United Food and Commercial Workers Union Local 655
Food Employers Joint Pension Plan
300 Weidman Road
Ballwin, MO 63011
(636)394-6500

April 30, 2009

TO: PARTICIPANTS, BENEFICIARIES, CONTRIBUTING EMPLOYERS AND UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 655

As Trustees of the United Food and Commercial Workers Union Local 655 Food Employers Joint Pension Plan (the Plan), we are committed to keeping you informed of the Fund's financial health. This letter provides an update on the Fund's status and describes two notices that are included in this package, (1) the Annual Funding Notice ("Document 1") and (2) the Notice of Funding Status Election ("Document 2") for the Pension Plan. We are required by law to give you these notices. However, the timing and the content of these notices are confusing and we want to take this opportunity to give you some background on both notices.

1. The Annual Funding Notice ("Document 1") and the Pension Protection Act of 2006

The Pension Protection Act of 2006 (PPA) was enacted to improve the financial condition of and provide transparency on the financial state of pension funds. PPA requires multiemployer pension funds like ours to have their financial status certified each year. Depending on the status, plans are assigned a zone category:

Trustees of plans in the green zone are not required to take any action. Trustees of plans in the yellow or red zones, however, are required to take corrective action to restore the financial health of their plans.

- **Green zone** pension plans are considered to be in good financial health
- **Yellow zone** pension plans are considered to be in endangered status
- **Red zone** pension plans are considered to be in critical status

The PPA also requires trustees of pension plans to comply with certain annual reporting requirements, including certifying a plan's financial condition. Since 2006, plan participants were provided with two documents – an Annual Funding Notice and a Summary Annual Report – which were sent late in the following year after the close of a plan year. You should have received these notices for the 2007 plan year around October 2008. Starting with the 2008 plan year, these documents are being replaced by a single **Annual Funding Notice**, which must be distributed within four months after the end of a plan year.

The attached Annual Funding Notice for the 2008 Plan Year for our Plan ("Document 1") includes most of the information provided in the prior documents, plus additional information regarding Plan assets and liabilities. **This notice states that our Plan was in the green zone for the 2008 Plan Year, based on its financial condition as of January 1, 2008**. The financial condition and funded status provided in this enclosed Annual Funding Notice is a snapshot from over 16 months ago and before the financial markets decline starting in October of 2008.

2. The Notice of Funding Status Election ("Zone Freeze Notice") ("Document 2") and the Worker, Retiree, and Employer Recovery Act of 2008

The declines in the financial markets in 2008 have negatively affected most pension plans, including our own. Our Plan's total investment return for 2008 was a loss of about 21.3%. According to Marco Consulting Group, the investment consultant for the Fund, our loss was less than the losses suffered by 75% of the 149 Taft-Hartley funds it tracks.

As a result of these investment losses and the resulting financial condition as of January 1, 2009, our Plan has been certified as now being in the red zone for the 2009 plan year. This is because the Plan is projected to have an accumulated funding deficiency within the next four years which needs to be addressed.

In recognition of the significant losses experienced by pension funds in 2008, the **Worker, Retiree, and Employer Recovery Act of 2008** (WRERA) was enacted by Congress last December to provide <u>temporary emergency funding relief for pension plans in the yellow and red zones</u>. Specifically, WRERA provides pension plan trustees with the option to retain their plan's zone status from the previous plan year for the current plan year.

Although our Plan has been certified as being in the red zone for 2009, we have elected to take advantage of the reprieve offered by WRERA and have elected to retain last year's green zone status for 2009. Doing so allows the Plan to take an additional year to address funding issues and exhaustively evaluate all options before it becomes necessary to make required Plan changes and/or increase employer contributions.[1]

The attached **Notice of Funding Status Election of Pension Plan ("Document 2"**) describes the Plan's election to retain last year's funding status for the current plan year.

In Closing

Please take some time to review the enclosed notices. If you have any questions, please plan on attending one of the following scheduled meetings regarding the Plan being held at the Union Hall, 300 Weidman Road, Ballwin, Missouri 63011 on:

<u>Wednesday, May 27th, 2009</u>	**6:00 p.m.** (636-736-2733)
<u>Thursday, May 28th, 2009</u>	**9:00 a.m**. (636-736-2734)
<u>Thursday, May 28th, 2009</u>	**6:00 p.m.** (636-736-2735)
<u>Friday, May 29th, 2009</u>	**9:00 a.m.** (636-736-2736)

To insure we have room for all who plan on attending one of these meetings, please call the appropriate number for the meeting you plan to attend for more information and to schedule your attendance. Please leave your name and phone number.

Sincerely,
The Board of Trustee

[1] If this election was not made, the Trustees, under the PPA, would have had to adopt a Rehabilitation Plan commencing with the current year to improve the financial status of the Plan over a ten-year period. A Rehabilitation Plan could involve increases in the rate of employer contributions to the Plan, benefit changes, or both.

DOCUMENT 1

ANNUAL FUNDING NOTICE
FOR 2008 PLAN YEAR

UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 655
FOOD EMPLOYERS JOINT PENSION PLAN

Introduction

This notice includes important funding information about your pension plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency.

This notice is for the plan year beginning January 1, 2008 and ending December 31, 2008 (referred to hereafter as "Plan Year").

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan's assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and the two preceding Plan Years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	2008 Plan Year	***2007 Plan Year***	***2006 Plan Year***
Valuation Date	***01/01/2008***	***01/01/2007***	***01/01/2006***
Funded Percentage	108.17%	Not Applicable	Not Applicable
Value of Assets	$505,110,330	Not Applicable	Not Applicable
Value of Liabilities	$466,980,957	Not Applicable	Not Applicable

Transition Data

For a brief transition period, the Plan was not required by law to report certain funding related information because such information may not exist for Plan Years before 2008. The Plan has entered "not applicable" in the chart above to identify the information it does not have. In lieu of that information, however, the Plan is providing you with the following comparable information that reflects the funding status of the Plan under the law then in effect (Assets and liabilities for January 1, 2006 and January 1, 2007 were determined on the basis of actuarial assumptions that were required to be used at that time for this purpose):

- For January 1, 2007, the Plan's "funded current liability percentage" was 86.03%, the Plan's assets were $497,408,062, and Plan liabilities were $557,278,753.

- For January 1, 2006, the Plan's "funded current liability percentage" was 86.89%, the Plan's assets were $454,051,555, and Plan liabilities were $522,582,905.

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of December 31, 2008, the fair market value of the Plan's assets was $389,244,575. As of December 31, 2007, the fair market value of the Plan's assets was $509,554,410. As of December 31, 2006, the fair market value of the Plan's assets was $490,967,423.

Participant Information

The total number of participants in the Plan as of the Plan's valuation date was 13,047. Of this number, 6,547 were active participants, 3,409 were retired or separated from service and receiving benefits, and 3,091 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the Plan's participants.

Once money is contributed to the Plan, the money is invested by Plan officials who are called "fiduciaries". Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for Plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan includes the asset mix of the Plan, designed to generate a return sufficient to meet or exceed the Plan's actuarial interest assumption over the long term. The asset mix targets as of the end of the Plan Year were 58% publicly traded equities (large, mid and small capitalization stocks & international stocks), 35% fixed income, 5% commercial real estate equity, and 2% cash or equivalent. These percentages are targets and actual allocations may vary at times based upon matters such as market conditions.

In accordance with 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**
1.	Interest-bearing cash	0.4
2.	U.S. Government securities	19
3.	Corporate debt instruments (other than employer securities): Preferred All other	 11
4.	Corporate stocks (other than employer securities): Preferred	

	Asset Allocations	Percentage
	Common	18
5.	Partnership/joint venture interests	4.6
6.	Real estate (other than employer real property)	0
7.	Loans (other than to participants)	0
8.	Participant loans	0
9.	Value of interest in common/ collective trusts	43
10.	Value of interest in pooled separate accounts	0
11.	Value of interest in master trust investment accounts	0
12.	Value of interest in 103-12 investment entities	0
13.	Value of interest in registered investment companies (e.g., mutual funds)	0
14.	Value of funds held in insurance co. general account (unallocated contracts)	0
15.	Employer-related investments: Employer Securities Employer real property	0
16.	Buildings and other property used in plan operation	0
17.	Other	4

For information about the Plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities, contact the Plan Administrator.

Critical or Endangered Status

Under federal pension law, a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). 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, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was not in endangered or critical status in the Plan Year beginning January 1, 2008.

Events with Material Effect on Assets or Liabilities

Federal law requires trustees to provide in this notice a written explanation of events, taking effect in the current Plan Year, which are expected to have a material effect on Plan liabilities or assets. For the Plan Year beginning on January 1, 2009 and ending on December 31, 2009, the following events are expected to have such an effect:

- At this time, no event has occurred that would have a material effect on Plan liabilities or assets for the year beginning January 1, 2009 and ending December 31, 2009.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report 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 Administrator.

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

<u>The Plan was not for the Plan Year beginning January 1, 2008 and is NOT currently in reorganization status or insolvent.</u>

However, Federal law has a number of special rules that apply to financially troubled multiemployer plans and we are required to outline the following information for Plan participants:

Under so-called “plan reorganization rules,” a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, 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 notification of the insolvency 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 as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the Pension Benefit Guarantee Corporation (PBGC)

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the 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 pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, 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.

It is not anticipated that it will become necessary for the PBGC to pay guaranteed Plan benefits. However, Federal regulations require that PBGC guarantee be explained as follows:

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. 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 $400, 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 ($400/10), which equals $40. The guaranteed amount for a $40 monthly accrual rate is equal to the sum of $11 plus $21.75 (.75 x $29), or $32.75. Thus, the participant's guaranteed monthly benefit is $327.50 ($32.75 x 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 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

Where to Get More Information

For more information about this notice, you may contact the individual below.

Ms. Donna Frame
United Food and Commercial Workers Union Local 655
Food Employers Joint Pension Plan
300 Weidman Road
Ballwin, MO 63011
(636) 736-2732

For identification purposes, the official Plan number is 001 and the Plan sponsor's employer identification number or “EIN” is 43-6058365. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY /TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

DOCUMENT 2

NOTICE OF FUNDING STATUS ELECTION

UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 655
FOOD EMPLOYERS JOINT PENSION PLAN

TO: Participants, Retirees, Beneficiaries, Contributing Employers and the United Food and Commercial Workers Union Local 655 ("Union")

DATE: April 30, 2009

3. Plan Information

(a) Name

United Food and Commercial Worker Union 655 Food Employers Joint Pension Plan ("Plan")

(b) Employer identification number of Plan sponsor

43-6058365

(c) Plan number

001

4. An election has been made under Section 204 of the Worker, Retiree and Employer Relief Act of 2008 to treat the Plan as being in neither endangered (yellow) nor critical (red) status for the plan year beginning January 1, 2009 and to retain last year's funding status (green) for the current plan year.

5. The Plan has been certified to be in critical status by the Plan's actuary for the plan year beginning January 1, 2009 and this would be the status of the Plan for the year beginning January 1, 2009 <u>if the election described in (b) had not been made</u>.

6. The election described in (b) applies only for the plan year beginning January 1, 2009. If the Plan is actuarially certified to be in endangered or critical status for the plan year beginning January 1, 2010, the Trustees under the Plan will provide notice to participants, retirees, beneficiaries, contributing employers and the Union of the Plan's status (i.e., endangered or critical) for that year, and steps will have to be taken to improve the Plan's funded situations (i.e., endangered or critical) which steps may include increases in contributions and reductions in future benefit accruals.

7. If the Plan is certified to be in critical status for the plan year commencing January 1, 2010, the steps that are required to improve the Plan's funded status will include a surcharge on employer contributions and, for individuals who commence receiving benefits after notice is provided of the Plan's critical status, the suspension of the payment of lump sums and similar accelerated distributions and may include amendments to reduce early retirement benefits or other adjustable benefits for such individuals.

8. You may obtain additional information about the notice from:

Ms. Donna Frame
United Food and Commercial Workers Union
Local 655 Food Employers Joint Pension Plan
300 Weidman Road
Ballwin, MO 63011
Telephone 636-736-2732

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