

BUSINESS

SECTION
C

SATURDAY, AUGUST 30, 2008

THE GRAND RAPIDS PRESS

GM offers more buyouts to 8,000 salaried workers in Michigan

By Rick Haglund

General Motors Corp. has begun offering early retirement packages to 9,000 U.S. salaried workers, part of an earlier announced plan to reduce salaried worker costs by 20 percent.

About 8,000 of the workers being offered the packages likely will be GM workers in Michigan, said Sean McAlinden, chief economist at the Center for Automotive Research in Ann Arbor.

The early-retirement offers will be made to 28 percent of GM's 32,000 salaried workers in the United States.

The GM stamping plant on 36th Street SW in Wyoming has about 170 salaried workers.

Workers accepting the offers will retire by Nov. 1.

GM spokesman Dan Flores said the offers will be made in areas of the company "where reductions are most appropriate based on our business needs."

Flores said GM wants to cut its salary work force in the United States and Canada 15 percent by the end of the year.

GM is not publicly releasing program details, but said it isn't being offered to Canadian workers.

Grand Blanc financial adviser David Kudla, who has seen preliminary early-retirement packages, said they will be offered to workers who are at least 55 years old.

Kudla said GM for the first time will allow workers to roll over lump-sum severance payments into their 401(k) or an IRA.

"It makes the package that much more valuable" because of various tax advantages, Kudla said.

Workers who are at least 62 by Nov. 1 would get a payment equal to six months' salary and receive a full pension, Kudla said.

Some workers younger than 62 also could receive a six-month severance payment.

GM, which lost \$15.5 billion in the second quarter of this year, said July 15 it would trim salaried-worker costs by 20 percent as part of a plan to trim \$10 billion in overall costs.