

Notice of Critical Status For UFCW Regional Pension Fund

This is to inform you that on December 28, 2012 the plan actuary of the UFCW Regional Pension Fund ("Fund") certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Fund is in critical status for the plan year beginning October 1, 2012. Federal law requires that you receive this notice.

Critical Status

The Fund is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Fund's actuary determined that the Fund has an accumulated funding deficiency for the current plan year.

Rehabilitation Plan

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 (RP). Upon the expiration of each collective bargaining agreement ("CBA") under which the Plan is maintained, employers and the local unions ("Union") are required to adopt one of the Schedules in the RP. You will be notified in advance if the parties adopt a schedule that reduces or eliminates your adjustable benefits. On January 28, 2010, you were notified that as of January 28, 2010 the plan was no longer permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the trustees of the plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after January 28, 2010.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Fund may adopt:

- Post-retirement death benefits;
- 60-month payment guarantee;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Other similar benefits, rights, or features under the plan

Employer Surcharge

The law requires that all contributing employers pay to the Fund 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 Fund under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the Fund is in critical status until the employer adopts a Schedule of the Fund's RP.

Where to Get More Information

For more information about this Notice, you may contact the Fund Office at (800) 883-3682 and 27 Roland Avenue, Suite 100, Mount Laurel, NJ 08054-1057. You have a right to receive a copy of the rehabilitation plan from the plan.