



Minneapolis Food Distributing Industry Pension Plan

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Notice of Plan Status

April 22, 2010

To: Participants and Beneficiaries
All Contributing Employers
Participating Unions

The Pension Protection Act (PPA), signed into law in 2006, is intended to improve the financial condition of pension plans. The PPA implemented several safeguards as well as notification requirements to share more information about a plan's "financial health" with participants and others directly interested in the plan.

Many of the PPA's safeguard provisions relate to funding, which, in simplest terms, is how much a plan has coming in, going out, and what is in reserve for the future. The safeguards are intended to create more discipline to prevent avoidable funding problems.

Starting with the 2008 plan year, the PPA requires that the Minneapolis Food Distributing Industry Pension Plan be tested annually to determine how well it is funded. Benchmarks for measuring a plan's funding, with formal labels, were established. Plans that are in endangered status (the Yellow Zone) or critical status (the Red Zone) must notify all plan participants, unions, and contributing employers of the plan's status, as well as take corrective action to improve or restore the plan's financial health.

Plan's Status - Yellow Zone

For the certification for the Plan Year 2010, the Plan was categorized as being endangered, or in the Yellow Zone, because the Plan was less than 80% funded.

Funding Improvement Plan

Yellow Zone status is like an early warning to focus on correcting problems to head off more serious trouble. To comply with the PPA, the Trustees were required to adopt a Funding Improvement Plan designed to improve the Plan's funded position. In 2008, the Trustees adopted a Funding Improvement Plan by confirming the contribution rates and benefit accrual level in effect at that time were projected to be sufficient to improve the Plan's funded percentage and eventually move the Plan into the Green Zone. Since the Plan is in the endangered status for the 2010 Plan Year, the Trustees need to review and update, if necessary, the Funding Improvement Plan.

What's Next

The PPA requires that the Plan's funding status be reviewed and certified annually. Consequently, you will receive a notice like this each year until the Pension Plan is no longer in the Yellow Zone. Once the Funding improvement Plan is updated, any necessary changes will be communicated to all affected individuals and/or parties.

You also should note that, so long as the Plan remains in the Yellow Zone, the Board of Trustees may not accept a collective bargaining agreement that (1) reduces the contribution rate for any participant, (2) suspends contributions with respect to any period of service, or (3) excludes new groups for entry into the plan.

This Notice is being provided as required under the Pension Protection Act of 2006, which requires that certain information regarding the Plan's funding status be disclosed to individuals and parties interested in the Plan. As required by law, this Notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of the Department of Labor.