

Time running out for Delphi workers to fix bookkeeping goof, save money

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By reading the fine print in a letter from his 401(k) plan manager, Saginaw County resident Dan Schneider discovered more than \$600 he didn't know he had coming.

Other Delphi Corp. workers who once worked for General Motors Corp. and hold GM stock in their 401(k) s also could come into some money for their retirement fund if they don't procrastinate.

They have until 4 p.m. Wednesday, Oct. 12 – eight days from now – to call (888) 633-2648. That's the toll-free number at the Fidelity Benefits Center, where an accounting snafu could work in the employees' favor.

Fidelity, which manages the Delphi Personal Savings Plan, mailed letters to affected Delphi workers last month, but the explanation contained lots of fine print.

Don't let that stop you from acting, warns investment adviser David Kudla of Mainstay Capital Management in Grand Blanc, who is helping some workers.

His company serves more than 1,000 clients in the automotive industry in southern and mid-Michigan – some who have just tossed the letter aside, he said.

"I got the letter telling us about this, but it gets so complicated," said Schneider, 54 of Thomas Township, a 35-year skilled worker at Delphi Energy and Chassis Saginaw Operations, 2838 E. Genesee in Saginaw.

"This letter didn't explain it in words we could understand."

However, he had signed on with Mainstay earlier this year, and the company called to explain his options and notify him of the deadline.

"Some people are getting upwards of \$3,000," said Schneider who is rolling his money into his personal savings plan. "I would recommend that people who got the letter get a hold of a financial adviser."

So would Kudla, who urges all who received the letter to make the toll-free call.

"They can provide you an estimate of what your credit or debit would be. Almost everyone will have a credit," he said.

The problem is that when GM spun off Delphi in 1999, the system for handling GM stock dividends that Delphi workers' 401(k) s earned changed, too.

Or, at least it was supposed to change.

Before 1999, when Delphi workers still were with GM, they could have the dividends reinvested automatically to buy more of the automaker's stock.

But when they became Delphi workers, GM dividends were slated to go into the Promark Income Fund.

From 2000 to 2003, the system continued under the old routine, automatically buying more GM stock for Delphi workers. An audit of the Delphi plan in March 2004 uncovered the problem. In the meantime, GM stock took a dive while the Promark Income Fund flourished.

Now, workers have to tell their fund manager, Fidelity what to do with those GM shares erroneously acquired through dividend reinvestment.

They have two choices; Do nothing and keep those new GM shares acquired between 2000 and March 2004, or sell those shares to buy into the Promark fund.

If they do the latter, employees will receive the difference between the value of the acquired GM shares and the fund value had Fidelity properly put that money into the 401(k) over four years' time.

The dollar difference could prove substantial, Kudla said.

"I have a client who has an established \$3,664 credit coming," he said. "People have to 'opt-in' to get that credit. It's like found money."

A Fidelity spokeswoman declined comment other than to say the company is working with Delphi on the issue.

A Delphi spokesman said either choice a worker makes will have no adverse impact on the financially beset company, which is facing a decision whether to declare bankruptcy by Monday, Oct. 17.

Jean Spenner covers business for The Saginaw News, You may reach her at 776-9683. The Flint Journal also contributed to this report.