

JOBS BANK PROGRAM TO END WITH UAW AND AUTO MAKERS AGREEMENT

The controversial jobs bank employee benefit program—which since the 1980s guaranteed continued pay and benefits for laid-off autoworkers whose jobs had been eliminated—has ended or will soon end, after the United Auto Workers (UAW) and the three Detroit auto manufacturers formally agree to shut down the program.

In December, UAW President Ron Gettelfinger expressed the union's willingness to suspend the jobs bank in an attempt to help the companies stay in business during the steep economic downturn. At that time, about 1,404 UAW-represented workers were receiving benefits through the jobs bank program at GM, 1,427 at Ford, and 711 at Chrysler.

The UAW has been in discussions with GM and Chrysler since President Bush approved a plan to provide GM and Chrysler with a combined \$17.4 billion in loans from the Treasury Department's Troubled Asset Relief Program. As a stipulation for reviving the loans, GM and Chrysler must reduce their debt by two-thirds and gain concessions from the UAW. Those concessions include eliminating the jobs bank program for idled workers; accepting half of the funding for the voluntary employees' beneficiary association, the fund set up to manage retiree health care costs, in stock; and making work rules and wages "competitive" with foreign-owned rivals Toyota Motor Corp., Nissan Motor Co., and American Honda Motor Co. by the end of 2009.

Laid-off workers leaving the jobs banks now will have to file for state unemployment benefits and will receive some supplementary unemployment benefits of wages and health care from the employers for about 48 weeks. These combined payments will provide about 72 percent of workers' after-tax wages.

(Source: BNA, *Daily Labor Report*, No. 18, January 18, 2009, pp. A8-A9.)