

THE UAW DIFFERENCE AT VOLKSWAGEN



**What UAW Members Just Won
at Ford, What VW Workers Deserve
in Chattanooga**

THE UAW DIFFERENCE FOR VOLKSWAGEN WORKERS

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A MESSAGE FOR CHATTANOOGA VW WORKERS

Thirty years ago, I joined the UAW and it changed my life. I was a single dad in Kokomo, Indiana. I'd been laid off and needed WIC to buy diapers for my kids. I got hired as an electrician at Chrysler, joined the union and found my lifeline.

Here's the difference a union contract makes. It's the difference between struggling every month to make ends meet versus saving for your retirement and giving your kids the chance to go to college. It's the difference between a sudden illness bankrupting your family versus the security of knowing if something happens to your health, you're covered, and your family is covered, at little to no cost. It's the difference between worrying that some power-hungry supervisor is going to ruin your life versus knowing you have rights and backup if something happens at work.

And most importantly, it's the difference between a "guidebook" the company can ignore whenever they want to and a legally binding contract that you and your coworkers negotiate, vote on, and enforce.

Three of my four grandparents were UAW members. They came from Kentucky and Tennessee and went north during the Great Depression to survive. My Grandpa Fain hired in at Chrysler in 1937, the year they joined the UAW.

They say history doesn't repeat itself, but it rhymes.

Just like that first generation of autoworkers in the 1930s built the American dream, it's autoworkers like you at Volkswagen in Tennessee who are going to rebuild it. But none of you can do it alone. And it's not going to come without a fight.

The history of the American Dream is the history of ordinary people coming together to do extraordinary things. To speak up when something's wrong, and to stand up when something needs to change.

I think we can all agree something needs to change in this industry. Volkswagen made \$75 billion in profit in the past three years alone. They can afford to pay you your fair share in wages, benefits and union protections. And they can afford to let you have your union.

How do I know? Because every single Volkswagen autoworker in the world is a union member, from Germany to South Africa to Brazil. Except here in Chattanooga.

We made this highlighter so you can get the full story on what you're missing out on by not being a UAW member, and by not having a union contract.

Read through this booklet, ask questions, and share it with your coworkers. Think about why management would want to attempt to intimidate you or muddy the waters about what's in this book. And then think about what you're willing to do to win a better life. For yourself. For your coworkers. For your family. For Chattanooga.

In solidarity,

SHAWN FAIN
UAW President

CHATTANOOGA DESERVES BETTER

Volkswagen and Ford autoworkers all make cars and trucks for a living. We all work in auto plants. And we all want a better life for ourselves, our coworkers, our families, and our communities. We've got everything in common, except a UAW contract.



GOOD PAYING JOBS

UAW-Ford production workers at top rate will make 32% MORE than VW team members by the end of the new contract in 2028. Ford skilled trades will make 24% more.

PREMIUM HEALTH CARE

UAW autoworkers at Ford don't pay a dime in premiums or deductibles and have some of the best health care coverage in the country.

COST OF LIVING ADJUSTMENTS (COLA)

Ford autoworkers just won COLA, which means when inflation goes up, so does your pay. UAW autoworkers at Ford will keep up while VW workers get left behind. COLA is calculated quarterly based on changes in the Consumer Price Index published by the U.S. government and is included in the paychecks of UAW members on a cents-per-hour basis.

PROFIT-SHARING

Talk about sharing the wealth. When Ford makes money, so do UAW autoworkers at Ford. Ford workers now have an enhanced profit-sharing formula that provides autoworkers in the U.S. with \$1 for every \$1 million the company earns on total global company profits. If Volkswagen workers had the same formula, they would've received a profit-sharing check of \$23,000 last year.

RESPECT

Volkswagen workers have no contract, and no say in what happens on the job. UAW autoworkers at Ford have a legally binding

contract, a grievance procedure that enforces that contract, and the right to address problems at work as equals with management.

RETIREMENT

What happens to you after you retire? At Ford, UAW autoworkers enjoy one of the top retirement packages in the country, with a 10% employer contribution to your 401(k) and \$1 an hour on top of that. That adds up to hundreds of thousands for a secure retirement.

JOB SECURITY

At Ford, UAW members have contractually binding investment commitments from the company. If they get laid off, they get Supplemental Unemployment Benefits, also known as "SUB pay." SUB pay is added to state unemployment pay and together they average 95% of an employee's weekly after-tax pay. UAW members are entitled to SUB pay and fully paid health care coverage for two years.

TIME OFF

A UAW contract means you get a decent life on the job, and just as importantly, control over time off the job to be with your family. At Volkswagen, we have to use up our Paid Time Off if we want to get paid during shutdowns. That means whole weeks of time with our families that we can't use as we see fit. Under the UAW contract, Ford can only mandate the use of vacation time for one week of shutdown per year — the rest of the time members receive SUB pay.

LIFE-CHANGING WAGE INCREASES

UAW production workers at Ford have a three-year progression to top pay, and top pay increases every year. See the charts below for production and skilled trades pay rates — and see what you could be making with a UAW contract.

Wage Path at VW vs. Ford*

| | Dec 2023 | Dec 2024 | Dec 2025 | Dec 2026 | Dec 2027 |
|-------------------------------|----------|----------|----------|----------|----------|
| VW Team Member | \$23.40 | \$25.80 | \$27.90 | \$30.20 | \$32.40 |
| Ford Production Worker | \$25.12 | \$28.15 | \$33.11 | \$40.29 | \$42.59 |

NOTES: VW team members have a 4-year progression to top-rate.
UAW-Ford production workers get to top rate in 3 years.

| | Dec 2023 | Dec 2024 | Dec 2025 | Dec 2026 | Dec 2027 |
|---------------------------------|----------|----------|----------|----------|----------|
| VW Skilled Team Member | \$32.60 | \$35.00 | \$37.40 | \$38.90 | \$41.00 |
| UAW- Ford Skilled Trades | \$42.74 | \$44.47 | \$46.14 | \$47.88 | \$50.56 |

NOTES: VW skilled team members have a 4-year progression to top-rate.
UAW-Ford skilled trades start at top rate after completing apprenticeship.

* Charts do not show VW's half-year step increases.

Pay of UAW-Ford Members Currently at Top Rate

| | Production Worker | Skilled Trades |
|--|-------------------|----------------|
| Dec. 2023 Top Rate | \$35.79 | \$42.74 |
| Dec. 2024 Top Rate | \$37.31 | \$44.47 |
| Dec. 2025 Top Rate | \$38.77 | \$46.14 |
| Dec. 2026 Top Rate | \$40.29 | \$47.88 |
| May 2028 Top Rate (End of Contract) | \$42.69 | \$50.66 |

NOTES: The Production and Skilled Trades pay rates both include the negotiated annual wage increases and the estimated Cost-of-Living Adjustment for each year. The Skilled Trades pay rate also includes the \$1.50/hour tool allowance each skill trades member receives.

THE UAW DIFFERENCE AT VW | BETTER PAY

WHAT IS COLA?

COLA, or Cost of Living Adjustment, is how UAW contracts protect workers from falling behind as inflation goes up. First negotiated in 1948, it has provided income protection for millions of autoworkers.

Here's how it works: COLA is an amount added to your hourly rate, on top of your base wage. COLA is calculated quarterly using a negotiated formula based on changes in the Consumer Price Index ("CPI") published by the U.S. government and it's included in your paycheck.

The COLA formula at Ford is estimated to add an additional \$1.87 per hour to Ford workers' wages through April 2028. This estimate is based on a 2.4% average annual inflation increase derived from the Wall Street Journal Economic Survey. **Under this estimate, COLA**

would provide a total value of around \$8,800 through the end of the new Ford contract.

But if inflation went higher than that, COLA would go up, too. And even if inflation goes negative and prices start falling, **COLA will never take away from the negotiated base hourly rate on your paycheck.**

At the end of the contract, whatever COLA has added up to, minus five cents, is added into your base wage and that becomes the starting point for the next round of contract negotiations.

VW, SHARE THE WEALTH!

What is Profit-Sharing?

Employers like to talk about how workers get to share the wealth when the company is profitable. Well, at Ford, UAW members literally get a cut of those profits.

Under the UAW's profit-sharing formula, Ford workers got a check for over \$9,000 in 2023. That's on top of the wages, benefits, and other bonuses UAW autoworkers earn.

If Volkswagen workers had Ford's profit-sharing in place, each VW worker would've received a check for more than \$23,000 last year.



THE UAW DIFFERENCE AT VW | BETTER PAY

RECORD PROFITS

EQUAL

RECORD CONTRACTS

Starting Wage Will Increase About

68%

Top Wage Will Increase About

33%

By End of 2023
Ford Agreement

* w/ est. COLA and compounded GWI



WE MADE HISTORY

Ford UAW members win enhanced profit-sharing plan

Health care with no deductibles or premiums for individuals, families

Guaranteed raises topping out \$10/hr above VW team members



401(k) Retirement Contributions Better Than

99.9%

of Other Employer Plans in the U.S.





SOUTHERN WORKERS WIN WITH THE UAW

From Tennessee to Texas, Southern autoworkers have been winning with the UAW for decades.

- Right up the road from Chattanooga is General Motors' Spring Hill complex. GM's biggest assembly plant in America is in Arlington, Texas. Altogether, more than 7,000 UAW members work at GM facilities in the South.
- Ford's Kentucky Truck Plant in Louisville is so big and so profitable it would be a Fortune 500 Company all by itself. And Ford has another assembly plant nearby. Those two plants together have 12,000 UAW members.
- When Ford's Blue Oval battery and EV manufacturing plants in Memphis and Kentucky come online, they're expected to employ thousands more UAW members.

EXCELLENT HEALTH CARE COVERAGE

WITH NO PREMIUMS OR DEDUCTIBLES FOR INDIVIDUALS AND FAMILIES

UAW members at Ford get some of the best health care coverage in the country. **And they don't pay a dime in premiums or deductibles.**

Imagine if your health care coverage not only greatly improved, but all your health care premium and deductible costs were wiped out. That's thousands more in your pocket.

And better yet? Those costs can't be raised because they're written into the union contract. If the Company wants to raise health care costs or change coverage, they have to negotiate with the UAW.

The charts below offer a comparison of health care coverage at Ford and VW.

Monthly Premium Costs

| | UAW Ford National PPO Plan | OAP PPO Hourly | Choice Fund Preserve | Choice Fund Premier |
|-----------------------|----------------------------|----------------|----------------------|---------------------|
| Employee Only | \$0.00 | \$139.00 | \$20.00 | \$77.00 |
| Employee + Spouse | \$0.00 | \$292.00 | \$42.00 | \$179.00 |
| Employee + Child(ren) | \$0.00 | \$268.00 | \$38.00 | \$147.00 |
| Family | \$0.00 | \$420.00 | \$60.00 | \$245.00 |

Summary of Coverage & Costs

| | UAW-Ford | Volkswagen Group of America | | | | | |
|--|--------------------------|--|---|---|---|---|---|
| | National PPO Plan (NPPO) | Open Access Plus - PPO Hourly | | Choice Fund Preserve | | Choice Fund Premier | |
| Plan | In-Network | In-Network | | In-Network | | In-Network | |
| | | Erlanger | Cigna Tier 1 and Non-Tier 1 Providers | Erlanger | Cigna Tier 1 and Non-Tier 1 Providers | Erlanger | Cigna Tier 1 and Non-Tier 1 Providers |
| Coinsurance | Covered at 100% | Plan Pays 90% | Plan Pays 80% | Plan Pays 90% | Plan Pays 80% | Plan Pays 90% | Plan Pays 80% |
| Deductible | None | Employee Only \$350 Family Maximum \$700 | Employee Only \$650 Family Maximum \$1,300 | Employee Only \$2,250 Family Maximum \$4,500 | Employee Only \$3,000 Family Maximum \$6,000 | Employee Only \$1,700 Family Maximum \$3,400 | Employee Only \$1,700 Family Maximum \$3,400 |
| Out-of-Pocket Maximum | Not Applicable | Employee Only \$1,800 Family Maximum \$3,600 | Employee Only \$3,200 Family Maximum \$6,400 | Employee Only \$3,000 Family Maximum \$6,000 | Employee Only \$4,000 Family Maximum \$8,000 | Employee Only \$2,500 Family Maximum \$5,000 | Employee Only \$3,000 Family Maximum \$6,000 |
| Prescription Drug Out-of-Pocket Maximum | Not Applicable | Plan has a separate Rx Out-of-Pocket Maximum administered by CVS Caremark Individual \$4,750/Family \$9,500 | | Not Applicable | | Not Applicable | |

THE UAW DIFFERENCE AT VW | BETTER BENEFITS

PROTECTION FOR PAID TIME OFF

At Volkswagen, we have to use up our Paid Time Off if we want to get paid during shutdowns. That means whole weeks of time with our families that we can't use as we see fit. As if that isn't bad enough, VW notes in the Guidebook that it "reserves the right to schedule Company-wide PTO days as business needs dictate. Company-scheduled PTO will typically be drawn from the team member's yearly allocation of PTO."

At Ford, UAW members' PTO is protected. The Company can only ask members to use PTO for one week of shutdown. After that, workers get "SUB pay" and state unemployment benefits. SUB pay is added to state unemployment benefits and together they average 95% of an employee's weekly after-tax pay.

ONE OF AMERICA'S BEST RETIREMENT PLANS

We give years of our lives to these companies. So, what happens once we've put in our time and are ready to retire?

At Ford, UAW members hired since 2007 have a 401(k) plan that's better than over 99.9% of the rest of the country. The post-2007 members get 10% of their straight-time pay up to 40 compensated hours in a weekly pay period and \$1 an hour on top of that, with no required contribution from the employer. That means in 2024, a Ford worker at top rate will get over \$10,000 added to their 401(k)

without making a single contribution from their paycheck.

Ford contributes that 10% of UAW members' pay to a 401(k) whether or not employees contribute a single cent. That's double the amount that VW workers receive if they don't contribute to their 401(k). Even if Volkswagen workers provide 5% of their pay into their 401(k) and receive the maximum matching amount from the company, they still receive less than the total amount Ford workers receive due to the UAW contract.



THE UAW DIFFERENCE AT VW | **BETTER BENEFITS**

JOB SECURITY

VW workers are at-will employees. That means management can fire you at any time without giving any reason. And there are no layoff protections for Volkswagen team members.

UAW members at Ford have strong, legally binding job security protections in their contract. If there is a disciplinary issue, they have due process rights and union representatives to fight for them. If there are layoffs, UAW members have contractually guaranteed protections.

Volkswagen



| | | |
|---------------------------------------|---|---|
| <p>Layoff Protections</p> | <p>If VW workers are laid off, they only receive state unemployment benefits — capped at \$275 a week in Tennessee. And unemployment coverage cuts off after 26 weeks.</p> | <p>If UAW members are laid off, they're entitled to two years of Supplemental Unemployment Benefits, also known as "SUB pay." SUB pay is added to state unemployment benefits and together they average 95% of an employee's weekly after-tax pay. They also receive fully paid health care coverage and have a path to transfer to other plants.</p> |
| <p>Disciplinary Procedures</p> | <p>Because VW team members are "at-will" employees, there is no legally binding way to fight unfair disciplinary action. As the VW Guidebook says, "the Company may end the employment relationship at any time with or without cause or prior notice."</p> | <p>UAW members have due process rights. If management wants to discipline a worker, they must follow the grievance procedure in the UAW contract that protects every worker's rights. UAW members have union stewards on the shop floor and full-time union representatives to enforce their rights.</p> |

EMPLOYEE LEASE PROGRAM

UAW members at Ford receive an employee discount for the purchase of new vehicles. They did not seek an employee lease program in their new contract. Instead, they pursued financial priorities like pay increases, profit-sharing and cost-of-living adjustments. But UAW contracts are not cookie-cutter agreements. Members decide what priorities they want to pursue.

UAW members at Stellantis, formerly Chrysler, did want an employee lease program and they negotiated it in the new contract. It begins in April and here are some highlights:

- Free Registration and Plates
- Insurance Included
- Unlimited Mileage
- No Credit Check
- 24/7 Roadside Assistance
- New Vehicle Every Year
- Special Pricing for U.S.-built cars
- Maintenance & Repairs
- Loaner Vehicle for Repairs
- Lease Payroll Deducted

THE UAW DIFFERENCE AT VW | RESPECT AT WORK

HEALTH & SAFETY

Auto work is physically demanding. But it doesn't have to be dangerous. UAW members have fought for and won the strongest health and safety protections in the industry. Those protections are enshrined in the UAW contract at Ford and workers have the power to enforce them. Here's how they've done it.

Worker Health & Safety Representatives

At Ford, UAW members have coworkers who serve as full-time health and safety representatives in their plants. These worker-representatives spend all their time ensuring that the Company meets the health and safety standards in the UAW contract. If the Company is falling short, UAW members have the power in their union contract to make things right.

Local Ergonomics Committees

Every Ford plant has a Local Ergonomics Committee where union workers meet with management to identify problem areas in the plant and implement solutions. There is also a national joint committee on health and safety with an ergonomist that provides professional support to the local committees.

Chemical Safety

Auto work involves all sorts of chemicals, and the UAW has long taken the lead on implementing practices to use them safely. In the new UAW contract at Ford, the Company agreed to update and distribute chemical supplement sheets and conduct Chemical Safety Refresher courses. The union also has representatives on a Battery Electric Vehicle team that is implementing safety programs as new battery technologies are rolled out.

Research to Keep Workers Safe

In the new Ford contract, UAW members won funding from the Company to research the health and safety of workers exposed to epoxy resins, thermal decomposition products and isocyanates. The union also ensured that Ford will participate in a national safety study of engineered nano materials. Every worker should know if their job poses a risk and how to eliminate the danger.



UAW CONTRACT VS. VW “GUIDEBOOK”



The most important line in the VW Team Member Guidebook is this one: “Our policies, procedures, and practices are subject to change at any time, with or without notice.”

That means VW management can slash your pay, your benefits and your PTO whenever they want. In the section explaining that VW workers are “at-will” employees, the Guidebook stresses that “no contract of employment, implied or otherwise, will be considered to exist between Volkswagen Chattanooga and any team member.” That means the Company can fire you at any time with or without cause.

The UAW contract at Ford isn’t a guidebook, it’s a guarantee.

Everything that UAW members at Ford have won — the record pay, the premier benefits, the job security — is guaranteed in their legally binding contract. And that contract is negotiated by coworkers they elected, and voted on directly by the members, so it reflects the priorities of workers, not the whims of management.

Building your union is how you win more.

When workers organize, companies often try to confuse workers by implying that you might lose benefits if you unionize. Nothing could be further from the truth. In fact, when you win your union, the Company cannot legally change any of your working conditions while you are bargaining for your contract.