



United Food & Commercial Workers International Union

## LOCAL 1546 PENSION FUND

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### Notice of Critical Status For UFCW Union Local 1546 Pension Plan

This is to inform you that on November 29, 2017 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 (the "Red Zone") for the Plan Year beginning September 1, 2017. 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's actuary determined that the plan was in critical status for the immediately preceding plan year, and that the plan is projected to have an accumulated funding deficiency within the next nine plan years.

#### 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 that the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On December 5, 2014, the Plan adopted a Rehabilitation Plan that included a Preferred and a Default Schedule which reduced or eliminated adjustable benefits provided under the Plan as of February 1, 2015. The Rehabilitation Plan also required contribution rate increases. 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.

Benefits for participants who have retired (as well as their beneficiaries and/or alternate payees) and have a pension starting date prior to February 1, 2015, are not affected by the Rehabilitation Plan.

#### Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any update to the current Rehabilitation Plan:

- Post-retirement death benefits;
- Disability benefits (if not yet in pay status);
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Recent benefit increases (i.e., occurring within most recent 5 years of first day of Plan year in critical status);
- Other similar benefits, rights, or features under the Plan including, but not limited to the Service Pension.

#### Employer Surcharge

The law requires that all contributing employers that have not elected a schedule under the Rehabilitation Plan 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 or the Pension Plan in general, please contact the Pension Plan's Administrator, Mr. Kenneth R. Boyd, at UFCW Union Local 1546 Pension Fund, 1649 W. Adams Street, 3rd Floor, Chicago, Illinois 60612.

Sincerely,  
Board of Trustees

*As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of the Department of Labor.*

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