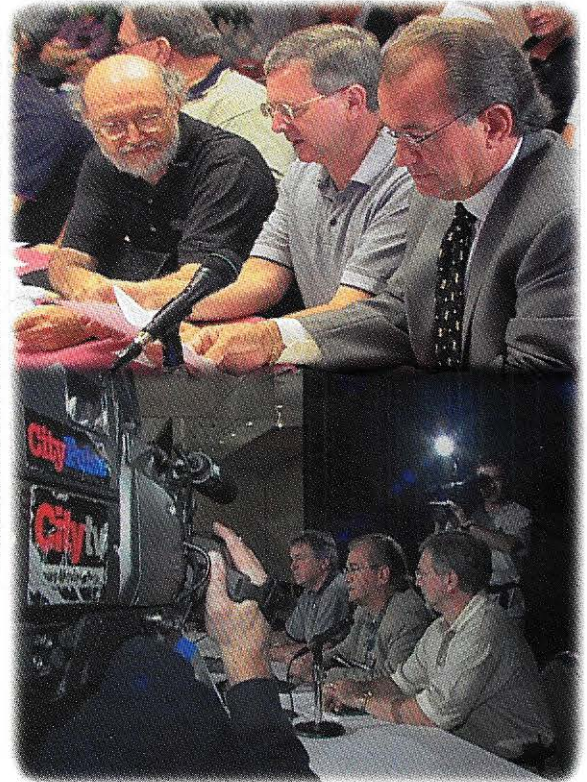
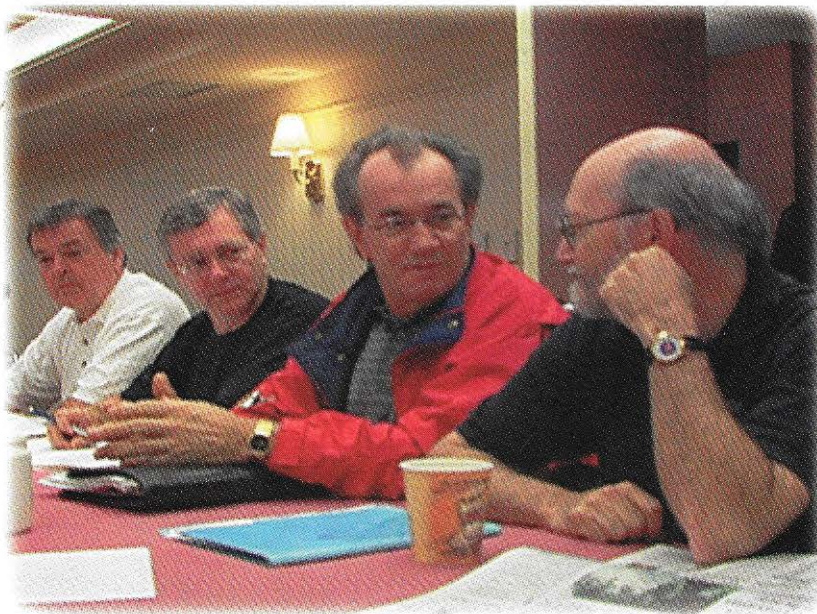


CAW-CANADA/FORD OF CANADA BARGAINING REPORT

HIGHLIGHTS OF THE TENTATIVE AGREEMENT BETWEEN CAW-CANADA AND FORD OF CANADA

PRODUCTION AND SKILLED TRADES

SEPTEMBER, 1999



FORD WORKERS LEAD CAW INTO THE NEW MILLENNIUM

PRESIDENT'S MESSAGE

Our union entered 1999 bargaining with Ford Canada facing a unique opportunity to make important gains in all areas of our

contract. Our plants are productive, the industry is booming, and industry analysts recognize the quality of our output. The companies have made literally billions of dollars in profits.

CAW members, their families, and their communities clearly deserve to share in that success – not just the executives and the shareholders.

Pension Improvements

Improving our pension plan, for both past and future retirees was our top bargaining priority in 1999. And I am pleased to report that our progress in this area has been undeniably historic.

Pensions are much more than just a monetary benefit for our

members. Improving pensions are an important way of ensuring that the wealth of the auto industry is shared as widely as possible in our communities.

The basic pension benefit for future retirees will increase very significantly over the life of our six-year pension agreement and we also substantially improved pension benefits for those who retired on relatively lower pensions – we are one of the very few unions that still maintains this kind of commitment to past retirees.

As you will see from the details in this brochure, the most significant change in our pension plan is the extension of our 30-and-out

Highlights

Current Retirees Increases

Future Pension Gains

Wage Hikes

Time Off the Job

Health Care Improvements

Skilled Trades Gains

Childcare, Tuition Assistance

Continued on Page 7

TENTATIVE AGREEMENT, FORD 1999 PENSION HIGHLIGHTS

GOING-IN GOALS

- RAISE PENSIONS SUBSTANTIALLY
- STRUCTURE TO ENCOURAGE EARLY RETIREMENT
- BRING PRE-1987 RETIREES UP
- TRADES PENSIONS TO MORE CLOSELY REFLECT WAGE DIFFERENTIAL

GENERAL

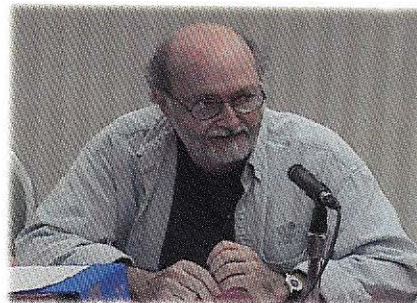
- Continue 6 year Pension Agreement
- Tables and examples attached

IMPROVEMENTS, BASIC PENSION

- Production: 1st year increase of \$6.50 (to \$54.50)
Total increases of \$12 (to \$60/month)
- Trades: 1st year increase of \$8.95 (to \$61.20)
Total increases of \$17.75
(to \$70/month)

IMPROVEMENTS, 30-N-OUT

- ❑ Production: 1st year increases of \$300/month
(to \$2800/month)
Total increases of \$600/month
(to \$3100)
- ❑ Trades: 1st year increases of \$345/month
(to \$3000/month)
Total increases of \$715/month
(to \$3370)
- ❑ EXTENSION OF 30-N-OUT BENEFIT FROM AGE 60 TO AGE 65
- ❑ Set 30-N-Out Benefit so it is equivalent to full Canada Pension Plan (CPP) benefit, Old Age Security (OAS) pension, and Basic benefit AT TIME OF RETIREMENT.



Ford CAW members dedicate this contract to Sam Gindin in recognition of his tireless efforts on behalf of working people. Sam will retire from the union in December, 1999, but not from the workers' struggle.

EARLY RETIREMENT BEFORE 30 YEARS

- ❑ Three early retirement windows with unreduced Basic pension and supplement for members age 55 or over with age plus service equal to 80 or more (80 point rule - new). Windows in 2000, 2002, and 2004.
- ❑ 85 point retirement will now have reinstatement of full benefit at age 60 (formerly 62).
- ❑ Reduction for retirements on or after age 60 with 10 or more years of credited service is now eliminated.

SURVIVOR OPTION

- ❑ Reduction factor beyond 5% will not be increased if spouse is up to 10 years younger.
- ❑ The surviving spouses benefit is increased from 60% to 66 2/3% for future retirees.

PAST RETIREES

- ❑ Pre-87 retirees Basic benefit brought up to \$36.25 Oct 1/99 and then indexed so that the estimated pension benefit at the end of agreement reaches \$40.
 - ▶ Immediate increase of \$7.20 for pre-79 retirees (currently at \$29.05) and approximately \$11 over the agreement.
 - ▶ Immediate increase of \$3.65 for 1979-87 group (currently at \$32.60) and approximately \$7.40 over the agreement.
- ❑ Oct. 1987-Sept. 93 retirees (currently at \$36.01 to \$38.27) are brought up immediately by \$2.24 and then indexed (estimated to get to \$42.20).
- ❑ For members who retired on or after Oct. 1, 1993 (currently at \$43.09 to \$48) indexation continues.
- ❑ Surviving spouses of past retirees will receive the applicable increase based on the above.



Pension Plan Improvements

FUTURE RETIREES

CLASS A (E.G. ASSEMBLER)

	BASIC	30-N-OUT
CURRENT	\$48.00	\$2500
OCT/1999	\$54.50 ^{\$4.75}	\$2800
OCT/2000	\$55.60	\$2855
OCT/2001	\$56.70	\$2910
OCT/2002	\$57.80	\$2970
OCT/2003	\$58.90	\$3030
OCT/2004	\$60.00	\$3100

CLASS D (E.G. ELECTRICIAN)

	BASIC	30-N-OUT
CURRENT	\$52.25	\$2655
OCT/1999	\$61.20	\$3000
OCT/2000	\$63.00	\$3075
OCT/2001	\$64.75	\$3150
OCT/2002	\$66.50	\$3225
OCT/2003	\$68.25	\$3300
OCT/2004	\$70.00	\$3370

ONCE RETIRED, PENSIONS ARE INDEXED

EXAMPLE, 30-N-OUT AT AGE 60, OCTOBER, 1999

BENEFITS, ASSEMBLER

	CURRENT	PROPOSED	CHANGE
BASIC	\$1440	\$1635	\$195
SUPPLEMENT	\$ 540	\$ 540	—
SPECIAL ALLOWANCE	—	\$ 625*	\$625
TOTAL	\$1980	\$2800	\$820
WITH EARLY CPP (\$526)	\$2506	\$3326	\$820

BENEFITS, TRADES

	CURRENT	PROPOSED	CHANGE
BASIC	\$1567.50	\$1836	\$268.50
SUPPLEMENT	\$ 540	\$ 540	—
SPECIAL ALLOWANCE	—	\$ 624*	\$624
TOTAL	\$2107.50	\$3000	\$892.50
WITH EARLY CPP (\$526)	\$2633.50	\$3526	\$892.50

- * UNDER NEW PROPOSAL, THE SPECIAL ALLOWANCE IS WHATEVER IS NEEDED TO GET US TO THE 30-N-OUT LEVELS
- THE 30-N-OUT LEVELS WERE SET TO THE EQUIVALENT OF BASIC PLUS OAS PLUS FULL CPP AT AGE 65 (AND THE CORRESPONDING FUTURE INCREASES)
- CURRENTLY, EARLY CPP IS NECESSARY TO GET WORKER TO \$2500 PENSION – PROPOSAL GETS US TO \$2800 WITHOUT DRAWING ON EARLY CPP



Pension Plan Improvements

PENSION vs WAGES, ASSEMBLER, AGE 60 TO 65

30-N-OUT PENSION WITH EARLY CPP	\$3,326/month	
PENSION IN HOURLY WAGE		\$19.19
NEW HOURLY WAGE	\$24.73	
EI/ CPP PREMIUMS	-\$ 1.05	
NET HOURLY WAGE	\$23.68	\$23.68
NET WAGE VS RETIREMENT		\$ 4.49

PENSION GAINS, EXAMPLE, ASSEMBLER RETIRES AT AGE 57 WITH 30 YEARS CREDITED SERVICE

INCREASES	AGE 57-60	AGE 60-65	AGE 65-80
MONTHLY	\$ 300	\$ 820	\$ 195
ANNUAL	\$ 3,600	\$ 9,840	\$ 2,340
TOTAL	\$10,800	\$49,200	\$35,100
CUMULATIVE	\$10,800	\$60,000	\$95,100

- THIS ASSUMES THE EARLY CPP IS NOT TAKEN (IF TAKEN IT GENERATES MORE MONEY EARLIER BUT LESS LATER)
- THIS DOESN'T INCLUDE INDEXING WHICH, AT 2% INFLATION, WOULD ADD ABOUT \$16,000 TO THE ABOVE

HISTORIC IMPROVEMENTS FOR CURRENT RETIREES

Increases for workers who retired on the following dates:			
	Oct. 1, 1987*	Oct. 1, 1979 to Sept. 1, 1987	Prior to Oct. 1, 1979
Current Basic Benefit	\$36.01	\$32.60	\$29.05
October 1/99 Increase	\$2.24	\$3.65	\$7.20
Estimated October 1/99 PCOLA	\$0.36	\$0.36	\$0.36
New Basic Benefit Oct. 1/99	\$38.61	\$36.61	\$36.61
October 1, 2000	PCOLA	PCOLA	PCOLA
October 1, 2001	PCOLA	PCOLA	PCOLA
October 1, 2002	PCOLA	PCOLA	PCOLA
October 1, 2003	PCOLA	PCOLA	PCOLA
October 1, 2004	PCOLA	PCOLA	PCOLA
Projected Basic Benefit			
October 1, 2004**	\$42.21	\$40.02	\$40.02

* These same increases apply to members retired between October 1, 1987 and September 1, 1993.

** The Projected Benefit is an estimate assuming inflation of 2% per year.

