



Volkswagen

Warranty Information

Policies and Procedures Bulletin

Number: VWP-16-02

Subject: Revision to *Option 1 (Consumer Price Index-Based Rate)* of Section 2.4.2.2 *Labor Rate Increase Options* of the *Volkswagen Warranty Policies and Procedures Manual*

Date: Mar. 17, 2016

This document modifies the Volkswagen Warranty Policies and Procedures Manual.

To support the new online Option 1 enrollment process through WISE, the following revisions are made to *Option 1 (Consumer Price Index-Based Rate)* of Section 2.4.2.2 *Labor Rate Increase Options* of the *Volkswagen Warranty Policies and Procedures Manual*. These revisions will be incorporated into the next update of the *Manual*. All other provisions of section 2.4.2.2 are unchanged and remain in effect.

For Option 1, dealerships participate through an enrollment process initiated through the WISE website.

OPTION 1 (CONSUMER PRICE INDEX-BASED RATE)

This option is a three-year enrollment commitment, which provides an automatic warranty labor rate increase based on the percent change in the U.S. Consumer Price Index for the previous 12-month period ending in February. Note: The official CPI will be determined from the US Government website www.bls.gov using the Unadjusted CPI for All Urban Consumers (CPI-U) for the 12 months ended February.

Guidelines

- ▶ A dealership can choose the Option 1 program by submitting an enrollment form through WISE during the open enrollment period. The open enrollment period begins on or about the 1st working day following the release of the February CPI figures (generally between March 15 and March 31) and ends six weeks later. VW Warranty will inform dealers of the open enrollment end date via normal communication channels.
- ▶ When enrolling under this option, the increase may be prorated based on the number of months since the dealership's last increase.
- ▶ While enrolled in the Option 1 plan, the dealership will receive a Warranty Labor Rate Increase each June 1, during the three-year enrollment period. Once enrolled, you cannot go back to Option 2 until the three-year term ends.
- ▶ Once the three-year enrollment term ends, the dealership must re-enroll if they choose to continue in the CPI program.
- ▶ The amount of the annual CPI increase will be capped at 4%. If the CPI change is negative, the dealership's warranty labor rate will not decrease and the rate will continue at the current warranty rate.

The procedure in section 2.4.2.2 entitled *Establishing a Warranty Labor Rate for New Owners of an Existing Dealership* is obsolete and no longer applicable.

QUESTIONS

For any questions regarding this bulletin, please contact the Warranty Helpline at 1-866-306-8447 or warranty.helpline@vw.com.