

May 30, 2009

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**Notice of Election to Freeze Pension Protection Act Status**  
**for**  
**Local 364 Sales Drivers and Industry Pension Fund**

This notice, which federal law requires, includes important information about the funding level of the Local 364 Sales Drivers and Industry Pension Fund. In 2006 the Pension Protection Act ("PPA") was enacted. Beginning with the 2008 Plan Year, that law requires the annual certification of the Plan's funding status as critical, endangered or neither, generally referred to as red, yellow or green, respectively.

The Fund's actuary certified that if this determination would have been made for the 2007 Plan Year, the Plan would have been in the green zone—the best of the three zones. The Plan would have been considered in the green zone because the funded percentage was 98% on November 1, 2007 and there were no projected funding deficiencies in any of the six subsequent Plan Years. The funded percentage is the percentage of earned benefits that could be funded with existing Plan Assets. A projected funding deficiency is a sign that the anticipated liabilities of the Fund are outpacing its assets.

On January 29, 2009, the Fund's actuary certified the Plan's funding status as red for the 2008 Plan Year. The Plan is considered to be in the red zone because there are projected funding deficiencies starting at the end of the 2010 Plan Year, even though the Fund's actuary determined that the funded percentage was 76%. The decline in these results is largely a result of the current crisis in the financial markets and a dramatic decrease in covered work weeks. Federal law requires pension plans in the red zone to adopt a rehabilitation plan aimed at restoring the financial health of the Plan.

Section 204 of the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) allows the Board of Trustees to freeze the PPA funding status from the prior year, so that Fund will be treated as though it were certified green for the 2008 Plan Year. An election to freeze the PPA funding status does not restrict the Board of Trustees' ability to improve the Plan's funding status.

The Board of Trustees elected, effective April 30, 2009, to freeze the 2007 certification of green for the Plan Year beginning on November 1, 2008. It is the intent of the Trustees to develop and begin implementing such a funding status improvement plan right now. You will receive future notices regarding this effort. The Board of Trustees remains committed to the proper funding of your pension benefits and assures you that they will take appropriate actions to meet this goal.

The decision to freeze the PPA funding status applies only for the 2008-2009 Plan Year. If the Plan is certified to be in yellow or red zone for the 2009 Plan Year, the Board of Trustees will provide notice of the Plan's status on or before February 28, 2010 and additional steps will be taken to improve the Plan's funding, which may include additional increases in contributions and/or reductions in benefits.

If the plan is certified to be in critical status for the year following the section 204 election year, the steps that will have to be taken to improve the plan's funded situation will include a surcharge on employer contributions and the suspension of the payment of lump sums and similar accelerated distributions for individuals who commence receiving benefits after notice is provided of the plan's critical status, and may include amendments to reduce early retirement benefits or other adjustable benefits for such individuals.

#### **Where to Get More Information**

For more information about this Notice, you may contact the Board of Trustees of the Local 364 Sales Drivers and Industry Pension Fund at (574) 234-6031 or 2405 East Edison Road, South Bend, Indiana 46615.