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Bryan Mitchell / Special to The Detroit News

Terry Ammons, who has worked for Chrysler for 34 years, will take a buyout to spend more time with grandson Dauwan Banks, 4.

Chrysler restructuring

Workers snap up buyout offers

More than 4,300 have already taken deals

AUBURN HILLS -- Chrysler workers are snapping up buyout and early retirement offers at a brisk pace despite some initial reservations about the size of the exit packages.

With Germany-based DaimlerChrysler AG actively negotiating with potential buyers for the Auburn Hills automaker, 4,312 union-represented Chrysler hourly workers in the United States and Canada have already accepted offers to leave the company, according to Chrysler spokeswoman Michelle Tinson. More than 1,600 Michigan workers have signed up for buyouts. That puts Chrysler well on its way to eliminating 11,000 hourly jobs in North America by 2009.

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Chrysler announced plans to offer buyout and early retirement packages on Feb. 14, the same day DaimlerChrysler revealed it was exploring all options for Chrysler including the sale of the automaker that lost \$1.5 billion dollars last year. Chrysler offered a retirement package that includes a \$70,000 lump sum plus health care and pension benefits. Workers with less seniority were offered buyout packages, which include a \$100,000 lump sum and six months of limited health benefits.

Some U.S. workers complained that the offers should have been more generous and include a voucher to buy a vehicle like the packages offered to Canadian union workers. But those initial reservations haven't slowed the flood of workers accepting the packages.

The packages were only offered at plants slated to be closed or seek work force reductions as a result of the company's turnaround plan. The company could extend the offers to workers at more plants to reach its goals, but that may not be necessary given the early take rate.

The number of takers thus far puts Chrysler on track to cut its union work force by about 5,875 hourly positions this year, Tinson said. In addition to the 11,000 union positions, Chrysler also wants to cut 2,000 white-collar jobs.

"These actions will enable the Chrysler Group to become more competitive moving forward by allowing us to align our work force needs with capacity needs of our manufacturing operations," Tinson said.

Brian Krasicky, a certified public accountant with Grand Rapids-based turnaround firm O'Keefe & Associates, said the numbers indicate that Chrysler is on target to meet its work force reduction goal this year. "I bet that they'll get more than they need and then have to keep some people," said Krasicky, who was a headhunter for 13 years and handles corporate finance and has done work for auto suppliers.

Krasicky said the increasing likelihood that Chrysler will be sold either to an industrial company or a private equity group could nudge more hourly employees to consider Chrysler's offer.

"I think at least southeast Michigan people will be reading the writing on the wall and they'll start jumping," Krasicky said.

Chrysler's hazy future has already swayed hourly worker Terry Ammons to apply for the retirement package. "There are a lot of changes going on in the auto industry," Ammons said.

Ammons, an employee at the Mack I engine plant in Detroit where 4.7-liter V8 engines are

Steve Perez / The Detroit News
 A worker crosses Mound for shift change at the Warren Truck Plant. [See full image](#)

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produced, said after weighing the pros and cons of life at Chrysler, he decided it was best to take the company up on its offer. "I had planned on working for at least three more years," he said.

Chrysler is cutting 250 workers at the Mack factory.

"You have a totally different environment," said Ammons, a Detroit resident who has worked at Chrysler for 34 years. Ammons has until next Tuesday to rescind his application.

The deadline for Chrysler workers to accept buyout packages varies by plant and some workers will have until this summer to decide.

Sessions hosted by accounting firm Merrill Lynch are being held at various plants and union halls to provide additional details to interested employees about the packages. In the past two weeks, workshops have been held at Chrysler's Sterling Heights and Warren stamping plants, Jefferson North assembly factory, and UAW Local 961 and Local 51 in Metro Detroit.

Sheila Thomas, 48, who attended one of the sessions, said she applied for the \$70,000 retirement package because she's frustrated with Chrysler and Michigan's auto industry in general.

"My reason is not a fear factor. It's a tired factor," said Thomas, an inspector at the Warren stamping plant where 100 jobs are being cut. "I don't want to work for them. My morale is so down I feel like I'm on my knees."

Thomas, who's been with Chrysler for 30 years, plans to relocate with her mother to Georgia where some relatives reside.

Gary Barnes, 28, said he hopes to apply for the \$100,000 package. The Warren Truck production worker employed at Chrysler for five years intends to use the money to pay for education in computer science. "I'm in the process of enrolling at University of Detroit Mercy or Central Michigan," Barnes said. "If I don't get the buyout, my plans will still be the same."

Elizabeth Mink, a laid-off electrician at Chrysler's Kokomo Transmission Casting factory in Indiana, has been collecting unemployment for the past 18 months. She applied for the buyout last Friday. "It wasn't too hard to make that decision. I'm not sure how stable the company is," said Mink, who hopes to land a job with Verizon to install fiber optic wires. She's been with Chrysler for eight years.

Ron Toerper, a 49-year-old skilled trade worker at Chrysler's Warren Stamping plant, has been with Chrysler for 30 years. He fears if a private equity firm buys Chrysler, an offer like this may not come again. "That got me worried," he said. "Their history is selling off parts."

Neither is Toerper fond of Magna International, an auto supplier also contending to buy Chrysler.

"They haven't been too union friendly. I just wanted to have an ace in the hole," he said. "I didn't want to go out with a handshake and a license plate."

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