obtained by the covered person without cost by compliance with laws or

regulations enacted by any federal, state, municipal or other governmental body;

- (K) Charges for any audiometric examinations, hearing aid evaluation tests and hearing aids to the extent benefits therefore are payable under any health care program supported in whole or in part by funds of the federal government or any state or political subdivision thereof;
- (L) Replacement of hearing aids that are lost or broken unless at the time of such replacement the covered person is otherwise eligible under the frequency limitations set forth herein;
- (M) Charges for the completion of any insurance forms;
- (N) Replacement parts for and repairs of hearing aids, except replacement ear molds for children up to age seven (7);
- (O) Charges incurred by persons enrolled in alternative plans; and
- (P) Eyeglass-type hearing aids, to the extent the charge for such hearing aid exceeds the covered hearing aid expense for one hearing aid under Section III(M).

#### **VII. Coordination of Benefits**

Coordination of benefits will be administered under the same provisions applicable to the hospital-surgical-medical-drug expense coverage.

#### **VIII. Subrogation**

In the event of any payment for audiometric examinations, hearing aid evaluation tests and hearing aids under this Program, the Program carrier shall be subrogated to all the covered person's rights of recovery against any person or organization, except against insurers on policies of insurance issued to and in the name of the covered person, and the covered person shall execute and deliver such instruments and papers as may be required and do whatever else is necessary to secure such rights.

**IX. Administrative Manual**

Hearing Aid Expense Benefits Program policies, procedures and interpretations to be used in administering the Program as negotiated by the Company and the Union shall be developed by the Program carrier after review and approval by the Company and the Union.

**X. Data**

The Program carrier annually shall furnish the Company and the Union such information and data as mutually may be agreed upon by the parties with respect to hearing aid expense coverage.

**XI. Cost and Quality Controls**

The Program carrier shall undertake appropriate review procedures to assure a high degree of cost and quality control. Where appropriate, such actions may include utilization review, price review, evaluation of services received and peer review.

## EXHIBIT VI

### UNDERSTANDINGS WITH RESPECT TO THE H-S-M-D-D-V PROGRAM GENERAL

This will confirm our understanding with respect to the following matters under the H-S-M-D-D-V Program incorporated by reference in the Collective Bargaining Agreement.

#### I. **Dental Expense Benefits**

In the event arrangements are made pursuant to Section XII of the Dental Expense Benefits Program for an alternative plan approved under Section 2 of the H-S-M-D-D-V Program to offer dental coverage to eligible persons, whether or not enrolled for H-S-M-D coverages through such plan, payment by the Company for such dental coverage on behalf of those who elect such coverage in lieu of dental expense coverage under Section 1 of the H-S-M-D-D-V Program shall be equal to the rate established by the alternative plan for its dental coverage, but not greater than the amount the Company would have contributed for dental expense coverage under Section 1 of the H-S-M-D-D-V Program.

#### II. **Vision Expense Benefits**

If an alternative plan referred to in Section 2 of the H-S-M-D-D-V Program decides it is unable to provide its own vision expense benefit, or if the parties determine that an alternative plan's vision expense benefit is not cost effective, the Company and the Union may arrange by mutual agreement for those enrolled therein to be covered, if otherwise eligible, by the Vision Expense Benefits Program referred to in Section 1 of the H-S-M-D-D-V Program or the SVS Vision Plan or other such alternative plans as may be determined by the parties.

#### III. **Departicipating Hospitals**

The Company will request **the** Control Plan to institute the following procedure in the event a hospital departicipates from its Plan.

- (1) A Plan will give adequate notice at the earliest possible date to enrolled employees of a hospital's deparicipation and of the payment arrangements in such a deparicipating situation.
- (2) For those patients already hospitalized before a hospital deparicipates, full covered benefits will be paid until the end of the hospital stay or until the available days of care are exhausted.
- (3) For patients admitted during the first thirty (30) days after the initial date of each hospital's deparicipation, full covered benefits will be paid for all admissions to such deparicipated hospital until the end of the hospital stay or until the available days of care are exhausted. For patients admitted after such thirty (30) days, the appropriate nonparicipating hospital rate shall apply, except as provided in 4, below.
- (4) Upon admission in an emergency (as determined by the Plan) to a hospital that has deparicipated, when the member cannot be safely moved to a paricipating hospital, the member will be entitled to full covered benefits during the first five (5) days of the hospital stay. After five (5) days from the date of such emergency admission, payment will be at the appropriate nonparicipating hospital rate. If at any time during such an admission the patient is moved to a paricipating hospital, payment may be made for the reasonable charges for ground ambulance transfer of up to twenty-five (25) miles, upon approval of the attending physician and the Plan. This approval must be based on the physician's medical certification that the transfer will not endanger the patient's health and of Plan certification that the subsequent stay will be of sufficient duration to justify the transfer. If transfer to a paricipating hospital cannot be arranged, either because such a transfer would endanger the patient's health or because the subsequent stay would not be of sufficient duration to justify transfer, full covered benefits will be paid until the end of such hospital stay or until the available days of care are exhausted.

If such a hospital regains its participating status within six (6) months after deparicipating, the Plan will retroactively make payments for the balance of the hospital's reasonable charges (as determined by the Plan) for covered services for patients admitted during the period of deparicipation. The Plan shall arrange that such payments relieve the patients of any further financial obligation with respect to covered services received during the deparicipation period, and that any portion of such balance previously paid by the patient shall be refunded.

#### IV. **Nonparticipating Hospital Rate**

Blue Cross **or another carrier's** maximum payment for inpatient charges with respect to nonparticipating general acute care hospitals will be **\$500** per day and inpatient ancillary charges at such hospitals will be payable up to a maximum of **\$50** per day (a total of **\$550** per day).

Payment to nonparticipating hospitals for emergency admissions will be as described in III (4) above for deparicipating hospitals.

Present benefit arrangements shall continue to apply to admissions to nonparticipating hospitals which are not classified as general acute care hospitals.

When services are provided by a non-participating hospital eligible only for limited payment of covered services, payment for outpatient services shall be made up to \$35.00 for each condition towards the hospital's regular charges for covered services, except as otherwise provided for treatment of certain accidental injuries and medical emergencies as set forth below.

Effective October 25, 1999, certain covered emergency services received in the outpatient department of a nonparticipating hospital will be paid at the nonparticipating hospital average rate within the Plan area. To qualify for payment, the claim must be for services related to a medical emergency or a serious bodily injury that requires immediate medical attention to avoid placing the enrollee's life in jeopardy, permanent damage to the enrollee's health or significant impairment of bodily functions. Treatment must be provided at the hospital immediately

following the medical emergency or injury. There can be no assurance that the payment will cover the entire amount billed by the hospital.

V. **Home Delivery Maintenance Drug List**

Effective January 1, 2004, for eligible employees, surviving spouses and their eligible dependents, covered maintenance legend drugs will be filled in accordance with the Letter of Understanding, H-S-M-D-D-V and Self-funded PPO Prescription Drug Program dated November 3, 2007 and further modified by the Settlement Agreement dated February 13, 2006.

Certain prescription drugs, that have been identified by the carrier, are covered at retail, at the applicable 34-day copayment, for an original prescription and two (2) refills; thereafter they are covered at mail, at the applicable copayment for up to a 90-day supply, or at retail at 100% copayment of Program costs for up to a 34-day supply. The carrier will maintain a list of these drugs and update the list on a regular basis.

VI. **Durable Medical Equipment**

**Coverage** for durable medical equipment shall be based on categories of equipment covered by Medicare. **Additional equipment may be approved** by the Company-Union Committee described in Section 12.

The following item is covered for persons enrolled in hospital-surgical-medical-drug-dental-vision-hearing aid coverages provided in Section 1(a) of the H-S-M-D-D-V Program or a PPO plan, subject to any stated conditions and to the other provisions of the Program and this Subsection, although not Medicare approved: continuous passive motion device for use on elbow and shoulder after surgical treatment.

The following items are covered subject to any stated conditions and to the other provisions of the Program and this Subsection:

- (i) Effective January 1, 2000:
  - Dressing set for negative pressure wound therapy electrical pump, stationary or portable, each

- Canister set for negative pressure wound therapy electrical, stationary or portable, each
  - Negative pressure wound therapy electrical pump, stationary or portable
- (ii) Effective January 1, 2002:
- Cough stimulating device, alternating positive and negative airway pressure
- (iii) Effective January 1, 2003:
- Replacement pad for infrared heating pad system, each
  - Eye pad, sterile, each
  - Crutch, underarm, articulating, spring assisted, each
  - High frequency chest wall oscillation air-pulse generator system, (includes hoses and vest), each
  - Oscillatory positive expiratory pressure device, non-electric, any type, each
  - Multipositional patient support system, with integrated lift, patient accessible controls
- (iv) Effective April 1, 2003:
- Functional neuromuscular stimulator, transcutaneous stimulation of muscles of ambulation with computer control, used for walking by spinal cord injured, entire system, after completion of training program
- (v) Effective July 1, 2003:
- Automatic external defibrillator, with integrated electrocardiogram analysis, garment type
  - Replacement battery for automated external defibrillator, each
  - Replacement garment for use with automated external defibrillator, each

- Replacement electrodes for use with automated external defibrillator, each
- (vi) Effective January 1, 2007:
- Sleeve for intermittent limb compression device, replacement only, each
  - Intermittent limb compression device (includes all accessories), not otherwise specified
  - Continuous passive motion exercise device for use other than knee

## VII. Prosthetic and Orthotic Appliances

**Coverage** for prosthetic and orthotic appliances, including external appliances and excluding experimental or research appliances or devices, shall be based on categories of appliances covered by Medicare. **Additional equipment may be approved** by the Company-Union Committee described in Section 12, provided that coverage for therapeutic shoes prescribed for diabetics not eligible for Medicare shall be limited to the diagnoses established by the Control Plan.

The following items are covered for persons enrolled in hospital-surgical-medical-drug-dental-vision-hearing aid coverages provided in Section 1(a) of the H-S-M-D-D-V Program or a PPO plan, subject to any stated conditions and to the other provisions of the Program and this Subsection, although not Medicare approved:

- (1) Any style of orthopedic footwear, other than a basic oxford, when the shoes are an integral part of a covered brace;
- (2) All orthopedic shoe inserts **and** arch supports, **limited to one (1) pair per calendar year with diagnoses established by the Control Plan;** and
- (3) Effective January 1, 2004, coverage is provided for individually fitted arch supports used with a shoe that is not attached to a brace for employees, surviving spouses and their eligible dependents who are enrolled for hospital-surgical-medical-drug-dental-vision-hearing aid coverage provided in Section 1 (a) of the H-S-M-D-D-V Program or by a PPO plan. Coverage is limited to arch supports that

are prescribed in writing by a physician for an orthopedic, neuromuscular, vascular or insensate foot condition approved by the Control Plan (excluding flat feet) that has failed to respond to a course of appropriate conservative treatment (e.g., physical therapy, injections, anti-inflammatory medications), or when prescribed following foot surgery or trauma when the patient is receiving arch supports as part of post surgical care. All arch supports must be obtained from a **participating** provider. No additional payment will be made for separately billed charges for fitting the arch support. Adult enrollees are eligible for replacement arch supports only if received more than 36 months after receipt of the most recent previous arch support for the same condition for which benefits were payable under this plan. Arch supports for children may be replaced after 12 months if required by growth of the child.

- (4) Effective January 1, 2000, wigs and appropriate related supplies (stand and tape) are covered for enrollees under the age of 18 (at any age effective January 1, 2004), who are suffering hair loss from the effects of chemotherapy or radiation therapy, subject to the limitations outlined below:
- (i) For the first purchase of a wig and necessary related supplies (stand and tape) coverage will be provided up to \$200 (\$250 on or after January 1, 2004), and
  - (ii) Thereafter, at intervals of not less than 12 months, coverage will be provided up to \$125 towards the purchase of a wig and necessary related supplies.

The following items are covered subject to any stated conditions and to the other provisions of the Program and this Subsection:

- (i) Effective January 1, 2002:
  - Tension based scoliosis orthosis and accessory pads, includes fitting and adjustment
  - Addition, endoskeletal knee-shin system, microprocessor control feature, stance phase

- Addition to lower extremity prosthesis, endoskeletal system, pylon with integrated electronic force sensors
  - Addition to lower extremity prosthesis, user adjustable heel height
  - Automatic grasp feature, addition to upper limb prosthetic terminal device
  - Microprocessor control feature, addition to upper limb prosthetic terminal device
- (ii) Effective January 1, 2003:
- Addition to lower limb prosthesis, vacuum pump, residual limb volume management and moisture evacuation system
  - Addition to lower limb prosthesis, vacuum pump, residual limb volume management and moisture evacuation system, heavy duty
  - Addition to endoskeletal, knee-shin system, hydraulic stance extension, dampening feature, adjustable
  - Transcarpal/metacarpal or partial hand disarticulation prosthesis, external power, self-suspended, inner socket with removable forearm section, electrodes and cables, two batteries, charger, myoelectric control of terminal device
  - Upper extremity addition to prosthesis, electric locking feature, only for use with manually powered elbow
  - Upper extremity addition, shoulder joint, multipositional locking, flexion, adjustable abduction friction control, for use with body powered or external powered system
  - Upper extremity addition, shoulder lock mechanism, body powered actuator
  - Upper extremity addition, shoulder lock mechanism, external powered actuator

- Lithium ion battery, replacement
  - Lithium ion battery charger
  - Knee ankle foot orthosis, any material, single or double upright, stance control, automatic lock and swing phase release, mechanical activation, includes ankle joint, any type, custom fabricated
  - Electronic elbow, microprocessor simultaneous control of elbow and terminal device
- (iii) Effective January 1, 2007:
- Upper extremity addition, flexion/extension and rotation wrist unit

**Process for Updating Durable Medical Equipment and Prosthetic and Orthotic Appliance Coverages:**

- (1) A procedure has been established for the ongoing periodic update of the durable medical equipment and prosthetic and orthotic appliance coverages.**
- (2) Written notification of changes in Medicare Part B durable medical equipment and prosthetic and orthotic appliance coverages, and other recommendations for coverage changes will be provided to the Company by the Control Plan. The notifications and recommendations shall include, but not be limited to the following information:**
  - (i) Quality of care, access and appropriate utilization concerns and proposed actions to resolve such concerns;**
  - (ii) Any item(s) being replaced by new item(s), and a plan for discontinuation of coverage for the replaced item(s); and**
  - (iii) Positive or negative effect on the Program costs.**
- (3) The Company will implement Medicare Part B coverage changes and by mutual agreement with the Union, will review and approve or disapprove other Control Plan recommendations. When a change is made, an effective date will be established.**

- (4) **The Control Plan will advise appropriate carriers of any changes which are approved through this procedure, the effective dates, and any applicable administrative rules.**

**VIII. Medical Necessity**

It is agreed that all **local plans, where associated with the Control Plan**, should comply with the policies and procedures established by the **Control Plan related to medical necessity**.

The Control Plan shall accept responsibility for assuring that plans are complying with these policies and procedures. The Control Plan shall monitor and evaluate each local plan's compliance and shall report **semi-annually** to the Company-Union Committee.

**IX. Denturists**

Effective September 17, 1979, review by the Company and Union will be given to possible inclusion of treatment by denturists in certain states where they are licensed.

**X. Special Benefit**

An employee with Endstage Renal Disease who is enrolled in the voluntary Medicare coverage which is available under the Federal Social Security Act, will while so enrolled receive a monthly special benefit equal to the lesser of the generally applicable Medicare Part B Premium, or \$61.50 for months commencing on or after January 1, 2000, and before January 1, 2004, and \$76.20 for months commencing on or after January 1, 2004, provided that in no event shall such payment commence prior to the first day of the month following the receipt by the Company of application on a form provided for this purpose from an otherwise eligible employee under age 65, in which case such payment shall be made effective for the month such employee enrolls. Not more than one such payment shall be made to any employee for any one month. No such payment shall be made to any employee receiving under the Retirement Plan, or the H-S-M-D-D-V Program (Exhibit VI), the same amount because of having enrolled for such voluntary coverage.

**XI. Hyperbaric Oxygenation**

For persons in hospital-surgical-medical-drug-dental-vision-hearing aid coverages provided in Section 1(a) of the H-S-M-D-D-V Program, or a PPO plan, coverage is provided for hospital outpatient hyperbaric oxygenation treatments for conditions which meet criteria established by the Control Plan.

**XII. Continuous Passive Motion for Select Knee Surgeries (CPM)**

Effective September 29, 2003, for persons enrolled in hospital-surgical-medical-drug-dental-vision-hearing aid coverages provided in Section 1 (a) of the H-S-M-D-D-V Program or a self-funded PPO plan, Continuous Passive Motion (CPM) will be a covered benefit after knee surgery if:

- (1) Initiated within the first 48 hours following surgery, and
- (2) Utilized a maximum of 20 days immediately following surgery.

**XIII. Benefit Overpayment Recovery**

Effective September 16, 1996, if it is determined that an act or omission of an employee, retiree or enrollee results in or contributes to an overpayment under this Program, written notice shall be given to the primary enrollee and such primary enrollee shall repay the amount of overpayment.

If the primary enrollee does not make repayment within 60 days following the date of such written notice, the Company shall have the right, in accordance with and subject to any limitations under applicable Federal laws, to make, or arrange to have made, deductions for recovering such overpayments from any present or future compensation (excluding the Ford-UAW Retirement Plan) or benefits payable under the Ford H-S-M-D-D-V Program which are or become payable to such primary enrollee. Deductions for such overpayments will not exceed \$100 from any one paycheck except in cases of fraud or willful misrepresentation.

**XIV. Ambulance Services**

Coverage for ambulance services for persons enrolled in hospital-surgical-medical-drug-dental-vision-hearing aid coverages provided in Section 1(a) of the H-S-M-D-D-V

Program or a self-funded PPO plan shall be provided under the following conditions:

- (a) Ambulance services must be medically necessary.
- (b) The provider of such service must meet Medicare criteria for approval.
- (c) Ambulance benefits are provided for local ground transportation only within the greater metropolitan area in which the need for services arises and for purposes of:
  - (i) Transferring (one-way or round trip) of a hospital inpatient, or patient seen in the emergency room to another local hospital when lack of needed treatment facilities, equipment or staff physicians exists at the first hospital, or
  - (ii) Transporting (one-way or round trip) of a hospital inpatient to a non-hospital facility for examination with a covered CAT, MRI or PET scan and the following conditions are met:
    - The services are not available in the hospital in which the individual is an inpatient or in a closer local hospital, and
    - The free-standing facility providing the treatment is approved by any applicable state planning agency or comparable approval process.
- (d) Ambulance benefits are provided for ground ambulance services provided on or after January 1, 2000, and for air and water ambulance services provided on or after January 1, 2004, for purposes of emergency transportation of:
  - (i) Transporting a patient one way from the scene of an emergency incident to the nearest available facility qualified to treat the patient.
  - (ii) Transporting a patient one way or round trip from the home to the nearest available facility qualified to treat the patient.
    - Medical emergency/accidental injury patients are provided one way transportation from the

home to the facility. Return trip following stabilization is not covered.

- Home-bound patients are provided round trip transportation from the home to the facility and back when medically necessary and when other means of transportation could not be used without endangering the patient's health.
- (e) A physician must prescribe the services which necessitate use of ambulance transportation for services described in (c), (i) and (ii) above.
- (f) Effective January 1, 2008, the benefit for ambulance services include ambulance treatment when treatment is performed by qualified ambulance personnel in lieu of transportation to a hospital.

#### **XV. Pulmonary Function Test**

Effective January 1, 2004, coverage for pulmonary function tests are provided in accordance with the Control Plan criteria for location of service, including the hospital out-patient and physician office setting, for employees, surviving spouses and their eligible dependents who are enrolled in the hospital-surgical-medical-drug-dental-vision-hearing aid coverages provided in Section 1(a) of the H-S-M-D-D-V Program or a self-funded PPO plan.

#### **XVI. Physical, Functional Occupational and Speech Therapy Coverage**

Non-Medicare persons enrolled in hospital-surgical-medical-drug-dental-vision-hearing aid coverages provided in Section 1 (a) of the H-S-M-D-D-V Program will be provided physical therapy, occupational therapy, and speech therapy in an office setting by a physician or in the office of an independent physical, occupational or speech therapist with provisions as specified in the Administrative Manual dated **September 2013**, or as updated, by mutual agreement of the parties, during the term of this agreement. The provider must be participating with or approved by the carrier. Physical, occupational or speech therapy provided by an independent physical, occupational or

speech therapist or physician who is not participating with or approved by the carrier is not covered.

**Effective January 1, 2016, speech therapy for congenital and severe developmental speech disorders is a covered service when not available through other public agencies (e.g., state or school) up to 60 visits annually. In the event an enrollee is eligible, there is a separate 60-visit speech therapy benefit available.**

## XVII. Contraceptive Options

Effective January 1, 2000, coverage is provided for the following contraceptive option coverages for employees, surviving spouses and eligible dependents who are enrolled for hospital-surgical-medical-drug-dental-vision-hearing aid coverage provided in Section 1 (a) of the H-S-M-D-D-V Program, PPO and HMO coverage.

Prescription contraceptive options (excluding all over the counter items such as condoms, both male and female, spermicide jelly, etc.) will be covered at the appropriate prescription drug copayments:

- Oral contraceptive
- Implants
- Injections
- Intrauterine devices
- Diaphragms
- Cervical caps

To allow the prescribing or administering physician under the hospital-surgical-medical-drug-dental-vision-hearing aid program provided in Section 1 (a) of the H-S-M-D-D-V program the opportunity to continue to administer services within his/her scope of practice, the contraceptive procedures that require a physician's expertise will be covered. The contraceptive procedures that require a physician's expertise are listed below:

- Insertion, implantable contraceptive capsules

- Removal, implantable contraceptive capsules
- Removal with reinsertion, implantable contraceptive capsules
- Levonorgestrel (contraceptive) implants system, including implants and supplies
- Diaphragm or cervical cap fitting with instructions (IUD)
- Insertion of intrauterine device (IUD)
- Removal of intrauterine device (IUD)
- Intrauterine copper contraceptive
- Injection, medroxyprogesterone acetate for contraceptive use 150 mg
- Therapeutic or diagnostic injection (specify material injected); subcutaneous or intramuscular

#### **XVIII. Dental Services in Outpatient Hospital Department**

Effective January 1, 2004, coverage for dental treatment in a hospital outpatient setting will be expanded based on Control Plan guidelines for employees, surviving spouses and their eligible dependents who are enrolled for hospital-surgical-medical-drug-dental-vision-hearing aid coverage provided in Section 1 (a) of the H-S-M-D-D-V Program or by a self-funded PPO plan for enrollees who have special needs (e.g., Down's Syndrome, autism, spastic conditions), medical conditions that are marginally controlled, or dental conditions that may adversely impact their medical conditions (e.g., uncontrolled diabetes with periodontal disease).

#### **XIX. H-S-M-D-D-V and Self-funded PPO Prescription Drug Program**

- (1) Coverage (applies to employees and surviving spouses)

Effective January 1, 2008, coverage for covered vitamins and essential minerals include, and are limited to, prenatal vitamins for females under the age of 49, Vitamin D derivatives prescribed to treat renal disease, Vitamin K prescribed for bleeding conditions, long-acting Niacin for treating heart conditions and potassium chloride.

- (2) Limitations and Exclusions (applies to employees and surviving spouses)

Effective January 1, 2008, coverage does not include non-sedating antihistamines.

**XX. Preventive Services**

- (A) Prior to January 1, 2008, preventive services will be provided as under the Collective Bargaining Agreement dated September 29, 2003. Effective January 1, 2008, for persons enrolled in hospital-surgical-medical-drug-dental-vision-hearing aid coverages provided in Section 1(a) of the H-S-M-D-D-V Program or a self-funded PPO plan. The services listed below are covered as preventive measures:

When rendered by network providers they are exempt from deductibles, co-payments or co-insurance that might otherwise apply. When rendered by non-network providers they are subject to applicable cost-sharing provisions. In instances where the coverage within a time period is limited, the first such service rendered in the time period will be considered preventive. Other covered services including diagnostic services, services provided outside any specified age-related windows, additional services within the specified periods, or services provided outside the specified periods will be subject to the regular Program provisions (e.g., requirements that the services be medically necessary and appropriate and rendered for diagnosis or treatment of disease or injury) and will be subject to any applicable cost-sharing features.

1. Well-Baby Care  
Coverage is provided for well-baby care services approved by the Control Plan. Coverage is limited to six (6) visits prior to age two (2).
2. Early Detection Screening and Immunization Program
  - a. Covered immunizations and vaccinations include those used to prevent the following disease or conditions:

- i. Tetanus;
  - ii. Pertussis;
  - iii. Poliomyelitis;
  - iv. Hepatitis A; and
  - v. Meningococcal disease (e.g., meningitis)
- b. Fecal Occult Blood Test or Fecal Immunochemical Test: Coverage is provided for one (1) test per year, beginning at age 50.
  - c. Flexible Sigmoidoscopy, Barium Enema and Colonoscopy: Coverage is provided for one (1) flexible sigmoidoscopy or one (1) barium enema every 5 years, or one colonoscopy every 10 years, beginning at age 50. Those who are determined to be at increased risk for colorectal cancer based on family history or genetic factors, are eligible to undergo colonoscopy and/or flexible sigmoidoscopy and fecal occult blood examinations every 2 years as of age 25, and annually as of age 40.
  - d. Total Serum Cholesterol with Low Density Lipoprotein (LDL) Test: Coverage is provided for one (1) test every five (5) years, beginning at age 20.
  - e. Hepatitis C (HCV) Screening: Coverage is provided for Hepatitis C (HCV) screening of enrollees who are at risk or have signs or symptoms which may indicate a Hepatitis C infection.
  - f. Other Immunizations and Vaccinations: Coverage is provided for administration of certain immunizations and vaccinations as recommended by the Centers for Disease Control Advisory Committee on Immunization Practices and for the cost of separately billed charges for administering the injection of covered immunizations, but not any related

office visit charges. Serum is covered only when it is not supplied by a health department or other public agency. Facility charges associated with immunizations are not covered. Carriers are responsible for monitoring and enforcing appropriate billing and reimbursement practices with respect to any concurrent office visits.

- g. Cancer Antigen 125 (CA-125) Screening Test: Coverage will be provided for CPT Code CA-125 in accordance with the guidelines below:
  - i. Once a plan year for those enrollees, age 25 and older, who have a family history of ovarian cancer (1st degree family member), and
  - ii. At the time of diagnosis of ovarian cancer and up to 3 follow-up tests per plan year to determine the effectiveness of therapy, or
  - iii. Up to twice per plan year for those enrollees who have been diagnosed with ovarian cancer and are in clinical remission.
- h. Cancer Screening Tests: The parties will develop a new process for approving cancer screening tests. This process will consider such new cancer screening tests for payment, provided these tests are recommended by the American Cancer Society (ACS), are performed based on ACS guidelines regarding age and frequency, are approved for payment by Medicare and provided in accordance with the Control Plan criteria for location of service.
- i. Mammography and Magnetic Resonance Imaging (MRI) Breast Screening: Coverage will be provided for routine mammography and MRI breast screening in accordance with guidelines established by the American Cancer Society as follows:

- i. A baseline mammogram at age forty (40);
- ii. A mammogram every one (1) to two (2) years between ages forty through forty-nine (40 through 49) depending on risk factors and physician recommendation; and
- iii. A mammogram once each year after age fifty (50) is attained.

Individuals determined to be at increased risk for breast cancer based on family history (1st degree family member), genetic factors or previous breast cancer are eligible to undergo annual mammography examinations beginning at age 25.

In addition, an annual MRI breast screening (along with a mammogram) shall be provided if the person has at least one of the following conditions:

- A BRCA1 or BRCA2 mutation
- A 1st degree relative (parent, sibling, child) with a BRCA1 or BRCA2 mutation, even if they have not been tested
- Lifetime risk of breast cancer scored at 20-25% or greater, based on one of several accepted risk assessment tools that look at family history and other factors
- Had radiation treatment to the chest between ages 10 and 30
- Has Li-Fraumeni syndrome, Cowden syndrome, or Bannayan-Riley-Ruvalcaba syndrome, or may have one

of these syndromes based on a history in a 1st degree relative.

- j. Prostate-Specific Antigen (PSA): Coverage will be provided for a screening PSA (prostate-specific antigen) test once each plan year for enrollees ages forty (40) and older provided the test is performed in accordance with guidelines established by the American Cancer Society. PSA tests used to confirm a diagnosis of cancer or to track the progress of the disease, and to determine the effectiveness of the treatment being given will continue to be covered regardless of age. A second screening within the same plan year will be provided if the first PSA test indicates a PSA level of 4.0 or higher.

3. Treatment for Rabies Exposure

Coverage is provided for administration of rabies vaccines necessitated by a recent exposure (e.g., by bite, scratch, or exposure to saliva) to a rabid or potentially rabid animal.

Whether initial treatment is performed in an emergency room or not, follow-up treatments can be performed in a physician office or hospital outpatient setting.

4. Wound Healing

Platelet derived growth factor is covered for wound healing for certain conditions as approved by the carrier.

- (B) The H-S-M-D-D-V Program will, effective January 1, 2012, provide in-network coverage for all of the following preventive services without imposing any co-payments, co-insurance, deductibles, or other cost-sharing requirements when required by the Patient Protection Affordable Care Act (PPACA):

1. Evidence-based items or services with an A or B rating recommended by the United States Preventive Services Task Force;

2. Immunizations for routine use in children, adolescents, or adults recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention;
3. Evidence-informed preventive care and screenings provided for in the comprehensive guidelines supported by the Health Resources and Services Administration (HRSA) for infants, children, and adolescents; and
4. Other evidence-informed preventive care and screenings provided for in comprehensive guidelines supported by HRSA for women.

Preventive services initially covered are listed in recommendations and guidelines issued on or before September 23, 2009, which include one routine physical exam and one routine gynecological exam per female enrollee, per calendar year. Well-baby care is provided for up to six (6) visits for babies under one (1) year of age and up to five (5) visits for children from 13 months of age through 35 months of age. Well-child visits are provided one per calendar year for children from 36 months of age through age 17. Compliance with subsequent recommendations and guidelines will begin for plan years beginning one year or later after the recommendation or guideline was issued. Current and future preventive care lists shall be part of the Administrative Manual or a schedule of benefits and in the plan's Summary Plan Description.

If it is later determined, either by amendment, repeal or by judicial determination that any PPACA preventive services and medications provisions as set forth in PPACA section 2713 shall no longer apply, then the parties will include these preventive services and medications.

To the extent the PPACA preventive services and medications provisions are expanded, modified or otherwise interpreted by regulation, judicial pronouncement or authoritative agency directive such that the required

coverage of preventive services and medications set forth herein is no longer in compliance with PPACA, the Company reserves the right to make required changes or, to the extent compliance is variable, the parties agree to meet and confer to discuss revisions set forth herein to determine the manner by which compliance will be achieved.

**XXI. Physician Extenders (Non-Physician Practitioners)**

Effective November 19, 2007, coverage will be provided for covered services provided by physician extenders (non-physician practitioners) for persons enrolled in hospital-surgical-medical-drug-dental-vision-hearing aid coverages provided in Section 1(a) of the H-S-M-D-D-V Program or a self-funded PPO plan.

“Non-Physician Practitioner” means an individual who meets Program Standards for the given profession and is approved by the carrier for reimbursement for certain professional services in accordance with their training and licensure which would be covered under the Program when performed by a physician. The carrier will assure that multiple practitioners will not be reimbursed for the same service. Program Standards for non-physician practitioners shall include, but not be limited to, the requirements that the individuals be registered, certified and/or licensed as applicable under state law, be legally entitled to practice their specialties at the time and place services are performed, that they render specified services which they are legally qualified to perform and that they be approved for Medicare reimbursement, if applicable, for enrollees who have Medicare as their primary coverage.

The categories of non-physician practitioners, and the services that may be covered when performed by them, include:

“Advance Practice Nurses” means health care professionals including, but not limited to, certified nurse practitioners, clinical nurse specialists, certified nurse mid-wives and certified nurse anesthetists. These health care professionals must be accredited by their respective national societies and endorsed through state licensing processes.

“Physician Assistants” means health care professionals licensed to practice medicine with physician supervision. Physician assistants must be accredited by the Accreditation Review Commission on Education for the Physician Assistant, certified by the National Commission on Certification of Physician Assistants and meet state licensure requirements.

## **XXII. Hospice and Pre-hospice Care**

For persons enrolled in hospital-surgical-medical-drug-dental-vision-hearing aid coverages provided in Section 1(a) of the H-S-M-D-D-V Program, the Ford hourly hospice lifetime maximum of 365 days of hospice care without impact on the inpatient hospital benefit period. The hospice benefit period may be extended beyond 365 days if the person obtains authorization from the Control Plan’s case management program.

Pre-hospice services consist of evaluation, consultation and education and support services. Pre-hospice services are to be provided by an approved Hospice program but are not part of the Hospice benefit and do not count against the Hospice lifetime maximum. Coverage for pre-hospice services allows continuation of curative treatment while the patient is considering enrollment in the Hospice program.

Pre-hospice services also include the services described below in Section XXIV.

## **XXIII. Alternative Plans**

Effective January 1, 2008, coverage as described below will be provided to persons enrolled in a PPO plan:

- a. Payment for covered services provided by panel providers is subject to a \$150 single and \$300 multiple party contract in-network deductible. The following services will not be subject to the plan deductibles: prescription drug co-pay, office visit co-pay, durable medical equipment, prosthetic and orthotic appliances, mental health and substance abuse and certain preventive screenings. Preventive services are defined in Section XX above.

- b. Payment for covered services provided by out-of-network providers, unless the employee or eligible dependent is referred by a panel provider and prospectively approved by the health plan, will be 80% of the out-of-network provider's allowed amount for the same service or, if less, the actual charges. The reimbursement to providers by the preferred provider organization will be reduced to reflect any waiver or forgiveness by a provider of the remaining 20%.
- c. After the \$500 individual/\$1000 multiparty contract out-of-network deductible has been met, the 80% out-of-network co-insurance limitation on payment for charges payable to out-of-network providers by the preferred provider organization shall be applicable for all services received out-of-network with an unlimited out-of-pocket maximum.
- d. \$100 co-payment for emergency room coverage (waived if admitted **or placed into observation**). This co-payment does not apply to the deductible.

#### XXIV. **Complex Case Management**

The complex case management program is available to H-S-M-D-D-V members who exhibit one or more of the following clinical, psychological or social issues.

1. Significant primary diagnosis from any disease category as further defined below:
  - a. A primary diagnosis from one or more of the following disease categories:
    - i. Cancer,
    - ii. Cardiovascular disease (e.g., congestive heart failure (CHF), stroke),
    - iii. High-risk pregnancy or high-risk newborn (including congenital anomalies),
    - iv. Respiratory (e.g., chronic obstructive pulmonary disease (COPD), emphysema),
    - v. Neurological,

- vi. Musculoskeletal,
  - vii. Trauma,
  - viii. Renal failure,
  - ix. Catastrophic injuries,
  - x. Complex stroke,
  - xi. CHF plus diabetes plus hospitalization,
  - xii. Complex CHF, or
  - xiii. Complex COPD, and
- b. Meet one or more of the Complex Case criteria set forth below in items 2 through 6, will be eligible.
2. Significant symptoms associated with the specified disease states,
  3. Multiple co-morbidities associated with the specified disease states,
  4. Prognosis of progressive and eventually fatal disease,
  5. Multiple providers of care, or
  6. Psychological, financial, social and other serious care planning issues related to their illnesses associated with the specified disease states.

Members with a terminal prognosis, possible or definite metastatic disease, ventilator dependent condition, inpatient rehabilitation greater than eight (8) weeks, hospital admission exceeding fourteen (14) days, three (3) or more related admissions in six (6) months, claims expense in excess of \$75,000 in twelve (12) months, complex psychosocial issues or those non-adherent to other treatment plans are also eligible for the Services.

The complex case management is a voluntary and confidential program designed to address all the needs of a member and family (e.g., pre-hospice services) and there are no visit limits for these services:

1. Provide members with health care information and support for the member and family in their decision making process.
2. Act as the members advocate and educate them about treatment options.
3. Act as a central point of contact to coordinate medical and other services.
4. Ease the burden of managing a complex illness.
5. Help the member maintain control of their care.
6. Work with health plan, physicians, and/or other providers to coordinate treatment.

**XXV. Long Term Acute Care Hospitals**

Long Term Acute Care Hospitals (LTACH) are recognized as eligible providers under the H-S-M-D-D-V program as long as all services have been reviewed and approved by the carrier through their case management program prior to admission.

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<b>Alfonzo Cash</b>	<b>Thomas Kanitz</b>	<b>Jeffrey Terry</b>
<b>Tiffany Coger</b>	<b>Brandon Keatts</b>	<b>Kevin Tolbert</b>
<b>Gerard Coiffard</b>	<b>Michael Kerr</b>	<b>Vaughan Tolliver</b>
<b>Sean Coughlin</b>	<b>Jerry Lawson</b>	<b>Tony Vultaggio</b>
<b>Chris Crump</b>	<b>John McCollum</b>	<b>Deneen Whitaker</b>
<b>Ronda Danielson</b>	<b>Lisa Mayberry</b>	<b>Mike Whited</b>
<b>Rocky Di Iacovo</b>	<b>Armando Medel</b>	<b>Mark Williams</b>
<b>Gregg Dunn</b>	<b>Robb Miller</b>	<b>Michael Woolman</b>
<b>Jodey Dunn</b>	<b>Walter Mills</b>	<b>Steve Zimmerla</b>
<b>Bill Eaddy</b>	<b>Gloria Moya</b>	<b>Rudy Gomez</b>
<b>Bill Ellis</b>	<b>Rick Pack</b>	<b>Dan Taylor</b>



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