

UFCW UNION LOCAL 152 RETAIL MEAT PENSION PLAN

IMPORTANT NOTICE OF FUNDING STATUS – PLEASE READ

Notice of Critical Status

FEDERAL FUNDING RULES. Since January 1, 2008, the Pension Protection Act of 2006 (the "PPA") imposed rules aimed at accelerating the funding of defined benefit plans, such as the United Food and Commercial Workers Union Local 152 Retail Meat Pension Plan (the "Plan"). Under prior law, defined benefit plans were required to address a funding problem only when a plan would not satisfy minimum funding standards for the current year. Unlike prior law, the PPA requires plans to accelerate funding and to anticipate future funding issues based upon projections. Federal law also requires the Plan's Board of Trustees (the "Board") to send you this notice.

THE PLAN ACTUARY MUST CERTIFY THE PLAN'S FUNDING CATEGORY. Under the PPA, within the first 90 days of each plan year, the Plan's Actuary must certify whether the Plan is in Endangered, Seriously Endangered, Critical or Critical and Declining status. In general, the most relevant factors used by the Plan's Actuary to categorize the Plan are: (1) its funded percentage, (2) whether the Plan will be unable to satisfy the new minimum funding standards within the next three to seven years without additional contribution income or benefit changes, and (3) whether the Plan is projected to run out of assets.

PLAN'S CURRENT STATUS. On September 26, 2025, the Plan's Actuary certified to the U.S. Department of the Treasury and to the Plan's Board of Trustees that the Plan is in Critical status for the plan year beginning **July 1, 2025**, because the Plan received Special Financial Assistance ("SFA") from the Pension Benefit Guarantee Corporation under the American Rescue Plan Act of 2021. The SFA is intended to maintain the Plan's solvency until 2051. As a statutory condition of the Plan's receipt of SFA, the Plan is required to be deemed in Critical status each year through June 30, 2051.

REHABILITATION PLAN. When the Plan's Actuary initially certified the Plan in Critical Status in 2008, the PPA required the Board to develop and implement a "Rehabilitation Plan" designed to improve the Plan's funding. The Board first adopted a Rehabilitation Plan on May 20, 2009. As part of the Rehabilitation Plan, the Board established schedules that outlined the increased Employer contributions and included revised benefit structures that were designed to bring the Plan out of Critical Status within the Rehabilitation Period consistent with applicable law. The schedules outline the acceptable alternatives that were presented to the parties for collective bargaining. In collective bargaining, the contributing employers (the "Employers") and the Local Unions were required to agree to a schedule established by the Board. As required by applicable law, the Rehabilitation Plan has been annually updated; most recently on April 24, 2025. The Rehabilitation Plan will continue to be updated annually to reflect the Plan's experience to that date and, if necessary, to update prospective contributions or benefits.

NEW EMPLOYER CONTRIBUTIONS. Under the PPA, each Employer was required to pay a surcharge of 5% of the contributions otherwise required under the applicable collective bargaining agreement or other agreements pursuant to which the Employer contributed beginning December 1, 2008 through the remainder of the 2008/2009 plan year. In addition, the surcharge was increased to 10% for the 2009/2010 plan year (beginning July 1, 2009) and remained in effect until the Local Unions and the Employers adopted an acceptable schedule under the Rehabilitation Plan.

WHAT DOES THIS MEAN FOR ME? At the present time, Participants who were retired and receiving benefits on or before October 24, 2008 will not experience a change in the benefits they receive. To date, the Rehabilitation Plans affect only participants whose benefit payments begin after October 24, 2008. While the Plan is in Critical status, the PPA **prohibits** the Plan from paying any benefits in the form of a lump sum, or any other payment in excess of the monthly amount payable in the form of a single life annuity (other than certain Social Security level-income options, and certain retroactive payments). This means that after the date of the initial Notice of Critical Status (October 24, 2008), the Fund could no longer pay the \$1,000 post-retirement death benefit (for Retail Meat participants) or the \$2,000 post-retirement death benefit (for IPH participants) in the form of a lump sum benefit. In addition, no disability benefits will be provided to any participants if applied for after November 27, 2014, or such earlier date on which their Employer adopted a schedule under the Rehabilitation Plan that eliminated disability benefits.

YOUR NORMAL RETIREMENT BENEFITS WILL NOT CHANGE. If your benefit payments have already started, they are not currently scheduled to change. Also, the normal pension benefit you have already accrued is not currently scheduled to change. In addition, vested retirement benefits will continue to be partially

guaranteed by the Pension Benefit Guaranty Corporation (the "PBGC"). For example, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee is \$35.75 per month times a participant's years of credited service.

POSSIBLE FUTURE BENEFIT REDUCTIONS. Depending upon how the stock market performs in the future and the success of Employers, it is possible that additional contributions and/or benefit changes will be required as part of any revised Rehabilitation Plan that is adopted by the Board. The Rehabilitation Plan already reduces certain "*adjustable benefits*" for participants and beneficiaries whose pensions had not started prior to October 24, 2008. "Adjustable benefits" are benefits over and above the normal pension paid at normal retirement age, and include benefits such as post-retirement death benefits, disability (for certain participants, if not previously in pay status as described above), and early retirement benefits or retirement-type subsidies. It also includes any form of payment other than the joint and 50% surviving spouse annuity (or single life annuity for unmarried participants). Due to the conditions imposed by the PBGC due to the receipt of SFA, the Plan is no longer able to apply for a Benefit Suspension under the Multiemployer Pension Reform Act of 2014.

WHERE TO GET MORE INFORMATION. For more information regarding this Notice, you may contact Board of Trustees, United Food and Commercial Workers Union Local 152 Retail Meat Pension Plan, 27 Roland Avenue, Suite 100, Mt. Laurel, NJ 08054, telephone (856) 793-1590. You have a right to receive a copy of the most updated version of the Rehabilitation Plan.

Date: October 24, 2025

Board of Trustees