



Western Conference of Teamsters Pension Trust

An Employer-Employee Jointly Administered Pension Plan - Founded 1955

2010 ANNUAL FUNDING NOTICE

FOR THE WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

Introduction

This notice includes important funding information about your pension plan (“the Plan”). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. All traditional pension plans (called “defined benefit pension plans”) must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning January 1, 2010 and ending December 31, 2010 (referred to hereafter as “2010 Plan Year”).

How Well Funded Is Your Plan

Under federal law, the plan must report how well it is funded by using a measure called the “funded percentage.” This percentage is obtained by dividing the plan’s assets by its liabilities on the Valuation Date for the Plan Year. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the 2010 Plan Year and each of the two preceding Plan Years is set forth in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

	<u>Plan Year 2010</u>	<u>Plan Year 2009</u>	<u>Plan Year 2008</u>
Valuation Date	January 1, 2010	January 1, 2009	January 1, 2008
Funded Percentage	89.3%	85.1%	97.1%
Value of Assets	\$30,734,945,000	\$28,541,798,000	\$31,398,542,000
Value of Liabilities	\$34,414,558,000	\$33,536,710,000	\$32,342,445,000

Note: The Plan’s funded percentage for the 2011 Plan Year, determined as of January 1, 2011, is projected to be 93.4%.

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as the Valuation Date for the Plan Year and are actuarial values. Because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes. The asset values below are market values and are measured as of the last day of the Plan Year, rather than as of the Valuation Date. Substituting the market value of assets for the actuarial value used in the above chart would show a clearer picture of a Plan’s funded status as of the Valuation Date. The fair market value of the Plan’s assets as of the last day of the 2010 Plan Year and each of the two preceding plan years is shown in the following table:

	<u>December 31, 2010</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Fair Market Value of Assets	\$29,164,796,854	\$26,672,575,829	\$24,956,350,043

Note: The value of plan assets shown as of December 31, 2010 is an estimate based on the most accurate unaudited financial information available at the time this notice was prepared. The final audited information on the Plan’s assets will be reported on the Plan’s Form 5500 for 2010 filed with the Employee Benefits Security Administration later this year.

Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in “endangered” status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in “critical” status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was not in endangered or critical status in the 2010 Plan Year. Based on actuarial projections that take into account funding relief elections the Trustees have made under the Pension Relief Act of 2010, the Plan is not in endangered or critical status in the current Plan Year (2011).

For further information on the Plan’s 2011 funded status, go to the Plan’s website at:

http://www.wctpension.org/downloads/documents/WCTPT_PPA_Actuarial_Certification_with_Explanation_2011.pdf.

Participant Information

The total number of participants in the Plan as of the Plan’s valuation date was 534,907. Of this number, 220,271 were active participants, 127,053* were retired or separated from service and receiving benefits, 172,118 were retired or separated from service and entitled to future benefits, and 15,465 were deceased participants whose beneficiaries are receiving benefits.* [*These participant counts do not include 55,820 individuals receiving benefits under the Plan to whom Prudential Insurance Company has made an irrevocable commitment to pay all the benefits to which they are eligible under the Plan. When they are included in the count, there are a total of 590,727 individuals receiving Plan benefits.]

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for benefits promised under the plan currently and over the years. Plan benefits are funded by employer contributions and investment returns on those contributions. Employer contributions are based on hours worked multiplied by an hourly contribution rate established through collective bargaining. The Plan’s funding policy provides that based on the level of those employer contributions and the investment performance of the Plan’s assets, the Trustees will establish and adjust the levels of Plan benefits as necessary to satisfy the minimum funding standards of ERISA and the Internal Revenue Code. The funding policy works in coordination with the Plan’s investment policy by spreading investment gains and losses over several years, helping to reduce volatility in the value of Plan assets recognized for funding purposes.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries, who make specific investments in accordance with the plan’s investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The Plan’s investment policy is to maintain a diversified portfolio of investments managed by professional investment managers and spread across a broad range of asset classes. Although individual investment categories within the portfolio may have different risk and return characteristics, the risk profile of the Plan’s overall investment portfolio is conservative in nature. The Investment Committee of the Trustees, working closely with experienced consultants and investment managers, monitors and makes appropriate changes to the Plan’s investments, seeking to achieve consistent investment performance over the long term in a variety of economic and investment conditions.

Under the Plan’s investment policy, the Plan’s assets were allocated among the following categories of investments as of the end of the 2010 Plan Year. These allocations are percentages of total assets:

ASSET ALLOCATIONS	PERCENTAGE
1. Interest-bearing cash	1.23%
2. U.S. Government securities	20.67%
3. Corporate debt instruments	20.97%
4. Corporate stocks	5.66%
5. Partnership/joint venture interests	7.30%
6. Real estate	6.03%
7. Loans	0.20%
8. Value of interest in common/collective trusts	30.86%
9. Value of interest in pooled separate accounts	4.44%
10. Value of funds held in insurance co. general account (unallocated contracts)	0.53%
11. Buildings and other property used in Plan operation	0.05%
12. Value of interest in 103-12 investment entities	2.06%

For information about the Plan’s investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, or 103-12 investment entities – contact Michael M. Sander, Administrative Manager, at (206) 329-4900, Western Conference of Teamsters Pension Plan, 2323 Eastlake Avenue East, Seattle, WA 98102.

Events Having a Material Effect on Assets or Liabilities

Federal law requires the plan administrator to provide in this notice a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets. Material effect events are occurrences that tend to have a significant impact on a plan’s funding condition. An event is material if, for example, it is expected to increase or decrease Total Plan Assets or Plan Liabilities by five percent or more. For the plan year beginning on January 1, 2011, and ending on December 31, 2011, the following events are expected to have such an effect: As outlined in the “Notice of Election of Special Funding Rules Under the Pension Relief Act of 2010” that is being provided to you at the same time as this notice, the Plan’s Trustees have elected to apply the permitted “extended amortization of investment losses” and “expanded asset smoothing” to the Plan’s investment losses incurred in 2008. As a result of these elections, the Actuarial Value of Assets projected to December 31, 2011, is \$33,151,000,000 rather than \$29,692,000,000.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report called the Form 5500 that contains financial and other information about the plan. The Plan’s 2008 and 2009 annual reports are available now. The Plan’s 2010 annual report will be available after it is filed with the US Department of Labor in mid-October 2011. You may obtain a copy of the Plan’s annual report free of charge by going to the Plan’s website at <http://www.wctpension.org/downloads/documents/> or by making a written request to Michael M. Sander, Administrative Manager, Western Conference of Teamsters Pension Plan, 2323 Eastlake Avenue East, Seattle WA 98102. There will be a charge for the annual report to cover copying costs. In addition, copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration’s Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling (202) 693-8673. For 2009 and subsequent plan years, you also may obtain an electronic copy of the Plan’s annual report once it is filed with the Department of Labor by going to www.efast.dol.gov and using the Form 5500 search function. Individual information, such as the amount of your accrued benefit under the plan, is not contained in the annual report. If you are seeking information regarding your benefits under the plan, contact the plan administrator identified below under “Where To Get More Information.”

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. The plan administrator is required by law to include a summary of these rules in the annual funding notice. Under so-called “plan reorganization rules,” a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC’s guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The Plan is required to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan’s available resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan’s financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the plan’s monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC’s maximum guarantee, therefore, is \$35.75 per month times a participant’s years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant’s years of service ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ($.75 \times \$33$), or \$35.75. Thus, the participant’s guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 ($.75 \times \$9$), or \$17.75. Thus, the participant’s guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person’s monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan’s termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact Michael M. Sander, Administrative Manager, at (206) 329-4900, Western Conference of Teamsters Pension Plan, 2323 Eastlake Avenue East, Seattle WA 98102. For identification purposes, the official Plan number is 001 and the Plan sponsor’s employer identification number or “EIN” is 91-6145047. For more information about the PBGC and benefit guarantees, go to PBGC’s website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).