

AB

Statement Date

SARA B PARTICIPANT
(ADDRESS1)
(ADDRESS2)
(ADDRESS3)



Your Benefits Resources™
<http://resources.hewitt.com/chrysler>



Benefit Express Service Center
1-888-456-7800
between 8 a.m. to 4 p.m., Eastern time,
Monday through Friday

Michigan Income Tax Withholding Changes to Your Pension

You are receiving this notice because you have been identified as a Michigan resident who receives a monthly pension from a Chrysler Pension Plan. This notice contains important information about a change to Michigan income tax withholding for these payments.

Background

The state of Michigan recently changed state tax withholding requirements for pension plans to a Level II mandatory withholding. “*Level II mandatory withholding*” means that Michigan state income tax will be withheld unless you elect out of withholding.

Prior to January 1, 2012, Michigan withholding on pension payments was voluntary. Beginning January 1, 2012, Michigan withholding is mandatory and absent an election out of withholding, withholding will apply. The withholding amount is calculated based on these factors:

- Your marital status.
- When you and your spouse, if married, were born.
- The number of personal exemptions allowed on your Michigan state tax return.
- Your eligibility for exemptions, which is based on the type of payment you receive.

Due to calculation changes released by the state of Michigan in late November 2011, our system will be updated to apply the new Michigan withholding calculations effective January 23, 2012.

Withholding for 2012 Payments

Michigan state tax withheld from your pension payments may change beginning with your March 1, 2012 payment, depending on your current status and whether you take action to change your election as described below.

Status 1: You have no withholding election on file.

If you have no withholding election on file, your Michigan state tax currently is defaulted to \$0.00. If you do not elect withholding on or before February 3, 2012, then effective with your March 1, 2012 payment, we will use default withholding. This default withholding will be based on:

- The year of birth that we have on file
- A marital status of single
- 0 allowances

In order to withhold appropriately for the year, under the default withholding three months of withholding will occur with your March payment unless you make an update to your withholding election prior to February 3, 2012. This amount is comprised of the amounts that were not withheld from your January and February payments, as well as the normal monthly withholding amount occurring with your April payment. If you make a withholding election, please be sure to review the election to ensure that enough Michigan income tax is being withheld. If your election results in a balance due on your 2012 MI-1040 it may result in penalties and/or interest charges.

As you know, you may change your withholding election at any time. See page 3 for more details.

Status 2: You have a withholding election on file. This election was made on or after November 4, 2011.

If you changed your Michigan state tax withholding election on or after November 4, 2011, your existing withholding election will be applied to your payments going forward. You may wish to review this election to ensure that enough Michigan income tax is being withheld. If your election results in a balance due on your 2012 MI-1040 it may result in penalties and/or interest charges.

As you know, you may change your withholding election at any time. See page 3 for more details.

Status 3: You have a withholding election on file. This election was made prior to November 4, 2011.

If the last time you made an election for your Michigan state tax withholding was prior to November 4, 2011, then beginning with your April 1, 2012 payment, we will use default withholding unless you update your withholding election on or before March 7, 2012. This default withholding will be based on:

- The year of birth that we have on file
- A marital status of single
- 0 allowances
- The form of payment elected

As you know, you may change your withholding election at any time. To avoid the default withholding described above, you will need to update your current withholding election. If you update your withholding election, you need to ensure that enough Michigan income tax is being withheld. If your election results in a balance due on your 2012 Mi-1040 it may result in penalties and/or interest charges.

See below for more details on making a withholding election.

Changing Your Withholding Election

Whether or not you have a withholding election on file, you may change your withholding at any time. You must provide your marital status and personal allowances. You can provide this information by making an election on Your Benefits Resource at <http://resources.hewitt.com/chrysler>. We will calculate the withholding amount to apply to your payments based on this information.

You may opt out of withholding if you believe you will not have a balance due on your 2012 MI-1040. If you opt out of withholding and have a balance due on your 2012 MI-1040 it may result in penalties and/or interest charges. Be sure to review your tax situation with your tax advisor.

You also may provide us with an additional amount to withhold if you would like more withholding applied to your payments. You may provide this information by calling Benefit Express at 1-888-409-3300 or by making an election on Your Benefits Resource at <http://resources.hewitt.com/chrysler>.

Effective Dates of Your Election

If you choose to update your withholding election please note the following effective dates:

<i>Date of Election</i>	<i>Effective date of change</i>
1/23/2012 – 2/3/2012	March 1, 2012 payment
2/4/2012 – 3/7/2012	April 1, 2012 payment

Account Access

You can access your account at any time to review and make changes to your withholding elections by accessing Your Benefits Resources™ at <http://resources.hewitt.com/chrysler>.

Your Password is needed to access your personalized benefit information. If you have lost or forgotten your Password, you will not be able to access your benefit information or make your new Michigan withholding choice until you request and receive a new Password. You can request a new Password through Your Benefits Resources™ at <http://resources.hewitt.com/chrysler> or by calling the Benefit Express service center.

For More Information

Web: Your Benefits Resources™ at <http://resources.hewitt.com/chrysler>

Phone: 1-888-456-7800, between 8 a.m. to 4 p.m., Eastern time, Monday through Friday.

Your Benefits Resources™ is a trademark of Hewitt Associates LLC.