

**Notice of Critical Status For**  
**Meat Cutters' Union Local No. 88 and**  
**Food Employers' and Allied Industry Pension Plan**

*November 24*

This is to inform you that on October 29, 2010 the Plan actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Plan is in critical status for the Plan year beginning August 1, 2010. 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 actuary determined that 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 over the next four Plan years, the Plan is projected to have an accumulated funding deficiency for the Plan year beginning August 1, 2014.

**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 Trustees of the Plan 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 may only apply to participants and beneficiaries whose benefit commencement date is on or after the date of this notice. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of the date of this notice, the Plan is not permitted to pay lump sum benefits or high-low benefit option forms of benefit (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 be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- 120 payment guarantees.
- Post-retirement death benefit.
- Disability benefits (if not yet in pay status).
- Early retirement benefits or retirement-type subsidies.
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA).
- Other similar benefits, rights, or features under the Plan (i.e., high-low benefit payment option, 120-month payment guarantees, and pre-retirement death benefits in excess of a QJSA).

### **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 Plan is in critical status.

### **Where to Get More Information**

For more information about this Notice, you may contact the Board of Trustees of the Meat Cutters' Union Local No. 88 and Food Employers' and Allied Industry Pension Plan, c/o Zenith Administrators, Inc. at 502 Earth City Expressway, Suite 203, Earth City, Missouri, 63045, telephone number (314) 209-3115. You have a right to receive a copy of the rehabilitation plan from the Plan.