Central Pennsylvania Teamsters Pension Fund

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54th ANNIVERSARY 1955 - 2009

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April 30, 2009

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

Dear Sir/Madam:

Enclosed please find the Notice of Endangered Status for the Central Pennsylvania Teamsters Defined Benefit Plan in accordance with the Pension Protection Act of 2006.

This notice was mailed to all contributing employers, plan participants and beneficiaries, as well as all participating Local Unions on April 30, 2009.

If you have any questions, please feel free to contact me.

Very truly yours,

CENTRAL PENNSYLVANIA TEAMSTERS
PENSION FUND

Joseph J. Samolewicz

Joseph J. Samolewicz
Administrator

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Enclosures
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Notice of Endangered Status for the Central Pennsylvania Teamsters Defined Benefit Plan

This is to inform you that on March 31, 2009 the plan actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is in Endangered Status for the plan year beginning January 1, 2009. Federal law requires that you receive this Notice.

Background

You have most likely read or heard that the majority of pension plans across the country have faced financial difficulties in recent years. In response to these difficulties, Congress and the IRS have created new rules for "multiemployer" pension plans like yours. Therefore, beginning on January 1, 2008, the Pension Protection Act of 2006 ("PPA") imposes new rules aimed at accelerating the funding of defined benefit plans such as the Central Pennsylvania Teamsters Defined Benefit Plan (the "Plan").

Under prior law, defined benefit plans were required to address funding problems only when a plan did not satisfy minimum funding standards for the current year. However, unlike prior law, the PPA now requires plans to accelerate funding and to anticipate future funding issues based upon projections.

Required Actuarial Certification

Under the PPA, within the first 90 days of each plan year, the Plan's Actuary must certify whether a plan is in one of the following categories:

- Endangered Status
- Seriously Endangered Status, or
- Critical status

In general, in order to perform this certification, the Plan's actuary must determine if the Plan's funded ratio is at least 80% and whether the Plan will fail to meet the minimum required funding standards in any of the next ten years. The Plan's actuary must also project the Plan's assets, benefit costs, contributions, and unfunded liability to determine if the Plan will be able to pay benefits when due or if the plan is expected to run out of assets.

What causes a plan to be in Endangered Status

There are two tests that are performed for the Plan that indicate whether the Plan is in Endangered Status. If the Plan fails <u>either</u> of these tests, the plan is in Endangered Status.

The first test is based on the Plan's Funded Percentage. In this test, the Plan's assets on January 1, 2009 are divided by the value of all Plan participants' benefits earned as of that date. If this ratio is over 80%, this test is passed. **As of January 1, 2009, the Plan's PPA funded percentage is approximately 72.5%.**

The second test looks at the future of the Plan. A projection is made to determine whether the level of contributions expected to be received over the next six years are enough to prevent the Plan from having a minimum funding shortfall during that period. **The Plan passes this test on January 1, 2009.**

Since the Plan fails only the first test, the Plan is in Endangered Status for this year. If the plan failed both tests, the plan would be in Seriously Endangered Status for this year. In addition, other tests were performed that show the Plan is not in Critical Status for this year.

You may recall the 2008 PPA funded percentage was approximately 85% and the plan was not in the Endangered Status, Seriously Endangered Status, or Critical Status. The change to Endangered Status for 2009 and the decrease in the Plan's PPA funded percentage are a direct result of the 2008 market value losses experienced by virtually all pension plans across the country. Our Plan was not immune to these losses as the Plan lost approximately 29% on a market value basis during 2008. In comparison, the S&P 500 (a typical measurement of overall US Stock market performance) lost approximately 37% during 2008.

Required Notification

One of the rules that the Plan must follow as an Endangered Status Plan is to provide Plan participants and beneficiaries, bargaining parties, the Pension Benefit Guaranty Corporation, and the Secretary of Labor with this Notice. You are receiving the Notice within the 30-day requirement set forth by the PPA.

Funding Improvement Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in Endangered Status to adopt a Funding Improvement Plan aimed at improving the financial health of the plan. More specifically, the goal of the Funding Improvement Plan is to increase the Plan's Funding Percentage by 1/3 over the next 10 years while also avoiding a minimum funding shortfall.

The law permits pension plans to reduce benefits earned in future years as part of a Funding Improvement Plan. If the Trustees of the plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

You are entitled to receive a copy of the Plan's official Funding Improvement Plan once it is formally adopted. However, please be aware that, in accordance with the PPA, the Funding Improvement Plan may not be available for distribution until December 2009.

Looking Ahead

Our Plan's funding status must be reviewed and certified annually and notices like this one will be sent each year until our Plan is no longer in Endangered Status. Likewise, the Funding Improvement Plan will also be updated on an annual basis. In addition, the recently passed Worker, Retiree, and Employer Recovery Act of 2008 provides options the Trustees may consider when crafting the Plan's Funding Improvement Plan. If action is taken under this new Law, you will receive additional information.

Where to Get More Information

If, after reviewing this notice, you have any questions or concerns, please feel free to contact the Fund Administrator:

Joseph J. Samolewicz, Administrator
Central Pennsylvania Teamsters Pension Fund
P.O. Box 15223
Reading, PA 19612-5223

Toll-free in PA 800 343-0136
Toll-free in USA 800 331-0420

Board of Trustees,
Central Pennsylvania Teamsters Pension Fund

cc: U.S. Department of Labor
Pension Benefit Guaranty Corporation