



Freight Drivers Local Union No. 557 Health & Welfare Fund

Freight Drivers Local Union No. 557 Pension Fund

9411 PHILADELPHIA ROAD, SUITE S • BALTIMORE, MARYLAND 21237

TELEPHONE: (443) 573 3636 (888) 832 8508 FAX: (410) 444 0035

April 27, 2009

US Department of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Ave., NW
Washington, DC 20210

Notice of Critical Status For

Freight Drivers and Helpers Local Union No. 557 Pension Fund EIN: 52.0642363

This is to inform you that on March 27, 2009 the plan actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the plan is in critical status (the "red zone") for the plan year beginning January 1, 2009. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding problems. More specifically, the plan's actuary determined that the funded percentage of the plan is 65% or less, and over the next four plan years, the plan is projected to have an accumulated funding deficiency for the 2012 and 2013 plan years and the sum of the plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and over the next four plan years, the plan is projected to have an accumulated funding deficiency for the 2012 and 2013 plan years.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. In addition to revising the plan's formula for future benefit accruals and making similar changes, the law permits pension plans in the red zone to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement age. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 27, 2009. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of April 27, 2009, the plan is not permitted to pay lump sum benefits, including the Split Level Option (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Post-retirement death benefits;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA), including the Split Level Option.

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact Benefits Administration Corporation, Inc., 9411 Philadelphia Road, Suite S, Baltimore, Maryland 21237, 410-444-3750. You have a right to receive a copy of the rehabilitation plan from the plan. Please note that the Rehabilitation Plan has not been adopted and may not be available until November 26, 2009.