

## **Delphi workers, retirees can gain from 401(k) error**

### **Dividends mistakenly invested in GM shares**

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*Posted: Oct. 6, 2005*

Thousands of employees and retirees of Delphi Corp.'s factories in Oak Creek could see hundreds of dollars in onetime gains in their 401(k) plans if they take action before Wednesday.

The onetime change results from an audit of Delphi's 401(k) plan that determined that the plan was continuing to invest in shares of General Motors - Delphi's former parent company - even after Delphi was spun off from GM.

Delphi's employee retirement plan was supposed to stop the practice of having GM stock dividends reinvested in shares of GM, once Delphi split off from GM in 1999.

"An administrative error allowed the plan to continue to purchase the GM common stock," said Delphi spokesman Lindsey Williams.

A Delphi audit found the problem. "So we had to rectify that," Williams said.

David Kudla, chief executive of Mainstay Capital Management, an investment adviser that specializes in advising auto industry employees and retirees, said he's been surprised that many Delphi employees aren't taking advantage of the remedy offered by the company.

Essentially the choices available to plan participants are to keep the GM stock and then end up swallowing the decline in GM shares in recent years, or to take those past GM dividends and have them invested in the Promark Income Fund.

The audit found that GM dividends were reinvested in GM shares rather than the Promark Income Fund, for more than four years, spanning from the end of 1999 to March 2004.

During that period, a shareholder who reinvested shares in GM stock saw the value of his holdings decline by 23%.

"What some people have done is take no action," Kudla said. "If they take no action or miss the deadline they'll miss out on potentially sizable credits to their accounts."

Kudla, whose firm is based in Grand Blanc, Mich., has seen clients gain just \$50, while others have gotten a onetime credit at least \$900.

Representatives of Delphi's Oak Creek union couldn't be reached for comment. Delphi employs 1,450 people in Oak Creek, including 900 in the electronics and safety division and 550 in the energy and chassis division, Williams said.

### **Deadline is approaching**

Delphi participants in the company's personal savings plan must act by 3 p.m. Wednesday by contacting the Fidelity Benefits Center at (888) 633-2648.

The deadline is unrelated to a separate looming event that has workers at Delphi concerned about their finances, their employment and their retirements.

The struggling auto-parts supplier wants concessions from the United Auto Workers and a financial bailout from GM, its former parent, to help it avoid bankruptcy.

Robert S. "Steve" Miller, who took over as Delphi's chairman earlier this year, is looking for an agreement before Oct. 17, the date on which federal bankruptcy laws change under a law Congress passed this year.