

## **Notice of Critical Status For Retail Bakers Pension Trust Fund**

This is to inform you that on April 30, 2010 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning February 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 problems. More specifically, the plan was in critical status for the prior year and the plan's actuary determined that the plan is projected to have an accumulated funding deficiency within the next 10 years.

### **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 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 the original critical status notice, or May 30, 2008. Please note that the Trustees adopted a default and an alternative rehabilitation plan December 23, 2008. The bargaining parties agreed to the alternative rehabilitation plan which increased contributions to the plan and did not reduce adjustable benefits. The rehabilitation plan became effective February 1, 2009. Please note that the Trustees may be required to update the rehabilitation plan in the future, depending on plan experience.

### **Adjustable Benefits**

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan or revised rehabilitation plan the pension plan may adopt (the checked boxes may apply):

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Pre-Retirement death benefits; and
- Any benefit increases occurring in the past five years.

### **Employer Surcharge**

The law requires that all contributing employers pay to the plan a surcharge until a Rehabilitation Plan is adopted 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. Since the bargaining parties have implemented a rehabilitation plan the surcharge is no longer in effect.

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

For more information about this Notice, you may contact Zenith Administrators, Inc. 502 Earth City Expressway, Suite 203, Earth City, MO 63045. Their telephone number is (314) 344-8899. You have a right to receive a copy of the rehabilitation plan (once it is completed and becomes available) from the plan.