

Central Pennsylvania Teamsters Pension Fund

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To: All Participating Local Unions and Employers

Re: PPA Schedules

I. INTRODUCTION

Under the Pension Protection Act of 2006 ("PPA"), a multiemployer plan's actuary must certify a plan's funded status for a plan year within 90 days after the start of that plan year. As indicated in the notice you received in April 2009 (the "Notice"), the actuary for the Central Pennsylvania Teamsters Defined Benefit Plan (the "Plan") certified the Plan as being in "Endangered Status" for the Plan Year beginning January 1, 2009.

As the plan sponsor of a plan in Endangered Status, the Board of Trustees is required under the PPA to develop a Funding Improvement Plan. This Funding Improvement Plan must consist of schedules provided to the Plan's Contributing Employers and Local Unions ("Bargaining Parties") showing revised benefit structures, contribution structures, or both, that are designed to have the Plan achieve certain mandated benchmarks by the end of the applicable Funding Improvement Period (the "Schedules").

More specifically, the Plan's Funding Improvement Period is the 13-year period beginning on January 1, 2012, the first day of the first plan year of the Plan beginning after the second anniversary of the date of the adoption of the Funding Improvement Plan. A 13-year period is used here since the plan sponsor has appropriately elected a 3-year extension of its Funding Improvement Period as available under Section 205 of The Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"). By the end of the Funding Improvement Period, the Plan's funded percentage must equal or exceed a percentage equal to the sum of the funded percentage as of the beginning of the Funding Improvement Period, January 1, 2012, plus 33% of the difference between 100% and that January 1, 2012 funded percentage. In addition, the Plan must not have an accumulated funding deficiency for any plan year during the Funding Improvement Period.

The Trustees must provide the Schedules to the Bargaining Parties within 30 days of the adoption of the Funding Improvement Plan. Trustees of plans in Endangered Status must include two proposals: one that reduces the amount of future benefit accruals sufficiently to achieve the required benchmarks, assuming no contribution increases other than those necessary after future benefit accruals have been reduced to zero (the "Default Schedule"), and another

based upon increases in the amount of contributions necessary to achieve the required benchmarks, assuming no changes in benefits.

Actuarial projections under the Funding Improvement Plan are performed as required under PPA. The projections of assets and liabilities include reasonable assumptions regarding anticipated employer contributions for the current and succeeding plan years, and the Plan actuary was provided a reasonable projection of industry activity, including future covered employment and contribution levels, by the plan sponsor.

Based on these projections and assumptions, the actuary has determined that by the end of the Funding Improvement Period, the Plan's funded percentage will equal or exceed a percentage equal to the sum of the funded percentage as of the beginning of the Funding Improvement Period, January 1, 2012, plus 33% of the difference between 100% and that January 1, 2012 funded percentage.

Further, based on the January 1, 2009 funded status and those same projections and assumptions, the actuary has also determined that the Plan will not have an accumulated funding deficiency for any plan year during the Funding Improvement Period.

The Schedules that have been adopted by the Trustees are set forth below. Unless otherwise indicated, all capitalized terms used in these Schedules shall have the definitions and meanings assigned to them in the Plan Document.

II. SCHEDULES OF CONTRIBUTION AND BENEFIT LEVELS

This Funding Improvement Plan includes two schedules for the 2010 Plan Year – the Preferred Schedule and the Default Schedule. However, neither schedule will require either annual contribution rate increases or reductions in the rate of future benefit accruals.

The Board of Trustees has the sole and absolute authority and discretion to amend, construe and apply the provisions of this Funding Improvement Plan including the Schedules. Subject to the sole discretion of the Trustees, a Schedule is adopted when the Trustees receive substantiation that a collective bargaining agreement or other agreement requiring contributions to the Plan ("CBA") includes terms consistent with the requirements of a Schedule. In general, the Trustees will consider the Bargaining Parties to have adopted a particular Schedule, and will consider the terms of a CBA to be consistent with the Funding Improvement Plan, when a Schedule is adopted in accordance with the Schedule's requirements. With these requirements in mind, the Trustees hereby provide the following Schedules to the Bargaining Parties.

A. Preferred Schedule

The Preferred Schedule will require neither annual contribution rate increases nor reductions in the rate of future benefit accruals.

B. Default Schedule

If Bargaining Parties agree to the Default Schedule, or if Bargaining Parties fail to agree to a Schedule within the time period prescribed by Section 305(c)(3)(C) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the Default Schedule is imposed by law, there will be no contribution increases and no reductions in the rate of future benefit accruals.

C. Annual Review of Funding Improvement Plan and Schedules

The Trustees will review the Funding Improvement Plan and its Schedules annually with the assistance of the Plan’s actuary, as they find necessary. If, for example, the Plan’s actual experience does not reflect the assumptions used to develop the Funding Improvement Plan and its Schedules, the Trustees may amend or modify the Funding Improvement Plan and/or its Schedules, based on the advice of the Plan’s actuary, to reflect the Plan’s experience over the preceding Plan Year(s). However, if the Bargaining Parties have adopted a CBA that complies with one of the Schedules, the contribution rate requirements in the Schedules will continue for the duration of that CBA.