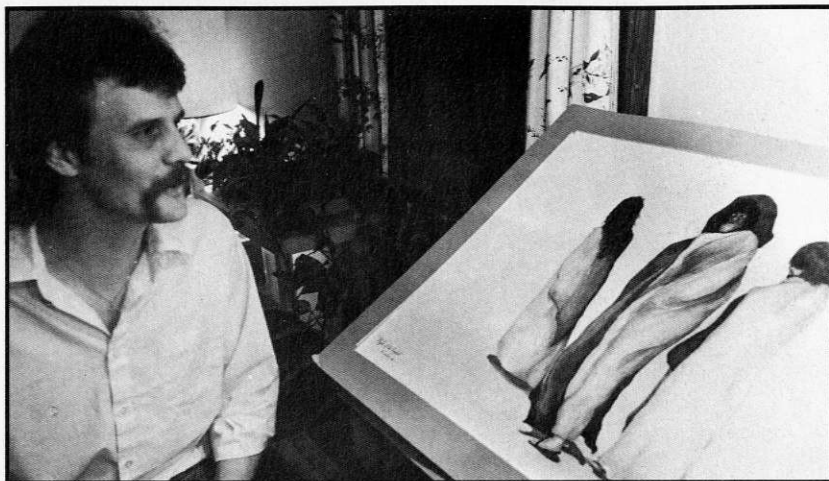


CABLEGRAM

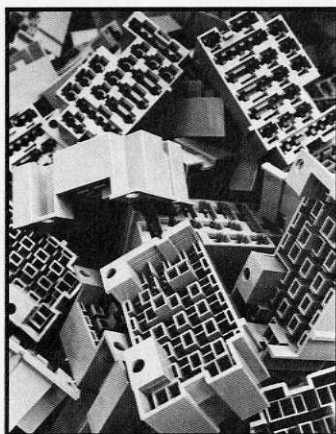
PACKARD ELECTRIC



photo: Reilly



Artist Dwight Derryberry works on several projects at one time. This particular work is entitled, "Flight of the Prophet." Derryberry works in Packard's Drafting and Records area, while devoting serious attention to the world of art in his free time.



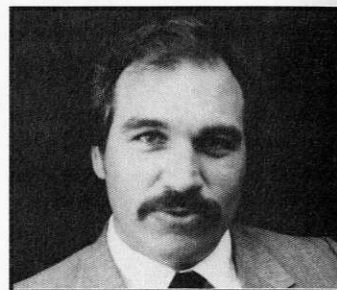
On the cover: Plant 3 plastic molding products are ready for shipment to the customer.

Photo: Richard Clapp Photographic, Inc.

Choy oo Soo

Pages 4-5

That's "Excellence" in Korean. Shinsung Packard, the division's joint venture located near Seoul, South Korea, pursues competitive success. Meanwhile, Bick Lesser, Packard's Korea-based representative, absorbs some Korean culture, including American videos with Korean sub-titles.



The smart choice

Pages 6-7

The division's repair parts system assures that customers get the parts they need when they need them. Excellence Director Bill Wehmer points out that the next step is eliminating the need for repair parts.



Packard Electric Cablegram

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An equal opportunity employer
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Go with a winner

Pages 8-9

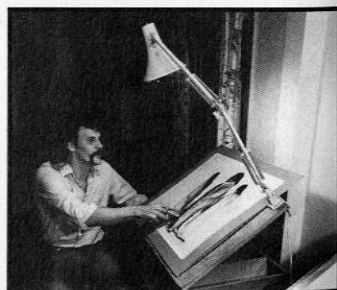
C-P-C honors Packard Electric for excellent service during the 1988 model startup. Through New Partnership, C-P-C and Packard have developed a model relationship. Also, Delco Moraine this year recognizes Packard as one of its top quality suppliers for its Anti-lock Braking System (ABS).



A matter of lifestyle

Page 12

Dwight Derryberry works in the division's Drafting and Records area by day. At night he releases his creative talents as a serious artist. Now with a bigger studio and a gallery in the works, Derryberry is well on his way to personal fulfillment.



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Control: Customer Feedback

The Fourth Absolute of Excellence

Your grandchild tells you that every day he rides the bike you bought him for his birthday. Your neighbor mentions he doesn't care for the color of your new car. Your boss commends you for getting that report in early, or producing high quality parts.

These are all forms of feedback. Feedback tells us exactly where we stand with our individual customers. If we're smart, we'll take advantage of this freely offered information and use it to our benefit.

It's no coincidence that what works successfully in everyday life also happens to be an integral part of the Excellence concept. I'm talking about the fourth Absolute, which is the control for Excellence — customer feedback.

Our goal is to exceed our customer's expectations. However, our efforts are futile unless we have some

measure of how we're doing. Feedback tells us first-hand what the customer thinks of our service.

Many of us don't work directly with an external customer such as C-P-C, AC Spark or NUMMI. That doesn't relieve us of the obligation to get feedback from our internal customers, who are equally important.

"Feedback tells us first-hand what the customer thinks of our service."

Whether we're dealing with Manufacturing, Quality Control, or simply the next person who talks to us, we must remember that they are customers.

Customers in the market place provide us with a very effective form of feedback by choosing or not choosing to buy our products. If C-P-C or B-O-C decides to go to a Japanese supplier for a product that Packard makes, that's telling us something.

The fourth Absolute of Excellence — customer feedback — allows us to take control of the process of becoming a world-class supplier. We don't have to wait for a customer to tell us our performance needs improvement. We can get that feedback right now and find a way to exceed his expectations the next time around! All it takes is a change in attitude. It could be as simple as a telephone call from one hourly employee to another.

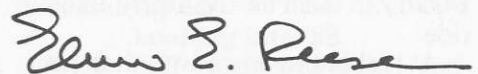
To tell you the truth, the customer is often most impressed by the fact

that we CARE enough to ask his opinion. A change in attitude goes a long way with the customer.

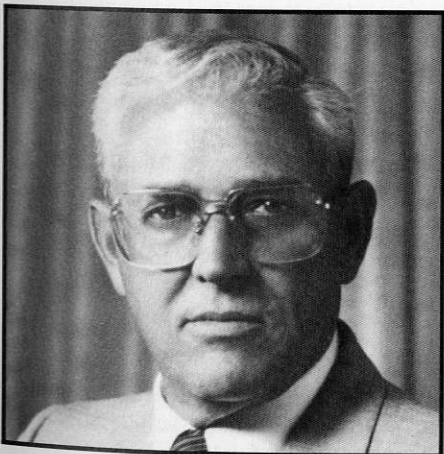
Once we change our attitudes and start receiving that feedback we can then ask ourselves, for example, "what level of quality is required of our components to serve the lead prep areas?" We can ask the same question when serving our final assembly operations or the car plants.

Much of what we hear will concern the quality of our product, but that is only one area in which we receive feedback. Cost and responsiveness are equally important. One thing is certain, however. Customer feedback is the measure of Excellence. Only the customer knows for sure if we've exceeded his expectations.

As we continue to define our customers' expectations, we're going to ask them to help us measure our progress toward Excellence. The feedback we receive will be invaluable.



ELMER E. REESE
General Manager
Packard Electric Division



Shinsung Packard Co., Ltd. pursues competitive success

by Michael Hissam

Nearly 25 miles north of Seoul, Republic of Korea, products, processes and attitudes from three continents are adding another dimension to the history of Packard Electric.

Not far from where the popular television series "M*A*S*H" was "set," and only a few miles from where an armistice stopped armies, a business development that would have been fiction in the 1950s is setting sights toward the next century.

Shinsung Packard Co., Ltd., a joint venture with Shinsung Tong Sang, has just completed its first year of operations. In year two, its automotive wiring system products also will travel across the globe to North America as part of the Pontiac LeMans.

Bick Lesser is Packard's Korean-based representative for this joint venture. A Packard veteran who started in Warren, Ohio, and moved with the division's expansion into Mexico in the late 1970s, he then went to Portugal in the mid 1980s, and now oversees Packard's interests in Korea.

He's also among the first to hear customer feedback; so far the ledger is in his firm's favor. "Daewoo Motor Co., producer of the LeMans, has rated us among the 'Most Reliable Suppliers.' The

customer complaint level is low, and they are very pleased with our responsiveness and delivery reliability."

Shinsung Packard's track record for the Korean market LeMans in the past year convinced Daewoo that this supplier is the best way to go. During the 1988 model year the joint venture will produce wiring systems for the "high-end" Royale vehicle to be sold in that country. Wiring for that vehicle had been supplied by a competitor.

"However, we face stiff competition within Korea," he stressed. "Our association with Packard and Reinshagen puts us out in front in technology."

People at work

More than 450 people call Shinsung Packard their work home.

Many of them are associated with the 10 final assembly lines which feature modified two-dimensional build boards commonly used at Reinshagen. Employees who work in cutting and lead prep use technology similar to that found in the division's North American operations.

Korea's ambition to better itself is reflected in a work ethic that begins with a longer work week, according to Lesser. "Six 10-hour days is the typical work week in this country. One thing that impresses me about these people and their culture is that everyone in this country

wants to see this country prosper. I'm talking everyone: the government, management, professionals, the entire labor force. I have been to other countries that do not have the unity and determination that this one has."

In describing the demographics, Lesser noted that direct or hourly employees are typically in their late teens or early twenties, with a majority being female and high school graduates. Engineers and first-line supervisors tend to be in their twenties and junior college or university graduates. General supervisors and managers are in their thirties or older, with tenure, experience and educational background being much more important in determining promotions in the Korean system.

Shinsung Packard's first year has also seen development of a very positive attitude among the employees. "These people are not robots, they are very adaptable. With proper training they do the job very well. The basic Korean attitude has been described as one of hesitancy to change. But, during the past few months — with most employees having less than one year of experience — I have started to observe a new development: There's more openmindedness and willingness to try new and different things to make the operations more efficient, more successful.

"There's one attitude that has become clear and I believe it's going to be the key to our competitive success: these people now understand continuous improvement — and they're pursuing it!"

Alambrados Automotrices employees learn about the Packard experience

by Michael Hissam

It could have been a scene from day one, bootcamp — the bus ride away from home. Thirty-three mostly youthful recruits trudged toward a bus that would take them to training. Excitement, apprehension and imagination would join them for the nearly 18-hour ride.

At that last moment with their families, abrazos — the Mexican version of the hug — expressed "hasta luego" (until we return). For many of these 33, the first to go to work at Packard's Alambrados Automotrices subsidiary in Nuevo Laredo, Tamps., Mexico, it would be the first ride away from home. Their destination was 900 plus road miles away in Ciudad Juarez, Chih., and the Cableados plant for

three weeks of the Packard experience.

Nick Quinn, manufacturing superintendent for Alambrados Automotrices, involved himself in the selection of the 33 just prior to the February 1987 journey. Eight months later, he would be the recipient of the abrazos — this time meaning "muchas gracias" as he announced the promotions of nine of them to group leader status.

That's four promotions in eight months on the job.

Spanish with a British accent

"When I first spoke to them as a group that very first day, I spoke to them in Spanish. The first thing I did was apologize for what had to be the strangest accent they'd ever hear," he recalled. "I explained I was from Newcastle, England, but had been in

Mexico on and off since 1967. The surprise was on them. It was a great laugh!"

Promotions of the nine and the fact that 28 of the 33 have remained, reflect another accomplishment as Alambrados Automotrices came of age. "By the end of October, our Quality Index was at 144. Our conformance was at 100 percent for the 'A' (functional) and 'B' (buildability) standards for our customers. And that's with nearly 1,000 employees who have less than six months' experience.

"We receive few complaints from our customers who demand perfect wiring for GM-10. Whenever there is a customer concern, we work immediately with the customer to solve problems."

Growth of Alambrados Automotrices parallels that of Plant 47-Ridge Road in Vienna Twp., Ohio. Plant 47 supplies leads and Plant 14 the pull-to-seat connection systems for the GM-10 product

Korean life style is a different ballgame

by Michael Hissam

"A whole different ballgame" — that overused American reaction catchphrase to something different — would be an understatement.

The beauty of the language cannot be appreciated when the language is not understood. An alphabet foreign to the "western" eye aborts any initial guess at translation. There's a different way to approach the daily activities; culture being based on traditions whose roots followed a different course.

Yet, the job of earning one's daily bread must get done.

Bick Lesser, Packard's on-site representative director at Shinsung Packard near Seoul, pointed out he and his family are not frightened by "culture shock." Having experienced life in different countries before, "the rewards and benefits outweigh the frustrations and disadvantages."

Despite a 14-hour time zone difference from Warren, Ohio, and living in a country halfway between Tokyo and Beijing (Peking), Lesser is not totally isolated from the United States. "In Korea, as I understand it, there are about 40,000 U.S. armed forces personnel and 20,000 family members in addition to about 10,000 'westerners' who are primarily business people."

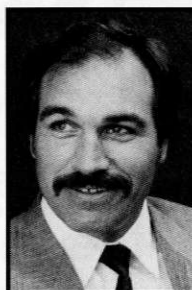
He and his family reside near Seoul — 11 million people, the capital and economic hub of the Republic of Korea. "We live in an embassy area near the major foreign shopping district called Itaewon.

Nearly everyone in that area speaks English well. In addition, for me, about half the engineers and nearly all supervisory personnel at Shinsung Packard speak English. That compares with less than 10 percent of the general population, although English is now required in schools.

"We've been able to see first-hand the cultures we couldn't have experienced otherwise."

— Bick Lesser

photo: Hissam



"Korean is a tough language to learn, but I'm learning it slowly. I've picked up a few words and key phrases."

Lesser's wife Donna finds grocery shopping more of a challenge. "Often, she'll take a taxi to buy groceries. There is no full-service supermarket as people are used to in the U.S. which means she often goes to several places to buy what she's looking for. However most western food items are available, but at somewhat higher prices.

"She has started to prepare some Korean dishes, I find many of them rather spicy, but good!" he noted.

For the four of their five children with them, a U.S. International school provides their education. "The education they receive is on a par with the best public schools in the states. The physical facilities

of the schools and the extra-curricular programs are excellent! One of the advantages of the assignment is that they have made friends from many other countries and have learned something about their cultures."

Lesser and his wife are not immune from a challenge faced by many American parents. When they are "lucky," the youngsters — ages nine through 16 — wear headphones as they listen to AFKN radio which "rocks" Korea, compliments of Uncle Sam.

Major family recreation for his wife and three daughters includes shopping. Rent a video? "You bet! It's about a buck and a half. Big selection, including some 'bootleg' tapes. Unfortunately, there is often a quality problem. The speaking is in English, but Korean subtitles are often superimposed."

That common denominator of American family social life — television — is available in English on one channel in Seoul. "There's a good selection of American programming. I said 'good,' I didn't say 'best!' It's soap operas by day; sitcoms by night.

There's nightly news — usually a night behind. Johnny Carson wraps up the day's telecasts."

Looking back at his family's foreign experiences which include Portugal and Mexico (by way of El Paso, Tex.), Lesser chalks it up to an experience beyond a textbook: "We've been able to see first-hand the people and the places and cultures we couldn't have experienced otherwise. You don't gain that type of experience in any classroom."

which includes the Buick Regal, Pontiac Grand Prix and Oldsmobile Cutlass Supreme. More than one half million leads and connection systems are shipped from Ohio each day to support GM-10 wiring system final assembly in Mexico. Projections call for 2.5 million leads at full schedule.

Fifth absolute

Quinn attributes success at Alambrados Automotrices to people and caring for them; the fifth of Packard's Excellence absolutes. "I have been at several of Packard's plants in northern Mexico. There is a most intense attitude among these people. Something special is happening here."

That something special appears to have its origin from the 33 who went to Juarez. "They began training one-on-one with employees from Cableados. But as soon as our people got the basics, they progressed on their own. We urged them to constantly seek improvement."

What carries forth at Alambrados Automotrices in development of its employee leadership cadre is a group leader training program based on three phases: six weeks of philosophy, theory and practice; four weeks of certification of knowledge of theory and practice, and four weeks of training and practice into the administration of human resources.

Spotless plant

Striking, but not necessarily surprising to any visitor, is the housekeeping at Alambrados Automotrices. This plant is spotless by design, according to Quinn. "We've made housekeeping an integral part of our training. The work areas are clean; the washrooms are clean; the cafeteria and the offices are clean. It's because of our obsession with housekeeping that we can also easily spot quality or deviations from specifications or procedures."

Care for housekeeping also extends into care for materials. The "pulsera"

(bracelet) is testimony. "At one of our workstations, the employee works with an electronic module that is part of the automobile's engine control system. The employee wears a small bracelet that is attached by a small cable to ground. This prevents an electrostatic charge from building up in a person — not an unusual occurrence in the workplace. By doing this, it avoids a discharge into the module, which could compromise or destroy its ability to perform as designed."

Looking into '88

While 1987 challenged Quinn and the rest of the Alambrados Automotrices and Packard Mexico East team with its first "arranque" or startup, 1988 looks to be as dynamic.

But with added growth and responsibility comes the need for more training. The opportunity will be there for employees to become leaders among their peers, Quinn said.

Expect to see more abrazos.

CABLEFOCUS

The Smart Choice

Packard's repair parts system assures that customers get parts they need *when* they need them

In the 1970s, television programming featured a show called the "Six-Million Dollar Man," in which an injured astronaut was given bionic parts to repair his damaged body. For the bionic man, repair parts meant the difference between life and death.

For Packard Electric, repair parts play an equally vital role in ensuring that the division's product satisfies the customer. Due to shipping and handling considerations stemming from Packard and the car assembly plants, wiring assemblies sometimes have missing or damaged components. Repair parts can save money for the assembly plants, while assuring that production continues.

"Ideally, not needing repair parts would be the best answer," noted Bill Wehmer, director, Excellence. "The fact is sometimes repair parts are necessary. We have to ask ourselves, 'how can we handle the parts needed for repair at the assembly plant?' In order to best satisfy our customer, we have to assure that within our operation we have the repair parts to do the job."

Mike Joseph, Reliability, said assembly plants faced with missing or damaged components on a wiring assembly will react in one of three ways: • they will remove the assembly and replace it with an identical one, • they will "cannibalize" parts from other harnesses, which are later set aside as scrap, and • they will use Packard-supplied repair parts. Option three is by far the least costly and most effective.

"Our Cooperative Involvement Engineering (CIE) group surveyed the vehicle assembly plants regarding repair parts," said Joseph. "They found it cost the plants more than half a million dollars annually to continue production without these repair parts. Repair parts save quite a bit of time and expense for them."

"If it costs more than \$500,000 at the assembly plant for repair parts, then we're not doing the job the right way," Wehmer pointed out. "Our objective is to help the customer do his job better; ultimately we want to provide a product which is true to its original intent. Our CIEs will provide direction for us."

"Parts is parts?"

Typical repair parts include terminals, connectors, battery belts, clips, seals and clamps. Terminals are the item in heaviest demand, as so many are required on any given harness.

Getting repair parts to assembly plants wasn't always as effective as it is today. Previous to May of 1986, Packard's Assembly Reliability area filled orders by assigning individual employees to gather the parts. By the time they were shipped, parts arrived 20 to 30 days after the order was placed.

"Everyone plays a role in getting repair parts to the customer, including our operations in Ohio, Mississippi and Mexico. Delays meant we had to change our total system," Wehmer said. "Our goal is to get the parts to the customer in a couple of days, with 10 days being the exception to the rule."

Before, customer dissatisfaction generated six pages' worth of repair parts orders identified as being two weeks late or more. With the new system, this documentation has shrunk to one page.

"The system now in place creates a little more work initially, but it saves a lot of customer expense and frustration," Joseph said. "We solved the problem and made the customer happy."

Now Packard funnels repair parts through Pioneer Standard Warehouse and Distribution Center. Pioneer has a contract with Packard to keep repair parts on hand, and to ship them immedi-

ately when an order comes in. Orders which Pioneer Standard can't fill go through Packard's Procurement/Production Control area.

To the rescue

A key feature of the repair parts system is determining why customers are re-ordering parts. Vanessa Hill serves as the focal point for customer orders flowing into Packard. She questions each customer on the reasons for the request in order to uncover recurring problems and identify mistakes in orders.

For example, one customer received bulbs that were the wrong candlepower. When this was traced to a mislabeled box, the division received valuable feedback. Five hundred correct candlepower bulbs arrived the next day.

In another instance, a customer placed an order for a part that hadn't been used in three years. Hill double-checked, and discovered the wrong order had been placed, and that the part was obsolete. She was able to order the appropriate part for the customer, who was saved considerable frustration.

Not a band-aid approach

"I won't accept orders for parts without first asking some questions," declared Hill. "My job is to catch the mistakes and make sure the parts get to the customer in a timely manner."

After Hill generates a list of orders, she sends them to either Mary Scarbrough, general supervisor, Warren Procurement, for purchased material, or to Bob Schon, superintendent, Material

Control, for Packard-made material. "We attempt to fill every order as quickly as we can," Scarbrough said. "Packard has made a commitment to its customers to help solve their problems."

Joseph pointed out that sometimes customers order parts for things they shouldn't try to repair — they need to discover the root cause rather than place a running order for repair parts.

"This shouldn't be a band-aid solution to a problem that needs a real solution," he added. "Once we get the customer to understand that, we can do an even better job of using this system to provide us direct feedback for problem-solving."



Vanessa Hill serves as the focal point for repair parts orders. Here she examines components ready for shipment.

New Partnership fosters gains for C-P-C and Packard Electric. It's a model relationship

In the eyes of the customer, it's thumbs up for Packard's 1988 model year startup efforts. At a joint C-P-C/Packard Electric New Partnership meeting held this fall, C-P-C presented an engraved plaque in recognition of the division's excellent service to assure successful production startup of all C-P-C platforms.

New Partnership is a C-P-C initiative that emphasizes the partnership concept rather than the traditional customer/supplier relationship. As a major supplier to C-P-C, Packard has become more involved in product planning and the definition of common business goals for the division and C-P-C.

Ray Anton, manager of F-car electrical systems for C-P-C and Partnership coordinator, noted that the one-and-a-half-year-old Partnership focus has benefited from a lot of hard work by both groups.

"We appreciate and recognize the level of in-plant support during vehicle assembly startup," Anton said. "Packard's participation and responsive-

ness is unique within the corporation. I'd hold it up as a model to be imitated."

In-plant support has enabled C-P-C to run a smooth startup. Packard gained a heightened awareness of customer problems, and changes took place with a minimum loss of production.

Wiring blitz

One cooperative initiative was Packard's A-car wiring blitz, which zeroed in on specific wiring problems associated with that model. New Partnership helped foster that increased level of support.

"This award recognizes Packard's increased contribution through the partnership," said Roy Szanny, assistant staff engineer, Application Engineering. "Our efforts are consistent with both our Excellence concept and C-P-C's business goals."

In a sense, Packard has taken ownership for quality of vehicle assembly as it relates to the power and signal distribution system. This becomes more impor-

tant as the integration of Packard and C-P-C's business goals comes about.

Anton calls the increased level of trust a sign of a maturing relationship. He acknowledges that he'd like to see all C-P-C's suppliers move toward the type of relationship that C-P-C has with Packard Electric. Product Evaluation Program (PEP) studies are one example of how the division takes the lead in solving problems, whether those problems originate at Packard, the assembly plant or somewhere in between.

"Quality is the aspect we can influence most in the work we do," Anton said. "Packard people have their hands on the product and can actively pursue

**Delco
Moraine
honors
Packard
as
a
top
quality
supplier**



Dave Heilman, (left), director, Engineering, accepts a plaque recognizing Packard's model start-up efforts from Ray Anton, coordinator, New Partnership.

quality. The Packard product touches almost everything else in the car, so that becomes very important."

Let's not stop there...

Szanny noted that future Packard efforts will revolve around increased product quality and reduced warranty cost. From an engineering standpoint, the division will expect to see all harness assemblies released on time, as well as fewer changes after cut-off dates.

Anton added, "We've been successful because of our frequent communication. In the future I'd like C-P-C to take a look at adopting some version of your Excellence philosophy. It's equally important that we be a good customer!"

Roy Szanny, supervisor, Application Engineering, (left) and Ray Anton, New Partnership Coordinator, examine under hood wiring on the Chevrolet Corvette.

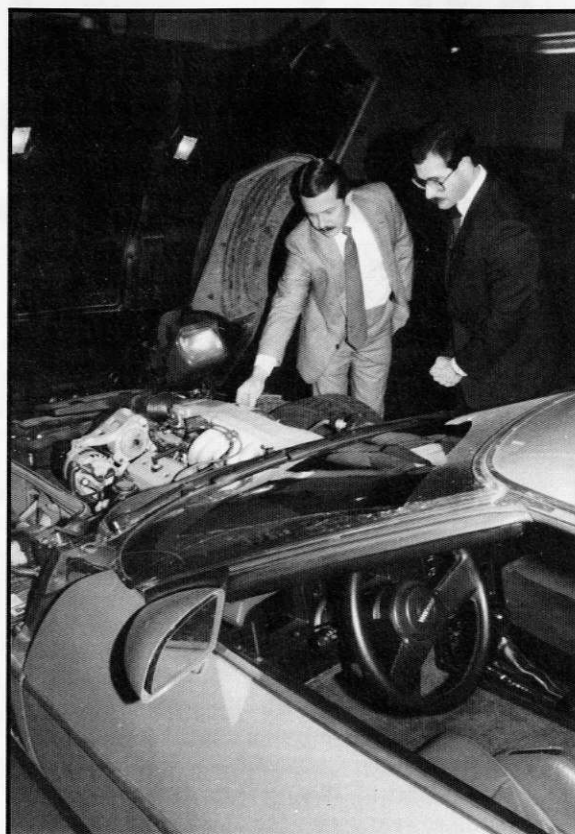


photo: Reilly

Packard Electric was one of six component suppliers recognized as "Partners in Excellence" to Delco Moraine's Program Management Organization for the Anti-lock Braking System (ABS). Product Assurance SQPE (Supplier Quality Program Evaluation) Team Leader Ken Wilkinson presented the awards at a "Best of Show" Awards Day at the GM Proving Grounds in Milford, Mich.

Delco Moraine honored its top suppliers for this program based on 10 critical elements of a total quality system. These included elements such as quality planning, supplier control, process control and non-conforming material control. Packard scored a "green" (highest) rating on eight of the 10 elements. The remaining two elements needed minimum corrective action to be upgraded from a "yellow" (needs improvement) rating to green.

Two areas targeted for improvement were gage control and traceability. In November ABS Group-Product Assurance sent Packard a congratulatory letter noting that the division is now 100

percent compliant on all 10 major elements of the SQPE as a result of the corrective action. "Consequently, Packard Electric is recognized by Delco Moraine as having quality systems in place that satisfy world class position requirements," said Wilkinson.

"This award assures that as a supplier we have quality systems in place that will enable us to build and ship our product to world-class quality standards."

— Cleary

"This award assures that as a supplier we have quality systems in place that will enable us to build and ship our product to world-class quality standards," said Lori Cleary, Reliability engineer, Assembly Systems. "The evaluators visited our North American Operations and were particularly impressed with our operation at the Ridge Road (Vienna, Ohio) plant."

Proof positive

Gaining this award also yielded another benefit to Packard. It helped document that the division has control of its quality systems, according to Joe Trevis, superintendent, Assembly Systems Reliability.

"One of our Absolutes of Excellence is Customer Feedback," Trevis added. "People tend to remember minuses rather than pluses. That's why we've got to stress the things we're doing right!"

Responding to Delco Moraine's supplier survey required a coordinated effort from various departments. Cleary coordinated the effort to comply in the 10 designated categories. Other areas participating include: Reliability, Manufacturing Engineering, Quality Control, Sales, Product Engineering, Production Control and Manufacturing.

"No matter how well you've documented, the ultimate test is how you've produced that product in terms of quality, delivery and cost," Trevis said. "It's nice to receive confirmation that we're doing the job right. I've found that when a little extra effort is needed, Packard people come through."

All there is to know about benefits? Not quite

Comprehensive Medical Expense Insurance Program deadline is Dec. 31

All salaried employees, retirees and surviving spouses enrolled in the General Motors Comprehensive Medical Expense Insurance Program (CMEIP) are reminded that claims for calendar year 1986 must be filed by Dec. 31, 1987.

CMEIP is an insurance program designed to reimburse enrollees for out-of-pocket medical expenses which have been incurred during the course of a calendar year.

Covered expenses include items such as routine office calls, ambulance service, extra charges for private room accommodations in a hospital, private duty nursing services, custodial care up to \$25 per day at an approved nursing facility, professional services rendered by a physician or surgeon which are not covered under the Informed Choice Plan (ICP), psychological care, physical examinations and voluntary sterilization. In other words, almost all medical expenses not covered under ICP should be submitted as a Comprehensive claim. If you aren't sure if an expense is covered, submit the claim for the insurance company to consider.

Items which will not qualify for a Comprehensive claim include co-payments for: prescription drugs, vision care and dental expenses, expenses incurred as a result of going outside your managed health care plan, cosmetic surgery, and surgical procedures not covered by ICP due to their experimental nature (e.g. radial keratotomy — cornea slicing surgery to correct nearsightedness).

When submitting a claim for reimbursement, it is necessary to provide proper documentation of expenses incurred. Each medical bill must have the patient's name, type of service, date of service and charge for each service. Whenever possible, it is advis-

able to include a copy of the local plan benefit statement showing partial payment or denial of payment for the service. When sending a bill for non-physician services such as private nursing, speech or physical therapy, or supplies such as hospital beds or vitamins, then a physician's statement indicating the medical necessity of those services or supplies must be enclosed.

Each year once the deductible amount has been exceeded (\$125 per person, or \$250 per family), Comprehensive benefits reimburses 80 percent of the first \$5,000 of covered expenses, and 100 percent of expenses over \$5,000 to a maximum of \$50,000 per year. The one exception to this is outpatient psychiatric care, which is reimbursable at 80 percent.

Remember Dec. 31, 1987, is the deadline for filing claims for calendar year 1986.

In-laws, outlaws and stepkids? See who actually qualifies as a GM dependent

GM has recently completed the annual employee health care enrollment, and would once again like to address the issue of dependents' eligibility for that coverage.

In addition to offering outstanding health care benefit coverage, the corporation also provides the opportunity to extend this coverage to a wide array of eligible dependents. Because the nature of family relationships can be complex, the employee benefits section has developed guidelines for determining eligibility for the dependents of employees, retirees and surviving spouses (enrollees).

The categories of eligible dependents are as follows:

SPOUSE The husband or wife of an eligible enrolled employee or retiree;

surviving spouses may not add a new spouse.

CHILD Children by birth, legal adoption or legal guardianship of an enrollee; or stepchildren of an employee or retiree are eligible dependents provided they meet all of the following requirements:

- Marital status - the child must not be married.
- Age - the child must not have reached the end of the calendar year in which he/she turns age 25, unless the child was determined to be totally and permanently disabled prior to the end of such year.
- Residency - The child must reside with the enrollee as a member of such person's household. If the child is not a member of the household, the enrollee must be legally responsible for the provision of health care for the child (such as a child of certain divorced parents, legal guardianship, children confined to training institutions, or children in school).
- Dependency - The child must be dependent upon the enrollee, meaning that the person must be able to legally claim an exemption for such child, under Section 151 of the Internal Revenue code, for federal income tax purposes. An exception may be made for a child of a divorced employee or retiree, if such divorced employee or retiree is legally responsible for the provision of health care for the child as stipulated in the divorce decree or order of a court of proper jurisdiction.

(A child who resides with an employee or retiree pending adoption, but whose adoption is not yet final is NOT eligible for Corporation-paid health care coverage. However, if otherwise eligible, the child may be enrolled as a sponsored dependent. See explanation of **sponsored dependent**.)

...but this is a start

PRINCIPALLY SUPPORTED

CHILD He/she is eligible if related to the enrollee by blood or marriage, and meets all the eligibility requirements for children as defined above. However, the waivers of residency and dependency based on legal responsibility covered above do not apply. A surviving spouse may not enroll a principally supported child, unless that child was eligible to be enrolled by the deceased employee or retiree as of the date of the employee's or retiree's death.

SPONSORED DEPENDENTS

These are individuals other than those specified above, who are related to the enrollee by blood or marriage, or, if not so related, who reside with the enrollee. To be eligible, they must be dependent on said enrollee as previously defined. A surviving spouse may not add any new sponsored dependents. The cost of sponsored dependent coverage is paid by the enrollee, and does not include dental, vision or CMEIP coverages.

The clip-and-save chart is provided for ready reference, including: type of dependent, effective date of coverage and documentation required to support their eligibility.

General Motors Pension Programs remain on solid footing, assets continue to grow

Recently all General Motors employees (hourly and salaried) received copies of the Summary Annual Reports of certain information from annual reports filed under the Employee Retirement Income Security Act of 1974 (ERISA) by GM with the Internal Revenue Service. These reports reflected basic financial information for various benefit programs for plan years ending in 1986.

During these times of economic uncertainty, some employees have expressed a particular interest in the financial stability of the General Motors pension plans. In response to this concern, highlights of pertinent information regarding the plans' financial soundness is as follows:

Salaried

As of Sept. 30, 1984, 215,973 persons were participants or beneficiaries of the

"General Motors benefit programs are considered to be among the best in the world."

— Tom Habel,
Administrator,
Salaried and
Hourly Benefits



photo: Carney

Salaried Retirement Program. By Sept. 30, 1985, this number had grown to 219,154 persons, a 1.47 percent increase, and by Sept. 30, 1986, there were 222,177 persons, a 1.38 percent increase over the previous year.

During the same period of time, plan assets (after subtracting liabilities of the plan) grew from \$9,354,253,651 on Sept. 30, 1984, to \$10,951,476,343 on Sept. 30, 1985, a 17.1 percent increase. By Sept. 30, 1986, plan assets had grown to \$13,509,815,772, an increase of 23.4 percent over the previous year.

Hourly

As of Sept. 30, 1984, 658,757 persons were participants in or beneficiaries of the Hourly-Rate Employees Pension Plan. By Sept. 30, 1985, this number had grown to 677,273 persons, a 2.8 percent increase, and by Sept. 30, 1986, this number had dropped to 674,133 persons, a decrease of approximately one half of one percent.

During the same period of time, plan assets (after subtracting liabilities of the plan) grew from \$10,078,498,458 on Sept. 30, 1984, to \$12,333,924,499 on Sept. 30, 1985, a 22.4 percent increase. By Sept. 30, 1986, plan assets had grown to \$15,520,487,454, a 25.8 percent increase.

All employees have a right to obtain a copy of the full annual report, or any part thereof, by writing to:

General Motors Corporation
Room 8-223 GM Building
3044 W. Grand Blvd.
Detroit, Mich. 48202

Additional information, including the charge to cover copying costs for the annual reports, is available from the Packard Hourly Pension Office (Al Jordan, ext. 2101), or the Salaried Benefits Office (ext. 2072).

<u>DEPENDENT</u>	<u>EFFECTIVE DATE</u>	<u>DOCUMENTATION</u>
Spouse:		
Ceremonial	Date of Marriage	Marriage certificate
Common-Law	Date proper documentation is received	Common-Law Affidavit
Child:		
Natural	Date of Birth	Birth Certificate
Adopted	Date adoption is final	Adoption Papers from the Court
Guardianship	Date Guardianship is final	Guardianship papers from the Court
Principally Supported	1st of the month following the month enrollment form received	GM Statement of Principal Support*
Stepchild	Date child becomes a member of the household	
Special Case		Divorce Decree or Court Order
Sponsored Dependent:	1st of month following the month enrollment form received	GM Health Care Coverages Enrollment & Change Form*

*Certified copy of 1040 will be required the following year

Working at Packard does not preclude serious devotion to art - it's a matter of lifestyle

by Patricia Reilly

By day, Dwight Derryberry is a draftsman/checker in Packard's Drafting and Records Department. He checks blueprints on attributes such as wire lengths and secondary locks.

By night — sometimes WELL into the night — he's an artist, working with charcoal, ink or paints to create works he hopes will leave a lasting impression.

"My interest in art began when I was 14 or 15 years old. I started by copying scenes out of comic books," Derryberry explained. "Later I served as an army illustrator at Fort Huachuca, 30 miles north of Mexico in Arizona. I fell in love with the desert there."

Derryberry dabbled with impressionism and surrealism before developing a style of his own. Although his landscapes don't always have people in them, he tries to make the scene inviting enough that people WOULD want to be there, if they could.

Crossing the line from craft to art comes when the artist starts telling stories with his work, rather than painting snapshots, according to Derryberry. What's harder to accept is that the final judgment of a piece rests with the people who look at it,

not with the artist who creates it.

"It's so easy to be wrong," he laughed. "It's hard not to be defensive about my work. Most artists feel that way. Artists would go a lot farther if they listened to people who hate their work rather than to people who love their work. Some of my works I've disliked the most have been very well-liked by others."

In the public eye

Last year Derryberry donated

achieve national recognition.

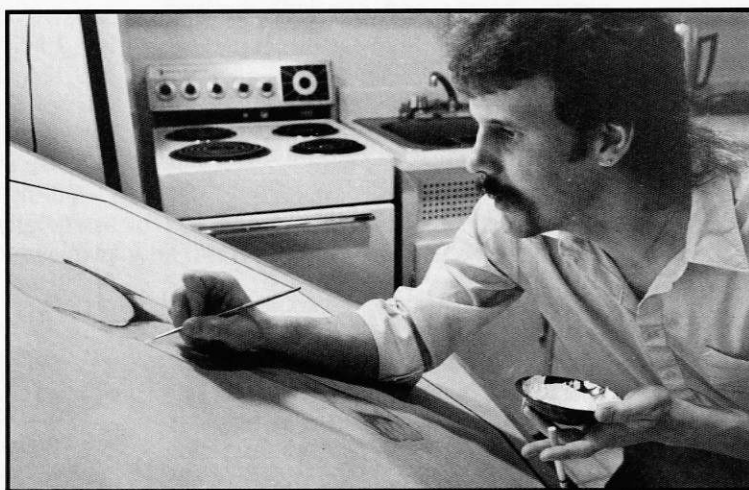
"Until then, I do my painting in the kitchen," he noted. "My philosophy is experimental and evolutionary. I would hope I'll be better when I'm 80 than I am now."

Can a full-time employee also devote sufficient attention to his art? As Derryberry pointed out, his work at Packard takes up a mere eight hours of his 24-hour day. That leaves plenty of time to shop for art materials, listen to the radio, drink wine and, of course, to paint.

He described his lifestyle as a comfortable and fulfilling one. Creating enough works for a show takes time, and he sometimes works on as many as five projects at once.

"Some of my best ideas come from changing my mind in mid-stream," Derryberry added. "I try to bring my subject to its fullest potential, rather than just making a pretty picture out of it."

After four or five hours of sleep, he is refreshed and ready to return to his more conventional work at Packard. "My schedule doesn't leave me with a lot of free time, but I don't really miss it," he said. "I still manage to leave plenty of time for me."



Dwight Derryberry concentrates on his artwork. Derryberry recently abandoned his kitchen/studio arrangement for more spacious quarters.

photo: Reilly

two of his works to Product Engineering for a raffle to raise money for the area's Christmas banquet. Even those who don't appreciate art appreciated his gesture.

He also showed some of his work at an exhibit in Howland last spring. Someday he hopes to

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