

Local 655



Food Employers Joint Pension Plan

United Food & Commercial Workers
Union Local 655
300 Weidman Rd. • Ballwin, MO 63011
(636) 736-2777 • FAX: (636) 394-5006
1-800-392-6550

Dear Employee:

You have requested an application from the United Food and Commercial Workers Union Local 655 Food Employers Joint Pension Plan for a disability benefit.

You will need to submit a copy of your Social Security Award Letter before a disability benefit will be paid. All Disability Benefits are based solely on the finding of Social Security Administration. The Social Security Award Letter must be submitted to the Fund Office no later than 30 days from the date of issue to be eligible for any retro pay.

If you have any questions, please contact the Fund Office, Monday through Friday, 8:00 a.m. - 4:00 p.m. at the above or toll free in Missouri 1-800-392-6550.

Sincerely,

BOARD OF TRUSTEES

**UNITED FOOD & COMMERCIAL WORKERS UNION LOCAL 655,
FOOD EMPLOYERS JOINT PENSION PLAN**

ENCLOSED:

1. Requirements for a Disability Benefit
2. Application for benefits
3. Benefit Payment Options Relative Value



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

Requirements for Disability Benefit:

Must have ten (10) credits with one earned during the contribution period;

Your Annuity Starting Date, or the date your benefit payment commence, is not later than the Plan year in which you leave Covered Employment (last worked under the Fund's jurisdiction);

Your termination of work in Covered Employment is due to the disability for which you are applying for a Disability Pension;

You are permanently and totally disabled;

You MUST be approved by Social Security for a Disability Benefit; and

You MUST submit a copy of the Social Security Awards Letter.

***** Note - to be entitled to any retro-pay from the Fund Office your Social Security Awards letter must be received in the Fund Office within 30 days from the date issued.**

Disability Amount:

The amount of the Disability Pension is the same as the Regular Pension depending upon the number of Pension Credits you earned. There is no reduction in the benefit amount because of your age. It is payable for life, assuming, of course, you remain totally and permanently disabled.

A Disability Pension starts on the first day of the month which follows six full months from the month in which you become disabled.

NOTE: The information contained in this statement is intended to be a summary of the provisions of the Plan Document related to the Disability Pension. If there are any inconsistencies, the terms of the Plan Document will govern

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

Benefit Payment Options Relative Value

Our Plan offers several optional forms of payment to eligible participants, in addition to the normal form of payment available under our Plan. In most cases, these optional forms of payment have relatively the same value as the normal form of payment with one exception. For disabled married participants retiring before age 40, the actuarial present value of the Single Life Annuity form of payment is more than 105% of the actuarial present value of the 50% Joint and Survivor Annuity.

The remainder of this notice explains why you need to know this, what this means, and how this was determined.

What Is Relative Value?

Relative value means the actuarial present value of each optional form of payment compared to the actuarial present value of the normal form of payment under a plan. Actuarial values of benefits are determined using:

- Mortality assumptions, which are based on standardized tables, developed by actuarial organizations and life insurance companies. Information is analyzed about large groups of people to project the rates at which groups of individuals at different ages are expected to die. These statistical mortality projections are used to develop “average life expectancies.”
- Interest assumptions, which estimate the likely investment earnings, over time, of the money put aside to pay benefits. This is important in the determination of actuarial value because investment earnings provide some of the money used to pay benefits.

What Are The Relative Values Under Our Plan?

Under our Plan, the normal forms of payment are the:

- Qualified Joint and Survivor Annuity, which under the Plan is the 50% Husband and Wife Option for married participants
- Single Life Annuity for single participants

The generally available optional form of payment is the:

- 100% Joint and Survivor Annuity (for married participants)

With the exception listed below, all forms of payment available under our Plan have approximately the same actuarial present value:

Ratio of the Present Value of the Optional Form of Payment to the 50% Husband and Wife Option for Disable Married Participants

Retirement Age	Single Life Annuity
35	106.40%
40	105.37%

How Was This Determined?

The valuation and reporting methodologies used were based on IRS regulations, which can be found in Treasury Regulations Section 1.417(a)(3)-1. These methodologies are fairly technical and can be difficult to understand. However, IRS regulations require that we provide this information to you.

The values were calculated, for comparison purposes, assuming the Fund would earn 6.50% interest and that, on average, participants and spouses would live as long as predicted under the 1971 Group Annuity Mortality Table. We also assumed for married participants that the spouse is the same age as the participant.

What Does This Mean To Me?

As stated earlier, basically, this means all optional forms of payment have relatively the same value as the normal form of payment under our Plan with one exception. However, it is important that you realize that this is not a guarantee or even a prediction of what you will actually be eligible to receive when you retire. The actual value of the different forms of payment will vary depending on how long the individual and spouse or beneficiary in fact live and on their ages when payments start.

Upon your written request, you will be provided with a similar comparison, based on your own age and estimated benefits, between your annuity form of payment and any other forms of payment for which you are eligible. You may want to consult a financial advisor when you are nearing retirement to determine what is right for you.