

September 12, 2008

Dear Participant:

Over the last five years, the cost of providing health care to retirees has increased 75.7%. This significant escalation in cost has required the Trustees to take a serious look at the level of retiree coverage made available and to agree that a change is necessary.

The Change

Effective for those retiring on or after January 1, 2009 and eligible to purchase retiree health care (ZR), the following limits will apply:

If retiring with 30 or more years of Benefit Accrual Service in the Teamsters Joint Council No. 83 of Virginia Pension Fund	No change.
If retire with less than 30 years of Benefit Accrual Service or no service in the Teamsters Joint Council No. 83 of Virginia Pension Fund	A limit of 8 years of retiree coverage access

- Those with 30 or more years of benefit accrual service in the Teamsters Joint Council No. 83 of Virginia Pension Plan

There is no change to your access or length of time you may enjoy Joint Council 83 supplied retiree health coverage. If you retire at 53 years old after having earned 32 years of service credit, your ability to purchase retiree health care until reaching the current limit of 65 years of age remains intact.

- Those with under 30 years of Benefit Accrual Service or no service in the Teamsters Joint Council No. 83 of Virginia Pension Fund

You are now limited to a total of 8 years or 96 months of access to retiree health care. You are free to choose when to begin your 96 months and may come on and go off the program as seen fit as long as during the breaks in coverage you maintain eligibility under a comprehensive medical program such as your spouse's employment based coverage.

Example: John Doe retires December 1, 2008 under a 25-and-out benefit. Because his wife's insurance can cover him at \$50/month, he elects to postpone his use of the 96 months of retiree benefits available to him and his family under the Joint Council 83 retiree insurance program. One year later, his wife loses her job. Mr. Doe may then begin his use of Teamster retiree benefits as he has been covered under his wife's comprehensive medical program. However, 6-months later his wife finds another job that provides free health care to the family. Mr. Doe may terminate his use of retiree coverage until a later date thus preserving the 90 months that remain. As long as he and his eligible dependents are covered under a comprehensive medical care program in between use of his Joint Council 83 retiree insurance, Mr. Doe can come on and go off coverage as often as he desires until the full 96 months has been exhausted or becoming eligible for Medicare, whichever comes first.

Voluntary Contributions

In the same meeting, the Board of Trustees modified the formula applicable to the purchase of Benefit Accrual Service credits that allow a participant to reach a total of 20, 25 or 30 years of Benefit Accrual Service.

If desiring to purchase the 18th, 19th, 20th, 23rd, 24th, 25th or 28th, 29th or 30th year or any part thereof, you must remit an amount equal to 52 times the contribution amount currently made to the Fund by your employer.

Example: Jane Doe has accumulated 24.25 years of Benefit Accrual Service as of December 31, 2008. She desires to retire January 1, 2009 so elects to purchase the final .75 credits to reach the highly valued mark of 25.0 credits and thus retire without regard to age. Since she works for Roadway Express, she will be required to remit the following amount to purchase the .75 year she desires:

Roadway Express weekly contribution rate in effect at time of voluntary contribution payment	\$301.60
	<u> x 52</u>
Amount payable to Pension Fund for .75 credit	\$15,683.20

Example: John Retiree desires to retire with 30 years of Benefit Accrual Service so he can preserve his ability to purchase retiree insurance from the Joint Council 83 Fund until becoming eligible for Medicare. He desires to retire February 1, 2009 and ends 2008 with 29.75 Benefit Accrual Service credits. Therefore, he needs to pay for .25 credits to reach 30. In addition, he desires to work through January 31, 2009 in order to ensure his employer remits 4 weeks of contributions to the Joint Council 83 Pension Fund so that his bill from the Fund Office will be reduced. As an employee of UPS, Mr. Doe's billing by the Fund Office would be calculated as follows:

UPS weekly contribution rate in effect at time of voluntary contribution payment	\$309.60
	<u> x 52</u>
	\$16,099.20
Less: four weeks paid by UPS For work performed in January, 2009	<u> 1,238.40</u>
Amount payable to the Pension Fund for .25 credit	\$14,860.80

Feel free to call if you have any questions.

Very truly yours,

Michael M. McCall, CEBS
Executive Director