



Graphic Communications Conference of the  
International Brotherhood of Teamsters

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455 Kehoe Boulevard, Suite 101, Carol Stream, IL 60188

*Formerly the Graphic Communications Conference of the International Brotherhood of Teamsters Supplemental Retirement and Disability Fund*

**ANNUAL FUNDING NOTICE  
FOR  
GRAPHIC COMMUNICATIONS CONFERENCE OF THE  
INTERNATIONAL BROTHERHOOD OF TEAMSTERS  
SUPPLEMENTAL RETIREMENT AND DISABILITY FUND**

**Introduction**

This Notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of the GRAPHIC COMMUNICATIONS CONFERENCE OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS SUPPLEMENTAL RETIREMENT AND DISABILITY FUND (Employer Identification Number 52-6118568 Plan No. 001) (hereinafter “Plan” or “Fund”). 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 May 1, 2007 and ending April 30, 2008.

**Plan’s Funding Level**

The Plan’s “funded current liability percentage” for the Plan Year was 55.37%\*. The “funded current liability percentage” is the ratio of the actuarial value of assets to current liability, as of the valuation date, expressed as a percentage. 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, 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 April 30, 2007 was \$1,095,459,433. The total amount of benefit payments for the Plan Year was \$115,163,971. The ratio of assets to benefit payments is 9.51. This ratio is calculated by dividing the value of Plan assets by the total benefit payments. This ratio suggests that the Plan’s assets could provide for approximately 9.51 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 ( $.75 \times \$33$ ), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ( $\$35.75 \times 10$ ).

*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 ( $.75 \times \$9$ ), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ( $\$17.75 \times 10$ ).

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, such as in our Plan, the Supplemental 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 write or call the Plan office 455 Kehoe Boulevard, Suite 101, Carol Stream, IL 600188; (630) 871-7733. For more information about the PBGC and multiemployer benefit guarantees, go to PBGC's web site, [www.pbgc.gov](http://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).

#### **\* Additional Explanation:**

The Plan's "funded current liability percentage" of 55.37% is based on an assumed rate of future investment returns of 5.80%, as dictated by law. However the Plan's funding ratio, based on the long-term investment rate of return assumption of the invested assets of the Fund is approximately 76.53%. The long-term investment rate of return assumption reflects the ongoing nature of the Plan. The lower the investment rate of return that is assumed, the higher is the Plan's reported underfunding. So, on an ongoing basis, the Plan has a higher funded percentage, which reflects a better financial position.

The Notice also provides basic information on pension funds that run out of money and what the government (the PBGC) would pay in that event. Every pension fund is required by law to include this exact language in the Notice and it does not mean it will ever apply to the Plan. The Notice also identifies the period that benefits could be paid based on the Plan's current assets, but this does not take into account future investment earnings and contributions that will be received.

Please also note that the statement "The Plan's 'funded current liability percentage' for the Plan Year was 55.37%" does not take into consideration changes to the Plan effective May 1, 2008 under the Rehabilitation Plan adopted by the Board of Trustees August 28, 2007.



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**SUMMARY ANNUAL REPORT  
FOR  
GRAPHIC COMMUNICATIONS CONFERENCE OF THE  
INTERNATIONAL BROTHERHOOD OF TEAMSTERS  
SUPPLEMENTAL RETIREMENT AND DISABILITY FUND**

This is a Summary of the Annual Report for GRAPHIC COMMUNICATIONS CONFERENCE OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS SUPPLEMENTAL RETIREMENT AND DISABILITY FUND, (Employer Identification No. 52-6118568, Plan No. 001) (hereinafter "Plan" or "Fund") for the year ended April 30, 2008. The Annual Report has been filed with the Pension and Welfare Benefits Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

**Basic Financial Statement**

Benefits under the Fund's Retirement Plan are provided by a trust fund. Plan expenses were \$123,430,284. These expenses included \$8,266,313 in administrative expenses, and \$115,163,971 in benefits paid to participants and beneficiaries. A total of 41,331 persons were participants in or beneficiaries of the Plan at the end of the Plan Year, although not all of these persons had yet earned the right to receive benefits.

The value of Plan assets, after subtracting liabilities of the Plan, was \$996,805,769 as of April 30, 2008, compared to \$1,095,459,433 as of May 1, 2007. During the Plan Year, the Plan experienced a decrease in its net assets of \$98,653,664. This increase included unrealized appreciation or depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. During the Plan year, the Plan had total income of \$24,776,620 including, but not limited to, employer contributions of \$17,423,975 realized losses of \$12,523,538 from the sale of assets, and earnings from investments of \$19,876,183.

The percentage which results from dividing the current value of Plan assets as of May 1, 2007 by the current liability as of May 1, 2007 is approximately 60.49%.

**Minimum Funding Standards**

The actuary's statement shows that enough money was contributed to the Plan to keep it funded in accordance with the minimum funding standards of ERISA.

**Your Rights To Additional Information**

You have the right to receive a copy of the full Annual Report, or any part thereof, upon request. The items listed below are included in that report:

1. An auditors' report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Securities on loan;
5. Transactions in excess of 5% of Plan assets;
6. Information regarding any common or collective trusts, pooled separate accounts, masters trust or 103-12 investment entities in which the Plan participates; and
7. Actuarial information regarding the funding of the Plan.

To obtain a copy of the full annual report or any part thereof, write or call the Plan office 455 Kehoe Boulevard, Suite 101, Carol Stream, IL 600188; (630) 871-7733. The charge to cover copying costs will be \$43.00 for the full annual report or \$.25 per page for any part thereof. You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and liabilities of the plan and

accompanying notes or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report.

The charge to cover the copying costs will not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan at 455 Kehoe Boulevard, Suite 101, Carol Stream, IL 60188 and the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department of Labor should be addressed to: Public Disclosure Room, 5638, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210

**NO ACTION IS REQUIRED**  
**THIS MAILING CONTAINS THE**  
**FUND'S ANNUAL FUNDING NOTICE**  
**AND SUMMARY ANNUAL REPORT**



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