HAWAII TEAMSTERS TRUST FUNDS

560 N. NIMITZ HIGHWAY, SUITE 209 – HONOLULU, HAWAII 96817
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Hawaii Truckers-Teamsters Union Pension Plan • Teamsters Health & Welfare Trust Fund • Teamsters Legal Services Plan • Teamsters Training and Opportunity Program

HAWAII TRUCKERS - TEAMSTERS UNION PENSION PLAN

Enclosed you will find your copy of the 2010 Annual Funding Notice for the Hawaii Truckers - Teamsters Union Pension Plan (“Truckers Plan”). A review of the financial information contained on the Notice will reveal that the Truckers Plan’s assets have continued their slow recovery from the large investment losses incurred during 2008.

Also, because of the large investment losses incurred by all pension plans during 2008, Congress, in 2010, enacted the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (“PRA 2010”). PRA 2010 allowed multiemployer pension plans to adopt funding changes that extend the period of time over which the plans have to fund (pay for) these losses. The Truckers Plan, like almost all other multiemployer pension plans in the United States, has elected to adopt Pension Relief. A Notice informing you of the specific Pension Relief provisions that were adopted by the Truckers Plan has also been enclosed.

If you have questions about this notice, you may contact Carla Jacobs at the Trust Fund Office located at 560 N. Nimitz Highway, Suite 209, Honolulu, Hawaii 96817; telephone number (808) 523-0199.

BOARD OF TRUSTEES,
HAWAII TRUCKERS - TEAMSTERS UNION PENSION PLAN

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ANNUAL FUNDING NOTICE
For
HAWAII TRUCKERS – TEAMSTERS UNION PENSION PLAN

Introduction

This notice includes important information about the funding status of your pension plan ("the Plan") and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance 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 April 1, 2010 and ending March 31, 2011 ("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. Your Plan's funded percentage for the 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.

Funded Percentage			
	2010	2009	2008
1. Valuation Date	April 1, 2010	April 1, 2009	April 1, 2008
2. Funded Percentage	98.5%	97.3%	120.8%
3. Value of Assets	$60,565,895	$51,457,049	$57,557,036
4. Value of Liabilities	$61,486,118	$52,872,894	$47,638,335

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of 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 Plan Year and each of the two preceding plan years is shown in the following table:

	March 31, 2011	March 31, 2010	March 31, 2009
Fair Market Value of Assets	$68,004,251 (unaudited)	$57,831,784	$42,915,398

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 Plan Year.

Participant Information

The total number of participants in the Plan as of the Plan's valuation date was *947.* Of this number, *358* were active participants, *237* were retired or separated from service and receiving benefits, and *352* were retired or separated from service and entitled to future 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. The funding policy of the Plan 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, 2010, the Trustees had adopted a funding policy based on amortizing the Plan's unfunded actuarial liability over a 10-year period from April 1, 2010.

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 investment policy of the Plan is to maximize risk adjusted return within the context of Plan liquidity requirements.

Under 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:

Assets Allocations	**Percentage**
1. Cash (Interest bearing and non-interest bearing)	5%
2. U.S. Government securities	20%
3. Corporate debt instruments (other than employer securities):	
Preferred	0%
All other	15%
4. Corporate stocks (other than employer securities):	
Preferred	0%
Common	60%

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. 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 may obtain an electronic copy of the plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. 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. 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 these 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 the 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 can not 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 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 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 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 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 preretirement 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 Benefit & Risk Management Services, Inc., 808-523-0199, 560 North Nimitz Hwy., Suite 209; Honolulu, Hawaii 96817-5315. For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number or "EIN" is Hawaii Truckers-Teamsters Union Pension Plan, 99-6009518. For more information about the PBGC, go to PBGC's website, www.pbgc.gov.

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NOTICE TO ALL PARTICIPANTS
of the
HAWAII TRUCKERS - TEAMSTERS UNION PENSION PLAN
EIN: 99-6009518
Plan Number: 001

The Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (PRA 2010) allows plan sponsors of Multiemployer defined benefit plans to adopt special funding rules in recognition of the extraordinary investment losses incurred by pension plans during the 2008 calendar year. This notice is being provided to you because the Board of Trustees (the "plan sponsor") of the Hawaii Truckers - Teamsters Union Pension Plan (the "Plan") has elected to adopt special funding rules that would apply to its 2009 and 2010 plan years (April 1, 2009 - March 31, 2010 and April 1, 2010 - March 31, 2011).

First, the Trustees have elected to adopt the special Extended Amortization Period allowed under §431(b)(8)(A) of the Internal Revenue Code for the eligible net investment loss incurred by the Plan during its 2008 plan year. The manner in which the 2008 eligible net investment loss is being recognized is based on the "prospective method" which fixes the amount of investment loss being recognized in each future plan year at this point in time. The Plan will fully recognize all of the 2008 eligible net investment loss by March 31, 2015. The Trustees have the right to change their mind and "opt out" of this provision at anytime in the future.

Because of this adoption, the net investment loss incurred by the Plan during its 2008 plan year is being amortized (i.e., paid for) over the period ending March 31, 2038.

Second, the Trustees have elected to adopt the special asset valuation method changes allowed under §431(b)(8)(B)(i)(I) and (II) of the Internal Revenue Code for the 2009 and 2010 plan years.

The change provided under §431(b)(8)(B)(i)(I) allows the Trustees to spread the difference between the "actual" 2008 plan year investment performance versus the "expected" 2008 investment performance over a 10-plan year period beginning April 1, 2009 instead of over a 5-plan year period.

The change provided under §431(b)(8)(B)(i)(II) allows the Trustees to use an asset value for the 2009 and 2010 plan years that is to up to 130% of actual market value instead of up to 120% of actual market value.

Because these changes allow the Trustees to amortize losses over a longer period of time than otherwise allowed and delay recognition of losses over a 10-year period instead of a 5-year period, they will have the effect of decreasing the amount of required minimum contributions that are used to determine the contribution rates required in the collective bargaining agreements. In addition, these changes may also affect the Plan's status under §432(b) of the Internal Revenue Code (i.e., "critical status", "endangered status", etc.) for the current and future plan years.

Finally, under Pension Relief, the Trustees are not allowed to increase benefits during any Plan Year in which Pension Relief applies plus the two Plan Years immediately following such Plan Year, unless certain conditions are met. Therefore, the Trustees will not be allowed to increase benefits until after March 31, 2017 (the end of the second plan year immediately following the 2014 plan year), unless the Trustees "opt out" before then or certain other conditions are met.

For example, if the Trustees were to "opt out" at the end of the 2012 plan year (i.e., March 31, 2013), the Trustees could consider an increase in benefits as early as April 1, 2015.

For more information about this notice, you may contact Carla Jacobs from the Trust Fund Office at 560 N. Nimitz Highway, Suite 209, Honolulu, Hawaii 96817; telephone number (808) 523-0199. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 99-6009518.

BOARD OF TRUSTEES,
HAWAII TRUCKERS - TEAMSTERS UNION
PENSION PLAN