

Notice of Critical Status for
Teamsters Negotiated Pension Plan

This is to inform you that on August 9, 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 June 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 problems. More specifically, the plan was in critical status for the prior year and the plan's actuary determined that the plan is projected to have an accumulated funding deficiency within the next 10 years.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans 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. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after the date of the original critical status notice, or August 20, 2009. Please note that the Trustees adopted a rehabilitation plan on July 21, 2009.

The collective bargaining agreements already in place constitute the rehabilitation plan; it satisfies current statutory requirements without eliminating any "adjustable benefits" or imposing any other benefit restrictions nor does it include any contribution increases beyond those already adopted. Please note that the Trustees may be required to update the rehabilitation plan in the future, depending on plan experience.

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 in the future:

- Post-retirement death benefits
- Sixty-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)
- Recent benefit increases (i.e., occurring in past 5 years)

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge, until a rehabilitation plan is adopted, 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. **Since the Trustees have adopted a rehabilitation plan that requires no action on the part of the bargaining parties, the surcharge will not be implemented.**

Where to Get More Information

For more information about this Notice, you may contact Kim Wige, Office Manager, Teamsters Insurance and Welfare Administrative Office, at (314) 513-5835, 4349 Woodson Road, Suite 300, St. Louis, MO 63134. You have a right to receive a copy of the rehabilitation plan from the plan.

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