

RESOLUTION OF THE UE-GE CONFERENCE BOARD

In Opposition to General Electric's Attack on the Pensions and Life Insurance of Salaried New Hires

General Electric has recently announced that effective January 1, 2011, all newly hired exempt salaried employees, as well as certain (non-production) salaried non-exempts, will **no longer be allowed to participate in the GE Pension Plan**. In addition, such new hires will not be eligible to receive any life insurance as retirees. This latest announcement comes on top of the imposition of the high deductible "Health Choice" insurance plan on salaried employees at the beginning of 2010, and the effective gutting of early retirement pension provisions and retirees' medical insurance in 2005 for salaried new hires.

This unprecedented attack on the Pension Plan is particularly outrageous. Despite a "perfect storm" of historically low interest rates and the stock market decline in the wake of the financial crisis of 2008, the Plan remains in excellent health. The fact of the matter is that **GE has not contributed one penny** to the Plan since 1987, and moreover has booked many billions of dollars in pension "profits" over that time, because of accounting rules favorable to overfunded plans.

In lieu of Pension Plan participation, GE says it will contribute 3% of the pay of affected employees into the Savings and Security Plan. But the events of the past few years have underscored how **vitaly important** a defined benefit pension is for those who aspire to a secure and dignified retirement. GE itself has acknowledged that fact in numerous presentations and statements concerning the Pension Plan over many years.

Meanwhile, the assets of defined contribution plans such as **401(k)'s have taken a huge hit** in recent years in the wake of bursting bubbles on Wall Street. Many thousands of people have seen their retirement savings evaporate because of falling stock prices, while others have had to spend their nest eggs to cushion periods of unemployment.

There is simply no justification for this takeaway. The reason GE is doing this has **nothing to do** with the health of the Pension Plan or the Company. Rather it's a quick way to realize big and immediate accounting gains on the balance sheet in an effort to pump up the stock price. And if a new generation of GE employees loses out on this vital benefit, so be it. As GE "resets" the corporation, they apparently envision a future with no so-called "legacy costs" whatever. It's a legacy of no pensions, no retirees' medical insurance, and no life insurance. When you finish at GE, the Company wants to be finished with you.

As was the case with the takeaways of 2005, GE is assuring us that there is "no impact" on current employees or any newly hired hourly workers. But in the 2007 National Contract negotiations, GE proposed that hourly employees swallow whole the bad medicine imposed on the salaried new hires in 2005. Accordingly, we must prepare for the **strong possibility**, if not the likelihood, that GE will try and shove this horrendous concoction down our throats in the upcoming 2011 negotiations. This will also **seriously jeopardize** the future continued existence of the Pension Plan for **everyone**, including current hourly and salaried workers.

The UE-GE Conference Board meeting in Erie, Pennsylvania, condemns this action on the part of General Electric. We intend to resist any attempt to impose these latest takeaways on our present and future GE membership, and will work towards this end with the other unions in the Coordinated Bargaining Committee (CBC) of GE unions.

Adopted Unanimously: December 3, 2011 • UE-GE Conference Board Meeting, Erie, PA