

# Central Pennsylvania Teamsters Pension Fund

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MARTIN L. CULLEN, Assistant Administrator

1055 Spring Street, Wyomissing, PA 19610  
Mailing Address: P.O. Box 15223  
Reading, PA 19612-5223  
Phone: 610-320-5505  
TOLL FREE IN PA 1-800-343-0136  
TOLL FREE IN USA 1-800-331-0420  
FAX: 610-320-9239

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## SUMMARY OF MATERIAL MODIFICATIONS CENTRAL PENNSYLVANIA TEAMSTERS DEFINED BENEFIT PLAN

At its meeting on June 14, 2006, the Board of Trustees adopted a new benefit for participants who do not qualify for the Combined Minimum Monthly Benefit (CMMB), which is called the Rule of 82 to 85.<sup>1</sup> The benefit is effective June 1, 2006. Under the Rule of 82 to 85, a participant whose combined age and Years of Benefit Service under the Central Pennsylvania Teamsters Pension Fund equal 82, 83, 84 or 85, will be entitled to the monthly benefit, set forth below, from the Defined Benefit Plan upon retirement. A participant must have at least 26 Years of Benefit Service to qualify for this benefit.

The following chart illustrates the amount of the benefit, based on a single life annuity with 3-year certain and contributions at the freight/UPS contribution level (the benefit amount will be prorated in the same manner as the CMMB for individuals whose employers contributed at lower rates).

Combination of Age (at last Birthday) And Years of Benefit Service	Monthly Benefit
82	\$2,250
83	\$2,350
84	\$2,450
85	\$2,550

Payments in the form of a qualified joint and survivor annuity are actuarially adjusted in accordance with the plan document.

(over)

<sup>1</sup> **IMPORTANT:** Participants who elect the Rule of 82 to 85 and are eligible for retiree medical benefits under the Central Pennsylvania Teamsters Health and Welfare Plan will be limited to a maximum of 8 years of retiree health coverage, available at any time after age 57. Comparable coverage must be maintained during the period between retirement and retiree coverage. Additional requirements apply. Contact the Health and Welfare Fund Office for these rules at 1-800-422-8330 (in PA) or 1-800-331-0420 (outside PA).

In order to qualify for the Rule of 82-85, the Participant must transfer his entire account balance in the Retirement Income Plan 1987 (RIP 87) and/or the Retirement Income Plan 2000 (RIP 2000). Participants who previously withdrew money from RIP 87 or RIP 2000 are not eligible unless the withdrawal was on account of a qualified domestic relations order or was a legally required minimum distribution on account of attaining age 70 ½.

In addition, to be eligible for the benefit, a participant must satisfy the Two Year Rule and the 45 Day Rule.

- **“Two-Year” Rule** – To satisfy this rule, your Employer must have been obligated to contribute to the Plan on your behalf for at least 1,000 Hours of Service in any two consecutive 12-month periods that end after May 31, 2006 and are immediately preceding the date you first become eligible for the Rule of 82-85. The same rules apply if you fail to satisfy the two-year rule on account of layoff or disability as apply under the CMMB.
- **“45-day” Rule** – To satisfy this rule, if your Employer is a monthly contributor, it must have been obligated to contribute to the Plan on your behalf for at least two of the four months immediately preceding the date you first become eligible for the Rule of 82-85. If your Employer is an hourly contributor, it must have been obligated to contribute to the Plan on your behalf for at least 200 total hours in at least three of the four months immediately preceding the date you first become eligible for the Rule of 82 to 85.

Once a participant qualifies for the Rule of 82 to 85 and stops working, he will still be entitled to elect the Rule of 82-85 at a subsequent time. Benefits may be paid retroactively (with spousal consent) if the commencement date is after a participant attains age 65 and the participant did not engage in suspendible employment after attaining age 65.

Example: John turned age 50 on December 1, 2006 at which time he had 32 Years of Benefit Service under the Pension Fund. As of that date, he satisfied the Two-Year Rule and the 45 Day Rule and qualifies for the Rule of 82. He quits working on December 31, 2006. On October 1, 2007, he applies for the Rule of 82 to 85, effective January 1, 2008. At that time, he will qualify for the Rule of 83, because his combined age at last birthday and Years of Benefit Service will equal 83. If John waited until he turned age 67 to apply for the benefit and did not work in suspendible employment under the Fund's Suspension of Benefit rules after attaining age 65, he would be entitled to receive his benefit (under the Rule of 85) retroactive to age 65 (with interest) or he could elect an actuarially increased benefit starting at age 67.

The Pension Fund's normal suspension of benefit rules apply to this benefit. In addition, special rules apply with respect to reciprocity service.

For further information about this new benefit, please contact the Pension Fund at 1-800-343-0136 (in PA) or 1-800-331-0420 (outside PA).

***The Board of Trustees***