

Milwaukee Drivers Pension Trust Fund

Notice of Plan Status

Date Issued: April 30, 2010

The Board of Trustees is providing this notice to you and all other participants, beneficiaries, participating unions, and contributing employers to inform you about a recent actuarial certification.

The US Congress enacted the Pension Protection Act (the “PPA” or “Act”) of 2006, in part, to improve the financial condition of pension plans by ensuring that pension plans have the assets necessary to fund pension benefits when participants retire. The PPA implemented several safeguards aimed at improving plan funding levels as well as notification requirements to share more information about a plan’s “financial health” with participants and others related to the plan.

Many of the PPA’s safeguard provisions relate to funding, which, in simplest terms, is how much cash a plan has coming in, going out, and what is in reserve (or “in the bank”) to pay pension benefits in the future. These safeguards are intended to create more discipline in determining the funding strategy for pension benefits to help prevent avoidable funding problems.

Starting on January 1, 2008, the PPA requires that pension plans, including the Milwaukee Drivers Pension Trust Fund (the “Plan”), be tested annually to determine how well they are funded. The PPA established formal benchmarks for measuring a pension plan’s funded status. Plans that are in the green (neither “endangered” nor “critical”), yellow (“endangered”), orange (“seriously endangered”) or red (“critical”) zones must notify all plan participants, unions, and contributing employers of the plan’s status. Plans that are in the yellow, orange, or red zones must take corrective action to restore the plan’s financial health.

Plan’s Status – Yellow Zone

For the certification for the Plan Year 2010, the Plan was categorized by the Plan’s actuary as being endangered, or in the yellow zone because the Plan was less than 80% funded.

Funding Improvement Plan

Yellow zone status is like an early warning to focus on correcting problems to head off more serious trouble. To comply with the Act, the Plan Sponsor (Board of Trustees) will adopt a Funding Improvement Plan before November 26, 2010, designed to improve the plan’s funded position over time. Shortly after that, the Trustees will inform the employers and unions of the items that will need to be covered in collective bargaining agreements entered into or renewed after the Funding Improvement Plan is adopted. This may include reductions in future benefit-accrual rates or increased contributions, or both. It is not expected that any changes will be needed to meet the Act’s requirement for a Funding Improvement Plan while the current collective bargaining agreement is in effect.

What’s Next

While no changes are being made at this time, once the Funding Improvement Plan is adopted, any necessary changes will be communicated to all affected individuals and/or parties. However please note that since the pension fund’s financial condition changes with changes in the economy generally, the Act requires that the Plan’s funding status be reviewed and certified annually, which means that you will receive a notice like this each year.

We understand that legally required notices like this one can create concern about the Plan’s future. While the “endangered” label is required to be used by federal law, the fact is that we have been working with our actuaries and consultants for some time now to address these funding issues. Please be aware that improving the Plan’s funded status is a top priority and we are committed to taking any actions necessary to ensure your benefits will be there when you retire.

For more information about this notice or the pension plan in general, please contact the Plan administrative office at 2100 North Mayfair Road, Suite 100, Milwaukee, WI 53226, (414) 479-0344 or toll free (800) 717-0344.

Sincerely,

The Board of Trustees of the
Milwaukee Drivers Pension Trust Fund

This Notice is being provided as required under the Pension Protection Act of 2006, which requires that certain information regarding the Plan's funding status be disclosed to individuals and parties interested in the Plan. As required by law, this Notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of the Department of Labor.

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