

# THE PLAIN DEALER

THURSDAY, MARCH 23, 2006

## GM has lure for workers to retire

Automaker aiming  
to eliminate 3,000 jobs

CHRISTOPHER JENSEN  
AND HENRY GOMEZ  
*Plain Dealer Reporters*

Following General Motors Corp.'s announcement Wednesday of an incentive program designed to get rid of hourly workers instead of cars, an estimated 12,000 GM workers in Ohio will have to do some serious thinking about their future.

The automaker hopes the program — developed by GM and the United Auto Workers — will make a significant dent in the 30,000 hourly jobs it hopes to cut nationwide by 2008.

The reductions were announced last year as part of an attempt to return to profitability by closing plants.

There are many variations to the GM-UAW plan. One would give workers with fewer than 10 years of seniority \$70,000 to retire, while those with 10 years or more would get \$140,000. But there is a major catch.

While their pensions would be intact, other retirement benefits, such as health care, would be lost. GM officials repeatedly have said that health-care costs are a problem as it tries to be more competitive.

In addition, the tax bite for a typical Ohioan could be \$10,000 to \$15,000 of the \$70,000 payment and \$34,000 to \$41,000 of the higher payment, estimated Cynthia Hatfield, a certified public accountant with JM Green CPA Group LLC in Beachwood.

It is too soon to gauge the impact on Ohio's UAW workers, said Lloyd Mahaffey, director of the UAW's Region 2b, which covers the state. The attractiveness of the various deals will depend heavily on each individual's situation, he said.

GM is not alone in struggling to reduce its costs.