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An overview of the Plan

An important source of income after you retire is available from the Ford-UAW Retirement Plan. This Plan became effective March 1, 1950, and has been amended many times since then.

The retirement benefit you are receiving was determined by the provisions of the Plan in effect when you retired. The amount of your benefit at retirement may have increased as a result of Plan amendments.

What circumstances affect your monthly retirement benefit?

Your monthly retirement benefit

Regardless of your type of retirement, your benefit was based on your credited service and the Plan provisions in effect at the time you retired. If you retired prior to October 1, 2003 your retirement benefit may have increased as a result of prior Plan amendments.

Lump-Sum Payments

The Company will make four (4) lump-sum payments to eligible retirees and surviving spouses (other than those retirees and surviving spouses who are receiving deferred vested benefits). Beginning December 2003 and again in December 2004, December 2005 and December 2006, a lump sum payment will be paid from either the Ford-UAW Retirement Plan Fund, Company funds or a combination of both Retirement and Company funds.

How it works:

In December 2003, December 2004, December 2005 and December 2006, a lump-sum payment in the amount of $800 will be paid to eligible employees who retired prior to October 2003, and who are receiving benefits on December 1, 2003, December 1, 2004, December 1, 2005 and December 1, 2006. For each of the four (4) lump-sum payments, if an eligible surviving spouse is receiving a pension benefit (other than a benefit based on a deferred vested benefit) as of December 1, 2003, December 1, 2004, December 1, 2005 or December 1, 2006, he or she will be eligible for 65% or $520, provided the employee retired or died before October 1, 2003.

If all or a portion of the lump-sum is paid from the Retirement Fund and you are divorced, a portion of your lump sum may be paid to an alternate payee if assigned under the terms of a Qualified Domestic Relations Order (QDRO). Not all QDROs or divorce decrees will affect payment of the lump sum.
What is the Special Age 65 Benefit?

A Special Age 65 Benefit is included in your retirement check when you are receiving a retirement benefit (other than a deferred vested benefit), you are at least age 65, and are enrolled in Medicare Part B. Although included in your retirement check, the Special Age 65 Benefit is a health benefit and is funded through the health plans.

In some circumstances, you may be eligible to receive a Special Age 65 Benefit before you are age 65. You must apply for this benefit. To be eligible, you must be enrolled for voluntary medical insurance under Medicare — commonly known as Medicare Part B.

Commencing on or after January 1, 2004, the monthly age 65 benefit is the lesser of $76.20 or the applicable Medicare Part B premium.

Your surviving spouse who is at least age 65 may receive a Special Age 65 Benefit when he or she is receiving a retirement benefit (other than a surviving spouse benefit payable as a result of a deferred vested benefit or a pre-retirement survivor benefit). Surviving spouses must be enrolled or enroll for Medicare Part B when first eligible to continue Company-paid health care.

Retirees eligible for Medicare Part B must enroll and maintain continued enrollment in Medicare Part B to be eligible to receive the Special Age 65 Benefit. Upon receipt of a completed enrollment form, the Company will only reimburse for 24 months prior to the date the form is mailed.

If you are divorced after you retire or your spouse dies before you do

Generally, if you have the automatic Survivorship Option in effect, your Life Income Benefit will be increased to the amount that would be payable without the option if:

- Your spouse dies before you do and you submit a certified copy of the death certificate to the Retirement Board.
- You are divorced, and your divorce decree does not prohibit cancellation of the Survivorship coverage you may cancel your election unless a Qualified Domestic Relations Order provides otherwise or your former spouse consents in writing to cancel the coverage by signing a Company approved waiver. The amount of the restoration is based on the type of Survivorship Option in effect and the date you elected the option.

The increase will be effective the first of the month in the event of death or divorce after you submit proper notice and proof of death or final decree of divorce and your former spouse’s written consent or a qualified domestic relations order to the Retirement Board.

If you are covered by the Special Disability Survivorship Option, and your spouse dies before you, or you become divorced, the provisions regarding cancellation described earlier would not apply until you reach age 55. Once you have attained age 55, the automatic Survivor Option is available and your Special Disability Survivorship coverage will automatically cancel. You will be notified by the Retirement Board of your new survivorship election options shortly before your 55th birthday.

If you marry or remarry after retirement

Generally, you may elect the Survivorship Option if you marry or remarry after retirement and you:

- Have not previously rejected a survivorship option
- Do not have a survivorship option in effect
- Apply before you have been married 18 months

The amount of your benefit reduction and the percentage that will be payable to your spouse will be determined by Plan provisions in effect at the time of your retirement.

Contact the Retirement Board if you need information or have any questions about the benefit amount or your eligibility for a Survivorship Option.

Optional forms of survivorship coverage - 50% or 100% Surviving Beneficiary Benefit

If you retired on or after January 1, 2004, you had the option to elect someone other than a spouse for a survivor's benefit. If you were married, your spouse had to agree to this decision by giving written consent witnessed by a notary public.

The Optional 50% or 100% Beneficiary Benefit:

- Was available to members who applied for Normal, Regular Early, Special Early or a Deferred Vested retirement
- Cannot be elected after retirement benefits commence
- Cannot be cancelled due to death of the beneficiary
- Cannot be cancelled due to divorce
- Does not go into effect if the employee dies before the effective date of the election. The election shall automatically be cancelled.

Contact the Retirement Board if you need information or have any questions about the benefit amount or your eligibility for a Survivorship Option.
What Plan provisions apply to those who retire under the Disability Retirement Plan?

If you retired from the Company on a Disability Retirement, disability retirement benefits end when you no longer meet the requirements for total and permanent disability. At that time, you may retire on a non-disability retirement if you meet the eligibility requirements, or if approved by the Retirement Board, you may return to work for the Company. If you remain disabled until you attain age 65, your Life Income Benefit will be continued.

If you retired on a Disability Retirement before age 55 with less than 30 years of credited service, your spouse will be entitled to the Special Disability Survivorship Option if:

- You and your spouse have not rejected the Special Disability Survivorship Option
- You have been married for at least one year at your death

If you had the Special Disability Survivorship Option in effect before age 55, remember that this option remains in effect only until you attain age 55. At that time, you will be covered by the automatic Survivorship Option, unless you and your spouse reject the option. You will be notified by the Retirement Board of applicable provisions shortly before your 55th birthday.

If you become disabled after you retire, you do not qualify for Disability Retirement under the Plan.

If you become eligible for a Social Security disability benefit (or other Social Security benefit not reduced because of your age) after retirement

Supplemental Allowances and/or Temporary Benefits are benefits generally provided until you are eligible for Social Security benefits. You must notify the Board if you become eligible for a Social Security Disability benefit or other unreduced Social Security benefit after retirement.

Any Supplemental Allowance or Temporary Benefit you receive after you become eligible for a Social Security disability benefit or other Social Security benefit not reduced because of your age will be recovered from your future Life Income Benefit. If you notify the Retirement Board within 15 days after your receipt of a retroactive Social Security disability award, the amount of overpayment of any temporary benefit or supplement for the earlier period will be reduced by the attorney fees awarded by Social Security for a successful appeal not exceeding 25% of the award. You will need to pay the Board within 30 days of written notice of the award of the net overpayment, however.
Can my spouse receive Retirement Plan benefits?

Your spouse or beneficiary (for retirements on or after January 1, 2004) may be eligible to receive payments from the Plan if you have:

- The automatic survivorship option or optional surviving beneficiary benefit (for retirements on or after January 1, 2004) in effect at the time of your death
- Been married for at least one year as of the date of your death for the automatic survivorship option

Survivor benefits begin on the first day of the month following your death and receipt of an application from your surviving spouse. A copy of your marriage certificate and death certificate will be required at the time of your spouse’s application.

If you are a disability retiree with less than 30 years of credited service, you have not attained age 55 when you die and you have a Special Disability Survivorship Option in effect, payments to your spouse will begin on the first day of the month following the month you would have been age 55.

Your spouse will not receive a pension benefit in any month he or she is receiving a Transition or Bridge Survivor Income Benefit under the Life and Disability Insurance Program. For more information on Transition or Bridge Survivor Income Benefits, refer to the “Life Insurance Benefits” section of this handbook.

Your spouse will not be eligible to receive payments from the Retirement Plan in the event of your death if:

- No survivorship option was available;
- You cancelled due to spouse’s death or divorce - or you did not elect the automatic survivorship option; or
- You did not elect the optional surviving beneficiary benefit for retirements on or after January 1, 2004 at the time of your retirement

The Special Survivor Option benefit was increased by $1.95 per year of credited service. (From $11.90 to $13.10 per year of credited service.)

What other important information do I need to know?

Receiving your retirement benefit

All retirement payments are mailed by the first of each month and represent payments in advance for that month.

Direct deposit and electronic transfer

You can make arrangements to have your pension check directly deposited or electronically transferred to a bank or other financial institution of your choice. You may change these arrangements by advising the Retirement Board.

Paying taxes on your benefits

When you receive benefits from the Ford-UAW Retirement Plan, those benefits are taxed as ordinary income.

Federal tax law requires the Ford-UAW Retirement Plan to withhold income taxes from your benefits unless you tell the Ford-UAW Retirement Plan withholding, you should complete Form W-4P and submit it to the Retirement Board. Form W-4P is available from the NESC, the Retirement Board or a local office of the Internal Revenue Service (IRS).

If you do not submit any Form W-4P, the Ford-UAW Retirement Plan will automatically withhold taxes from your benefits and will assume you are married and claim three withholding allowances at the federally mandated rate.

If no taxes are withheld from your benefit, or if the amount withheld is not enough to cover the actual taxes due, you may be required to make estimated tax payments.

You may elect state withholding from your pension checks for any state.

In case of a Federal garnishment

A Federal writ of garnishment against your pension benefit may be obtained by the US Government pursuant to the procedures authorized by the Federal Department Collections Procedures Act of 1990 (FDCPA), 28 U.S.C. 88 3001-3308, and the Mandatory Victims Restitution Act, 18 U.S.C. 83614(c). The Federal Garnishment will attach a lien to your pension benefit. Recovery of the Federal Garnishment will begin once you begin to receive your pension benefit. Many states, including Michigan, do not impose an income tax on all or a portion of your retirement benefit.
Current address
It is important that you keep your current home address on file with the Retirement Board so you will receive your taxable income statement (Form 1099-R) and other important information about your retirement benefits. Your benefits could be delayed if you move and do not provide your new address.

If your address does change, complete and submit the address change form included with your retirement check (or advise the Retirement Board). Be sure to include your Social Security number (or your spouse’s Social Security number, if he or she was the retiree) along with your name and new address.

Any questions
If you have any questions about your retirement benefits, write or call:

Ford-UAW Retirement Board of Administration
Post Office Box 6050
Dearborn, MI 48121
1-800-829-8833

Be sure to include your Social Security number (or your spouse's Social Security number, if he or she was the retiree) on any correspondence.

Filing a claim
A member may make a claim for benefits or participation by making a request in accordance with the Plan.

What if a claim of benefits or participation is denied?

Denial of a claim
If your claim for benefits or participation is denied in whole or in part, you will receive written notification from the Plan Administrator or an employee of the Board of Administration within ninety (90) days (within forty-five (45) days if the claim is related to a disability pension claim) from the date the claim for benefits or participation is received. The notice will be deemed given upon mailing, full postage prepaid in the United States mail or on the date sent electronically to you.

The decision will be in writing and it will include:

- The specific reason or reasons for the denial;
- Reference to the specific Plan provisions on which the denial is based along with a copy of the Plan provisions or a statement that one will be furnished at no charge per your request;
- A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material is necessary; and
- A description of the Plan’s review procedures and the time limits applicable to such procedures, along with a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended, following a denial for benefits on review.

If the denial for benefits is because of a disability claim, the denial of claim will also include:

- If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the claim denial, either the specific rule, guideline, or protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion that was relied upon in making the claim denial will be provided free of charge to you at your request; and
- If the claim denial is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that the explanation will be provided free of charge upon your request.
If the Plan Administrator or an employee of the Board of Administration determines that an extension of time for processing is required, written notice of the extension shall be furnished to you prior to the termination of the initial ninety (90) day period (forty-five (45) day period if the claim is related to a disability pension claim). In no event will the extension exceed a period of ninety (90) days (or a period of thirty (30) days for disability pension claims) from the end of the initial period.

In regard to a disability pension claim, if prior to the end of the first thirty (30) day period, the Plan Administrator or an employee of the Board of Administration determines that due to matters beyond control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional thirty (30) days. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination.

If an extension is required because the information in the disability claim is incomplete, the extension notice will specifically explain:

- the standards on which entitlement is based;
- the unresolved issues that prevent a decision;
- the additional information required for a decision; and
- that you have at least forty-five (45) days to provide the information being requested.

If such additional information is required, the period between the date of the request and the date of your response is not included when calculating the decision deadline.

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**Review of denial of the claim (other than disability) to the Board of Administration**

In the event that the Plan Administrator or an employee of the Board of Administration denies a claim, you may:

- request a review upon appeal by written application to the full Board of Administration;
- review pertinent documents; and
- submit issues and comments in writing.

The Board of Administration must take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether the information was submitted or considered in the initial benefit determination.

You must request a review upon an appeal of the denial of the claim within sixty (60) days after you receive the written notification of denial of the claim. It will be considered at the Board of Administration’s next regularly scheduled meeting. If it is filed within thirty (30) days of the next meeting, a decision by the Board of Administration will be made by the date of the second meeting after receipt of your request for review. Under special circumstances, an extension of time for processing may be required, in which case, a decision will be rendered by the date of the third meeting. If an extension is required because information is incomplete, the review period will be adjusted from the date the notice was sent to the date information is received. In the event an extension is needed, written notice of the extension will be provided to you prior to the commencement of the extension.

Written notification of a decision will be made not any later than five (5) days after the Board of Administration has made a decision. The decision will be in writing and it will include:

- The specific reason or reasons for the denial;
- Specific reference to pertinent Plan provisions on which the denial is based along with a copy of the Plan provisions or a statement that one will be furnished at no charge upon your request;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits; and
- A statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended, following a denial for benefits on review.
**Review of denial of disability pension claim to the Board of Administration**

In the event that the Plan Administrator or the Board of Administration denies a disability pension claim, you may:

- request a review upon appeal by written application to the full Board of Administration;
- review pertinent documents; and
- submit issues and comments in writing.

The Board of Administration must take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether the information was submitted or considered in the initial benefit determination.

You must request a review upon an appeal of the denial of the claim within one hundred eighty (180) days after you receive the written notification of denial of the claim.

The Board of Administration:

- will give no deference to the earlier decision;
- will provide for review by a named fiduciary who did not make the initial decisions and who is not a subordinate of the initial decision maker;
- if the decision involves a medical judgment, provide that named fiduciary must consult with a health care professional who is independent of any health care professional involved in the initial denial; and
- provide for identification of all medical or other experts consulted who have appropriate training and experience in the field of medicine involved in the medical judgment.

A decision, as appropriate, will be made within forty-five (45) days after receipt of your request for review, unless special circumstances require an extension of time for processing. One forty-five (45) day extension will be available to the Board of Administration if necessary due to matters beyond the control of the Plan and with written notice to you. The extension notice will specify the circumstances requiring the extension and the expected date of the determination. If an extension is required because the information is incomplete, the review period will be tolled from date the notice was sent to the date information is received. In the event an extension is needed, written notice of the extension will be provided to you prior to the commencement of the extension.

The decision will be in writing and it will include:

- The specific reason or reasons for the claim denial;
- Reference to the specific Plan provisions on which the determination is based along with a copy of the Plan provisions or a statement that one will be furnished at no charge upon your request;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits;
- A statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended, following a denial for benefits on review;
- If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the claim denial, either the specific rule, guideline, or protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion that was relied upon in making the claim denial will be provided free of charge to you at your request;
- If the claim denial determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that the explanation will be provided free of charge upon your request; and
- The following statement: “You and your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U. S. Department of Labor Office and your state insurance regulatory agency.”

Such notice shall be deemed given upon mailing, full postage prepaid in the United States mail or if provided electronically to you.
Decision of the Retirement Board of Administration

Decisions of the Board of Administration are final and conclusive and are only subject to the arbitrary and capricious standard of judicial review.

Limitations period

No legal actions for benefits under the Plan may be brought against the Plan until after the claims and appeal procedures have been exhausted. Unless the Employee Retirement Income Security Act (ERISA) of 1974, as amended, specifically provides a different period of limitations, legal actions under the Plan for benefits must be brought no later than two (2) years after the claim arises. No other action may be brought against the Plan more than six (6) months after the claim arises.

The Pension Benefit Guaranty Corporation (PBGC)

Benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal retirement benefits, early retirement benefits and certain disability and survivors’ pensions. The PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. If a plan has been in effect less than five years before it terminates, or if benefits have been increased within the five years before plan termination, the whole amount of the plan’s vested benefits or the benefit increase may not be fully guaranteed. Further, there is a ceiling on the amount of monthly benefit that PBGC guarantees, which is adjusted periodically.

For more information on the PBGC insurance protection and its limitations, contact the Company or the PBGC. Inquiries to the PBGC should be addressed to the Administrative Review and Technical Assistance Division, PBGC, 1200 K Street NW, Washington, D.C. 20005-4026. The PBGC also may be reached by calling (202) 326-4000.