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Dear GM Salaried Retiree:

Over the last year, GM has experienced the most tumultuous period in our history. Although we have been given a unique second chance, we cannot be complacent. We continue to work aggressively on the reinvention of our company – focusing on customers, cars and culture – in order to achieve our goal of being a lean and profitable organization.

As part of GM's announcements on June 1, 2009, we acknowledged that our salaried retirees would be making significant sacrifices to support the reinvention of General Motors. At that time, we communicated that we would be reducing the obligations for certain retiree benefits by roughly two-thirds. The announcement included that the Salaried Health Care Program for retirees would be impacted and further details would be provided during the 2010 Annual Enrollment. We have now finalized the changes which are described in the attached mailing.

We are committed to providing you with the information you need. The enclosed materials explain the changes and identify numerous resources that are available to you. I encourage you to spend the time necessary to review the materials and to review the new training course that is available to you on gmbenefits.com.

These changes are very difficult to make. We know that all of you were dedicated employees who provided many years of service to General Motors and who made significant contributions during your GM careers. Further, we would be remiss in not acknowledging the support provided over the years by your families, many of whom are also impacted by these changes.

The actions we are taking will establish a foundation for the new General Motors. We ask for your continued understanding and support as we take these difficult steps to position GM for future success.

A handwritten signature in black ink that reads "Mary T. Barra". The signature is written in a cursive style with a long horizontal flourish at the end.

Mary T. Barra
Vice President
Global Human Resources



2010 ANNUAL ENROLLMENT

GM SALARIED RETIREE BENEFITS Age 64 and Younger – Not Medicare-Eligible

WHAT'S INSIDE

This brochure is your guide for 2010 Annual Enrollment. Follow these two steps:

STEP 1:

Review Your Benefit Highlights and Find Out What's Changing for 2010

- Review this newsletter, your Personal Fact Sheet and go to gmbenefits.com for online training and details about your 2010 benefits.
- If you need additional assistance, call the GM Benefits and Services Center at 1-800-489-4646.

STEP 2:

Enroll October 28 – November 18, 2009

Changes to the GM Salaried Health Care Program

As you know, effective January 1, 2009, the GM Salaried Health Care Program no longer provides health care for retirees, surviving spouses and their eligible dependents age 65 and over. However, eligible retirees and surviving spouses receive a \$300 monthly pension benefit to help offset the cost of purchasing an individual Medicare plan.

Since the beginning of 2009, two other announcements impacting salaried retiree health care effective **January 1, 2010** were made:

- In February 2009, GM announced that they would cancel all health care coverages, including the Medicare Part B Special Benefit for salaried retirees, surviving spouses and their eligible dependents who are under age 65, but eligible to enroll in Medicare. The only exception will be for those individuals who are diagnosed with End Stage Renal Disease. Eligible retirees and surviving spouses who lose coverage will receive a pre-tax \$260 monthly allocation into a Health Reimbursement Account (HRA) to help offset the costs of purchasing an individual Medicare plan until age 65. At that time, the \$300 monthly pension benefit will start and the \$260 HRA contribution ends.
- In June 2009, GM announced that the 2010 Salaried Health Care Program for retirees will be further modified. This decision was the result of the need to reduce GM's retiree benefit obligations by roughly two-thirds. Health care benefits and coverages will be medical only—which includes prescription drugs, behavioral health, hearing and durable medical equipment. Prescription drug and medical plan cost sharing provisions (e.g., monthly contributions, deductibles, coinsurance and out-of-pocket maximums) **will increase substantially.**

A Quick Look: What's Changing Effective January 1, 2010

- Retirees, surviving spouses and their dependents who are NOT eligible for Medicare may continue to participate in the GM Salaried Health Care Program until they become eligible for Medicare or reach age 65, whichever is earliest.
- The 2010 medical plan for eligible retirees and surviving spouses will be a Consumer Driven Health Plan (CDHP) that is Health Savings Account (HSA) qualified.
- The new plan is named the "GM Salaried Retiree Health Care Plan" and includes benefits and coverages for medical only (which includes prescription drug, hearing aid, durable medical equipment, and behavioral health), through a single nationwide Blue Cross Blue Shield PPO.
- Dental, Vision and Extended Care Coverage (ECC) are being eliminated.



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What Is a CDHP?

Consumer Driven Health Plans

A Consumer Driven Health Plan (CDHP) focuses on health care management and provides those under age 65 with the opportunity to contribute to a Health Savings Account (HSA) to help save for current and future medical expenses.

The Internal Revenue Service, or IRS, provides rules to determine what qualifies as a CDHP. They have set certain requirements that the plan must meet in order to be able to take advantage of an HSA :

- In order to qualify as a CDHP, all covered services must apply to the deductible, including medical, prescription drugs, mental health/substance abuse and durable medical equipment. This means you pay 100% of the cost of the service or prescription drug, until you meet your annual deductible, with the exception of certain preventive services or generic preventive drugs.
- Certain preventive medical care may be covered at 100% prior to meeting your deductible. You pay no copay or coinsurance for these services.
- Certain generic preventive drugs may be covered prior to the deductible being met (co-insurance applies).

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What Is an HSA?

Health Savings Account (HSA)

A Health Savings Account (HSA) is an account you can use to pay for current health care costs and/or save for your health care costs in the future.

An HSA provides you with a triple tax advantage:

- You are not required to pay taxes on your eligible contributions.
- The earnings on your HSA contributions will be tax-free.
- Withdrawals are tax-free if used for qualified medical expenses.

For 2010, if you choose to open an HSA account with Bank of America, GM will pay the monthly administration fee if you are enrolled in the GM CDHP. You must elect the HSA account as part of Annual Enrollment and make your contributions directly to Bank of America. If newly elected, you will receive a Welcome Kit from Bank of America in December 2009.

Who Is Eligible for an HSA?

You are eligible to contribute to an HSA if, with respect to any month:

- You are enrolled in a Consumer Driven Health Plan.
- You are not covered by any other health plan that is not subject to Consumer Driven Health Plan limits.
- You are not enrolled in Parts A or Part B under Medicare (generally, available upon attaining age 65).
- You may not be claimed as a dependent on someone else's tax return.

What Are the Contribution Limits?

For 2010, the IRS has set annual contribution limits up to \$3,050 if you're single and \$6,150 for a family. If you are age 55 or older, you are eligible to contribute an additional annual catch-up amount of \$1,000. In order to contribute the maximum amount, you must remain covered in a CDHP for 12 months. If you do not remain covered for this 12-month period, consult your tax professional regarding tax implications.

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What Are Qualified Medical Expenses?

You may use your HSA funds to pay your out-of-pocket costs for qualified medical expenses, prescription drugs, nursing care, dental care, vision care, and other qualifying expenses. Some examples are:

- Monthly premiums for Medicare Part B and Medicare Part D (Note: You may not contribute to an HSA once you are eligible for Medicare. However, you may use any funds saved in an HSA, prior to becoming Medicare-eligible, to pay for future Medicare expenses.)
- Weight loss programs
- Ambulance
- Long Term Care premiums may also be reimbursable, however certain restrictions apply

See IRS Publication 502 (<http://www.irs.gov/publications/p502/index.html>) at www.irs.gov for a complete listing and explanation.

Why Have an HSA with a CDHP?

A CDHP combined with a Health Savings Account provides a number of advantages:

- Since you are in a CDHP, you can save for health care expenses in a tax-advantaged HSA that belongs to you and may be used now or in the future.
- The money in your HSA may grow tax-free with interest and investment returns over time.*
- Because it is your money, you decide how to spend your health care dollars from your HSA account funds.
- Any money in your account that you don't use right away remains there for future use; you do not forfeit the account balance at the end of the year.

*Investments in mutual funds: Are Not Bank Issued • Are Not FDIC Insured • May Lose Value • No Bank Guarantee

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What Happens to an HSA in the Event of Death?

When you enroll in an HSA, you will be asked to designate a beneficiary.

- **If your spouse is the designated beneficiary** of your HSA, it will be treated as your spouse's HSA after your death.
- **If your spouse is not the designated beneficiary** of your HSA, the account stops being an HSA, and the fair market value of the HSA becomes taxable to the beneficiary in the year in which you die.
- **If your estate is the beneficiary**, the value is included on your final income tax return.

The amount taxable to a beneficiary other than the estate is reduced by any qualified medical expenses for the decedent that are paid by the beneficiary within one year after the date of death.

Why Should I Enroll in an HSA with Bank of America?

GM offers retirees under age 65 the opportunity to fund a Health Savings Account (HSA) with Bank of America. Eligible retirees and surviving spouses may make online electronic deposits from their personal checking or savings accounts, or send contribution checks directly to Bank of America.

Administrative Fees: GM pays the administrative fee for a Bank of America HSA for retirees and surviving spouses under age 65 who enroll during Annual Enrollment and are:

- Enrolled in the GM Salaried Retiree Health Care Plan for 2010
- Not enrolled in Medicare
- Enrolled in the Bank of America HSA in 2010

Investment Options: Funds in your Bank of America HSA cash account may be invested. When your balance reaches \$1,000, you may choose to invest funds above that level. Bank of America offers 15 different investment choices for GM retirees. More information, including a fund overview chart and investment return information, is available at gmbenefits.com. Select "Retired Salaried" and click the Bank of America icon.

Accessing Your HSA Funds: If you enroll, you will receive a Bank of America debit card that can be used to access the available balance in your HSA account, can be used anywhere VISA is accepted, and no fees apply. You can also request a reimbursement from your HSA to pay out-of-pocket expenses, or pay a provider's bill online directly from your account.

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STEP 1

Review Your Benefit Highlights for 2010

GM Salaried Retiree Health Care Plan—CDHP and HSA Highlights

	2010 Plan Design	Explanation
Monthly Contributions	Single: \$150 2-Party: \$206 Family: \$253	This is the amount you pay each month to participate in the GM Salaried Retiree Health Care Plan regardless of how often you obtain covered services.
Annual Deductible	Single: \$2,500 2-Party: \$5,000* Family: \$5,000*	This is the amount you must spend up front each year on covered health care services, including prescription drugs, behavioral health, durable medical equipment and hearing aids, before a portion of the cost begins to be paid by GM.
Co-insurance	In-network: 20% Out-of-network: 40%	After meeting the annual deductible, this is the amount you pay for covered health care services, including prescription drugs, until your deductible plus co-insurance amounts total the annual out-of-pocket maximum.
Annual Out-of-Pocket Maximum	Single: \$3,500 2-Party: \$7,000* Family: \$7,000*	This is the maximum amount you have to pay (deductibles + co-insurance) in a given year before GM will pay 100% of the costs for covered medical services and prescription drugs.
Annual Deductible does not have to be met for select Preventive Services and Preventive Medications		
Certain Preventive Medical Services	Not subject to deductible. Covered 100% when service is provided by an in-network provider.	These are preventive services (e.g., Child/Adult Wellness Exams & Immunizations, Mammogram, PAP Test, PSA Screening, Colon Cancer Screening) for which GM will pay 100% subject to Program standards.
Certain Preventive "Generic" Medications	Not subject to deductible. You pay only the co-insurance for certain preventive medications dispensed as generic. Co-insurance: In-network: 20% Out-of-network: 40%	The following types of drugs are considered preventive: <ul style="list-style-type: none"> • Statins (Cholesterol) • Osteoporosis • High Blood Pressure The co-insurance amount paid counts toward satisfying your deductible and out-of-pocket maximum.

*One overall deductible and one overall out-of-pocket maximum apply to you and all your dependents as a whole. One individual can satisfy the entire family deductible or the entire family out-of-pocket maximum.

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Health Savings Account		
Health Savings Account (HSA) <i>(retiree funded)</i>	<u>Contribution Limits</u> Single: \$3,050 2-Party: \$6,150 Family: \$6,150 <u>Note:</u> Individuals age 55 or older may contribute an additional \$1,000 as a catch-up contribution.	This is the maximum amount you may contribute to an HSA in 2010 while you are enrolled in a HSA-qualified medical plan. Funds contributed to an HSA are triple tax-advantaged and may be used to reduce your current year health care costs or you may elect to save the funds for future medical expenses. The tax advantages include: 1. Tax-deductible contributions - to lower your taxable income 2. Tax-free earnings - to help your account grow 3. Tax-free withdrawals - to pay for qualified health care expenses

Integrated Health Management

You can participate in medical management programs called Integrated Health Management (IHM) at no additional cost. For example, IHM members may be:

- Contacted to participate in a disease management program for asthma or diabetes.
- Eligible for discounts on wellness programs such as weight loss reduction.

IHM also includes a 24-hour nurse line. Contact your health care plan for more information.

Retiree Health Care Cap

GM's contributions under the Retiree Health Care Plan are fixed and capped based on current projections of expenditures under the new 2010 plan design. In the future, if average costs exceed the cap established under the 2010 design, then additional plan changes that affect cost-sharing features will occur, effective with the start of the 2011 calendar year. Program changes may include, but are not limited to, higher monthly contributions, deductibles, co-insurance, and out-of-pocket maximums.

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Dental

As previously communicated, dental coverage will be cancelled effective January 1, 2010. If you expect to need dental services in 2010, you should investigate options available outside of GM. A resource sheet to assist you is available at www.gmretiree.com/benefits. Click the link to "GM Dental and Vision Resources" under GM Benefits Communications.

Vision

As previously communicated, vision coverage will also be cancelled effective January 1, 2010. This includes cancellation of coverage for routine eye exams and material benefits such as lenses, frames, and contact lenses.

Although routine vision services will no longer be covered for retirees, surviving spouses and their dependents, certain medical eye exams will continue to be covered under the medical plan subject to cost share. For example, conditions of the eye such as infections, foreign body, injuries, and other eye related diseases, will continue to be covered under the medical plan when rendered by an ophthalmologist.

If you expect to need eyeglasses or contact lenses in 2010, you should contact your medical plan carrier **or other groups for which you may be affiliated** (e.g., AARP, AAA, etc.) regarding the availability of a discount vision program. In addition, please visit GM Marketplace at www.gmretiree.com in the upcoming months to check for availability of a discount vision program.

Extended Care Coverage

Extended Care Coverage (ECC) is also eliminated effective January 1, 2010. Extended Care Coverage is a unique benefit, not offered by other employers. ECC is not long term care insurance and custodial services under ECC are very limited. Those interested in long term care insurance are encouraged to contact John Hancock as outlined on the next page.

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Long Term Care Insurance (LTC)

The John Hancock Life Insurance Company of Boston, Massachusetts, offers and underwrites the LTC Insurance Plan. It is a voluntary benefit that provides a degree of protection if you were to require assistance from another person for your personal care as a result of an accident, illness, or effects of aging.

If you recently retired, your coverage may be continued at group rates. John Hancock will bill you directly. LTC is not an Annual Enrollment option and you need not re-enroll to continue coverage.

To purchase LTC, you or your spouse can apply for John Hancock LTC coverage at any time. Your parents and/or parents-in-law also may enroll.

If you have questions or need additional information, contact John Hancock directly at **1-800-200-6773**.

AYCO Financial Planning

The Money in Motion Personal Finance Program is available to you. For information and to enroll, visit Ayco's Web Site at <https://www.aycofinancialnetwork.com/clients/delphi/mim/services.aspx> or call Ayco at **1-800-437-6383**. The number is 1-518-464-2494 if calling from outside the United States.

Life Insurance

General Motors Life Insurance Plans are administered by MetLife. Updating your Life Insurance beneficiary is quick and simple at gmbenefits.com. You may also secure assistance by calling the GM Benefits & Services Center at 1-800-489-4646.

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A Quick List of Informational Resources

GM has compiled a collection of informational resources to assist you with understanding the 2010 GM Salaried Retiree Health Care Plan, the Bank of America Health Savings Account, and other related topics.

- **2010 GM Salaried Retiree Health Care Plan:** This online recording provides an audio and video overview of the 2010 plan and how it interacts with a Bank of America HSA. A copy of the slides and script are also available. Access these tools by going to gmbenefits.com during Annual Enrollment and select "Retired Salaried."
- **Medco's Member Web site:** Medco's member web site allows you to view information on the 2010 plan. You can check to see if your medications are covered and estimate how much they will cost at retail and/or mail. Go to www.medco.com/openenroll.
 - To estimate your costs before the deductible, enter access code: SALACTVB13001.
 - To estimate your costs after the deductible, enter access code: SALRETR010110.You can also call 1-800-464-4679 to speak to a Medco customer service representative.
- **Bank of America Health Savings Account:** As noted earlier, this PDF provides an overview of the Bank of America HSA, a fund overview chart, and investment return information. It is available at gmbenefits.com. Select "Retired Salaried" and click the Bank of America icon.
- **Listing of IRS HSA Qualified Medical Expenses:** See IRS Publication 502 for a complete listing. Go to www.irs.gov or directly to Publication 502 at <http://www.irs.gov/publications/p502/index.html>.
- **Medicare Resources:** The following is a convenient listing of Medicare and related resources:
 - GM Enrollees may call SSDC at 1-800-374-9950 ext. 222 for assistance with general Medicare questions.
 - Refer to the **Medicare & You** handbook that the government provides to all 39 million Medicare beneficiaries.
 - Call toll-free **1-800-MEDICARE** to speak with an operator or listen to pre-recorded answers to frequently asked questions. TTY service is available for the hearing impaired at 1-877-486-2048.
 - Visit the Medicare Web site at www.medicare.gov.
- **Additional Resources:**
 - Visit the **Access America for Seniors** Web site at www.seniors.gov for access to government services and information designed for senior citizens. This Web site is sponsored by 10 government agencies, including the federal agency that runs Medicare.
 - Call toll-free **1-800-677-1116** to reach the **Eldercare Locator**, a public service of the Administration on Aging, U.S. Department of Health and Human Services. The service links you with the information and referral networks of state and local area agencies on aging.

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STEP 2

Enroll October 28 – November 18, 2009

Enrolling via the Web

Enrolling online at gmbenefits.com is a fast, efficient and cost-effective way to manage your benefits. It allows you to make changes to your benefits and instantly review them on the screen. Here's a step-by-step guide:

- Go to gmbenefits.com and click the **Enroll Now** icon (available beginning October 29).
- Enter your personal Customer ID (or Social Security Number) and Personal Identification Number (PIN).
- You can view **What's New** and a printable summary of your benefit options and costs.
- When you are ready to enroll, click **Get Started Now**.
- Choose and confirm your new benefits for the coming year.
- Print a copy of your online enrollment confirmation for your records.

Note: If you are currently enrolled in a GM medical plan, you will be automatically enrolled in the 2010 GM Salaried Retiree Health Plan at the increased monthly contribution.

For questions, call the
GM Benefits & Services Center: 1-800-489-4646

TTY Service for Hearing or Speech Impaired: 1-877-347-5225
Customer Service Associates are available Monday through Friday between
7:30 a.m. and 6:00 p.m. Eastern time.

gmbenefits.com

The information presented in this document briefly describes certain Salaried Health Care Program features, as well as other programs and benefits. It does not cover all the details about the Programs—which are found in plan documents that have the final word over any other oral or written statement. General Motors reserves the right to amend, modify, suspend or terminate any of its benefit plans or programs at any time by the action of the Board of Directors, or individual or other committee expressly authorized by the Board to take such action. This document and the benefits described within do not imply any guarantees.

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