IMPORTANT NOTICE OF FUNDING STATUS – PLEASE READ

Notice of Critical Status

NEW FEDERAL FUNDING RULES. Beginning on January 1, 2008, the Pension Protection Act of 2006 (the "PPA") imposed new rules aimed at accelerating the funding of defined benefit plans, such as the United Food and Commercial Workers Union Local 152 Retail Meat Pension Plan (the "Plan"). Under prior law, defined benefit plans were required to address a funding problem only when a plan would not satisfy minimum funding standards for the current year. Unlike prior law, the PPA requires plans to ***accelerate funding*** and to ***anticipate future funding issues based upon projections***. Federal law also requires the Plan's Board of Trustees (the "Board") to send you this notice.

THE PLAN ACTUARY MUST CERTIFY THE PLAN'S FUNDING CATEGORY. Under the PPA, within the first 90 days of each plan year, the Plan's Actuary must certify whether the Plan is endangered, seriously endangered or in critical status. In general, the two most relevant factors used by the Plan's Actuary to categorize the Plan are its funded percentage and whether the Plan will be unable to satisfy the new minimum funding standards within the next three to seven years without additional contribution income or benefit changes.

PLAN'S CURRENT STATUS. On September 28, 2015, the Plan's Actuary certified to the U.S. Department of the Treasury and to the contributing employers (the "Employers") that the Plan will remain in critical status for the plan year beginning **July 1, 2015** because the Plan has an accumulated funding deficiency for the current plan year. This is the eighth consecutive year that the Plan has been certified as being in critical status.

WHY HAS THIS HAPPENED? Even though the Board has been proactive in addressing the Plan's funding problem, the PPA established new rules that require faster funding of plans than under prior law. Also, like most multiemployer plans, and even most single employer pension plans sponsored by U.S. companies, the Plan was negatively impacted in 2008 and the beginning of 2009 by the severe downturn in the stock market, which caused a significant drop in the value of the Plan's assets. While the Plan has been positively impacted by the subsequent recovery in the market over the past few years, the recovery was not sufficient to erase the losses sustained during the market downturn. In addition, some contributing Employers filed for bankruptcy or went out of business. As recent events demonstrate, the economy and the stock market remain unpredictable and these components affect the projections which the PPA now requires to determine the Plan's funding status.

WHAT ACTION HAS THE BOARD TAKEN TO DATE? The Board has been concerned about the Plan's funded status for some time, and has taken numerous steps since 2004 to improve the funding status of the Plan, including the implementation of mandatory contribution rate increases pursuant to the following schedules:

Alternative Extended Rehabilitation Plan

Effective Date	Increase
February 1, 2010	12%
February 1, 2011	8%
February 1, 2012	8%
February 1, 2013	8%
February 1, 2014	8%
February 1, 2015 onward	3.2%

Default Schedule

Effective Date	Increase
February 1, 2010	12%
February 1, 2011	8%
February 1, 2012	8%
February 1, 2013	8%
February 1, 2014	8%
February 1, 2015 through February 1, 2024	11.5%

Schedule for Employers Demonstrating Severe Ongoing Financial Duress

Effective Date	Increase
February 1, 2013	1/31/2013 contribution rates reduced by 70%
February 1, 2014	0.0%
February 1, 2015	Contribution rates restored to rates in effect 1/31/2013
February 1, 2016 through February 1, 2031	8.8%

REHABILITATION PLAN. When the Plan's Actuary initially certified the Plan in critical status in 2008, the PPA required the Board to develop and implement a "Rehabilitation Plan" designed to improve the Plan's funding. The Board first adopted a Rehabilitation Plan on May 20, 2009. As part of the Rehabilitation Plan, the Board established schedules that outlined the increased Employer contributions and included revised benefit structures that were designed to bring the Plan out of critical status within the Rehabilitation Period consistent with applicable law. The schedules outline the acceptable alternatives that were presented to the parties for collective bargaining. In collective bargaining, the contributing Employers and the Local Unions were required to agree to a schedule established by the Board. As required by applicable law, the Rehabilitation Plan was subsequently updated on May 20, 2010, May 20, 2011, May 20, 2012, May 20, 2013, May 20, 2014, and May 14, 2015 and will continue to be updated annually to reflect the Plan's experience to that date and, if necessary, to update prospective contributions or benefits.

NEW EMPLOYER CONTRIBUTIONS. Under the PPA, each Employer was required to pay a surcharge of 5% of the contributions otherwise required under the applicable collective bargaining agreement or other agreements pursuant to which the Employer contributed beginning December 1, 2008 through the remainder of the 2008/2009 plan year. In addition, the surcharge was increased to 10% for the 2009/2010 plan year (beginning July 1, 2009) and will remain in effect until the Local Unions and the Employers adopt an acceptable schedule under the Rehabilitation Plan.

WHAT DOES THIS MEAN FOR ME? Participants who were already retired and receiving benefits as of October 24, 2008 will not experience a change in the benefits they receive. This affects only participants whose benefit payments begin after October 24, 2008. While the Plan is in critical status, the PPA ***prohibits*** the Plan from paying any benefits in the form of a lump sum, or any other payment in excess of the monthly amount payable in the form of a single life annuity (other than certain Social Security level-income options, and certain retroactive payments). This means that after the date of the initial Notice of Critical Status (October 24, 2008), the Fund could no longer provide the $1,000 post-retirement death benefit (for Retail Meat participants) or the $2,000 post-retirement death benefit (for IPH participants) in the form of a lump sum benefit. In addition, no disability benefits will be provided to any participants who become disabled if their Employer adopted the Alternative Schedule Using an Extended Rehabilitation Period or the Benefit Schedule for Employers Demonstrating Severe Ongoing Financial Distress under the Rehabilitation Plan.

YOUR NORMAL RETIREMENT BENEFITS WILL NOT CHANGE. If your benefit payments have already started, ***they will not change***. Also, ***the normal pension benefit you have already accrued will not change.*** In addition, vested retirement benefits will continue to be partially guaranteed by the Pension Benefit Guaranty Corporation (the "PBGC"). For example, 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 is $35.75 per month times a participant's years of credited service.

POSSIBLE FUTURE BENEFIT REDUCTIONS. Depending upon how the stock market performs in the future and the success of Employers, it is possible that additional contributions and/or benefit changes will be required as part of any revised Rehabilitation Plan that is adopted by the Board. The Rehabilitation Plan already reduces certain ***"adjustable benefits"*** for participants and beneficiaries whose pensions had not started prior to October 24, 2008. "Adjustable benefits" are benefits over and above the normal pension paid at normal retirement age, and include benefits such as post-retirement death benefits, disability (for certain participants, if not previously in pay status as described above), and early retirement benefits or retirement-type subsidies. It also includes any form of payment other than the joint and 50% surviving spouse annuity (or single life annuity for unmarried participants).

LOOKING AHEAD. We are continuously working hard to develop ways to secure the Plan's benefits well into the future. As a result of the PPA, Employers and covered employees are being asked to work together to improve the funded status of the Plan. As noted above, Employers have increased their contributions significantly. Similarly, new retirees will be required to forego certain optional forms of payment. In the year ahead, as in previous years, the Board may revise the Rehabilitation Plan with alternative schedules for the bargaining parties' next negotiations. The goal is that even if the market performs consistent with the Board's expectations, all of these actions will improve the funded status of the Plan going forward.

WHERE TO GET MORE INFORMATION. For more information regarding this Notice, you may contact Board of Trustees, United Food and Commercial Workers Local 152 Retail Meat Pension Plan, 27 Roland Avenue, Suite 100, Mt. Laurel, NJ 08054, telephone (800) 555-4959. You have a right to receive a copy of the Sixth Update to the Rehabilitation Plan.

Date: October 28, 2015 **Board of Trustees**

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