# UFCW Pension Fund of Northeastern Pennsylvania

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**NOTICE OF CRITICAL STATUS**
**FOR**
**UNITED FOOD AND COMMERCIAL WORKERS PENSION FUND**
**OF NORTHEASTERN PENNSYLVANIA**

This is to inform you that, on March 31, 2009, the actuary of the United Food and Commercial Workers Pension Fund of Northeastern Pennsylvania ("Fund") certified to the U.S. Department of the Treasury, and also to the Board of Trustees of the Fund, that the Fund is in critical status for the Plan Year beginning January 1, 2009. Federal law requires that you receive this Notice.

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 plan has an accumulated funding percentage for the current plan year; the funded percentage of the plan is 65% or less; the sum of the plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and the plan was in critical status last 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 Fund's Trustees determine 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, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions will apply only to those participants and beneficiaries whose benefit commencement date is on or after April 28, 2008. But you should know that whether or not the Fund reduces adjustable benefits in the future, effective as of April 28, 2008, the Fund is not 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.

**Adjustable Benefits**

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

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___ Post-retirement death benefits;
_X_ Sixty-month payment guarantees;
_X_ Disability benefits (not yet in pay status);
_X_ Early retirement benefit or retirement-type subsidy;
_X_ Benefit payment options other than a qualified joint and survivor annuity (QJSA);
___ Recent benefit increases (i.e. occurring in the past 5 years);
_X_ 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 Fund'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.

## Where to Get More Information

For more information about this Notice, you may contact the Fund Office at (570) 655-0554 or (800) 578-5899. You have a right to receive a copy of the rehabilitation plan from the Fund.

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