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**NOTICE OF CRITICAL STATUS
FOR THE
UFCW-NORTHERN CALIFORNIA EMPLOYERS JOINT PENSION TRUST FUND**

This is to inform you that on March 31, 2021, the Plan's actuaries certified to the U.S. Department of the Treasury, and to the Trustees, that the Plan is in critical status ("Red Zone") for the Plan Year beginning January 1, 2021. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status, but not critical and declining status, because it has funding or liquidity problems, or both. More specifically, the Plan's actuaries determined that the Plan is in critical status for the 2021 Plan Year because: (i) a funding deficiency is projected in four years (ignoring any amortization extensions), (ii) a funding deficiency is projected in five years (ignoring any amortization extensions) and the present value of vested benefits for non-actives is more than the present value for actives and the normal cost plus interest on the unfunded actuarial accrued liability (unit credit basis) is greater than the contributions for the current year, and (iii) a funding deficiency is projected in five years (ignoring any amortization extensions) and the funded percentage is less than 65%.

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. 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 until the employer agrees to a collective bargaining agreement that implements the rehabilitation plan. The 5% surcharge is payable on work performed on and after May 30, 2010, until December 31, 2010 and the 10% surcharge is payable with respect to periods after that, until a negotiated contribution rate that satisfies the rehabilitation plan goes into effect.

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 eleventh year 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. In October or November of 2011, you were notified that the plan reduced or eliminated certain adjustable benefits, generally effective for the Plan Year beginning January 1, 2012.

The Rehabilitation Plan is subject to annual review and revision by the Board of Trustees, (updated December 17, 2015 and in March 18, 2020), depending upon the Fund's financial condition and other factors. If the Trustees of the Plan determine that further benefit reductions are necessary,

Log into ufcwtrust.com to view your personal benefit information

If you have questions about this notice, please contact the Pension Department, Monday – Friday 8:00 AM – 5:00 PM at (800) 552-2400

UFCW & Employers Trust, LLC

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 age.

On April 30, 2010, you were notified that whether or not the Plan reduces adjustable benefits in the future, effective as of April 30, 2010, the Plan is not permitted to pay lump sum benefits or any other payment in excess of the monthly amount paid under a single life annuity (except for the payout of benefits worth less than \$1,000) while it is in critical status. This includes the Social Security Adjustment Option benefit and the Social Security Adjustment Option with 50% Joint and Survivor benefit for retirement benefits that commence on or after May 1, 2010. The updated Rehabilitation Plan is designed to allow the Plan to emerge from the red zone by the end of 2051.

Adjustable Benefits

The Plan offers or offered the following adjustable benefits that may be reduced or eliminated as part of the current or future Rehabilitation Plan, depending on the collective bargaining agreement between the union and your employer. In no event will any change to these benefits be effective for retirements before May 1, 2010. Please review the Important Notice of Changes in Your Benefits mailed in October or November 2011, for further detail:

- Early Retirement Benefit
- Special Unreduced Early Retirement Benefit
- Golden Unreduced Early Retirement Benefit
- Disability Retirement Benefit (not yet in pay status)
- 50% Qualified Joint and Survivor subsidy
- 75% Qualified Optional Survivor Annuity
- Surviving Spouse's Benefit (for Retirees who were not married as of retirement)
- Surviving Spouse Benefit subsidy (including Qualified Pre-Retirement Survivor Annuity subsidy)
- Non-Spouse Survivor Benefit

Where to Get More Information

For more information about this notice or to receive a copy of the Rehabilitation Plan, you may contact the Plan Administrator at the following address:

Administrator - UFCW-Northern California Employers Joint Pension Trust Fund
UFCW & Employers Trust, LLC
1000 Burnett Ave, Suite 110
Concord, CA 94520
(800) 552-2400