

GM offers more buyouts

Carmaker extends deal to 9,000 salaried workers

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General Motors Corp. has started offering early retirement to some U.S. salaried workers as the automaker moves to further cut costs.

About 9,000 workers have been offered the deal, according to a source familiar with the plan. If they all accepted, it would trim about 28 percent of GM's salaried work force and shave about 20 percent of its white-collar costs.

The voluntary offers, which GM started making in recent weeks, come a month after GM said it wanted to trim its salaried work force expenses by more than 20 percent in the U.S. and Canada. That includes ending its salaried retirement health coverage for employees over 65 starting Jan. 1 and eliminating salaried raises through the end of 2009.

Workers have 45 days to accept the offer, said GM spokesman Tom Wilkinson, who declined to confirm the number of employees the company is targeting for early retirement.

"We have a lot of people that are in a position where this might be a good choice for them," he said.

The offers vary, but generally would increase a worker's years of service to increase their pension payout, Wilkinson said.

For example, a 58-year-old employee could receive two extra years of service.

"The timetable for this program is quite aggressive with employees required to accept or deny the offer by mid-October," David Kudla, chief executive officer of Mainstay Capital Management LLC in Grand Blanc, said in a statement Friday.

GM spokesman Dan Flores said the criteria for determining who would be offered the deal included their eligibility to retire under GM's existing retirement rules and where GM most needs to make cuts based on its business needs.

Workers who accept the offer will retire by Nov. 1, Flores said.

The offers fit into the automaker's broad plan to cut costs by \$10 billion and weather a slumping auto market that already has contributed to GM posting a \$15.5 billion second-quarter loss.

GM had 36,000 U.S. salaried workers at the end of 2007, down from 44,000 in 2000.