

Minneapolis Retail Meat Cutters & Food Handlers Legacy Pension Plan



Preparing today for a *secure* future.

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January 24, 2019

RE: Recent Changes to the Minneapolis Retail Meat Cutters and Food Handlers Pension Plan

Dear Sir or Madam:

You are receiving this letter and the enclosed notice to advise you of recent changes made to the Minneapolis Retail Meat Cutters and Food Handlers Pension Plan (the "Pension Plan") by the Board of Trustees ("Trustees"). As explained in greater detail in the enclosed notice, the Trustees have amended the Pension Plan to provide as follows:

1. There will be no new participation in the Pension Plan as of January 1, 2019;
2. Participants in the Pension Plan will not accrue any new benefits on or after February 28, 2019; and
3. The Thirty (30)-Year Retirement Benefit has been eliminated for certain Participants in the Pension Plan as of February 28, 2019.

These benefit reductions are the result of new collective bargaining agreements ("CBAs") with SUPERVALU and independent employers that were ratified early in 2018. The CBAs incorporated aspects of the "Rehabilitation Plan" adopted by the Trustees that are intended to ensure that the Pension Plan has enough funding to pay for the benefits that have been earned under the Pension Plan. In addition to these reductions in benefits, the Rehabilitation Plan also requires Contributing Employers to make increased contributions to the Pension Plan beginning in March 2019. The changes described above are the result of the Trustees implementing the Rehabilitation Plan.

If you return to work as a member of the UFCW 663 in a job with an employer who is required to make contributions to the Pension Plan on your behalf, you could become eligible for the new Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan (the "VAPP"). The VAPP began January 1, 2019. It replaces the Pension Plan for future benefit accruals for active members who are eligible for this new plan. If you become eligible for the VAPP, you will receive additional information about it.

We know how important your pension benefits are to having a dignified and more financially secure retirement. We believe these changes are an important step towards improving the financial stability of the Pension Plan and ensuring it can support promised benefits now and in the future.

Sincerely,

The Board of Trustees

**SUMMARY OF MATERIAL MODIFICATIONS
to the
MINNEAPOLIS RETAIL MEAT CUTTERS AND FOOD HANDLERS PENSION PLAN**

On June 22, 2018, the Board of Trustees (“Trustees”) of the Minneapolis Retail Meat Cutters and Food Handlers Pension Plan (the “Plan”) adopted a Rehabilitation Plan pursuant to the Pension Protection Act of 2006 (the “PPA”). The Trustees adopted the Rehabilitation Plan in response to the Plan actuary’s certification of the Plan’s funding status on May 29, 2018. The funding status of the Plan was certified as being in “endangered status” (sometimes referred to as the “yellow zone”). The Trustees were also advised that the Plan’s funding status was projected to enter “critical status” in the Plan Year beginning March 1, 2023.

The United Food and Commercial Workers Local Union 663 (the “Union”) and certain of the employers obligated to contribute to the Plan (the “Contributing Employers”) (collectively, the Bargaining Parties”) incorporated various aspects of the Rehabilitation Plan into the collective bargaining agreement effective March 4, 2018. The Rehabilitation Plan, including the steps negotiated by the Bargaining Parties and incorporated into the applicable collective bargaining agreements, is intended to improve the Pension Plan’s funding status. The enactment of the Rehabilitation Plan requires increased contribution amounts from Contributing Employers and the Trustees have adopted Amendment No. 3 which provides for the benefit reductions and other changes described below.

1. **New Participation in the Plan Effective January 1, 2019.**

Employees cannot become initially eligible to participate in the Plan beginning on or after January 1, 2019.

2. **Elimination of Future Benefit Accruals Effective February 28, 2019.**

All benefit accruals under the Plan will be eliminated for all Hours of Service performed on or after February 28, 2019.

Prior to the effective date of the amendment, Employees earned a monthly Plan benefit of \$35.00 for each year of Credited Service under the Plan.

3. **Hours of Service On or After February 28, 2019.**

Participants will not receive any Credited Service for purposes of accruing benefits under the Plan for any Hours of Service performed on or after February 28, 2019.

Participants will continue to receive Hours of Service for any Hours of Service performed on or after February 28, 2019, but only for: (a) purposes of satisfying the eligibility requirements for Normal Retirement, Early Retirement, and Disability Retirement under the Plan; and (b) vesting purposes.

4. **Elimination of Thirty (30)-Year Retirement Benefit for Certain Participants**

The Thirty (30)-Year Retirement Benefit is eliminated for all Participants who do not have at least thirty (30) years of Credited Service for benefit accrual purposes as of February 28, 2019. Participants who have thirty (30) years of Credited Service for benefit accrual purposes as of February 28, 2019 will remain eligible for the Thirty (30)-Year Retirement

Benefit with respect to their Normal Retirement Benefit accrued through February 28, 2019.

Prior to the effective date of the amendment, the Plan provided the Thirty (30)-Year Retirement Benefit, an unreduced early retirement benefit, to Employees with at least thirty (30) years of Credited Service under the Plan.

Please call the Plan Administrator at (952) 851-5797 or (844) 468-5917 if you have questions about these changes. You may also write to the Plan Administrator at:

**Wilson-McShane Corporation
3001 Metro Drive, Suite 500
Bloomington, MN 55425-1412**

This Notice is being provided to Retirees, Beneficiaries, Alternate Payees, and terminated vested Participants of the Plan (i.e., those Participants who have attained vested status under the Plan, as to whom Employer contributions are not required to be made as of March 1, 2019, and who have not retired and applied for a benefit as of February 28, 2019) in accordance with Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended, and guidance thereunder.