

Teamsters Local No. 264 Van Drivers Division Pension Fund

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2010 Notice of Critical Status for Teamsters Local 264 Van Drivers Pension Fund October 15, 2010

This is to inform you that on September 17, 2009 the actuary of the **Teamsters Local 264 Van Drivers Pension Fund** (the "Plan") certified to the U.S. Department of the Treasury, and also to the Plan's Board of Trustees, that the Plan is in critical status for the Plan Year beginning July 1, 2010. Federal law requires that you receive this notice.

Critical Status

The Plan was determined to be in critical status for the 2009 Plan Year and is considered to be in critical status for the current Plan Year as well. The Plan is expected to have a funding deficiency in the current Plan Year.

Rehabilitation Plan and Reduction in Benefits

The Trustees adopted a rehabilitation plan on April 23, 2009 that reduced benefits under the Plan to the maximum extent allowed by law. In addition, it imposed significant contribution increases on contributing employers. That contribution increase was not adopted in the one collective bargaining agreement that was renewed on July 1, 2009.

The Trustees are attempting to collect the necessary contributions from employers to carry out the rehabilitation plan so that the Plan might emerge from critical status. It is uncertain whether they will be successful.

Adjustable Benefits

By notice dated May 29, 2009, Plan Participants were advised that the following changes had been made to the Plan:

The Plan was amended to reduce future benefit accruals for service on or after July 1, 2009, to \$.88 for each Year of Service under the Plan. Prior to this change, the monthly pension accrued at the rate of \$25.00 for each Year of Service.

In addition, effective July 1, 2009, all Early Retirement Benefits and the Disability Retirement Benefit have been eliminated from the Plan. Therefore, Participants will only be able to retire at Normal Retirement Age, age 65.

Finally, the normal form of benefit for single Participant is now a life annuity. Prior to this change, the normal form for a single Participant was a life annuity with five years of payments guaranteed.

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees, c/o Regina Tatford, 35 Tyrol Drive, Cheektowaga, NY 14227. You have a right to receive a copy of the rehabilitation plan from the plan.