

ANNUAL FUNDING NOTICE

For

MINNEAPOLIS RETAIL MEAT CUTTERS AND FOOD HANDLERS VARIABLE ANNUITY PENSION PLAN

Introduction

This notice includes important information about the funding status of the Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this Notice every year regardless of their funding status. This Notice does not mean that the Plan is terminating. It is provided for informational purposes only and you are not required to respond in any way. This Notice is required by federal law. This Notice is for the plan year beginning January 1, 2021 and ending December 31, 2021 ("Plan Year").

How Well Funded Is The Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the Plan Year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding Plan Years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period. As the Plan first began January 1, 2019, there are no assets or liabilities for January 1, 2019. The chart below will be populated in future years as experience emerges.

Funded Percentage			
	2021 Plan Year	2020 Plan Year	2019 Plan Year
Valuation Date	01/01/2021	01/01/2020	01/01/2019
Funded Percentage	130.5%	127.9%	Not Applicable
Value of Assets	\$8,293,589	\$3,908,571	\$0
Value of Liabilities	\$6,353,715	\$3,055,549	\$0

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding plan years as reported in the audit.

	12/31/2021*	12/31/2020	12/31/2019
Fair Market Value of Assets	\$13,076,734	\$8,293,589	\$3,908,571

* *Estimated*

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in “endangered” status if its funded percentage is less than 80 percent. A plan is in “critical” status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in “critical and declining” status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

Since the Plan was established after July 16, 2006, the Plan is not subject to the Pension Protection Act (PPA) rules pertaining to actuarial status.

Participant Information

The total number of participants and beneficiaries covered by the Plan on January 1, 2021 was 4,475. Of this number, 4,313 were current employees, 42 were retired participants receiving benefits, and 120 were retired or no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is that the Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the Plan’s participants.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is designed to guide the activities necessary to maintain compliance with the policies and guidelines approved by the Plan’s fiduciaries. The following table summarizes the asset allocation policy targets that have been adopted for the Plan. Adjustments to the Policy Allocation may change throughout the year as the Plan asset level grows and market conditions change:

Policy Allocation

Asset Class	Policy Target as a Percent of Total Assets
U.S. Equity	35.0%
Core/Core Plus Bonds	15.0%
Long-Term Treasury Bonds	5.0%
Inflation-Protected Bonds (TIPS)	5.0%
High Yield Bonds	5.0%
Floating-Rate Loans	10.0%
Multi-Asset Class Solutions (MACS)	15.0%
Private Equity	10.0%

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage:
Stocks	33.9%
Investment grade debt instruments	24.0%
High-yield debt instruments	14.1%
Real estate	0.0%
Other	28.0%

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the Plan's Administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact the Plan's Administrator if you want information about your accrued benefits, and the Plan's Administrator is identified below under "Where to Get More Information."

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see "Benefit Payments Guaranteed by the PBGC," below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Specifically, 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, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$600/10$), which equals \$60. The guaranteed amount for a \$60 monthly accrual rate is equal to the sum of \$11 plus $\$24.75 (.75 \times \$33)$, or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus $\$6.75 (.75 \times \$9)$, or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer. Please contact the plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information," below.

Where to Get More Information

For more information about this Notice, you may contact the Plan Administrator at:

Pension Department
Wilson-McShane Corporation
3001 Metro Drive, Suite 500
Bloomington, Minnesota 55425-1412
(952) 851-5797 or (844) 468-5917
www.663benefits.com

For identification purposes, the official Plan number is 001 and the Plan sponsor's name and employer identification number or "EIN" is the Trustees of Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan and 83-2598425.

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