TEAMSTERS

Summary Plan Description
2011 Edition

Hagerstown Motor Carriers and Teamsters Pension Plan

10312 Remington Drive
Hagerstown, MD 21740
(301) 733-2602

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General Teamsters and
Allied Workers Local 992

HAGERSTOWN MOTOR CARRIERS AND TEAMSTERS PENSION PLAN

SUMMARY PLAN DESCRIPTION

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TABLE OF CONTENTS

I. INTRODUCTION

ABOUT YOUR PENSION PLAN

We are pleased to provide you with a copy of the Year 2011 Summary Plan Description of the HAGERSTOWN MOTOR CARRIERS AND TEAMSTERS PENSION PLAN. This Summary applies to anyone who works in Covered Employment on or after February 1, 2011.

As required by the Pension Protection Act of 2006, the Trustees have made significant changes since the last summary plan description was published in 2005. The Trustees expect that these changes and improved investment returns will stabilize the Fund and protect your benefits.

This booklet presents questions and answers which illustrate the key ideas contained in the Pension Plan. However, these questions and answers are not intended to change in any way your rights as determined under the provisions of the Pension Plan Document. In the event there is an inconsistency between the Plan document and this Summary Plan Description, the terms of the Plan Document will control. Therefore, you must consult the actual Plan for a definitive answer to any question you have concerning your rights. You must also understand that only the full Board of Trustees is authorized to interpret the Pension Plan described in this booklet. No employer or union, nor any representative of any employer or union, is authorized to interpret this Plan, nor can any such person act as an agent of the Board of Trustees.

We urge you to read this Summary Plan Description carefully in order to generally familiarize yourself with the retirement protection offered you by the Plan. If you have any questions after reading this booklet or if you would like to discuss the details further, contact the Fund Office at (301) 733-2602. They will be glad to help you.

Also, please remember to keep the Fund Office advised of your current mailing address to insure that you receive all required communications.

Sincerely,

Board of Trustees

II. BENEFITS AVAILABLE UNDER THE PLAN

A. What benefits are provided under the Hagerstown Motor Carriers and Teamsters Pension Fund?

The Hagerstown Motor Carriers and Teamsters Pension Fund provides the following benefits:

1. Normal Retirement at age 62, after you have at least 5 Years of Participation. However the transition from the Normal Retirement Age of 57 will be eased by a "wear away" system. (See p. 11.)

2. 30-and-Out Pension at any age, after you have at least 30 years of Credited Service, including 10 years of Future Credited Service, provided you had 30 or more Years of Service as of February 1, 2011. (See p. 9.)

3. Early Retirement Benefit as early as age 52, when you have at least 15 years of Credited Service, including 5 years of Future Credited Service. (See p. 11.)

4. Disability Benefit if you become disabled under the Social Security Act while in Covered Employment after you have 5 years of Future Credited Service. (See p. 14.)

5. Deferred Vested Benefit payable at age 62 (or a reduced benefit payable as early as age 52) if you leave the Fund after you have at least 5 Years of Participation, but are not eligible to receive an immediate benefit. (See p. 13.)

6. Pre-Retirement Survivor Benefit for your surviving spouse if you die after you have at least 5 Years of Participation. (See p. 17.)

7. Partial Pension based upon your service under this Plan and a Related Plan. (See p. 19.)

B. How do I determine my benefit if I last worked in a job covered by the Plan before February 1, 2011?

If you last worked in Covered Employment before February 1, 2011, this Booklet does not apply to you. Instead, your benefits are determined under the terms of the Plan in effect at the time you left Covered Employment. In addition, you may be entitled to retiree increases adopted by the Trustees. To learn more about your benefit, please contact the Fund Office.

C. What happens if I was not working in Covered Employment at the time some of the benefits described in this Booklet were adopted?

Over the years, the Trustees have adopted numerous benefit increases that are applicable to Participants who were working in Covered Employment on the Effective Date of the increase. If you terminated your Covered Employment prior to the effective date of such an amendment, but later returned to Covered Employment, your benefit may be subject to one of the Plan's Special Transition Rules. To determine if your benefit is subject to one of these Transition Rules, and to learn how it affects you, please contact the Fund Office.

III. SERVICE UNDER THE PLAN

A. Am I covered by the Plan?

You are covered by the Pension Plan if you work under a Collective Bargaining Agreement between an Employer and a Union whose collective bargaining contract provides for the payment of contributions on your behalf to the Hagerstown Motor Carriers and Teamsters Pension Fund.

B. Do I pay anything?

You do not pay any contributions. All benefits are paid from the Trust Fund out of Employer Contributions and the Fund's income on investments.

C. What happens to these contributions?

The contributions paid by your Employer to the Plan are held in trust, and invested by professional asset managers under the direction of the Trustees. Your benefits will be payable directly from the trust fund.

D. How are benefits determined and provided?

The benefits payable from this Plan are determined under a formula which reflects your years of Credited Service, as well as your Employer's contribution class.

E. What is Covered Employment?

Covered Employment is employment for which your Employer is obligated to make contributions to the Fund on your behalf.

F. What is Credited Service?

Credited Service is the sum of Past Credited Service and Future Credited Service.

G. What is Future Credited Service?

You earn Future Credited Service by working in Covered Employment. No more than 12 months of Credited Service can be earned in any Calendar Year.

H. How do I earn Past Credited Service?

You are eligible to receive Past Credited Service if you were working for your Employer at the time it first became obligated to contribute to the Plan, and it was immediately obligated to begin making contributions on your behalf. If your Employer entered this Plan on or after November 30, 1994, you will receive one month of Past Credited Service for each month of Future Credited Service you earn with that employer. The most Past Credited Service you can receive is your total number of years and completed months of continuous employment with that Employer before it became obligated to make contributions, up to a total of ten years.

I. Is there a limit on the amount of Future Credited Service I can earn?

No. There is no maximum limitation on years of Future Credited Service. However, the total of Past Service Credit and Future Service Credit cannot exceed 35 years unless you already had more than 35 Years of Credited Service on February 1, 2011. If you had more than 35 Years of Credited Service on February 1, 2011, you will not lose anything, but you will not earn additional Years of Future Credited Service.

J. How do I calculate my Credited Service?

You must add up your total number of years and months of Credited Service. Each year of Credited Service consists of 12 months of Credited Service.

K. If I worked as a Casual Employee, how do I calculate my Credited Service?

If you worked as a Casual Employee for an Employer who is required to contribute to the Plan on your behalf on a daily, rather than a monthly, basis, you will receive one Month of Credited Service for each 20 days of Casual Service. The amount of your benefit for each such month of Casual Service will be the same as if you worked a month for a Class C Employer (See Table I). However, you cannot earn Casual Service in any month for which an Employer makes a monthly contribution on your behalf, nor can you earn more than 12 months of service within a calendar year.

L. Why are Years of Participation important?

Years of Participation are important because they are used to determine:

– when you become Vested in this Plan, which means that you have earned a nonforfeitable right to benefits due to you -- even if you leave Covered Employment before retirement.

– whether you have had a Break in Service;

– whether your spouse is entitled to a benefit if you die before retirement.

M. How do I become Vested under the Plan?

You become Vested under the Plan when you accumulate five Years of Participation. Once you are vested, you have a nonforfeitable right to receive a pension.

N. How do I earn "Years of Participation"?

If your Employer makes contributions on your behalf for at least 5 months during a calendar year, you will be credited with one Year of Participation. Of course, you can not earn more than one Year of Participation during any 12 month period.

For service before 1976, You will be granted one Year of Participation for each full year of future Credited Service. In addition, if you still have at least five completed months of Future Credited Service left over, you will also be granted one more Year of Participation.

O. Is there a difference between Years of Participation and Years of Credited Service?

Yes. Years of Participation are used in determining whether you have a <u>right</u> to retirement benefits under the Plan and whether you have had a Break in Service. Years of Credited Service are used in determining the <u>amount</u> of your retirement benefits.

EXAMPLE 1 -- Distinguishing Years of Credited Service and Years of Participation

The following table illustrates the difference between Years of Credited Service and Years of Participation after January 1, 1976:

If you worked:		You would have:	
<u>Year</u>	<u>Months Worked</u>	<u>Credited Service</u>	<u>Years of Participation</u>
1990	5 Months	5 Months	1 Year
1991	12 Months	1 Year	1 Year
1992	7 Months	7 Months	1 Year
1993	4 Months	4 Months	0
1994	3 Months	3 Months	0
1995	0 Months	0 Months	0
TOTAL:		2 Years and 7 Months	3 Years

P. What is a Break in Service?

A "Break in Service" occurs when you have been out of Covered Employment for a sufficiently long period of time, if you have not yet vested. For an absence beginning after January 1, 1976, but prior to January 1, 1987, you will incur a Break in Service if no contributions were made to the Plan on your behalf for an unbroken string of years which lasts as long as your total number of Years of Participation. For an absence beginning after January 1, 1987, a Break in Service cannot occur unless the unbroken string of years in which no contributions are made on your behalf lasts the greater of five years or your total number of Years of Participation. Once you have Vested, you cannot have a Break in Service.

Q. Are there any absences from work which will not be counted against me in figuring if I have had a Break in Service?

Yes, provided that you return to Covered Employment immediately following such absences. These absences are:

1. Intervals of not more than six months arising out of transfers of employment among covered Employers.

2. Layoffs not exceeding three years.

3. Authorized strikes.

4. Lockouts.

5. Service in the Armed Forces, provided that you return to Covered Employment within the time periods set forth in the Uniformed Services Employment and Reemployment Rights Act ("USERRA") 38 U.S.C. §4312(e)(1)(A)(I). USERRA contains different requirements for the time of return to Covered Employment based upon the length of active duty in the Uniformed Service. Consult the Fund Office if you have any questions about your obligation to return to Covered Employment.

6. Periods of not more than three years arising out of sickness or injury.

7. Authorized Union duties or authorized transfers from Union to Non-Union employment with an Employer so long as contributions are made by the Employer; however, with respect to such Non-Union employment, an Employer may not make such contributions for more than twelve (12) months beginning on the first day of the month coinciding with or immediately following the date that such Non-Union employment starts.

8. (After January 1, 1987) Paternity or Maternity Leave, including leave relating to your adoption of a child, for no more than one year.

R. What happens if I have a Break in Service?

If you incur a Break in Service before you have vested, all of your Credited Service and Years of Participation will be completely lost. Once you are Vested, you cannot lose your Credited Service and Years of Participation.

EXAMPLE 2 -- Break in Service

The following table illustrates how you might incur a Break in Service:

If you worked:		You would have:	
Year	Months Worked	Credited Service	Years of Participation
1983	6 Months	6 Months	1 Year
1984	12 Months	1 Year	1 Year
1985	7 Months	7 Months	1 Year
1986	4 Months	4 Months	0 Year
1987	3 Months	3 Months	0 Year
1988	0 Months	0 Months	0 Year
1989	0 Months	0 Months	0 Year
1990	0 Months	0 Months	0 Year
1991	0 Months	0 Months	0 Year
1992	0 Months	0 Months	0 Year
Total		2 Years 8 Months	3 Years

Termination Date: End of March in 1987 when last contribution was paid.

Break in Service: Because you left after January 1, 1987, you cannot have a Break in Service unless the unbroken string of years in which no contributions are made on your behalf lasts the greater of five years or your total number of Years of Participation. Therefore, in the above example, you would not have had a Break in Service until the end of 1992 after you were off for five years, even though the number of consecutive years you were off work exceeded your Years of Participation as early as March 1990. If you had returned to work before March 1992, your previous service would have been preserved.

S. What happens if I die or become disabled while in Military Service?

A Participant who dies while performing qualified military service within the meaning of the Heroes Earnings Assistance and Relief Tax ("HEART") Act will be treated as if he had returned to Active Employment with his last Contributing Employer on the day preceding his death and then terminated such employment on the date of his death.

A Participant who becomes disabled while performing qualified military service within the meaning of the Heroes Earnings Assistance and Relief Tax ("HEART") Act will be treated as if he had returned to Active Employment with his last Contributing Employer on the day preceding his disability and then terminated such employment on the date of his disability.

IV. NORMAL RETIREMENT BENEFIT

A. When can I retire with a Normal Retirement Benefit?

You can retire with a Normal Retirement Benefit once you have reached age 62 and have accumulated at least 5 Years of Participation. However the transition from the Normal Retirement Age of 57 will be eased by a "wear away" system. (See p. 11)

B. If I retire at Normal Retirement, how is my Monthly Pension determined?

The amount of your pension will depend on the number of years and months of Credited Service you have at retirement and the Unit Multiplier applicable to your Employer's Contribution Class. The Employer Contribution Classes and corresponding Multipliers are shown in Table I. The amount of your Normal Retirement Benefit is the product of your number of years of Credited Service multiplied by the Multiplier for your Employer's Contribution Class. This can be shown as the following equation:

$$\text{Years of Credited Service} \times \text{Multiplier} = \text{Monthly Benefit}$$

This amount is the Normal Retirement Benefit payable as a Level Monthly Pension (i.e., in equal payments for your life).

EXAMPLE 3 – Normal Retirement Pension

Assume that you intend to retire at age 62 on January 1, 2012, that your Employer is in Contribution Class A and that you estimate that your Credited Service will be as follows:

- Past Credited Service: 8 years
- Future Credited Service: 16 years

Your total Credited Service is the sum of your Past and Future Credited Service, for a total of 24 years.

The Unit Multiplier shown in Table I for Class A is $120 for work performed before February 1, 2011 and $90 for work performed after February 1, 2011.

Your Level Monthly Pension is your Credited Service times your Unit Multiplier:

23 x $120 = $2,760.
1 x $90 = $90
$2,760 + $90 = $2,850

C. How is my Employer's Contribution Class determined?

Your Employer's Contribution Class is based upon the monthly rate of contributions your Employer makes to the Plan for each Covered Employee. A list of Employers in each Contribution Class may be obtained from the Fund Office.

D. If I Worked More than 20 Years, Is There a Minimum Benefit?

The Trustees eliminated the "20-Year Minimum Benefit" because the Normal Retirement Age benefit for a Participant with 20 years exceeded the Minimum Benefit.

E. Do I get anything extra for working past age 62?

Yes. Participants whose benefits are suspended because they continue to work in Covered Employment after Normal Retirement Age will continue to accrue service credit instead of an actuarial increase for late retirement. In addition, Participants working in Covered Employment on January 1, 1999 will receive an additional 0.25% per month (3 % per year) of Credited Service worked past Normal Retirement Age.

V. 30-AND-OUT PENSION

A. When can I retire with a 30-and-Out Pension?

You can retire with a 30-and-Out Pension at any age once you have earned at least 30 Years of Credited Service, including at least 10 years of Future Credited Service, and had 30 Years of Service Credit on February 1, 2011. After February 1, no Participant can retire with a 30-and-out benefit unless they had earned the 30 Years of Credited Service before February 1, 2011.

B. How much is my 30-and-Out Pension?

If you are eligible to retire with a 30-and-Out Pension, the amount of your pension will be ***the greater of*** the amount of your Normal Retirement Pension (see page 11) and the amount of the 30-and-Out Minimum Benefit shown in Table II for your Employer's contribution class.

EXAMPLE 4 – 30-and-Out Pension

Assume that you intend to retire at age 54 on February 1, 2011, that your Employer is in Contribution Class A and that you estimate that your Credited Service will be as follows:

- Past Credited Service: 10 years
- Future Credited Service: 24 years

Your Credited Service is calculated as follows:

The total of your Past Credited Service and Future Credited Service is:

10 + 24 = 34 years

Because your benefit is the ***greater of*** your Normal Retirement Benefit and the Minimum 30-and-Out Pension, you need to calculate both numbers to see which is larger. Your Normal Retirement Benefit is:

(34 x $120) = $4,080

Your Minimum 30-and-Out Benefit is $3,000 plus $100 for each year over 30 to a maximum of 35. However, if you already have more than 35 years of Credited Service, you will not lose any years you previously earned. Therefore, the Minimum 30-and-Out Benefit is:

$3,000 + (4 x $100) = $3,400

Because the Normal Retirement Benefit is greater, even though you will only be age 54, you will be able to retire with a Level Monthly Pension of $4,080.

VI. EARLY RETIREMENT BENEFITS

A. Does the Plan allow me to retire before I reach age 62?

Yes. If you are eligible for the 30-and-Out Benefit, you may retire at any age. (See pages 9 for further explanation.) You are also eligible to retire with an Early Retirement Benefit upon reaching age 52 when you have at least 15 years of Credited Service including 5 years of Future Credited Service.

B. If I plan to retire with an Early Retirement Benefit, how can I estimate my own pension?

Because the Fund has changed the Normal Retirement Age, the calculation of your Early Retirement Benefit requires a two-step calculation. You are entitled to the higher of two calculations.

First calculation: Calculate the Normal Retirement Benefit as of February 1, 2011 in the form of a Level Monthly Pension that would be payable if you were eligible for Normal Retirement on your early retirement date. See page 8. To calculate your Early Retirement Reduction Factor, multiply the number of months that your early retirement date precedes your 57th birthday by ½%. For example, if you plan to retire exactly one year before your 57th birthday, your Early Retirement Reduction Factor would be:

12 months x ½% = 6%.

Subtract the percentage obtained in step 2 from 100% (for example, 100% - 6% = 94%), and multiply that percentage times the amount of the Normal Retirement Benefit. The result is the approximate minimum Monthly Level Pension you will receive on your early retirement date.

Second calculation: Calculate your total accrued monthly benefit amount at retirement. Then reduce that amount by five-tenths of one percent (0.5%) for each month that your first Pension Benefit Date precedes your 62nd birthday. You will receive this amount if it is higher than the minimum provided in the first calculation.

If your pension will be paid as a Joint and Survivor Benefit, you must reduce the Level Monthly Pension by the appropriate reduction factor. See p. 17 for instructions on how to calculate the amount of the reduction.

EXAMPLE 5 – Calculating Early Retirement Benefits

Assume that you are 50 years old with 20 Years of Credited Service on February 1, 2011 Assume that your Employer is in Contribution Class A.

Age	End of Year	Benefit Earned	Total Benefit	Early NRA at 57	Retirement Under Old System; Benefit Fixed at 2/1/11	Early NRA at 62	Retirement Under New System	New Plan Greater?
50	2010		$2,400.00		NA		NA	
51	2011	$92.50	$2,492.50		NA		NA	
52	2012	$90	$2,582.50	70%	$1,680	40%	$1,033.00	No
53	2013	$90	$2,672.50	76%	$1,824	46%	$1,229.35	No
54	2014	$90	$2,762.50	82%	$1,968	52%	$1,436.50	No
55	2015	$90	$2,852.50	88%	$2,112	58%	$1,654.45	No
56	2016	$90	$2,942.50	94%	$2,256	64%	$1,883.20	No
57	2017	$90	$3,032.50	100%	$2,400	70%	$2,122.75	No
58	2018	$90	$3,122.50		$2,400	76%	$2,373.10	No
59	2019	$90	$3,212.50		$2,400	82%	$2,634.25	Yes
60	2020	$90	$3,302.50		$2,400	88%	$2,906.20	Yes
61	2021	$90	$3,392.50		$2,400	94%	$3,188.95	Yes
62	2022	$90	$3,482.50		$2,400	100%	$3,482.50	Yes

Under the Old System, you had earned a total monthly benefit of $2,400 in 2010 after completing 20 Years of Credited Service under the $120 Multiplier. Each subsequent year adds $90.00 to your monthly benefit. You cannot receive an Early Retirement Benefit until you reach Age 52. After reaching age 52, your benefit is reduced by ½% for each month your age is below 57.

Under the new system, you need two calculations. First, you calculate your monthly retirement benefit under the old system. This produces your minimum Early Retirement Benefit. In Example 5, if you retire at age 54, your monthly benefit would be $1,968. Note that your monthly Early Retirement Benefit is capped at $2,400, the amount of your accrued benefit as of February 1, 2011

Second, you must calculate your benefit under the new system. Your Total Benefit is reduced by ½% for each month that your age is below 62. In Example 5, if you retire at age 54, your monthly benefit would be $1,435.20. BECAUSE YOUR MONTHLY BENEFIT UNDER THE NEW SYSTEM IS LESS THAN THE MONTHLY BENEFIT UNDER THE OLD SYSTEM, YOU WOULD RECEIVE THE BENEFIT CALCULATED UNDER THE OLD SYSTEM, OR $1,968. When you reach age 59, the new system produces a higher monthly benefit. Note that if you continue working to Normal Retirement Age 62, the systems produce the same result - no early retirement reduction.

The Fund Office staff can help you with these calculations. Please call (301) 733-2602 for assistance.

VII. DEFERRED VESTED PENSION BENEFITS

A. If I terminate Covered Employment before I am eligible to retire, will I get a pension when I retire?

Yes, if you are vested at the time you leave. See p. 5 for an explanation of vesting. Additionally, if you leave Covered Service after you become vested but before you are eligible to retire, your Credited Service and Years of Participation earned before you left will not be lost. See p. 6 for a description of Break in Service.

B. What happens if I terminate Covered Employment after I have Vested?

If you leave the Fund after becoming Vested, you will be sent a statement by the Fund Office that will state your Future Retirement Benefit.

In order to retire with a Deferred Vested Pension Benefit, you must meet the same eligibility requirements as you would under Normal and Early Retirement. Thus, you may retire with full benefits when you reach age 62, or with a reduced pension at age 52 if you have at least 15 years of Credited Service of which at least 5 are Future Credited Service.

C. How do I estimate my Deferred Vested Pension Benefit?

Your Deferred Vested Pension Benefit is calculated in exactly the same manner as your Normal Retirement Benefit (if you retire at your Normal Retirement Age) or as your Early Retirement Benefit (if you retire earlier). However, the amount of your monthly pension is determined by the Unit Multiplier and maximum years of Credited Service in effect for your Employer's Contribution Class on your Termination Date. See Table I for a list of applicable Unit Multipliers.

The options available when you retire with a Deferred Vested Pension Benefit are the same as if you had retired normally or early under the Plan.

D. If I leave the Plan, what is my Termination Date?

Your Termination Date would be the last day of the period for which a contribution was due to be made to the Plan on your behalf.

VIII. DISABILITY BENEFITS

A. Does the Plan provide me with any protection if I become disabled while working in Covered Employment?

Yes. If you have earned at least five years of Future Credited Service and are awarded Disability Benefits under the Social Security Act while in Covered Employment, you will be eligible for a Disability Pension payable during the period of your disability. In order to receive your benefit, you must submit a copy of your "Certificate of Social Security Insurance Award" granted by the Social Security Administration to the Fund Office for approval.

B. If I become disabled, will I receive my Disability Benefit for as long as I live?

Not necessarily. You will receive your disability benefit only for as long as you continue to remain disabled under Social Security. The Trustees can require you to furnish evidence to them that your disability still entitles you to Social Security Disability Benefits.

However, once you reach age 62, your benefit will no longer be conditioned upon continued disability.

C. If I am Disabled, is there any work that I could do without losing my Social Security Disability Benefits?

You should check this with your Social Security Office.

D. How do I estimate my Disability Benefit?

The monthly amount of the Level disability Pension Benefit shall be 110% of the Early Retirement Level Pension Benefit. However, in no event shall the Level Disability Pension Benefit exceed the Normal Retirement Level Benefit.

IX. BENEFIT FORMS

A. What is a Level Monthly Pension?

A Level Monthly Pension is a benefit payable for the life of the Participant. Upon the Participant's death, the benefit ceases to be payable. All benefits under the Plan are first calculated in the form of a Level Monthly Pension.

B. Does the Plan Provide Benefits to widows and widowers of retirees?

Generally yes. If you are married, you will be offered the Joint and Survivor Benefit upon retirement. Under this form of benefit, your pension is guaranteed to be payable over two lifetimes - yours and your spouse's. Should you die before your spouse, she/he will receive a percentage of your monthly benefit, per month, for the rest of his or her life. Your spouse is defined as the person you are legally married to at the time you retire under the Plan. With this benefit, you can choose to leave your spouse 50% (one-half), 75% (three-fourths), or 100% (full) of the benefit amount you receive each month.

The amount you receive is less than the base amount according to your schedule. That base amount is reduced by a factor from a mortality table, using your age and your spouse's age when you retire. You will notice that the bigger the percentage of your monthly benefit that you want to provide to your spouse when you die, the bigger the reduction to the base benefit. The Fund Office's pension department will provide you with estimates of the amount of benefits payable under the various forms.

C. If I am married, do I have to agree to a Joint and Survivor Benefit?

Federal law requires every pension plan to offer a 50% Joint and Survivor Benefit and a 75% Joint and Survivor Benefit. The Fund also provides a 100% Joint and Survivor Benefit. If you are married, your pension will automatically be paid as a 100% Joint and Survivor Benefit unless you reject the benefit. Your rejection of the Joint and Survivor Benefit must be witnessed by your spouse and both of you must sign the rejection in front of a notary. The rejection form must be signed and notarized within 90 days of your actual pension effective date.

Your pension will automatically be paid in the form of the 100% Joint and Survivor Benefit unless your spouse signs her/his consent to your rejection. If your spouse does not consent to your rejection, you will be asked to sign an election form to choose one of the percentages -50%, 75% or 100%.

Your pension application will not be finalized until you have submitted your signed form, either electing the Joint and Survivor Benefit or rejecting the benefit. If you are not married, you must still reject the Joint and Survivor Benefit, swearing that you are unmarried. Any rejection must be signed and notarized within 90 days of retiring.

D. What if I am separated from my spouse or do not know where she/he is?

Your spouse's signature will not be required on the rejection of the Joint and Survivor Benefit if you and your spouse are *legally* separated. If this is the case, you will be asked to supply proof of your legal separation such as a copy of the separation papers with the rejection form.

If you cannot locate your spouse and can provide proof that you have tried to locate him/her and have failed, his/her signature will not be required on the rejection form.

E. How much is the Survivor's Benefit?

The amount of your Survivor's Benefit is determined by taking the amount of your Level Monthly Pension and multiplying it by a "factor" that is based upon your age and the age of your spouse.

The amount of pension benefits payable to you during your life will be smaller with the Survivor's Pension than with a Level Monthly Pension, because a Joint and Survivor pension continues to pay benefits for a longer period if you die before your spouse.

F. What benefit forms are available for unmarried retirees?

If you are not married when you retire, your benefit will be paid in the form of a Level Monthly Pension.

G. If I want to elect the Level Monthly Pension, when can I do so?

You must make your election within the 90-day period preceding the date your pension becomes payable.

H. If I reject the Joint and Survivor Benefit in favor of a Level Monthly Pension and later change my mind, can it be restored?

No. Although you may restore it during the period allowed for making the original choice, once that period has ended, your choice may not be changed.

I. If I Out-Live my Spouse, will my Pension Increase?

Yes. The 100% Full Survivor's Retirement Benefit has a "pop-up" feature for Participants who retired and began receiving benefits before February 1, 2011. If you retired before February 1, 2011 and outlive your spouse, the amount of your pension will be increased back to the amount of your Level Monthly Pension, beginning with the month following your spouse's death. This increased benefit will remain payable for your life. If you retired after February 1, 2011, there is no "pop-up" feature.

J. Will my spouse receive a Survivor's pension upon my death if I waive the Joint and Survivor Benefit by electing a Level Monthly Pension?

No. If you waive the Joint and Survivor Pension and elect a Level Monthly Pension, the pension ceases to be payable upon your death. Therefore, by waiving the Joint and Survivor Benefit, your spouse is forever giving up the right to receive a pension benefit upon your death.

Although the monthly benefit payable for your life will be higher with the Level Monthly Pension than with any of the 100% Full Survivor's Pension, your spouse will be left without any income from your pension upon your death. Because the consequences of rejecting the Joint and Survivor Benefit are so severe, you and your spouse should very carefully consider the alternatives before electing to receive the Level Monthly Pension.

K. How do I calculate the Joint and Survivor Pension Benefits

The Fund offers a 100% Joint and Survivor Benefit, a 50% Joint and Survivor Benefit, and a 75% Joint and Survivor Benefit. This means that your Spouse will receive the designated percentage of your benefit after you die. Because these benefits will be paid for a longer period than your life, your benefit will be reduced by an actuarial calculation based on the percentage of the benefit to be paid to your spouse after your death and the number of years your spouse is younger or older than you are.

When you file your application for retirement benefits, you will be asked whether you and your spouse want a Joint and Survivor Benefit and, if so, which level of Survivor Benefit you select. The Fund Office will calculate the benefit level for each of the three Survivor levels.

X. OTHER SPOUSAL BENEFITS AND ISSUES

A. Will the Plan provide a benefit to my spouse if I die before retiring?

Yes. If you are vested and working when you die, your spouse will receive a Pre-Retirement Survivor Annuity. There is no death benefit paid if you die after beginning to receive monthly retirement benefits.

B. When does a Pre-Retirement Survivor Annuity start to be paid?

A Pre-Retirement Survivor Annuity first becomes payable on the earliest date the Participant could have retired under the Plan. Thus, the spouse of a Participant who dies with 15 years of Credited Service may begin to receive a benefit (actuarially reduced) when the Participant would have reached age 52 (or, immediately, if the Participant was already 52). A surviving spouse can also choose to postpone or defer the commencement of the Survivor's Annuity in order to avoid the Early Retirement reduction of his/her benefits.

The spouse of a Participant who dies with less than 15 Years of Credited Service but who has more than 5 Years of Participation will receive a benefit when the Participant would have reached age 62.

C. How is the Pre-Retirement Survivor Annuity calculated?

The Pre-Retirement Survivor Benefit is calculated in the same way as if the Participant had worked until the date of death and, upon retirement, had received the 100% Full Survivor's Benefit.

EXAMPLE 6 -- Calculating Pre-Retirement Survivor Annuity

Assume that a participant who would have reached Normal Retirement Age on June 1, 2008, dies June 1, 2006, and was employed in Covered Employment at the time of death. Assume that the benefit payable as a Level Monthly Pension will be $2,000. Assume also that on the date of the Participant's death, the Participant is age 55, and the surviving spouse is age 59.

1. Because the Participant was working in Covered Employment on the date of death, the Participant is treated as having terminated employment on that date. Because the Participant could have retired on that date with an Early Retirement Benefit, he or she will be treated as having retired on the date of death and died the following day.
2. Calculate the Early Retirement Benefits in the manner shown in Example 5, page 12. The Participant's Early Retirement Benefit would be 88% as his Early Retirement date falls 24 months before his eligibility for Normal Retirement Benefits.

   $2,000 x 88% = $1,760.00

3. Calculate the 100% Full Survivor's Early Retirement Benefit. Since the difference in ages is 4 years, your reduction factor is .920.

   $1,760.00 x .920 = $1,619.20

   The Surviving Spouse's Retirement Benefit would be $1,690.20.

D. How will my pension be affected if I get divorced?

If you get divorced before you retire, the effect of a divorce will generally be determined by the terms of a Qualified Domestic Relations Order.

E. What is a Qualified Domestic Relations Order?

A Qualified Domestic Relations Order is an order by a court, usually as part of a divorce proceeding, dividing up a pension benefit between the former husband and wife. Under the law, the

Plan is required to honor these orders. You may contact the Fund Office to obtain a copy of the Plan's procedures for handling these orders.

F. What if I Get Divorced, But Do Not Get a Qualified Domestic Relations Order?

If you get divorced before you retire, you will be considered unmarried. If your divorce occurs after you retire, neither your pension nor your spouse's survivor's benefit (if any) will be affected.

XI. PARTIAL PENSIONS

A. What is Reciprocity [Partial Pensions]?

Partial Pensions were created to reduce the adverse financial impact from moving from one plan to another. If you are eligible to receive a Partial Pension, you will receive pensions from two or more related Plans, even though you may not be eligible for a normal pension from any one plan.

B. How do I become eligible to receive a Partial Pension?

You are eligible for a Partial Pension at Normal, Early or Disability Retirement based on your years of Credited Service under this Plan provided:

You qualify for a Partial Pension from one or more Related Plans;

Your total service under this and one or more Related Plans is sufficient to satisfy the eligibility requirements for the benefit under which you retire under each plan, and;

You have at least two (2) years of Future Credited Service with this Plan if you retired before July 1, 2003 or one (1) year of Future Credited Service with this Plan if you retired on or after July 1, 2003.

C. Will my Partial Pension always be greater than the total of the benefits under the two related plans computed separately?

No. Under certain circumstances, your total benefits computed separately under this Plan and the Related Plan will be greater than your combined Partial Pensions under the two plans.

You may elect not to receive a Partial Pension, but rather to have your benefit computed independently. If you are eligible for a Partial Pension, you should contact the Fund Office for advice on whether it is to your advantage to have your benefit computed without regard to the Partial Pension.

D. What is a Related Plan?

Your Plan is a party to Reciprocal Agreements with several other plans. Each of these plans is a Related Plan.

E. How is Credited Service calculated for a Partial Pension?

With respect to a Partial Pension, Credited Service falls into three main categories:

1. <u>Credited Service</u> -- The sum of Past and Future Credited Service under this Plan.

2. <u>Related Credited Service</u> -- Credited Service earned under a Related Plan. Related Credited Service is the sum of Past Credited Service and Future Credited Service under the Related Plan.

3. <u>Combined Credited Service</u> -- The total of your Credited Service under this Plan and your Related Credited Service. However, you will not be credited with more than one year of Combined Credited Service in any one calendar year.

F. What Unit Multiplier do I use in calculating my Partial Pension?

Use Tables IA and IB. There are separate multipliers for Years of Credited Service before and after February 1, 2011.

G. How do I estimate my Partial Pension under this Plan?

1. Calculate your Credited Service under both this Plan and the Related Plan.

2. Add your Credited Service to your Related Credited Service to find your Combined Credited Service.

3. Calculate your pension under this Plan based upon your Combined Credited Service if you retired before July 1, 2003; if you retired on or after July 1, 2003, calculate your pension based on your Combined Credited Service on the basis of the benefit level in effect when you last earned credit under this Plan.

4. To determine the percentage of your pension that is payable from this Plan, calculate the ratio of your Credited Service, as follows:

$$\frac{\text{Credited Service Under this Plan}}{\text{Credited Service Under this Plan} + \text{Credited Service Under the Related Plan}}$$

5. Multiply the amount of the pension calculated in step 3 times the ratio calculated in step 4. The product is your Partial Pension payable from this Plan.

6. To determine the amount of your Partial Pension payable from the Related Plan, contact the Office of the Related Plan.

XII. PAYMENT OF PENSION BENEFITS

A. If I am entitled to receive a pension, when will it start?

Your pension will begin on the first day of the calendar month immediately following your date of retirement. You should apply for a pension within a reasonable time (three months) before you retire.

B. How do I apply for my pension?

Contact the Fund Office for the appropriate forms and instructions. The Fund staff will tell you what documents or materials they require.

C. When should I expect to receive my pension payments after I retire?

If you have elected direct deposit, the amount of your pension will automatically be deposited in your account so that it is available to you on the first day of each month. If you are still receiving a check, your pension checks will ordinarily be mailed to you so that you will receive them around the first of the month.

D. When do I have to retire?

This matter is completely up to you.

E. Can I continue to work beyond my normal retirement age and thereby postpone the commencement of my retirement benefits?

You can continue to work after reaching your normal retirement date and thereby postpone the commencement of your retirement benefits until the first day of the month following your actual retirement. However, in general, your retirement benefits must begin by the April 1st following the year in which you turn 70½ -- even if you are still working.

F. Is there any time limit for applying for my retirement benefit?

No. You may apply for your Normal or Disability benefit either before or after your retirement. However, you must apply for your Early Retirement Benefit, 30-and-Out Benefit before you retire. In any case, your benefit cannot start until after you have filed a proper application with the Fund Office and have furnished the Fund Office personnel with all of the information that they require in order to determine your eligibility for a benefit and the amount of your monthly pension payments.

G. What can I do if my application for benefits is denied, or if the benefit paid to me is too small or otherwise incorrect?

The Plan allows you to appeal to the Board of Trustees if you believe the Fund Office has made a mistake. The complete procedures for filing an appeal are set out on p. 24.

H. Once I retire, are there any circumstances under which I can forfeit or lose my pension benefit?

No (except for the Disability Benefit if you are rehabilitated--see explanation of Disability Benefit, p. 14). There is no way under the Plan for your benefit to be taken away from you, nor may you give it away, except as indicated below. Of course, what you do with your check after you receive it is your business.

You should be aware that some or all of your benefit may, by court order, be paid to meet your obligations for alimony or child support, or as part of a marital property award. Additionally, under Federal Law, the Plan must honor federal tax levies and executions on federal tax judgments.

Also, if you are receiving retiree health benefits from either the Hagerstown Teamsters and Motor Carriers Health Fund or the Hagerstown Motor Carriers and Teamsters Retiree Health Fund, you may elect to have your health premium deducted directly from your pension check. You may cancel this assignment at any time.

However, your monthly retirement benefit will be suspended if you work more than 40 hours in a month in employment for which an employer is required to make contributions to the Plan on your behalf. If you retire, then return to Covered Employment, and earn at least one additional Year of Service, your monthly benefit will be recalculated. Please contact the Fund Office to determine your revised benefit.

I. Do I have any assurance that I will receive my benefits when I retire?

Yes. The Plan is audited each year to ensure that its assets are properly maintained and accurately reflected on its financial reports. The Plan has also retained an Enrolled Actuary to perform a yearly actuarial study on the Plan. It is the job of the Actuary to report to the Trustees on the ability of the Plan to pay benefits as they come due. Before the Trustees adopt a benefit increase, they consult with the Actuary to determine the ability of the Plan to pay for those additional benefits.

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first $11 of the monthly benefit accrual rate and (2) 75% of the next $33. In 2011, the PBGC's maximum monthly guarantee for a retiree with 30 years of service at normal retirement age and a straight life annuity is $3,565. In 2011, the PBGC monthly maximum for a 50% Survivor benefit is $3,199.50.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; 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; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (I) The date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

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.

J. Suppose that for any reason I am unable to sign my check or take care of any of my affairs. Who will cash my check for me?

Under these circumstances the Fund Office will still send your check to you, and your legal representative will endorse it and cash it for you.

K. Will my pension benefit be affected by any Social Security Benefits I receive?

No. The <u>amount</u> of your pension benefit under the Plan is completely independent of any Social Security Benefits which you are eligible to receive. However, your entitlement to continued Disability Pension benefits may be affected if your entitlement to Social Security Disability benefits ceases (see p. 14).

XIII. OTHER BENEFITS

Does the Plan provide any other types of benefits?

The Trustees have established a separate trust for the purpose of providing health benefits to retired participants. Although federal law restricts the amount that may be set aside for this purpose, the Trustees hope to accumulate enough assets to ensure that benefits will be available well into the future. That plan is described in a separate booklet, the Summary Plan Description for the Hagerstown Teamsters and Motor Carriers Health Fund.

XIV. CLAIMS REVIEW PROCEDURE (APPEALS)

If a claim is denied or partly denied, you will be notified in writing and given an opportunity for a review.

The written denial will give (1) specific reason(s) for denial, (2) a reference to the specific Plan Provision(s) on which the denial is based, (3) a description of any additional material or information necessary to perfect the claim and the reason why such material or information is needed, and (4) an explanation of the Plan's claim review procedure.

If your claim is not acted on within a reasonable time, you may proceed to the appeal procedure stage, described below, as if the claim had been denied.

1. Where a claim has been denied or partly denied, you may appeal the denial and have a review.

2. Within ninety (90) days after you receive written notice that your claim has been denied, you or your representative may make a written appeal to the Trustees.

3. You may review pertinent documents relating to the denial and you may submit issues and comments in writing.

A decision will be made not later than sixty (60) days after receipt of your request for review. The decision will be in writing and will include specific reasons for the decision. All decisions of the Board of Trustees are final and binding on all parties.

XV. OTHER IMPORTANT INFORMATION

A. Type of Plan:

The Plan is a defined benefit pension plan.

B. Plan Identification Number:

1. Employer Identification Number: 52-6045424

2. IRS Plan Number: 001

C. Plan Administrator:

Board of Trustees of the Hagerstown Motor Carriers and Teamsters Pension Fund, whose address is 10312 Remington Drive, Hagerstown, Maryland 21740.

The Trustees are:

Union Trustees	Employer Trustees
Thomas W. Krause, Chairman Teamsters Local Union No. 992 10312 Remington Drive Hagerstown, Maryland 21740	Tom J. Ventura, Secretary YRCW 10990 Roe Avenue Overland Park, Kansas 66211
Ronald E. Fisher Teamsters Local Union No. 992 10312 Remington Drive Hagerstown, Maryland 21740	Dennie Gandee United Parcel Service 1200 Ward Avenue West Chester, PA 19380

PENSION FUND ADMINISTRATION

Carday Associates, Inc.
10312 Remington Drive
Hagerstown, Maryland 21740

PENSION FUND ATTORNEY:
Beins, Axelrod, P.C.
1625 Massachusetts Avenue, N.W.
Washington, DC 20036

Morgan, Lewis and Bockius, LLP
1111 Pennsylvania Avenue, N.W.
Washington, DC 20004

ACTUARY

The Segal Company
1920 N Street, NW
Washington, DC 20036

INDEPENDENT AUDITOR:

Regardie, Brooks & Lewis
7101 Wisconsin Avenue
Bethesda, Maryland 20814

D. Agent for Service of Legal Process:

Any one of the Trustees is a qualified agent of the Joint Board of Trustees for service of legal process.

E. Type of Administration of the Pension Plan:

The Plan is administered by the Joint Board of Trustees.

F. Labor Organizations Representing Participants in the Plan:

The Pension Plan is maintained by collective bargaining agreements executed by General Teamsters and Allied Workers, Local Union No. 992 affiliated with the International Brotherhood of Teamsters. A copy of any such agreement may be obtained by a participant upon written request to the Fund Office. Also, collective bargaining agreements are available for examination by a Participant at the Fund Office.

G. Names and Addresses of Employers Contributing to the Plan:

A complete list of employers participating in the Plan may be obtained by Participants upon written request to the Fund Office. Also, this list is available for examination at the Fund Office by Participants or beneficiaries. A Participant or beneficiary may also receive from the Trustees, upon written request to the Fund Office, information as to whether a particular Employer or Union is a sponsor of the Plan and, if the Employer or Union is a plan sponsor, the address of such Employer or Union.

H. Source of Contributions to the Plan:

Contributions to the Plan are made by individual Employers under the provisions of their collective bargaining agreements.

I. Plan Year:

The Plan Year begins on July 1 and ends on June 30.

J. Modification of Benefit Schedules, or Termination of Benefits, or Termination of the Pension Trust.

The Joint Board of Trustees reserves the right to terminate, suspend, withdraw, amend or modify Plan benefits in whole or in part at any time, subject to the applicable provisions of the Trust Agreement and the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§1001 et seq.

XVI. ADDITIONAL RIGHTS AND PROTECTIONS UNDER ERISA

As a participant in the Fund you have certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), 29 U.S.C. §§1001 et seq. ERISA provides that all participants shall be entitled to:

Receive Information About Your Plan and Benefits

A. Examine, without charge, at the Plan Administrator's office all documents governing the plan, including insurance contracts and collective bargaining agreements, 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 Employee Benefits Security Administration.

B. Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

C. 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 the summary annual report.

D. Obtain a statement telling you whether you have a right to receive a pension at your normal retirement age and if so, what your benefit would be at a normal retirement age if you stop working under the plan now. The 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.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your Employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under this plan or exercising your rights under ERISA. If your claim for a benefit under this plan is denied in whole or in part you must receive a written explanation for the reason for the denial. You have the right to have the plan review and reconsider your claim.

Enforce Your Rights

If your claim for a benefit under the Fund is denied or ignored, 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 can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Funds and do not receive them within 30 days, you may file suit in a Federal court. In such a 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 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 or a medical child support order, you may file suit in Federal court. If it should happen that Fund fiduciaries misuse the Fund's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay those costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or 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 Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

TABLES

A list of Employers in each Contribution Class may be obtained from the Fund Office.

TABLE IA – UNIT MULTIPLIERS FOR PRE-FEBRUARY 1, 2011 SERVICE

Contribution Class	Unit Multiplier
A*	$120
B	$102
C	$60
D	$30
K	$47

*For the period from August 1, 1998 through July 31, 2000, the unit multiplier for specified employees of United Parcel Service, Inc., covered by the remedy for the Article 22, Section 3 (Part-Time) Employees grievances shall be $70.00.

TABLE IB – UNIT MULTIPLIERS FOR POST-FEBRUARY 1, 2011 SERVICE

Contribution Class	Unit Multiplier
A	$90.00
B	$76.50
C	$45.00
D	$22.50
K	$35.25

TABLE II – 30-AND-OUT MINIMUM MONTHLY BENEFIT

Contribution Class	30-and-Out Benefit	Additional Amount for Each Year Over 30
A	$3,000	$100
B	$2,250	$75
C	$1,500	$50
D	$750	$25