

NEW ENGLAND TEAMSTERS AND TRUCKING INDUSTRY PENSION FUND

535 Boylston Street • Boston, Massachusetts 02116-3770

June 2003

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Dear Participant:

We are pleased to present to you a Summary of the annual report for the New England Teamsters and Trucking Industry Pension Fund for the year ended September 30, 2002. The annual report has been filed with the Internal Revenue Service, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

During the plan year ended September 30, 2002, over 1,300 members and 484 surviving spouses were added to the pension rolls. At year-end, there were 23,517 retired members and 4,924 beneficiaries receiving benefits from the Fund. A total of \$323 million was paid out in benefits. The actuarial present value or cost of both present and future pension benefits as determined by the plan's actuarial firm was \$4.076 billion. For withdrawal liability purposes, the Plan utilizes an actuarial valuation of assets, which was determined to be \$3.179 billion as compared to a market valuation of \$2.649 billion. A comparison of the actuarial valuation of plan assets to the vested benefit obligation results in a funding ratio of 78% with an unfunded liability of \$897.7 million.

Over 5,000 active participants have logged on to the Fund's web site at www.nettipf.com to view their hours of service and years of pension credit. If you are an active participant and have forgotten your Member ID and Password, you may re-register on the web site and request another Member ID and Password. A number of vested participants are now able to calculate their own estimated benefit amounts based on their accumulated pension credit. This on-line calculation program will be made available to more vested participants over the coming months. Over 18,000 retirees have signed up for the direct deposit of their monthly pension checks. If you are receiving benefits and haven't signed up, call the Fund Office at your earliest convenience and ask for an Authorization Form. You may also change your federal tax withholding at any time by submitting a new IRS Form W-4P or by writing directly to the Fund Office.

The driving force behind the level of benefits being paid to all current and future retirees has been and will continue to be the Fund's investment income. Investments in the stock market during the last couple of years have been very unsatisfying and the Fund has seen substantial losses in its assets. As a result, the Trustees have adopted a number of cost-control strategies that will be put into effect during the next Plan year. These cost-control strategies include the elimination of some rarely used types of pensions, increases in the reduction factors applied to Early Retirement and Thirty-Year Service Pensions and the elimination of Early Retirements before age 55. While the benefit amounts payable under the existing Plan C Special Service Pension remain unchanged, future eligibility to this type of pension will require a higher level of contributions.

As fiduciaries, our goal is to make this Pension Fund one of the best and strongest plans in the country. Throughout these troubled economic times, we remain committed to maintain a plan of benefits that will provide you with a sense of security that your pension benefits will continue to be paid for all of your retirement years. As part of our commitment to sound fiscal policy, the Trustees have set a 90% minimum Funding Target, whereby any future benefit enhancements will not be considered unless this minimum Funding Target is met. The Funding Target is the ratio of the Plan's actuarial value of assets to the actuarial accrued liability determined each October 1. For comparison purposes, the Funding Target ratio as of October 1, 2001 was 73%. Please refer to the reverse side for information required by ERISA for the plan year ending September 30, 2002.

Fraternaly yours,

BOARD OF TRUSTEES

SUMMARY ANNUAL REPORT

FOR NEW ENGLAND TEAMSTERS & TRUCKING INDUSTRY PENSION FUND

This is a summary of the annual report for the New England Teamsters & Trucking Industry Pension Fund, EIN 04-6372430, Plan No. 001, for the period October 1, 2001 through September 30, 2002. The annual report has been filed with the Pension and Welfare Benefits Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided through a trust fund. Plan expenses were \$332,192,000. These expenses included \$9,592,000 in administrative expenses and \$322,600,000 in benefits paid to participants and beneficiaries. A total of 72,566 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 \$2,637,460,000 as of September 30, 2002, compared to \$2,903,741,000 as of October 1, 2001. During the plan year, the plan experienced a decrease in its net assets of \$266,281,000. This decrease includes unrealized appreciation and 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. The plan had total income of \$65,911,000 including employer contributions of \$203,878,000, realized losses of \$29,206,000 from the sale of assets, and earnings from investments of \$(108,761,000).

Minimum Funding Standards

An 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, on request. The items listed below are included in that report:

1. an accountant's report;
2. financial information and information on payments to service providers;
3. assets held for investment;
4. information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates; and
5. actuarial information regarding the funding of the plan.

To obtain a copy of the full annual report, or any part thereof, write or call Trustees, New England Teamsters & Trucking Industry Pension Fund, 535 Boylston Street, Boston, MA 02116, (617) 266-8900. The charge to cover copying costs will be 25 cents per page.

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 copying costs given above does 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 (Trustees, New England Teamsters & Trucking Industry Pension Fund, 535 Boylston Street, Boston, MA 02116) 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 should be addressed to: Public Disclosure Room, Room N1513, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.