

## Should they stay or go?

### Area GM workers mull latest buyout offer

By Melissa Burden

Just six weeks to "D" day and General Motors workers Greg and Karen Snider of Argentine Township have a lot to mull over.

Both 50, the couple is among the thousands of area workers and 74,000 UAW employees that GM has offered voluntary early retirement packages or buyouts worth up to \$140,000. Decisions are due May 22 and most who choose to go will leave by July 1.

GM employs about 6,500 hourly workers at facilities in Genesee County. During its last attrition offering in 2006, more than 3,050 hourly workers who worked in Genesee County left the company.

Karen Snider, who works at the Flint Truck Assembly Plant, is interested in retiring, while Greg Snider, who has 30 years in and works at the Service and Parts Operations Drayton Plains Processing Center in Waterford Township, is leaning toward staying.

With an 18-year-old son Greg Snider II, a senior at Swartz Creek High School who's set to enter college in the fall, Greg Snider thinks he's too young to retire and is worried about the rising prices of food and gasoline.

"Between the gas and food, it makes me shiver to even think of retirement," Greg Snider said.

GM employees such as Greg Snider, who have at least 30 years of service with the company, can retire early and take \$45,000 with them as production workers or \$62,500 if they are skilled-trades workers.

Greg Snider said if he were older he'd probably take the offer, but – he's got bills – house and car

payments, taxes and insurance – and is worried about finding another job.

And the Sniders aren't yet sure if Karen Snider will qualify for the cash retirement incentive. She may be just a few months short of 30 years.

"What am I going to do with the way the economy is?" he said.

This round of GM early retirement packages gives workers a different way to take the cash.

"Employees have the option to roll over the payment into an individual retirement account or 401(k) account," said David Kudla, chief executive officer and investment strategist for Mainstay Capital Management in Grand Blanc.

And, that's a good thing: By rolling it over into a 401(k) the sooner-than-expected retirees can avoid paying tax – at least for the time being.

GM workers electing to retire early also can take a one-time lump sum, receive the money through an annuity to supplement a pension payment or take a combination of the lump sum and rollover into a 401(k) or IRA.

For those who just want the cash, financial experts warn they'll receive significantly less after taxes.

Kudla, a fee-based independent adviser who has counseled hundreds of autoworkers, frowns on the annuity because the income from the annuity would stop with the last surviving spouse.

Kudla recommends creating a comprehensive retirement plan that includes plans in case benefits are reduced or health care costs soar.



David Kudla discusses financial strategies with Dan Mayo of Ira Township at Mainstay Capital Management in Grand Blanc. Mayo is considering early retirement and buyout options offered by GM.

"It all starts with planning," Kudla said. "If you've gone through that, then you can make an informed decision. If you haven't and you're guessing, or if you think you're OK, people could potentially end up with a shortfall."

GM is offering workers such as Heath Hoffman, 31, of Flint \$140,000 to walk away from the automaker.

A newlywed, Hoffman who works for the Orion Assembly Plant in Orion Township, said his wife works as a nurse and they have plans to have children and move into a bigger house. He said he could probably get on his wife's health insurance and stretch the money out for awhile, but plans to continue working.

"I just don't feel I like I could do it right now," said Hoffman, a general assembler who has 11 years with GM.