Southern Region of Teamsters Pension Plan

Summary Plan Description

Printed 2005

Table of Contents

Introduction

Retirement...for you it may be a long way off or just around the corner. It should be a comfortable and rewarding time of life, and having adequate retirement income is an important part of enjoying your retirement years. The Southern Region of Teamsters Pension Plan (the "Plan") can help you achieve your retirement goals by providing benefits when you retire that you can add to the money you get from other sources like Social Security and your own personal savings. The more years of service you have with your local union, the greater your Plan benefit will become.

This booklet is a Summary Plan Description (SPD) of the Plan provided by the Southern Region of Teamsters. It is an update of the prior SPD you may have received, and explains the current provisions of the Plan in everyday language. You should read it carefully, discuss it with your family, and keep it with your other important papers for future reference.

This booklet is not meant to be a complete description of the provisions of the Plan. Its purpose is to describe the main features of the Plan in general terms so you can understand the benefits the Plan provides. The Trustees of the Plan reserve the right to amend any statement made in this booklet at any time. The complete terms of the Plan are in the official Plan document which is the final authority for all matters regarding the Plan. For your reference, the official Plan document is on file in the Fund Office.

This is your Plan -- we want you to become acquainted with its benefits and to realize its importance to you. If you have any questions about the Plan after you have read this booklet, the Fund Office will be glad to answer them.

Plan Highlights

If you meet certain requirements described in this booklet, the Plan will provide you with:

- Normal retirement with full monthly benefits as of the *earlier* of:
  - age 55, if you have completed at least 5 Years of Participation; or
  - the completion of 30 years of Continuous Service, regardless of your age.

- Early retirement beginning at age 50, with *unreduced* monthly benefits if you have completed at least 20 years of Continuous Service or 20 Years of Participation at the time you retire.

- 100% vesting in your retirement benefits if you stop working before retirement but after you have earned the required amount of service:
  - at least 3 years of Vesting Service or Continuous Service, if you were hired before June 16, 2001; or
  - at least 4 years of Vesting Service or Continuous Service, if you were hired on or after June 16, 2001, but prior to June 1, 2004; or
  - at least 5 years of Vesting Service or Continuous Service, if you were hired on or after June 1, 2004.

- Benefits to your surviving spouse (or other beneficiary) in the event of your death.

- Benefits in the event of your total and permanent disability while employed by your local union, if you have completed at least 4 years of Continuous Service.

- The option to receive a single lump sum benefit for the benefits you have earned prior to January 1, 2005 instead of monthly benefits. Benefits earned on or after January 1, 2005 will be paid as monthly benefits only.

- The option to receive a monthly benefit in combination with a lump sum benefit for the benefits you have earned prior to January 1, 2005. Benefits earned on or after January 1, 2005 will be paid as an additional monthly benefit.

Each of the above types of benefits is discussed in more detail throughout this booklet.

Eligibility Requirements

WHO IS ELIGIBLE?

If you are a regular full-time employee of a participating local union, you automatically become a member of the Plan when you complete 30 days of continuous employment with your local union. For employees hired or rehired on or after January 1, 2005, employee contributions are also required.

If you don't meet the qualifications above, but you are a permanent employee of a participating local union, you can still become a member of the Plan. You will become a member on the earlier of the following dates:

- on the first anniversary of your date of hire if you work 1,000 or more hours during your first year with the union, or

- on the January 1st following the first calendar year in which you work 1,000 or more hours with the union.

Cost of the Plan

WHO PAYS FOR THE PLAN?

Historically, the cost of the Plan has been shared by you and your local union. Incredibly, for the period 1987-2004, **no** employee or local union contributions were required. However, employee contributions have restarted on January 1, 2005 if you were hired prior to January 1, 2005 and have elected to continue to earn additional benefits after January 1, 2005. If you were hired on or after January 1, 2005, or rehired since January 1, 2005, employee contributions are mandatory. The employee contribution rate is currently set as 4.0% for January 1, 2005 through June 30, 2005, 5.0% for July 1, 2005 through December 31, 2005, and 6.0% thereafter of your compensation used for benefit purposes.

The law requires that independent actuaries determine the contribution amounts needed to keep the Plan operating on a sound financial basis. Based on professional actuarial advice, each year the Trustees review the financial status of the Plan.

The money in the Trust Fund is managed by investment managers appointed by the Trustees. The Trust Fund can only be used to provide benefits under the Plan and to pay for the cost of administering the Plan.

It is the intent of the Fund's Trustees that this plan be funded solely by employee contributions – local unions are not expected to be required to contribute to this Fund.

Definitions

WHAT WORDS HAVE SPECIAL MEANINGS?

There are a number of terms used throughout this booklet that have special meanings. To help you understand how the Plan works, this section explains these important terms.

Regular Basic Compensation is the compensation, exclusive of bonuses, expense allowances and all other extraordinary compensation, paid to you during each calendar year while you are a participant in the Plan. Vacation pay in lieu of vacation, up to a maximum of four (4) weeks per year, is also included. For months after June 1, 2004, Regular Basic Compensation is limited to $5,000 per month.

Three-Year Average Monthly Earnings is the average of your Regular Basic Compensation during the 36 consecutive calendar months of highest compensation.

Continuous Service is the service that is used to determine the amount of your benefit from the Plan. Continuous Service generally means your uninterrupted service from the day you are hired until the day you leave the employment of your local union, measured in years and months.

Accrued Benefit is the monthly pension benefit that you have earned under the Plan's benefit formula. Your Accrued Benefit is based on your Three-Year Average Monthly Earnings and Continuous Service up to a maximum of 30 years. You must be making employee contributions to earn benefits on or after January 1, 2005. The formula for calculating your Accrued Benefit is as follows:

Your Three-Year Average Monthly Earnings
times
a benefit percentage based on
your Continuous Service (maximum 30 years)

The benefit percentage is equal to the sum of the percentages listed below under (A) and (B)

(A)

Years of Continuous Service Prior to June 1, 2004	Benefit Percentage For Each Year of Continuous Service
First 3 years	3.25%
Years 4 – 6	3.40%
Years 7 – 9	3.50%
Years 10 – 12	3.60%
Years 13 – 15	3.70%
Years 16 – 18	3.80%
Years 19 – 20	3.90%
Years 21 – 30	4.00%

(B)

Years of Continuous Service On or After June 1, 2004	Benefit Percentage For Each Year of Continuous Service
Years 1 – 30	0.50%

You must be making employee contributions in order to earn benefits on or after January 1, 2005.

Adding up the benefit percentages for each year of service results in the following schedule of total benefit percentages (only whole years are shown, but your percentage increases for each additional month of employment):

Years of Continuous Service Prior to June 1, 2004	Total Benefit Percentage	Years of Continuous Service On or After June 1, 2004	Total Benefit Percentage
1	3.25%	1	0.50%
2	6.50%	2	1.00%
3	9.75%	3	1.50%
4	13.15%	4	2.00%
5	16.55%	5	2.50%
6	19.95%	6	3.00%
7	23.45%	7	3.50%
8	26.95%	8	4.00%
9	30.45%	9	4.50%
10	34.05%	10	5.00%
11	37.65%	11	5.50%
12	41.25%	12	6.00%
13	44.95%	13	6.50%
14	48.65%	14	7.00%
15	52.35%	15	7.50%
16	56.15%	16	8.00%
17	59.95%	17	8.50%
18	63.75%	18	9.00%
19	67.65%	19	9.50%
20	71.55%	20	10.00%
21	75.55%	21	10.50%
22	79.55%	22	11.00%
23	83.55%	23	11.50%
24	87.55%	24	12.00%
25	91.55%	25	12.50%
26	95.55%	26	13.00%
27	99.55%	27	13.50%
28	***103.55%****	28	14.00%
29	***107.55%****	29	14.50%
30	***111.55%****	30	15.00%

NOTE:** ***Due to federal pension regulations, the maximum employer-provided pension is limited to 100% of your Three-Year Average Monthly Earnings. Depending on the amount of your employee contributions to the Plan, your percentage may be less than the amount shown here, but not less than 100%.

Years of Participation generally are calendar years in which you work at least 1,000 hours. This is the service that is used to determine your eligibility for a normal retirement benefit or an unreduced early retirement benefit.

Vesting means earning the permanent right to receive your Accrued Benefit from the Plan, even if you leave your local union before retirement. To become **"100% vested,"** you must earn the required number of years of Vesting Service or Continuous Service as shown in the tables below. Vesting Service generally means the number of calendar years during which you work at least 1,000 hours while participating in the Plan.

IF YOU WERE HIRED BEFORE JUNE 16, 2001:

Years of Vesting Service (or Continuous Service)	Percent Vested
0 – 2	**0%**
3 or more	**100%**

IF YOU WERE HIRED ON OR AFTER JUNE 16, 2001 BUT BEFORE JUNE 1, 2004:

Years of Vesting Service (or Continuous Service)	Percent Vested
0 – 3	**0%**
4 or more	**100%**

IF YOU WERE HIRED ON OR AFTER JUNE 1, 2004:

Years of Vesting Service (or Continuous Service)	Percent Vested
0 – 4	**0%**
5 or more	**100%**

If you leave your local union before retirement and you are 0% vested, you will not receive your Accrued Benefit from the Plan. You will, however, receive a Termination Benefit which is explained in the "Termination of Employment" section of this booklet.

Retirement Age

WHEN MAY I RETIRE?

Normal Retirement

Your Normal Retirement Date is the first day of the month on or after the earlier of the following dates:

- your 55th birthday, if you have completed at least 5 Years of Participation; or
- the date you complete 30 years of Continuous Service, regardless of your age.

You may retire at that time and receive your pension benefit.

Late Retirement

If you continue working after your Normal Retirement Date, your Late Retirement Date would be the first day of any later month after you stop working. Your pension benefit would begin at that time.

Early Retirement

You are eligible to retire early if you are at least 50 years old and are 100% vested. Your Early Retirement Date would be the first day of any month on or following the date you stop working, and your pension benefit would begin at that time.

In-Service Retirement

You are eligible to receive retirement benefits while you are still employed if you have reached age 59½ and completed 20 Years of Participation or 20 years of Continuous Service. You are also eligible if you had reached age 55 and completed 20 Years of Participation or 20 Years of Continuous Service as of December 31, 2004 while employed by a local union. Your pension benefit will begin on the first day of the month after you elect this retirement option.

Your Pension Plan Benefits

WHAT WILL MY BENEFIT BE FROM THE PLAN AT NORMAL RETIREMENT?

When you retire on your Normal Retirement Date, the monthly amount of benefit will be equal to your Accrued Benefit as of your Normal Retirement Date.

EXAMPLE 1: Normal Retirement

Let's assume that you retire at age 55 with 25 years of Continuous Service, with 20 years earned before June 1, 2004 and 5 years earned after June 1, 2004 and Three-Year Average Monthly Earnings of $4,000. Your Accrued Benefit would be calculated as follows:

71.55% (earned before 6/1/2004) x $4,000	**=**	**$ 2,862.00**
2.50% (earned after 6/1/2004) x $4,000	**+**	**100.00**
	=	**$ 2,962.00**
Monthly benefit payable at age 55:		**$ 2,962.00**

EXAMPLE 2: Normal Retirement

Let's assume that you retire at age 55 with 25 years of Continuous Service, with all 25 years earned after June 1, 2004 and Three-Year Average Monthly Earnings of $4,000. Your Accrued Benefit would be calculated as follows:

0.00% (earned before 6/1/2004) x $4,000	**=**	**$ 0.00**
12.50% (earned after 6/1/2004) x $4,000	**+**	**500.00**
	=	**$ 500.00**
Monthly benefit payable at age 55:		**$ 500.00**

You would be eligible to receive the benefit calculated each month during your lifetime, with a guarantee that no fewer than 120 monthly payments will be made. If you die before all guaranteed payments have been made, the rest will go to your beneficiary or estate. In no event will the total retirement benefits paid to you and your beneficiary or estate be less than 125% of the total employee contributions you had made to the Fund.

If you elect the single lump sum optional form of payment for your benefits earned before January 1, 2005, you will receive a one-time payment which is equal in value to your monthly benefit earned before January 1, 2005, plus a monthly payment based on the benefits accrued after January 1, 2005.

As an example, at your retirement at age 55, assume you had earned a $3,000 per month accrued benefit as of December 31, 2004, and a $100 per month accrued benefit for your service after January 1, 2005. Based on current plan factors, your lump sum amount would be determined as follows:

December 31, 2004 Accrued Monthly Benefit		**Actuarial Equivalent Lump Sum Factor**		**Single Lump Sum Benefit**
$ 3,000.00	**x 12 x**	**14.4626**	**=**	**$520,653.60**

Plus, you will receive an additional monthly payment for benefits earned after January 1, 2005 in the amount of $100.00.

Or, you could elect the combination lump sum and monthly benefit optional form of payment. For example, if you chose to receive a lump sum of $300,000, you would also be entitled to a monthly benefit of $1,271.40 for your benefits accrued as of December 31, 2004. This monthly benefit is equal in value to a lump sum amount of $220,653.60, the difference between the single lump sum optional benefit of $520,653.60 and the $300,000 lump sum benefit you elected. You will also receive the additional $100.00 monthly payment for benefits you earned after January 1, 2005.

See the “Payment of Your Benefits” section for other ways in which you can have your benefit paid out to you.

For your reference, a schedule of pension benefits payable at Normal Retirement Date appears below for various combinations of years of Continuous Service and Three-Year Average Monthly Earnings (note that federal pension regulations limit your employer-provided monthly benefit to 100% of your Three-Year Average Monthly Earnings).

SCHEDULE OF PENSION BENEFITS AT NORMAL RETIREMENT DATE

For Service Before June 1, 2004:

	Three-Year Average Monthly Earnings						
	$ 2,000	**$ 3,000**	**$ 4,000**	**$ 5,000**	**$ 6,000**	**$ 7,000**	**$ 8,000**
Years of Continuous Service Before 6/1/2004	Monthly Pension						
5	**$ 331**	**$ 497**	**$ 662**	**$ 828**	**$ 993**	**$ 1,159**	**$ 1,324**
10	**$ 681**	**$ 1,022**	**$ 1,362**	**$ 1,703**	**$ 2,043**	**$ 2,384**	**$ 2,724**
15	**$ 1,047**	**$ 1,571**	**$ 2,094**	**$ 2,618**	**$ 3,141**	**$ 3,665**	**$ 4,188**
20	**$ 1,431**	**$ 2,147**	**$ 2,862**	**$ 3,578**	**$ 4,293**	**$ 5,009**	**$ 5,724**
22	**$ 1,591**	**$ 2,387**	**$ 3,182**	**$ 3,978**	**$ 4,773**	**$ 5,569**	**$ 6,364**
25	**$ 1,831**	**$ 2,747**	**$ 3,662**	**$ 4,578**	**$ 5,493**	**$ 6,409**	**$ 7,324**
28	**$ 2,071**	**$ 3,107**	**$ 4,142**	**$ 5,178**	**$ 6,213**	**$ 7,249**	**$ 8,284**
30	**$ 2,231**	**$ 3,347**	**$ 4,462**	**$ 5,578**	**$ 6,693**	**$ 7,809**	**$ 8,924**

Note: Prior to June 1, 2004, there is no cap on compensation that can be counted for benefit calculation purposes. After June 1, 2004, your compensation that can be counted for benefit calculation purposes is capped at $5,000 per month. However, if your highest Three-Year Average Monthly Earnings occurs before June 1, 2004 when no cap on compensation existed, this amount will always be used to determine your pension benefit.

If You Were Hired On Or After June 1, 2004:

	Three-Year Average Monthly Earnings						
	$ 2,000	$ 3,000	$ 4,000	$ 5,000	$ 6,000	$ 7,000	$ 8,000
Years of Continuous Service After 6/1/2004	Monthly Pension						
5	$ 50	$ 75	$ 100	$ 125	$ 125	$ 125	$ 125
10	$ 100	$ 150	$ 200	$ 250	$ 250	$ 250	$ 250
15	$ 150	$ 225	$ 300	$ 375	$ 375	$ 375	$ 375
20	$ 200	$ 300	$ 400	$ 500	$ 500	$ 500	$ 500
22	$ 220	$ 330	$ 440	$ 550	$ 550	$ 550	$ 550
25	$ 250	$ 375	$ 500	$ 625	$ 625	$ 625	$ 625
28	$ 280	$ 420	$ 560	$ 700	$ 700	$ 700	$ 700
30	$ 300	$ 450	$ 600	$ 750	$ 750	$ 750	$ 750

Note: If you were hired on or after June 1, 2004, your monthly compensation for benefit computation purposes is limited to $5,000 per month. Consequently, the Monthly Pension amounts in the above Three-Year Average Monthly Earnings columns labeled $6,000, $7,000 and $8,000 are identical to those in the $5,000 column.

WHAT WILL MY BENEFIT BE FROM THE PLAN AT LATE RETIREMENT?

Your late retirement benefit is determined by the same formula used for normal retirement benefits, based on your Three-Year Average Monthly Earnings and your Continuous Service when you actually retire. If you continue to work beyond your Normal Retirement Date, you can receive your late retirement benefit on the first day of the month on or after the date you actually retire. For details on payment options, see the "Payment of Your Benefits" section of this booklet.

WHAT WOULD MY BENEFIT BE FROM THE PLAN AT EARLY RETIREMENT?

If you are 100% vested in your Accrued Benefit, then you can retire as early as age 50 and receive your benefit at that time. Your benefit is determined by the same formula used for normal retirement benefits, based on your pay and length of service when you retire. If you have at least 20 years of Continuous Service or 20 Years of Participation, then the benefit amount calculated under the Plan formula will not be reduced. However, if you have less than 20 years of Continuous Service or 20 years of Participation, there will be a reduction in your payment amount as shown in the table below, unless you wait until your Normal Retirement Date to receive your benefit.

Number of Years Early Retirement Date Precedes Normal Retirement Date (Applies if service is less than 20 years)	**Early Payment Factor***
5	**.667**
4	**.733**
3	**.800**
2	**.867**
1	**.933**

*** The factor will be adjusted for parts of a year.**

EXAMPLE: Early Retirement (unreduced)

Let's assume that you retire at age 50 with 20 years of Continuous Service, of which 15 years were earned before June 1, 2004 and 5 years were earned after June 1, 2004 and Three-Year Average Monthly Earnings of $3,000. Your Accrued Benefit would be calculated as follows:

52.35% (earned before 6/1/2004) x $3,000		**$ 1,570.50**
2.50% (earned after 6/1/2004) x $3,000	**+**	**75.00**
		$ 1,645.50
Monthly benefit payable at age 50		**$ 1,645.50**

EXAMPLE: Early Retirement (reduced)

Let's assume that you retire at age 50 with 15 years of Continuous Service, of which 10 years were earned before June 1, 2004 and 5 years were earned after June 1, 2004 and Three-Year Average Monthly Earnings of $3,000. Your Accrued Benefit would be calculated as follows:

34.05% (earned before 6/1/2004) x $3,000		**$ 1,021.50**
2.50% (earned after 6/1/2004) x $3,000	**+**	**75.00**
		$ 1,096.50
Monthly benefit payable at age 55		**$ 1,096.50**

Your early retirement benefit would be determined by multiplying your Accrued Benefit by the Early Payment Factor for a person retiring 5 years before normal retirement as shown on page 12.

$1,096.50 x .667	**$ 731.37**
Monthly benefit payable at age 50	**$ 731.37**

You would be eligible to receive $731.37 each month during your lifetime, with a guarantee that no fewer than 120 monthly payments will be made. If you die before all guaranteed payments have been made, the rest will go to your beneficiary or estate. In no event will the total retirement benefits paid to you and your beneficiary or estate be less than 125% of the total employee contributions you had made to the Fund.

If you elect the single lump sum optional form of payment for your benefits earned before January 1, 2005, you will receive a one-time payment which is equal in value to your monthly benefit earned before January 1, 2005, plus a monthly payment based on the benefit you accrued after January 1, 2005. This additional monthly payment may be unreduced or reduced, depending on its payable date.

See the "Payment of Your Benefits" section for other ways in which you can have your early retirement benefit paid out to you.

WHAT WOULD MY BENEFIT BE FROM THE PLAN UNDER AN IN-SERVICE RETIREMENT?

Your benefit would be determined in the same manner as it would be for a retirement benefit, and you will receive your benefit while you continue to work for your local union. At the time you actually leave employment, your benefit will be recomputed counting all of your earnings and Continuous Service, and subtracting the value of the pension benefits you received while you were still working. This re-computation may or may not result in an increase in your monthly pension benefit. It will never result in a decrease in your monthly pension benefit.

WHAT IF I TERMINATE EMPLOYMENT?

If you stop working before retirement and you are 100% vested at that time, you will be entitled to receive a monthly deferred vested benefit starting at your Normal Retirement Date. Your benefit will be equal to your Accrued Benefit at the time you stopped working, and will be determined by the same formula used for normal retirement benefits.

EXAMPLE: Deferred Vested Benefit

Let's assume that you leave your local union at age 45 with 10 years of Continuous Service, of which 5 years were earned before June 1, 2004 and 5 years were earned after June 1, 2004, and Three-Year Average Monthly Earnings of $2,000. Your Accrued Benefit would be calculated as follows:

16.55% (earned before 6/1/2004) x $2,000	**$**	**331.00**
2.50% (earned after 6/1/2004) x $2,000	**+**	**50.00**
	$	**381.00**
<u>**Monthly**</u> **Accrued Benefit payable at age 55**	**$**	**381.00**

You would be eligible to receive $381.00 each month during your lifetime, beginning at age 55, with a guarantee that no fewer than 120 payments will be made. If you die before all guaranteed payments have been made, the rest will go to your beneficiary or estate. In no event will the total retirement benefits paid to you and your beneficiary or estate be less than 125% of the total employee contributions you had made to the Fund. You could also elect to receive a monthly benefit beginning at an earlier date, which will be reduced if it is payable prior to age 50 and 20 years of service or age 55 and 5 years of service.

If you elect the single lump sum optional form of payment for your benefits earned before January 1, 2005, you will receive a one-time payment which is equal in value to your monthly benefit earned before January 1, 2005, plus a monthly payment based on the benefit you accrued after January 1, 2005. This additional monthly benefit may be unreduced or reduced, depending on its payable date.

See the “Payment of Your Benefits” section for other ways in which you can have your deferred vested benefit paid out to you.

If you are not vested when you stop working, you will not be entitled to any benefits from the Plan, except for your Termination Benefit which is explained below. Your Termination Benefit is a one-time payment equal to the sum of:

(1) The total of your contributions paid into the Trust Fund, if any, during your entire period of membership, assuming they were not refunded to you prior to the time you stop working, plus

(2) 4% of your Regular Basic Compensation earned after three (3) years of employment through December 31, 2004, plus

(3) 8% of your Regular Basic Compensation earned after 10 years of employment through December 31, 2004, plus

(4) 4½% of your Regular Basic Compensation earned between August 1, 1972 and December 31, 2004, plus

(5) 3% of your employee contributions made after December 31, 2004.

EXAMPLE: Termination Benefit

Let's assume that you earned $30,000 per year for each year since your date of hire on January 1, 2004. If you terminated employment on January 1, 2007, and you have made employee contributions after December 31, 2004, your Termination Benefit would be:

Contributions paid to Trust Fund	**$ 3,150.00**
4% of pay earned after 3 years of employment	**$ 0.00**
4 ½% of pay earned in 2004 (.045 x $30,000)	**$ 1,350.00**
3% of contributions paid after 2004 (.03 x $3,150)	**$ 94.50**
Termination Benefit (paid in a single sum at termination)	**$ 4,594.50**

Payment of Your Benefits

HOW WILL MY BENEFITS BE PAID?

There are two basic types of payment methods available under the Plan: automatic and optional. Payments will be made to you under the automatic method unless you elect one of the optional forms before payments are scheduled to begin.

When you file a claim for benefits, the Plan Administrator will provide you with the information and paperwork you need. You and your spouse will receive a written explanation of the various payment options so that you can make the decision that best suits your requirements. If you are married and you want to receive your benefits in a form other than the Joint and 50% Contingent Benefit or the Joint and 100% Contingent Option, then you must provide the Plan Administrator with your spouse's consent before payments are scheduled to begin. The consent must be in writing and witnessed by a notary public or Plan representative.

You can change to a different form of payment at any time before your benefit payments are scheduled to begin by completing another payment election form. **However, it's important to remember that once payments begin, the method can't be changed for any reason**.

Automatic Payment Forms

If you are not married when your pension benefit begins, you will receive a monthly benefit payable for your lifetime with a guarantee that a minimum of 120 payments (10 years) will be made. If you die before all guaranteed payments have been made, the rest will go to your beneficiary or your estate. This is known as the 10 years certain and life form of payment. This is the "basic benefit" or "normal form of payment" that is determined by the Plan formula. Any other form of payment will require an adjustment in your benefit amount.

If you are married when your pension benefit begins, you will receive a monthly benefit payable for your lifetime in the form of a **Joint and 50% Contingent Benefit**. Under this form of benefit, your benefit amount is adjusted (usually reduced) so that after your death, half the amount can continue to your surviving spouse for the rest of his or her life. In the event that your spouse dies before you, your monthly payment will automatically adjust to the 10 years certain and life benefit amount that was available to you upon retirement, if that benefit amount is higher. Otherwise, you will continue to receive the same monthly benefit that was payable to you while your spouse was alive.

Optional Payment Forms

> ***Option #1 - Lump Sum Option –*** This form of payment provides you with a lump sum distribution, equal to the present value of your monthly pension benefit accrued as of December 31, 2004. Those receiving a lump sum have no further rights to benefits from the Plan, other than any benefits accrued after January 1, 2005.
>
> ***Option #2 - Joint and 100% Contingent Option –*** Under this form of payment, you will receive an adjusted (usually reduced) monthly benefit during your joint lifetime with your spouse, and following your death, that amount will be payable to your spouse for his or her lifetime. In the event your spouse dies before you, your monthly payment will automatically adjust to the 10 years certain and life benefit that was available to you upon retirement, if that benefit amount is higher. Otherwise, you will continue to receive the same monthly benefit that was payable to you while your spouse was alive.
>
> ***Option #3 - 10 Years Certain and Life Option -*** This form of payment, which is the automatic form for unmarried participants, is available as an optional form for married participants. It provides the full benefit amount payable monthly for as long as you live, with a guarantee that a minimum of 120 payments (10 years) will be made. If you die before all guaranteed payments have been made, the rest will go to your beneficiary or your estate.
>
> ***Option #4 – Combination Lump Sum and Benefit Monthly –*** This form of payment provides you with a lump sum distribution in an amount that you elect (must be less than the Lump Sum Option amount described above), plus a monthly benefit that is based on the value of the difference between the Lump Sum Option amount and the lump sum amount elected. In addition, you will receive a monthly payment based on the benefit you earned after January 1, 2005, if any.

WHAT IF I AM CURRENTLY RECEIVING MONTHLY BENEFITS FROM THE PLAN?

Retirees and beneficiaries receiving monthly benefits from the Plan as of December 31, 2004 are provided with an additional (thirteenth) benefit payment each December in the amount of the monthly benefit being received from the Plan.

ARE THERE TAXES ON MY BENEFITS?

You are responsible for paying federal income tax (as well as any applicable state and local income taxes) on benefits you receive from the Plan. When you apply for your benefits, you will be given the forms to complete to authorize federal income tax withholding. Please note that you may be subject to tax penalties if you do not have enough tax withheld.

If you receive a lump sum payment, your payment will qualify as an eligible rollover distribution. You can postpone taxes on any distribution that qualifies as an eligible rollover distribution by rolling over all or part of such payment to an Individual Retirement Account (IRA) or another qualified employer plan. If you roll over your eligible rollover distribution in a direct rollover, you will avoid the mandatory 20% federal withholding tax otherwise applicable, and your taxes will be deferred until you receive payment from the IRA or qualified employer plan.

It’s always a good idea to consult with a tax advisor to determine what’s best for your situation.

Death Benefits

WHAT IF I DIE BEFORE I RECEIVE MY RETIREMENT BENEFITS?

If you should die before you receive before you begin receiving your monthly retirement benefits, your beneficiary will receive a Death Benefit, payable as a one-time distribution.

Death Benefit

The amount of the Death Benefit is:

(1) The total of your contributions paid into the Trust Fund, plus

(2) 4% of your Regular Basic Compensation during the first three years of employment, plus

(3) 16% of your Regular Basic Compensation for years of employment thereafter.

The minimum Death Benefit is $1,500.

EXAMPLE: Death Benefit

Assume that you earned $30,000 each year since you were hired on January 1, 1990. Your Death Benefit as of January 1, 2005 would be:

Total contributions paid into the Trust Fund	**$ 0**
4% of pay during first 3 years of employment [.04 x ($30,000 x 3)]	**$ 3,600**
16% of pay during last 12 years of employment [.16 x ($30,000 x 12)]	**$ 57,600**
Total Death Benefit	**$ 61,200**

If you are married and die after you have become vested, a Survivor Benefit, as described below, would be payable to your spouse instead of the Death Benefit, if the value of the Survivor Benefit is greater than the value of the Death Benefit.

Survivor Benefit

If you should die before you begin receiving your retirement benefits, benefits will be payable to your surviving spouse if you were vested in your benefit at the time of your death.

The monthly amount of the Survivor Benefit payable to your spouse is based on the benefit you earned up to the time of your death (or when you stopped working for your local union, if earlier), and is equal in value to the lump sum benefit that would have been payable to you at the time of your death. This benefit would begin in the month following your death and would be payable for the lifetime of your spouse. Alternatively, if you had attained age 50 prior to your death, a lump sum payment for the portion of your benefit accrued as of December 31, 2004 plus a monthly payment for your accrued benefit earned after January 1, 2005 would be available to your surviving spouse.

WHAT HAPPENS IF I DIE AFTER MY BENEFITS HAVE STARTED?

If you have received a lump sum payment or have begun to receive monthly payments from the Plan under any of the methods allowed by the Plan, then whether or not any benefits are payable in the event of your death will depend upon the form of payment you have chosen. For example, if you chose the Joint and 100% Contingent Option (Option #2) form for your monthly payment, your spouse will receive payments after your death if he or she is living at that time. If you are married and receiving the automatic form of benefit under the Joint and 50% Contingent Benefit, then your spouse will receive monthly benefits in an amount equal to one-half of the monthly benefits you were receiving while you were alive. In no event will the total retirement benefits paid to you and your spouse or beneficiary be less than 125% of total employee contributions you had made to the Fund.

Disability Benefits

WHAT IF I BECOME DISABLED?

If you become ***totally and permanently disabled while employed by your local union*** after completing at least 4 years of Continuous Service, you are eligible for a disability pension payable for the duration of your disability until you are eligible for a normal retirement benefit under the Plan. If you were disabled before June 16, 2001, then 10 years of Continuous Service were required for a disability benefit.

The monthly amount of disability pension is determined by multiplying 2% of your Three-Year Average Monthly Earnings by your years of Continuous Service.

EXAMPLE: Disability Benefit

Assume you're totally and permanently disabled after 10 years of Continuous Service, and your 3-Year Average Monthly Earnings were $3,000.

Your disability benefit will be $600/month: (2% x $3,000 x 10)

If you are eligible to receive an early retirement benefit under the Plan at the time you become disabled, you may elect to receive your early retirement benefit instead of receiving the disability benefit.

If you are receiving a monthly disability benefit and later become eligible to receive an early retirement benefit, you may elect to stop your disability benefit and receive your early retirement benefit.

Reemployment

WHAT HAPPENS IF I TERMINATE EMPLOYMENT AND I AM LATER REEMPLOYED?

If your employment ends and you are rehired at a future time, the Plan has rules about counting your prior service and benefits. What will happen depends on a number of things, such as how long you had been employed before your original employment terminated, how long you were absent, and whether or not you received benefit payments before you were reemployed.

If you leave your local union and are reemployed before having a "Break-in-Service," you will not lose your prior service or benefits. In general, a "Break-in-Service" occurs when you do not earn more than 500 hours of service in a year.

If you leave your local union and are reemployed after having a "Break-in-Service," you will not lose your prior service or benefits if you meet one of the following conditions:

- You were vested at the time you left; or
- Your break period was less than 5 consecutive years

However, if you already received a lump sum payment, you will not retain your prior Continuous Service in the event of reemployment unless you repay to the Trust Fund the amount of your lump sum benefit, plus interest, at least 30 days prior to any subsequent termination of employment.

If you are reemployed on or after January 1, 2005, you must make the required employee contributions to the Fund.

It's a good idea to check with the Fund Office to see what effect, if any, your reemployment has on your Plan benefits.

Leave of Absence

If you are away from work because you are on an approved Leave of Absence, a "Break-in-Service" will not occur during that time if you return to work according to the rules established by your local union.

Under recent changes in federal law, you will receive credit for both Vesting Service and Continuous Service for any period of qualified military leave if you are reemployed by your local union while your reemployment rights are protected by law.

The Fund Office can review your specific situation to determine if these rules apply to you.

Claims Procedure

HOW DO I APPLY FOR BENEFITS FROM THE PLAN?

In order to receive any benefits from the Plan, you must submit a written application to the Fund Office. You may obtain an application from your local union. After completion of the application, it should be mailed to:

> **Southern Region of Teamsters Pension Trust Fund**
> 8441 Gulf Freeway, Suite 304
> Houston, TX 77017-5066

The Fund Office will notify you as to what else must be done.

WHAT IF MY CLAIM FOR BENEFITS IS DENIED?

Responding to Your Claim

If you make a claim for benefits under the Plan and all or part of it is denied, the Plan Administrator will notify you in writing of the reasons for the denial. You will be notified within 90 days (45 days for a disability claim) after the Plan receives your claim. In special circumstances, the Plan may require up to 180 days (105 days for a disability claim) to make a decision. In this event, you will receive a written notice before the end of the original 90-day (45-day for a disability claim) period that explains the special circumstances involved and the date by which the Plan expects to make its decision.

If your claim is denied, you will receive a written notice that:

- states the specific reason(s) for the denial
- refers to the Plan provision(s) on which the decision was based
- describes, in the case of a disability claim, your right to receive, free of charge, a copy of any relevant internal rule or guideline and/or an explanation of any medical judgment on which the decision was based
- describes any additional material or information you may need to furnish to complete the claim, and the reason why this material or information is needed, and
- describes the Plan's review procedures including the applicable deadlines and a statement of your right to bring a civil action in court if the appeal of your denied claim is also denied after it has been reviewed.

If you have any questions about a denied claim, you should contact the Plan Administrator.

Appealing a Denied Claim

You or your authorized representative may appeal a denied claim, following the appeal procedures outlined below.

1. Within 60 days (180 days for a disability claim) of receiving the notice of your claim denial, you may appeal that denial by filing with the Plan Administrator a written request for the review of your claim.

2. Upon receipt of your appeal, the Plan Administrator or other Plan fiduciary will conduct a full and fair review of your claim. This Plan fiduciary will have had no role in the initial claim denial and the review will be an independent one without giving the original denial any special consideration. If a medical judgment is involved, the person reviewing your appeal will consult with a health care professional, who has appropriate training and experience in the field of medicine involved in the medical judgment and who had no role in the initial claim denial.

3. Prior to this review, you will be able to submit written comments, documents, records and other information relating to your claim. You will also have access to all documents, records and other information relevant to your benefit claim, and copies of this information will be provided free of charge upon your request.

Within 60 days (45 days for disability claims) after your written appeal is received by the Plan Administrator, you will be given a written notice of the decision with respect to your appeal based on the facts and pertinent provisions of the Plan. If special circumstances require an extension of time for reviewing the claim, the Plan Administrator will provide you with a written notice of the extension prior to the end of the initial 60-day (45-day for disability claims) period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to make its decision. The Plan Administrator may take an additional 60 days (45 days for disability claims) to review your claim, or a total of 120 days (90 days for disability claims) from the day your appeal was received.

The notice of the decision on your appeal will be written and shall include the following information:

- the specific reasons for the decision
- the plan provisions on which the decision was made
- an explanation of your right to request access to or copies of all information relevant to your claim, free of charge, without regard to whether such records were considered or relied upon in making the appeal decision, including any reports, and the identities, of any experts whose advice was obtained
- a description, in the case of a disability claim, of your right to receive, free of charge, a copy of any relevant internal rule or guideline and/or an explanation of any medical judgment on which the decision was based, and
- your right to bring a civil action in court.

Loss of Benefits

IS IT POSSIBLE FOR ME TO LOSE MY BENEFITS OR TO RECEIVE LESS THAN I EXPECTED?

The following circumstances could cause a loss or reduction in benefits from the Plan:

- **If you stop working before you become vested under the Plan, then you are not entitled to any benefits from the Plan except for a Termination Benefit.**

- **If you are reemployed after receiving a lump sum benefit and you fail to repay the lump sum plus interest to the Plan within the allowable time, then you will lose the Continuous Service you earned prior to your reemployment.**

- **If you or your beneficiary fail to properly file all necessary information and applications as required by the Plan Administrator, then benefit payments may be delayed.**

- **If you move and fail to advise the Plan Administrator of your new address, the Administrator may be unable to contact you.**

- **If the Plan terminates and the assets in the Trust Fund are insufficient, then you may not receive full payment of your Accrued Benefit under the Plan.**

- **Your benefits may be limited by governmental regulations which restrict the amount of compensation that can be considered under the Plan and the amount of benefits that can be received from the Plan.**

Important Facts About Your Plan

WHAT IS THE OFFICIAL PLAN NAME?

Southern Region of Teamsters Pension Plan

WHAT ARE THE EMPLOYER IDENTIFICATION NUMBER (EIN) AND PLAN NUMBER?

Employer Identification Number: 75-0865705

Plan Number: 001

You should reference the Plan Number and Employer Identification Number in any correspondence you may have with any government agencies regarding the Plan.

WHO IS THE PLAN SPONSOR?

Trustees of the Southern Region of Teamsters Pension Plan
8441 Gulf Freeway, Suite 304
Houston, TX 77017-5066

WHAT TYPE OF PLAN IS THIS?

The Plan is considered to be a defined benefit plan which means that your benefit is figured using a set formula that is specified in the official Plan document.

WHAT IS THE PLAN YEAR?

Plan fiscal records are kept and updated on the basis of the year which runs from January 1st to the following December 31st.

WHO ADMINISTERS THE PLAN?

The Trustees of the Southern Region of Teamsters Pension Plan are the PLAN ADMINISTRATOR. The Plan Administrator administers the Plan, keeps Plan records, determines benefits, and acts on claims for benefits.

The Plan Administrator is also a NAMED FIDUCIARY and the AGENT FOR SERVICE OF LEGAL PROCESS with regard to the Plan. Service of legal process may also be made on the Plan's Trustee.

The Plan Administrator's address and telephone number are:

Trustees of the Southern Region of Teamsters Pension Plan
8441 Gulf Freeway, Suite 304
Houston, TX 77017-5066
713-643-9300

WHO ARE THE PLAN TRUSTEES?

The current Trustees of the Plan are:

Tyson Johnson

William Smith

Kenneth Wood

The money in the Trust Fund is managed by investment managers appointed by the Trustees. The Trustees make benefit payments from the Trust Fund to Plan participants and beneficiaries in accordance with the terms and provisions of the Plan.

The proper mailing address for the Trustees is:

> Trustees of the Southern Region of Teamsters Pension Plan
> 8441 Gulf Freeway, Suite 304
> Houston, TX 77017-5066

WHICH EMPLOYERS ARE PARTICIPATING IN THE PLAN?

Plan participants (and their beneficiaries) may obtain a complete list of participating employers (local unions) by sending a written request for this information to the Plan Administrator.

Please note that your eligibility for, or participation in the Plan does not serve as a guarantee of employment.

Additional Information

MAY I ASSIGN MY BENEFITS TO SOMEONE ELSE?

As a general rule, your benefits under the Plan may not be "alienated." This means that your interest may not be sold, used as collateral for a loan, given away or otherwise transferred. In addition, your creditors may not attach, garnish, or otherwise interfere with your benefit.

There is an exception, however, to this general rule. Plans such as this one are required to obey certain court orders (such as divorce decrees) that may require all or a portion of your benefits to be paid to your spouse, former spouse, child or dependent. If a court order has met the necessary standards to be a "Qualified Domestic Relations Order" (QDRO), the required payments will be made as provided in the order.

The Plan has a specific set of procedures governing the determination of QDRO's. You or your beneficiaries can obtain a copy of these procedures, without charge, from the Plan Administrator.

WHAT HAPPENS IF THE PLAN BECOMES A TOP HEAVY PLAN?

If it is determined that the Plan provides benefits to certain officers and/or highly paid employees above a limit which is established by federal law, the Plan would be considered "top heavy." At present, the Plan is not top heavy. However, if it should become that way, special provisions designed to balance the distribution of Plan benefits for all participants would go into effect until the Plan is no longer top heavy. The Trustees will advise you of your rights in the unlikely event that the Plan becomes top heavy.

WHAT ABOUT SOCIAL SECURITY BENEFITS?

Your benefits from the Plan are in addition to your benefits from Social Security. Social Security benefits may be payable in the event of your retirement, death or disability. These benefits can be a substantial part of your total benefit program.

Your Social Security benefits are based on the amount of your earnings which are subject to Social Security (FICA) taxes. To find out more about your personal Social Security benefits, you should refer to the annual statement sent to you by Social Security. For more information, you can call the Social Security Administration at 1-800-772-1213 or visit their web site on the Internet at http://www.ssa.gov. It's a good idea to contact your local Social Security office about three months before you plan to retire.

Your local union pays half of the cost of your Social Security benefits and you pay the other half through payroll deduction.

WILL THE PLAN ALWAYS CONTINUE?

The Trustees intend to continue the Southern Region of Teamsters Pension Plan indefinitely and to meet any foreseeable situations. However, they do reserve the right to modify, amend or terminate the Plan at any time and under any circumstances, by means of an appropriate resolution. If it is necessary to discontinue the Plan, all benefits under the Plan will stop accruing, and all participants will automatically become 100% vested in their Accrued Benefits as of the termination date. The assets of the Trust Fund will then be used to pay benefits according to priorities established in the legal Plan document, subject to approval by the Pension Benefit Guaranty Corporation and the Internal Revenue Service, both of which are agencies of the federal government.

WHAT IS THE PENSION BENEFIT GUARANTY CORPORATION?

Your retirement benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay retirement benefits. Most people receive all of the retirement benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits, (if provided by the plan) if you become disabled before the plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates; (2) some or all of the benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the time the plan terminates; (3) benefits that are not vested because you have not worked long enough for the company; (4) benefits for which you have not met all of the requirements at the time the plan terminates; (5)

certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age; and (6) non-pension benefits such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC, depending on how much money your plan has and how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

WHAT ARE MY RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974?

As a participant in the Southern Region of Teamsters Pension Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

1. **Examine, without charge, through the Plan Administrator's office and at other specified locations (such as work sites and union halls), all documents governing the Plan, including insurance contracts, collective bargaining agreements (if any) and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor, and available at the Public Disclosure Room of the Pension and Welfare Benefits Administration.**
2. **Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts, collective bargaining agreements (if any) and copies of the latest annual report (Form 5500 series) and updated summary plan descriptions (SPD). The Plan Administrator may make a reasonable charge for the copies.**
3. **Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.**
4. **Obtain a statement telling you whether you have a right to receive a pension at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.**

In addition to creating rights for Plan participants, ERISA imposes duties upon the individuals who are responsible for the operation of an employee benefit plan. The individuals who operate the Plan, called "fiduciaries", have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a pension benefit is ignored or denied, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you or your beneficiary can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court.

If Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you or your beneficiary may seek assistance from the U.S. Department of Labor, or you may file suit in federal court. The court will decide who should pay court costs and legal fees. If you or your beneficiary are successful in your case, the court may order the person or persons you have sued to pay these costs and fees. But if you lose, you or your beneficiary may have to pay all costs and fees if, for example, the case is considered frivolous.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications concerning your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration at 1-866-4-USA-DOL.