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

EBSA/PUBLIC DISCLOSURE

April 19, 2011

2011 APR 26 PM 12: 26

US Department of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Avenue., NW
Washington, DC 20210
SENT VIA CERTIFIED MAIL

Notice of Critical Status For

Freight Drivers and Helpers Local Union No. 557 Pension Fund
EIN 52-6118055

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 was classified as Critical (Red Zone) because there was a projected deficiency in the Funding Standard Account within five years and the Plan was in critical status in 2010.

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 third (3rd) 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 August 4, 2009, you were notified that the plan reduced or eliminated adjustable benefits. On April 30, 2009, you were notified that as of April 30, 2009 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 April 30, 2009.

Adjustable Benefits

The plan still offers the following adjustable benefits to participants with an application for retirement benefits received by the Fund Office by September 4, 2009:

- Post-retirement lump sum death benefits.

Employer Surcharge

The law requires that certain 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, 443-573-3636 or toll free 888-832-8508. You have a right to receive a copy of the rehabilitation plan from the plan.

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ANNUAL FUNDING NOTICE
Freight Drivers and Helpers Local Union No 557 Pension Fund
EIN 52-6118055

Introduction

This notice includes important funding information about your pension plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning, January 1, 2010 and ending December 31, 2010 ("Plan Year").

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. 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. The Plan's funded percentage for the Plan Year and 2 preceding plan years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	2010 Plan Year	2009 Plan Year	2008 Plan Year
Valuation Date	January 1, 2010	January 1, 2009	January 1, 2008
Funded percentage	78.0%	65.1%	73.8%
Value of Assets	$147,322,023	$143,032,628	$162,497,339
Value of Liabilities	$188,834,547	$219,869,878	$220,126,495

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of December 31, 2010, the estimated fair market value of the Plan's assets was $123,620,488. As of December 31, 2009, the fair market value of the Plan's assets was $129,199,808. As of December 31, 2008, the fair market value of the Plan's assets was $119,193,857.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 3,070. Of this number, 431 were active participants, 2,264 were retired or separated from service and receiving benefits, and 375 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is to collect contributions from employers pursuant to written agreements, including collective bargaining agreements with the Union that represents the Plan's participants, and to prudently manage those fund assets upon their receipt.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries that are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management options. The investment policy of the Plan is to diversify assets to minimize the risk of large losses by targeting the asset allocation in approximately the following percentages: 50% stocks, 30% bonds, and 10% real estate and 10% alternative investments.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	0.06%
2. U.S. Government securities	6.31%
3. Corporate debt instruments (other than employer securities):	
Preferred	0.00%
All Other	4.98%
4. Corporate stocks (other than employer securities):	
Preferred	0.00%
Common	20.57%
5 Value of interest in common/collective trusts	48.84%
5 Value of interest in 103-12 investment entities	12.29%
6 Value of interest in registered investment companies (e.g., mutual funds)	6.28%
7 Other	0.67%

The asset values reported herein may be preliminary and subject to confirmation when the Fund's annual audit is completed

For information about the plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact the Joint Board of Trustees of Freight Drivers Local Union No 557 Pension Fund, 9411 Philadelphia Road, Suite S, Baltimore, MD 21237, (443) 573-3636.

Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was classified as Critical (Red Zone) because there was a projected deficiency in the Funding Standard Account within ten years and the Plan was in critical status in 2009. A Rehabilitation Plan was adopted by the Trustees in July 2009 and distributed to the bargaining parties. The Rehabilitation Plan offers a default plan to the bargaining parties which removed all adjustable benefits effective with pension applications received after September 4, 2009 and requires yearly contribution increases from the contributing employers.

You may obtain a copy of the Plan's Rehabilitation Plan and the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement by contacting the plan administrator.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Please be advised that the Annual Report may not be available until October 15, 2011 for the Plan Year ended December 31, 2010.

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact Joint Board of Trustees of Freight Drivers Local Union No 557 Pension Fund, at 443-573-3636 or by mail at 9411 Philadelphia Road, Suite S, Baltimore, MD 21237. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 52-6118055. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).