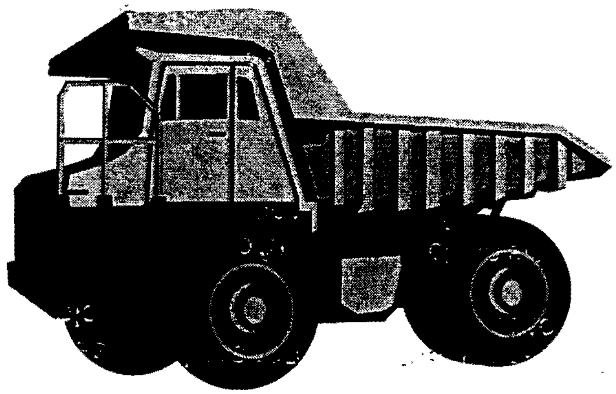
April 2010



TEAMSTERS LOCAL 408 PENSION INFORMATION

BENEFIT NEWS

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

April 30, 2010

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

This is to inform you that on March 31, 2010, 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, 2010. 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, 2010, our actuary certified the Pension Plan as being in critical status (the red zone) for the plan year beginning January 1, 2010. This is based on the actuary's determination that the Pension Plan had a funding deficiency in calendar year 2009. This means that contributions were 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. The Plan adopted a Rehabilitation Plan during 2008, well before the deadline set by the Act.

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 rehabilitation plan that the Trustees adopted in 2008 by sending a request in writing to the Fund Office. The Trustees will review projections of the plan for the future to determine if the rehabilitation plan needs to be amended this year 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.

For the remainder of the plan year, the 5% surcharge will be due with respect to any contribution for covered employment performed after May 30, 2010, and will continue until December 31, 2010. For subsequent plan years, i.e., beginning January 1, 2011, the 10% surcharge will apply 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 will develop a Rehabilitation Plan that addresses these issues. You should know that we expect that both 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 be reviewing 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. 408 Pension Fund

Introduction

This notice includes important funding information about the Teamsters Local union No. 408 Pension Fund ("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, 2009 and ending December 31, 2009 ("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 the two 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.

	2009 Plan Year	2008 Plan Year	2007 Plan Year
Valuation Date	January 1, 2009	January 1, 2008	Not applicable
Funded percentage	52.16%	58.80%	Not applicable
Value of Assets	$56,670,619	$66,656,096	Not applicable
Value of Liabilities	$108,654,825	$113,366,251	Not applicable

Transition Data

For a brief transition period, the Plan is not required by law to report certain funding related information because such information may not exist for plan years before 2008. The Plan has entered "not applicable" in the chart above to identify the information it does not have. In lieu of that information, however, the Plan is providing you with comparable information that reflects the funding status of the Plan under the law then in effect. For the 2007 Plan Year, the Plan's "funded current liability percentage" was 49.36%, the Plan's assets were $66,688,027, and Plan liabilities were $135,106,828.

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, 2009, the estimated fair market value of the Plan's assets was $46,072,705. As of December 31, 2008, the fair market value of the Plan's assets was $47,225,516. As of December 31, 2007, the fair market value of the Plan's assets was $66,176,958.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 1,259. Of this number, 388 were active participants, 623 were retired or separated from service and receiving benefits, and 248 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 employer contributions and set the benefits to a level that can reasonably be expected to be provided by those contributions after taking into account future investment returns and the expenses inherent in running the Plan.

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 who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is to allocate 30% to 60% with a target of 55% of its assets in domestic equities, 2.5% to 20% with a target of 5% of its assets to international equities, 20% to 60% with a target of 35% of its assets in fixed income and 2% to 30% with a target of 5% of its assets in cash and equivalents.

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 and based on preliminary, unaudited financial information:

Asset Allocations	**Percentage**
1. Interest-bearing cash	7%
2. U.S. government securities	8%
3. Corporate debt instruments (other than employer securities)	20%
4. Corporate stocks (other than employer securities)	58%
5. Certificates of Deposit	7%

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.

In the Plan Year ended December 31, 2008, the Plan was in "critical" status because the Plan was projected to have an accumulated funding deficiency within four years. In an effort to improve the Plan's funding situation, effective January 1, 2009, the Trustees cut "adjustable" benefits as allowed by the new law (PPA). These measures included eliminating the Thirty-Year Pension, eliminating the unreduced 100% J&S for all non-retired participants, and reducing the accrual rate in the future in proportion to the required contribution increases so that the rate at which benefits were earned by a participant on January 1, 2008 remains constant. Employer contributions will increase by the lesser of 50¢ per hour or 25% of the prior contribution rate each year for three years, then the lesser of 80¢ per hour or 35% of the prior rate each year for the following seven years.

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. You may obtain a copy of the Plan's annual report by making a written request to the plan administrator. The 2009 Form 5500 will be available after October 15, 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 the Fund Manager, Rosalind Tomeio, at (908) 964-9177, or by mail at Teamsters Local 408 Pension Fund, 1907 Morris Avenue, Union, NJ 07083. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 22-6172437. 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).