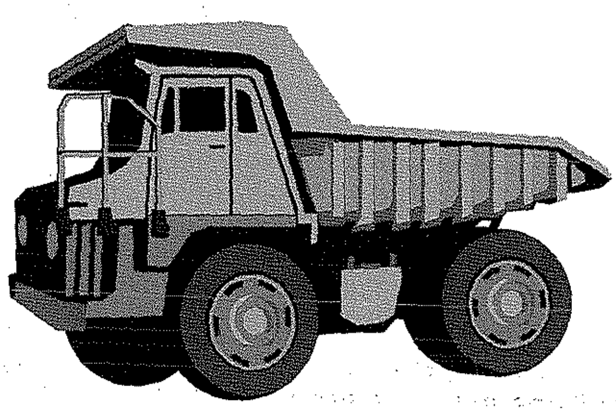
April 2014



TEAMSTERS LOCAL 408 PENSION INFORMATION

BENEFIT NEWS

Notice of Critical Status
Teamsters Local Union No. 408 Pension Plan

April 30, 2014

Participants, Beneficiaries, Contributing Employers and Teamsters Union Local 560:

This is to inform you that on March 31, 2014, the actuary for the Teamsters Local Union No. 408 Pension Plan (the "Fund") certified to the U.S. Department of the Treasury and to the Board of Trustees that the Fund is in critical status for the plan year beginning January 1, 2014. Federal law requires that you receive this notice.

Introduction

The Pension Protection Act (the "Act"), which became law in 2006, is intended to improve the financial condition of pension plans. The Act introduced several formal safeguards and controls and added notification requirements for Trustees to share more information about a plan's financial circumstances with participants, contributing employers and others directly related to the Plan.

Many of the Act's safeguard provisions relate to funding, which, in simplest terms, is how much a plan has coming in, going out, and what is in reserve (or "in the bank") for the future. The safeguards are intended to create more discipline to prevent future funding problems and correct those that have already developed.

NOTICE

This issue contains important information about rights under the Plans
which should be read and retained for future reference.

Starting with the 2008 plan year, the Act requires that the Pension Plan be tested by its actuary annually to classify its funding status. Standardized measurements were established for classifying plans based on their funding issues. Plans that are in "seriously endangered" or "endangered" status (yellow zone) or "critical" status (red zone) must notify all Plan participants, beneficiaries, unions, and contributing employers of the Plan's status, as well as take corrective action to restore the Plan's financial health.

Fund's Status – Red Zone

On March 31, 2014, our actuary certified the Pension Plan as being in critical status (the red zone) for the plan year beginning January 1, 2014. This is based on the actuary's determination that the Pension Plan had a funding deficiency in calendar year 2009. This means that contributions are not high enough to meet government standards for funding promised benefits plus those that participants are currently earning.

Rehabilitation Plan and Possibility of Reduction in Benefits

The Act requires that a plan in the red zone adopt a Rehabilitation Plan designed to enable the Plan to improve its funded position to meet statutory funding requirements over time. During 2010, the Plan adopted an update to the Rehabilitation Plan originally adopted in 2008.

Under the Act, a Rehabilitation Plan may eliminate or reduce adjustable benefits, as well as revise benefit rates for the future and make similar changes. Adjustable benefits include:

- Plan benefits, rights, and provisions, including pre-retirement death benefits (other than qualified joint and survivor annuities), disability benefits not yet in pay status, and similar benefits; and

- Early retirement benefits or retirement-type subsidies. The level of benefits already earned that are payable at normal retirement age as a single life or qualified joint and survivor annuity cannot and will not be reduced under these PPA rules.

You may receive a copy of the original rehabilitation plan that the Trustees adopted in 2008 or the update adopted in 2010 by sending a request in writing to the Fund Office. The Trustees will annually review projections of the plan for the future to determine if the rehabilitation plan needs to be amended to comply with the Act.

The Plan cannot accept any new collective bargaining agreement that reduces contribution rates to the Plan or that excludes new employees, such as new hires.

Employer Surcharge

The law requires that all contributing employers pay to the Fund a surcharge to help correct the Fund's financial situation, beginning 30 days after the employer is notified that the plan is in critical status. The surcharge is a percentage of the employer's negotiated contribution rate. A 5% surcharge is applicable the first year the Fund is in critical status and the employers are notified of the surcharge. The surcharge goes up to 10% for each succeeding plan year in which the Fund is in critical status, until the employer agrees to a collective bargaining agreement that implements one of the schedules in the Rehabilitation Plan.

The 5% surcharge was due with respect to any contribution for covered employment performed after May 30, 2010, and continued until December 31, 2010. Beginning January 1, 2011, the 10% surcharge applies to contributions for covered employment performed on and after that date. Employers must submit the surcharge payments in a separate check to the fund office for work performed after May 30, 2010.

What's Next

We understand that legally required notices like this one can create concern about the Fund's future. Be assured that the Board of Trustees takes very seriously its obligation to preserve the financial viability of the Fund. With the assistance of the Fund's actuary, counsel and other professionals, and working with the contributing employers and the Union, the Trustees have developed a Rehabilitation Plan that seeks to address these issues. You should know that we expect that both future contribution increases and benefit reductions will be necessary to improve the Fund's serious financial condition.

As a final note, since the Pension Fund is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Fund's status and any future corrective actions needed. Each year the Trustees will review the Fund's progress with its professional advisors, and which may lead to future changes in the recommended contribution and benefit schedules.

For more information about this notice or the Fund, contact the Fund Office at the address or phone number listed at the top of this letter.

Sincerely,
Board of Trustees

As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.

ANNUAL FUNDING NOTICE

For

Teamsters Local Union No. [illegible] Pension Fund

Introduction

This notice includes important information about the funding status of your pension plan ("the Plan") and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning January 1, 2013 and ending December 31, 2013.

How Well Funded Is Your Plan

Under federal law, the plan must report how well it is funded by using a measure called the "funded percentage." This percentage is obtained by dividing the Plan's assets by its liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan's funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.