NEW ENGLAND TEAMSTERS AND TRUCKING INDUSTRY PENSION FUND

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September 2008

Dear Participant:

U.S. Department of Labor ("DOL") regulations require the distribution of the Annual Funding Notice to all multiemployer pension plan participants. The Annual Funding Notice is printed on the back of this letter. The Annual Funding Notice is in a standardized format and is required to show information pertaining to, among other things, the plan's funded status, annual benefit payments, pension plan terminations and insolvency.

The funding and plan termination information contained in the Annual Funding Notice complies with DOL regulations. However, it is the opinion of this Board of Trustees of the New England Teamsters & Trucking Industry Pension Fund ("Fund") that the Annual Funding Notice does not provide you with a realistic view of the current status and future outlook of the Fund. The intention of this cover letter is to more fully explain some of the federally-mandated information contained in the Annual Funding Notice and to provide you with a better understanding of your pension plan.

With last's year's Annual Funding Notice our cover letter summarized some of the challenges the Fund has had to face over the last decade, such as the poor performance of the investment markets during 2000 through 2002, bankruptcies and facility closings of some of the Fund's larger contributing employers and continual decreases in contribution hours. Also summarized last year was the Trustees' actions, beginning in 2005, to address the Fund's imbalance between its assets and liabilities.

In the Annual Funding Notice section titled, "Plan's Funding Level", the "funded current liability percentage" is based on a forecast rate of return on the Fund's assets of 5.79% per year and a designated life expectancy table. Both the forecast rate of return and life expectancy table are dictated by law. We believe that the mandatory forecast rate of return set by the government is an unrealistically low rate; especially when compared with the forecast rate of return that is being used by the plan of 8.50% per year. Our consultants believe that the Fund's 8.50% forecast rate of return will be achievable over the long term based on the Fund's current investment strategy.

If we reported the "funded percentage" based on the 8.50% forecast rate of return that is used by our actuaries to fund the plan, the funded percentage would actually be 65% versus the 44% contained in the Annual Funding Notice. The Pension Protection Act of 2006 ("PPA") will require the Fund to use the 8.50% forecast rate of return for future funding notices beginning next year. In other words, if the requirements of the PPA were in effect today, the Fund would report a funded percentage of 65%.

In the Annual Funding Notice section titled, "Plan's Financial Information", the Fund is required to divide the fixed value of Fund's assets as of the beginning of the plan year by the amount of pension benefit payments made during the year to provide an estimate of the number of years of future pension payments. Further, the Fund is required to report, using this computation, that it will be able to make approximately 8.5 years of pension benefit payments in annual amounts equal to what was paid out during the past plan year. We believe that this computation is grossly misleading because it does not take into account future employer contributions to the Fund, earnings on investments or other changes to the Fund. Each of these factors is expected to generate sufficient assets in the future so that all present and future pension benefits will be paid. The Fund's assets increased by $253 million during the latest plan year while paying out $404 million in pension benefits, an increase of $8 million in pension benefits over the previous plan year. In other words, the information contained in the Annual Funding Notice does not accurately reflect the Fund's ability to pay its promised benefits.

Finally, the Annual Funding Notice sections titled "Rules Governing Insolvent Plans" and "Benefit Payments Guaranteed by the PBGC" require a discussion of insolvent multiemployer funds and the PBGC benefit guarantees if the Fund were to terminate. Please understand that this is mandated language and is not an indication as to whether or not these conditions will ever apply to this Fund. Based on the current status of the Fund and a reasonable forecast of future events, we do not foresee the Fund becoming insolvent nor needing PBGC relief.

Your Trustees remain committed to operating the Fund on a financially sound basis while meeting all Federally-mandated requirements. Furthermore, we continue our commitment to provide to you pension benefits which will give you the ability to obtain a secure financial future.

Fraternally yours,

BOARD OF TRUSTEES

ANNUAL FUNDING NOTICE
FOR
New England Teamsters & Trucking Industry Pension Fund
Introduction

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of the New England Teamsters & Trucking Industry Pension Fund (EIN: 04-6372430; Plan Number: 001) (Plan). This notice also includes information about rules governing insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning October 1, 2006 and ending September 30, 2007 (Plan Year).

Plan's Funding Level

The Plan's "funded current liability percentage" for the Plan Year was 43.7%. In general, the higher the percentage, the better funded the plan. The funded current liability percentage, however, is not indicative of how well a plan will be funded in the future or if it terminates. Whether this percentage will increase or decrease over time depends on a number of factors, including how the plan's investments perform, what assumptions the plan makes about rates of return, current market interest rates, whether employer contributions to the fund increase or decline, and whether benefits payments from the fund increase or decline.

Plan's Financial Information

The market value of the Plan's assets as of October 1, 2006 was $3,430,373,700. The total amount of benefit payments for the Plan Year was $403,647,200. The ratio of assets to benefit payments is 8.5 to 1. This ratio suggests that the Plan's assets could provide for approximately 8.5 years of benefit payments in annual amounts equal to what was paid out in the Plan Year. However, the ratio does not take into account future changes in total benefit payments or plan assets.

Rules Governing 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 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 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).

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,. 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 the Fund Office, at 1-781-345-4400 or 1 Wall Street, Burlington, MA 01803-4768. For more information about the PBGC and multiemployer 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 tool free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).