

**SUMMARY OF MATERIAL MODIFICATION
PLAN R-5
EFFECTIVE June 1, 2006**

At their June 14, 2006 meeting, the Trustees of the Central Pennsylvania Teamsters Health & Welfare and Pension Funds adopted a "Rule of 82-85." This Rule provides for pension benefits for those who meet certain age and service requirements and also for health and welfare benefits from Plan R-5 for individuals who qualify for the Rule of 82-85 and also meet the requirements set forth below. Information about the pension benefits available under the Rule of 82-85 was provided in a separate mailing. A copy of the Pension Fund Summary of Material Modification is available on the Funds' website www.centralpateamsters.com.

What is Plan R-5?

Plan R-5 is one of the benefit levels offered by the Fund for retirees and their dependents. Plan R-5 pays benefits for services provided under the Plan for hospitalization services, physician visits, physical therapy, immunizations and injections, surgical services, diagnostic services, prescription drugs, and other benefits more fully described in the Plan R-5 Plan Document and Summary Plan Description.

How Can I Become Eligible for Coverage under Plan R-5 Under the Rule of 82-85?

Under the Rule of 82 - 85, **if you are at least age 57**, you will be eligible to purchase a maximum of eight (8) years of coverage under Plan R-5 if you meet **ALL** of the requirements in (1), (2) and (3) below:

(1) You Must Be Eligible for Pension Benefits under the Rule of 82-85: You must be eligible to receive a pension benefit from the Central Pennsylvania Teamsters Pension Fund under the Rule of 82-85.

and

(2) You Must Meet Plan R-5 Eligibility Rules When You Are Eligible for Rule of 82-85 Pension Benefits. At the time of your retirement (that is, when you begin to receive pension benefits under the Rule of 82-85 from the Central Pennsylvania Teamsters Pension Fund), you must have been a Central Pennsylvania Teamsters Health & Welfare Fund Participant covered through your former employer in Plan 13 or 14 (with optional retiree coverage under Plan 14) for at least ten (10) years prior to your retirement.

Of these ten (10) years of coverage, you must have two (2) years of continuous coverage immediately prior to your retirement and you must have had coverage for at least eight (8) of the prior thirteen (13) years. For purposes of meeting the eight (8) year requirement, participation for a twelve (12) month period will be considered participation

for a year even if the months are not consecutive. In addition, you and your Dependents will have to meet certain Plan R-5 eligibility requirements.

For example: Joe is eligible for pension benefits under the Rule of 82-85. For the last 18 years, he has worked as a driver for PDQ Express. He has been a Participant in the Health & Welfare Fund's Plan 13 for the entire period. Joe meets the Plan R-5 eligibility rules.

Marty is eligible for pension benefits under the Rule of 82-85. Marty worked for LMN Trucking, which provides health benefits under LMN's own company health plan. Marty does **not** meet the Plan R-5 eligibility rules.

Finally, Mack works for ABC Hauling. Mack is eligible for pension benefits under the Rule of 82-85. The contract between ABC Hauling and the union provides for health benefits under Plan 14 but the employer and the union did **not** include the option of retiree coverage in the contract. Mack does **not** meet the Plan R-5 eligibility rules.

and

(3) You Must Maintain "Comparable Health Coverage" Between Retirement under the Rule of 82-85 and Commencement of Plan R-5 Benefits Under Rule of 82-85.

In order to be eligible to elect Plan R-5 coverage under the Rule of 82-85, you must have maintained "**Comparable Health Coverage**" during the time you started receiving pension benefits under the Rule of 82-85 and the time you wish to elect Plan R-5 coverage. "**Comparable Health Coverage**" means coverage under a group health plan, individual health insurance coverage, and coverage under certain federal and state programs (as more fully defined in the Fund's Plan Document).

You must have "Comparable Health Coverage" for yourself (and any Dependents you intend to cover) for at least Eighty Five Percent (85%) of the "**Interim Period**" and One Hundred Percent (100%) of the "**Final Period**". The "**Final Period**" is the two year period immediately before you commence Plan R-5 benefits. The "**Interim Period**" is any other period between the time you start receiving Pension Benefits under the Rule of 82-85 and the Final Period.

Limited Exception for Final Period: If, during the Final Period, an individual loses his group health coverage and COBRA is not available to him, the individual may elect Plan R-5 coverage if he has coverage during at least Eighty Five Percent (85%) of the Final Period.

Coverage for Dependents: A retiree may not cover any dependent under Plan R-5 unless the dependent meets the requirements for maintenance of Comparable Health Coverage described above. The requirements relating to maintenance of Comparable Health Coverage for any dependent of the retiree shall apply only on and after the date on which such individual becomes the retiree's dependent.

Will I have to Pay for Plan R-5 Coverage Under the Rule of 82-85?

You must pay for your coverage under Plan R-5. The monthly contribution rates are annually set by the Trustees.

What Contribution Rate Will Apply to Me?

For retirees under age sixty-five (65), your monthly contribution will be the same rate that will be charged to other employees who retire from your employer;

For retirees age 65 and over, your monthly contribution will be the same rate that will be charged by the Trustees to individuals who are eligible for the Combined Minimum Monthly Benefit under the Central Pennsylvania Teamsters Defined Benefit Plan.

NOTE: These monthly contributions are subject to adjustment, as provided under the Plan.

Will I Have To Make Regular Monthly Contributions?

You will have to timely pay the monthly contribution that a retired employee is required to pay for benefits under Plan R-5. Monthly contributions must be received by the 25th day of the month preceding the month for which you are eligible. (If this date changes, you will be notified.) The Fund will inform you directly of the amount of the monthly contribution.

Do I Have To Notify The Health and Welfare Fund When I Want to Start My Plan R-5 Benefits?

You must inform the Health and Welfare Fund at least sixty (60) days in advance in writing that you intend to start Plan R-5 Benefits. **Please note: applying for PENSION BENEFITS with the Central Pennsylvania Teamsters Pension Fund will not automatically entitle or otherwise make you eligible for Plan R-5 health and welfare benefits. A determination of your overall eligibility for retiree health coverage will be made by the Central Pennsylvania Teamsters Health and Welfare Fund upon notification of your retirement from the Central Pennsylvania Teamsters Pension Fund. A written notification of your overall eligibility for retiree health coverage will be sent to you by the Central Pennsylvania Teamsters Health and Welfare Fund. If it is determined that you initially qualify for coverage at the time of your retirement, you must apply directly to the CENTRAL PENNSYLVANIA TEAMSTERS HEALTH AND WELFARE FUND for your Plan R-5 benefits at age 57 or later, whenever you intend to begin benefits in order to verify that you have satisfied the eligibility requirements in the Interim and Final Periods.**