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PLAN CHANGE NOTICE
Summary of Material Modifications
Retirement Security Plan (RSP)
Retiree Domestic Partner Taxes
RETAIN WITH YOUR BENEFIT PACKAGE FOR
FUTURE REFERENCE

July 22, 2009

To: Active and Retired Retirement Security Plan (RSP) Participants
Retiree Domestic Partner Policy - Effective July 1, 2009

Dear Retirement Security Plan (RSP) Active and Retired Participants:

If you have a "domestic partner" enrolled as your dependent in the RSP but you do not claim your domestic partner as a "dependent" on your federal income tax return, the law provides that "the fair market value" of domestic partner health benefits is taxable income. The fair market value of domestic partner coverage is determined annually and is currently \$601.03.

Because of the tax laws (rather than any policy adopted by the Trust Fund) effective July 1, 2009, retirees in the RSP who have enrolled a non-dependent domestic partner: (a) will be responsible for payment of employee withholding taxes on the monthly fair market value of their domestic partner's coverage; and (b) will be issued a W-2 annually (any applicable employer payroll taxes will be paid by the Trust Fund). The following is an example of how the domestic partner taxes will be calculated.

Table with 3 columns: Description, Per Month, Per Year. Rows include Imputed taxable value of coverage, FICA rate, and Retiree tax obligation paid to TBT.

If you are a retiree with a non-dependent domestic partner, each quarter you will receive a bill covering the next quarter's (currently July, August and September) payroll taxes on the fair market value of your domestic partner's health and welfare benefits.

If you are claiming your domestic partner as a dependent for federal tax purposes, you will be asked for verification once each year by providing a copy of the relevant page of your federal tax return.

If you have any questions, please phone the TBT Plan Administration Office at one of the above numbers. ***Failure to make timely payment of any taxes due will result in termination of domestic partner coverage.***

Sincerely,

Nora Johnson
Fund Manager
On behalf of the Board of Trustees
NJ/mr

PLEASE NOTE

This Notice is intended to amend all TBT documents, notices and correspondence, including (but not limited to) the Guide To Your Benefits and Summary of Coverage.

This document is a Summary of Material Modifications ("SMM") intended to notify you of important changes made to your plan of benefits. You should take the time to read this SMM carefully (and share it with your family) and keep it with your copy of the *Guide To Your Benefits*. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, cannot contain a full restatement of the terms and provisions of the Plan. If any conflict should arise between this summary and the Plan, or if any point is not discussed in this SMM or is only partially discussed, the terms of the Plan will govern in all cases. The Board of Trustees reserves the right, in its sole and absolute discretion, to amend, modify, terminate or interpret and decide all matters under the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason.

Si usted gustaria una copia en espanol, por favor de contactar la oficina de administracion de Teamsters Benefit Trust.