

**ACTUARIAL REPORT**  
**AS OF JANUARY 1, 2010**  
**FOR THE**  
**WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN**

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**DATE**

# WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

## TABLE OF CONTENTS

<b><u>DESCRIPTION</u></b>	<b><u>PAGE</u></b>
<b>SECTION A — INTRODUCTION .....</b>	<b>1</b>
<b>SECTION B — SUMMARY OF PRINCIPAL RESULTS .....</b>	<b>2</b>
<b>SECTION C — CURRENT FINANCIAL EXPERIENCE .....</b>	<b>4</b>
<b>SECTION D — ACTUARIAL RESULTS .....</b>	<b>8</b>
<b>SECTION E — REVISIONS OF ACTUARIAL ASSUMPTIONS AND PLAN PROVISIONS .....</b>	<b>15</b>
<b>SECTION F — COMPARISON OF VALUATION RESULTS USING FORMER AND REVISED ACTUARIAL ASSUMPTIONS AND PLAN PROVISIONS .....</b>	<b>16</b>
<b>SECTION G — GOVERNMENT AND FINANCIAL REPORTING INFORMATION .....</b>	<b>18</b>
<b>SECTION H — PARTICIPANT DATA .....</b>	<b>22</b>
<b>SECTION I — ACTUARIAL ASSUMPTIONS: BASIS AND METHODOLOGY .....</b>	<b>30</b>
<b>SECTION J — SUMMARY OF PLAN PROVISIONS EFFECTIVE JANUARY 1, 2010 .....</b>	<b>39</b>

# WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

## TABLE OF CONTENTS

*(Continued)*

<b><u>DESCRIPTION</u></b>	<b><u>PAGE</u></b>
<b>INTRODUCTION TO THE TABLES OF 2010 STATISTICAL DATA .....</b>	<b>44</b>
<b>TABLE 2010-1 – Comparison of Sample Data with Total Population Data for Active Vested Participants .....</b>	<b>47</b>
<b>TABLE 2010-2 – Basic Rate Increases for Continuing Non-Seasonal Active Participants .....</b>	<b>48</b>
<b>TABLE 2010-3 – Distribution of Non-Seasonal Active Participants in PEER and Non-PEER Units by Contribution Rate .....</b>	<b>49</b>
<b>TABLE 2010-4 – Age at First Participation Distributions Comparison of Experience with Actuarial Assumptions .....</b>	<b>50</b>
<b>TABLE 2010-5 – Distribution of Non-Seasonal Active Participants with Good Birthdates by Attained Age and Contributory Service .....</b>	<b>51</b>
<b>TABLE 2010-6 – Data Build-Through Report/Participant Reconciliation .....</b>	<b>52</b>
<b>TABLE 2010-7 – New 2009 Pensioners and Beneficiaries Option Elections, Average Pensions and Average Ages .....</b>	<b>53</b>
<b>TABLE 2010-8 – Recent History of New Pensioners Option Elections and Average Monthly Pensions .....</b>	<b>54</b>
<b>TABLE 2010-9 – Historical Statistics by Year of Retirement .....</b>	<b>55</b>
<b>TABLE 2010-10 – Age/Longevity of Age Pensioners .....</b>	<b>56</b>
<b>TABLE 2010-11 – Age/Longevity of Beneficiaries .....</b>	<b>57</b>
<b>TABLE 2010-12 – Age/Longevity of Disabled Pensioners .....</b>	<b>58</b>
<b>TABLE 2010-13 – Life Expectancies for Pensioners .....</b>	<b>59</b>
<b>APPENDIX — BRIEF HISTORY OF PLAN AMENDMENTS .....</b>	<b>60</b>

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION A — INTRODUCTION*

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The results presented in this January 1, 2010 Actuarial Report for the Western Conference of Teamsters Pension Plan (WCT Pension Plan) are based on (1) census data supplied by Prudential Investments and Northwest Administrators, Inc. and (2) asset information reported by the Plan's auditor, Lindquist, LLP, Prudential Investments, and the Plan's investment advisor, Alan D. Biller & Associates, Inc. In our opinion, the data were adequate for our actuarial computations.

This report includes:

- A summary of the funding status of the Plan, including the expected amortization period for the Plan's January 1, 2010 unfunded actuarial liability;
- A comparison of the December 31, 2009 vested benefit liability with the actuarial value of the Plan's assets;
- A comparison of the Plan's liabilities and costs from the Plan's January 1, 2009 actuarial valuation with the liabilities and costs from this actuarial valuation;
- A statement of the effects on principal actuarial values of any Plan changes and actuarial assumption changes;
- Descriptions of the census data used, together with statistical tables that illustrate the data characteristics and validate the data sampling techniques used for non-retired participants;
- A projection of the 2010 Funding Standard Account. This projection estimates the Plan's funded status for Schedule MB (Form 5500) purposes;
- The development of the maximum tax deductible contributions for 2010, including disclosure of the various full funding limitations applicable to contributing employers;
- Information required for disclosure in the Plan's Financial Statements; and
- A summary of Plan provisions effective January 1, 2010. A brief history of Plan amendments since 1984 is included as an Appendix to this report.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### ***SECTION B — SUMMARY OF PRINCIPAL RESULTS***

#### **1. Unfunded Actuarial Liability and Amortization Period**

The Actuarial Liability for this Plan is calculated assuming that the Plan will continue indefinitely at the benefit levels in effect on the valuation date, using the Entry Age Actuarial Cost Method and the actuarial assumptions, as described in Section I. The Unfunded Actuarial Liability (UAL) is the amount by which the Actuarial Liability exceeds the Actuarial Value of Assets.

The existence of the UAL is primarily the result of Plan provisions that grant benefits to participants for (a) periods of contributory service before the valuation date when benefit levels and related contribution rates were lower than those in effect on the valuation date and (b) service rendered by a participant before his/her coverage by the Plan. The UAL as of January 1, 2010 reflects the Plan provisions in effect on that date, together with the employer contribution rates and census data as of December 31, 2009.

The amortization periods shown below represent a measure of how rapidly this UAL can be expected to be paid-off if (a) the demographics and Plan provisions existing on the valuation date remain constant, (b) the actuarially assumed experience is realized, and (c) the annual level of employer contributions is \$1.280 billion. The UAL and amortization period as of January 1, 2009 reflect the Plan provisions, assets, and actuarial assumptions described in the 2009 Actuarial Report. The UAL and amortization period as of January 1, 2010 reflect the Plan provisions, asset values and actuarial assumptions described in this Actuarial Report. Details of both the January 1, 2009 and January 1, 2010 results are shown in Section D.

<b>Development of Unfunded Actuarial Liability (in thousands)</b>		
	<b>January 1, 2009</b>	<b>January 1, 2010</b>
Actuarial Liability	\$35,615,631	\$36,501,307
Assets (actuarial value)	\$28,541,798	\$30,568,505
Unfunded Actuarial Liability	\$7,073,833	\$5,932,802
Amortization Period	13.4 Years	11.5 Years

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION B — SUMMARY OF PRINCIPAL RESULTS (Continued)*

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#### 2. **Funding Status — Estimated Level of Employer Contributions**

The contribution assumption is used to determine the expected amortization period for the Plan's UAL. Based on our review of the recent history of employer contributions and contributory hours, we have assumed that annual employer contributions would be approximately \$1.280 billion, including expected PEER contributions. This assumed annual employer contribution amount is about 5.4% lower than was assumed for 2009 – primarily as a result of the cessation of contributions by YRC.

#### 3. **Funded Status of Vested Benefit Liability**

During 2009, the Plan's Vested Benefit Liability increased by about 3.3%, or \$1.048 billion. The actuarial value of the assets, on the other hand, increased by 7.1%, or \$2.027 billion. As a result, the Plan has an Unfunded Vested Benefit Liability of \$1.940 billion as of December 31, 2009, based on the actuarial assumptions used for funding purposes, down from \$2.919 billion as of December 31, 2008. The Unfunded Vested Benefit Liability is presented in greater detail in Section D, item 4.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION C — CURRENT FINANCIAL EXPERIENCE*

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#### 1. **Summary Review of Experience**

This section summarizes the Plan's financial information for the last two years and investment return experience for the last five years. The financial information for 2009 indicates that:

- Employer contributions in 2009 (exclusive of withdrawal liability payments) decreased by about 6.4% from \$1.351 billion in 2008 to \$1.265 billion in 2009.
- Benefit payments increased by 4.6% to \$2.154 billion during the 2009 calendar year.
- Administrative expenses in 2009 amounted to 6.92% of employer contributions, compared with 5.95% of employer contributions in 2008.
- The net assets available for benefits on a market value basis increased by \$1.706 billion in 2009, compared with the \$7.360 billion decrease experienced during 2008.
- Taking into account both realized and unrealized investment results, the effective rate of return on the net market value of assets was 10.96% for 2009. The corresponding yields for 2008 and 2007 were -20.58% and 5.41%, respectively. The investment earning gain on non-dedicated assets for 2009 was \$1.098 billion.
- The rate of investment return based on the Actuarial Value of Assets was 10.52% in 2009, compared with -6.61% in 2008 and 9.08% in 2007 (all adjusted to take into account the effect of "rebalancing" the dedicated bond accounts). These rates differ from the market value rates because a five year averaging procedure is used to smooth year by year differences between market value investment results and actuarially expected investment results of non-dedicated assets, and because a portion of the assets are invested in dedicated bond accounts which are valued at amortized cost.
- In 2009, investment returns net of investment expenses on an actuarial basis for the Plan's non-dedicated assets were higher than actuarial expectations by \$1.036 billion due to the smoothing of prior years' investment gains and losses.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION C — CURRENT FINANCIAL EXPERIENCE (Continued)*

#### 2. Rates of Investment Return

Asset Valuation Basis	2005	2006	2007	2008	2009
Market Value - All Assets	6.05%	10.61%	5.41%	-20.58%	10.96%
Market Value - Non Dedicated Assets	6.55%	12.98%	5.67%	-25.23%	12.60%
Actuarial Value	6.18%	7.56%	9.12%	-6.67%	10.71%
Adjusted Actuarial Value	5.99%	7.50%	9.08%	-6.61%	10.52%
Assumed Rate of Return on Non-Dedicated Assets	7.50%	7.30%	7.10%	7.00%	7.00%

Notes:

- The rates of investment return are total return rates taking into account both realized and unrealized capital gains.
- An adjusted actuarial return rate is determined because apparent investment gains or losses in the actuarial values of the dedicated bond accounts can be caused by securities trading to improve the cash flow matching of the dedicated bond accounts. These apparent gains or losses are mostly offset by changes in the dedicated liabilities, so the adjusted rate of investment return on the Actuarial Value of Assets is then calculated net of the changes in asset values associated with the rebalancing process.
- During the five-year experience period shown in the table, the annual compounded average rate of return during the five years was 1.73% based on the market value of assets compared with 5.19% based on the actuarial value of assets and 5.11% based on the adjusted actuarial value of assets.
- The annual compounded rate of return on the market value of non-dedicated assets over the last five years was 1.38%. During the same period the annual compounded assumed rate of return was 7.18%.



## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION C — CURRENT FINANCIAL EXPERIENCE (Continued)*

#### 3. Income and Expense (000s omitted)

	<u>Year Ending December 31, 2008</u>	<u>Year Ending December 31, 2009</u>
a. Net Employer Contributions	\$1,350,530	\$1,264,683
b. Benefit Payments	\$2,059,601	\$2,154,335
c. Administrative and General Expenses	\$80,375	\$87,502
d. Investment Income (including Realized and Unrealized Gains and Other Income) Net of Investment Management Fees	(\$6,570,632)	\$2,683,399
e. Increase in Net Assets Available for Plan Benefits (a. – b. – c. + d.)	(\$7,360,078)	\$1,706,245

# WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

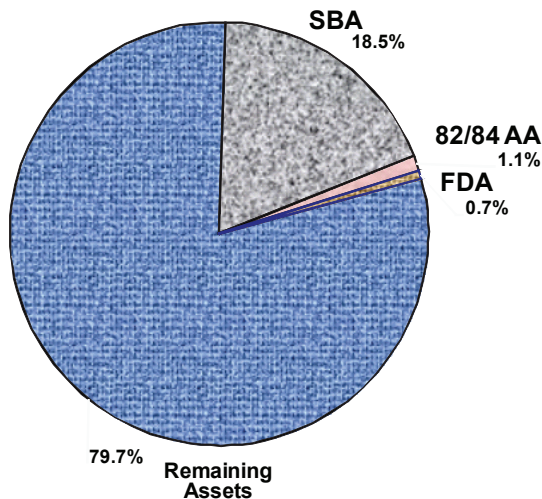
## *SECTION C — CURRENT FINANCIAL EXPERIENCE (Continued)*

### 4. Net Assets at Market Value (000s Omitted)

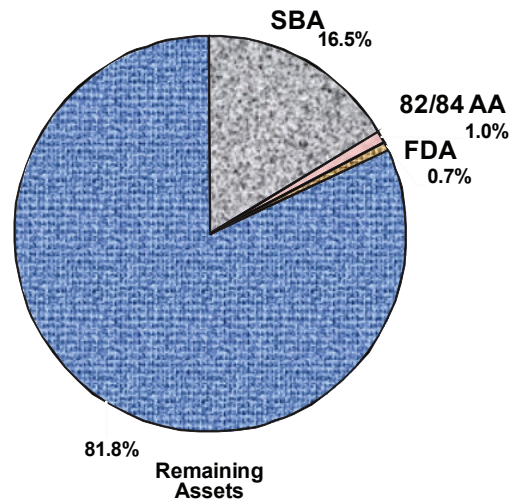
	<u>Year Ending December 31, 2008</u>	<u>Year Ending December 31, 2009</u>
a. Fixed Dollar Account	\$181,121	\$183,641
b. 1982/1984 Annuity Account	278,425	267,568
c. Strategic Bond Account	4,605,623	4,407,315
d. All Remaining Assets	<u>19,896,853</u>	<u>21,809,743</u>
e. Net Assets Available for Plan Benefits	\$24,962,022	\$26,668,267

Note: The assets shown above are valued as described in the Western Conference of Teamsters Pension Trust Fund Financial Statements. The Strategic Bond Account is valued as described by Prudential Investments. These amounts are listed at fair market value and differ from the Actuarial Value of Assets, as described in Section D. Items d. and e. as of December 31, 2008 have been revised to reflect the draft financial statements used to determine the Actuarial Value of Assets.

**December 31, 2008**



**December 31, 2009**



## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION D — ACTUARIAL RESULTS*

#### 1. Actuarial Value of Assets (000s omitted)

The Actuarial Value of Assets differs from the market (or “current”) value of the net assets available for Plan benefits, as shown in the preceding Section C, because:

- The Fixed Dollar Account (a “guaranteed” fund maintained by Prudential Investments) is valued at its book value. An additional amount necessary to maintain cash flow matching of \$17.4 million is included at amortized cost.
- The 1982/1984 Annuity Account and Strategic Bond Account are valued on an amortized cost basis.
- The remaining assets are valued using a 5-year averaging process whereby 20% of the difference between the market value investment results and actuarially expected results for each of five consecutive years is recognized each year. This process is depicted in the Operation of the Actuarial Asset Valuation Method exhibit on the following page.

The actuarial value of the remaining assets is the market value less the sum of the unrecognized investment results. The value of remaining assets is limited to a corridor of not more than 120% but not less than 80% of the market value of those assets.

	<u>As of</u> <u>1/1/2009</u>	<u>% of</u> <u>Total</u>	<u>As of</u> <u>1/1/2010</u>	<u>% of</u> <u>Total</u>
a. Fixed Dollar Account	\$181,105	0.6%	\$183,663	0.6%
b. 1982/1984 Annuity Account	268,447	0.9%	260,270	0.9%
c. Strategic Bond Account	4,216,022	14.8%	4,119,320	13.5%
d. All Remaining Assets	<u>23,876,224</u>	83.7%	<u>26,005,252</u>	85.0%
e. Total Actuarial Value of Assets	\$28,541,798		\$30,568,505	

**WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN**

**SECTION D – ACTUARIAL RESULTS (Continued)**

**1. Actuarial Value of Assets (000s omitted) (Continued)**

**OPERATION OF THE ACTUARIAL ASSET VALUATION METHOD FOR NON-DEDICATED ASSETS (in 000's)**

		Investment Gain/(Loss) Recognized as of January 1, 2010										
Year	Investment Gain/(Loss) of Market Value over Actuarially Expected Results	Investment Gain/(Loss) Recognition in Past Years					Investment Gain/(Loss) Recognized in Current Year	Investment Gain/(Loss) to be Recognized in Future Years				
		2005	2006	2007	2008	2009		2010	2011	2012	2013	
2005	(\$207,706)	(\$41,541.2)	(\$41,541.2)	(\$41,541.2)	(\$41,541.2)	(\$41,541.2)						
2006	\$1,304,407		\$260,881.4	\$260,881.4	\$260,881.4	\$260,881.4						
2007	(\$367,932)			(\$73,586.4)	(\$73,586.4)	(\$73,586.4)						
2008	(\$8,646,585)				(\$1,729,317.0)	(\$1,729,317.0)						
2009	\$1,098,417					\$219,683.4						
Preliminary Gains / (Losses) Recognized by Year						\$219,683.4						
Interest on Prior Year Gains / (Losses)						(\$1,363,879.8)						
Preliminary Total Gains / (Losses) Deferred and to be recognized in Future Years						(\$466,046.4)						
Additional Gains / (Losses) Recognized in Current year Because of 80%-120% Corridor						(\$4,195,508.8)						
Adjusted Total Gains / (Losses) Deferred in Current year and to be recognized in Future years						\$0.0						
						(\$4,195,508.8)						

**WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN**

**SECTION D — ACTUARIAL RESULTS (Continued)**

The chart below summarizes the liabilities and assets of the Plan and compares those values with last year's results. Total Liabilities represent the present value of all benefits expected to be paid to current Plan participants for both past and future service. Future Liabilities represent the value of Total Liabilities that are allocated to future periods under the Actuarial Cost Method. The Actuarial Liabilities represent the remaining Total Liabilities which are not allocated by the Actuarial Cost Method to the future periods.

**2. Actuarial Present Values and Liabilities (000s omitted)**

	January 1, 2009			January 1, 2010		
	Total Liabilities	Future Liabilities	Actuarial Liabilities	Total Liabilities	Future Liabilities	Actuarial Liabilities
a. Active Participants						
i. Pension Benefits	\$14,425,950	\$1,924,134	\$12,501,816	\$13,853,549	\$1,864,731	\$11,988,818
ii. Disability Benefits	\$487,850	\$111,743	\$376,107	\$463,600	\$108,270	\$355,330
iii. Death Benefits*	\$379,746	\$138,867	\$240,879	\$360,880	\$130,999	\$229,881
iv. Termination Benefits	<u>\$1,556,598</u>	<u>\$603,070</u>	<u>\$953,528</u>	<u>\$1,467,326</u>	<u>\$584,944</u>	<u>\$882,382</u>
v. Total	\$16,850,144	\$2,777,814	\$14,072,330	\$16,145,355	\$2,688,944	\$13,456,411
b. Vested Inactive Participants	\$3,386,133	N/A	\$3,386,133	\$4,136,105	N/A	\$4,136,105
c. Retired Participants	<u>\$18,157,168</u>	<u>N/A</u>	<u>\$18,157,168</u>	<u>\$18,908,791</u>	<u>N/A</u>	<u>\$18,908,791</u>
d. Total Liabilities	\$38,393,445	\$2,777,814	\$35,615,631	\$39,190,251	\$2,688,944	\$36,501,307
e. Actuarial Value of Assets			<u>\$28,541,798</u>			<u>\$30,568,505</u>
f. Unfunded Actuarial Liabilities			\$7,073,833			\$5,932,802
g. Funded Ratio			80.1%			83.7%

\*Death Benefits are pre-Retirement Benefits only (including Surviving Spouse and Children benefits).

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### SECTION D — ACTUARIAL RESULTS (Continued)

This chart compares the various liabilities from this valuation and last year's valuation. Vested Benefit Liabilities equal the present value of vested accrued benefits for current Plan participants under the valuation assumptions. Accrued Benefit Liabilities are the present value of vested and non-vested accrued benefits. The Actuarial Liability represents the cost method liability allocated to past periods and Total Liabilities are the present value of all benefits expected to be paid for both past and future service.

	2009		2010	
	Liability	Percent Funded	Liability	Percent Funded
Vested Benefit Liabilities	\$31,460,549	90.7%	\$32,508,569	94.0%
Accrued Benefit Liabilities	\$33,536,710	85.1%	\$34,414,558	88.8%
Actuarial Liabilities	\$35,615,631	80.1%	\$36,501,307	83.7%
Total Plan Liabilities	\$38,393,445	74.3%	\$39,190,251	78.0%
Assets - Actuarial Value	\$28,541,798	N/A	\$30,568,505	N/A

### ANALYSIS OF PLAN LIABILITIES (000s omitted)

# WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

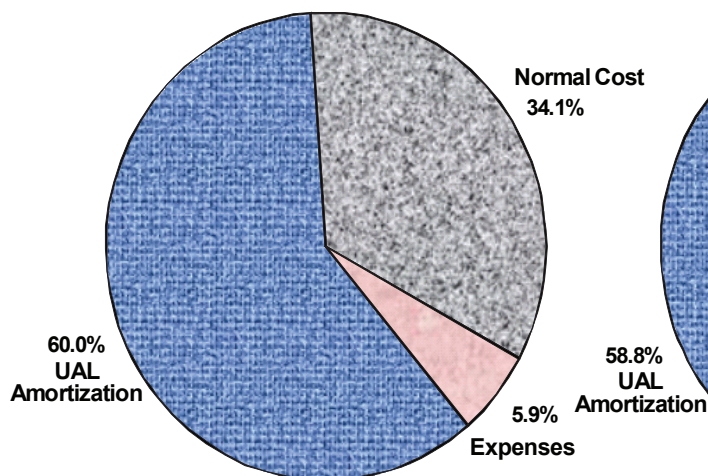
## *SECTION D — ACTUARIAL RESULTS (Continued)*

### 3. Annual Values (000s omitted)

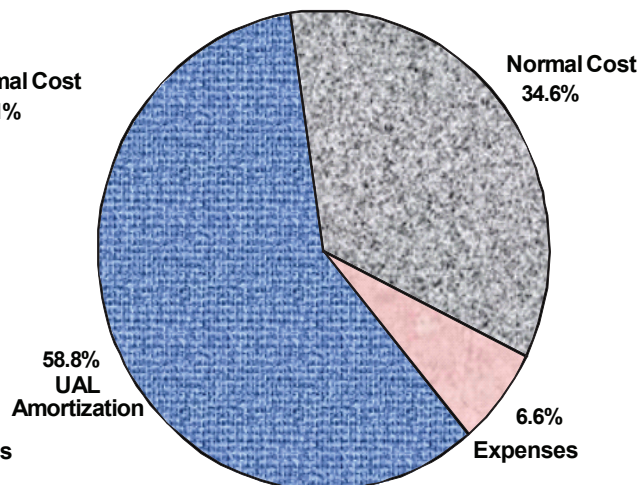
	<u>January 1, 2009</u>	<u>January 1, 2010</u>
a. Estimated Employer Contributions	\$1,353,000	\$1,280,000
b. Expenses	\$80,000	\$85,000
c. Level Normal Cost Charge (payable monthly)	\$461,437	\$442,932
d. Estimated Employer Contributions to Amortize Unfunded Actuarial Liability (a. – b. – c.)	\$811,563	\$752,068
e. Unfunded Actuarial Liability	\$7,073,833	\$5,932,802
f. Estimated Period for Amortizing the Unfunded Actuarial Liability	13.4 Years	11.5 Years

### Contribution Allocation

**2009 Contributions - \$1.353 Billion**



**2010 Contributions - \$1.280 Billion**





## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION D — ACTUARIAL RESULTS (Continued)*

#### 4. Unfunded Vested Benefit Liability (000s omitted)

a. <u>Actuarial Present Value of Vested Benefits</u>	<u>As of December 31, 2008</u>	<u>As of December 31, 2009</u>
i. Active Participants	\$9,967,310	\$9,502,573
ii. Vested Inactive Participants	\$3,385,449	\$4,135,149
iii. Retired Participants	\$18,107,790	\$18,870,847
iv. Total	\$31,460,549	\$32,508,569
b. <u>Actuarial Value of Assets</u>	\$28,541,798	\$30,568,505
c. <u>Unfunded Vested Benefit Liability</u>	\$2,918,751	\$1,940,064
d. <u>Excess of the Actuarial Value of Assets over the Vested Benefit Liability</u>	N/A	N/A



## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION D — ACTUARIAL RESULTS (Continued)*

#### 5. Actuarial Balance Sheet (000s omitted)

The following table demonstrates the relationship between the Plan's Actuarial Liabilities and Assets. Assets include both the Actuarial Value of Assets and the present value of the portion of the future employer contributions needed to pay-off actuarial liabilities not already funded.

	<u>As of</u> <u>1/1/2009</u>	<u>%</u>	<u>As of</u> <u>1/1/2010</u>	<u>%</u>
a. <u>Actuarial Liabilities</u>				
i. Retirees and Beneficiaries	\$18,157,168	51.0%	\$18,908,791	51.8%
ii. Vested Inactive Participants	\$3,386,133	9.5%	\$4,136,105	11.3%
iii. Active Participants	<u>\$14,072,330</u>	39.5%	<u>\$13,456,411</u>	36.9%
iv. Total Actuarial Liability	<u>\$35,615,631</u>		<u>\$36,501,307</u>	
b. <u>Assets</u>				
i. Actuarial Value of Assets	\$28,541,798	80.1%	\$30,568,505	83.7%
ii. Present Value of Future Employer Contributions required to pay-off Actuarial Liabilities not already funded	<u>\$7,073,833</u>	19.9%	<u>\$5,932,802</u>	16.3%
iii. Total Assets	<u>\$35,615,631</u>		<u>\$36,501,307</u>	

# WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

## SECTION E — REVISIONS OF ACTUARIAL ASSUMPTIONS AND PLAN PROVISIONS

### 1. Changes in Actuarial Assumptions

#### a. Investment Earnings - Dedicated Assets

The investment earnings rate assumptions used to value Plan liabilities have been revised for dedicated assets in the first two asset categories listed below. As in prior valuations, the revisions to the dedicated account assumptions were made solely to reflect changes in the relationships between the amortized cost value of these accounts and the projected cash flow generated by such assets.

- 1982/1984 Annuity Account: The assumed annual rate of return has been changed to a level 4.85% from the previous valuation assumption of 5.40%.
- Strategic Bond Account (SBA): The assumed annual rate of return has been changed to a level 6.09% from the previous valuation assumption of 6.25%.
- Fixed Dollar Account: The assumed annual rates of return are the same as those assumed in the January 1, 2009 valuation and grade down from 7.0% in 2010 to 6.5% in 2015 and thereafter.

b. Remaining Assets/Benefits: The annual rate of return assumed for benefits not covered by the dedicated accounts, and for the normal cost calculations remains at 7.0%.

c. Expenses: Assumed annual expenses have been increased from \$80 million to \$85 million.

### 2. Changes in Contribution Rates and PEER Coverage

The actuarial liabilities for the Plan are determined based on contribution rates, PEER levels, and status of the participants on the effective date of the valuation. Contribution rates have generally been increasing, contributing to increases in the actuarial liabilities. PEER levels have been fairly constant for the last several years, but any changes do contribute to changes in the actuarial liabilities.

### 3. Reclassification of YRC Active Participants

We have reclassified all YRC active participants to inactive status, reflecting the withdrawal of all YRC employers from the Plan, effective June 11, 2009.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### ***SECTION F — COMPARISON OF VALUATION RESULTS USING FORMER AND REVISED ACTUARIAL ASSUMPTIONS AND PLAN PROVISIONS***

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The following table illustrates the effects on principal actuarial values of the changes in the actuarial assumptions, as described in the preceding Section E. All amounts are shown to the nearest \$1,000.

1. **Prior Assumptions and Plan Coverages**

The liabilities and assets presented using former assumptions and Plan coverages on December 31, 2008 provide a “snap-shot” of the liabilities assuming no changes in basic contribution rates, PEER benefit coverage or actuarial assumptions.

2. **Current Assumptions and Plan Coverages**

The values shown in this column reflect contribution rates and PEER benefit coverages as of December 31, 2009, and other changes, as discussed in Section E.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### **SECTION F — COMPARISON OF VALUATION RESULTS USING FORMER AND REVISED ACTUARIAL ASSUMPTIONS AND PLAN PROVISIONS** (Continued)

	<u>Actuarial Liabilities (in 000's)</u>	
	<b>Former Assumptions, Prior Contribution Rates &amp; PEER Coverage, and Unadjusted YRC Participant Status Codes</b>	<b>Revised Assumptions, Current Contribution Rates &amp; PEER Coverage, and Adjusted YRC Participant Status Codes</b>
1. Actuarial Present Value of Future Benefits for All Participants	\$39,199,837	\$39,190,251
2. Actuarial Present Value of Future Normal Costs	<u>\$2,634,268</u>	<u>\$2,688,944</u>
3. Actuarial Liability for All Participants (1. – 2.)	\$36,565,569	\$36,501,307

The aggregate change in the Actuarial Liability (= \$36,501,307 minus \$36,565,569) for All Participants is the net result of the following changes:

	<u>Increase (Decrease)</u>
• Contribution Rate and PEER Coverage Changes	\$146,438
• Interest rate changes for liabilities supported by Dedicated Assets	\$42,962
• Supplemental payment and change in reserve	(\$11,200)
• Reclassification of YRC active participants to inactive status	(\$242,462)
• Total Increase (Decrease) in Actuarial Liability	(\$64,262)

# WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

## SECTION G — GOVERNMENT AND FINANCIAL REPORTING INFORMATION

### 1. 2010 Projected Schedule MB Information (000s omitted)

#### a. Projected Funding Standard Account

The Funding Standard Account (FSA) measures a plan's compliance with the minimum funding standards of ERISA. ERISA's minimum funding standards are satisfied whenever the Credit Balance is equal to or greater than zero.

##### i. Charges

Prior Year Funding Deficiency, if any	\$0
Beginning of Year Normal Cost (including expenses)	\$509,031
Amortization Charges on January 1, 2010	\$974,193
Interest on above to Year End	<u>\$103,826</u>
Total End of Year Charges	\$1,587,050

##### ii. Credits

Prior Year Credit Balance, if any	\$1,790,833
Expected Employer Contributions during 2010	\$1,280,000
Amortization Credits on January 1, 2010	\$0
Interest on above to Year End	<u>\$162,506</u>
Total End of Year Credits	\$3,233,339

iii. Projected Credit Balance on December 31, 2010	\$1,646,289
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#### b. Full Funding Limits

i. ERISA Full Funding Limit	\$12,982,208
ii. 90% Current Liability Override	\$17,744,978

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### SECTION G — GOVERNMENT AND FINANCIAL REPORTING INFORMATION (Continued)

#### 2. Maximum Tax Deductible Employer Contributions for 2010

In general, the maximum tax deductible employer contribution under Internal Revenue Code Section 404 is an amount equal to the normal cost for the Plan Year, plus an amount necessary to amortize all unfunded actuarial liabilities or actuarial gains or losses in equal annual payments over a period of ten years from the establishment of the amortizable amount. However, the maximum tax deductible employer contribution cannot be less than the minimum funding required by the Internal Revenue Code.

The calculated maximum deduction is then compared with the Full Funding Limitation (FFL): i.e., the amount of employer contributions that would cause a plan to be considered “fully funded” by the end of the year under IRS rules and regulations. The FFL serves as a ceiling for the maximum deductible employer contributions, subject to a final contribution limit test.

In the final step (the Super Max Calculation), the maximum deductible employer contribution is increased to the amount necessary to fully fund 140% of the Plan’s Current Liability.

**For the 2010 Plan Year, the maximum tax deductible employer contributions have been determined to equal \$38,075,099** which is the contribution amount that would fully fund 140% of the Current Liability projected to December 31, 2010. The calculation of the 2010 maximum tax deductible contribution is summarized below. All amounts below are shown to the nearest \$1,000.

a.	<u>Normal Cost Plus Limit Adjustment</u>	
i.	Normal Cost (including expenses) at the beginning of 2010	\$509,031
ii.	Limit Adjustment (maximum amount of contributions allowed to amortize unfunded actuarial liabilities)	\$789,437
iii.	Interest to end of year	<u>90,893</u>
iv.	Total	\$1,389,361
b.	<u>Super Max Calculation</u>	\$38,075,099

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION G — GOVERNMENT AND FINANCIAL REPORTING INFORMATION (Continued)*

#### 2. Maximum Tax Deductible Contributions for 2010 (Continued)

##### c. Current Liability Calculations

Federal law requires the determination and reporting of Current Liability information. The liability amounts determined as of January 1, 2010, as presented in the following table, were determined using the mortality table for Plan Years beginning in 2010 as specified in IRS Reg. 1.430(h)(3)-1 and an interest rate of 4.58% as published by the IRS.

	Current Liability (in 000's)		
	Number of Persons	Vested Benefits	Total Benefits
Pensioners and Beneficiaries	232,286	\$23,846,468	\$23,879,092
Inactive Vested Participants	167,260	6,452,239	6,452,946
Active Participants	211,700	14,663,378	17,569,094
<b>Total</b>	<b>611,246</b>	<b>\$44,962,085</b>	<b>\$47,901,132</b>
Expected Increase in the Current Liability as of January 1, 2010 for Benefits Accruing During 2010			\$995,252
Expected Benefit Payments During 2010			\$2,253,434
Interest Used for Determining the Current Liability			4.58%
Interest adjustment to December 31, 2010			\$2,187,850
Current Liability projected to December 31, 2010			\$48,830,800
140% of Current Liability Projected to December 31, 2010			\$68,363,120
Actuarial Value of Assets projected to December 31, 2010			\$30,288,021
Amount required to Fully Fund 140% of the Current Liability projected to December 31, 2010			\$38,075,099

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION G — GOVERNMENT & FINANCIAL REPORTING INFORMATION* (Continued)

#### 3. Information for Auditors

The following information is required by the auditors for inclusion in the Plan's Financial Statements. All amounts are shown to the nearest \$1,000.

a.	<u>January 1, 2010 Actuarial Value of Accumulated Plan Benefits</u>	\$34,414,558
i.	Vested Benefits in Pay Status	\$18,870,847
ii.	Other Vested Benefits	\$13,637,722
iii.	Nonvested Benefits	\$1,905,989
b.	<u>January 1, 2009 Actuarial Value of Accumulated Plan Benefits</u>	<u>\$33,536,710</u>
c.	<u>Increase (Decrease) in the Actuarial Value of Accumulated Plan Benefits</u>	<u>\$877,848</u>
i.	Plan Amendment	\$0
ii.	Change in Nature of Plan	\$0
iii.	Change in Actuarial Assumptions	(\$81,194)
iv.	Benefits Paid	(\$2,154,335)
v.	Decrease in Discount Period	\$2,287,551
vi.	Benefits Accumulated	\$599,706
vii.	Other Experience	\$226,120



## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION H — PARTICIPANT DATA*

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The sources of WCT Plan participant data for our actuarial calculations are: (a) extracts from Prudential Investments' Annuitant Benefit Consolidation (ABC) System file, (b) extracts from the T2 Participant Data File (PDF) maintained by Northwest Administrators and Prudential Investments, and (c) extracts from the Western States Food database.

The following paragraphs describe how the data were prepared for valuation purposes and present statistical characteristics of the data base.

1. **Data Base for Active and Vested Inactive Participants**

Northwest Administrators sent us a December 31, 2009 valuation data file that included T2 extract records for non-retired participants and all claims and deaths for the last five years.

From this file containing 398,012 records, we selected the 5% sample valuation file of active and vested inactive participants (Social Security numbers ending in 00, 05, 10, 15, or 20). A participant was considered Active as of January 1, 2010 if he or she was not included on the ABC file as retired as of the valuation date, and if he/she earned at least 250 covered hours during 2009, or earned at least 1 covered hour in 2009 and earned at least 250 covered hours in 2008.

9,933 Non-Seasonal Active 5% sample records representing 198,660 participants were included in the valuation. For this purpose, Active participant records with non-seasonal industry codes or with 1,000 or more covered hours in each of the last two years were considered Non-Seasonal.

652 Seasonal Active 5% sample records representing 13,040 participants were included in the valuation. Active participants with a seasonal industry code and less than 1,000 covered hours in one or both of the last two years were considered Seasonal.

8,363 Vested Inactive 5% sample records representing 167,260 participants were included in the valuation.

379,064 T2 extract records were not used for the valuation. These records primarily represent non-5% sample participant records, pre-valuation date claims, and non-vested inactives. The above counts incorporate our assumption that all YRC participants are inactive on the valuation date, (see Section E).

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION H — PARTICIPANT DATA (Continued)*

#### 2. Statistical Information

Highlights of the data characteristics for Active Plan participants on January 1, 2010 are shown below, together with corresponding information from the January 1, 2009 and January 1, 2008 Actuarial Reports.

- For actuarial valuation purposes, the Active participant population was 234,720 as of January 1, 2008, 230,500 as of January 1, 2009, and 211,700 as of January 1, 2010. The aggregate number of Active participants covered under PEER is 85.0% (including Non-Seasonal and Seasonal employees) on January 1, 2010. All information summarized below was based on 5% sample data.

<b>NUMBER OF ACTIVE PLAN PARTICIPANTS</b>			
<b>Industry</b>	<b>As of 1/1/08</b>	<b>As of 1/1/09</b>	<b>As of 1/1/10</b>
<b>ALL ACTIVES</b>			
Non-Seasonal	220,700	217,280	198,660
Seasonal	14,020	13,220	13,040
<b>Total</b>	<b>234,720</b>	<b>230,500</b>	<b>211,700</b>
<b>PEER UNITS</b>			
Non-Seasonal PEER 80	74,300	72,080	61,860
Non-Seasonal PEER 82	6,180	5,560	5,100
Non-Seasonal PEER 84	105,900	105,900	100,940
Seasonal PEER 80	8,900	8,860	8,700
Seasonal PEER 82	260	300	300
Seasonal PEER 84	3,560	2,820	3,100
<b>Total PEER Participants</b>	<b>199,100</b>	<b>195,520</b>	<b>180,000</b>
<b>NON-PEER UNITS</b>			
Non-Seasonal	34,320	33,740	30,760
Seasonal	1,300	1,240	940
<b>Total Non-PEER Participants</b>	<b>35,620</b>	<b>34,980</b>	<b>31,700</b>

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION H — PARTICIPANT DATA (Continued)*

#### 2. **Statistical Information (Continued)**

- The average attained age of Active Plan participants whose records include valid dates of birth is 42.1 years for Non-Seasonal participants and is 47.5 years for Seasonal participants. The corresponding ages as of January 1, 2009 were 41.6 years for Non-Seasonals and 46.7 years for Seasonals. The average attained ages for all Active participants, for the last three years, including the separate PEER units, are summarized below.

<b>AVERAGE ATTAINED AGES FOR ACTIVE PLAN PARTICIPANTS</b>			
<b>Industry</b>	<b>As of 1/1/08</b>	<b>As of 1/1/09</b>	<b>As of 1/1/10</b>
<b>ALL ACTIVES</b>			
Non-Seasonal	41.1 years	41.6 years	42.1 years
Seasonal	45.9 years	46.7 years	47.5 years
<b>PEER UNITS</b>			
Non-Seasonal PEER 80	43.2 years	43.5 years	43.9 years
Non-Seasonal PEER 82	43.3 years	44.2 years	44.3 years
Non-Seasonal PEER 84	38.7 years	39.2 years	39.9 years
Seasonal PEER 80	47.3 years	47.8 years	48.6 years
Seasonal PEER 82	41.3 years	43.1 years	44.6 years
Seasonal PEER 84	44.4 years	46.3 years	45.8 years
<b>NON-PEER UNITS</b>			
Non-Seasonal	43.5 years	44.4 years	45.2 years
Seasonal	40.9 years	41.1 years	43.9 years

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION H — PARTICIPANT DATA (Continued)*

#### 2. Statistical Information (Continued)

- The average number of years of contributory service for Active Plan participants is 11.1 years for Non-Seasonal participants and is 10.9 years for Seasonal participants. As of January 1, 2009, the corresponding average number of years of contributory service was 10.5 years for Non-Seasonals and 10.7 years for Seasonals. The average number of years of contributory service for Active participants during the last three years are compared below.

<b>AVERAGE CONTRIBUTORY SERVICE YEARS FOR ACTIVE PLAN PARTICIPANTS</b>			
<b>Industry</b>	<b>As of 1/1/08</b>	<b>As of 1/1/09</b>	<b>As of 1/1/10</b>
<b>ALL ACTIVES</b>			
Non-Seasonal	10.3 years	10.5 years	11.1 years
Seasonal	10.0 years	10.7 years	10.9 years
<b>PEER UNITS</b>			
Non-Seasonal PEER 80	14.1 years	14.4 years	15.3 years
Non-Seasonal PEER 82	11.1 years	11.7 years	12.3 years
Non-Seasonal PEER 84	8.9 years	9.1 years	9.6 years
Seasonal PEER 80	11.9 years	12.2 years	12.6 years
Seasonal PEER 82	9.0 years	11.2 years	7.8 years
Seasonal PEER 84	6.9 years	8.2 years	7.6 years
<b>NON-PEER UNITS</b>			
Non-Seasonal	6.5 years	6.7 years	7.4 years
Seasonal	5.6 years	6.1 years	7.6 years

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION H — PARTICIPANT DATA (Continued)*

#### 2. Statistical Information (Continued)

- The end of year average basic hourly contribution rate for Non-Seasonal Actives included in the valuation was \$3.18 for 2009 and \$3.35 for 2010. The average basic hourly contribution rate for Seasonal Actives included in the valuation was \$0.89 for 2009 and \$0.87 for 2010. This information is displayed for Active participants, including separate data for PEER units, in the following table.

<b>AVERAGE BASIC HOURLY CONTRIBUTION FOR ACTIVE PARTICIPANTS</b>			
<b>Industry</b>	<b>As of 1/1/08</b>	<b>As of 1/1/09</b>	<b>As of 1/1/10</b>
<b>ALL ACTIVES</b>			
Non-Seasonal	\$3.07	\$3.18	\$3.35
Seasonal	\$0.79	\$0.89	\$0.87
<b>PEER UNITS</b>			
Non-Seasonal PEER 80	\$4.00	\$4.12	\$4.38
Non-Seasonal PEER 82	\$3.02	\$3.21	\$3.38
Non-Seasonal PEER 84	\$2.99	\$3.14	\$3.33
Seasonal PEER 80	\$0.93	\$1.03	\$1.04
Seasonal PEER 82	\$0.11	\$0.18	\$0.11
Seasonal PEER 84	\$0.48	\$0.50	\$0.43
<b>NON-PEER UNITS</b>			
Non-Seasonal	\$1.30	\$1.29	\$1.31
Seasonal	\$0.80	\$0.93	\$1.01

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION H — PARTICIPANT DATA (Continued)*

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#### 2. **Statistical Information (Continued)**

- Based on the data for continuing non-seasonal Active participants in the sample who worked 500 or more hours in each of the last two years, the Plan's hourly contribution rates for “continuing” Non-Seasonals increased an average of 9.0%. Aggregate contributions decreased by 6.4% during 2009. When the data are analyzed by broad contribution rate groupings, the average increase for groups with hourly rates \$2.00 and below was 7.2% while the average increase was 11.0% for rate groups between \$2.00 and \$4.00, and 8.5% for rate groups over \$4.00. The higher contribution rate groups generally have longer service and older age characteristics than the lower rate groups, and they are becoming a larger portion of the total population. Table 2010–2 presents substantial statistical data on rate increases during the most recent four Plan Years.

#### 3. **Comparison of Sample Data Characteristics with Full Population Data Characteristics**

Each year, we receive three Employee Census Reports from the Administrative Office based on the T2 Participant Data File (PDF). The first report contains information for the full population of Plan participants and the second and third contain corresponding information for the 2% and 5% samples of the full population. A comparison of key information from the full population and 5% reports is used to corroborate our assumption that the sample records adequately represent the total population (see Table 2010–1).

#### 4. **Procedures to Account for Data with Missing or Invalid Birthdates or Sex Codes**

Records with missing or invalid birthdates were accounted for by prorating the present values generated by the records with valid birthdates, based on the number of career hours in the records with missing or invalid birthdates. The prorating is done separately for employee groups categorized by valuation industry code (Non-Seasonal or Seasonal), valuation status (Active or Vested Inactive), sex code and vesting status. This straightforward approach is adequate because of the very small liability represented by the relatively few participants in the data sample whose records are lacking valid birthdates.

Records with missing sex codes were assumed to represent males in the Non-Seasonal group and females in the Seasonal group. We have concluded that this assumption is reasonable based on the population characteristics illustrated in this section.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION H — PARTICIPANT DATA (Continued)*

#### 4. Procedures to Account for Data with Missing or Invalid Birthdates or Sex Codes (Continued)

There were 186 non-retired sample valuation records, representing 3,720 participants with missing dates of birth. There were 1,254 Non-Seasonal non-retired sample valuation records with missing or invalid sex codes who are assumed to be males and 146 Seasonal non-retired sample valuation records with missing or invalid sex codes who are assumed to be female. The non-retired participant T2 extract records included in the valuation had the characteristics shown in the following table:

		Number of Records x 20		
Status	Sex Code	With Valid Date of Birth	Without Valid Date of Birth	% Without Valid Date of Birth
Non-Seasonal Active Vested	Male	119,860	100	0.08%
Non-Seasonal Active Vested	Female	20,060	40	0.20%
Non-Seasonal Active Non-Vested	Male	49,100	2,120	4.14%
Non-Seasonal Active Non-Vested	Female	7,200	180	2.44%
Seasonal Active Vested	Male	2,340	0	0.00%
Seasonal Active Vested	Female	6,380	80	1.24%
Seasonal Active Non-Vested	Male	1,180	40	3.28%
Seasonal Active Non-Vested	Female	2,880	140	4.64%
Non-Seasonal Vested Inactive	Male	127,980	620	0.48%
Non-Seasonal Vested Inactive	Female	22,400	80	0.36%
Seasonal Vested Inactive	Male	5,480	20	0.36%
Seasonal Vested Inactive	Female	10,380	300	2.81%

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION H — PARTICIPANT DATA (Continued)*

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#### 5. Age Retirees, Disability Retirees, and Surviving Beneficiaries

We based our actuarial calculations for retired lives on extracts from the ABC retired file provided by Prudential Investments. This file contains records for all Pensioners and Beneficiaries.

Of the 243,169 retired records received, 10,888 were disregarded (9,748 deaths, 402 expirations and 738 other rejects, such as cancellations, post valuation retirements, etc.). In addition, we added 5 liability records from the end of year 2008 data, based on our review of Prudential's "previous year liability lives missing from current year file" exhibit. This resulted in the inclusion of 232,286 records representing all benefits associated with 198,296 participants. Approximately 76.8% of these records are for Age Retirees, 9.3% are for Disability Retirees, and 13.9% are for Beneficiaries. There were no missing birthdates in these records.



## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION I — ACTUARIAL ASSUMPTIONS: BASIS AND METHODOLOGY*

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#### 1. Actuarial Basis

For valuation purposes, age last birthday has been used to reference the tables of probabilities of death, termination, age retirement and disability retirement. The assumptions employed are described below.

##### a. Investment Earnings Assumptions

- i. Fixed Dollar Account: The assumed investment return for these assets, which is used to value the pension benefits\* for Pensioners and Beneficiaries whose benefits commenced on or before August 1, 1982 (as identified by Prudential Investments), is determined by a schedule of rates that varies by calendar year, starting at 7.0% in 2010 and decreasing to 6.5% in 2015 and thereafter.
- ii. 1982/1984 Annuity Account: The assumed rate of return for these assets, which is used to value the pension benefits\* for Pensioners and Beneficiaries whose benefits commenced from September, 1982 through December, 1984 (as identified by Prudential Investments), is 4.85%.
- iii. Strategic Bond Account (SBA): The assumed rate of return for these assets is 6.09%. This assumption is used to value 85.2% of the pension benefits\* related to service through December 31, 1985, based on December 31, 1984 Plan provisions and not covered by the prior asset dedications.

- \* Single sum death benefits are not valued using the investment earnings assumptions described above. Instead, the "Remaining Assets" assumption described on the next page is used.

# WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

## *SECTION I — ACTUARIAL ASSUMPTIONS: BASIS AND METHODOLOGY* (Continued)

### 1. Actuarial Basis (Continued)

- iv. Remaining Assets/Benefits: The assumed rate of investment return which is used to value all benefits expected to be paid out of remaining assets and future contributions is 7%.

### b. Mortality Rates

The assumed mortality rates for non-retired participants and for age retirees and beneficiaries are based on the various RP-2000 mortality tables and adjustment factors -- modified to reflect recent Plan experience and projected (using Scale AA) to provide a margin for mortality improvement. Special mortality tables, reflecting Plan experience, are used for disabled pensioners.

Examples of mortality rates used are shown in the table below:

ANNUAL PROBABILITY OF DEATH						
Age Last Birthday	Non-Retired Plan Participants		Age Retirees and Beneficiaries		Disabled Retirees	
	Male	Female	Male	Female	Male	Female
25	.0004	.0002	.0004	.0002	.0277	.0139
40	.0014	.0009	.0014	.0009	.0278	.0139
55	.0036	.0029	.0052	.0042	.0287	.0139
70	.0178	.0141	.0244	.0206	.0382	.0223
85	.1133	.0824	.1133	.0824	.1548	.1231

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION I — ACTUARIAL ASSUMPTIONS: BASIS AND METHODOLOGY* (Continued)

1. **Actuarial Basis (Continued)**

c. Provision for Expenses

\$85 million of employer contributions per year.

d. Age Retirement Rates for Participants with fewer than 25 Years of Service

Age retirement rates apply only to retirement eligible participants.

Age Last Birthday	Non-PEER Actives	PEER Eligible Actives	Vested Terminated
49	.030	.150	N/A
50	.030	.150	N/A
51	.030	.150	N/A
52	.030	.150	N/A
53	.030	.150	N/A
54	.080	.160	.160
55	.060	.120	.120
56	.060	.120	.060
57	.060	.120	.060
58	.060	.120	.060
59	.100	.200	.100
60	.100	.200	.100
61	.350	.350	.300
62	.350	.350	.200
63	.150	.150	.150
64	.300	.300	.300
65	.300	.300	.200
66	.200	.200	.060
67	.200	.200	.060
68	.200	.200	.060
69	1.000	1.000	1.000

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION I — ACTUARIAL ASSUMPTIONS: BASIS AND METHODOLOGY* (Continued)

1. **Actuarial Basis (Continued)**

e. Age Retirement Rates for Participants with 25 or more Years of Service

Age retirement rates apply only to retirement eligible participants.

Age Last Birthday	Non-PEER Actives	PEER Eligible Actives	Non-PEER Vested Terminated	PEER Eligible Vested Terminated
49	.030	.150	.150	.230
50	.030	.150	.150	.230
51	.030	.150	.150	.230
52	.030	.150	.150	.230
53	.030	.150	.150	.230
54	.080	.160	.160	.350
55	.060	.120	.120	.250
56	.060	.120	.090	.200
57	.060	.120	.090	.180
58	.060	.120	.090	.180
59	.100	.200	.150	.300
60	.100	.200	.150	.300
61	.350	.350	.350	.350
62	.350	.350	.350	.350
63	.150	.150	.150	.150
64	.300	.300	.300	.300
65	.300	.300	.300	.300
66	.200	.200	.200	.200
67	.200	.200	.200	.200
68	.200	.200	.200	.200
69	1.000	1.000	1.000	1.000

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION I — ACTUARIAL ASSUMPTIONS: BASIS AND METHODOLOGY* *(Continued)*

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f. Disability Retirement

Disability rates apply only to employees with 4 or more years of vesting service.

Age Last Birthday	Examples of Annual Probability of Retirement
32	.0006
37	.0008
42	.0011
47	.0017
52	.0030
57	.0052

# WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

## *SECTION I — ACTUARIAL ASSUMPTIONS: BASIS AND METHODOLOGY* (Continued)

### 1. Actuarial Basis (Continued)

#### g. Employee Termination Rates

The termination rates shown below exclude death, disability and retirement rates. Termination rates are not applied when an individual is eligible for age retirement. Below are examples of annual probabilities of employment termination for Active employees with less than 9 years of coverage.

<b>Non-Seasonal Employees</b>				
Age Last Birthday At First Covered Hour	Years Since First Covered Hour			
	0	1	2	8
22	.0945	.1795	.2272	.1120
32	.0844	.1478	.1914	.0896
42	.0776	.1214	.1674	.0784
52	.0641	.0898	.1435	.0784
62	.0574	.0686		
<b>Seasonal Employees</b>				
Age Last Birthday At First Covered Hour	Years Since First Covered Hour			
	0	1	2	8
22	.7004	.5443	.3039	.1600
32	.6254	.4482	.2559	.1280
42	.5754	.3682	.2240	.1120
52	.4753	.2721	.1920	.1120
62	.4253	.2081		

Examples of annual probabilities for termination are listed below for Non-Seasonal and Seasonal Active employees with 9 or more years of coverage.

<b>Non-Seasonal and Seasonal Employees</b>		
Age Last Birthday on Valuation Date	After 9 or more Years Since First Covered Hour	
	Non-Seasonal	Seasonal
32	.0734	.0978
42	.0435	.0790
52	.0422	.0562
62	.0077	.0102

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION I — ACTUARIAL ASSUMPTIONS: BASIS AND METHODOLOGY* *(Continued)*

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#### 1. Actuarial Basis (Continued)

##### h. Benefit Projection Assumptions

Projected benefit amounts were calculated assuming that: (a) Active Non-Seasonal employees work an average of 1800 hours per year; (b) Active Seasonal employees work an average of 600 hours per year; and (c) contribution rates would continue at the December 31, 2009 levels. A non-retired participant was considered Active as of January 1, 2010 if he or she earned at least 250 covered hours during 2009, or earned at least 1 covered hour in 2009 and earned at least 250 covered hours in 2008.

##### i. Expected Annual Employer Contributions

The annual employer contributions expected during 2010 have been assumed to be \$1.280 billion. This amount is used to determine the expected amortization period (11.5 years) for the UAL (\$5,932,802,000).

##### j. Actuarial Value of Assets

The Prudential Investments Fixed Dollar Account (FDA), in general, was valued at book value. However, to the extent the FDA value was lower than the retired life liabilities that its value was required to support, certain bonds valued at amortized cost were assigned to the FDA so that all FDA liabilities were supported by dedicated assets. When book value is referenced, such value is equal to amounts deposited, plus interest credited, less amounts disbursed. The 1982/1984 Annuity Account and the SBA were valued on an amortized cost basis, running from cost at purchase to par value at maturity or earliest call date.

The remaining invested assets were valued by determining an investment gain or loss by comparing the actuarially expected investment results with the investment results based on the fair market value of assets for each of five years. Twenty percent of each year's investment gain or loss is added to the Actuarial Value of Assets at the beginning of the year. In no event is the actuarial value of the remaining assets allowed to be greater than 120% or less than 80% of the fair market value of those assets, pursuant to IRS regulations.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION I — ACTUARIAL ASSUMPTIONS: BASIS AND METHODOLOGY* *(Continued)*

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#### 2. Other Assumptions and Funding Methodology

##### a. Sample Valuation Data

We have relied on data supplied by Prudential Investments and Northwest Administrators. The actuarial values for non-retired participants are based on a sample of the employees covered under the Plan, as described in Section H. The actuarial values for records with valid data are adjusted for sampling and incomplete data, and the results are assumed to represent the values of the entire covered group.

##### b. Past Employment

Total past employment (continuous past employment plus special past employment) for each employee was calculated as the number of years from year of union membership until year of coverage, but not less than the known continuous past employment for the employee.

##### c. Survivor Benefit Costs

The family composition of covered employees was assumed to be similar to that tabulated in the 15th Actuarial Valuation published by the Railroad Retirement Board. This assumption was used to estimate the probability that an employee will be survived by a beneficiary eligible for a survivor benefit and to establish the probable duration of the benefit.

##### d. Entry Age Distribution

The entry age distributions used to determine the normal cost was based on the age-at-participation characteristics of employees who have recently become participants. The assumed distributions are illustrated in Table 2010-4. New Non-Seasonal participants were assumed to have accrued 900 covered hours and new Seasonal participants 450 covered hours on their participation date.



## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION I — ACTUARIAL ASSUMPTIONS: BASIS AND METHODOLOGY* *(Continued)*

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#### 2. Other Assumptions and Funding Methodology (Continued)

##### e. Actuarial Cost Method

The entry age actuarial cost method was used. Specifically, prospective pension and other benefits are calculated for cohorts of new entrants with entry age characteristics as outlined above. Level cost factors, expressed as a fraction of expected contributions payable from entry age to retirement or earlier termination, are developed based upon the actuarial assumptions for each of four major categories of active participation – i.e., Non-Seasonal with PEER participation, Non-Seasonal without PEER participation, Seasonal with PEER participation, and Seasonal without PEER participation. These cost factors are then applied to the respective active participant categories to determine the normal costs.

The present value of the expected future benefits payable to current Plan members is also calculated. The actuarial liability is the excess of the present value of the future benefits of current Plan members over the present value of future normal costs.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION J — SUMMARY OF PLAN PROVISIONS EFFECTIVE JANUARY 1, 2010*

1. **Active Participation**

Non-Seasonal employees for whom contributions are required to be made to the Trust under the terms of a pension agreement become "Active Participants" on the day on which they first accumulate 750 covered hours in the current and immediately preceding calendar years. Seasonal employees become "Active Participants" if they satisfy one-half of the covered hour requirement of Non-Seasonal employees.

2. **Monthly Pension at Normal Retirement**

The monthly pension earned for service prior to 1987 is determined based on the 1986 Plan provisions as outlined in the January 1, 1986 Actuarial Report. The final five year average contribution rate used for this determination will recognize contribution rates applicable to all 500 hour years through 1991.

For service after 1986, monthly pension benefits are earned as follows:

Calendar Year	Contribution Percentage	
	1 <sup>st</sup> 20 years	After 20 years
1987 – 1991	2.00%	2.65%
1992 – 1996	2.30%	3.05%
1997 – 1999	2.46%	3.26%
2000 – 2002	2.70%	3.58%
1/2003 – 6/2003	2.20%	2.92%
7/2003 - 2006	1.20%	1.20%
2007	1.65%	1.65%
2008	2.00%	2.65%
2009 +	1.20%	1.20%

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION J — SUMMARY OF PLAN PROVISIONS EFFECTIVE JANUARY 1, 2010* *(Continued)*

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3. **Past Service Credits**

A participant is granted credit for the number of years and months of specified types of unbroken employment rendered prior to his or her first covered hour, subject to limits specified in the Plan.

4. **Vesting Service**

A Plan member earns a vesting service year for each year after 1975 during which he or she is credited with at least 500 covered hours (250 covered hours for Seasonal Plan members). For service before 1976, a Plan member is credited with a vesting service year for each year of continuous coverage under the Plan.

5. **Normal Retirement Age**

The later of age 65 or an Active participant's age on the second anniversary of his or her first covered hour.

6. **Normal Pension Form**

The normal form of pension for unmarried participants is a Life Only Pension. In general, married participants who do not elect otherwise receive a reduced Employee and Spouse Pension. This reduced amount is an "actuarial equivalent" of the Life Only Pension. Participants who retired under the Employee and Spouse Pension Option will have their pension restored to the amount payable under the Normal Form if the spouse dies first. In the event that the participant dies first, the amount of spouse pension is 66 2/3% of the retiree's pension for those who retired after 1991 with recent coverage; otherwise, the amount of spouse pension is 50% of the retiree's pension. In both instances, the actuarial reduction factor for the Employee and Spouse Benefit amount is calculated as though the spouse pension benefit would be 50% of the reduced Employee and Spouse Pension.

7. **Other Pension Forms**

An Optional Employee and Spouse Pension providing a 75% spouse pension is available. Participants retiring under age 65 may elect a Benefit Adjustment Option with or without the regular or Optional Employee and Spouse Pension.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION J — SUMMARY OF PLAN PROVISIONS EFFECTIVE JANUARY 1, 2010* *(Continued)*

#### 8. **Early Retirement Eligibility Date**

In general, this date is the first day of the month coincident with or immediately following the later of the participant's 55th birthday or the date the individual becomes a vested participant. However, a participant with recent coverage may retire at any age if he or she meets the Rule of 84 (or Rule of 82 or Rule of 80 under the Program for Enhanced Early Retirement (PEER program); that is, the sum of his or her attained age plus years of contributory service is equal to or greater than 84 (or 82 or 80).

#### 9. **Monthly Pension Benefit at Early Retirement for a Participant who has Recent Coverage**

If a participant meets the Rule of 84 and has recent coverage, the monthly pension benefit is reduced by the sum of 0.45% for each of the first 60 months that the early retirement date precedes his or her 62nd birthday and 0.33% for each month that the early retirement date precedes his or her 57th birthday.

If a participant has recent coverage but does not meet the Rule of 84, his or her monthly pension benefit is reduced by the sum of 0.60% for each of the first 60 months that the early retirement date precedes his or her 62nd birthday plus 0.40% for each month that the early retirement date precedes his or her 57th birthday.

#### 10. **Monthly Pension Benefit at Early Retirement for a Participant who has Current PEER Coverage**

If a participant meets the Rule of 84 (or Rule of 82 or Rule of 80), is a member of a bargaining unit which has negotiated PEER 84 (or PEER 82 or PEER 80) contribution surcharges, and has current PEER coverage, the early retirement benefit equals 100% of the earned pension benefits. A participant has current PEER coverage at his or her retirement effective date if the applicable PEER contributions have been paid for at least 1,000 covered hours in the 24 month period immediately preceding his or her retirement effective date.

Note: If a participant is in a category of early retirement where benefits are subsidized (as described in paragraph 1 of Item 9 or in Item 10) and accumulates 25 years of service under the Plan while so covered, then, his or her subsidized early retirement benefits are “locked-in” and cannot be forfeited.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION J — SUMMARY OF PLAN PROVISIONS EFFECTIVE JANUARY 1, 2010* *(Continued)*

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#### 11. **Disability Benefit**

Upon a vested participant's total and permanent disability before age 65, the monthly benefit is the greater of (a) 85% of the earned monthly pension benefit or (b) the early retirement pension otherwise payable, provided the vested participant has met the specified recent coverage requirement on the disability onset date.

#### 12. **Vested Benefit Upon Termination of Employment**

Upon termination of employment, a participant is vested in his or her accrued pension, based on past and future service credits, if he or she has completed at least 5 years of vesting service, one of which was completed during or after 1991.

A terminated vested participant may elect early commencement of the earned retirement benefit at any time on or after the Early Retirement Eligibility Date. If the participant does not have recent coverage and has not "locked-in" rights to unreduced pension benefits by having completed 25 years of Plan service before termination, the benefit is reduced by the sum of 0.6% per month for each of the first 60 months that the early retirement date precedes the participant's 65th birthday plus 0.4% per month for each month that such early retirement date precedes the participant's 60th birthday.

Vested participants who are not covered by the current Plan provisions may be subject to additional limitations on their benefits.

#### 13. **Death Benefits**

Upon the death of a participant or pensioner who has met the specified recent coverage requirement, a temporary monthly pension is payable to the surviving children under conditions specified in the Plan.

A pre-retirement benefit to the surviving spouse is payable upon the death of a vested participant. If a married participant had recent coverage at the time of death, the spouse receives an immediate benefit based on the participant's earned benefit. The earned benefit is reduced to reflect early retirement, as specified in the Plan, and the appropriate Employee and Spouse Pension factor. 66 2/3% of the resulting amount is then payable immediately to the spouse. If the participant does not have recent coverage, the benefit is calculated as described above, but a 50% factor is applied in lieu of the 66 2/3% factor, and, if the participant was not eligible to retire on the date of death, commencement of the pension is deferred until the time the participant would have been first eligible to retire.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *SECTION J — SUMMARY OF PLAN PROVISIONS EFFECTIVE JANUARY 1, 2010* *(Continued)*

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#### 13. **Death Benefits (Continued)**

A single sum death benefit equal to 50% of contributions, subject to a maximum of \$10,000, is payable upon the death of an Active or Terminated participant who has completed at least 5 years of vesting service. In addition, for unmarried vested participants who satisfy the recent coverage requirement and would otherwise be eligible to retire, a death benefit of 48 times the participant's accrued pension, reduced to reflect early retirement as specified in the Plan, is payable as a lump sum amount.

Upon the death of a pensioner with a retirement date before January 1, 1992, a single sum benefit of 12 times the monthly normal form pension (Life Only annuity), subject to a maximum of \$10,000, is payable. Beginning with retirements in 1992, beneficiaries of retirees with recent coverage who elect a Life Only or Benefit Adjustment Option (without the Spouse Pension) receive a 4 Year Certain death benefit payment equal to 48 times the pensioner's Life Only benefit amount minus the total monthly payments already received by the pensioner.

If a pensioner retires after January 1, 1992, he or she may elect an Optional Lump Sum Death Benefit equal to 12 times the monthly normal form pension (Life Only annuity). The Optional Lump Sum Death Benefit is paid for by reducing the pensioner's monthly payment.

#### 14. **Transition Provisions**

Certain minimum benefits are provided to participants who were covered by prior versions of the Plan.

***INTRODUCTION TO THE TABLES OF 2010 STATISTICAL DATA***

In the process of completing the actuarial valuation, we have compiled a considerable amount of statistical information that should prove useful in understanding the operation of the Plan. This information is illustrated in the following tables:

- **TABLE 2010–1 Comparison of Sample Data with Total Population Data for Active Vested Participants**

This table demonstrates that the 5% sample reasonably represents the entire population. Sample and full file participant counts, average hours and average contribution rates are compared for the Active Vested participants. The table provides breakdowns of the data by forty-cent rate bands through \$5.20, and for rates over \$5.20. The correlation between sample and total population also was tested for non-vested and new participants and, in our opinion, actuarial results based on the sample population (as described in Section H) adequately represent values for the total population.

- **TABLE 2010–2 Basic Rate Increases for Continuing Non-Seasonal Active Participants**

This table shows the year-to-year increases in contribution rates for continuing Active Non-Seasonal participants, analyzed by end of year basic contribution rates. The percentage increases are shown for four experience years. Overall, the basic contribution rates for continuing Non-Seasonal participants increased by 9.0%. About one-third of the continuing Non-Seasonal population had rates of under \$2.00 per hour, and their contribution rates increased an average of 7.2%; the balance of the population, with rates over \$2.00 per hour experienced an average contribution rate increase about 9.7%.

- **TABLE 2010–3 Distribution of Non-Seasonal Active Participants in PEER and Non-PEER Units by Contribution Rate**

This table shows the distribution of Non-Seasonal Actives in PEER and Non-PEER units by their basic hourly contribution rates. The distribution illustrates the fact that about 96% of the Plan's Non-Seasonal Active participants with basic contribution rates over \$2.00 per hour are in PEER units. Overall, the proportion of Non-Seasonal Active participants in PEER units is 84.5% this year and last year.

***INTRODUCTION TO THE TABLES OF 2010 STATISTICAL DATA  
(Continued)***

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- **TABLE 2010-4 Age at First Participation Distributions — Comparison of Experience with Actuarial Assumptions**

This table compares the entry age distributions of new participants during the most recent three years with the assumed distributions used in calculating the Plan's normal cost. The relationship of actual versus assumed percentages indicates that the assumptions remain suitable for normal cost calculation purposes.

- **TABLE 2010-5 Distribution of Non-Seasonal Active Participants with Good Birthdates by Attained Age and Contributory Service**

This table shows how Non-Seasonal Active participants with valid birthdates are distributed by attained age and length of service.

- **TABLE 2010-6 Data Build-Through Report/Participant Reconciliation**

This Table exhibits a data reconciliation by status for active and vested terminated participants.

- **TABLES 2010-7 and 2010-8 New 2009 Pensioners and Beneficiaries; Recent History of New Pensioners**

Table 2010-7 shows the counts and average monthly pensions for Age Pensioners, Disabled Pensioners and Beneficiaries who were new to the December 31, 2009 retiree data file. The data for Age Pensioners is shown by option election.

Table 2010-8 compares the counts and average monthly pensions of new Pensioners during the most recent three-year period.



## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *INTRODUCTION TO THE TABLES OF 2010 STATISTICAL DATA (Continued)*

- **TABLE 2010–9 Historical Statistics by Year of Retirement**

For this table, all 178,488 records representing Age Pensioners were analyzed by year of retirement. 14,537 of these records represent surviving participants who retired during or before 1984. These participants have attained an average age of 87.4 years. The overall average pension, payable under the normal form of pension, is \$905.15 per month, but the average pension for those retiring in the most recent five years is \$1,148.38.

- **TABLES 2010–10 through 2010–12      Age/Longevity of Age Pensioners, Beneficiaries and Disabled Pensioners**

These tables show the distribution of Pensioners and Beneficiaries by attained age group and number of years since retirement or pension commencement, as applicable. There are 33,513 records representing Age Pensioners who have been receiving pensions for more than 19 years. 11,663 of the 32,297 beneficiary records represent beneficiaries who have been receiving pensions for more than 19 years. 6,634 of the Age Pensioner and Beneficiary records represent individuals who are at least 90 years old. There are 21,501 records representing Disabled Pensioners.

The count for Disabled Pensioners is somewhat inflated by the presence of record pairs for many of the disabled retirees receiving an increase because of the increase in the floor percentage from 62% to 85% effective January 1, 2000.

- **TABLE 2010–13      Life Expectancies for Pensioners**

This table shows the number of years of life expectancy for retirees according to the mortality tables (see Section I., 1.b. for descriptions of tables) used to value liabilities under the Plan. Male Age Pensioners retiring at age 60, on average, are assumed to live about 21.2 years. A corresponding Female Pensioner is expected to live 23.4 years. The long periods over which age retirees are expected to receive payments indicate the significant assets required to fund benefits for participants who are already retired. The shorter life expectancies for Disabled Pensioners imply a lower level of assets required for males and females who retire under the Plan's disability provisions.

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

**TABLE 2010-1**  
**Comparison of Sample Data with Total Population Data**  
**for Active Vested Participants**

Contribution Rates	5% Sample			Total Population		
	No. of Participants (Times 20)	Avg. 2009 Hrs. per Participant	Avg. 2009 Contrib. Rate	No. of Participants	Avg. 2009 Hrs. per Participant	Avg. 2009 Contrib. Rate
<b>Seasonals - Food Processing</b>						
All Contribution Rates	8,800	658	\$0.86	9,522	663	\$0.86
<b>Regulators - Food Processing</b>						
<b>Regulators</b> All Contribution Rates	6,960	1,973	\$1.61	6,849	1,976	\$1.59
<b>Non-Seasonals - Non Food Processing</b>						
\$0.40 and under	1,840	1,647	\$0.25	1,795	1,715	\$0.24
Over \$0.40 but not more than \$0.80	4,080	1,903	\$0.58	4,104	1,895	\$0.59
Over \$0.80 but not more than \$1.20	12,080	1,838	\$1.01	11,756	1,845	\$1.01
Over \$1.20 but not more than \$1.60	7,640	1,857	\$1.42	7,920	1,887	\$1.42
Over \$1.60 but not more than \$2.00	8,880	1,929	\$1.81	8,796	1,934	\$1.81
Over \$2.00 but not more than \$2.40	6,640	1,881	\$2.22	6,904	1,918	\$2.22
Over \$2.40 but not more than \$2.80	7,300	1,926	\$2.63	7,395	1,934	\$2.63
Over \$2.80 but not more than \$3.20	14,160	1,956	\$3.04	14,211	1,951	\$3.04
Over \$3.20 but not more than \$3.60	10,840	1,946	\$3.40	10,150	1,957	\$3.40
Over \$3.60 but not more than \$4.00	11,120	1,918	\$3.80	11,417	1,950	\$3.81
Over \$4.00 but not more than \$4.40	10,560	1,508	\$4.28	11,008	1,523	\$4.29
Over \$4.40 but not more than \$4.80	3,480	1,755	\$4.63	3,528	1,746	\$4.63
Over \$4.80 but not more than \$5.20	5,780	1,354	\$5.01	5,756	1,334	\$5.00
Over \$5.20	29,600	1,803	\$6.15	29,801	1,803	\$6.15
<b>Total Non-Seasonals - Non Food Processing</b>	134,000	1,822	\$3.46	134,541	1,830	\$3.46

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

**TABLE 2010-2**  
**Basic Rate Increases for Continuing Non-Seasonal Active Participants**

End of Year Contribution Rate	2009 Number of Lives	Average Increase			
		2009	2008	2007	2006
\$0.40 and under	3,340	0.3%	56.5%	-5.6%	-2.0%
Over \$0.40 but not more than \$0.80	6,380	16.8%	24.5%	31.2%	27.4%
Over \$0.80 but not more than \$1.20	18,980	7.6%	4.3%	11.9%	10.7%
Over \$1.20 but not more than \$1.60	13,060	4.8%	23.0%	14.4%	13.8%
Over \$1.60 but not more than \$2.00	15,360	6.2%	14.6%	11.1%	6.1%
Weighted Average: \$2.00 and under	57,120	7.2%	17.0%	12.9%	12.0%
Over \$2.00 but not more than \$2.40	10,080	8.2%	21.7%	4.5%	4.4%
Over \$2.40 but not more than \$2.80	8,640	10.7%	9.0%	18.9%	30.0%
Over \$2.80 but not more than \$3.20	18,740	13.1%	2.7%	7.0%	11.8%
Over \$3.20 but not more than \$3.60	12,320	10.5%	10.6%	8.3%	18.6%
Over \$3.60 but not more than \$4.00	13,500	10.9%	16.5%	14.6%	20.4%
Weighted Average: Over \$2.00 but not more than \$4.00	63,280	11.0%	10.9%	9.8%	16.8%
Weighted Average: Over \$4.00	64,760	8.5%	9.1%	8.5%	7.5%
Weighted Average: All Rates	185,160	9.0%	12.2%	10.4%	12.7%

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

**TABLE 2010-3**  
**Distribution of Non-Seasonal Active Participants**  
**in PEER and Non-PEER Units by Contribution Rate**

End of Year Contribution Rate	Number of PEER Actives	Number of Non-PEER Actives	Total Number of Actives
\$0.40 and under	1,040	3,880	4,920
Over \$0.40 but not more than \$0.80	1,980	5,820	7,800
Over \$0.80 but not more than \$1.20	14,420	6,680	21,100
Over \$1.20 but not more than \$1.60	7,160	6,780	13,940
Over \$1.60 but not more than \$2.00	13,980	2,800	16,780
Total for Rates \$2.00 and under	38,580	25,960	64,540
Over \$2.00 but not more than \$2.40	9,980	1,400	11,380
Over \$2.40 but not more than \$2.80	8,160	940	9,100
Over \$2.80 but not more than \$3.20	19,260	760	20,020
Over \$3.20 but not more than \$3.60	12,300	780	13,080
Over \$3.60 but not more than \$4.00	13,060	500	13,560
Total for Rates Over \$2.00 but not more than \$4.00	62,760	4,380	67,140
Total for Rates over \$4.00	66,560	420	66,980
Total for All Rates	167,900	30,760	198,660

### PEER Eligibility Statistics (Non Seasonal Actives)

PEER Unit	Number of Actives	% of Non Seasonal Actives by PEER Unit	Prior Year's % of Non Seasonal Actives by PEER Unit
Non-PEER	30,760	15.5%	15.5%
PEER 84	100,940	50.8%	48.7%
PEER 82	5,100	2.6%	2.6%
PEER 80	61,860	31.1%	33.2%

**WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN**

**TABLE 2010-4  
Age at First Participation Distributions  
Comparison of Experience with Actuarial Assumptions**

Ages	Non-Seasonal Employees		Seasonal Employees	
	Actual Percentages for 2007 thru 2009 New Participants	Percentages Assumed for Actuarial Calculation Purposes	Actual Percentages for 2007 thru 2009 New Participants	Percentages Assumed for Actuarial Calculation Purposes
Through 24	29.2%	30.0%	16.4%	22.5%
25 – 29	17.7%	16.5%	7.4%	15.0%
30 – 34	12.7%	15.0%	8.5%	10.0%
35 – 39	10.9%	12.5%	11.9%	12.5%
40 – 44	9.3%	12.5%	16.5%	15.0%
45 – 49	8.0%	7.5%	13.1%	12.5%
50 – 54	6.1%	6.0%	11.4%	12.5%
55 and Over	6.1%	0.0%	14.8%	0.0%

**WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN**

**TABLE 2010-5  
Distribution of Non-Seasonal Active Participants with  
Good Birthdates by Attained Age and Contributory Service**

Age Last Birthday	Years of Contributory Service							Total
	Less Than 5	5-9	10-14	15-19	20-24	25-29	30 and over	
Under 20	740	0	0	0	0	0	0	740
20 - 24	12,380	1,460	0	0	0	0	0	13,840
25 - 29	10,980	8,460	1,000	0	0	0	0	20,440
30 - 34	8,060	8,080	5,160	520	0	0	0	21,820
35 - 39	6,620	6,760	5,680	4,020	780	0	0	23,860
40 - 44	6,080	6,300	5,260	4,620	4,260	320	0	26,840
45 - 49	4,660	6,200	5,480	4,500	5,740	3,080	500	30,160
50 - 54	4,200	5,360	3,880	2,940	4,220	3,980	3,640	28,220
55 - 59	2,380	3,660	2,020	2,100	2,800	2,040	4,340	19,340
60 - 64	1,220	1,820	1,380	920	960	660	2,300	9,260
65 - 69	500	280	140	60	60	40	120	1,200
70 &	200	180	40	20	20	20	20	500
<b>Total</b>	<b>58,020</b>	<b>48,560</b>	<b>30,040</b>	<b>19,700</b>	<b>18,840</b>	<b>10,140</b>	<b>10,920</b>	<b>196,220</b>

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

**TABLE 2010-6**  
**Data Build-Through Report/Participant Reconciliation**

Active Participants 1/1/2009	230,500
New Participants	
Nonvested	+ 14,020
Vested	+ 440
Rehires	+ 1,220
Terminations	
Nonvested	- 16,640
Vested	- 13,000
Retirements	- 4,300
Deaths	- 200
Data Adjustments	- 340
Active Participants 1/1/2010	211,700
Vested Termination 1/1/2009	161,580
New Vested Terminations	+ 13,760
Rehires	- 1,220
Retirements	- 4,960
Deaths	- 200
Data Adjustments	- 1,700
Vested Terminations 1/1/2010	167,260

The above counts incorporate our assumption that all YRC participants are inactive on the valuation date, (see Section E).

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

**TABLE 2010-7**  
**New 2009 Pensioners and Beneficiaries**  
**Option Elections, Average Pensions and Average Ages**

Option	Count	Average Monthly Pension	Average Age as of January 1, 2010
Life Only	2,112	\$846.27	63.8
Employee and Spouse (50%) Option	323	\$321.81	64.1
Employee and Spouse (67%) Option	733	\$1,287.64	64.2
Employee and Spouse (75%) Option	779	\$1,010.00	64.2
Benefit Adjustment Option	2,903	\$1,424.62	58.8
Employee and Spouse (50%) with Benefit Adjustment Option	244	\$427.51	59.3
Employee and Spouse (67%) with Benefit Adjustment Option	843	\$1,766.10	59.2
Employee and Spouse (75%) with Benefit Adjustment Option	984	\$1,569.66	60.1
All Age Pensioners	8,921	\$1,221.30	61.3
Disabled Pensioners	802	\$988.72	54.7
Surviving Beneficiaries	568	\$494.13	51.0
<b>Total</b>	<b>10,291</b>	<b>\$1,163.04</b>	<b>60.2</b>
Total Last Year	8,693	\$1,120.80	59.9

Notes: This exhibit includes all pensions associated with participants new to the December 31, 2009 ABC file.

The average monthly pension amount shown for the Benefit Adjustment Option and the Employee and Spouse with Benefit Adjustment Option is the sum of the lifetime portion of the benefit, plus any temporary benefit remaining as of December 31, 2009.



**WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN**

**TABLE 2010-8  
Recent History of New Pensioners  
Option Elections and Average Monthly Pensions**

	2009		2008		2007	
	Count	Average Monthly Pension	Count	Average Monthly Pension	Count	Average Monthly Pension
Life Only Option	2,112	\$846.27	1,895	\$856.69	1,910	\$795.88
Benefit Adjustment Option	2,903	\$1,424.62	2,553	\$1,323.46	2,759	\$1,350.42
Employee and Spouse Option	1,835	\$999.76	1,466	\$921.55	1,473	\$915.05
Employee and Spouse with Benefit Adjustment Option	2,071	\$1,515.05	1,635	\$1,468.04	1,750	\$1,468.89
All Age Pensioners	8,921	\$1,221.30	7,549	\$1,159.55	7,892	\$1,161.22
Disabled Pensioners	802	\$988.72	785	\$980.47	797	\$970.43
Surviving Beneficiaries	568	\$494.13	359	\$612.92	364	\$599.36
<b>Total</b>	<b>10,291</b>	<b>\$1,163.04</b>	<b>8,693</b>	<b>\$1,120.80</b>	<b>9,053</b>	<b>\$1,121.83</b>

Notes: This exhibit includes all pensions associated with participants new to the ABC file as of December 31, 2007, 2008 and 2009.

The average monthly pension amount shown for the Benefit Adjustment Option and the Employee and Spouse with Benefit Adjustment Option is the sum of the lifetime portion of the benefit, plus any temporary benefit remaining as of December 31, 2009.

**WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN**

**TABLE 2010-9  
Historical Statistics by Year of Retirement  
(Based on Number of Records)**

Year of Retirement	Average Age at Retirement	Average Age as of 1/1/2010	Number of Surviving Retirees	Average Monthly Pension (Normal Form)
1984 & prior	59.1	87.4	14,537	\$305.16
1985 — 1989	59.7	81.9	18,976	\$556.75
1990 — 1994	59.9	77.1	26,378	\$783.05
1995 — 1999	60.0	72.3	33,572	\$902.18
2000 — 2004	60.2	67.5	44,476	\$1,102.79
2005 – 2009	60.1	62.7	40,549	\$1,148.38
Total	60.0	71.9	178,488	\$905.15
Last Year's Total	59.9	71.8	174,417	\$884.40

**WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN**

**TABLE 2010-10  
Age/Longevity of Age Pensioners  
(Based on Number of Records)**

Attained Age Group	Years Since Pension Commencement						Total
	Less Than 1	1-4	5-9	10-14	15-19	Greater Than 19	
Under 50	32	94	29	17	3	0	175
50 - 54	551	1,431	126	22	2	2	2,134
55 - 59	1,772	7,653	2,131	95	21	0	11,672
60 - 64	2,407	9,566	11,114	1,134	54	5	24,280
65 - 69	1,551	13,239	13,618	9,742	428	15	38,593
70 - 74	69	2,111	14,328	11,461	8,449	25	36,443
75 - 79	0	62	3,004	8,133	9,210	6,113	26,522
80 - 84	0	10	94	2,815	6,410	11,789	21,118
85 - 89	0	0	19	117	1,757	10,316	12,209
90 & Over	0	1	13	36	44	5,248	5,342
<b>Total</b>	<b>6,382</b>	<b>34,167</b>	<b>44,476</b>	<b>33,572</b>	<b>26,378</b>	<b>33,513</b>	<b>178,488</b>

**WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN**

**TABLE 2010-11  
Age/Longevity of Beneficiaries  
(Based on Number of Records)**

Attained Age Group	Years Since Pension Commencement							Total
	Deferred	Less Than 1	1-4	5-9	10-14	15-19	Greater Than 19	
39 & Under	10	133	977	856	349	48	28	2,401
40 - 44	23	15	73	79	58	26	26	300
45 - 49	68	23	179	184	129	55	50	688
50 - 54	92	51	329	410	258	187	63	1,390
55 - 59	42	64	492	700	527	354	203	2,382
60 - 64	22	39	398	1,011	928	691	324	3,413
65 - 69	1	12	232	859	1,384	1,293	643	4,424
70 - 74	0	2	72	389	1,156	1,886	1,265	4,770
75 - 79	0	1	26	106	489	1,620	2,186	4,428
80 - 84	0	0	4	36	159	737	3,113	4,049
85 - 89	0	0	0	7	43	180	2,530	2,760
90 & Over	0	0	0	4	19	37	1,232	1,292
<b>Total</b>	<b>258</b>	<b>340</b>	<b>2,782</b>	<b>4,641</b>	<b>5,499</b>	<b>7,114</b>	<b>11,663</b>	<b>32,297</b>

**WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN**

**TABLE 2010-12  
Age/Longevity of Disabled Pensioners  
(Based on Number of Records)**

Attained Age Group	Years Since Pension Commencement						Total
	Less Than 1	1-4	5-9	10-14	15-19	Greater than 19	
39 & Under	1	41	38	6	0	0	86
40 - 44	5	83	95	47	17	0	247
45 - 49	10	173	253	118	55	4	613
50 - 54	34	448	507	235	177	46	1,447
55 - 59	66	828	938	404	360	180	2,776
60 - 64	43	724	1,341	757	578	438	3,881
65 - 69	0	150	980	1,049	1,033	729	3,941
70 - 74	0	0	129	718	1,410	1,111	3,368
75 - 79	0	0	0	83	775	1,826	2,684
80 - 84	0	0	0	3	58	1,521	1,582
85 - 89	0	0	1	1	0	698	700
90 & Over	0	0	0	0	0	176	176
<b>Total</b>	<b>159</b>	<b>2,447</b>	<b>4,282</b>	<b>3,421</b>	<b>4,463</b>	<b>6,729</b>	<b>21,501</b>

**WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN**

**TABLE 2010–13  
Life Expectancies for Pensioners**

Age	Years of Life Expectancy			
	Age Pensioner		Disabled Pensioner	
	Male	Female	Male	Female
45	34.5	37.0	22.9	30.3
50	29.9	32.2	21.0	27.3
55	25.4	27.7	18.8	24.1
60	21.2	23.4	16.5	20.7
62	19.5	21.8	15.4	19.2
65	17.2	19.4	13.9	17.0
70	13.6	15.7	11.0	13.1
75	10.4	12.4	8.3	9.8
80	7.6	9.5	6.1	7.2
85	5.5	6.9	4.5	5.1
90	3.9	5.1	3.4	3.5

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### APPENDIX — BRIEF HISTORY OF PLAN AMENDMENTS

The following is a summary of the major Plan changes since 1984.

Effective Date	Description of Change
1/1/2009	A 75% Optional Employee and Spouse Pension was added. Also, a \$40 million reserve for extra check payments was established.
1/1/2008	Effective for calendar year 2008 only, the percentages used to calculate Plan participant account benefits have been increased from 1.20% to 2.00% for participants who have not completed 20 years of service, and from 1.20% to 2.65% for participants who have completed at least 20 years of service. The percentages for years 2009 and later remain at 1.20%.
1/1/2007	Effective for calendar year 2007 only, the percentage used to calculate Plan participant account benefits was increased from 1.20% to 1.65%. The percentages for years 2008 and later remained at 1.20%.
7/1/2003	Effective July 1, 2003, the percentage used to calculate Plan participant account benefits has been reduced to 1.20% for the second half of 2003 and all subsequent years.
1/1/2000	<p>Effective for calendar years 2000, 2001 and 2002, <u>the percentage used to calculate Plan participant account benefits</u> has been increased. An Active participant will earn a monthly pension benefit of 2.70% instead of 2.16% for contributions credited in this period if he/she has not completed 20 years of service. If such participant has completed at least <u>20</u> years of contributory service, he/she will earn a monthly pension benefit of 3.58% instead of 2.86% during this same period.</p> <p>Effective for calendar years 2003, 2004 and 2005, the percentage used to calculate Plan participant contribution account benefits has been increased. An Active participant will earn a monthly pension benefit of 2.20% instead of 2% for contributions credited in this period, if he/she has not completed 20 years of service. If such participant has completed at least 20 years of contributory service, he/she will earn a monthly pension benefit of 2.92% instead of 2.65% during this same period.</p> <p><u>Effective with calendar year 2000, all Disability Pensioner benefits</u> have been increased to 85% of his/her Normal Retirement Benefit unless said Disability Pensioners' benefits are already payable in a greater amount. Spouses of certain deceased Disability Pensioners have had their benefits appropriately adjusted, as applicable. The same 85% "floor" monthly pension benefit shall be paid to all Disability Pensioners and, as applicable, to their spouses for Plan participants who become Disabled Pensioners after calendar year 1999.</p>

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### APPENDIX — BRIEF HISTORY OF PLAN AMENDMENTS (Continued)

Effective Date	Description of Change
1/1/2000 (Continued)	<p><u>Effective with calendar year 2000, the maximum Child Survivor Benefits have been increased to \$1,000 and such increased benefits shall be payable, in general, upon the death of a person who was an Active Participant on 1/1/87 or thereafter and who otherwise satisfied the applicable recency of employment requirements at the time of death.</u></p> <p><u>Effective with calendar year 2000, PEER eligible participants with 25 years of contributory service “lock-in” PEER coverage by working at least 1,000 covered hours during any consecutive 24 month period that ends on or after completion of 25 years of contributory service.</u></p>
1/1/99	<p><u>Effective with retirements in calendar year 1999, a vested participant who has not suffered a forfeiture of service after 1975 may qualify to have pre-1976 forfeited contributory service credit restored.</u></p>
1/1/98	<p>Effective for calendar years 1997, 1998 and 1999, the percentage used to calculate Plan participant contribution account benefits has been increased. An Active participant will earn a monthly pension benefit of 2.46% instead of 2% for contributions credited in this period if he/she has not completed 20 years of service. If a participant has completed at least 20 years of contributory service, he/she will earn a monthly pension benefit of 3.26% instead of 2.65% during this same period.</p> <p>Effective for calendar years 2000, 2001 and 2002, the percentage used to calculate Plan participant contribution account benefits has been increased. An Active participant will earn a monthly pension benefit of 2.16% instead of 2% for contributions credited in this period, if he/she has not completed 20 years of service. If a participant has completed at least 20 years of contributory service, he/she will earn a monthly pension benefit of 2.86% instead of 2.65% of contributions during this same period.</p>
1/1/94	<p>Effective for calendar years 1994, 1995 and 1996, the percentage used to calculate Plan participant contribution account benefits has been increased. An Active participant will earn a monthly pension benefit of 2.3% instead of 2% for contributions credited in 1992 through 1996, inclusive, if he/she has not completed 20 years of contributory service. If a participant has completed at least 20 years of such service, he/she will earn a monthly pension benefit of 3.05% instead of 2.65% during this same period.</p> <p>The "Rule of 85" early retirement test was lowered to a "Rule of 84" test for both the PEER program supported by 6.5% surcharge contributions and regular enhanced early retirement features.</p>



## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### APPENDIX — BRIEF HISTORY OF PLAN AMENDMENTS (Continued)

Effective Date	Description of Change
1/1/94 (Continued)	<p>The Program for Enhanced Early Retirement (PEER) was expanded to allow participants who meet the Rule of 82 (or Rule of 80) to retire with no early retirement reduction. To qualify, a participant must have current PEER coverage and must retire from a bargaining unit that has negotiated 11.5% PEER 82 surcharge contributions, effective on or after 8/1/93, or 16.5% PEER 80 surcharge contributions, effective on or after 8/1/94.</p> <p>The Plan's recent coverage provisions were liberalized to provide protection to participants with at least 25 years of contributory service. Participants who satisfy the latter condition and who leave covered employment under age 55 now have access to the Plan's enhanced retirement, death and survivor benefits.</p> <p>The Plan's minimum disability pension has been increased from 55% to 62%.</p>
1/1/92	<p>A Plan participant is vested in his/her accrued pension if he/she has completed at least 5 years of vesting service, one of which was earned in 1991 or later. Prior to this date, a participant became vested upon completion of 10 years of vesting service.</p> <p>Effective for calendar years 1992 and 1993, Plan participants will receive a 15% increase in the percentage used to calculate their Contribution Account Benefit. A participant will earn a monthly pension benefit of 2.3% instead of 2% for contributions credited in 1992 and 1993 if he/she has not completed 20 years of service. If a participant has completed at least 20 years of contributory service, he/she will earn a monthly pension benefit of 3.05% instead of 2.65%.</p> <p>Pre-Retirement Death Benefits were modified as follows:</p> <ul style="list-style-type: none"> <li>• The temporary spouse survivor benefit is eliminated;</li> <li>• For married vested participants who die with recent coverage, a 66-2/3% Spouse Lifetime Pension is payable immediately; and</li> <li>• For non-married vested participants who die with recent coverage, a single sum death benefit is payable to their designated beneficiaries. The lump sum amount equals 48 times the participant's monthly accrued benefit.</li> </ul>

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### APPENDIX — BRIEF HISTORY OF PLAN AMENDMENTS (Continued)

Effective Date	Description of Change
1/1/92 (Continued)	<p>Post-Retirement Death Benefits were revised as follows:</p> <ul style="list-style-type: none"> <li>• For participants who retire with recent coverage, the After Retirement Spouse Lifetime Pension is increased from 50% to 66-2/3%. If a participant retires without recent coverage, the After Retirement Spouse Lifetime Pension remains at 50%.</li> <li>• Non-married vested participants or married vested participants who did not elect the Employee and Spouse Pension, who retired with recent coverage and die before receiving 4 years of benefit payments will have the remainder of 4 years benefits paid to their designated beneficiary.</li> </ul> <p>Enhanced early retirement benefits became available for participants with recent coverage if the sum of their attained age and years of contributory service is equal to or greater than 85 (the "Rule of 85"). Reduction for early retirement under this provision is cut by approximately 25%.</p> <p>The Program for Enhanced Early Retirement (PEER) also became available. Under this program, participants who meet the Rule of 85, who retire from a bargaining unit that has negotiated 6.5% surcharge PEER contributions, and who have current PEER coverage can retire with no early retirement reduction, regardless of their age.</p> <p>There is a 9 month period (4/1/91 to 12/31/91) where members with pension effective dates or application requests (and recent coverage) within this time frame were permitted to rescind their 1991 pension effective dates and defer them until 1/1/92 in order to benefit from Plan improvements effective on that date. Members electing to rescind and defer their pension effective dates were required to repay any benefit amounts paid to them. Also, pension increases effective after 1991 are governed by the new death and survivor benefit rules.</p>
7/1/88	<p>The Plan was modified to provide an additional optional pension form: The Employee and Spouse Pension with Benefit Adjustment Option.</p>

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### APPENDIX — BRIEF HISTORY OF PLAN AMENDMENTS (Continued)

Effective Date	Description of Change
1/1/87	<p>Two formulas were used to compute a participant's retirement benefit: An improved version of the Plan's pre-1987 <b>5-Year Average Benefit</b> formula (used to determine the retirement benefit for service before January 1, 1987 and applicable only if a participant first became covered by the Plan before 1987) and the <b>Contribution Account Benefit</b> (used to determine the retirement benefit for a participant's contributory service under the Plan after 1986). Note, participants active in the Plan both before and after January 1, 1987 had their retirement benefit based on the sum of their 5-Year Average Benefit <u>and</u> their Contribution Account Benefit. Also, participants who first became covered by the Plan after 1986 might have qualified for a <b>Non-contributory Service</b> benefit based on any past employment either before or after January 1, 1987.</p> <ul style="list-style-type: none"> <li>• <u>5-Year Average Benefit</u>: A participant's monthly retirement benefit was based on his/her total prior Plan past and future service credits earned as of 12/31/86 multiplied by his/her 5-year average rate benefit factor. The maximum prior Plan credits were increased from 30 credits to 33-1/3 credits. Also, when determining a participant's 5-year average contribution rate, the formula recognized employer contributions after 1986 up to the end of 1991 (or participant's retirement date if earlier).</li> <li>• <u>Contribution Account Benefit</u>: A participant's monthly retirement benefit is based on a percentage of the total Employer Contributions made on his/her behalf for contributory service after 1986. The percentage that applies is: <ul style="list-style-type: none"> <li>2% of all the employer contributions made for a participant's covered employment (after 1986) during the first 20 calendar years of service PLUS</li> <li>2.65% of all the employer contributions made for a participant's covered employment (after 1986) that comes after the end of his/her 20th calendar year of service.</li> </ul> </li> </ul>

## WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

### *APPENDIX — BRIEF HISTORY OF PLAN AMENDMENTS (Continued)*

Effective Date	Description of Change
1/1/87 (Continued)	<ul style="list-style-type: none"> <li>• <u>Non-contributory Service Benefit</u>: If a participant first started working in covered employment after 1986, the value of this benefit is based on 2% of the participant's average annual contribution in his/her first five 500 covered hour years multiplied by the participant's years of noncontributory service (to a maximum of 10).</li> </ul>
1/1/85	A 25% increase in retirement and survivor benefits calculated under the Plan's 5-year average contribution rate benefit schedule was adopted. To be eligible a participant must have had a pension effective date on or after January 1, 1985 and have earned 250 or more covered hours in a single calendar year beginning on or after January 1, 1983.
8/1/84	<p>Pre-retirement spouse benefits were extended to the surviving spouses of all vested participants who die before the effective date of their retirement benefit. Under the old rules, a pre-retirement spouse benefit was only payable if the vested participant attained age 55 and was in active service under the Plan for at least one calendar month ending after his 55th birthday.</p> <p>The rule requiring reduction of the spouse survivor benefit by the amount of any pre-retirement spouse benefit was eliminated.</p>