Ford Offers Buyouts To Its 41,000 Hourly Workers

Tom Krishner, AP Auto Writer

DETROIT (AP) — Ford Motor Co. has offered buyout or retirement incentive packages to all of its 41,000 U.S. hourly workers as it tries to further reduce its factory work force.

Ford, the healthiest of Detroit's three automakers and the only one to avoid government aid and bankruptcy protection, still has more workers than it needs to produce cars and trucks at current sales levels, said company spokesman Mark Truby.

He would not say how many workers Ford expects to take the packages, which include cash payments and other incentives such as vouchers to buy cars and short-term health insurance coverage.

"We're just going to try to right-size our manned capacity and align it with demand," Truby said.

Ford currently has 634 blue-collar workers on layoff in the U.S.

Under the terms of a new contract with the United Auto Workers union, the employees get most of their pay for a year depending on seniority, and a portion of their wages for another year before they are removed from the company payroll.

In the past, laid-off workers went into the "jobs bank" and were paid indefinitely even if their factory had been shut down. But the union agreed to scrap the jobs bank earlier this year when all three Detroit automakers ran into financial troubles.

The buyout package, offered to workers with at least a year of service, includes $50,000 cash and the choice of a $25,000 voucher to buy a vehicle or $20,000 more in cash. The deal also includes basic health care coverage for six months, Ford said. Retirement-eligible workers can take the buyout but must wait up to 18 months before retiring.

The retirement package includes $40,000 for skilled trades workers and $20,000 for nonskilled employees. To be eligible, workers have to have either 30 or more years of service, be age 55 or older with 10 or more years of work, or they can be 65 with at least one year of service, the company said.

Earlier this year, only 1,000 workers took similar packages, the company said in July.

Ford started 2009 with 89,000 employees in North America but reduced that number to 80,200 as of Sept. 30 through attrition, buyouts and layoffs.

Truby said the additional offer has nothing to do with the UAW membership rejecting a second round of contract concessions earlier this year. Workers at General Motors Co. and Chrysler Group LLC approved the concessions, so Ford is operating at a small cost disadvantage.

Ford sales were down 19 percent through November when compared with the same time last year. But the company has fared better than the U.S. auto market as a whole, which is down 24 percent for the year. GM and Chrysler sales are both off more than 30 percent.

In 2006, Ford had 75,000 unionized workers in the U.S., but since then it has closed 12 factories and reduced its work force with buyout and early retirement offers as part of a massive restructuring plan. The company plans to close four more factories by the end of 2011.

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