

# Teamster Local Union No. 418 Pension Fund

2003 US Route #130, Suite A • North Brunswick, NJ 08902  
Telephone (732) 297-3900 Fax (732) 821-3167

April 29, 2012

Re: Notice of Funding Status

Dear Participants and Beneficiaries:

Enclosed is a Notice regarding the funding status of the Teamsters Local 418 Pension Fund ("Fund"). The Notice is being sent to you as required by the Pension Protection Act of 2006 ("PPA"). As the enclosed Notice states, the Fund's actuary has certified that the Fund is in critical status for the 2012 Plan Year. While the provisions of the PPA applicable to pension funds in critical status are quite complex, there are two points that are important for you to understand.

The first has to do with the benefits for which you may be eligible. Last year, the Trustees reviewed the funding program that included adjustments in contributions and benefits as necessary to improve the Fund's funding status. The revised funding program was submitted to Local 418 and the companies that participate in the Fund to be acted on when their collective bargaining agreements expire. As part of this process, it is possible that some benefits currently available under the Fund's Plan of benefits ("Plan") will be reduced or eliminated. A revised plan will be prepared later this year. Benefit changes, if they occur, under the revised plan will apply to participants and beneficiaries whose benefit commencement date is on or after May 1, 2012. Except for benefit increases that have occurred in the past five years, the Fund will not reduce any benefits that you have already earned and that are payable at your normal retirement age under the Plan.

None of these benefit changes are being made at this time, and it is not now known whether any of them will be made in the future. If any of the adjustable benefits are reduced or eliminated, you will receive a written notice, at least thirty days in advance of the effective date of the changes, advising you of them.

Second, the law prohibits the Fund from paying non-level benefits, effective May 1, 2011. Thus, you can not elect to receive your pension or death benefits under the Plan in the form of a lump sum payment. Upon your retirement and application for benefits, your pension will be payable in the form of a monthly annuity.

We regret to have to inform you of the possibility of the elimination or reduction of benefits in the future. However, the actions and changes described in this letter are

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because the Fund is facing potential funding problems in the future. They are designed to improve the long-term funding status of the Fund and to protect your pension benefits and the benefits of your fellow participants.

If you have any questions regarding this letter or the enclosed Notice, please contact the Fund Office.

Sincerely,

The Board of Trustees