

PENSION BENEFIT SECURITY

THE BEST SECURITY IS A HEALTHY, PROFITABLE FCA/CHRYSLER (CHRYSLER) BECAUSE RETIREES WOULD CONTINUE TO RECEIVE THEIR FULL PENSION BENEFITS.

IN THE EVENT OF A CHRYSLER BANKRUPTCY, CHRYSLER'S PENSION PLANS WILL LIKELY BE TAKEN OVER BY THE PENSION BENEFIT GUARANTY CORPORATION (PBGC). THE PBGC WILL DETERMINE HOW MUCH OF THE RETIREE'S BENEFIT WILL CONTINUE TO BE PAID BASED ON THE PBGC'S CALCULATION OF THE FUNDED STATUS OF THE PLAN (NOT THE PLAN CALCULATED FUNDED STATUS) AND THE MAXIMUM PBGC GUARANTY AMOUNT APPLICABLE TO THE RETIREE.

THE FIRST STEP THE PBGC TAKES IS TO CATEGORIZE THE PLAN'S ACCRUED BENEFITS AS FOLLOWS:

CATEGORIES 1& 2- BENEFITS PURCHASED WITH EMPLOYEE CONTRIBUTIONS (GENERALLY MINIMAL).

CATEGORY 3- BENEFITS IN PAY STATUS (OR ELIGIBLE FOR PAY STATUS) THREE YEARS PRIOR TO PLAN TERMINATION DATE.

CATEGORY 4- OTHER BASIC BENEFITS THAT DO NOT EXCEED THE PBGC MAXIMUM GUARANTY AMOUNT.

CATEGORY 5- OTHER NONFORFEITABLE BENEFITS.

CATEGORY 6- FORFEITABLE BENEFITS.

THE SECOND STEP IN THE PBGC PROCESS IS TO ALLOCATE THE MARKET VALUE OF THE PLAN ASSETS ON THE PLAN TERMINATION DATE FIRST TO CATEGORY 1 THEN TO CATEGORY 2, ETC. IF THE BENEFITS IN A CATEGORY ARE FULLY FUNDED, THE BENEFITS IN THE CATEGORY ARE PAYABLE IN FULL. IF THE BENEFITS IN A CATEGORY ARE PARTIALLY FUNDED, THE BENEFITS ARE PAYABLE PROPORTIONALLY BASED ON THE CATEGORY'S FUNDED PERCENTAGE.

THE THIRD STEP IN THE PBGC PROCESS IS TO DETERMINE IF ANY OF THE NON-FUNDED BENEFITS ARE COVERED BY THE PBGC GUARANTY BASED ON THE AGE RELATED MAXIMUM GUARANTY TABLE FOR THE YEAR OF PLAN TERMINATION OR THE YEAR OF BANKRUPTCY, IF EARLIER.

PBGC MAXIMUM GUARANTY FOR PLAN TERMINATION OR COMPANY

BANKRUPTCY DATE IN 2022-AMOUNT BASED ON RETIREE'S AGE ON DATE OF SUCH PLAN TERMINATION OR BANKRUPTCY DATE (WHICHEVER OCCURS FIRST)

AMOUNT ALSO BASED ON FORM OF RETIREE'S BENEFIT

AGE	SINGLE LIFE ANNUITY		JOINT ANNUITY WITH 50% TO SURVIVOR *	
	MONTHLY	ANNUAL	MONTHLY	ANNUAL
75	\$18,861	\$226,336	\$16,976	\$203,708
74	187,149	2,245,793	15,434	185,213
73	15,437	185,243	13,893	166,719
72	13,724	164,694	12,352	148,224
71	12,012	144,144	10,811	129,730
		0		
70	10,300	123,595	9,270	111,235
69	9,245	110,937	8,320	99,844
68	8,314	99,769	7,483	89,792
67	7,508	90,090	6,757	81,081
66	6,825	81,900	6,143	73,710
65	6,205	74,455	5,584	67,009
64	5,770	69,243	5,193	62,319
63	5,336	64,031	4,802	57,628
62	4,902	58,819	4,411	52,937
61	4,467	53,607	4,021	48,247
60	4,033	48,396	3,630	43,556
59	3,785	45,417	3,406	40,876
58	3,537	42,439	3,183	38,195
57	3,288	39,461	2,960	35,515
56	3,040	36,483	2,736	32,835
55	2,792	33,505	2,513	30,154

*Since the Chrysler plan's spouse option benefits are more valuable, the PBGC guaranty would be lower

EXAMPLE 1

ASSUMPTIONS:

RETIREE IS AGE 65 WITH \$70,00 OF JOINT & SURVOR BENEFITS, ALL IN CATEGORY 3 WHICH IS 75% FUNDED. MAXIMUM PBGC GUARANTY IS \$67,009.

RESULT- THE FUNDED BENEFIT IS \$52,500 (75% X \$70,000) WHICH IS LESS THAN THE RETIREE'S MAXIMUM PBGC BENEFIT OF \$67,009 THE RETIREE RECEIVES A BENEFIT OF \$67,009 (GREATER OF \$52,500 AND \$67,009).

EXAMPLE 2

ASSUMPTIONS:

RETIREE IS AGE 70 WITH \$80,000 OF JOINT & SURVOR BENEFITS, ALL IN CATEGORY 3 WHICH IS 75% FUNDED. MAXIMUM PBGC GUARANTY IS \$111,235.

RESULT- THE FUNDED BENEFIT IS \$60,000 (75% X \$80,000) WHICH IS LESS THAN THE RETIREE'S MAXIMUM PBGC BENEFIT OF \$111,235, BUT THE RETIREE'S ACCRUED BENEFIT IS LESS THAN THE PBGC GUARANTY AMOUNT. THEREFORE THE RETIREE RECEIVES A BENEFIT OF \$80,000 (GREATER OF \$80,000 AND \$111,235, LIMITED BY HIS ACCRUED BENEFIT OF \$80,000).

DETERIORATION OF SALARIED PENSION PLANS' FUNDED STATUS

(BASED ON PLAN ANNUAL REPORT- NOT ON TERMINATION BASIS)

YEAR	DISCOUNT RATE	PENSION PLAN	PERCENT FUNDED	
			SERP	ESERP
2007	6.25%	111%	132%	137%
2008	6.25%	88%	101%	100%
2009	5.50%	84%	96%	98%
2010	5.40%	83%	96%	99%
2011	5.00%	77%	92%	94%
2012	4.00%	69%	84%	87%
2013	4.70%	76%	89%	93%
2014*	4.00%	76%	93%	93%
2015*	4.50%	83%	N/A	N/A
2016*	4.40%	84%	N/A	N/A
2017*	3.80%	86%	N/A	N/A
2018*	4.40%	77%	N/A	N/A
2019*	3.30%	78%	N/A	N/A
2020*	2.90%	78%	N/A	N/A

* AS OF 12/31/2014 THE SERPs WERE MERGED INTO THE PENSION PLAN WITH A FUNDED % OF 85.7%

MINIMUM FUNDING CREDIT BALANCE*

(MAY BE USED TO REDUCE FUTURE FUNDING REQUIREMENTS)

	\$ MILLIONS		
1/1/2008	\$1,088.2	\$419.8	\$312.6
1/1/2009	814.3	347.0	251.6
1/1/2010	895.7	363.6	276.9
1/1/2011	156.4	382.3	302.0
1/1/2012	74.6	308.2	309.6
1/1/2013	32.3	241.1	327.3
1/1/2014	37.1	**	**
1/1/2015	654.7	N/A	N/A
1/1/2016	624.2	N/A	N/A
1/1/2017	651.1	N/A	N/A
1/1/2018	705.1	N/A	N/A
1/1/2019	583.9	N/A	N/A

*ASSETS RESULTING FROM PRIOR COMPANY CONTRIBUTIONS IN EXCESS OF MINIMUM FUNDING REQUIREMENTS

** AS OF 12/31/2014 THE SERPs WERE MERGED INTO THE PENSION PLAN .
1/1/2014 SERPs' CREDIT BALANCES NOT PROVIDED BY CHRYSLER

COMPANY CONTRIBUTIONS

	\$ MILLIONS		
2008	\$0.0	\$0.0	\$0.0
2009	23.6	0.0	0.0
2010	0.0	0.0	0.0
2011	4.1	0.0	0.0
2012	2.2	0.0	0.0
2013	1.5	125.0	0.0
2014	25.5	0.0	0.0
2015	5.1	**	**

2016	0.0	**	**
2017	300.0	**	**
2018	0.0	**	**
2019	0.0	**	**
2020	0.0	**	

**** AS OF 12/31/2014 THE SERPs WERE MERGED INTO THE PENSION PLAN .**

NOTE: ABOVE INFORMATION IS THE LATEST AVAILABLE IN THE PLANS' PUBLISHED REPORTS.

1/17/2022