

**NOTICE OF FUNDING STATUS**

**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, 2010

(a) Plan Information

i) Name

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

ii) Employer identification number of Plan sponsor

43-6058365

iii) Plan number

001

(b) The Pension Protection Act (PPA or Act), signed into law in 2006, is intended to improve the financial condition of pension plans. The Act implemented several safeguards as well as notification requirements to share more information about a plan’s “financial health” with participants and others directly related to the Plan.

(c) Many of the Act’s safeguard provisions relate to funding, which, in simplest terms, is how much a plan has coming in, going out, and what is in reserve (or “in the bank”) for the future. The safeguards are intended to create more discipline to prevent and correct avoidable funding problems.

(d) Starting with the 2008 plan year, the Act requires that the Pension Plan be tested annually to determine how well it is funded. Benchmarks for measuring a plan’s funding, with formal labels, were established. Plans that are in the yellow (“seriously endangered” or “endangered”) or red (“critical”) zones must notify all Plan participants, beneficiaries, unions, and contributing employers of the Plan’s status, as well as take corrective action to restore the Plan’s financial health.

- (e) The Plan has been certified to be in red (“critical”) status by the Plan’s actuary for the Plan Year beginning January 1, 2010 because the credit balance was projected to be depleted within 4 years. This means that contributions are not expected to meet government standards for funding both past and future benefits. Despite this, the Plan should not have a problem paying benefits to current pensioners and beneficiaries. As of January 1, 2010, the Plan had assets that were more than 20 times the benefits paid in 2009.
- (f) Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan which include:
- Benefits, rights and features under the Plan, including pre and post-retirement death benefits in excess of the statutory required amounts, disability benefits not yet in pay status and similar benefits; and,
  - Any early retirement benefit including the service pension or retirement-type subsidy and any benefit payment option, other than the 50% and 75% qualified joint and survivor annuity.

The Trustees will develop and adopt a rehabilitation plan before November 26, 2010. If it is determined that “adjustable benefits” need to be reduced and/or eliminated, a participant’s basic benefit at normal retirement will not be reduced. The reductions may only apply to participants and beneficiaries whose pension commencement date is after April 30, 2010, the date of this notice.

- (g) The law requires that all contributing employers pay to the plan a surcharge to help correct the plan’s financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan on or after May 30, 2010 (30 days after this notice) under the applicable collective bargaining agreement. A 5% surcharge is applicable for the rest of 2010 and a 10% surcharge is applicable for contributions due on or after January 1, 2011 until the employer begins contributing under a collective bargaining agreement that implements the rehabilitation plan.
- (h) While no benefit changes are being made at this time, the Trustees are required to adopt a rehabilitation plan which may include benefit and contribution changes. **However, as previously noted, no benefit changes will be included in the Rehabilitation Plan for any pensioner or beneficiary whose benefits started by April 30, 2010.**
- (i) 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  
(636) 736-2712

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