

**United Food & Commercial Workers Union Local 880 –  
Mercantile Employers Joint Pension Plan  
Notice of Plan Status**

**E.I.N./PN 51-6031766/001**

January 27, 2012

Participants, Beneficiaries and Contributing Employers:

The Pension Protection Act (PPA or Act), signed into law in 2006, is intended to improve the financial condition of pension plans. The Act 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.

Starting with the 2008 Plan year, the Act requires that the Pension Plan be tested annually to determine how well it is funded. The Act established formal benchmarks for measuring a plan's funding. Plans that are in the yellow ("endangered") or red ("critical") zones must notify all plan participants, unions and contributing employers of the plan's status, as well as take corrective action to restore the plan's financial health.

**Plan's Status — Yellow Zone**

On December 29, 2011, the Pension Plan's actuary certified that, based on the Act's funding measures, the Pension Plan was categorized as being in the yellow zone ("endangered") for the 2010 Plan year, since the Plan is less than 80% funded. For the Plan Year beginning October 1, 2011, the Pension Plan is 65.8% funded.

**Funding Improvement Plan**

To comply with the Act, the Trustees adopted a Funding Improvement Plan, designed to improve the Pension Plan's funded status. Contributing employers and participating unions were notified of any items that needed to be covered in new or renewed collective bargaining agreements. Please note that, since the Pension Plan's financial condition generally fluctuates with changes in the economy, the Act requires that the Pension Plan's funding status be reviewed and certified annually, which means that you will receive a notice like this each year until the Pension Plan is no longer in the yellow zone.

Even prior to the passage of the Act in 2006, the Trustees have been working with our actuaries for several years to address funding issues. In fact, the additional contributions to the Pension Plan and recent benefit changes made have improved the funded status of the Plan. However, like all pension funds, the assets of this Pension Plan have been affected by the global financial crisis. Please be aware that improving the Pension Plan's funded status is a top priority and we are committed to taking any actions necessary, as permitted by law, to ensure that the Pension Plan has the necessary assets to fund benefits when participants retire.

For more information about this Notice or the Pension Plan in general, please contact the Pension Plan's office.

Sincerely,

Board of Trustees

*As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of the Department of Labor.*