DATE: JULY 2, 2020

TO: LOCAL UNIONS WITH YRCW MEMBERS IN CENTRAL STATES FUNDS

RE: YRCW DELINQUENCY NOTICE UPDATE

As previously advised, YRCW (YRC Freight and USF Holland) has been delinquent in paying contributions owed on TeamCare members who have worked since March 2020. The estimated delinquency for this time period reached approximately $75 million combined for the Health and Pension Funds. This debt is in addition to the more than $47 million owed to the Pension Fund under its last debt restructuring from nearly a decade ago.

Yesterday, YRCW issued a news release indicating that the U.S. Department of Treasury intends to make a $700 million loan to YRCW under the CARES Act and that $350 million of this loan will be used to cover YRCW’s “short-term contractual obligations and certain other obligations, including pension and healthcare payments.” The Funds are hopeful that this CARES Act loan will result in full payment of the delinquencies that have occurred since March 2020, which would enable the Health Fund to lift the suspension of benefits. While the CARES Act loan has not closed or been funded at this time and full payment of the delinquency has not been received, a partial payment has been received by the Health and Welfare and Pension Funds earlier today which is sufficient to provide YRCW members with continued TeamCare coverage through midnight on August 1, 2020.

Once full payment of the Health Fund delinquency is received, the suspension of benefits will be lifted and any weeks of TeamCare Layoff Coverage used by members who were actively employed during the suspension of benefit period will be reinstated to the members and will be available in the event of a subsequent layoff.

We encourage members to visit MyTeamCare.org and use our secure Message Center for any questions, while Local Unions can contact their Field Service Representative.

Sincerely,

BOARD OF TRUSTEES, CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS FUNDS, BY:

THOMAS C. NYHAN
EXECUTIVE DIRECTOR