Central Pennsylvania Teamsters Pension Plan

Defined Benefit Plan

General Information as of December 31, 2012 for Use in Calculating Employer Withdrawal Liability

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Central Pennsylvania Teamsters Defined Benefit Plan 2013 Withdrawal Liability

Preamble

The Trustees of the Trust Fund have adopted the following rules to govern the calculation and collection of withdrawal liability under the Multiemployer Pension Plan Ammendments Act of 1980 ("MPPAA"), a statutory amendment to the Employee Retirement Income Security Act of 1974 ("ERISA"). These rules shall be interpreted in a manner consistent with MPPAA, ERISA and other applicable laws.

This report is meant to provide past and present Contributing Employers of the Fund with general information useful in estimating their potential withdrawal liability. In the case of a withdrawal or partial withdrawal, the Fund will determine the exact amount of any liability pursuant to MPPAA and the Plan document.

The provisions of the Plan document supersede this description.

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1. Method for Computing Withdrawal Liability

Allocated liability is equal to the amount determined under a rule, approved by the Pension Benefit Guaranty Corporation and described below, that has an effect similar to the "Presumptive Method" under ERISA §4211(b).

The Fund's Method -- The amount of unfunded vested benefits allocable to an employer that withdraws is the sum of:

(A) the employer's proportional share, if any, of the unamortized amount of the Plan's unfunded vested liabilities as of December 31, 2003 (less the value as of the end of 2003 of all outstanding claims for withdrawal liability which could reasonably have been expected to be collected from employers withdrawing before the 2004 plan year); and

(B) the employer's proportional share of the unamortized amounts of the changes in the Plan's unfunded vested liabilities for plan years ending after December 31, 2003; and

(C) the employer's proportional share of the unamortized amounts of the reallocated unfunded vested benefits (if any).

A contribution base unit equals a monthly or hourly contribution on behalf of a participant which an employer is required to make to the Plan.

2. Determination of When Contributions are Made or Required to be Made

Contributions allocable to a Plan Year shall be all employer contributions required to be made under the Plan for Hours of Service attributable to such Plan Year.

3. Actuarial Assumptions

Except for the interest rate, the assumptions are the same as those used for minimum funding purposes. Assets are valued at market value.

The portion of the vested benefits that is matched by the Plan's assets is valued using current annuity market interest rates as represented by the Pension Benefit Guaranty Corporation's plan close-out rates as of the determination date. The portion of vested benefits that is matched by assets is determined by comparing the total present value of vested benefits at the PBGC rates with the total value of assets. Each vested benefit is treated as covered by assets to the same extent as other vested benefits. The vested benefits for which future withdrawal liability payments are required are valued using the same interest rates that apply for plan funding.

4. Employer Notification Requirements

Each Participating Employer shall notify the Trustees within thirty (30) days after a complete or partial withdrawal or cessation of contributions to the Fund. Such notification shall include information relating to the reason for the change in the Employer's obligation to contribute to the Fund and the identity of the purchaser, if any.

5. Notice and Collection of Withdrawal Liability

As soon as practical after a Participating Employer's complete or partial withdrawal, the Trustees (or their designee) shall notify the Employer of:

- the amount of the withdrawal liability; and
- the schedule for payment of such withdrawal liability and demand payment in accordance with the schedule.

Actual payment shall commence no later than sixty (60) days after the date of the demand notwithstanding any request for review or appeal of the determination of the amount of such liability or the payment schedule.

6. Payment of Withdrawal Liability

An employer who is assessed withdrawal liability shall have the following options for satisfaction of the debt:

- pay the entire withdrawal liability immediately in one lump sum; or
- pay the withdrawal liability in quarterly installments, determined by the Administrator in accordance with the Provisions of the Plan.

Actual payment shall commence no later than sixty (60) days after the date of the demand notwithstanding any request for review or appeal of the determination of the amount of such liability or the payment schedule.

7. Review of Withdrawal Liability

An employer that is assessed withdrawal liability may seek review through the following procedures. The time limits for invoking these procedures are set forth in ERISA §§4219 and 4221.

- ***Request for Review*** -- Pursuant to ERISA §4219(b)(2)(A), an employer may:
  - request the Trust Fund to review any specific matter relating to the determination of the withdrawal liability or the payment schedule;
  - identify any inaccuracy in the assessment; and/or
  - furnish any additional relevant information.

Any such Request for Review shall be made in writing, addressed to the Administrator, and shall identify the specific matter which the employer challenges or questions.

The Administrator shall make a preliminary examination of each Request for Review. The Administrator shall then either issue a ruling on the Request for Review or refer the matter to the Trustees, or an appropriate group of Trustees designated by the Board of Trustees, for a final ruling.

- ***Arbitration*** -- An employer who wishes to submit any disputes concerning withdrawal liability to arbitration under ERISA §4221 shall do so under the auspices of the appropriate office of the American Arbitration Association ("AAA"). The employer must initiate the arbitration proceeding in accordance with the AAA rules and simultaneously serve upon the Administrator written notice of the initiation of arbitration and the issues that shall be contested.

  The employer shall pay the filing fee necessary to initiate arbitration.

- ***Litigation*** -- As provided by ERISA §§4201 and 4301, any party to an arbitration under ERISA §4221 may file suit in United States District Court to enforce, vacate or modify the arbitration award.

8. De Minimis Rule

The Trust Fund does not employ the optional De Minimis Rule established by ERISA §4209(b).

9. Special Provisions

- ***Free Look*** -- The Plan has adopted the exception to withdrawal liability for certain temporary contribution obligation periods under ERISA §4210.
- ***Special Trucking Provisions*** -- This Plan is <u>not</u> subject to ERISA §4203(d).
- ***Building and Construction Industry Special Rules*** -- The special rules provided for in ERISA §4203(b) for building and construction industry employers do not apply.

10. Unfunded Vested Liabilities (UVL) as of December 31, 2012

The following figures take into account all accrued liabilities, except nonvested benefits under the Plan's vesting schedule and future disability benefits for participants who are not currently disabled as of the determination date.

Category of Member	Number of Members	Vested Liability
1. Members in Pay Status	18,164	$ 954,160,839
2. Other Vested Members	11,345	$ 473,543,687
3. Total	29,509	$ 1,427,704,526
4. Market Value of assets		$ 839,147,232
5. UVL for withdrawal liability purposes: (3)-(4)		$ 588,557,294

11. Computation of 2012 Change in UVL Under the Presumptive Method

Description	Initial Amount	Amortization Factors	Unamortized Amount as of 12/31/2012
2003 change in UVL	$ 368,927,677	55%	$ 202,910,222
2004 change in UVL	$ (3,320,868)	60%	$ (1,992,521)
2005 change in UVL	$ (734,519)	65%	$ (477,438)
2006 change in UVL	$ (102,005,181)	70%	$ (71,403,627)
2007 change in UVL	$ 13,288,351	75%	$ 9,966,263
2008 change in UVL	$ 107,571,419	80%	$ 86,057,135
2009 change in UVL	$ 142,867,049	85%	$ 121,436,992
2010 change in UVL	$ 79,285,998	90%	$ 71,357,399
2011 change in UVL	$ 101,336,182	95%	$ 96,269,373
UVL as of 12/31/2012			$ 588,557,294
2012 change in UVL			$ 74,433,496

12. ERISA §4211(b)(2)(E)(ii) Fraction Denominators and ERISA §4211(b)(4)(B) Reallocated UVL Amounts

		ERISA §4211(b)(4)(B) Amounts		
Year	ERISA 4211(b)(2)(E)(ii) Denominators	Original Amounts	Amortization Factors	Unamortized Amounts as of 12/31/2012
2003	$ 87,162,749	$ 0	55%	$ 0
2004	$ 155,147,104	$ 81,479	60%	$ 48,887
2005	$ 221,569,205	$ 123,994	65%	$ 80,596
2006	$ 290,140,328	$ 1,096,395	70%	$ 767,477
2007	$ 352,249,427	$ 1,095,965	75%	$ 821,974
2008	$ 365,852,222	$ 89,161	80%	$ 71,329
2009	$ 358,779,977	$ 266,426	85%	$ 226,462
2010	$ 339,000,587	$ 492,414	90%	$ 443,173
2011	$ 320,576,155	$ 1,275,411	95%	$ 1,211,640
2012	$ 306,064,860	$ 0	100%	$ 0