

Local 804 Pension Fund

I. B. T. C. W. & H. of AMERICA

34-21 Review Avenue
Long Island City, N.Y. 11101



Notice of Critical Status For TEAMSTERS LOCAL 804 PENSION FUND

This is to inform you that on March 31, 2011 the Plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the Plan is in critical status for the Plan Year beginning January 1, 2011. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan is projected to have an accumulated funding deficiency within the next three years, specifically for the Plan Year beginning January 1, 2013.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the second year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On December 1, 2010, you were notified that the plan reduced or eliminated adjustable benefits. On March 4, 2010, you were notified that as of March 1, 2010 the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the trustees of the plan determine that further 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. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after March 1, 2010.

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;
- ✓ 36-month payment guarantees;
- ✓ 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);

Employer Surcharge

The law requires that the contributing employer pay to the Plan a surcharge to help correct the Plan's financial situation starting 30 days after the employer receives this notice of critical status. The amount of the surcharge is equal to 5% of the amount the employer is otherwise required to contribute to the Plan under its collective bargaining agreement with Teamsters Local 804. The surcharge increased to 10% starting January 1, 2011, and will remain in effect until the employer reaches a new agreement with Local 804 that includes one of the schedules that will be part of the Plan's rehabilitation plan.

For 2011, the 10% surcharge is due with respect to any contributions required, or actually paid after that date even if the obligation to the Plan arose earlier, regardless of when the work was actually performed. The surcharge contribution should be included with the regular negotiated contribution in one check, as it is due at the same time and under the same conditions as the negotiated contributions, but it should be separately identified so the Plan can separately track it, as required by law.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees of Teamsters Local 804 Pension Fund, in care of Thomas Lamontanaro, Fund Manager, at (718) 786-5410, 34-21 Review Avenue, Long Island City, NY 11101. You have a right to receive a copy of the rehabilitation plan from the Plan.

April 29, 2011