



November 2019

Since the last newsletter, there has been a lot going on for the NCRO that will be chronicled in this newsletter. I'm going to assume that all of you have either heard about or read about the proposed merger of FCA and Groupe PSA. According to the reports the combined business would be owned 50% by FCA shareholders and 50% by Groupe PSA shareholders. The NCRO is closely monitoring these developments and will work to protect your hard-earned pensions and benefits as this merger proceeds. As we learn more about exactly how this merger will take place, we will keep you informed.

Some good financial news from FCA. On Thursday they posted record adjusted earnings of \$2.2 billion in the third quarter, but one-time charges helped drag the results to a \$200 million net loss. FCA achieved a record \$2.3 billion operating profit in North America, a 4 percent increase, which was attributed to keeping costs in line and increased pricing as consumers opted for higher-trim level vehicles. Its North American margin climbed to an all-time high of 10.6 percent.

Also in the news is the labor negotiations between the UAW and the 3 local automakers. First up was GM which has just settled, and their plants are back up and running. Next is Ford and then FCA. At the time of this writing, we do not have sufficient information about the settlement with GM nor what Ford will do, so it is too early to speculate on the effects this might have on FCA. Stay tuned as these negotiations continue.

Other topics that will be covered throughout this newsletter are the meeting we had with FCA to discuss the 2020 Health Care program which is covered in the IC section. A review of our trip to Washington DC with the NRLN and the meetings we had and topics we advocated for. As a side note, much of what we advocated for was changes to ERISA law covering pension overpayment recoveries. We have finalized language in conjunction with the Pension Rights Center and the committee that they were leading. We have contacted all of the constituents responsible for approving this language. We believe we have enough support for the language that has been developed and are close to the possibility that it could be included in an upcoming bill in the next 6 months. As we get closer, we will continue to provide updates.

And finally, we had a fantastic Triannual Breakfast meeting on October 16<sup>th</sup> with Bob Lutz as our guest speaker. If you attended this amazing meeting you were witness to an historical look into the past of the "golden age" of the automotive business and one of the most iconic automotive legends. Starting with the fantastic introduction given by Bud Liebler followed by an enlightening and moving presentation by Bob Lutz, the over 300 attendees and nearly 100 watching via the webinar were truly entertained. If you weren't able to witness this in person, it was covered by Jim Stickford, a reporter for the Detroit Auto Scene. You can read his article below at the very end of this newsletter. Videos from the NCRO breakfast meetings are available on our YouTube channel at <https://www.youtube.com/user/TheNCRO>.

## **FCA Meeting**

On October 3<sup>rd</sup>, Deb Morrisset, Dana Oliver, Rich Brown and I met with the FCA personnel in charge of the Health Care benefits retirees receive. The purpose of the meeting was two-fold. First, we wanted to meet the new Director in charge of the area, Brad Thompson. Second, we wanted to get information about the Health Care Plan for those retirees both under and over 65.

It was a pleasure meeting Brad. He has a very interesting and well-rounded career at Chrysler and FCA. He is very supportive of the NCO and we believe he will be an excellent replacement for Kathy Neal.

The particulars of the 2020 Health Care plan are covered in the Insurance Committee section later in this newsletter.

## **NRLN WASHINGTON D.C. FLY-IN – SEPTEMBER 23-24, 2019**

On September 23-24, 2019 seven NCRO members (Rich Brown, Peter Hollinshead, Dale Koch, Jay Kuhnle, Deb Morrisset, Dana Oliver and Ray Pasternak) participated in the NRLN fall fly-in to Washington D.C. to advocate for retiree/senior issues. The NCRO members had Congressional meetings with Senators, Congresspersons or their staffs from Florida, Michigan and Ohio. In addition, Jay Kuhnle met with Chris Allen (Senior Adviser to the Senate Committee on Finance) and Aliya Robinson (Senior Vice President, Retirement and Compensation Policy, ERIC – the ERISA

Industry Committee). Jay, Dana and Deb also met with our Washington based attorneys. In total the NCRO participated in 13 meetings.

The NRLN Congressional discussion folder topics included:

- Traditional Medicare Should Have Access to Medicare Advantage Benefits
- Support for Bills to Reduce Prescription Drug Prices
- Support for Passage of Social Security 2100 Act
- House and Senate Report Cards

Although the NCRO handed out the NRLN discussion folder, the NCRO concentrated its efforts on the following:

- Protecting Retirees from Pension Plan Benefit Recoupment. (Limiting exposure to payback for pension calculation errors. The NCRO folder included proposed legislative amendment language.)
- Protecting Retirees in Pension Plan De-risking (Pension plan conversion to annuities or buyouts.)
- Protecting Retirees from Risks in Corporate Mergers, Acquisitions and Spin-offs. (Including proposed legislative amendments.)

In addition to Congressional meetings on the 24<sup>th</sup>, Monday the 23<sup>th</sup> included the following activities:

- The NRLN Board met in the Morning to review its 2019 financials, elect new Board Members and discuss the membership recruitment plan.
- In the afternoon attendees were briefed on the issues they would advocate for during their Congressional appointments. The Washington D.C. climate, NRLN finances and long-range planning, and NRLN outreach and grassroots activities were also discussed.

### **The NCRO Leadership working for you.**



Michigan Senator Gary Peters (left) listens to comments by Jay Kuhnle (right). Others attending include leaders of NCRO and Detroit Edison Alliance of Retirees.



(right to left) Peter Hollinshead, Deb Morrissett and Detroit Edison Alliance of Retirees members, advocate retirement issues with Haley Stevens (Congresswomen, MI-11) and her staff.



Nick Uberti (center), Legislative Correspondent for Florida Senator Rick Scott, has a dialogue with NCRO members, Ray Pasternak, Dale Koch and Rich Brown.



NCRO Members, Dana Oliver, Deb Morrissett and Dale Koch meeting with Chad Bolt, Legislative Assistant to Ohio Senator Sherrod Brown.



Chris Allen, Senate Finance Committee staff member for Iowa Senator Chuck Grassley, has a dialogue with Alyson Parker, NRLN Executive Director, Jay Kuhnle, President, National Chrysler Retirement Organization, and NRLN President Bill Kadereit.

## **Insurance Committee Update**

### **Medicare.gov Part D (drugs) Plan Finder**

A Step by Step tutorial has been available on the NCRO website for using the Medicare.gov's website. However, for 2020 the Medicare.gov Part D Plan Finder was completely redone. As a result, the tutorial was removed pending it being redeveloped to include the latest Medicare.gov version. The revised tutorial is available on the NCRO website under the Healthcare tab and then under the Medicare/Social Security Publications heading.

The new Medicare.gov site requests a login using your Medicare ID and password. If you do not have one the site enables you to register for one. This login can also be used to access any of your Medicare information online, so it is important to have. Once you log in, the site will list your current medications, your current insurer and your current drug plan costs using 2020 rates. It then displays the costs for other insurers available in your state. It is highly recommended that you log in or obtain a login. The tutorial will be based on your being able to log into the Medicare.gov site. You can use the site without logging in, but you will then need to select "Find my drug list" and then input the drug ID and date you should have previously recorded, if you used the site before. The site then allows you to print your drug list, but does not allow you to do pricing without re inputting the entire list. Also, your drug list ID will not be available after December 7<sup>th</sup>. After that date, you will need to create a new drug list every time you go into the site without a Medicare login and password. The site is fairly intuitive and can be used without the benefit of the tutorial if needed. Refer to the tutorial on the NCRO website under the Healthcare/ WageWorks tab to get more information. The tutorial will also provide tips and answers to many of your questions.

### **Enrollment Rules for Medicare Advantage Plans, Part D Drug Plans and Medigap Plans**

Each year changes can be made to Medicare Advantage or Medicare prescription drug coverage for the following year. There are 2 separate enrollment periods each year.

**Medigap Plans** can be changed anytime during the year, but a person will be subject to Medical Underwriting

### **[Annual Enrollment Period \(AEP\) for Medicare Advantage and Medicare prescription drug coverage.](#)**

**When? October 15–December 7**

**What can I do?**

- Change from Original Medicare to a Medicare Advantage Plan.
- Change from a Medicare Advantage Plan back to Original Medicare (Subject to Medical Underwriting, see note below).
- Switch from one Medicare Advantage Plan to another Medicare Advantage Plan.

- Switch from a Medicare Advantage Plan that doesn't offer drug coverage to a Medicare Advantage Plan that offers drug coverage.
- Switch from a Medicare Advantage Plan that offers drug coverage to a Medicare Advantage Plan that doesn't offer drug coverage.
- Join a Medicare Prescription Drug Plan.
- Switch from one Medicare drug plan to another Medicare drug plan.
- Drop your Medicare prescription drug coverage completely.
- Advantage Plans and Part D drug plans require no Medical Underwriting.
- Medigap Plans have no dates for changing plans, however the rules mentioned here apply if you are moving from an Advantage Plan. Medical underwriting also applies.

**Note about Medical Underwriting:** When changing from an Advantage Plan to a Medigap Plan or changing from one Medigap Plan to another one, medical underwriting is generally required. Medical underwriting may not be as severe as it sounds, depending upon your particular pre-existing conditions. Insurers weigh medical conditions and the use of certain medications differently when underwriting. The consultants that the NCRO recommends can help you understand medical underwriting. Their contact information is on the next page.

## Medicare Advantage Open Enrollment Period (MA OEP)

**When: January 1 – March 31**

**What can I do:**

- One can switch from your Medicare Advantage Plan to another Medicare Advantage Plan, or to Original Medicare. If you choose to do so, you'll be able to join a Medicare Prescription Drug Plan. Remember, you can only use this enrollment period if you have a Medicare Advantage Plan.

If found confusing to understand any of these rules, including Medical Underwriting, a person has the option of contacting the Healthcare Consultants listed on the NCRO website free of charge.

**To save you time here is their contact info:**

- Butler Capital Advisors Denise Pollick (419) 243-9665 ext.206 [dpollick@butlercapital.net](mailto:dpollick@butlercapital.net)
- DoubleHealth USA David Kee (313) 378-9900 [dkee3@ameritech.net](mailto:dkee3@ameritech.net)
- GoMedigap Laura Camacho (866) 894-3258 ext.169 [Laura.Camacho@GoMedigap.com](mailto:Laura.Camacho@GoMedigap.com)
- Via Benefits (866) 847-5724 [My.Benefits.com](http://My.Benefits.com)

## FCA Announcements For 2020

- **The 2020 Retiree Choice Annual Enrollment Dates are October 30<sup>th</sup> until November 13<sup>th</sup> for those retirees under age 65.**
- The HRA amounts deposited each January for those retirees over 65 remain the same. Retirees will receive \$1,975 and their spouse will receive \$1750 for those receiving full retirement credit.
- Healthcare coverage for those under 65 remains the same, but premiums will increase significantly, about 21%.
- The amount being reimbursed monthly for those on Medicare with Medicare Part B premiums being deducted from their Social Security payments will be increased from \$109 to \$135.50. To receive this auto reimbursement, you must be signed up with WageWorks. Contact them at 877-924-3967 to sign up. Sign up can also be done online using the WageWorks website. Log in, click on Dashboard, then choose HRA, then Program Options where you can turn auto reimbursement on or off.

## **2020 CY Membership Dues Reminder**

**Reminder:** Calendar Year 2020 Annual Dues (1-1-2020 thru 12-31-2020) invoices will be mailed the first week of November 2019. The \$25 annual dues are to be paid by December 31, 2019. More than ever NCRO will have to watch and address, with our federal and state legislatures, any reductions that could have a dramatic impact on the quality of life for our members as well as all retirees. It is also why we continue to work closely with the National Retiree Legislative Network (NRLN) to lobby for appropriate laws and regulatory actions that protect for the future and what we have earned in the past. For these reasons we need your continued support by maintaining your membership in NCRO.

If possible, please make your payments via PayPal on our website at <https://ncro.org/Programs/dues.php>  
or

Please Make Checks Payable to **NCRO**, include your NCRO ID number in the check's memo space, and mail to:

**National Chrysler Retirement Organization**, P.O. Box 174, Washington Twp., MI 48094

Also, please consider a recommended voluntary contribution of \$75 or more to our Contingency Action Fund (CAF) payable by PayPal at <https://ncro.org/contingency-action-fund.htm> or **with a separate check payable to NCRO** and mail to above address. Please include the words "CAF Contribution" and your NCRO ID number in the check's memo space.

**W also ask that you enlist your retiree friends who are not NCRO members to join in our efforts by joining NCRO.**

## **REMINDER TO CHECK/UPDATE YOUR INFORMATION FOR THE NCRO**

Please go to the NCRO website ( [www.ncro.org](http://www.ncro.org)) under the "NCRO Members" tab and check to see that your correct address and/or email address is on file. We often find that members have moved or changed their e-mail address, which creates a problem for them to receive the newsletter and any NCRO/NRLN pertinent information. Also if your address information is incorrect in the NCRO database it may also be incorrect in FCA's database. This will make it difficult for you to receive letters, benefit information and/or retirement checks. So not only update NCRO but FCA also with any changes in address and/or phone number. Make that update at <https://fcabenefits.ehr.com>. Click on My Profile and on View/Edit to see your current information and make any needed changes. If you are having a problem updating your information in the NCRO database, please contact Pete Piccinato and he will help to get it done. Pete's email is: [ppiccinato@comcast.net](mailto:ppiccinato@comcast.net)

## **Retiree Friendly Dealer Program**

**We now have five Detroit Metro dealers participating and will sell vehicles to retirees using the Retiree Friendly "no hassle" process.**

**If you are in the market for a vehicle contact one of the Retiree Friendly Dealers listed below to schedule an appointment. Please make sure that you contact the person identified for that dealer listed since they understand the retiree friendly dealer program. Also, please remember the Chrysler Employee and Retiree Advantage Program. Control numbers are available for your use. Those Control numbers are available at <https://www.ea.chrysler.com/EmpAdv/>**

Also remember to use the Retiree Friendly Dealers for your service maintenance. If you do go to one of the Retiree Friendly Dealers for maintenance, please let them know that you are a member of NCRO. This will let the dealers know that NCRO members are supporting them since these dealers are supporting NCRO.

The following dealers participate in this program,

### **Bloomfield Hills:**

[Golling Chrysler Dodge Jeep](#)

Your Golling Bloomfield Hills RFD Contact: Joe Ellsasser at 248.420.2332

### **Lake Orion:**

[Milosch's Palace Chrysler Dodge Jeep & RAM](#)

Your Milosch Lake Orion RFD Contact: Steven Hamzey at 248-724-7349

**Rochester Hills:**

[Rochester Hills Chrysler Jeep Dodge](#)

Your Rochester Hills RFD Contacts: Lincoln Phillip at 248.659.3278 or Jerry Dawe at 248.659.3223

**Warren:**

[Jim Riehl's Friendly Chrysler Jeep](#)

Your Jim Riehl Warren RFD Contact: Brian Ackerman 586.983.4325, email: [Backerman@friendlyautogroup.com](mailto:Backerman@friendlyautogroup.com)

**Chelsea:**

[Golling Chrysler Dodge Jeep Ram Of Chelsea](#) RFD Contact Person: Matthew Godfrey 734.627.7147

## **Article courtesy of Detroit Auto Scene**

by Jim Stickford

When employees from AMC joined Chrysler in the late '80s, they "felt like kids in a candy store."

That's how former Chrysler president and auto legend Bob Lutz described the situation to National Chrysler Retirement Organization (NCRO) members at a recent breakfast gathering.

"They told me that they felt like orphans who were finally adopted by a wealthy parent," said Lutz, describing the employees who came from capital-starved American Motors to a Chrysler organization that was in a better resource position.

Lutz, during his time in the auto industry, served as a top leader of all of the United States Big Three automobile manufacturers, having been in succession executive vice president (and board member) of Ford Motor Company, president and then vice chairman (and board member) of Chrysler Corporation, and vice chairman of General Motors.

Lutz said it was Chrysler that was still paying him a pension. He said that his decade at Ford didn't bring him much, pension-wise. His pension at GM was wiped out after the bankruptcy. So when given the chance to speak to his fellow Chrysler retirees, he was happy to do so. After all, he said, they have a lot in common.

He then spoke about the differences in corporate cultures at the Big Three.

"When I worked at Ford, I saw that there was the Ford way of doing things," Lutz said. "Everything was computed to be as airtight as possible. It was not a good environment for someone with an entrepreneurial bent.

"I was getting results, but I wasn't doing it the Ford way," Lutz said.

It was apparent that there was a clash in temperament between him and Ford's top management, Lutz said. So when he left the company and went to Chrysler in 1986, Ford CEO Don Peterson said that Ford had gotten rid of the last of the misfits. And that description was OK with Lutz.

"At Chrysler, we were a band of misfits," Lutz said. "We loaded with people who left their previous jobs two steps ahead of the sheriff.

"When we bought AMC, we got their people. They were used to being small and poor and doing more with less. They had a saying that in their next phase, they would have to do everything with nothing."

Lutz said that Chrysler didn't have a lot of the resources of GM and Ford, but when the AMC people came to the company, they kept saying how much Chrysler had. That was an eye-opener.

Chrysler ended up forming a "Gang of Five" that made decisions and acted on them quickly, Lutz said.

"This was a brilliant time for Chrysler," Lutz said. "We were going from success to success. I remember one day I was at the Townsend Hotel in Birmingham and I ran into a couple of GM people. They said that I was really lucky at Chrysler, what was my secret? I said what do you mean? They said they spent a lot of time and effort on cars and it seems like success was a matter of luck. I said it's not luck if you know what you're doing. You make your own luck."

Lutz said Chrysler was a fun place to work because it was so unconventional. When he became vice chairman at GM, he got a bunch of people together and talked to them about product development.

"I would say things just to get pushback," Lutz said. "When I did that at Chrysler, people would call me on some of the things I said. That was good. If people can't express their opinions honestly, things don't work."

Lutz noticed that all the GM people were studiously taking notes on what he said, and he was getting no pushback.

When he asked what the audience was doing, he was told that he had a reputation for product development and they wanted to learn his secret. Lutz said that he was saying things to provoke a debate and get a reaction, but he wasn't getting any feedback.

And that was a major problem with GM at the time, Lutz said. The company was filled with smart people, but perhaps it needed some people with common sense and the ability to make decisions quickly.

All too often, the words of senior staff were treated as if they were carved in stone and came from the gods.

As a result, too often Lutz said he saw vehicles being developed in ways that resulted in uninspiring design. Designers were essentially told to create a shell to meet all the engineering specs of vehicles. This process didn't allow them to do their jobs.

"The Chrysler 300M had a bold design and was a huge success," Lutz said. "So GM bought one right away and put it on display for people at the company to look at so they might see why it succeeded."

Lutz said he went to the 300M and saw a bunch of yellow Post-Its on the car. Each one represented a criticism of how the car didn't do something the GM way. Basically, he said, GM people were criticizing the car for not doing things by GM's rules.

"That's totally absurd," Lutz said. "But that's why GM had such unexciting design. The designers weren't allowed to do their jobs. So I try to strip away a lot of these rules. I tried to get GM to play by Chrysler rules. I hope things have stayed that way, but things have a way of going back."

Lutz said that Chrysler, now FCA, has been doing things right. The Ram trucks went from 4 percent of truck sales to about a third. Lutz said getting to that point wasn't easy because there were a lot of naysayers telling FCA people that in a three-company niche, 4 percent wasn't cutting it and they should just leave.

FCA people didn't listen and they carved out a chunk of the truck market, which is important for profits because that's where the money is.

He said the Chrysler 300 has a timeless look and with updates to technology, FCA can keep selling them for years without having to spend a fortune on redesign. He also praised Dodge for its sedans, noting that "all the R&D was completed years ago, but by adding models with more horsepower on a regular basis, the brand gets press and keeps customers. Again, this is done without having to spend a fortune."

Lutz saved his highest praise for the Jeep brand, crediting Chrysler for getting the Jeep brand for a song as Lee Iacocca's best move in the car industry, "not the creation of the Mustang or the minivan."

The Jeep brand has international cache, Lutz said. It is not seen as downscale and sales have gone from 200,000 to 2 million. SUVs, like trucks, are where the money is, and their popularity is a North American thing.

He added that the auto industry is changing, and that's something that can't be avoided.

"You all should be grateful that you worked in the auto industry during its golden age," Lutz said.

His fellow Chrysler retirees worked for an industry that combined engineering and art to make cars people loved. And it was an industry that required high finance.

"But AV cars are inevitable," Lutz said. "They might not generate the passion of today's cars, but transportation has to change because the world is getting more urban and they can't keep paving over the land.

"AVs picking up and dropping off people frees up land and provides transportation to the elderly and the vision-impaired. Parents won't have to constantly act as drivers for their children, either."

Lutz said that there is no Second Amendment for cars. "We might lose the freedom to drive the way we want to in ICE cars," he said, "but we gain freedom from traffic jams and freedom from car accidents."

He said that was a fair trade. So the tech isn't here today, but it is coming. It might be 10 or 20 or 30 years, but it's coming, he said.

When asked about the Chinese auto market, Lutz said it's growing, but with a global supply chain, the cost of parts will be equal for OEMs around the world. Labor costs are rising in China, and as long as shipping costs outweigh labor advantages, he doesn't see huge Chinese imports coming to this country.

He said that for all his criticisms of GM's slow decision-making process, the company deserves credit for getting into the Chinese market in 1992. At the time, people thought they were crazy. But the cash generated from GM's China operations help the company during down times.

In the past, Lutz pointed out, it was said GM would run out of cash after a 10-week strike. Thanks to cash from China, the company can last 20 or 30 weeks during a strike.

Lutz said that the North American market is becoming distinctly American, with our love of trucks and SUVs. He said Nissan is discontinuing vehicles like the Cummins diesel and Toyota hasn't been able to penetrate the truck market the way the company penetrated the sedan market. This was good news for NCRO members.

"Ultimately, I think FCA is in good hands," Lutz said. "Executives have read the market correctly, and our retirement checks will keep coming."

Jay Kuhnie, president of the NCRO, said the organization is made up of 6,000 Chrysler retirees, most of them salaried.

"We've been around since 2008," Kuhnie said. "We do all we can to protect the pensions and benefits of Chrysler retirees. That includes lobbying in Washington, D.C., and we've built a relationship with FCA, so if a member has trouble, we know who we can contact to help fix it."