

**LOCAL 804 I.B.T. AND LOCAL 447 I.A.M. –
UPS MULTI-EMPLOYER RETIREMENT PLAN**

EBSA/PUBLIC DISCLOSURE
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May 3, 2013

To: U.S. Department of Labor
Employee Benefits Security Administration

From: Jarett Hinson
Plan Administrator 

Subject: Notice of Critical Status for Local 804 I.B.T. and Local 447 I.A.M. – UPS Multi-
Employer Retirement Plan

EIN: 51-6117726 PN-001

Enclosed is the 2013 Notice of Critical Status for the Local 804 I.B.T. and Local 447 I.A.M. – UPS Multi-Employer Retirement Plan. Should you have any questions regarding the notice, please contact me at 404.828.8989. Thank you.

TEAMSTER TRUSTEES
Tim Sylvester, Co-Chair
James Conigliaro
Pete Mastrandrea
Jim Reynolds

PLAN ADMINISTRATOR
55 Glenlake Pkwy NE
Atlanta, GA 30328
(800) 643-4442

UPS TRUSTEES
Chris Langan, Co-Chair
Steve Brennan
Dan Dismukes
Brian McCabe

LOCAL 804 I.B.T. AND LOCAL 447 I.A.M. — UPS MULTI-EMPLOYER RETIREMENT PLAN

NOTICE OF CRITICAL STATUS

This is to inform you that on March 29, 2013, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning January 1, 2013. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that over the next four plan years, the plan is projected to have an accumulated funding deficiency.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a Rehabilitation Plan aimed at restoring the financial health of the plan. Since the Fund was in critical status in 2010, the Trustees adopted a Rehabilitation Plan on June 2, 2010 (the "Rehabilitation Plan"). The Rehabilitation Plan provides for UPS to make the contributions required by its collective bargaining agreement with Local 804 that became effective December 19, 2007 and expires July 31, 2013, plus at least \$.35 of the annual required increases. With the exception of the lump sum benefit, which as described below is not permitted to be paid by plans in critical status, no other benefits were reduced or eliminated under the current Rehabilitation Plan. In November of 2012, based on the advice of the Plan's actuary, the Trustees determined that no changes were required to the Rehabilitation Plan in 2012. As required by law, the Trustees will continue to watch the situation carefully and will update the Rehabilitation Plan in the future, if necessary.

We are required to tell you that the law permits red-zone pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. If the Trustees of the Plan determine in the future that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2010.

Although we are not currently reducing any adjustable benefits, you should know that effective as of April 30, 2010, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of a future update to the Rehabilitation Plan the Plan may adopt:

- Post-retirement death benefits;
- 120-month payment guarantees;
- Disability benefits (not yet in pay status);
- Early retirement benefit or retirement-type subsidies, including the 25-Year Service Pension;
- Benefit payment options other than a qualified joint-and-survivor annuity;
- Recent benefit increases (*i.e.*, occurring in past 5 years);

Remember, as of this time, based on the advice of their actuary, the Trustees do not intend to reduce or eliminate any of the above adjustable benefits in the Rehabilitation Plan they adopted in 2010.

Where to Get More Information

For more information about this notice, you may contact the Fund Office at the address or phone number listed at the top of this letter. You have the right to receive a copy of the Rehabilitation Plan from the Plan.

Sincerely,
The Board of Trustees

Local 804 I.B.T. and Local 447 I.A.M.—
UPS Multi-Employer Retirement Plan

