

**SUPPLEMENTAL  
UNEMPLOYMENT  
BENEFIT  
PLAN**



## **SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN**

This Supplemental Unemployment Benefit Plan covers employees of the Company employed within the appropriate bargaining units described in Exhibit A of the Production and Maintenance Main Labor Contract for Locals 6, 98, 226, 402, and Exhibit G of the Parts Distribution Center Warehouse Main Labor Contract for Locals 472 and 119.

### **ARTICLE I ELIGIBILITY FOR BENEFITS**

#### **Section 1--Eligibility for a Regular Benefit**

1           An Employee shall be eligible for a Regular Benefit for any  
Week beginning on or after the Effective Date, if, with respect  
to such Week, he:

2           (a)    was on a qualifying layoff, as described in Section 3  
of this Article, for all or part of the Week;

3           (b)    received a State System Benefit not currently under  
protest by the Company or was ineligible for a State System  
Benefit only for one or more of the following reasons:

4                   (i)   he did not have prior to layoff a  
sufficient period of employment or earnings covered by  
the State System;

5                   (ii)   exhaustion of his State System Benefit  
rights;

6                   (iii) (a) the number of days he worked in the  
Week (for the Company and for any other employer(s))  
plus the number of other days in the Week during which  
work was made available to him by the Company but  
not worked, or his pay (from the Company and from any  
other employer(s)) for the Week plus the amount of pay

applicable to hours of work in the Week made available to him by the Company but not worked, equaled or exceeded the amount which disqualifies him for a State System Benefit or "waiting week" credit; or (b) he was employed full time by an employer other than the Company;

7                   (iv) the Week was a "waiting week" under the State System;

8                   (v) he refused a Company offer of work which he had an option to refuse under the Main Labor Contract or which he could refuse without disqualification under Section 3(b)(3) of this Article;

9                   (vi) he was on layoff because he was unable to do work offered by the Company while able to do other work in the Plant to which he would have been entitled if he had had sufficient Seniority;

10                  (vii) he failed to claim a State System Benefit and because of his pay received or receivable from the Company for the Week, such State System Benefit would have amounted to less than \$2.00;

11                  (viii) he was receiving pay for military service with respect to a period following his release from active duty therein; or was on short-term active duty of 30 days or less, for required military training, in a National Guard, Reserve or similar unit, or was on short-term active duty of 30 days or less because he was called to active service in the National Guard by state or federal authorities in case of public emergency;

12                  (ix) he was entitled to statutory retirement or disability benefits which he received or could have received while working full time;

13                  (x) he was denied a State System Benefit and it is determined that, under the circumstances, it

would be contrary to the intent of the Plan to deny him a Benefit;

14 (xi) because of the circumstances set forth under Section 3(b)(4) of this Article which existed during only part of a week of unemployment under the applicable State System;

15 (c) has met any registration and reporting requirements of an employment office of the applicable State System, except that this subparagraph does not apply to an Employee who was ineligible for a State System Benefit or "waiting week" credit for the Week only because of his period of work or amount of pay, or his failure to claim a State System Benefit amounting to less than \$2.00 (as specified, respectively, in items (iii) and (vii) of Sub-section (b) above); or the reason specified in the second and third clauses of item (viii) of Sub-section (b) of this Section (active duty in a National Guard, Reserve or similar unit);

16 (d) did not receive an unemployment benefit under any contract or program of another employer or under any other "SUB" plan of the Company (and was not eligible for such a benefit under a contract or program of another employer with whom he has greater seniority than with the Company nor under any other "SUB" plan of the Company);

17 (e) was not eligible for an Automatic Short Week Benefit;

18 (f) has at least one year of seniority as of the last day of the week;

19 (g) has made a Benefit application in accordance with procedures established by the Company hereunder; and if he was ineligible for a State System Benefit only for the reason set forth in item (ii) of Sub-section 1(b) of this Article, is able to work, is available for work, and has not failed (i) to maintain an active registration for work with the state employment service, (ii) to do what a reasonable person would do to obtain work and (iii) to apply for or to accept available suitable work of which he

has been notified by the employment service or by the Company.

**Section 2--Eligibility for an Automatic Short Week Benefit**

20 (a) An Employee shall be eligible for an Automatic Short Week Benefit for any Week beginning on or after the Effective Date, if:

21 (1) during such Week he had less than 40 Compensated or Available Hours\* and

22 (i) he performed some work for the Company, or

23 (ii) for such Week received some jury duty pay, make-up pay for military training duty or emergency military duty or bereavement pay from the Company, or

24 (iii) for such Week, he received only holiday pay from the Company and, for the immediately preceding Week, he either received an Automatic Short Week Benefit or had 40 or more Compensated or Available Hours;

\*If, before a layoff of Employees during a Workweek, notice of intent to work overtime has not been given to Employees by the Company, overtime which is worked or available during that Workweek but following the layoff and which is in excess of two hours will not be included in determining Compensated or Available Hours notwithstanding the definition thereof in Article IX. Notice of intent to work overtime shall include without limitation either notice of the overtime schedule which would be applicable to the Employee or an offer of work to the Employee. This footnote shall become effective for Workweeks beginning on or after January 1, 1977.

25 (2) he had at least 1 Year of Seniority as of the last day of the Week (or during some part of such Week he had

at least 1 Year of Seniority and broke Seniority by reason of death or retirement under the provisions of the International Truck and Engine Corporation Non-Contributory Retirement Plan);

26 (3) he was on a qualifying layoff, as described in Section 3 of this Article, for some part of the Week, or he was ineligible as defined under the Main Labor Contract for pay from the Company for all or part of a period of short-term active duty of 30 days or less because he was called to active service in the National Guard by state or federal authorities in case of public emergency during the Week and during all or part of such period he would otherwise have been on qualifying layoff under this Plan;

27 (4) the employee was on a qualifying layoff, as described in Section 3 of this Article, for some part of the Week, and for such Week, the employee was an accredited representative of the Union and was absent from work negotiating labor contracts with Management, attending meetings, or otherwise carrying on the legitimate duties of Union representatives.

28 (b) No application for an Automatic Short Week Benefit will be required of an Employee. However, if an Employee believes himself entitled to (i) an Automatic Short Week Benefit for a Week which he does not receive on the date when such Benefits for such Week are paid, or (ii) an Automatic Short Week Benefit in an amount greater than he received, he may file written application therefore within 60 calendar days after such date in accordance with procedures established by the Company. In case the Employee worked in more than one Facility in the Week, he may apply at the Facility at which he last worked.

29 (c) An Automatic Short Week Benefit payable for a Week shall be in lieu of any other Benefit under the Plan for that Week.

**Section 3--Conditions With Respect to Layoff**

30 (a) A layoff for the purposes of this Plan includes any  
temporary layoff, layoff resulting from a reduction in force, or  
from the discontinuance of a Facility or operation, or a layoff  
occurring or continuing because the Employee was unable to do  
the work offered by the Company although able to perform  
other work in the Facility to which he would have been entitled  
if he had had sufficient Seniority;

31 (b) An Employee's layoff for all or part of any Week will  
be deemed qualifying for Plan purposes only if:

32 (1) such layoff was from the Bargaining Unit;

33 (2) such layoff was not for disciplinary reasons,  
and was not a consequence of:

34 (i) any strike, slowdown, work stoppage,  
picketing (whether or not by Employees), or  
concerted action, at a Company Facility or Facilities,  
or any dispute of any kind involving Employees or  
other persons employed by the Company and  
represented by the Union whether at a Company  
Facility or Facilities or elsewhere;

35 (ii) any fault attributable to the Employee;

36 (iii) any war or hostile act of a foreign power  
(but not government regulation or controls  
connected therewith);

37 (iv) sabotage or insurrection, or

38 (v) any Act of Nature; provided, however,  
this Sub-section (v) shall not apply to any Automatic  
Short Work Week or to the first 2 consecutive full  
weeks of layoff for which a Regular Benefit is  
payable in any period of layoff resulting from such  
cause;

**ARTICLE I**

**ELIGIBILITY**

39 (vi) the Employee's election not to be  
assigned to available work as provided in Article  
XV, Section 7(e)(2)g of the Main Labor Agreement;

40 (3) with respect to such Week the Employee did  
not refuse to accept work when recalled pursuant to the  
Main Labor Contract or did not refuse an offer by the  
Company of other available work if offered at the same  
Facility or at another Facility in the same labor market area  
(the distance between Facilities is not more than fifty (50)  
miles); except that an Employee shall not be disqualified by  
the provisions of this Sub-section, if, at any time following  
the Effective Date, he was in a skilled trades classification.

41 and declines an offer of available work or recall

42 (i) to work in a department other than his  
own department in the same Facility, or

43 (ii) to an unskilled job related to his  
classification in the same department of the same  
Facility or another Facility in the same labor market.

44 (4) with respect to such Week the Employee was  
not eligible for and was not claiming:

45 (i) any statutory or Company accident or  
sickness or any other disability benefit (except a  
benefit which he received or could have received  
while working full time, and except a lost time  
benefit which he received under a Workers'  
Compensation Law or other law providing benefits  
for occupational injury or disease, while not totally  
disabled and while ineligible for a disability benefit  
under the Health-Security Agreement); or

46 (ii) any Company pension or retirement  
benefit; and

47 (5) with respect to such Week the Employee was  
not in military service (other than short-term active duty of

30 days or less including required military training, in a National Guard Reserve or similar unit) or on a military leave.

48 (c) If an Employee is on short-term active duty of 30 days or less, for required military training, in a National Guard, Reserve or similar unit and is ineligible under the Collective Bargaining Agreement for pay from the Company for all or part of such period solely because he would be on a qualifying layoff but for such active duty, he will be deemed to be on a qualifying layoff, for the determination of eligibility for not more than two Regular Benefits in a calendar year, provided however, that this two Regular Benefit limitation shall not apply to short-term active duty of 30 days or less because he was called to active service in the National Guard by state or federal authorities in case of public emergency.

49 (d) If an Employee is ineligible for a Benefit by reason of subparagraph (b)(2) or (b)(4) above with respect to some but not all of his regular work days in a week, and is otherwise eligible for a Benefit, he will be entitled to a reduced payment as provided in Section 1(c) of Article II.

50 (e) The determination of eligibility under this Article shall be based upon the reason for the Employee's last separation from the Company, except that a layoff of an Employee during his probationary period at one Facility while retaining his Seniority at another Facility shall not be disqualifying if the Employee was separated because he was unsuited for, or unable to do, work available.

**Section 4--Disputed Claims for State System Benefits**

51 (a) With respect to any Week for which an Employee has applied for a Benefit and for which he:

52 (1) has been denied a State System Benefit, and denial is being protested by the Employee through the procedure provided therefore under the State System, or

**ARTICLE II**

**AMOUNT OF BENEFITS**

53 (2) has received a State System Benefit, payment of which is being protested by the Company through the procedure provided therefore under the State System and such protest has not, upon appeal, been held by the Board to be frivolous, and the Employee is eligible to receive a Benefit under the Plan except for such denial, or protest, the payment of such Benefit shall be suspended until such dispute shall have been determined.

54 (b) If the dispute shall be finally determined in favor of the Employee, the Benefit shall be paid to him if and to the extent that he had not exhausted benefits subsequent to the Week to which the State System Benefit in dispute is applicable.

**ARTICLE II  
AMOUNT OF BENEFITS**

**Section 1--Regular Benefit**

55 During any single continuous period of layoff, the Regular Benefit payable to an eligible employee who has satisfied all the terms and conditions for payment on and after the effective date of the new SUB Plan shall be as follows:

	<b>Weekly Benefit</b>	
<b>Seniority</b>	<b>Amount</b>	<b>Duration</b>
1 to < 10 years	\$300	26 weeks
10 to < 20 years	\$300	52 weeks
> 20 years	\$300	78 weeks

**Section 2--Automatic Short Week Benefit**

56 (a) The Automatic Short Week Benefit payable to an eligible Employee for any Week beginning on or after the Effective Date shall be an amount equal to the product of the number by which 40 exceeds his Compensated or Available Hours\*; computed to the nearest tenth of an hour, multiplied by: 70% of his Base Hourly Rate (plus 70% of any applicable cost-of-living allowance in effect at the time of computation of the

benefit but excluding all other premiums and bonuses of any kind).

\*If, before a layoff of Employees during a Workweek, notice of intent to work overtime has not been given to Employees by the Company, overtime which is worked or available during that Workweek but following the layoff and which is in excess of two hours will not be included in determining Compensated or Available Hours notwithstanding the definition thereof in Article IX. Notice of intent to work overtime shall include without limitation either notice of the overtime schedule which would be applicable to the Employee or an offer of work to the Employee. This footnote shall become effective for Workweeks beginning on or after January 1, 1977.

57 (b) An Employee, who breaks Seniority during a Week by reason of death or retirement under the provisions of the International Truck and Engine Corporation Non-Contributory Retirement Plan and is eligible for an Automatic Short Week Benefit with respect to certain hours of layoff during the Week prior to the date his Seniority is broken, will receive an amount computed as provided in Sub-section 2(a) above based on the number by which the hours for which the Employee would regularly have been compensated exceeds his Compensated or Available Hours with respect to that part of the Week prior to the date his Seniority is broken.

**Section 3--State Benefit and Other Compensation**

58 (a) An Employee's State Benefit and Other Compensation for a Week means:

59 (1) the amount of State System Benefit received or receivable by the Employee for the Week plus;

60 (2) all pay received or receivable by the Employee from the Company (including vacation and holiday payments but not payment in lieu of vacation) and any amount of pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked, after reasonable notice has been given to

the Employee, for such Week; provided, however, if the hours made available but not worked are hours which the Employee had an option to refuse under the Main Labor Contract or which he could refuse without disqualification under Section 3(b)(3) of Article I, such hours are not to be considered as hours made available by the Company; and provided, that if wages or remuneration, or any military pay, are received or receivable by the Employee from employers other than the Company and are applicable to the same period as hours made available by the Company, only the greater of (a) such wages or remuneration from other employers in excess of the greater of \$10 or 20% of such wages or remuneration, or military pay in excess of \$10.00 or (b) any amount of pay which could have been earned, computed as if payable, for hours made available by the Company, shall be included; and further provided, that any pay received or receivable for a shift which extends through midnight shall be allocated:

61 (i) to the day on which the shift started if he was on layoff with respect to the corresponding shift on the following day,

62 (ii) to the day on which the shift ended if he was on layoff with respect to the corresponding shift on the preceding day, and

63 (iii) according to the pay for the hours worked each day, if he was on layoff with respect to the corresponding shifts on both the preceding and the following days;

and, in any such event, the maximum Regular Benefit amount shall be modified to any extent necessary so that the Employee's Benefit will be increased to offset any reduction in his State System Benefit which may have resulted solely from the State System's allocation of his earnings for such a shift otherwise than as specified in this subparagraph; plus

64           (3) all wages or remuneration, as defined under the  
law of the applicable State System or any Social Security  
Disability Benefits of a type which he received or could  
have received while working full time in excess of the  
greater of \$10 or 20% of such wages or remuneration  
received or receivable from other employers or otherwise  
for such Week (excluding such wages or remuneration  
which were considered in the calculation under Sub-section  
(a)(2) of this Section); plus

65           (4) the amount of all other benefits in the nature of  
compensation or benefits for unemployment received or  
receivable under any State or Federal System (such as, for  
example, the so-called re-adjustment allowances which  
were payable under federal law to veterans of World War  
II); plus

66           (5) the amount of all military pay in excess of \$10  
received or receivable for such Week, excluding such  
military pay which was considered in the calculation under  
Sub-section (a)(2) of this Section.

67           (b) If the State System Benefit actually received by an  
Employee for a state week shall be for less, or more, than a full  
state week (for reasons other than the Employee's receipt of  
wages or remuneration for such state week),

68           (1) because he has been disqualified or otherwise  
determined ineligible for a portion of his State System  
Benefit for reasons other than set forth in Section (1)(b) of  
Article I, or

69           (2) because the applicable state week includes one  
or more "waiting period effective days," or

70           (3) because of an underpayment or overpayment of  
a previous State System benefit,

the amount of the State System Benefit which would otherwise  
have been paid to the Employee for such state week shall be

used in the calculation of "State Benefit and Other Compensation" for such state week.

#### **Section 4--Benefit Overpayments**

- 71 (a) If the Company determines that any Benefit(s) paid under the Plan should not have been paid or should have been paid in a lesser amount, written notice thereof shall be mailed to the Employee receiving the Benefit(s), and he shall return the amount of overpayment to the Company provided, however, that no repayment shall be required if the cumulative overpayment is \$3 or less or if notice has not been given within 120 days from the date the overpayment was established or created, except that no such time limitation shall be applicable in cases of fraud or willful misrepresentation.
- 72 (b) If the Employee shall fail to return such amount promptly, the Company shall arrange for the amount of overpayment with respect to benefits payable for pay periods beginning on or after November 22, 1976 by making a deduction from any future Benefits (not to exceed \$20 from any one (1) Benefit except in cases of fraud or willful misrepresentation) otherwise payable to the Employee, or by making a deduction from compensation payable by the Company to the Employee (not to exceed \$30 from any one (1) pay check except in cases of fraud or willful misrepresentation), or both.
- 73 (c) If the Company determines that an Employee has received an Automatic Short Week Benefit for any Work Week with respect to all or part of which he has received a State System Benefit, the amount of such Automatic Short Week Benefit, or a portion of such Benefit or portion thereof applicable to such Work Week equivalent to the State System Benefit, whichever is less, shall be treated as an overpayment and deducted in accordance with this Section from future Benefits or compensation payable by the Company.

**Section 5--Withholding Tax**

74 The Company shall deduct from the amount of any Benefit any amount required to be withheld by the Company by reason of any law or regulation, for payment of taxes or otherwise to any federal, state, or municipal government. In determining the amount of any applicable tax entailing personal exemptions, the Company shall be entitled to rely on the official form filed by the Employee with the Company for purposes of income tax withholding on regular wages.

**Section 6--Deduction of Union Dues**

75 The Company, upon authorization from an Employee, shall deduct monthly Union dues from Regular Benefits paid under the Plan and pay such sums directly to the Union in his behalf.

**ARTICLE III  
APPLICATION, DETERMINATION OF  
ELIGIBILITY, AND APPEAL PROCEDURES  
FOR BENEFITS**

**Section 1--Applications**

76 (a) **Filing of Applications**

A written application for a Benefit may be filed by the Employee (or his authorized representative) either in person or by mail in accordance with procedures established by the Company.

77 No application for a Benefit shall be accepted unless it is submitted to the Company within 60 calendar days after the end of the Week with respect to which such application is made; provided, however, that if the amount of the applicant's State System Benefit is adjusted retroactively with the effect of establishing a basis for eligibility for a Benefit or for a Benefit in a greater amount than that previously paid, he may apply within

60 calendar days after the date on which such basis for eligibility is established.

78           **(b) Application Information**

Applications filed for a Benefit or under the Plan will include:

79           (1) in writing any information deemed relevant by the Company with respect to other benefits received, earnings and the source thereof, and such other information as the Company may require in order to determine whether the Employee is eligible to be paid a Benefit and the amount thereof; and

80           (2) with respect to a Regular Benefit, the exhibition of the Employee's State System Benefit check or other evidence satisfactory to the Company of either

                  (i) his receipt of or entitlement to a State System Benefit, or

                  (ii) his ineligibility for a State System Benefit only for one or more of the reasons specified in Section 1(b) of Article I; provided, however, that in the case of State System Benefit ineligibility by reason of the period worked in the Week or pay received from the Company or from any other employer(s) as specified in item (iii) of Section 1(b) of Article I, State System evidence for such reason of ineligibility shall not be required.

**Section 2--Determination of Eligibility**

81           **(a) Application Processing by Company**

When a written application is filed for a Benefit under the Plan and the Company is furnished with the evidence and information required, the Company shall determine the Employee's entitlement to a Benefit in accordance with the requirements under Section 503 of

ERISA, including the regulations and other applicable authorities thereunder, and such requirements are hereby expressly incorporated into the Plan through cross-reference.

82           **(b) Notice of Denial of Benefits**

If the Company determines that an Employee is not entitled to a Benefit, it shall notify him promptly, in writing, of the reason(s) for the determination.

83           **(c) Union Copies of Company Determinations**

The Company shall furnish promptly to the Union representative designated by the Union for Supplemental Unemployment Benefit purposes copies of all Company determinations of Benefit ineligibility or overpayment.

**Section 3--Appeals**

84           (a) All questions involving the interpretation or application of the Plan shall be subject to the grievance procedure provided for in the Main Labor Contract.

85           **(b) Procedure for Processing Appeals**

Within 60 days following receipt of written notification of an adverse benefit determination made under Section 2(a) of this Article V, an Employee (or his authorized representative) may file a written appeal to review such adverse benefit determination in accordance with the Grievance Procedure, outlined under Article VI of the Main Labor Contract; provided that the Grievance Procedure shall be subject to and shall be amended to the extent necessary to conform to the requirements under Section 503 of ERISA, including the regulations and other applicable authorities thereunder, and such requirements are hereby expressly incorporated into the Plan through cross-reference.

86 (c) **Benefits Payable After Appeal**

In the event that an appeal with respect to entitlement to a Benefit is decided in favor of the Employee, such Benefit shall be paid to him only if he did not exhaust Benefits after the week of Benefits in dispute.

87 (d) With respect to the appeal provisions set forth under this Section 3 only, the term Employee shall include any person who received or was denied the Benefit in dispute.

**ARTICLE IV  
ADMINISTRATION OF THE PLAN**

88 Nothing contained in this Plan shall be deemed to qualify, limit or alter in any manner the Company's sole and complete authority and discretion to establish, regulate, determine, or modify at any time levels of employment, hours of work, the extent of hiring and layoff, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when work shall be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be managed or carried on, in the same manner and to the same extent as if this Plan were not in existence; nor shall it be deemed to confer either upon the Union or the Board any voice in such matters.

**Section 1--To whom Benefits are Payable in Certain  
Conditions**

89 Benefits shall be payable only to the eligible Employee, except that if the Employee is deceased or is unable to manage his affairs for any reason, any Benefit payable to him shall be paid to his duly appointed legal representative, if there be one, and, if not, to the spouse, parents, children, or other relatives or dependents of the Employee. Any Benefit so paid shall be a complete discharge of any liability with respect to such Benefit. In the case of death, no Benefit shall be payable with respect to any period following the last day of layoff immediately preceding the Employee's death.

**Section 2--Nonalienation of Benefits**

- 90 No Regular Benefit shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution or encumbrance of any kind, other than as authorization for Check-Off of Dues, and any attempt to accomplish the same shall be void. In the event that such an attempt has been made with respect to any Benefit due or to become due to any Employee, the Company in its sole discretion may terminate the interest of the Employee in such Benefit and apply the amount of the Benefit to or for the benefit of the Employee, his spouse, parents, children, or other relatives or dependents as the Company may determine, and any such application shall be a complete discharge of all liability with respect to the Benefit.

**Section 3--Determination of Dependents**

- 91 In determining an Employee's dependents for purposes of Regular Benefit determinations, the Company shall be entitled to rely upon the official form filed by the Employee with the Company for income tax withholding purposes, and the Employee shall have the burden of establishing that he is entitled to a greater number of dependents than he shall have claimed on such form.

**Section 4--Applicable Law**

- 92 The Plan and all rights and duties thereunder shall be governed, construed and administered in accordance with the laws of the State of Illinois except that the eligibility of an Employee for, and the amount and duration of, State System Benefits shall be determined in accordance with the state laws of the applicable State System.

## ARTICLE V MISCELLANEOUS

### Amendments and Termination of the Plan

- 93           The terms and commitments contained in this SUB Plan shall remain in full force and effect only from the first Monday following notification of ratification, through the stated duration of the Main Labor Contracts. The SUB Plan shall automatically terminate, by its own terms, as of midnight, September 30, 2010, unless the Company and the UAW mutually agree, in writing, to either extend the terms of this Contract and the SUB Plan or to continue the Plan in the successor contract.

## ARTICLE VI DEFINITIONS

### As used herein:

- 94           (1) **"Act of Nature"** means an occurrence or circumstance directly affecting a Company Facility which results from natural causes exclusively and is in no sense attributable to human negligence, influence, intervention or control; the result solely of natural causes and not human act.
- 95           (2) **"Active Service"**. An Employee is in Active Service in any Pay Period for which he draws pay; and for the sole purpose of Section 2(b)(2) of Article III and Sections 1(b) and 2(b)(1)(ii) of Article IV, an Employee shall be deemed also to be in Active Service:
- (a) while he is on vacation; provided, however, if he is on a vacation which is allocated at the time of layoff to the week or weeks immediately following such layoff, he shall also be deemed to be in active service for the purpose of Article III, Section 6(a),

(b) while he is on an authorized leave of absence (other than a medical leave) which is limited, when issued, to ninety days or less,

(c) during the first 90 days he is on a medical leave of absence.

(d) while he is on disciplinary suspension, or

(e) while he is absent from work and has not been terminated under Article XVI, Section 4(b) of the Main Labor Contract, or, if terminated, is reinstated under such Section 4(b) by the Company.

96 Any provision of the Plan notwithstanding, a layoff will be considered to have commenced at the end of such period of absence if such an employee would have been laid off under the seniority provisions of the applicable seniority supplemental agreement to the Main Labor Contract during or at the end of such period.

97 (3) "**Base Hourly Rate**" (excluding cost-of-living allowance and all other premiums and bonuses of any kind) means:

98 (a) With respect to a Weekly Supplemental Benefit, an Employee's average hourly straight-time earnings for the first four of the last six (6) weeks or the first four weeks worked of the twenty-six (26) week period prior to his last day worked in a Bargaining Unit, whichever is higher; except that for an Employee who worked on a daywork basis only in the 26-week period prior to his last day worked in a Bargaining Unit, the Employee's highest straight-time hourly rate in any Bargaining Unit covered by the Plan, within twenty-six (26) weeks immediately preceding his last day worked will be used.

99 (b) With respect to a Short Week Benefit, the highest straight-time hourly rate paid the Employee

in the Bargaining Unit during the Pay Period in which the Short Work Week occurs; and, for an Employee who worked on piecework at any time during the Pay Period in which the Short Work Week occurs, the average straight-time hourly earnings for his last Pay Period worked in the Bargaining Unit immediately preceding the week in which the Short Work Week occurs.

100 (c) The Base Hourly Rate determined under (a) or (b) above, shall be adjusted to include:

101 (i) the amount of any applicable cost-of-living allowance in effect with respect to the Week for which the Benefit is paid, and, any such allowance in effect with respect to the last day worked for the Company; and

102 (ii) with respect to Benefits, the amount of any improvement factor increase which became effective (pursuant to the Main Labor Contract) after the day or period used to establish his Base Hourly Rate. In such event the amount of improvement factor increase shall be the amount applicable to the job classification in which the Employee worked either on the day, or the last day of the period for which his Base Hourly Rate was determined under (a) or (b) above. The Base Hourly Rate adjustment due to the improvement factor increase shall be effective with respect to Benefits which may be payable for and subsequent to the Week in which such improvement factor increase became or becomes effective.

103 (4) **"Compensated or Available Hours"** for a Week shall be the sum of:

104 (a) all hours for which an Employee receives pay from the Company (including call-in pay, holiday pay,

**DEFINITIONS**

**ARTICLE VI**

vacation pay, payments for Paid Absence Allowance and Paid Absence from Work) provided, however, that payments for vacation, Paid Absence Allowance or Paid Absence from Work shall only be deemed to be compensated hours if such payments are made when an Employee is expected to be off work for a number of hours equal to the hours used to compute the money payment. If the Employee returns to work during the hours represented by such payments, there shall be no duplication of compensated hours credited. Each hour paid at premium rates to be counted as one (1) hour;

105           (b) all hours scheduled or made available by the Company but not worked by the Employee, after reasonable notice has been given to the Employee (including any period on leave of absence) plus

106           (c) all hours not worked by the Employee because of any of the reasons disqualifying a period of layoff under Section 3(b)(2) of Article I; plus

107           (d) all hours not worked by the Employee which are in accordance with a written agreement between Local Management and the Local Union or which are attributable to the absenteeism of other Employees.

108           The above will also apply when hours are not worked due to absenteeism of Employees other than the applicant where, for example, (1) large numbers of Employees are absent on the day after a holiday or (2) where because of extreme heat during the summer months Employees, such as iron pourers, leave work, or (3) Employees who have accepted overtime assignments fail to work necessitating the cessation of the jobs of other Employees, including the applicant, whose continued performance of work is dependent upon the simultaneous performance of work by such absent Employees.

109           In the event of extreme weather conditions, such as a snowstorm or flood which disrupts local transportation or other necessary services, hours not worked will not be

considered as "available hours" when a Facility or part thereof is shut down by the Company and notification of such shutdown is given Employees by public announcement or other means.

110 When a Facility or part thereof attempts to operate during or after such extreme weather conditions and the Company subsequently finds it impractical to continue to operate some part or all of a Facility because of Employee absenteeism or other reasons, the Company will attempt to provide work for any Employee who reported for work. However, if it is not practicable to provide work for such an Employee and it is necessary to send him home, hours during the balance of the shift for which work could not be provided will not be considered as "available hours" With respect to an Employee who does not report for work when the Company is attempting to operate a Facility or part thereof under the circumstances described in this paragraph, hours not worked will be considered as "available hours."

111 In all of the above situations, the Company recognizes that it has the obligation to reassign qualified Employees in sufficient numbers to permit such Employees to continue to work where it is possible to do so without interfering with the continuation of other necessary operations.

112 Where the Company cannot make work available because of preventative maintenance, the hours not worked for this reason will not be considered hours made available by the Company.

113 (e) plus, with respect to a Part Time Employee, a number of hours equal to the difference between such Employee's regularly compensated hours during a Work Week and 40.

114 (5) **"Week"** when used in connection with eligibility for and computation of Benefits with respect to an Employee means:

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115           (a)     a period of layoff equivalent to a Work Week;  
or

116           (b)     a Work Week for which the total pay received  
or receivable by an Employee from the Company which  
constitutes "Compensated Hours" under Section 7(a) of  
Article IX and any amount of pay computed, as if payable,  
for hours made available by the Company but not worked  
(excluding, however, hours not worked) which the  
Employee had an option to refuse under the Main Labor  
Contract, or could refuse without disqualification under  
Section 3(b)(3) of Article I is less than his applicable  
Regular Benefit;

117           (c)     a Short Work Week.

118           (6)     "**Week of Layoff**" - shall include any such Week;  
provided, however that if there is a difference between the  
starting time of a Work Week and of a week under an applicable  
State System, the Work Week shall be paired with the State  
System Week which corresponds most closely thereto in time;  
except that if an Employee is ineligible for a State System  
Benefit because of any of the reasons set forth in Section 1(b) of  
Article I (excluding the reasons under items (iii) and (iv)  
thereof) for the entire continuous period of layoff, the week  
under the State System shall be assumed to be the same as the  
Work Week. If an Employee becomes ineligible for a State  
System Benefit because of the aforementioned reasons during a  
continuous period of layoff, the week under the State System  
shall be assumed to continue to be for the duration of the layoff  
period during which he remains so ineligible the 7-day period  
for which a State System Benefit was last paid to the Employee  
during such continuous period of layoff. Each Week within a  
continuous period of layoff will not be considered a new or  
separate layoff. Notwithstanding the foregoing provisions of this  
definition, if an Employee is ineligible for a State System  
Benefit because of the reason set forth in item (iii) of Section  
1(b) of Article I, the week under the State System shall be  
assumed to be the 7-day period which would have been used by  
the State System if the Employee had applied for a State System  
Benefit on the first day of partial or full layoff in the Work

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Week and had been eligible otherwise for such State System Benefit.

- 119 (7) **"Work Week" or "Pay Period"** means seven consecutive days beginning on Monday at the regular starting time of the shift to which the Employee is assigned, or was last assigned immediately prior to being laid off.

**SUPPLEMENTAL UNEMPLOYMENT  
BENEFIT PLAN**

**CLERICAL AND TECHNICAL EMPLOYEES  
AND PARTS DISTRIBUTION CENTER  
OFFICE EMPLOYEES**

120       The Supplemental Unemployment Benefit Plan covers employees of the Company employed within the appropriate bargaining units described in Exhibit A of the Clerical and Technical Main Labor Contract for Locals 658, 2274, 2293, 2911, and Exhibit A of the Parts Distribution Center – Office Main Labor Contract for Locals 472, 1872 and 119. The Plan provides the same coverage for eligible Clerical and Technical employees as that found in the Plan for eligible Production and Maintenance employees which is printed in its entirety in this document, except the following:

Article I, Section 3(b) (3) is modified to provide:

"With respect to such Week the Employee did not refuse to accept work when recalled pursuant to the Main Labor Contract or did not refuse an offer by the Company of other available work at the same Facility or at another Facility in the same labor market (the distance between Facilities is not more than fifty (50) miles).

Article VI (3) is modified to provide:

121       "Base Hourly Rate (excluding cost of living allowance and all other premiums and bonuses of any kind) means:

122       "(a) With respect to a Weekly Supplemental Benefit, the Employee's average rate determined by the hourly equivalent of his highest weekly salary (exclusive of cost of living allowance and night shift bonus) in the last twenty-six weeks for which he

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received salary prior to his last day of work in a Bargaining Unit.

123           "(b) With respect to a Short Week Benefit, the hourly equivalent of his current salary rate (exclusive of cost of living allowance) paid the Employee in the Bargaining Unit during the Pay Period in which the Short Work Week occurs.

124           "(c) The Base Hourly Rate determined under (a) or (b) above, shall be adjusted to include:

125                       "(i) The amount of any applicable cost of living allowance in effect with respect to the Week for which the Benefit is paid, and

126                       "(ii) With respect to Benefits, the amount of any improvement factor increase which became effective (pursuant to the Main Labor Contract) after the day or period used to establish his Base Hourly Rate. In such event, the amount of improvement factor increase shall be the amount applicable to job classification in which the Employee worked either on the day, or the last day of the period for which his Base Hourly Rate was determined under (a) or (b) above. The Base Hourly Rate adjustment due to the improvement factor increase shall be effective with respect to Benefits which may be payable for and subsequent to the Week in which such improvement factor increase became or becomes effective."

November 23, 1987

Mr. Bill J. Casstevens,  
Vice President and Director  
UAW-Navistar Department  
Solidarity House  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Casstevens:

During these negotiations, the Union indicated that under certain conditions the time limits for filing SUB claims may be inadequate since employees may not have received a State System Benefit within 60 days after the end of the Week for which an application is made for a Regular Benefit.

Currently, there is no requirement under the Plan that an employee must have received a State System Benefit for a Week prior to filing a SUB claim for that week. Company offices which process SUB applications will be advised that employees are not required to have received a State System Benefit to file a SUB claim and applications should be accepted from employees who wish to file such claims to meet the time limits under the Plan. Such claims will be retained for three months by the facility and no determination will be made regarding the Employee's entitlement to such Benefit until the employee furnishes the information required by Article V, Section 1(b)(2) of the Plan.

Very truly yours,

/s/ W. W. Hess

Accepted for the Union:

Bill J. Casstevens

November 23, 1987

Mr. Bill J. Casstevens,  
Vice President and Director  
UAW-Navistar Department  
Solidarity House  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Casstevens:

During the current national negotiations the Union expressed some concern regarding a possible interpretation of the provisions of Article I, Section 3(b)(4)(i) of the SUB Plan which could result in denying a Benefit to an otherwise eligible employee who is claiming a benefit under a Workers' Compensation law while not totally disabled. This is to advise you that the provisions of Article I, Section 3(b)(4)(i) of the Plan will not be interpreted to disqualify an employee on layoff from Benefits solely because he is eligible for or claiming a permanent partial or scheduled loss benefit under a Workers' Compensation law or other law benefits for occupational injury or disease so long as the injury or disease does not prevent the employee from working.

Very truly yours,

/s/ W. W. Hess

Accepted for the Union:

/s/ Bill J. Casstevens