

RETAIL FOOD EMPLOYERS AND UFCW LOCAL 711 PENSION TRUST FUND

4885 South 900 East, Suite 202 - Salt Lake City, Utah 84117 - Phone 801-266-3271 - Toll Free 1-800-453-4584
Fax 1-801-266-4383 - E-mail jas@jasbenefits.com

NOTICE OF CRITICAL STATUS

FOR THE

RETAIL FOOD EMPLOYERS AND UFCW LOCAL 711 PENSION TRUST FUND

EBSA/PUBLIC DISCLOSURE
2012 MAY - 19 PM 4:19

This is to inform you that on March 30, 2012, the Plan actuaries certified to the U.S. Department of the Treasury, and to the Trustees, that the Plan is in critical status ("Red Zone") for the Plan Year beginning January 1, 2012. 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's actuaries determined that the Plan was in critical status for the immediately preceding Plan Year and a funding deficiency is projected in ten years.

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. 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 Plan is in critical status until the employer agrees to a collective bargaining agreement that implements the rehabilitation plan. The 5% surcharge was payable on work performed on and after June 1, 2010, until December 31, 2010 and the 10% surcharge is payable with respect to periods after that, until a negotiated contribution rate that satisfies the rehabilitation plan goes into effect.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the third year the Plan has been in critical status. In addition to revising the Plan's formula for future benefit accruals and making similar changes, the law permits pension plans in the Red Zone to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Trustees adopted a Rehabilitation Plan in 2010 under which certain benefit changes and contribution increases were effective as of January 1, 2011. On October 18, 2010 you received a separate notice which identified and explained the effect of any benefit changes that apply to you.

The Rehabilitation Plan is subject to annual review and revision by the Board of Trustees, depending upon the Fund's financial condition and other factors. 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 will not reduce the level of a participant's basic benefit payable at normal retirement age. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after January 1, 2011. Please be advised that effective as of April 30, 2010, the Plan is not permitted to pay lump sum benefits or any other payment in excess of the monthly amount paid under a single life annuity (except for the payout of benefits worth less than \$1000) while it is in critical status. This restriction includes the Level Income Option benefit and the Level Income Option with 50% Joint and Survivor benefit.

Adjustable Benefits

The Plan offers or offered the following adjustable benefits that **MAY** be reduced or eliminated as part of the current or future Rehabilitation Plan. In no event will any change to these benefits be effective for retirements before May 1, 2010. Please review the notice about the Plan's Rehabilitation Plan you received in October 2010 for further detail.

- Early Retirement Benefit
- Unreduced Early Retirement Benefit
- Golden 85 Early Retirement Benefit
- Normal Retirement Benefit commencing prior to age 65
- Normal Retirement Benefit in any form other than a Straight Life Annuity
- Disability Retirement Benefit (not yet in pay status)
- Level Income Option
- 50% Qualified Joint and Survivor with "pop-up" feature
- 75% Qualified Optional Survivor Annuity
- Pre-Retirement Survivor Annuity
- Non-Spouse Survivor Benefit

Where to Get More Information

For more information about this notice, you may contact the Plan Administrator at the following address:

Administrator – Retail Food Employers and UFCW Local 711 Pension Trust Fund
c/o JAS, Inc.
4885 South 900 East, Suite 202, Salt Lake City, Utah 84117
(801) 266-3271 or (800) 453-4584