

Alaska United Food & Commercial Workers Trust Funds

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April 28, 2011

Notice of Critical Status for

Alaska United Food and Commercial Workers Pension Trust

Last year, on March 31, 2010 the plan actuary certified to the US Department of the Treasury, and also to the plan sponsor, that the plan was in critical status for the plan year beginning in 2010. On March 31, 2011, the plan actuary certified that the plan remains in critical status for the plan year beginning in 2011. As a result, any changes that the Trustees made in the operation of the plan to improve the funded status of the plan during the 2010 plan year will remain in effect throughout 2011. Federal law requires that you receive this notice. The Trustees will continue to keep you informed about any additional changes in the plan.

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 over the next seven plan years, the plan is projected to have an accumulated funding deficiency, specifically for the 2017 plan 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. The Trustees approved a funding rehabilitation plan on November 17, 2010. The rehabilitation plan rescinds the 3% retiree increase and increase in the accrued benefit enacted in 2007, eliminates all early retirement subsidies, changes the pre-retirement spousal death benefit from a 100% Joint and Survivor annuity to a 50% Joint and Survivor annuity, eliminates the 2-year death benefit for non-married participant, eliminates the 2-year guarantee feature of the life annuity, and requires employers to make additional contributions. These changes are effective January 1, 2013 and are subject to change based on the financial performance of the plan. 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, except with respect to the rescission of the 3% increase, the reductions will not apply to:

- Any participant or beneficiary whose benefit commencement date is on or before March 1, 2009.
- Any participant who submitted a retirement application which was received by the Trust Office on or before March 31, 2009, and who subsequently retired on or before the benefit commencement date specified in that application.

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EBSA/PUBLIC INFORMATION CLOSURE

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