

Teamsters Union No. 142 Pension Fund
1300 Clark Road, Gary, Indiana 46404
Telephone (219) 949-1550

**Notice of Election Under Section 204 of the
Worker, Retiree and Employer Recovery Act of 2008**

In December 2008, Congress passed and the President signed the Worker, Retiree and Employer Recovery Act of 2008 ("WRERA"). This Act amends portions of the Pension Protection Act of 2006 ("PPA"): The PPA created new funding requirements for pension plans. "Funding" refers to the way a pension plan sets aside and invests money to pay pensions far into the future. In order to ensure that pension plans have enough money to pay the benefits they have promised, the PPA set up new standards for funding, and set up new categories to describe the funding level of pension plans. Plans that do not meet the PPA's standards are considered to be either "endangered," "seriously endangered" or "critical." Some experts call these "zones," so that an "endangered plan" is in the "yellow zone," a "seriously endangered plan" is in the "orange zone," a "critical plan" is in the "red zone" and a plan that meets all funding standards and is expected to continue to meet those standards is in the "green zone." When a plan is in the "red zone," "orange zone" or "yellow zone," the plan is required to come up with a program to improve its funding.

Under PPA, every year, the actuary for a multiemployer pension plan must certify to the trustees and to Federal government agencies how well-funded the plan is, based on the PPA's categories. The PPA also requires multiemployer pension plans to send all participants, beneficiaries and employers an annual notice regarding the funded status of the pension plan. This is called the "Annual Funding Notice." In addition, when a plan actuary certifies that the pension plan falls in the "red zone," "orange zone" or "yellow zone," the plan must send participants, beneficiaries and employers a notice advising of that certification and of the trustees' intent to adopt a program to improve the plan's funding.

As almost everyone knows, nearly all investors, including pension plans, suffered losses in 2008. Those losses have affected the funded status of multiemployer pension plans, including the Teamsters Union No. 142 Pension Plan (the "Plan"). WRERA was enacted in response to these developments. Section 204 of WRERA allows the trustees of a multiemployer pension plan to elect to "freeze" the plan's "zone status" for one year.

This notice has been sent to advise you that the Trustees of the Plan have elected to apply the WRERA "freeze" rule. For the Plan Year beginning on July 1, 2008, the Plan was in the green zone. For the Plan Year beginning on July 1, 2009, and if WRERA's "freeze" rule did not apply, the Plan would be in the orange ("seriously endangered") zone. As a result of the Trustees' election, the Plan is not in the orange zone for the 2009 Plan Year and remains in the green zone.

The Trustees' election applies only for the current (2009) Plan Year. If the Plan is certified to be in the yellow zone, orange zone or red zone for the 2010 Plan Year, then the Trustees will provide you with a notice of that certification. In that event, the Trustees will be required to adopt a "Funding Improvement Plan" (applies to the yellow or orange zone) or a "Rehabilitation Plan" (applies to the red zone). Both a Funding Improvement Plan and a Rehabilitation Plan may involve increases in employer contributions and reductions in future benefit accruals. In addition, if the Plan is certified to be in the red zone for the 2010 Plan Year, the steps that will have to be taken to improve the Plan's funded situation will include a surcharge on employer contributions and the suspension of the payment of lump sums and similar accelerated distributions for individuals who commence receiving benefits after the notice of "critical" status is provided. A Rehabilitation Plan may also include Plan amendments to reduce early retirement benefits or other adjustable benefits for such individuals.

For more information about this notice, you may contact the Fund Manager, Mr. Jay R. Smith, at the telephone number or address at the top of this notice. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 51-6051034.