

Automotive Machinists Pension Trust

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Administered by
Welfare & Pension Administration Service, Inc.

December 21, 2010

**TO: All Participating Employers
Automotive Machinists Pension Trust**

This notice is to inform you that the Board of Trustees of the Automotive Machinists Pension Trust ("Trust") hereby adopts the following Rehabilitation Plan which has been updated for the 2010 Plan Year in accordance with the provisions of the Pension Protection Act of 2006 ("PPA"). Specifically, the schedule of graded contribution increases in Schedule A has been changed from a 75% increase phased in 25% per year over 3 years to a 125% increase phased in 25% per year over 5 years. Also the one time 129% contribution increase in the Default Schedule has been increased to a 160% one time increase.

On March 29, 2010, the plan actuary certified to the US Department of the Treasury, and also to the plan sponsor, that the Plan is in critical status for the plan year beginning January 1, 2010. The Trust is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan was in critical status in 2009 and over the next 9 years the Plan is projected to have an accumulated funding deficiency for the 2016, 2017, 2018 and 2019 plan years.

On March 23, 2009 the Trust notified participants and contributing employers of the original certification of critical status for the 2009 plan year. As a result, a 5% surcharge has been imposed on contributions starting June 1, 2009 for hours worked during May 2009 and, as previously advised, **the surcharge increased to 10% effective January 1, 2010**. Contribution surcharges will continue until collective bargaining agreements are renegotiated consistent with the Rehabilitation Plan.

The Rehabilitation Plan Adoption Period for the Trust began on March 23, 2009 and will end on December 31, 2011. During this period the Trustees will not accept any collective bargaining agreement or participation agreement that (a) reduces the level of contributions for any participants; (b) suspends contributions with respect to any period of service; or (c) excludes younger or newly hired employees from plan participation. Also during the Rehabilitation Plan Adoption Period, except as required by law, the Trustees will not adopt amendments to the plan that increase the liability under the plan by increasing benefits, changing the accrual of benefits, or change the rate at which benefits become nonforfeitable.

The Rehabilitation Period for the Trust will begin on January 1, 2012 and end on December 31, 2021, or when the Trust emerges from critical status, if earlier. During this period the Trustees will not adopt amendments that increase benefits or future accruals unless the Trust's actuary certifies that such increases are paid for out of additional contributions not contemplated by the Rehabilitation Plan and, after taking into account the benefit increases, the plan is still reasonably expected to emerge from critical status by the end of the Rehabilitation Period in accordance with the Rehabilitation Plan.

The 2010 Rehabilitation Plan includes the attached schedules of revised benefit and contribution structures that, if adopted by the bargaining parties, are reasonably expected to enable the plan to emerge from critical status by December 31, 2021. The 2010 Rehabilitation Plan applies to collective bargaining agreements expiring on or after January 1, 2011.

The Trustees will continue to update the Rehabilitation Plan annually in accordance with the PPA.

**Board of Trustees
Automotive Machinists Pension Trust**

Automotive Machinists Pension Trust

2010 Rehabilitation Plan

Schedule A

Based on the January 1, 2010 census and January 1, 2010 plan assets, the following table shows the benefit changes and increased contributions that can be reasonably expected to bring the plan out of critical status by December 31, 2021.

	Schedule A	Effective Date
Accrual rate on future contributions	1%	July 1, 2009
Early retirement subsidies	Eliminated on all benefits	July 1, 2009
Disability retirement subsidies	Eliminated for all participants with disability applications submitted on/after effective date and take disability retirement per the application	May 1, 2009
Pre-retirement death (return of contributions)	Eliminated	July 1, 2009
Increase in contributions above latest negotiated rate	Increase of 125%, phased in 25% per year over 5 years	Immediately upon renegotiation of collective bargaining agreement

Automotive Machinists Pension Trust

2010 Rehabilitation Plan

Default Schedule

Based on the January 1, 2010 census and January 1, 2010 plan assets, the following table shows the benefit changes and increased contributions that can be reasonably expected to bring the plan out of critical status by December 31, 2021.

	Default Schedule	Effective Date
Accrual rate on future contributions	1%	July 1, 2009
Early retirement subsidies	Eliminated on all future benefit accruals. Subsidies are still applied to accrued benefit as of July 1, 2009.	July 1, 2009
Disability retirement subsidies	Eliminated for all participants with disability applications submitted on/after effective date and take disability retirement per the application	May 1, 2009
Pre-retirement death (return of contributions)	Eliminated	July 1, 2009
Post-retirement death life annuity (return of contributions)	Suspended until the plan is out of critical status (future benefits only)	July 1, 2009
Increase in contributions above latest negotiated rate	Increase of 160%	Immediately upon renegotiation of collective bargaining agreement

As required under the PPA, should bargaining parties be unable to agree on a contribution and benefit schedule consistent with Schedule A, the Trustees will implement for all participants covered by the bargaining parties' collective bargaining agreement the above Default Schedule of increased contributions and reduced benefits on the date that is 180 days after the date on which the collective bargaining agreement expires.