

PENSION FUND

OF THE PHILADELPHIA BAKERY EMPLOYERS AND
FOOD DRIVER SALESMEN'S UNION LOCAL NO. 463 AND TEAMSTERS' UNION LOCAL NO. 676

November 18, 2009

CERTIFIED RETURN RECEIPT MAIL

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room N-1513
200 Constitution Avenue, N.W.
Washington, DC 20210

RE: Notice of Funding Status of Pension Plan

Dear Sir/Madam:

In accordance with federal regulations, the above-noted pension plan is providing the U.S. Department of Labor with a copy of the Notice of Funded Status of Pension Plan which advises participants, beneficiaries, contributing employers and union locals of the Pension Committee's decision to temporarily delay the seriously endangered status designation of the Plan. Please note that a copy of the notice was provided to all relative parties on this date.

Sincerely,



Lee Scarpone
Fund Manager

LS:kmm

P.O. BOX 740
DAVIS ROAD & OAKWOOD LANE
VALLEY FORGE, PENNSYLVANIA 19482



(215) 483 - 6000
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EBSA/PUBLIC DISCLOSURE
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PENSION FUND

OF THE PHILADELPHIA BAKERY EMPLOYERS AND
FOOD DRIVER SALESMEN'S UNION LOCAL NO. 463 AND TEAMSTERS' UNION LOCAL NO. 676

NOTICE OF FUNDED STATUS OF PENSION PLAN

TO: PARTICIPANTS, BENEFICIARIES, CONTRIBUTING EMPLOYERS AND
THE PHILADELPHIA BAKERY EMPLOYERS AND FOOD DRIVER
SALESMEN'S UNION LOCAL 463 AND TEAMSTERS UNION LOCAL 676

FROM: THE PENSION COMMITTEE OF THE PHILADELPHIA BAKERY
EMPLOYERS AND FOOD DRIVER SALESMEN'S UNION LOCAL 463 AND
TEAMSTERS UNION LOCAL 676 PENSION FUND

DATE: NOVEMBER 18, 2009

BACKGROUND

Based on funding criteria set forth in the Internal Revenue Code, multiemployer pension plans are required – beginning with the 2008 plan year – to be certified by their actuaries as being in one of the following funded status zones:

- Neither Endangered nor Critical (unofficially called the “Green Zone”)
- Endangered or Seriously Endangered (unofficially called the “Yellow Zone” or “Orange Zone”, respectively)
- Critical (unofficially called the “Red Zone”)

While trustees of Green Zone plans must continue to exercise diligence to protect the funded position of their plans, the law does not require them to take any specific actions or adopt particular programs to maintain or improve plan funding. On the other hand, trustees of plans that are not in the Green Zone must take specific actions spelled out in the law, including the adoption of a “funding improvement plan” for plans in endangered or seriously endangered status or a “rehabilitation plan” for plans in critical status that are designed to restore the plans to Green Zone status over a period of time. For example, a plan in endangered status may reduce or eliminate future benefits or recommend that the bargaining parties negotiate additional employer contributions.

Recognizing that the value of the assets, and therefore the funding, of almost all pension plans has declined due to the impact of the current economic crisis, Congress passed the Worker, Retiree and Employer Recovery Act of 2008 (“WRERA”). The law allows multiemployer plan trustees to take more time to devise a plan of action for dealing with these issues by giving them the option to keep their plan in its 2008 plan year's zone status for one more year – regardless of the plan's actual funded status for the 2009 plan year.

2008 PLAN YEAR CERTIFICATION

The Philadelphia Bakery Employers and Food Driver Salesman's Union Local 463 and Teamsters Union Local 676 Pension Plan's (the "Plan") actuary certified the Plan's zone status for the August 1, 2008 through July 31, 2009 plan year to be neither endangered nor critical and therefore in the "Green Zone".

2009 PLAN YEAR CERTIFICATION

For the August 1, 2009 through July 31, 2010 plan year, the Plan's actuary has certified the Plan to be in seriously endangered status or the Orange Zone because the Plan is projected to have a funding percentage of less than 80% and a funding deficiency for the plan year beginning August 1, 2016.

FUNDING IMPROVEMENT PLAN AND THE POSSIBILITY OF REDUCTIONS IN FUTURE BENEFITS

Federal law requires pension plans in seriously endangered status to adopt a funding improvement plan aimed at restoring the financial health of the plan. A funding improvement plan could reduce the plan's formula for future benefit accruals or make similar changes in how future benefits are determined. If the Pension Committee of the Plan (the "Committee") determines that reductions in future benefits are necessary, participants will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of future benefits will not reduce the level of a participant's benefit earned prior to implementation of the funding improvement plan.

ELECTION TO CONTINUE TO USE THE 2008 PLAN YEAR ZONE CERTIFICATION

In accordance with the provisions of WRERA, the Committee has decided to "freeze" the Plan's 2008 plan year Green Zone certification and have it apply to the 2009 plan year. Therefore, while the Committee may take certain actions to improve the funding status of the Plan, they will not adopt a funding improvement plan at this time.

The freezing of the Plan's 2008 plan year Green Zone status does not extend beyond July 31, 2010. By October 28, 2010, the Plan's actuary will again certify the Plan's funded status and zone classification. If the Plan is certified to be in either endangered, seriously endangered or critical status, within 30 days after the date of certification, you will receive a notice similar to this one explaining the Plan's zone status and actions that the Committee may be required to take under the law which may include an increase in contributions and/or a reduction in future benefit accruals.

WHAT'S NEXT?

We understand that legally required notices like this one can create concern about the Plan's future. Be assured that the Committee takes its obligation to preserve the financial viability of the Plan very seriously. With the assistance of the Plan's actuary, legal counsel and other Plan

professionals, and working with the contributing employers and the union, the Committee will continue to work towards strengthening the funded status of the Plan.

Since the Plan is influenced by economic and financial variables beyond our control (e.g., market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Plan's status and any future corrective actions needed. The Committee is continuously monitoring and reviewing the Plan's progress with its professional advisors.

QUESTIONS?

For more information about this notice contact the Administration Office at the address or phone number listed at the top of this letter.

Sincerely,

The Pension Committee

As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.

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Department of the Treasury — Internal Revenue Service

**Interim WRERA Election
Multiemployer Plans
Election to Maintain Prior Year's Funding Status**

The Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) Section 204 allows sponsors of Multiemployer plans to temporarily freeze the plan's funded status to be the same as that of the plan year immediately prior to the election year. Under section 205 of WRERA, a plan sponsor may elect to extend the Funding Improvement or Rehabilitation period by three (3) years. Internal Revenue Code Section 432 requires multiemployer plans to certify their funded status (i.e. endangered, critical, or neither). Please complete the items below and send your election to the IRS/EPCU.

1. Plan Name: Philadelphia Bakery Employers and Food Drivers Salesmen's Union Local No. 463 and Teamsters Union Local No. 676 Pension Fund
2. Plan Sponsor: Board of Trustees of the Philadelphia Bakery Employers and Food Drivers Salesmen's Union Local No. 463 and Teamsters Union Local No. 676 Pension Fund
3. Sponsor Address: Davis Road & Oakwood Lane, PO Box 740
4. City: Valley Forge State: PA ZIP: 19482
5. Name of Sponsor's Contact Person: Lee Scarpone
6. Phone Number: (215) 483-6000 9. Sponsor EIN: 23-6537145
7. Plan EIN: 23-6537145 10. Plan Number: 001
8. Plan Year End: July 31 11. Year for which this election is being made: 2009

- A. Are you a Multiemployer Plan Sponsor? Yes
- B. Are you submitting an application to request WRERA relief? Yes
- C. If you answered Yes to "B,"
1. Is this an election under section 204? Yes
 2. Is this an election under section 205? No
 3. Is this an election under both sections 204 & 205? No
- D. Have you previously submitted an annual PPA 432-Multiemployer certification to the IRS? Yes
- E. If this is an election under section 204, what is the section 432 status of the plan for the prior year (check one):
- Neither Endangered nor Critical (Green):** **Yes**

ROBERT BYDER
PRINT NAME *Chairman
Pension Committee*


SIGNATURE

02/26/09
DATE

mail to: Internal Revenue Service
Employee Plans Compliance Unit (EPCU)
7602:WRERA
Room 1700 - 17th Floor
230 S. Dearborn St.
Chicago, IL 60604

email to: EPCU@IRS.gov