



Das Auto.

Warranty Information

General Communication

Number: VWC-14-02

Subject: Open Enrollment for Option 1 – Consumer Price Index (CPI) - Based Warranty Labor Rate Increase (US Dealers)

Date: March 18, 2014

This document conveys Volkswagen Warranty general information.

The open enrollment period for Volkswagen's Consumer Price Index (CPI) - based warranty labor rate increase option is March 15th through April 30th.

This option represents the most widely-used and accepted industry standard for Dealer warranty labor rate increases.

Benefits to Selecting the CPI-Based (Option 1) Warranty Labor Rate Increase Method

1. Easy one-form, one-signature, 3-year enrollment
2. No Labor Rate Survey Form (Market Survey) required
3. No repair order paperwork or analysis required
4. Labor rate increases occur automatically every June 1

Other Important Details

Volkswagen's CPI-based (Option 1) Warranty labor rate increase option **will provide a 1.1% increase** for all enrolled Dealers in 2014.

The CPI-based option is available to all Dealers regardless of the date of your last increase.

- If a Dealer received an Option 2 increase within the last 12 months, the first year's Option 1 increase will be prorated based on the number of months since the Dealer's last increase.
- For Dealers currently enrolled in Option 1 nothing is required at this time.
- Dealers whose 3-year enrollment expires in 2014 must re-enroll to receive the **1.1% increase**.

In the last week of May, all Dealers enrolled in Option 1 will receive a letter from Volkswagen notifying you of your new warranty labor rate that will become effective June 1, 2014.

For complete details and enrollment instructions refer to Section 2.4.2.2 of the *Warranty Policies and Procedures Manual*. The required enrollment form is attached to this communication for your convenience and is also located on

WISE > Resource Center > Forms > Labor Rate > Option 1 – Consumer Price Index (CPI) - Based Warranty Labor Rate Increase Enrollment Form

Questions: Contact Volkswagen's Warranty Labor Rate Specialist at 248-754-6577 or warrantylaborrate@vw.com

Volkswagen of America, Inc.
Option 1 - Consumer Price Index (CPI) – Based Warranty Labor Rate Increase
Enrollment Form

Date: _____ Dealer Number: _____

Dealer Name: _____

Address: _____

Current Volkswagen reimbursement rate per hour: _____

Effective date of current reimbursement rate: _____

- Open enrollment occurs each year from March 15th through April 30th.
- A Dealer may enroll in Option 1 (CPI - based labor rate increase) by completing and submitting this enrollment form to the Warranty Process and Labor Rate Specialist no later than April 30.
- This option is a 3-year enrollment commitment which provides an automatic warranty labor rate increase based on the change in the U.S. Consumer Price Index for the previous 12-month period ending in February. The official CPI will be determined from the U.S. Government web site www.bls.gov (CPI-U)
- The amount of the annual CPI Increase will be capped at 4%. The annual increase amount will be rounded to the nearest \$0.10. If the CPI change is negative, the Dealer's current warranty labor rate will not decrease but will remain in effect for the next year.
- The applicable warranty labor rate increase (0 – 4%) takes effect on June 1 of each year of the 3-year enrollment period.
- Once enrolled, the Dealer cannot apply under Option 2 (Effective Retail/Market Rate) until the 3-year enrollment period ends.
- When the 3-year enrollment period ends the Dealer must re-enroll to continue in the CPI option.
- If a Dealer received an Option 2 (Effective Retail/Market Rate) increase within the last 12 months, the first year's Option 1 increase will be prorated based on the number of months since the Dealer's last increase.

By signing this enrollment form, I agree to the above terms.

Dealer Principal Printed Name	Dealer Principal Signature	Date

Please fax completed form to 248-754-4663 or scan and email to warrantylaborrate@vw.com.

For Corporate Use: Approved rate: _____ Effective June 1, _____

 Approved by: _____ Date: _____