

Notice of Critical Status

United Food and Commercial Workers Unions and Employers Pension Plan

This is to inform you that on January 29, 2024 the Plan Actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is projected to be in critical status within 5 years of the plan year beginning November 1, 2023 and that the Board of Trustees have elected under section 102 of the Multiemployer Pension Reform Act of 2014 ("MPRA") to be in critical status for the plan year beginning November 1, 2023. Federal law requires that you receive this notice. In the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

Critical Status

The Plan is considered to be in critical status because:

1. The Plan's actuary projects that, if no further action is taken, the Plan will enter critical status on November 1, 2025 because of a projected funding deficiency as of October 31, 2030; and
2. The Board of Trustees elected critical status under section 102 of MPRA for the plan year beginning November 1, 2023.

Note, "projected funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become bankrupt or run out of money.

As required by law, the Plan Actuary's certification includes only contribution rate increases that have been codified in collective bargaining or participation agreements.

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. While a rehabilitation plan **may** involve reductions to future benefit accruals, increases to contribution rates (or both), there are **no** benefit reductions or contribution increases under this current rehabilitation plan as the Trustees have adopted a rehabilitation plan that indicates all reasonable measures have already been taken to improve the funding situation of the Plan. And this rehabilitation plan does not change the Plan's prior rehabilitation plan that was restated in 2014.

Federal law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. Adjustable benefits are benefits over and above the normal pension paid at normal retirement age and may include disability coverage (if not in pay status), early retirement and survivor subsidies, and payment of certain 60-month guarantees (which may occur if the participant dies without surviving spouse coverage either after retirement or under limited circumstances prior to retirement). Affected participants and their spouses (if married) have the right to waive pre-retirement survivor coverage and unmarried participants have the right to elect the 60-month payment guarantees. In both instances, the coverage costs are borne by the participant choosing the coverage instead of being absorbed by the Plan and thus all participants. If the Trustees of the Plan determine that the above benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

Effective as of February 29, 2024, the Plan is not permitted to pay any 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 except in very limited circumstances when the value of entire pension is \$5,000 or less.

Future Experience and Possible Adjustments

This rehabilitation plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer asset returns below the expected 6.10% (in the 2023-24 plan year), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

Employer Surcharge

Because a rehabilitation plan has been adopted, there are no contribution surcharges.

Where to Get More Information

You have a right to receive a copy of the rehabilitation plan and any updates to that plan. To receive a copy of the latest version, you may contact Zenith American Solutions at 5220 W. Loomis Road, Greenfield, WI 53129 or by telephone at (414) 777-7203.