www.gccibt-npf.org

Volume 37, Number 1 August 2009

PENSION COMMUNICATOR

Graphic Communications Conference of the International Brotherhood of Teamsters National Pension Fund ("GCC/IBT-NPF")

Formerly the Graphic Communications International Union Supplemental Retirement and Disability Fund

BOARD OF TRUSTEES ELECT TO DEFER IMMEDIATE CHANGES TO REHABILITATION PLAN AND LENGTHEN ITS DURATION BY THREE YEARS PURSUANT TO WORKER, RETIREE, AND EMPLOYER RECOVERY ACT OF 2008 (WRERA)

This issue of the *Pension Communicator* focuses on recent actions by the Board of Trustees pursuant to the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) and the revised Annual Funding Notice (AFN) which is contained herein.

As you may recall from previous issues of the *Pension Communicator,* the Pension Protection Act of 2006 (PPA) required the Board of Trustees to adopt a Rehabilitation Plan, which went into effect May 1, 2008. Unfortunately, due to the severe decline in the financial markets, the Graphic Communications Conference of the International Brotherhood of Teamsters National Pension Fund (hereinafter "GCC/IBT-NPF" or "Fund") like most funds, lost ground. In the last year since the economic downturn began, the Fund's asset base has decreased from approximately $997 million to $661 million based overwhelmingly on negative investment returns.

It is also important to note that in the last year, the Fund has experienced an approximate 10% reduction in employees who contribute to the Fund due to the closure or withdrawal of approximately 25 Participating Employer bargaining units.

In an attempt to address these economic circumstances, Congress enacted WRERA in 2008. WRERA gives pension plans such as the GCC/IBT-NPF the option of taking up to one additional year before implementing changes that would otherwise be required under the PPA. WRERA also allows the extension of the Rehabilitation Plan's duration by three years.

On July 29, 2009, the Board of Trustees formally filed the Fund's election with the Internal Revenue Service to take advantage of the options available under WRERA. This action provides additional time to assess the following: 1) whether Congress will pass additional legislative relief being considered; 2) the impact of any new legislation on the Fund's particular circumstances; and 3) the impact that any economic recovery might have on the Fund's investments.

As you were previously advised in the April issue of the *Pension Communicator*, without further relief in the way of changes to the laws governing pension plans like the GCC/IBT-NPF, and a significant and prolonged reversal in the financial markets, the requirements of the PPA could result in further changes to the Rehabilitation Plan affecting active and deferred vested participants and employers.

Retirees and beneficiaries are again advised that current laws protect the benefits they are presently receiving which accrued prior to retirement and prohibit changes to the Rehabilitation Plan reducing their benefits.

Review of the alternatives available to the Fund continues and you will be provided with additional information regarding any possible future changes when the information becomes available.

This *Pension Communicator* is further intended to serve as the official Annual Funding Notice (AFN) as required under the PPA.

The AFN, which follows, contains statistical information as of May 1, 2008.

Please note that the measure of the Funded Percentage set forth in the AFN as of May 1, 2008 has changed again and is based on the Fund's interest rate assumption in the most current valuation.

continued on page 2

TRUSTEES

(continued from front page)

It should also be recognized that the May 1, 2008 Funded Percentage of 86.07% set forth in the AFN below presents the Fund in a more favorable condition than is currently the case. This is because the Funded Percentage at the beginning of the Plan Year does not reflect the financial downturn the Fund experienced during the Plan Year as expressed on page one.

In fact, on the same basis, the Funded Percentage for the Plan Year beginning May 1, 2009 is expected to be closer to 68% after taking into consideration the economic downturn that began in mid 2008.

Despite the harsh economic realities that face all of us, the Board of Trustees remain committed to the goal of maintaining this Pension Plan so as to provide you with the pension benefits that you earned.

The GCC/IBT-NPF has always paid its benefit obligations timely and is committed to doing so in the future.

The Board of Trustees is also committed to the sound administration of the Fund in these turbulent times.

Respectfully,

GCC/IBT National Pension Fund
Board of Trustees

ANNUAL FUNDING NOTICE FOR GRAPHIC COMMUNICATIONS CONFERENCE OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS NATIONAL PENSION FUND (GCC/IBT-NPF)

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 May 1, 2008 and ending April 30, 2009 (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.

Valuation Date	*2008 Plan Year* *05/01/2008*	*2007 Plan Year* *05/01/2007*	*2006 Plan Year* *05/01/2006*
Funded Percentage	86.07%	not applicable	not applicable
Value of Assets	$1,014,393,200	not applicable	not applicable
Value of Liabilities	$1,178,565,571	not applicable	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 55.37%, the Plan’s assets were $1,002,637,251, and Plan liabilities were $1,810,946,553. For 2006, the Plan’s “funded current liability percentage” was 57.58%, the Plan’s assets were $1,000,255,752, and Plan liabilities were $1,737,133,342.

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.

Fair Market Value of Assets (continued)

While actuarial values fluctuate less than market values, they are estimates. As of April 30, 2009, the fair market value of the Plan's assets was $660,639,724. As of April 30, 2008, the fair market value of the Plan's assets was $996,805,769. As of April 30, 2007, the fair market value of the Plan's assets was $1,095,459,433.

Participant Information

The total number of participants in the Plan as of the Plan's valuation date was 41,331. Of this number, 7,598 were active participants, 19,806 were retired or separated from service and receiving benefits, and 13,927 were retired or separated from service and entitled to future benefits.

Funding and 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 that the Board of Trustees establishes Plan benefits based on the level of contributions made to the Plan pursuant to collective bargaining agreements between participating employers and Local Unions and special participation agreements between participating employers and the Plan, and investment earnings thereon.

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 who 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 to invest and reinvest such funds as are not necessary for current expenditures or liquid reserves, as determined from time-to-time, in such investments as are legal investments under applicable State and Federal law relating to the investment of employee pension trust funds. These investments may include stocks, bonds or other property, real or personal, including improved and unimproved real estate and equity interests in real estate, where such investment appears to the Trustees in their discretion and consistent with their fiduciary obligations, to be in the best interest of the Fund and its Participants and Beneficiaries, judged by then prevailing business conditions and standards. The Trustees select appropriate professionals to invest assets and to assist in prudently measuring and evaluating investment performance on a regular basis.

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 ALLOCATION

1. Interest Bearing Cash	4.91%
2. U.S. Government securities	0.00%
3. Corporate debt instruments (other than employer securities)	
- Preferred	0.10%
- All Other	0.00%
4. Corporate Stocks (other than employer securities)	
- Preferred	0.00%
- Common	23.79%
5. Partnership/joint venture interests	5.53%
6. Real Estate (other than employer real property)	8.39%
7. Loans (other than to participants)	0.00%
8. Participant Loans	0.00%
9. Value of interests in common collective trusts	23.77%
10. Value of interest in pooled separate accounts	13.51%
11. Value of interest in master trust investment accounts	0.00%
12. Value of interest in 103-12 investment entities	5.82%
13. Value of interest in registered investment companies (mutual funds)	9.35%
14. Value of funds held in insurance company general account (unallocated contract)	0.00%
15. Employer Related investments	
- Employer securities	0.00%
- Employer real property	0.00%
16. Buildings and other property used in plan operations	0.01%
17. Other	4.82%

For information about the Plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact: Georges N. Smetana, Plan Administrator, GCC/IBT National Pension Fund, 455 Kehoe Blvd., Suite 101, Carol Stream, IL 60188, Phone: (630) 871-7733, E-mail: info@gccibt-npf.org Website: www.gccibt-npf.org

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 in "critical status" in the Plan Year because a funding deficiency was projected within 4 years. The Plan was expected to have a funding deficiency in the current Plan Year or in one of the four succeeding Plan Years not taking into account any extension of amortization periods under Internal Revenue Code Section 431(d). Additionally, the normal cost for the 2008 Plan Year plus interest on the unfunded benefit liabilities under the Plan exceed the present value of reasonably anticipated employer contributions for the current Plan Year, and the present value of non-forfeitable inactive participants' benefits was greater than the present value of non-forfeitable active participants' benefits, as of May 1, 2008, and the Plan was projected to have an accumulated funding deficiency for the 2008 Plan Year or was projected to have a funding deficiency for at least one of the four succeeding plan years, not taking into account any extension of amortization period under Internal Revenue Code Section 431(d).

In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan effective on May 1, 2008, which adjusted benefits and increased employer contributions to the extent necessary to ensure that the Plan can emerge from critical status within a 10-12 year time period, as required by law.

Note that the following **Summary of Rehabilitation Plan** does not include all provisions of the Rehabilitation Plan. The text of the Rehabilitation Plan may be found on the Fund's website at: **www.gccibt-npf.org** or you may request a copy from the Fund Office. In case of conflict with this summary, the actual Rehabilitation Plan controls. You may also request the actuarial and financial data that demonstrate any action taken by the Trustees toward fiscal improvement by contacting the Fund Office.

Benefit Eliminations:

- The Supplemental Early Retirement Benefit was eliminated May 1, 2008 for all Participants with the exception of Retirees receiving benefits as of September 1, 2007 and eligible Participants who had filed their Application for Retirement – Part A with the Fund Office on or before September 12, 2007;
- The Pre-Retirement Death Benefit for Single Participants was eliminated on or after May 1, 2008 for any single Participant's death; and
- The Long-term Disability Benefit was eliminated on or after May 1, 2008 for all Participants with the exception of Participants who are deemed to have become Totally and Permanently Disabled on or before September 12, 2007, as defined under the Plan, and who are otherwise eligible for the Long-Term Disability Benefit under the terms of the Plan in effect on September 12, 2007.

Rehabilitation Plan Schedules:

The Rehabilitation Plan includes two schedules, the **Preferred Schedule** and the **Default Schedule**, as follows:

The Preferred Schedule was available for adoption by the bargaining parties before May 1, 2008. This Schedule applies to Employers who timely adopted it and to their Active Employees (as defined in the Rehabilitation Plan). It includes the following provisions:

- Early retirement reduction factors were revised to impose a somewhat greater early retirement reduction for retirement before age 65; and
- Employer contributions were increased by 5% of current rates. These contribution rate adjustments increased Active Participant accrual rates proportionately.

The Default Schedule applies to all Deferred Vested Participants (as defined in the Rehabilitation Plan) and to Employers (and their Employees) who did not reach an agreement with their local union to adopt the Preferred Schedule in a timely manner. It includes the following provisions:

- A cap on future benefit accrual rates of 1% of currently bargained contributions per year was implemented; and
- Employer contributions were increased by 20% with no corresponding increase in Active Participant accruals.

Events with Material Effect on Assets or Liabilities

Federal law requires trustees to provide in this notice a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets. For the plan year beginning on May 1, 2009 and ending on April 30, 2009 the following events are expected to have such an effect:

Investment losses incurred as a result of the market downturn during the Plan Year are likely to result in revision of the Fund's Rehabilitation Plan.

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. There is a charge for copying, handling and shipping.

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 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.

<u>Example 1:</u> 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).

<u>Example 2:</u> 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).

Benefit Payments Guaranteed by the PBGC (continued)

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.

Where to Get More Information

For more information about this notice, you may contact: Georges N. Smetana, Plan Administrator, GCC/IBT National Pension Fund, 455 Kehoe Blvd., Suite 101, Carol Stream, IL 60188, Phone: (630) 871-7733, E-mail: info@gccibt-npf.org, Website: www.gccibt-npf.org For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 52-6118568.

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).

GCC/IBT-NPF
www.gccibt-npf.org

Use the Fund's 24-Hour Toll Free Information Line at (877) 888-2935 to learn more about the Fund's Pension Plan, to submit questions or to leave us your comments.

Whether it be learning more about the Plan, requesting an estimate, finding out how to apply for benefits or asking for a form, you can always use the Fund's 24-Hour Toll Free Information Line to obtain general information about the Fund, request information from our staff or to just leave a message. Call (877) 888-2935 anytime. We can also be found on the World Wide Web at www.gccibt-npf.org or you can send us an e-mail at info@gccibt-npf.org

NO ACTION REQUIRED

This issue of the *Pension Communicator* contains the Fund's Annual Funding Notice for the Plan Year beginning May 1, 2008.

GCC/IBT-NPF
455 Kehoe Boulevard, Suite 101
Carol Stream, IL 60188

RETURN SERVICE REQUESTED

GCC/IBT-NPF
www.gccibt-npf.org

166
166