UFCW LOCAL 152 RETAIL MEAT PENSION PLAN

IMPORTANT NOTICE OF FUNDING STATUS – PLEASE READ

Notice of Critical and Declining Status

FEDERAL FUNDING RULES. Since January 1, 2008, the Pension Protection Act of 2006 (the "PPA") imposed rules aimed at accelerating the funding of defined benefit plans, such as the United Food and Commercial Workers Union Local 152 Retail Meat Pension Plan (the "Plan"). Under prior law, defined benefit plans were required to address a funding problem only when a plan would not satisfy minimum funding standards for the current year. Unlike prior law, the PPA requires plans to ***accelerate funding*** and to ***anticipate future funding issues based upon projections***. Federal law also requires the Plan's Board of Trustees (the "Board") to send you this notice.

THE PLAN ACTUARY MUST CERTIFY THE PLAN'S FUNDING CATEGORY. Under the PPA, within the first 90 days of each plan year, the Plan's Actuary must certify whether the Plan is in Endangered, Seriously Endangered, Critical or Critical and Declining status. In general, the most relevant factors used by the Plan's Actuary to categorize the Plan are: (1) its funded percentage, (2) whether the Plan will be unable to satisfy the new minimum funding standards within the next three to seven years without additional contribution income or benefit changes, and (3) whether the Plan is projected to run out of assets.

PLAN'S CURRENT STATUS. On September 28, 2023, the Plan's Actuary certified to the U.S. Department of the Treasury and to the Plan's Board of Trustees that the Plan is in Critical and Declining status for the plan year beginning **July 1, 2023** because the Plan has an accumulated funding deficiency for the current plan year and is projected to become insolvent for the plan year ending June 30, 2029. This is the eighth year that the Plan has been certified as being in Critical and Declining status after eight consecutive years of being in Critical Status.

WHY HAS THIS HAPPENED? Even though the Board has been proactive in addressing the Plan's funding problem, the PPA established new rules that require faster funding of plans than under prior law. Also, like most multiemployer plans, and even most single employer pension plans sponsored by U.S. companies, the Plan was negatively impacted in 2008 and the beginning of 2009 by the severe downturn in the stock market, which caused a significant drop in the value of the Plan's assets. To date, the Plan has not fully recovered from the losses sustained during the market downturn. In addition, several contributing employers filed for bankruptcy or went out of business. For example the bankruptcies and liquidations of SuperFresh and Pathmark were especially damaging to the Plan. As recent events demonstrate, the economy and the stock market remain unpredictable and these components affect the projections that the PPA requires to determine the Plan's funding status.

WHAT ACTION HAS THE BOARD TAKEN TO DATE? The Board has been concerned about the Plan's funded status for some time, and has taken numerous steps since 2004 to improve the funding status of the Plan, including the implementation of mandatory contribution rate increases pursuant to the following schedules:

Revised Alternative Extended Rehabilitation Plan Schedule

Effective Date	Increase
February 1, 2010	12%
February 1, 2011	8%
February 1, 2012	8%
February 1, 2013	8%
February 1, 2014	8%
February 1, 2015 to February 1, 2020	3.2%
February 1, 2021 onward	0%

Original Alternative Extended Rehabilitation Plan Schedule

Effective Date	Increase
February 1, 2010	12%
February 1, 2011	8%
February 1, 2012	8%
February 1, 2013	8%
February 1, 2014	8%
February 1, 2015 onward	3.2%

Default Schedule

Effective Date	Increase
February 1, 2010	12%
February 1, 2011	8%
February 1, 2012	8%
February 1, 2013	8%
February 1, 2014	8%
February 1, 2015 through February 1, 2024	11.5%

REHABILITATION PLAN. When the Plan's Actuary initially certified the Plan in Critical Status in 2008, the PPA required the Board to develop and implement a "Rehabilitation Plan" designed to improve the Plan's funding. The Board first adopted a Rehabilitation Plan on May 20, 2009. As part of the Rehabilitation Plan, the Board established schedules that outlined the increased Employer contributions and included revised benefit structures that were designed to bring the Plan out of Critical Status within the Rehabilitation Period consistent with applicable law. The schedules outline the acceptable alternatives that were presented to the parties for collective bargaining. In collective bargaining, the contributing employers (the "Employers") and the Local Unions were required to agree to a schedule established by the Board. As required by applicable law, the Rehabilitation Plan has been annually updated; most recently on October 11, 2022. The Rehabilitation Plan will continue to be updated annually to reflect the Plan's experience to that date and, if necessary, to update prospective contributions or benefits.

NEW EMPLOYER CONTRIBUTIONS. Under the PPA, each Employer was required to pay a surcharge of 5% of the contributions otherwise required under the applicable collective bargaining agreement or other agreements pursuant to which the Employer contributed beginning December 1, 2008 through the remainder of the 2008/2009 plan year. In addition, the surcharge was increased to 10% for the 2009/2010 plan year (beginning July 1, 2009) and remained in effect until the Local Unions and the Employers adopted an acceptable schedule under the Rehabilitation Plan.

WHAT DOES THIS MEAN FOR ME? At the present time, Participants who were retired and receiving benefits on or before October 24, 2008 will not experience a change in the benefits they receive. To date, the Rehabilitation Plans affect only participants whose benefit payments begin after October 24, 2008. While the Plan is in Critical status, the PPA ***prohibits*** the Plan from paying any benefits in the form of a lump sum, or any other payment in excess of the monthly amount payable in the form of a single life annuity (other than certain Social Security level-income options, and certain retroactive payments). This means that after the date of the initial Notice of Critical Status (October 24, 2008), the Fund could no longer pay the $1,000 post-retirement death benefit (for Retail Meat participants) or the $2,000 post-retirement death benefit (for IPH participants) in the form of a lump sum benefit. In addition, no disability benefits will be provided to any participants if applied for after November 27, 2014, or such earlier date on which their Employer adopted a schedule under the Rehabilitation Plan that eliminated disability benefits.

YOUR NORMAL RETIREMENT BENEFITS WILL NOT CHANGE. If your benefit payments have already started, ***they are not currently scheduled to change***. Also, ***the normal pension benefit you have already accrued is not currently scheduled to change.*** In addition, vested retirement benefits will continue to be partially guaranteed by the Pension Benefit Guaranty Corporation (the "PBGC"). For example, 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 is $35.75 per month times a participant's years of credited service.

POSSIBLE FUTURE BENEFIT REDUCTIONS. Depending upon how the stock market performs in the future and the success of Employers, it is possible that additional contributions and/or benefit changes will be required as part of any revised Rehabilitation Plan that is adopted by the Board. The Rehabilitation Plan already reduces certain **"*adjustable benefits*"** for participants and beneficiaries whose pensions had not started prior to October 24, 2008. "Adjustable benefits" are benefits over and above the normal pension paid at normal retirement age, and include benefits such as post-retirement death benefits, disability (for certain participants, if not previously in pay status as described above), and early retirement benefits or retirement-type subsidies. It also includes any form of payment other than the joint and 50% surviving spouse annuity (or single life annuity for unmarried participants). In addition, under the **Multiemployer Pension Reform Act of 2014**, the Trustees can apply for Benefit Suspensions to prevent insolvency.

LOOKING AHEAD. We are pleased to report that the **American Rescue Plan Act of 2021** will provide special funding assistance from the PBGC to financially troubled plans. This assistance focuses on paying participant benefits over the next 30 years. The law will also strengthen the financial condition of the PBGC so that its insurance program for multiemployer pension plans should remain solvent well into the future.

The Plan is eligible for SFA and submitted an application in July 2023. The application is currently under review by the PBGC. The Trustees will take necessary action it deems is in the best interest of the Plan and participants to secure the SFA promised under the law.

WHERE TO GET MORE INFORMATION. For more information regarding this Notice, you may contact Board of Trustees, United Food and Commercial Workers Local 152 Retail Meat Pension Plan, 27 Roland Avenue, Suite 100, Mt. Laurel, NJ 08054, telephone (856) 793-1590. You have a right to receive a copy of the Thirteenth Update to the Rehabilitation Plan.

Date: October 27, 2023 **Board of Trustees**