
Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan (“Plan”) Form of Retirement Benefit Payment

Presumed Retirement Benefit Forms

- If unmarried, the **LIFE ONLY ANNUITY - PARTICIPANT ONLY** is the normal form of benefit.
- If married to your spouse for at least one (1) year prior to the effective date of retirement, a **QUALIFIED JOINT AND SURVIVOR ANNUITY (50% to Surviving Spouse)** is the presumed payment, **UNLESS YOU SPECIFICALLY REJECT THIS FORM OF PAYMENT** with spousal approval and consent.
 - In the alternative, with spousal approval and consent, you may elect either a Life Annuity form or a 75% Qualified Optional Survivor Annuity form.
 - Once retirement payments begin, your benefit elections may **not** be changed. The choices are then irrevocable.
- If you were married and divorced, you must provide all appropriate documents related to your divorce to the Plan office. **Your benefit payment form and amount may be impacted by a divorce decree called a Qualified Domestic Relations Order (QDRO).**

Explanation of the Benefit Forms

1. QUALIFIED JOINT AND SURVIVOR ANNUITY (50% to Surviving Spouse)

This form of annuity provides monthly payments to you as the Participant until your death, and then to your named spouse.

You, as the Participant, will receive your retirement benefit in an amount actuarially determined in accordance with your age and your spouse’s age at your retirement date. The amount of the monthly benefit is calculated as a fixed amount which will not change over your lifetime. This actuarial equivalent retirement benefit is payable for your lifetime. Should your spouse survive you, the monthly benefit will be payable in a fixed amount equal to 50% of the monthly benefit you had received following your death, for as long as he or she lives. If your spouse predeceases you, your retirement benefit will remain unchanged and the monthly benefit will cease upon your death.

NOTE: The Plan also allows the option to maintain the variable formula after retirement. This option applies to the 50% Joint and Survivor Annuity, the 75% Joint and Survivor Annuity, and the Life Only Annuity. You must affirmatively elect to maintain the variable formula as described in the Election Opportunity to Maintain Variable Formula section of this Notice.

This is a non-transferable benefit and pertains only to the spouse named at retirement.

OPTIONAL FORMS OF PAYMENT

If you are married and do not want to receive your pension in the Qualified Joint and Survivor Annuity (50% to Surviving Spouse), you may choose one of the following optional forms of payment.

2. Qualified Optional Joint and 75% Survivor Annuity (75% to Surviving Spouse)

This form of annuity provides monthly payments to you as the Participant until your death, and then to your named spouse.

You, as the Participant, would receive your retirement benefit in an amount actuarially determined in accordance with your age and your spouse's age at your retirement date. This actuarial equivalent retirement benefit is payable for your lifetime. Should your spouse survive you, and for as long as he or she lives, the monthly benefit will be payable in an amount equal to 75% of the monthly benefit you had received. If your spouse predeceases you, your retirement benefit will remain unchanged and the monthly benefit will cease upon your death.

This is a non-transferable benefit and pertains only to the spouse named at retirement.

3. Life Only Annuity – Participant Only

Benefits are payable to you for your life only and cease upon your death. No benefits are provided for any spouse and no minimum number of payments is guaranteed. (This is the presumed form if you are unmarried.)

These optional forms of benefit are payable in level fixed monthly installments unless you elect to maintain the variable formula as described in the Election Opportunity to Maintain Variable Formula section of this Notice.

Electing an Optional Retirement Benefit Form

If you are married, you may elect to decline the Qualified Joint and Survivor Annuity (50% to Surviving Spouse) form of benefit during an election period, which begins 90 days before your benefit commencement date and ends on the benefit commencement date. If, however, you request in writing from the Plan Administrator, specific information on the financial effect of accepting or declining the Qualified Joint and Survivor Annuity form of benefit, the 90-day period will not start running until the Plan Administrator provides the requested information to you. All elections must be in writing and may not be changed after the benefit commencement date.

Your spouse must consent in writing to any election by you to decline the Qualified Joint and Survivor Annuity (50% to Surviving Spouse) benefit and to take an optional form of benefit instead. The consent must be witnessed by a representative of the Plan or by a notary public and must evidence your spouse's understanding of the effect the alternate form of benefit will result in following your death.

If you make an election to waive the Qualified Joint and Survivor Annuity (50% to Surviving Spouse) benefit, any benefit payable after your death will be payable as provided under the form of benefit you elect. If you revoke this election (which revocation must occur before your benefit commencement date), your benefit will once again become payable in the form of a Qualified Joint and Survivor Annuity (50% to Surviving Spouse) benefit without obtaining your spouse's consent to the new election.

NOTICE TO SPOUSES

Under the terms of the Plan, payment of your spouse's interest in the Plan must be made by using your spouse's entire account to purchase a Qualified Joint and Survivor Annuity (50% to Surviving Spouse) unless you expressly consent to some other form of payment. As the spouse of the Participant, you have the right to prevent payment in any form other than a Qualified Joint and Survivor Annuity (50% to Surviving Spouse).

The election of a form of payment other than a Qualified Joint and Survivor Annuity (50% to Surviving Spouse) must be made during an election period, which begins 90 days before your spouse's benefit commencement date. If, however, your spouse requests in writing, from the Plan Administrator, specific information on the financial effect of accepting or declining the Qualified Joint and Survivor Annuity form of benefit, the 90-day period will not start running until the Plan Administrator provides the requested information to your spouse. All elections must be in writing and may not be changed after the benefit commencement date but may be revoked prior to the benefit commencement date.

A Qualified Joint and Survivor Annuity pays a fixed dollar amount of benefit to the Participant for life and then pays 50% of that amount to you, for your life, following your spouse's death. If, however, your spouse begins to receive benefits in the form of a Qualified Joint and Survivor Annuity and then survives you, there is no change in the amount of your spouse's benefit. The Participant and you must be married on the date the payments begin.

The Qualified Joint and Survivor Annuity (50% to Surviving Spouse) benefit is payable in level fixed monthly installments unless you affirmatively elect to maintain the variable formula as described in the Election Opportunity to Maintain Variable Formula section of this Notice.

Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan (“Plan”)

ELECTION OPPORTUNITY TO MAINTAIN VARIABLE FORMULA

Upon the commencement of benefits, your, or your spouse’s, monthly benefit payment amount will be paid in equal installments of a fixed amount that is not subject to the Annual Adjustment as described below.

IMPORTANT -

If you or your spouse elect that monthly benefit payments will continue to accumulate Annual Adjustments, you or your spouse **WILL NOT** be permitted to subsequently elect that monthly benefit payment amount be paid in equal installments of a fixed amount not subject to the Annual Adjustment.

If you or your spouse DOES NOT make an election that the monthly benefit payments will continue to accumulate Annual Adjustments, the absence of such an election will be deemed to be an election that the monthly benefit payment amount be paid in equal installments of a fixed amount that is not subject to the Annual Adjustment.

ANNUAL ADJUSTMENT

The Annual Adjustment is based on the difference between the Plan’s Realized Investment Earnings and the Plan’s investment returns benchmark, referred to as the Hurdle Rate, which is set at five and one-half percent (5.5%).

Date of Annual Adjustment

The Annual Adjustment occurs on May 1st of each Plan Year or another date designated by the Board of Trustees.

Cap on Annual Adjustment

The Annual Adjustment will not exceed a three percent (3%) increase in any given Plan Year.

Annual Adjustment Formula

The formula used to determine the Annual Adjustment, rounded to the fourth (4th) decimal point, is:

$$\underline{\underline{((1 + \text{Realized Investment Earnings for Plan Year}) \text{ divided by } (1 + \text{the Hurdle Rate}))}}$$

Illustration 1. If the Plan’s Realized Investment Earnings for the Plan Year are seven and one-half percent (7.5%), the rate of the Annual Adjustment will be calculated as follows:

$$(1 + 0.075) \text{ divided by } (1 + 0.055) = 1.0190$$

Illustration 2. If the Plan's Realized Investment Earnings for the Plan Year are two percent (2%), the rate of the Annual Adjustment is calculated as follows:

$$(1 + 0.02) \text{ divided by } (1 + 0.055) = 0.9668$$

Illustration 3. If the Plan's Realized Investment Earnings for the Plan Year are ten percent (10%), the rate of the Annual Adjustment is calculated as follows:

$$(1 + 0.10) \text{ divided by } (1 + 0.055) = 1.0427$$

HOWEVER, the Annual Adjustment is capped at a three percent (3%) increase, so the Annual Adjustment for the Plan Year will be 1.0300.

If you are married and elect to receive your benefit in the form of the Qualified Joint and Survivor Annuity (50% to Surviving Spouse) and want to continue receiving the annual adjustment, your spouse must agree to the election to maintain the annual adjustment feature in writing on the Payment Election Form.

Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan

PAYMENT ELECTION FORM

Participant's Name: _____ Date of Birth: _____

Spouse's Name: _____ Date of Birth: _____

Retirement Date: _____

The following retirement options are available to you. The amounts of the benefits shown are estimates based on information currently available and may change slightly when all hours have been reported to the Administrator's office.

Every optional form of benefit has an approximately equal value to the regular or normal form of payment, the Life Annuity. **If you select a Joint and Survivor Annuity, you must attach a copy of your Marriage Certificate and Spouse's Birth Certificate.**

NOTE: If you were married and divorced, you must provide all appropriate documents related to your divorce to the Plan office. **Your benefit payment form and amount may be impacted by a divorce decree called a Qualified Domestic Relations Order (QDRO).**

1. As a Participant in the Plan, I hereby acknowledge that:

- a. I have received an explanation of my right to payment of benefits in the form of a Qualified Joint and Survivor Annuity;
- b. I may waive the Qualified Joint and Survivor Annuity benefit if my spouse consents in writing to my waiver;
- c. I must complete and sign this form within 90 days or less before my benefit payments begin in order for this election to be effective;
- d. Any failure to correctly indicate my marital status may invalidate this election; and
- e. I may revoke the election by completing and submitting a new written election before the date my benefit payments begin.

2. Accordingly, I hereby elect (please check only one of the following):

- a. QUALIFIED JOINT AND SURVIVOR ANNUITY (50% to Surviving Spouse).

I will receive a monthly benefit of \$xxx.xx for my lifetime and if I should predecease my spouse, my spouse will receive \$xxx.xx monthly for his/her lifetime.

- b. QUALIFIED OPTIONAL JOINT AND 75% SURVIVOR ANNUITY (75% to Surviving Spouse).

I will receive a monthly benefit of \$xxx.xx for my lifetime and if I should predecease my spouse, my spouse will receive \$xxx.xx monthly for his/her lifetime.

- c. LIFE ONLY ANNUITY - PARTICIPANT ONLY

I will receive a monthly benefit of \$xxx.xx for my lifetime.

-OVER-

ELECTION TO MAINTAIN VARIABLE FORMULA

- I hereby elect the Variable Formula. By making this election, I understand that my monthly benefit payments will continue to accumulate Annual Adjustments each May 1st or other date designated by the Board of Trustees. I understand that the Annual Adjustment will increase OR decrease my monthly benefit. By electing this option, I understand that I will not be permitted to subsequently elect that my monthly benefit payment be paid in equal installments of a fixed amount.
- I hereby waive the election of the Variable Formula. I elect that my monthly benefit payments be paid in equal monthly installments which will be subject to one final Annual Adjustment if my retirement date occurs during the months of January through April.

Participant's Signature: _____ Date: _____

SPOUSAL CONSENT TO MAINTAIN VARIABLE FORMULA (only if the Qualified Joint and Survivor Annuity is elected)

- I hereby consent to my spouse's election to maintain the Variable Formula. By making this election, I understand that if my spouse predeceases me, the benefit due to me under the Qualified Joint and Survivor Annuity will continue to accumulate Annual Adjustments each May 1st or other date designated by the Board of Trustees. I understand that the Annual Adjustment will increase OR decrease my monthly survivorship benefit. By electing this option, I understand that I will not be permitted to subsequently elect that my monthly survivorship benefit payment be paid in equal installments of a fixed amount.

Spouse's Signature: _____ Date: _____

Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan

Spousal Consent to Participant's Waiver of Survivor Benefits

Name: _____ Name: _____
Participant Spouse

I am the legal spouse of the above-named participant. I understand that I have the right to have the Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan pay my spouse's retirement benefits in the form of a 50% Joint and Survivor Annuity as explained on the Payment Election Form and I agree to give up that right. I understand that by signing this consent, I may receive less money than I would have received under the 50% Joint and Survivor Annuity which is the Plan's qualified joint survivor annuity (QJSA) payment form and I may receive nothing after my spouse dies, depending on the payment form that my spouse chooses.

I agree that my spouse chooses retirement benefits in the form elected on the Payment Election Form. I understand that my spouse cannot choose a different form of retirement benefits unless I agree, in writing, to the election. I understand that this consent cannot be changed once benefits have commenced.

I understand that I *do not* have to sign this consent. I understand that if I do not sign this consent, my spouse and I will receive payments from the Plan in the Qualified Joint and Survivor Annuity (50% to Surviving Spouse) benefit payment form. I am signing this consent voluntarily.

Signature of Spouse

Date

The Signature of the above Participant's Spouse must be witnessed by a Notary Public or Plan Representative.

Subscribed and sworn to before me this
____ day of _____, 20__.

Signature of Notary Public

Signature of Plan Representative

Date

Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan

WAIVER OF 30-DAY DECISION PERIOD

Must be signed/dated on or after Payment Election Form signature/date

Under IRS regulations, after you have received the explanation of the Plan's benefit options, you will have at least 30 days to decide how you want your benefit paid before those benefits actually start. If you do not want to wait, we may issue your payment earlier, provided both you and your spouse expressly consent to the earlier payment date. Your benefit payment date may be as early as 7 days after the explanation of the plan's benefit payment options is provided, as long as you and your spouse sign this Timeliness Waiver.

I have applied for a benefit from the Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan. I understand that, under federal regulations, the Plan would not pay my benefit for at least 30 days after my spouse and I receive an explanation of the Plan's benefit options. However, the Plan will allow my spouse and me to waive the 30-day waiting period and elect to have my benefit at least 7 days after the explanation of benefits option is provided. Therefore, with my spouse's consent and acting on behalf of myself, my heirs, successors and assigns, I hereby authorize the Plan to dispense with the 30-day advance waiting period and agree not to challenge the validity of my payment form based upon when my benefit payment is issued.

Date

Participant Signature

My spouse has applied for a benefit from the Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan. I understand that, under federal regulations, the Plan would not pay the benefit for at least 30 days after my spouse and I receive an explanation of the Plan's benefit options. However, the Plan will allow my spouse and me to waive the 30-day waiting period and elect to have my spouse's benefit paid at least 7 days after the explanation of benefits options is provided. Therefore, I consent and acting on behalf of myself, my heirs, successors and assigns, hereby authorize the Plan to dispense with the 30-day advance waiting period and agree not to challenge the validity of the payment form based upon when the benefit payment is issued.

Date

Spouse's Signature

Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan

Notice Regarding Your Right to Defer Pension Payment

In order to receive your pension benefit, you must file a Payment Election Form. Your failure to complete a Payment Election Form is deemed to be an election to defer payment of your benefit.

The Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan ("Plan") provides you this notice, describing the provisions of the Plan that may materially affect your decision to defer distribution of your pension benefit until a later date.

Right to Defer Your Pension

You have the right to defer the receipt of your pension benefit until April 1 following the calendar year in which you reach age 70 $\frac{1}{2}$ (or, if you are not a 5% owner of a company, if later, April 1 of the calendar year in which you retire). There is no actuarial increase associated with deferring your pension benefit. Some of the consequences of the timing of your retirement are explained below.

Adjustment to Pension Commenced Before Participant's Normal Retirement Date

If you begin receiving an Early Retirement Benefit (available only in the form of Life Only Annuity) before your Normal Retirement Date (age 65), your monthly pension will be reduced by one-half ($\frac{1}{2}$) of 1% for each of the first one hundred twenty (120) months and by three-tenths ($\frac{3}{10}$) of 1% for each additional month by which your Early Retirement Date precedes your Normal Retirement Date.

Minneapolis Retail Meat Cutters and Food Handlers Variable Annuity Pension Plan

Notice to Retirees Regarding Suspension of Payment Rules

The Trustees are authorized to adopt rules and procedures as they deem appropriate to administer the suspension of pension payments under the Plan. These Rules and Regulations supplement those provisions of the Plan regarding suspension of pension payments pursuant to such authority.

Please review these Rules and Regulations carefully. Every Participant who is commencing pension payments shall be provided with a copy of these Rules regarding suspension of pension payments.

Definitions

Normal Retirement Age

Normal Retirement Age means the later of age sixty-five (65) or the fifth (5th) anniversary of a Participant's initial eligibility under this Plan or the Legacy Pension Plan.

Disqualifying Employment

Disqualifying Employment means employment or self-employment in any month in which the Participant works or is paid more than sixty-four (64) hours and which:

1. Is with an employer or business which is engaged in any business or industry or a type engaged in by any Contributing Employer when the Participant's retirement benefit payments began (or would have begun if the Participant had not remained in or returned to employment);
2. Which is performed, in whole or in part, either in the counties of Hennepin, Ramsey, Dakota, Anoka, Washington, Scott, and Carver, Minnesota, or in the geographic area covered by any of the Collective Bargaining Agreements under which the Plan is established and maintained; and
3. Involves the use of a skill or skills learned during the Participant's Covered Service or supervisory skills related to those skills.

Suspension of Pension Payments

If, in any calendar year, a Participant is employed in Disqualifying Employment, his or her pension payment shall be suspended for any month in which the Participant performs Disqualifying Employment or is paid for work in Disqualifying Employment. Payment of pension benefits will resume after suspension no later than the first day of the third month after the last calendar month for which benefits were suspended, if the Participant has complied with the notification requirements below.

Notification by Participant

All participants are required to notify the Plan in writing within twenty-one (21) days after starting any work of a type that is or may be Disqualifying Employment, whether or not the employment is or is intended to be for sixty-four (64) or fewer hours per month. The notice must inform the Plan of the name and address of the employer, the name and address of the place of employment (if different from the employer's name and address), the Participant's job classification, the duties to be performed, the businesses in which the employer is engaged, and the products in which the employer deals.

A Participant whose benefits have been suspended must notify the Plan in writing when the Participant's Disqualifying Employment has ended. The Plan will not resume monthly benefit payments until the Participant gives this Notice.

Review

A Participant may seek review of the Plan's determination to suspend his or her benefits or that certain employment is Disqualifying Employment in accordance with the Claims Procedures in Section 15.4 of the Plan Document.

For more information on the Suspension of Payment Rules, please see Section 13 of the Plan Document.