

# NEW ENGLAND TEAMSTERS & TRUCKING INDUSTRY PENSION FUND

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Dear First Student Driver:

You may have read some comments recently regarding the fiscal health and long-term viability of the New England Teamsters Pension Fund. Those comments have been made by persons not connected to the Pension Fund. While it is true that the Pension Fund is 55% funded, many positive developments have occurred during the past few years to strengthen the Pension Fund. The Trustees implemented a New Employer initiative designed specifically to attract Teamster-organized companies who do not participate in the Pension Fund. Over the past few years more than 60 New Employers have joined the Pension Fund and those new participants now represent 10% of the active participant base. As a result, the Pension Fund's ratio of retirees to active participants has been dropping during the past few years, which is a very positive development and a claim few multiemployer pension funds can make.

The Pension Fund's largest employer, UPS, contributes about 18 million hours annually on behalf of their 10,000 covered employees. As a result of their recent negotiations with the Teamsters and the Pension Fund, UPS has committed to increase their annual contributions to the Pension Fund by \$100 million, nearly double their current annual contribution amount. When their annual contribution amounts are added to the \$43 million that UPS currently pays as part of its transition agreement, the result is that UPS will be paying more than \$250 million into the Pension Fund every year for years to come. These annual payments are an indication of the confidence that one of the most profitable U.S. companies has in the future of the New England Teamsters Pension Fund. The commitment of UPS and hundreds of other employers participating in Pension Fund will ensure that the Pension Fund will continue to provide meaningful pension benefits to its covered members for the foreseeable, extended future.

The Pension Fund began 60 years ago and has never missed a pension payment. The Trustees are committed to the long-term health and viability of the Pension Fund and we hope to welcome First Student as a New Employer and its Drivers as active participants in the near future.

Sincerely yours,



Edward F. Groden  
Executive Director