

Notice of Critical Status UFCW, Local 23 and Giant Eagle Pension Plan

This is to inform you that on March 25, 2020, the Plan Actuary certified to the United States Department of the Treasury, and also to the plan sponsor, that the UFCW, Local 23 and Giant Eagle Pension Plan ("Plan") is in critical status for the plan year beginning January 1, 2020. Federal law requires that you receive this Notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan Actuary determined that over the next three plan years, the Plan is projected to have an accumulated funding deficiency for the 2022 plan year.

Rehabilitation Plan and Possibility of Reduction in Benefits

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. If the Board of Trustees determines that 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) 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 March 25, 2020. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of March 25, 2020, the Plan is not permitted to pay lump sum benefits in excess of \$5,000 (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Adjustable Benefits

The Plan offers the following adjustable benefits which may legally be reduced or eliminated as part of any rehabilitation plan the Plan may adopt: (1) post-retirement death benefits; (2) disability benefits (if not yet in pay status); (3) early retirement benefit or retirement-type subsidy; (4) benefit payment options other than a qualified joint and survivor annuity (QJSA); and (5) other similar benefits, rights, or features under the plan.

Employer Surcharge

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 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.

Where to Get More Information

For more information about this Notice, you may contact the UFCW, Local 23 and Giant Eagle Pension Plan, c/o Beacon Administrators and Consultants, Inc., 6500 Brooktree Road, Suite 205, Wexford, PA 15090, or call the Plan Office at 724-933-0459. Once adopted, you have a right to receive a copy of the rehabilitation plan from the Plan.

Message from the Board of Trustees

The Plan is required by federal law to send this Notice. Recently you were notified that any action to be taken with respect to the Pension Plan will be postponed until the second half of the year, and until then, there will be no changes to any pensions or benefits provided to Tier I and Tier II Employees. This has not changed because of the required Notice.

Issued: April 20, 2020