



Western Conference of Teamsters Pension Trust

An Employer-Employee Jointly Administered Pension Plan - Founded 1955

WESTERN CONFERENCE OF TEAMSTERS PENSION TRUST FUND

Notice of Election of Special Funding Rules Under the Pension Relief Act of 2010

The purpose of this notice is to advise you that the Trustees of the Western Conference of Teamsters Pension Plan (“Plan”) have elected to take advantage of certain special funding rules available under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (“Pension Relief Act of 2010” or the “Act”). These rules were put in place by the federal government to help multiemployer pension plans respond to the historic investment losses suffered in 2008 and 2009.

The election does not affect the benefits you have already earned or the rate at which you earn benefits under the Plan in the future. It could restrict the Trustees’ ability to improve Plan benefits as explained below.

Explanation of special funding rules elected by the Trustees

Each year the Plan’s actuary prepares a valuation that compares the Plan’s liabilities (primarily, benefit promises to current and future retirees and beneficiaries) to the actuarial value of the Plan’s investments. The market value of investments fluctuates from day to day. For funding purposes, federal pension law allows plans to use actuarial values of plan investments that are designed to help smooth out those market fluctuations.

The Trustees have made the following elections permitted under the Act related to the investment losses the Plan incurred during 2008:

Elections Made

Extended amortization of investment losses. Federal law generally requires that each year’s investment gains or losses be taken into account for funding purposes over a 15-year period. By electing to extend the amortization period, the Plan’s net investment losses incurred in 2008 will be taken into account for funding purposes over periods of up to 29 years beginning with 2009.

Expanded asset smoothing. Federal law allows the Plan to “smooth” out fluctuations in the market value of investments by spreading the difference between the expected investment return on Plan assets and the actual return over a five-year period. By electing to use the Act’s “expanded smoothing” rule, the difference between actual investment returns and expected investment returns for 2008 will be spread over ten years instead of five, beginning in 2009.

Effect of the application of the special funding rules

In general, applying the special funding rules allows the Plan more time to recover from the investment losses in 2008 while maintaining the current level of benefits provided under the Plan. The special funding rules will reduce the amount of employer contributions needed to meet minimum contribution requirements under the law; however, they will not allow employers to reduce the contributions to the Plan called for in their collective bargaining agreements. The special funding rules may also improve the Plan's zone status in future years. You will continue to receive annual funding notices that give you information about the Plan's funding status, including the annual funding notice for 2010 which is being sent to you in the same mailing as this notice.

Future benefit improvements limited by special funding rules

Under the Act, the Trustees cannot adopt a Plan amendment that improves benefits while the special funding rules apply and during the two-plan-year period thereafter ("Restriction Period"). An exception is provided if the amendment is required as a condition of continued qualification under the Internal Revenue Code, or the Plan's actuary certifies that (i) the increase is paid for by additional contributions and (ii) with those contributions, the benefit increase is not reasonably expected to reduce the Plan's funded percentages and credit balances during the year the benefit improvement takes effect or the following year. The Restriction Period will last at a minimum until December 31, 2013 and could last longer depending on whether the Trustees elect to keep the extended amortization rule in place as long as possible.

These restrictions will not prevent the Trustees from recognizing negotiated contribution rate increases under your collective bargaining agreement in calculating the benefits you earn under the Plan's percentage of contributions formula.

For more information

For more information about this notice, you may contact the Plan's Administrative Manager at the following address:

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For identification purposes, the Plan's Employer Identification Number or "EIN" is 91-6145047 and Plan Number is 001.

