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# PENSION CHANGE FACT SHEET

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AT BOSTON COLLEGE

JANUARY 2007

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COMPANY NAME: Ryder System, Inc.

U.S. EMPLOYEES: 21,300

TYPE OF PLAN: Traditional Defined Benefit — 9,400 participants affected

DATE ANNOUNCED: January 11, 2007

DATE EFFECTIVE: January 1, 2008

DESCRIPTION OF FREEZE: *Partial Freeze*. Ryder will freeze its pension plan for current employees who do not meet certain grandfathering criteria and will provide these employees with an enhanced 401(k) savings plan. The criteria for grandfathered employees are based on a minimum of 65 points (the sum of an employee's age and years of service with Ryder as of December 31, 2007). Additionally, Ryder will grandfather employees currently enrolled in the Pension Plan who have at least 20 years of credited service with the company, regardless of their age. Grandfathered employees will have the option to remain in the current pension plan or participate in the enhanced 401(k) savings plan.

PLAN SOLVENCY: At year end 2005, Ryder's defined benefit pension obligations were \$1.187 billion and its assets were \$940 million.

REPORTED FINANCIAL IMPLICATION: The freeze is not intended to produce a near-term financial benefit; however it is expected to significantly reduce the company's exposure to long-term market volatility, particularly over a 20-30 year timeframe.

NEW ARRANGEMENTS FOR EMPLOYEES: Ryder will make an automatic contribution of 3 percent of pay, even if employees do not choose to make a contribution — and will provide a 50 percent match on employees' contributions of up to 5 percent of pay. Employees also have the opportunity to earn an additional Ryder contribution of up to 3 percent of pay, based on company performance. In total, an employee contributing 5 percent of salary could receive a company contribution of up to 8.5 percent of salary.

BACKGROUND: Ryder is a Fortune 500 company providing leading-edge transportation, logistics and supply chain management solutions worldwide. Ryder's stock is a component of the Dow Jones Transportation Average and the Standard & Poor's 500 Index.

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## REFERENCES

Bruce, David (vice president of corporate communications at Ryder). 2007. Personal communication.  
Ryder System, Inc. 2007. "Ryder to Change U.S. Pension Plan and Offer Enhanced 401(k) Plan." Ryder's. *Press Release*. (January 11, 2007).  
Ryder System, Inc. *Annual Report*. 2005.