

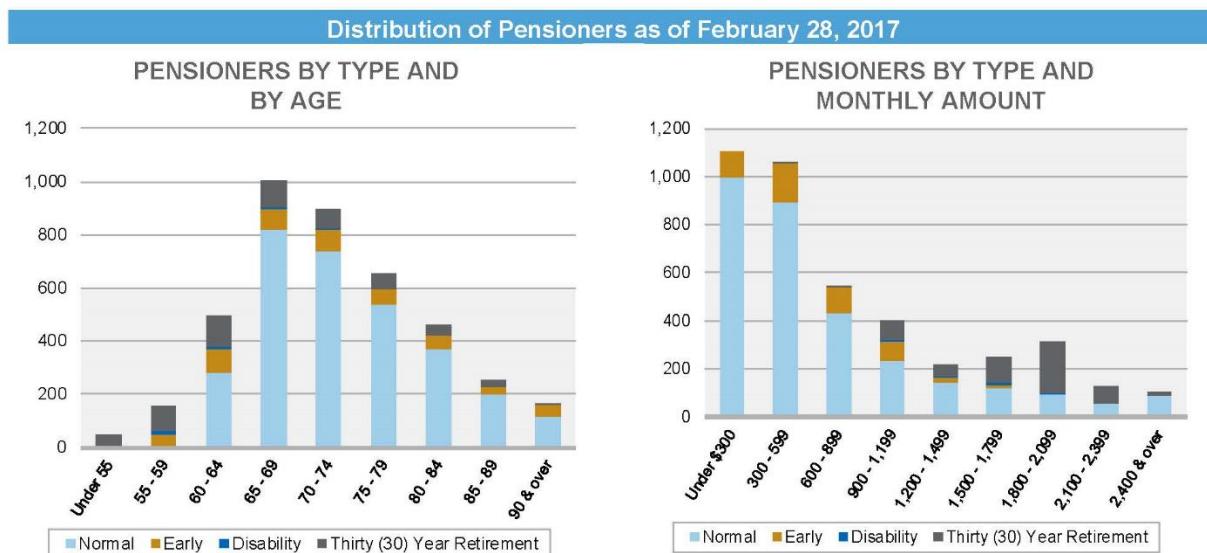
May 2018

Dear Minneapolis Retail Meat Cutters & Food Handlers Pension Plan Participant:

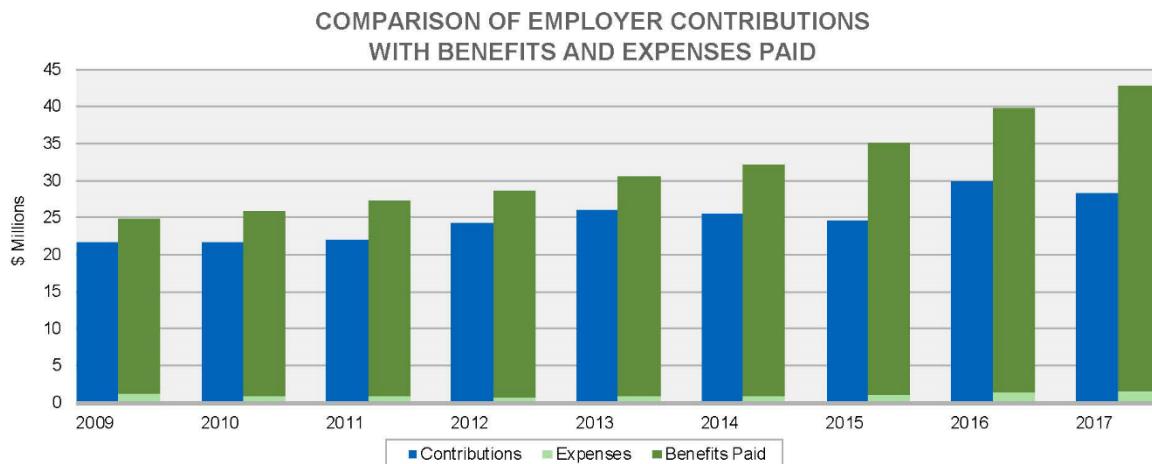
As you may already be aware, a decision was recently made to make significant changes to the Plan's pension benefits. Future Service benefit credit will no longer accrue in the current defined benefit pension plan, the Minneapolis Retail Meat Cutters & Food Handlers Pension Plan ("Legacy Plan"), after February 28, 2019. Beginning in January 2019, Future Service benefit credit for eligible members of Local 653 will accrue in a pension, the Variable Annuity Pension Plan ("VAP Plan").

Employer contributions will continue to be made on behalf of eligible employees to both the Legacy Plan and the VAP Plan. The combination of continued employer contributions, along with freezing the future service benefits of the Legacy Plan, will help to stabilize the Legacy Plan and ensure that the approximately 4,600 Retirees currently receiving a monthly pension check, as well as the 12,000 Participants who will receive a monthly pension payment in the future, can continue to count on receiving those earned pension benefits.

The Legacy Plan currently pays out over \$3.5 million in pension benefits each month. The majority of current Pensioners are receiving a Normal Retirement Benefit, meaning they chose to wait until the Plan's normal retirement age of 62 before collecting their pension. Additionally, many of the 4,600 current Pensioners receive a monthly pension check for an amount under \$600. These details are illustrated in the charts below.



It was clear there was a need to protect the Pensioners as well as a need to protect the 12,000 Participants with vested rights to receive a pension benefit from the Legacy Plan as they approach retirement. Action needed to be taken to stabilize the Legacy Plan. The Legacy Plan is currently underfunded and, as illustrated in the chart below, employer contributions and investment earnings are not keeping up with benefit payments to Pensioners.



Freezing the future service benefits of the Legacy Plan as of February 28, 2019 will no longer allow Participants to earn years of credited service towards the Thirty (30) Year Retirement Benefit. It will, however, still allow Participants who are not fully vested in the Legacy Plan to accrue vesting service to become vested in both the Legacy Plan and the VAP Plan if they continue to work for a contributing employer in the industry.

Although freezing the future service benefits of the Legacy Plan may adversely impact some members who were working toward qualifying for the Thirty (30) Year Retirement Benefit, it is clear when you look at the pensions awarded by the Plan over the last four years, as shown in the chart below, that the majority of Pensioners have waited until the Plan's normal retirement age of 62 to collect a Normal Retirement Benefit.

New Pensions Awarded

Year Ended Feb 28/29	Total		Normal		Early		Disability		Thirty (30) Year Retirement	
	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount
2014	294	\$928	249	\$811	16	\$829	—	—	29	\$1,986
2015	396	937	327	845	35	814	2	\$1,450	33	1,963
2016	355	975	278	822	26	838	3	1,390	48	1,909
2017	303	1,056	228	895	21	834	6	1,276	48	1,893

The Board of Trustees has a fiduciary responsibility to protect the thousands of current and future Pensioners. The combination of freezing the future service benefits, along with increased contributions negotiated by the Union and Employers of around 3% over each of the next five years, is what was needed in order to ensure these important retirement benefits continue into the future. The Minneapolis Retail Meat Cutters & Food Handlers Pension Plan has provided pension benefits to the hard working men and women of Local 653 for the past 50+ years, and with these Plan changes is now expected to be in a position to continue to provide those pension benefits for the next 50+ years.

Additional information relating to the Legacy Plan changes as well as the new VAP Plan will be provided in the coming months. If you have any questions, please do not hesitate to contact the Fund Office at (952) 851-5797 or (844) 468-5917.

Sincerely,
Board of Trustees
Minneapolis Retail Meat Cutters & Food Handlers Pension Plan