

## **Report on the GENMO Salaried Pension Organization Meeting of February 11, 2009 at the Royal Canadian Legion in Oshawa, Ontario.**

This meeting was the first membership meeting of GENMO held to provide information to General Motors Salaried Retirees regarding the GENMO Organization and to accept Membership Applications.

There were two meetings: 9:00 a.m. and 1:00 p.m. Approximately 800 attended.

Brian Rutherford, President, GENMO, was Master of Ceremonies. Brian welcomed everyone to the meetings and introduced the Guest Speaker and GENMO Speakers.

Brian stated that GENMO's objective is to be an advocate for General Motors and that GENMO supports General Motors. GENMO's mandate is to be prepared to represent all General Motors Salaried Retirees in the event that General Motors declares bankruptcy.

Jim Murray, Chairman, Pension Reform Committee, Canadian Federation of Pensioners, was the Guest Speaker. Joe O'Neill, John Vanderhorst and Lynn McCullough were speakers.

Jim Murray provided information on Government Legislation regarding Pensions and Pension Funds. Jim gave several examples of companies such as Air Canada, Dupont, Stelco and Slater Steel who had gone through bankruptcy proceedings. Nortel is currently going through bankruptcy and they are very similar to General Motors.

Jim explained how current legislation is outdated and needs reform. There is the Expert Commission on Pension Reform and he has been personally involved in reviewing the recommendations being submitted to the Expert Commission.

Jim also explained how being organized was a definite benefit to the Stel Organization and companies like Nortel, who are not organized, are disadvantaged because they have no status as a secured creditor in the event of bankruptcy.

Joe O'Neill, GENMO, spoke about how GENMO was created. Joe initially started a letter writing campaign opposing the adjustments that General Motors made to the benefits of retirees who retired between 1995 and 2008. It became apparent that although the issue of benefits is important, the status of the Pension Fund was the more important issue. The pension fund was significantly underfunded. Then there was the stock market decline. Joe invited a few email contacts to join him for a meeting to discuss the issue of Pension and Benefits and they formed a Steering Committee. Some of the attendees had researched pension information and legislation regarding the administration of pension funds and became aware of how outdated the Provincial and Federal Legislation is regarding pensions and bankruptcy. Members of the Committee met with Stel Salaried Pension Organization and obtained valuable information regarding the establishment of their Organization. We applied to be registered in accordance with Provincial Standards and on January 26, 2009, we became GENMO Salaried Pension Organization. Joe promised that if you become a member of GENMO, GENMO will work hard to represent you if necessary, should General Motors go bankrupt. Joe's message was that you don't buy fire insurance when the house is on fire. You should look in the mirror and say "What am I doing?"

John Vanderhorst gave specific details on the Salaried Retirees Pension based on the Actuarial Report of November 2007. The new Actuarial Report should be available in August. John also provided examples of calculations on pension amounts if GM goes bankrupt and the Pension Fund is at the current status. The state of the economy as a result of the stock market decline along with the decline in vehicle sales is making it very difficult for GM to maintain projected revenues. GM has been granted a contribution vacation as a result of the “Too Big to Fail” legislation. However, this is not going to improve the state of the Pension Fund. As well, GM is reducing its work force so fewer employees are contributing to the Fund. There are currently approximately 8,000 salaried retirees and 5,000 salaried workers.

John described the various pieces of Federal and Provincial Legislation and their acronyms. Provincial Legislation regulating GM’s contributions to the GM Salaried Retirees Pension Fund “Too Big to Fail” is outdated and the Federal Bankruptcy Legislation is outdated. The Provincial Pension Guarantee Fund is underfunded and more big companies are going bankrupt which further erodes that Fund. Therefore, GM Salaried Retirees and employees are extremely vulnerable if GM goes bankrupt.

John further explained there was a Report called Expert Commission on Pension Reform initiated by the Provincial Government. GENMO has reviewed the Report and has submitted recommendations to the Commission. This is a long term objective but we need to contact our government representatives and be a strong advocate for change.

A Fact Sheet Handout which included a description of why we need GENMO and our recommendations to the Expert Commission on Pension Reform was distributed at the meetings.

Lynn McCullough spoke about the requirement for legal consultation and representation in the event that GM goes bankrupt. Without strong legal representation and a collective voice like GENMO, salaried retirees will have no status as a secured creditor. GENMO Directors met with a very reputable legal firm, in fact, it is the legal firm that represented Stel Salaried Retirees during bankruptcy proceedings and we will be retaining that law firm. Stel were successful in retaining both their pension and benefits. Stel were successful because they worked together and formed an organization such as GENMO who represented their salaried retirees during bankruptcy proceedings.

It is also mandatory that we educate, inform and make direct contact with all levels of Government. Provincial Legislation, “Too Big to Fail” allows GM to underfund the Pension Fund. It is obvious that the Government has a responsibility to ensure that Salaried Retirees are treated fairly. There may be a political will to help to broker a deal with parties at CCAA. Although it was the NDP Government who was in power at the time of the “Too Big to Fail” legislation, all parties are responsible in the outcome.

It is, therefore, necessary that everyone pressure their political representatives to provide every opportunity for GM to succeed and to provide equal representation for General Motors Salaried Retirees. Lynn encouraged everyone to join GENMO because there is power in numbers. It is essential that every General Motors Salaried Retiree and Surviving Spouse joins GENMO.

Brian Rutherford thanked the Guest Speaker and GENMO Speakers and opened the floor to questions.

FAQs have been prepared, and are posted on [www.genmo.ca](http://www.genmo.ca).