



March 2008

RE: Changes in Professional-Administrative, Management and Executive Retiree Benefits

Dear Chrysler Retiree:

Chrysler LLC continually evaluates the economic value of benefit plans and the need to remain competitive in an ever-changing global marketplace and strives to deliver the best mix of benefits for our employees and retirees. In that regard, this communication highlights changes to the benefits provided to current and future Professional-Administrative, Management and Executive retirees.

Pension Benefits

Chrysler is pleased to announce a one-time pension increase for current retirees effective June 1, 2008. The amount of the increase has taken into consideration the sum of years of credited service and the length of time since your retirement as indicated in the table below. You will be **required** to make an election for the distribution of this payment. You will be eligible to receive the payment as:

- a one-time lump sum payable directly to you, or
- a direct rollover to an Individual Retirement Account (where applicable) or other qualified plan, or
- the actuarial equivalent of the lump-sum payment, paid as a lifetime monthly pension benefit.

Sum of Years of Credited Service + Years Since Retirement as of January 1, 2008			
Up to 29	30 – 39	40 – 49	50 or more
\$1,000	\$2,000	\$3,000	\$4,000

Company-sponsored Group Life Insurance

Effective June 1, 2008, Chrysler will no longer extend Company-sponsored group life insurance to retirees. **The Company has made arrangements with MetLife to provide current retirees with a one-time opportunity to purchase life insurance at special group rates through the MetLife Voluntary Retiree Life Insurance Plan.** As a retiree, you may choose to use the one-time lump-sum pension payment for premiums in the new plan. Life insurance purchased through this new plan is separate from, and in addition to, any other optional life insurance that you may currently purchase through existing Company programs, which remain unchanged.

You will receive detailed information concerning the elections for the pension increase by the end of April and information from MetLife regarding the new MetLife Voluntary Retiree Life Insurance Plan in May.

Thank you for your ongoing support.

Sincerely,

Thomas J. Hadrych
Vice President – Compensation, Benefits and Corporate Services
Chrysler LLC

Chrysler reserves the right to terminate, suspend, or amend all or part of its employee benefit plans or programs. Upon termination or partial termination of the program, coverage will cease as of the effective date of the termination or partial termination.