

Notice of Funded Status for Teamsters Joint Council No. 83 of Virginia Pension Plan

The Pension Protection Act of 2006 requires the Plan to issue a number of notices on an annual basis. This notice is sent to inform you that on March 31, 2015, the plan actuary certified to the U.S. Department of the Treasury and to the Board of Trustees that the Plan is in Endangered Status for the plan year beginning January 1, 2015.

“Endangered Status” is a label that the law requires the Trustees to use. The Plan is considered to be in Endangered Status because its funded percentage of 77.0% for the 2015 plan year is slightly below the government’s “healthy” threshold of 80%. This means that the actuarial value of the Plan’s investments was 77.0% of the total accrued liability for active and retired employees.

Federal law requires that by November 24, 2015, the Trustees must adopt a Funding Improvement Plan (“FIP”) designed to achieve the following goals:

- Increase the funding percentage by roughly 8% over a ten year period, and
- Avoid any accumulated funding deficiency for any of the plan years for which the FIP applies.

The FIP must propose to the bargaining parties one or more reasonable options for reaching specified benchmarks over a ten year period. The FIP period ends when the plan actuary certifies the Plan is no longer in endangered status, and is not in critical status.

For the duration of the FIP period, the Trustees cannot accept a contract providing for a reduction in contribution rates, a funding holiday, or the exclusion of new hires from pension coverage. Before the adoption of the FIP, the Trustees cannot amend the plan to increase benefits except as required to maintain the Plan’s IRS qualification. After adoption of the FIP, the Trustees may increase benefits only if the actuary certifies that the increase is consistent with the FIP and is funded by contributions in excess of those required to meet the FIP benchmarks.