NOTICE TO ACTIVE PARTICIPANTS OF THE TEAMSTERS PENSION PLAN OF PHILADELPHIA AND VICINITY

STATEMENT OF MATERIAL MODIFICATION TO JANUARY 2008 SUMMARY PLAN DESCRIPTION

EIN: 23-1511735 - PLAN NO. 001

VERY IMPORTANT! PLEASE READ!

Dear Participant:

The Trustees of the Teamsters Pension Trust Fund of Philadelphia and Vicinity ("Fund") are providing you with this Notice pursuant to ERISA Section 204(h) to advise you of changes to the Teamsters Pension Plan of Philadelphia and Vicinity ("Plan") that is sponosored by the Fund. You should:

- Read this Notice carefully, and if you have any questions, contact the Fund office at 1-800-523-2846; and
- Keep this Notice with your Summary Plan Description.

At its November 2010 meeting, the Fund's Board of Trustees adopted several changes that will affect your ***future*** benefit accural under the Plan. None of the changes adopted by the Trustees, which are set forth below, will affect the benefits you have already earned. In addition, none of these changes will have any impact on those participants who are already receiving monthly pension benefits under the Plan from the Fund.

There are three major changes that will take effect beginning January 1, 2011, which can be summarized as follows:

1. Beginning with Covered service earned on and after January 1, 2011, those participants whose Daily Contribution Rate as of December 31, 2010 was at a future service level (a contribution rate of $15 per day or greater) will accrue benefits going forward with a multiplier percentage of 1% (rather than the existing 1.35%) calculated using days or hours remitted multiplied by the lower of (i) the contribution rate of his/her employer in effect as of December 31, 2004 or (ii) the contribution rate in effect on and after January 1, 2005. Those participants whose Daily Contribution Rate as of December 31, 2004 was less than $15 per day, will accure benefits with reference to the lower of (i) the contribution rate of his or her employer in effect as of December 31, 2004 or (ii) the contribution rate in effect on and after January 1, 2005.

2. The subsidized early retirement benefit which allows a participant to retire with no reduction for early retirement upon earning 25 years of benefit service will be modified with respect to benefit service earned on or after January 1, 2011. Effective January 1, 2011, the early retirement benefit commonly known as "25 benefit years and out at any age" will be modified to allow a participant to retire at age 55 and later with 25 years of benefit service with no reduction for early retirement. For those participants who earn some benefit service prior to this change (but less than 25 benefit years) and who eventually work in covered employment after January 1, 2011 and reach 25 or more years of benefit service, their early retirement benefit will equal the ***higher*** of (i) their accrued benefit as of December 31, 2010 unreduced for early retirement or (ii) all benefit service (pre- and post- January 1, 2011 service) multiplied by the appropriate early retirement reduction factor shown on Table ERF2 in the Plan.

3. The subsidized early retirement benefit commonly known as "30 vested years and out at any age" will be eliminated with respect to benefit service earned on or after January 1, 2011. For those participants who had earned some vesting service prior to this change (but less than 30 vested years) and who work in covered employment after January 1, 2011 and eventually accrue at least 30 years of vesting service, their retirement benefit will equal the ***higher*** of (i) their accrued benefit as of December 31, 2010 unreduced for early retirement or (ii) all accrued benefit service (pre- and post-January 1, 2011) multiplied by the appropriate early retirement factor set forth in Table ERF2 of the Plan.

With respect to the Special Minimum Benefit and Contributory Service Minimum Benefit set forth in Article III, Section A(d) and (e) of the Plan, the amount of the employee's benefit under these Plan provisions will continue to be measured by using the lower of the contribution rate of that Employee's Employer as of December 31, 2004 or the rate in effect on or after January 1, 2005. As in the past, an Employee will receive the ***higher*** of the Special Minimum Benefit/Contributory Service Minimum Benefit he/she has earned or the accrued benefit calculated as set forth above.

Please see the reverse side of this Notice for answers to frequently asked questions.

FREQUENTLY ASKED QUESTIONS ABOUT THESE PENSION CHANGES

1. ***Are the pension benefits I've already earned being cut?***

   No. The benefits you've already earned, up to December 31, 2010, have not been cut or reduced in any way. The January 1, 2011 changes will affect the rate at which you earn benefits going forward. Future benefits will build up slower because the accrual rate will be lowered. In addition, early retirement subsidies with respect to vesting and benefit service earned on and after January 1, 2011 are being eliminated going forward and may affect your monthly benefit depending upon the age at which you begin to receive monthly retirement benefits.

2. ***Why did the Trustees take this action?***

   The Board of Trustees did not have a choice but to make these changes in order to stabilize the Fund's funding status as required by a federal law known as the Pension Protection Act ("PPA"). This law was enacted in 2006 and became effective as of January 1, 2008. The Fund Actuary certified the Plan as "seriously endangered" as of January 1, 2010. The PPA requires that the Plan's Trustees adopt a "Funding Improvement Plan" ("FIP") to stabilize the Plan's funding. The FIP, developed by the Trustees working Plan professionals, provides for adjustments in the future rate of benefit accrual, as well as requiring mandatory increases in the employer's contribution rate. On November 2, 2010, the Trustees adopted the FIP required by the PPA. The FIP modifies the Plan by adjusting the benefit accruals and early retirement subsidies as described on the front page of this Notice.

3. ***I'm already collecting my monthly retirement benefit. How will these changes affect me?***

   These changes do not affect you at all.

4. ***I'm 47 years old and have already earned 25 years of benefit service. Must I now wait until I'm 55 to collect an unreduced pension?***

   No. Because you've earned 25 years of benefit service prior to January 1, 2011, you can retire at any time with an unreduced pension based upon your benefit accruals as of December 31, 2010. If you continue to work to age 55 and thereafter retire, all of your benefit accruals earned both before and after December 31, 2010 will be payable to you without any reduction for early retirement (but will be reduced if a joint and survivorship option is selected).

5. ***I'm 48 and have earned 24 years of benefit service. I was planning to work two more years and retire at age 50. Is the '25 and out" benefit "out the window" for me?***

   Not at all. Your accrued benefit as of December 31, 2010 represents the unreduced accrued value of your 24 years of benefit service as of December 31, 2010. If you eventually "grow into" the 25 and out benefit by earning at least one more year of benefit service, you will receive the higher of your December 31, 2010 accrued benefit (unreduced) or all of your service (pre- and post -December 31, 2010) reduced by the applicable early retirement factor (depending upon your age when you commence benefits). In this example, if you retire at age 50, your December 31, 2010 accrued benefit will, in all likelihood, represent the higher of those two benefit calculations.

6. ***What happened to the '30 vested years and out" early retirement feature?***

   Going forward, the "30 vested years and out" benefit has been eliminated. However, much like the "25 and out" benefit, service that you earned under the "30 and out" program prior to January 1, 2011 cannot be taken away from you. Thus, if you had less than 30 vested years prior to January 1, 2011 and you continue to work after January 1, 2011 and thereafter earn a total of 30 vested years (both pre- and post-January 1, 2011 service), you can, when you retire, receive no less than your accrued benefit as of December 31, 2010 (before any reduction for joint and survivorship benefits).

7. ***How are the Plan's pension funds invested? Are the funds safe?***

   Yes. The Plan's assets are invested for the long term in diversified portfolios carefully and professionally managed by independent third party firms. The investment policies that have been set are designed to balance risk with investment returns. In fact, because the Fund's assets are so carefully diversified, the Philadelphia Fund has fared far better than many other pension funds during the market downturn. A number of large pension funds, including Central States, New England, Upstate New York, Hagerstown, Local 707 and others find themselves in "critical" status under the PPA, with their participants losing some of the benefits that had previously been earned.

8. ***Can I keep track at the rate at which I continue to earn benefits?***

   Yes. This information is available to you on the Fund's secure web site. Go to www.teamsterfunds.com, click on "For Members," then click on "Secured Member Access." You will be prompted to register, and once registered, you can monitor your benefit accrual at any time, 24 hours a day, 7 days a week. Keep in mind that your accrued benefit will not change from the level that you see as of December 31, 2010 until you have worked at least 750 hours of Covered Employment (94 covered days) during the 2011 Plan year. Also, keep in mind that contributions are not reported by contributing employers until the end of the month following the month in which the hours were worked. For example, time worked in January is not reported to the Fund until the end of February, and would not be available to view until early March.

9. ***What if I have other questions?***

   Should you have any questions concerning your pension benefits, please feel free to contact our Pension representatives at 1-800-523-2846. These representatives are available to answer your questions Monday, Tuesday, Thursday and Friday from 7:30 a.m. to 5:00 p.m., and on Wednesdays from 8:00 a.m. to 8:00 p.m. In addition, feel free to use the e-mail feature on the Fund's web site to e-mail your question(s) to our Pension Department. Generally, answers to these e-mails are forwarded within 48 hours of receipt.