

# CAW-CANADA/GENERAL MOTORS B A R G A I N I N G   R E P O R T

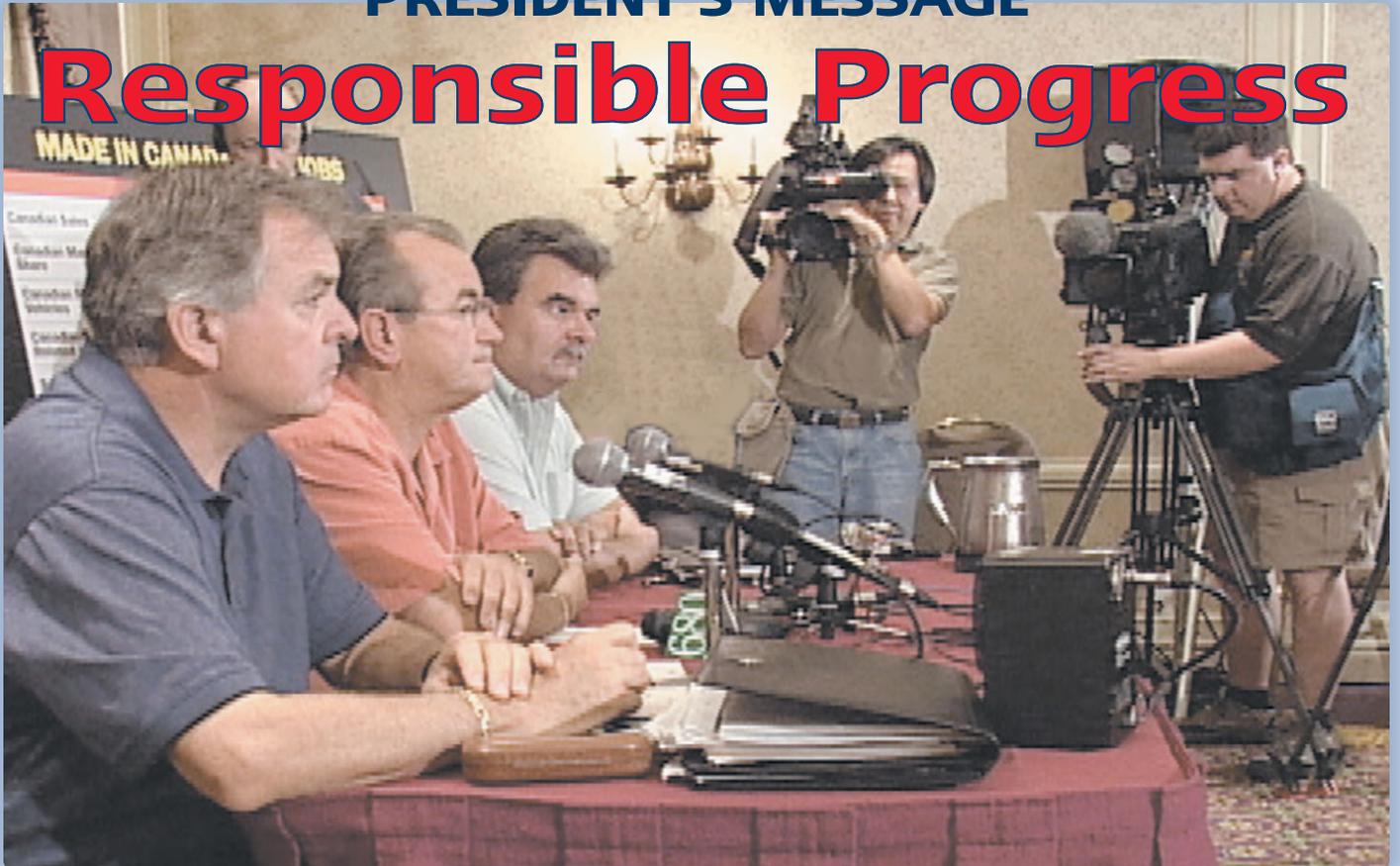
HIGHLIGHTS OF THE TENTATIVE AGREEMENT BETWEEN CAW-CANADA AND GENERAL MOTORS

PRODUCTION AND SKILLED TRADES

SEPTEMBER, 2002

## PRESIDENT'S MESSAGE

# Responsible Progress



## Highlights

Wage Increases

Improved COLA

New Investment

Increased Time Off Work

Improved Healthcare Benefits

Skilled Trades Gains

Signing Bonus

Increased Retirement Incentive

### President's Message:

THIS WAS THE first time since 1984 that CAW members at General Motors were given the responsibility to negotiate our Big Three pattern agreement. I chose GM as the target partly because of GM's productivity and profitability in Canada, but even more importantly because of the unified, disciplined leadership that has been demonstrated by chairperson Mike Shields and the other local and in-plant leadership at all GM locations.

I was confident that the CAW/GM Master Bargaining Committee could bargain an excellent pattern agree-

ment for all CAW members at the Big Three, without a work stoppage. And I am pleased to report that we came through with flying colours. GM workers can be extremely proud of the first-rate job that their bargaining committees did in negotiating this agreement.

This tentative agreement provides for significant but responsible improvements for our members in wages, benefits, job security, income security, time off the job, and a signing bonus.

We've improved our benefits package in several important ways, as explained in this brochure.

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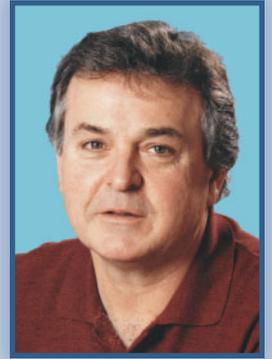
## Message from Jim O'Neil, Secretary-Treasurer

THIS TENTATIVE AGREEMENT takes major steps forward for the quality of life of CAW members at General Motors, and is an outstanding achievement for the total union. Our 2002 bargaining is a testament to what workers can achieve by acting in solidarity through their union. Coming to the table with 97% strike votes, and boosted by rock-solid support from the membership, our ability to make gains was never in doubt. I am proud of the discipline, skill and hard work displayed by the entire GM Master Committee in setting this excellent pattern.

Even though GM said it was eager to be selected as the target, negotiations got off to a rocky start. The Canadian plants are the jewels-in-the-crown of the company's operations, enjoying tremendous profitability, quality and productivity. Despite this, GM's first offer was all about take-aways and rolling back important principles. The company wanted to introduce a second-class contract workforce and replace regular wage increases with lump-sums. Somehow, GM forgot our successful two-week strike in 1984 to fight lump sums and other concessions. Once GM understood the firm resolve of the total committee to reject this direction, we got a second offer 48 hours later – minus the concessions – that paved the way for a settlement.

This tentative contract contains impressive wage gains, improves benefits and strengthens income security, ensuring that the wealth of the auto industry is shared with workers and the community.

This agreement means that you and your family are also protected by stronger income security programs. The restructuring allowance and retirement incentive for workers facing plant closing, restructuring and other indefinite layoffs has been increased. Improving these programs also gives the company more reason to avoid job losses.



The economic benefits of this agreement are impressive. But this tentative agreement also makes gains that are important for our families and the broader community. Moving forward on reducing work time in this agreement means a better quality of life for GM workers.

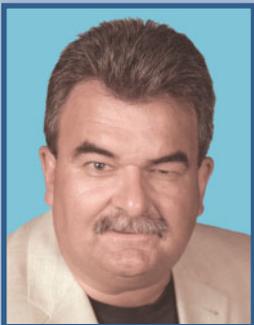
And the new 28 hours of annual paid time off has the potential to create 300 jobs at GM.

While governments debate the future of health care, we achieved a first by getting GM to join us in calling on the Canadian government to strengthen and expand our public health care system. This agreement also makes gains in health care benefits that are important to families such as improved in-home nursing and new coverage for homemaking services.

With four children and four grandchildren, I am particularly proud of the gains we've made in childcare and scholarships. This agreement increases the childcare benefit to \$12 per day, and expands coverage to children ages eight and under, which more than doubles the number of children eligible for the benefit. And improving the dependent scholarships to \$1,300 per year helps make post-secondary education more accessible. These gains will make a big difference to the family budget.

I am pleased to join with Buzz Hargrove, Mike Shields, and the rest of the GM-Master Bargaining Committee in recommending your ratification of our 2002 tentative agreement.

**Jim O'Neil**  
*CAW National Secretary-Treasurer*



## Message from Mike Shields, Chairperson, CAW/General Motors Master Bargaining Committee

IT WAS A great privilege for CAW members at GM to be chosen by our national union to lead this year's round of Big Three auto bargaining. This is the first time since 1984 that

General Motors was chosen as the target company. This choice reflected the great progress we have made together in recent years, as measured by the incredible economic success of GM Canada, and the growing strength of our union at GM workplaces.

Thanks to the solidarity of our bargaining committees,

we are bringing back a first-rate tentative agreement that we are pleased to unanimously recommend for your ratification.

The agreement contains some excellent economic provisions, including wage increases totaling 13 percent over the life of the agreement (including projected COLA), 28 hours in new vacation entitlement per year, significant improvements in health care and other benefits, and a \$1,000 signing bonus.

But I am especially proud of the commitments we have

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# Wages

- WAGE INCREASES AVERAGE 4.5% PER YEAR (including COLA)
- 3% / 3% / 2%
- COLA FORMULA IMPROVED
- ASSUMES INFLATION OF 2%, 2%, 2%
- Special Trades Adjustment of \$0.14

**SIGNING BONUS**

**All those who performed work between January 3, 2002 and September 17, 2002 will receive a \$1,000 Signing Bonus**

## Wage and COLA Increases

|                         | ASSEMBLER                              | PRODUCTION TECHNICIAN                  | TRADES                                 |
|-------------------------|--|--|--|
| <b>CURRENT EARNINGS</b> | <b>\$27.70</b><br>Includes \$1.51 COLA | <b>\$27.99</b><br>Includes \$1.51 COLA | <b>\$33.10</b><br>Includes \$1.51 COLA |
| Ist Year Increase       |  |  |  |
| BASE                    | \$ 0.79                                | \$ 0.79                                | \$1.09                                 |
| COLA                    | \$ 0.53                                | \$ 0.53                                | \$0.53                                 |
| End of Ist Year         | \$29.02                                | \$29.31                                | \$34.72                                |
| 2nd Year Increase       |  |  |  |
| BASE                    | \$ 0.85                                | \$ 0.85                                | \$1.02                                 |
| COLA                    | \$ 0.54                                | \$ 0.54                                | \$0.54                                 |
| End of 2nd Year         | \$30.41                                | \$30.70                                | \$36.28                                |
| 3rd Year Increase       |  |  |  |
| BASE                    | \$ 0.59                                | \$ 0.59                                | \$0.70                                 |
| COLA                    | \$ 0.41                                | \$ 0.41                                | \$0.41                                 |
| End of 3rd Year         | \$31.41                                | \$31.70                                | \$37.39                                |
| <b>TOTAL INCREASES</b>  |  |  |  |
| BASE                    | \$ 2.23                                | \$ 2.23                                | \$2.81                                 |
| COLA                    | \$ 1.48                                | \$ 1.48                                | \$1.48                                 |
|                         | <b>\$ 3.71</b>                         | <b>\$ 3.71</b>                         | <b>\$4.29</b>                          |

## Wage and COLA Summary

|                   | ASSEMBLER     | PRODUCTION TECHNICIAN | TRADES        |
|-------------------|---------------|-----------------------|---------------|
| Ist Year Increase | \$1.32        | \$1.32                | \$1.62        |
| 2nd Year Increase | \$1.39        | \$1.39                | \$1.56        |
| 3rd Year Increase | \$1.00        | \$1.00                | \$1.11        |
| <b>TOTAL</b>      | <b>\$3.71</b> | <b>\$3.71</b>         | <b>\$4.29</b> |

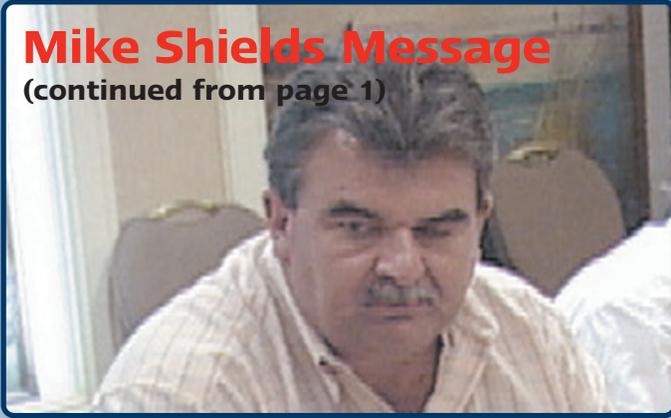
## Base Rate Changes

|                          | CHANGE ASSEMBLER | CHANGE PROD. TECH. | CHANGE TRADES  |
|--------------------------|------------------|--------------------|----------------|
| <b>CURRENT BASE RATE</b> | <b>\$26.19</b>   | <b>\$26.48</b>     | <b>\$31.59</b> |
| AIF Year 1               | \$0.79           | \$0.79             | \$1.09         |
| COLA Fold-In             | \$1.46           | \$1.46             | \$1.46         |
| <b>BASE YEAR 1</b>       | <b>\$28.44</b>   | <b>\$28.73</b>     | <b>\$34.14</b> |
| AIF Year 2               | \$0.85           | \$0.85             | \$1.02         |
| <b>BASE YEAR 2</b>       | <b>\$29.29</b>   | <b>\$29.58</b>     | <b>\$35.16</b> |
| AIF Year 3               | \$0.59           | \$0.59             | \$0.70         |
| <b>BASE YEAR 3</b>       | <b>\$29.88</b>   | <b>\$30.17</b>     | <b>\$35.86</b> |



## Mike Shields Message

(continued from page 1)



won from General Motors for new investments at their Canadian operations. At least \$800 million will be allocated to new projects in Oshawa, St. Catharines, and elsewhere over the life of this agreement.

I believe we have negotiated a contract that all of us can be proud of. On behalf of the entire GM/CAW Master Bargaining Committee, I wholeheartedly recommend this tentative agreement for your ratification.

### Mike Shields

*Chairperson, CAW/GM Master Bargaining Committee  
President, CAW Local 222*



## An Auto Strategy for Canada

AS PART OF the 2002 pattern bargaining, the CAW and General Motors signed a joint letter calling on the federal and provincial governments to develop a new auto policy. Canada's auto industry has been hammered in the last two years by a flood of offshore imports to North America, and the migration of new plants to locations such as Alabama and Mississippi. In 1999 we were the 4th largest auto producer in the world; today we are 7th, and falling fast.

The CAW has led the call for a new government policy to replace the Auto Pact, which was abolished following a decision by the World Trade Organization. The union has been pressing governments to develop new policies to reward automakers who invest and produce in Canada, while imposing penalties on offshore companies who sell into our markets but don't create any jobs here.

Our call for a new auto policy has been supported by many auto parts companies in Canada, who know that we need to attract new investment to Canada or else their business will suffer, and by many auto industry experts. Now General Motors has signed the joint letter, and the pressure is building on government to come up with this new policy.

## New GM Investments

WITH THIS 2002 tentative agreement, General Motors has committed to make over \$800 million in new investments in its Canadian facilities. These investments include:

- The second phase of the new car paint shop in Oshawa. This investment would allow the Oshawa Car #2 plant to operate on three shifts in future years, if demand for the new Buick model is sufficiently strong.
- Necessary tooling to allow the assembly of an all-new four-door crew cab model in the Oshawa truck plant.
- We bargained new commitments for investment and jobs in St. Catharines. Discussions with the company will continue over the life of the agreement in an effort to get all our membership back to work.
- We bargained a commitment from General Motors to a top level meeting with Quebec Premier Bernard Landry and our union to discuss further investment in Quebec.

These investments are in addition to another \$500 million which GM recently committed for a new model at the CAMI assembly plant in Ingersoll.

CAW  TCA  
CANADA

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# Pension Plan Example

## Example, 30-n-out at Age 60, October, 2002

### BENEFITS, PRODUCTION TECHNICIAN

| Benefits, Production Technician October 1, 2002 |         |
|---|---------|
| BASIC   | \$1,749 |
| SPECIAL ALLOWANCE                               | \$1,221 |
| TOTAL   | \$2,970 |
| WITH EARLY CPP (\$552)                          | \$3,522 |



| Benefits, Trades October 1, 2002 |         |
|----------------------------------|---------|
| BASIC                            | \$1,995 |
| SPECIAL ALLOWANCE                | \$1,230 |
| TOTAL                            | \$3,225 |
| WITH EARLY CPP (\$552)           | \$3,777 |

\* THE SPECIAL ALLOWANCE IS WHATEVER IS NEEDED TO GET US TO THE 30-N-OUT LEVELS)



## Pension Update

IN 1999 WE negotiated a six year pension program which featured substantial immediate increases in both the Basic and 30 and out retirement rates. The new pension plan also extended the 30 and out benefit to age 65, improved survivor benefits, provided for significant increases for the skilled trades to more closely reflect wage differentials, increased and then indexed the benefits for pre-October 1987 retirees, increased benefits for October 1987-Sep-

tember 1993 retirees, and improved other early retirement features.

Since 1999, all retired employees and surviving spouses have had annual adjustments to their pensions to compensate for inflation.

The following table shows the pension benefit rates which will be in effect for new retirees over the next three years:

### Retirements with Benefits Payable Beginning on or after 10/1/02

|                              | October/02 to<br>September/03 | October/03 to<br>September/04 | October/04 to<br>September/05 |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Production Technician</b> |                               |                               |                               |
| Basic                        | \$ 58.30                      | \$ 59.40                      | \$ 60.50                      |
| 30 and Out                   | \$2,970.00                    | \$3,030.00                    | \$3,100.00                    |
| <b>Trades</b>                |                               |                               |                               |
| Basic                        | \$ 66.50                      | \$ 68.25                      | \$ 70.00                      |
| 30 and Out                   | \$3,225.00                    | \$3,300.00                    | \$3,370.00                    |



### Pension Plan Example

#### PENSION VS WAGES, PRODUCTION TECHNICIAN, AGE 60 TO 65

|                                 |               |         |
|---------------------------------|---------------|---------|
| 30-N-OUT PENSION WITH EARLY CPP | \$3,522/month |         |
| PENSION IN HOURLY WAGE          |               | \$20.32 |
| NEW HOURLY WAGE                 | \$28.78       |         |
| EI/ CPP PREMIUMS                | -\$ 1.22      |         |
| NET HOURLY WAGE                 | \$27.56       | \$27.56 |
| NET WAGE VS RETIREMENT          |               | \$ 7.24 |

**The pensions of all current retirees and surviving spouses are indexed, with increases scheduled for October 1, 2002, October 1, 2003 and October 1, 2004**



## Job and Income Security Program

### Income Security Fund

This agreement continues to make available a total of \$440 million in Income Security Funds throughout the life of this agreement. These funds will be available to pay all SUB, Short Work Week, Separation Pay, IMP, VTEP, PRIMP, and Document 12's and 13's through this agreement.

### Restructuring Incentive (Document 12's)

- The Restructuring Incentive, which is payable to employees who are eligible for immediate retirement in the event of a plant closure or restructuring, has been increased from \$50,000 to \$60,000.
- In situations where company initiated restructuring would have resulted in the layoff of junior employees, this program encourages senior employees to retire and lessens the impact of such events.

### Special Canadian Contingency Fund (SCCF)

The Special Canadian Contingency Fund has been substantially improved and modified. Funding for the SCCF has been changed to equal an accrual of \$0.70 per hour worked. It is estimated that this accrual will amount to about \$59 million over the life of the agreement. If these funds are insufficient, GM must advance funds from future accruals. These funds support a number of other programs and activities such as Dependent Scholarships, Child Care, the Training Review Committee, Legal Services, Retirees

Fund, Skilled Trades, Social Justice Fund, PEL, Health Safety and Environment, Leadership Training and the Medical Awareness Program.

### Supplemental Unemployment Benefits (SUB)

Substantial improvements have been made in the SUB Plan:

- Funding for the Annual SUB Level has been increased by 2 cents in each year of the agreement
- The maximum accrual of SUB credits has been improved for employees as follows:

7 but less than 8 years will move from 52 weeks to 56 weeks

8 but less than 9 years will move from 52 weeks to 60 weeks

9 but less than 10 years will move from 52 weeks to 64 weeks

SUB overpayments can now be recovered at \$30 per payment from future SUB payments ( up from \$20 ) and at \$75 from pay cheques ( up from \$50 )

### Voluntary Termination of Employment Plan (VTEP)

The payment schedules for VTEP have been increased by \$2,500 at each level.

### Special Job Security Incentives (Document 13's)

OVER THE NEXT three years, through productivity improvements, and in some cases, loss of work, an excess of employees may exist at GM operations in Canada and we have re-negotiated a program designed to cushion the impact of such events.

The first major element of the program consists of a specific number of incentive opportunities which will be available at each location, and which can be used to ensure that layoffs are avoided or minimized. These incentives include eligible retirements under 30 and out, and under Mutual Early provisions (age 55 or more with 10 or more years) which will be enhanced with a \$60,000 payment. As well, other opportunities include Voluntary Termination of Employment (VTEP) payments.

The number of incentive opportunities allocated to each location are as follows:

|                      |       |
|----------------------|-------|
| Oshawa               | 1200* |
| St. Catharines       | 600*  |
| London Diesel        | 200   |
| Windsor Transmission | 100   |
| Woodstock            | 80    |

- These incentive opportunities will be available during the term of the 2002 Master Agreement
- Local parties will work together to determine the exact timing of these incentive opportunities
- \*These allocations may be moved between locations to meet existing circumstances if agreed to by the Union and the Company

It is important to note that these special opportunities do not replace, but are in addition to, Document 12 offers, which will still be made available for potential job loss due to restructuring actions taken by the company.

### Special SUB

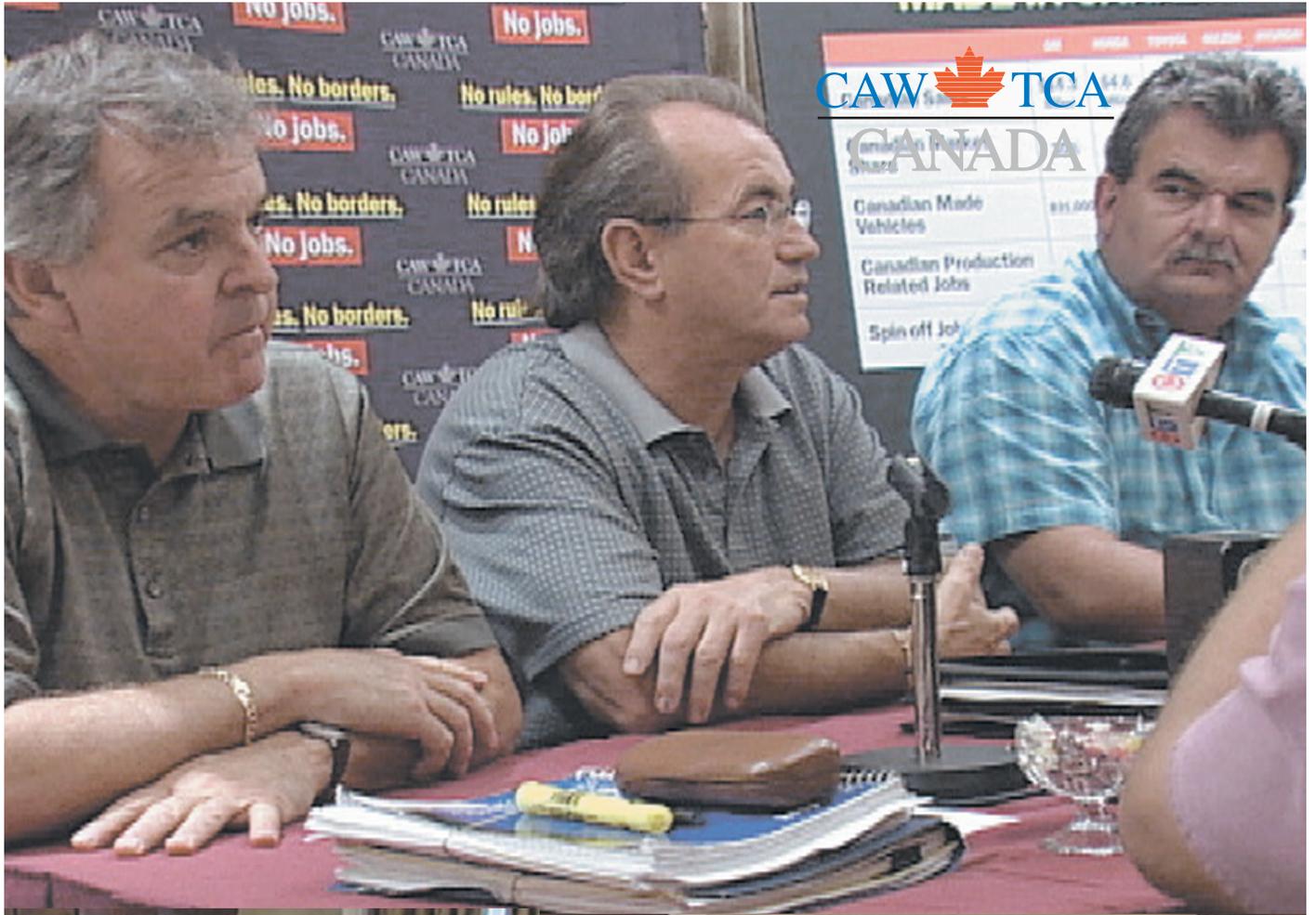
IN 1999 we negotiated this program to deal with the situation faced by many workers who have been on layoff long enough to have exhausted all their income security benefits (in some cases, longer than three years). Both for these current employees on layoff, and for those who will exhaust such benefits, and who are not otherwise employed outside of GM Canada we have negotiated the provision of an additional 78 SUB credits. This will provide up to 18 months of continuing income security, but not beyond the end of the 2002 Agreement, whichever is sooner.

Workers who have or will exhaust their income security benefits, but who are otherwise employed, will also be credited with 78 SUB credits, and will be eligible to receive a top-up of their outside earnings to 65% of their GM weekly pay based on last day worked.

While receiving such special SUB benefits, workers will be eligible for the same Health Care, Insurance and Legal Service benefits as any other worker on regular layoff.

Employees on layoff who qualified for Doc. 13 Special SUB during the 1999 agreement and who did not exhaust their Special SUB shall be entitled to the balance of the total of 18 months.





## Time Off the Job

TIME OFF THE JOB remains a top union priority. More time off provides needed relief from the stress of work. And negotiating time off protects existing jobs and helps create new ones.

In this collective agreement we increased annual vaca-

tion entitlements by 28 hours across all vacation brackets. That's the equivalent of over 300 jobs.

Added to the new hours is what we have already bargained in time off including SPA, 4 day weekends, and holidays.

| Seniority                     | New vacation/<br>PAA Hours | Total Paid<br>Time Off=Hours |
|-------------------------------|----------------------------|------------------------------|
| One but less than two years   | 104                        | 312                          |
| two but less than three       | 112                        | 320                          |
| three but less than five      | 140                        | 348                          |
| five but less than ten        | 160                        | 368                          |
| ten but less than fifteen     | 180                        | 388                          |
| fifteen but less than fifteen | 200                        | 408                          |
| twenty or more                | 240                        | 448                          |

**Special Payment:** The annual special payment in each December increases by \$300 from \$1200 to \$1500.

## Paid Holiday Schedule

|                           |                            |                           |                            |
|---------------------------|----------------------------|---------------------------|----------------------------|
| *Friday, October 11, 2002 | Friday before Thanksgiving | Friday, April 9, 2004     | Good Friday                |
| Monday, October 14, 2002  | Thanksgiving               | Monday, April 12, 2004    | Day After Easter           |
| December 23, 2002         | Christmas Holiday Period   | Friday, May 21, 2004      | Friday before Victoria Day |
| December 24, 2002         |                            | Monday, May 24, 2004      | Victoria Day               |
| December 25, 2002         |                            | Friday, July 2, 2004      | Friday after Canada Day    |
| December 26, 2002         |                            | Friday, September 3, 2004 | Friday before Labour Day   |
| December 27, 2002         |                            | Monday, September 6, 2004 | Labour Day                 |
| December 30, 2002         |                            | *Friday, October 8, 2004  | Friday before Thanksgiving |
| December 31, 2002         |                            | Monday, October 11, 2004  | Thanksgiving               |
| January 1, 2003           |                            | December 24, 2004         | Christmas Holiday Period   |
| Friday, April 18, 2003    | Good Friday                | December 27, 2004         |                            |
| Monday, April 21, 2003    | Monday after Easter        | December 28, 2004         |                            |
| Friday, May 16, 2003      | Friday before Victoria Day | December 29, 2004         |                            |
| Monday, May 19, 2003      | Victoria Day               | December 30, 2004         |                            |
| Friday, June 27, 2003     | Friday before Canada Day   | December 31, 2004         |                            |
| Friday, August 29, 2003   | Friday before Labour Day   | Friday, March 25, 2005    | Good Friday                |
| Monday, September 1, 2003 | Labour Day                 | Monday, March 28, 2005    | Day After Easter           |
| *Friday, October 10, 2003 | Friday before Thanksgiving | Friday, May 20, 2005      | Friday before Victoria Day |
| Monday, October 13, 2003  | Thanksgiving               | Monday, May 23, 2005      | Victoria Day               |
| December 24, 2003         | Christmas Holiday Period   | Friday, July 1, 2005      | Canada Day                 |
| December 25, 2003         |                            | Friday, September 2, 2005 | Friday before Labour Day   |
| December 26, 2003         |                            | Monday, September 5, 2005 | Labour Day                 |
| December 29, 2003         |                            |                           |                            |
| December 30, 2003         |                            |                           |                            |
| December 31, 2003         |                            |                           |                            |
| January 1, 2004           |                            |                           |                            |
| January 2, 2004           |                            |                           |                            |

\* Woodstock gets Canada Day four-day weekend instead of Thanksgiving. For example, in the first year Friday June 27, 2003 and Monday June 30, 2003; in year two Friday July 2, 2004 and Monday July 5, 2004; and in year three Friday July 1, 2005 and Monday July 4, 2005.

## Skilled Trades

IN THIS ROUND of bargaining we continued to make progress for the skilled trades. The bargaining addressed issues ranging from the skilled trades wage differential to highlighting skilled trades language in the agreement; from skilled trades technical training to securing additional apprenticeships and renewing our provisions on work ownership.

### Apprentices:

The union has bargained 100 new, guaranteed openings for apprentices over the life of the agreement. The apprenticeships, part of the union's efforts to replace expected skilled trades retirements, will start immediately in some locations.

Apprentices will be provided with tools and toolbox.

Members who register for the apprenticeship selection process will be offered a 16 hour pre-apprenticeship orientation program.

Company will join the union's efforts to lobby government for greater support for apprenticeship programs.

### Skilled Trades Replacements:

Each location to review need for skilled trades workers to cover for those who are absent for contractual time off (vacation, SPA, training etc).

### Skilled Trades Union Education Program:

Increased funding for the skilled trades union education program.

## Training and Education

### Training and Education:

This agreement expands our training and education programs, develops more learning opportunities and provides greater funding and financial support.

### Workplace Training Program:

The Workplace Training Program has been improved. The courses are conducted during working hours in day-long blocks.

### Local Training Committees:

Local Training Committees will be responsible for developing plans to schedule classes.

### Basic Skills Upgrading:

Programs of basic skills upgrading including ESL (English as a Second Language) will be established at those locations interested in developing courses.

### Tuition Assistance for Members:

The annual amount available under the tuition assistance program for members has been increased by \$750 and now covers those on definite leaves. Members enrolled in approved courses will now receive up to \$3250 including up to \$200 for books and related costs.

The increased amount will also be available to laid off workers.

### Retired Workers Fund:

Increased funding to support educational and awareness programs for retired workers.

### Labour Studies:

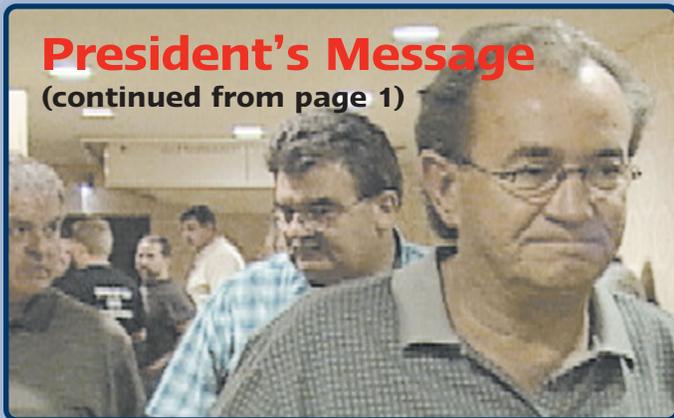
Streamlined tuition assistance process for members enrolled in the CAW/ McMaster University Labour Studies Certificate.

### Education and Program Funds:

Increased funding support for a number of union sponsored education programs including health and safety, paid education leave (PEL) and the skilled trades.



## President's Message (continued from page 1)



Given the widespread uncertainty in Canada's auto industry today, which continues to affect some GM locations, we put a real emphasis on improving our income security protections. And by continuing to negotiate more paid time off, based on the productivity growth in this industry, we are also enhancing the security of our members. This paid time off could mean up to 300 more jobs at GM. That means more security for our members.

It is clear that GM's performance in Canada – their world-beating productivity, their profits – supports the wage and benefit improvements contained in this package. This agreement is a fair recognition for our members, of the contribution they have made to GM's success.

And we are confident that GM Canada will be even more successful in the coming years. Our contract sets the stage for continued prosperity for ourselves, as well as for GM. Our goal as a union is to make sure that prosperity is shared with our members, their families, and throughout our communities.

During our bargaining we have also been raising important concerns about the future of Canada's auto industry. No one has done more to secure the future of our industry, than CAW members and their union leadership. The productivity and quality which you have achieved, were crucial to our union achieving \$800 million new investment and I believe will lead to future new investment at all GM locations in Canada.

More broadly, our auto industry is grappling with some major challenges: the end of the Auto Pact, the growing flood of imports, the migration of auto investment to places like Alabama and Mississippi. These negative trends highlight the crucial need for a new auto policy in Canada.

Despite good times at some locations, many GM employees are feeling these negative trends personally. Sadly, GM closed its assembly plant in Quebec last month, and we face major challenges in attaining new investment in St. Catharines to secure the future for our members and their families. We were successful in addressing the concerns of our members at London Diesel locomotive and LAV arising out of the potential sale of this business by G.M.

In short, our union is doing everything we can to protect Canadian jobs and to win new investments. Given the challenges we face in the automotive industry we need government at the table, too, to ensure that Canada gets our share of future investment, and to force companies that sell vehicles in Canada to start giving something back to our economy and our communities.

This pattern agreement symbolizes the great progress that can be made when an industry is productive and successful, and when the union is strong and united. Once we have our contracts behind us, the profile gained in our bargaining will give us a great opportunity to say to government, and to all Canadians, that Canada's auto industry is too important to take for granted.

I want to thank every GM member for your solidarity during bargaining. I felt the constant back-up of our rank-and-file membership during every bargaining session we had with GM management. Your strong strike mandate, and your rock-solid reputation for holding strong on a picket line if needed, were essential for us to achieve this agreement without a strike.

I join with chairperson Mike Shields, the entire CAW/GM Master Bargaining Committee, and all local committees in unanimously recommending this pattern agreement for your ratification.

**In solidarity,**

**Buzz Hargrove,**  
*CAW President*

## Greater Protection Against Increased Workloads

THE CHANGES SECURED in both the Master and the Oshawa local agreement mean greater workload stability, fewer workload changes, a fairer application of GM standard data, a broader role for production standard reps and additional protections under the collective agreement.

### **A New Workload Stability Period:**

There is a new workload stability period for direct workers in assembly plants. If an operator's workload is increased as a result of a productivity initiative then that change triggers a period of workload stability that will last for 100 days.

### **Review Changes with the Union:**

In direct labour operations a new process commits the company to advance planning and to regular meetings with the union prior to assigning job elements.

## Recommendation

The CAW/GM master bargaining committee has negotiated a tentative agreement that provides for wage increases in each year of the agreement, increased time off the job, greater income and job security, health care benefit gains and much more.

Your bargaining committee unanimously recommends this tentative agreement and urges you to vote in favour of it.



## Improved Family Initiatives

In the last round of bargaining we made a major breakthrough with a new subsidy of \$10 per day (and \$5 per half-day) to help cover the cost of childcare for children ages 5 and under, up to \$2,000 per year, per child. The union went into bargaining looking to improve the benefit and increase the number of children covered. We accomplished both. This agreement increases the subsidy to \$12 per day (and to \$6 per half-day) to a maximum of \$2,400 per year, per child. And the \$6 subsidy is now extended to licenced not-for-profit before-school and after-school care for children ages six, seven and eight. An estimated 2,000 more children are now eligible, bringing the total number of children covered to more than 3,500. The benefit is now eligible for co-ordination.

### Improved Childcare Benefit:

- fees reduced by up to \$12 per-day subsidy
- up to \$2,400 per year, per child
- available for children 8 and under
- all licenced non-profit care eligible
  - full-time
  - part-time
  - group care
  - in-home care
  - before-school care
  - after-school care
- existing CAW centres to continue

### Dependent Scholarship: Tuition Assistance for Dependent Children

In 1999 the union negotiated for the first time a program to provide financial support to dependent children attending college or university. In this agreement the program has been expanded and the financial assistance has been significantly increased.

- Funding increased from \$800 to \$1300 annually.
- Benefit will be fully coordinated for GM employees.
- Expanded to include eligible dependents of retirees.



### Employment Equity

- Anger Management counseling
- White Ribbon Day, December 6th , increasing joint recognition of violence against women
- Joint campaign raising awareness of December 10th, International Human Rights Day
- Review of Appendix M, to further raise awareness of Human Rights Investigation Procedure and commitment to Human Rights in the Workplace.



## Improved Insurance Benefits

THERE WILL BE annual increases in the rates for future S & A, EDB and Life Insurance claims as a result of the base rate increases in each year of the agreement, as well as the fold-in of \$1.46 of the current \$1.51 COLA float.

In addition, any new COLA generated will continue to be folded-in on each anniversary date for the purpose of calculating these benefits.

### Insurance Examples (including projected COLA)\*

|                              | Current  | September 23/02 | September 22/03 | September 20/04 |
|------------------------------|----------|-----------------|-----------------|-----------------|
| <b>Production Technician</b> |          |                 |                 |                 |
| S&A                          | \$ 685   | \$ 710          | \$ 745          | \$ 770          |
| EDB under 10                 | \$ 2,405 | \$ 2,500        | \$ 2,620        | \$ 2,710        |
| EDB over 10                  | \$ 2,650 | \$ 2,750        | \$ 2,880        | \$ 2,980        |
| Life Insurance               | \$63,500 | \$66,000        | \$69,000        | \$71,500        |
| <b>Electrician</b>           |          |                 |                 |                 |
| S & A                        | \$ 815   | \$ 840          | \$ 870          | \$ 905          |
| EDB under 10                 | \$ 2,860 | \$ 2,955        | \$ 3,075        | \$ 3,195        |
| EDB over 10                  | \$ 3,150 | \$ 3,250        | \$ 3,380        | \$ 3,515        |
| Life Insurance               | \$75,500 | \$78,000        | \$81,000        | \$84,500        |

\* COLA is projected at 2% in each year of the agreement. Actual benefit levels may be higher or lower depending on actual inflation.

## Extended Disability Benefits (EDB)

- In an important breakthrough, we have negotiated inflation protection for workers on EDB. Starting on October 1, 2002, EDB recipients will have their benefits adjusted annually by 90% of the rate of inflation.
- Current EDB recipients have been guaranteed a minimum benefit level of \$1,800 per month, which includes income from the GM pension plan, WSIB and any CPP benefits. This is an increase of \$200 per month.

After the initial increase, these benefits will be indexed annually, starting October 1, 2003.

### Survivor Income Benefits

Transition and Bridge benefits will be increased by \$50 per month effective October 1, 2002, and by an additional \$25 per month October 1, 2003. These increases will also apply to current recipients.

## Optional and Dependent Life Insurance

THE DEPENDENT GROUP Life Insurance Program has been improved by:

- adding two new schedules of \$55,000 and \$60,000 for spousal insurance, and two new schedules of \$22,000 and \$24,000 for children.
- there will be a one-month open enrollment for actives which will allow them to enroll in the next higher schedule without evidence of insurability.
- any employee at work who has not previously enrolled may enroll, without evidence of insurability in the lowest schedule of either the optional and/or dependent life programs.

### For both programs:

- premiums will be reduced by 10 percent as of January 1, 2003.



## Health Care Improvements, Effective Oct. 1, 2002

### Vision Care

The Vision care plan will be improved by increasing coverages to:

|               |                       |
|---------------|-----------------------|
| Single vision | \$170 every 24 months |
| Bifocal       | \$225 every 24 months |
| Multi-focal   | \$295 every 24 months |

The multi-focal amount may be applied toward laser eye surgery. This benefit would be in lieu of any claim under the vision care plan for the next 48 months.

### In-home nursing and homemaking

- The hours available for the services of registered nurses (RN) and registered practical nurses (RPN) has been increased from 4 hours to 6 hours per day, and the annual maximum has been increased from \$7,500 to \$12,000.
- A new benefit has been negotiated to cover homemaking services up to 5 hours per week in situations where in-home nursing services are required. These services are included in the \$12,000 annual maximum.
- When the annual maximum for these services has been reached, up to 2 hours/day are available for RN services for the balance of the year.

### Chiropractic Benefits

A \$15 per visit chiropractic benefit will now be paid as a top-up while provincial plan benefits are being paid. When provincial plan benefits have been exhausted, the chiropractic plan will pay a \$25/visit benefit until a total of \$400 annually has been paid from the plan. Once the \$400 limit has been reached, the plan will reimburse at an amount per visit equal to the provincial government plan benefit.

### Speech Therapy

The current benefit for Speech Therapy has been increased from \$400 to \$1,000 annually, and will include the initial test.

### Paramedical Coverage (New)

New coverage for services of 4 paramedical practitioners has been negotiated in this agreement. Benefits payable under the plan will be available following the exhaustion of any government programs. The new coverages are as follows:

- Naturopaths (\$25 per visit with an annual max. of \$300)
- Podiatrists or Chiropodists (\$11.45 per visit with a combined annual max of \$300) on referral from a physician
- Registered Massage Therapists (\$45 per visit, \$200 annual maximum) on referral from a physician

### Psychologist Services

The current coverage for psychologist services for personal, family and marital counselling has been

expanded to include counselling by a Master of Social Work. The annual maximum for these services has been increased from \$500 to \$600.

### Nutritional Supplements

Nutritional Supplements will be expanded to cover cancer patients under certain conditions.

### Out of Province Coverage

Out of Province coverage will be modified to provide for mandatory repatriation when the family or admitting physician and the attending physician determine medical fitness and where appropriate arrangements have been made for admittance into the provincial health care system.

### Dental Plan

- The annual maximum has increased \$300, from \$2,200 to \$2,500.
- The orthodontic lifetime maximum has increased by \$400, from \$2,800 to \$3,200.

## Prosthetic Equipment & Durable Medical Equipment

### Insulin Pump

- The benefit for adults has been increased from \$800 to \$1,000 every 5 years.
- New coverage has been introduced for children up to 18 with Type 1 diabetes. The Insulin Pump coverage will be up to a maximum of \$5,500 once every 5 years and insulin infusion pump supplies will be covered to a maximum of \$250 per month.

### Orthotics

- Orthotics coverage will be increased to 2 pairs within a 36 month period at the current maximum of \$400.
- The parties have agreed to work toward establishing a participating provider network for orthotics.

### Visco-supplementation

Visco-supplementation therapy will be added as a new benefit with coverage of up to \$300 per treatment cycle, to a maximum of \$1,200 every 3 years.

## Substance Abuse

SHORT TERM Family Counseling has been expanded to include dependent family members of retirees who require counseling as a result of addiction to alcohol or other drugs.

The company will pre-pay for dedicated beds at a treatment facility so our members can be admitted immediately.



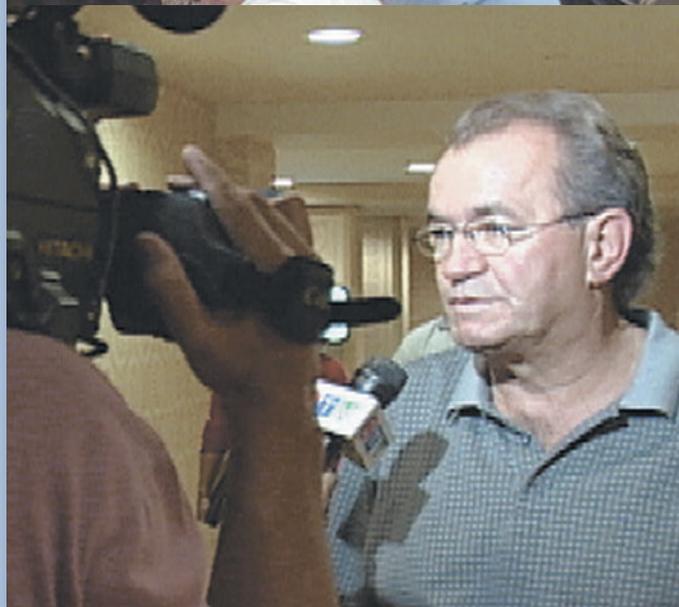
## Health Safety, Environment and Ergonomics

### Health and Safety

- **Heat stress:** new heat stress response procedure.
- **Metalworking fluids:** pilot study using vegetable oil based coolant in the Components plant.
- **Asbestos:** procedures for asbestos management and removal.
- **Legislative training:** 8 hour legislative issues training session provided to new union reps.
- **Information:** Statistical information, lockout booklet revisions; Acts and Regulations.

### Ergonomics

- **Prior to start up:** Local Ergo Committees to participate in review of process of new machinery, equipment and work processes prior to start up of production.
- **International RSI Awareness Day** – (last day of February) promote awareness of repetitive strain injuries to reduce their occurrence, including safety talks, videos, disseminating written material and posters.



- **MEC Review and Process:** Master Ergo Committee will review all GM corporate and divisional programs, policies, standards, research and initiatives introduced into the plants; complete CAW/GM Ergonomics Standard Operations Process using corporate resources; and develop standard work demands assessment format.
- **Increased time for annual joint ergo meeting:** for all ergo committees, increase to four (4) days per year.

### Environment

- **Mercury switches:** All mercury convenience lighting switches have been replaced with non-mercury alternatives with the end of the 2002 model year production.
- **Information:** The company will notify the Union Environment Representative during their monthly environmental meeting of changes related to the automotive industry in legislation, policy, procedure or process related to the environment. Company agrees to review emergency response and spill programs related to environmental issues with union environment representatives during a monthly meeting.
- **Increased time for annual joint environment meeting:** for all environment committees, increase to two (2) days plus half day travel time.

### Supporting Quality Public Health Care

IN THIS ROUND of bargaining the CAW and the company have signed a joint letter in support of Canada's publicly funded health care system. The letter outlines how workers in the auto industry and elsewhere benefit directly from access to the public health care system and how Canada's health care system has been an important ingredient in the performance of Canada's auto industry.

Publicly funded health care accounts for a significant portion of Canada's overall labour cost advantage in auto assembly versus the U.S, which in turn has been a significant factor in maintaining and attracting new auto investment to Canada.

The letter urges the renewal of publicly funded health care based on the existing principles of universality, accessibility, portability, comprehensiveness and public administration.

It also urges the federal and provincial governments to secure the public health care system's funding base and modernize the range of services it covers.



# Your CAW-Canada Master Bargaining Committee at General Motors



**BUZZ HARGROVE**  
President



**JIM O'NEIL**  
Secretary-Treasurer



**MIKE SHIELDS**  
Chairperson of Master Bargaining Committee & President of Local 222



**LUC DESNOYERS**  
Quebec Director



**PETER KENNEDY**  
Assistant to the Secretary-Treasurer



**JIM STANFORD**  
CAW Economist



**JOHN GRAHAM**  
National Representative



**SYM GILL**  
Director, Pensions & Benefits



**LEWIS GOTTHEIL**  
Director, Legal Department



**RENE MOREAU**  
National Representative



**JEFF WAREHAM**  
National Representative, Pensions & Benefits



**CATHY WALKER**  
Director, Health & Safety



**DAVID ROBERTSON**  
Director, Work Organization Department



**JOHN BETTES**  
Director, Skilled Trades



**BILL MURNIGHAN**  
National Representative, Research



**TOM HOAR**  
Plant Chairperson, Local 222, Oshawa



**JOHN SCANLAN**  
Skilled Trades, Master Chairperson, Local 222, Oshawa



**PAT BLACKWOOD**  
Skilled Trades Representative, Local 222, Oshawa



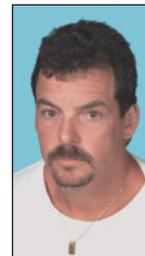
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**JIM HOY**  
Area Chairperson, Local 222, Car Plant, Oshawa



**CALVIN PETTIT**  
Area Chairperson, Local 222, Truck Plant, Oshawa



**LARRY CONBOY**  
Area Chairperson, Local 222, Components Plants, Oshawa



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**BERT DESJARDINS**  
President, Local 1973, Windsor



**RICK CHENE**  
Chairperson, Local 1973, Windsor



**RANDY REGIER**  
Skilled Trades Rep., Local 1973, Windsor



**TERRY MASON**  
Chairperson, Local 27, London



**KEITH BERRY**  
Skilled Trades Rep., Local 27, London



**JOHN DOBBYN**  
Chairperson, Local 636, Woodstock



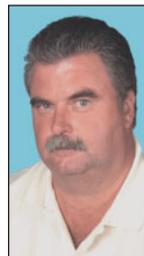
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**KEVIN SHIELDS**  
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National Ergonomic Coordinator

