

ANNUAL FUNDING NOTICE
For
HAWAII TRUCKERS - TEAMSTERS UNION 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. This notice is for the plan year beginning April 1, 2009 and ending March 31, 2010 (referred to hereafter as “Plan Year”).

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. 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 Plan Year and 2 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.

	2009	2008	2007
1. Valuation Date	April 1, 2009	April 1, 2008	Not applicable
2. Funded Percentage	97.3%	120.8%	Not applicable
3. Value of Assets	\$51,457,049	\$57,557,036	Not applicable
4. Value of Liabilities	\$52,872,894	\$47,638,335	Not applicable

Transition Data

For a brief transition period, the Plan is not required by law to report certain funding related information because such information may not exist for plan years before 2008. The plan has entered “not applicable” in the chart above to identify the information it does not have. In lieu of that information, however, the Plan is providing you with comparable information that reflects the funding status of the Plan under the law then in effect. For 2007, the Plan’s “funded current liability percentage” was 101.1%, the Plan’s assets¹ were \$53,098,016, and Plan liabilities were \$52,528,335.

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan’s funded status as of a given point in time. However, 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 for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of March 31, 2010, the estimated fair market value of the Plan’s assets was \$58,177,482 (Unaudited). As of March 31, 2009, the fair market value of the Plan’s assets was \$42,915,398. As of March 31, 2008, the fair market value of the Plan’s assets was \$53,457,282.

¹For funding purposes, the asset value is the actuarial value of assets or “adjusted cost value” which is different from the “fair market value” of assets.

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Participant Information

The total number of participants in the plan as of the Plan's valuation date was 980. Of this number, 405 were active participants, 186 were retired or separated from service and receiving benefits, and 347 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is as follows:

The Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the union which are held in a Trust Fund. As of April 1, 2009, the Trustees had adopted a funding policy based on amortizing the Plan's unfunded actuarial liability over an 11-year period from April 1, 2009.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries that are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is as follows:

The Trust Fund is a balanced portfolio composed of equity, fixed income, and cash equivalent securities and, as such, is intended to be more aggressive than fixed income-oriented portfolios and less aggressive than equity-oriented portfolios. In this context, "aggressive" relates to such issues as investment vehicles, diversification among economic and industry sectors and individual securities, and expected long-term rates of return and return volatility.

Within this framework, the investment objectives are stated in order of importance:

- A. Meet or exceed the stated actuarial assumption.
- B. Preservation of Capital: This secondary objective recognizes the nature of the Trust Fund, its purpose, its participants, and source of funds. That is, the Trust Fund exists for the purpose of providing benefits to retired employees. Assets must be invested and managed prudently subject to the Employee Retirement Income Security Act of 1974 (ERISA) regulations.
- C. Preservation of Purchasing Power: Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation in order to preserve the purchasing power of the participants' assets.
- D. Long-term Growth of Capital: It is recognized that short-term fluctuations may result in the loss of capital earned on occasion (i.e. negative rates of return). However, in the absence of contributions and withdrawals, the asset value of the Trust Fund should grow in the long run and earn rates of return greater than the Balanced Index while avoiding excessive risk.

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In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations Percentage

1. Interest-bearing cash	5%
2. U.S. Government securities	23%
3. Corporate debt instruments (other than employer securities):	
Preferred	0%
All other	15%
4. Corporate stocks (other than employer securities):	
Preferred	0%
Common	57%

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.

As the result of an election made by the Trustees under section 204 of WRERA, the Plan's funded status was treated as being "neither endangered nor critical" for the Plan Year beginning on April 1, 2009 and ending on March 31, 2010. Without the section 204 election (if no election was made), the Plan's actuary had certified the Plan's funding status for the Plan Year as "critical."

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 (i.e., Form 5500) containing financial and other information about the plan. 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. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator; Benefit & Risk Management Services, Inc. 560 North Nimitz Hwy., Suite 209; Honolulu, HI 96817-5315. The charge to cover copying cost is 25 cents per page and the cost of mailing. A copy may also be obtained via the website at: http://www.vbas.com/HI_Teamsters/Documents.aspx

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. 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

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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 law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless 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 the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial 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, by law, 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 notification of the insolvency 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 as a result of the insolvency, 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 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.

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Where to Get More Information

For more information about this notice, you may contact Benefit and Risk Management Services, Inc., at 1-808-523-0199, 560 North Nimitz Hwy., Suite 209, Honolulu, HI 96817-5315. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 99-6009518. 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).