

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 2020-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	\$18,344	\$220,124	\$16,509	\$198,111
74	16,678	200,139	15,020	180,245
73	15,013	180,154	13,512	162,138
72	13,347	160,169	12,013	144,152
71	11,683	140,191	10,513	126,154
70	10,017	120,199	9,015	108,179
69	8,991	107,889	8,091	97,098
68	8,086	97,028	7,271	87,253
67	7,301	87,615	6,571	78,854
66	6,638	79,650	5,974	71,685
65	6,034	72,409	5,430	65,161
64	5,612	67,340	5,051	60,606
63	5,189	62,272	4,670	56,045
62	4,767	57,203	4,290	51,483
61	4,345	52,134	3,910	46,921
60	3,922	47,066	3,530	42,359
59	3,681	44,169	3,313	39,753
58	3,439	41,273	3,095	37,146
57	3,198	38,377	2,878	34,539
56	2,957	35,480	2,661	31,932
55	2,715	32,585	2,444	29,326

*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 \$65,161.

RESULT- THE FUNDED BENEFIT IS \$48,750 (75% X \$65,000) WHICH IS LESS THAN THE RETIREE'S MAXIMUM PBGC BENEFIT OF \$5,161 THE RETIREE RECEIVES A BENEFIT OF \$62,775 (GREATER OF \$48,750 AND \$65,161).

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 \$108,179.

RESULT- THE FUNDED BENEFIT IS \$60,000 (75% X \$80,000) WHICH IS LESS THAN THE RETIREE'S MAXIMUM PBGC BENEFIT OF \$108,179, BUT THE RETIREE'S ACCRUED BENEFIT IS LESS THAN THE PBGC GUARANTY AMOUNT. THEREFORE THE RETIREE RECEIVES A BENEFIT OF \$80,000 (GREATER OF \$60,000 AND \$108,179, 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
2018*	3.30%	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	**	**

**** 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.

1/12/2021