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**Minneapolis Retail Meat Cutters and Food Handlers Pension Fund**  
**Notice of Plan Status**

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The Pension Protection Act of 2006 (the Act) is intended to improve the financial condition of pension plans. The Act implemented several safeguards as well as notification requirements to share more information about a plan's "financial health" with participants and others directly interested in the plan.

Starting with the 2008 plan year, the Act requires that pension plans be tested annually to determine how well they are funded. The Act establishes benchmarks for measuring a plan's funding, and uses formal labels for such benchmarks. Plans that are in "endangered" status (sometimes called the "Yellow Zone") or "critical" status (sometimes called the "Red Zone") must notify all plan participants, beneficiaries, contributing employers, and collective bargaining parties of the plan's status, as well as take corrective action to improve or restore the plan's financial health.

**Plan's Status – Seriously Endangered**

On May 29, 2014, the Plan actuary for the Minneapolis Retail Meat Cutters and Food Handlers Pension Plan (the "Plan") certified to the U.S. Department of the Treasury, and also to the Board of Trustees (the Plan sponsor), that the Plan is in seriously endangered status (the *Yellow Zone*) for the Plan year beginning March 1, 2014. Federal law requires that you receive this notice.

The Plan is considered to be in seriously endangered status because it is underfunded, due primarily to poor investment performance in 2008. Specifically, the Plan's actuary has estimated that the Plan's funded percentage for the Plan year beginning March 1, 2014 is less than 80% and that the Plan has a projected funding deficiency within seven years. (The Plan's actuary has estimated that the funded percentage, as of March 1, 2014, is 76.8% and the projected funding deficiency is within 7 years.)

**Funding Improvement Plan**

The PPA requires pension plans in endangered or seriously endangered status to adopt a funding improvement plan aimed at restoring the financial health of the plan. The Trustees of the Plan adopted a Funding Improvement Plan (FIP) on January 25, 2009, and updated it October 20, 2010. The funding improvement period is March 1, 2010 through February 28, 2023, or the date the Plan's actuary certifies the Plan has emerged from endangered status. The goal of this FIP is to increase the Plan's funded percentage by 33% of the difference between the funded percentage as of the beginning of the funding improvement period and 100% by the end of the funding improvement period and to avoid any accumulated funding deficiency during the funding improvement period.

Normally, once a FIP is adopted, the Trustees would have the authority to amend and apply the provisions of the FIP in any manner deemed prudent, including requiring changes in employer contributions and future benefits accruals as part of new or renewed collective bargaining agreements. Based on the projections provided to us by the Plan's actuary, the Plan is currently not projected to meet the requirements of the FIP. Therefore changes to employer contributions, future benefit accruals or other additional Plan changes may be needed to meet the PPA's requirement for a Funding Improvement Plan.



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## What's Next

Since the Plan's financial condition can change based on the financial markets and the economy, the Act requires that the Plan's funding status be reviewed and certified annually. Thus, each year the Plan is in the *Yellow Zone*, you will receive a notice like this one.

We understand that legally required notices like this one can create concern about the Plan's future. While the "endangered" label is required to be used by federal law, the fact is that we have been working with our actuaries and consultants for some time now to address these funding issues. Please be aware that improving the Plan's funded status is a top priority and we are committed to taking any actions necessary to ensure your benefits will be there when you retire.

## Where to Get More Information

For more information about this Notice, you may contact the Plan Administrator at:

Pension Department  
Wilson-McShane Corporation  
3001 Metro Drive, Suite 500  
Bloomington, MN 55425  
(952) 854-0795  
[mrmc@wilson-mcshane.com](mailto:mrmc@wilson-mcshane.com)

You have a right to request the most recent copy of the Funding Improvement Plan adopted by the Trustees from the Plan Administrator.

*This Notice is being provided as required under the Pension Protection Act of 2006, which requires that certain information regarding the Plan's funding status be disclosed to individuals and parties interested in the Plan. As required by law, this Notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of the Department of Labor.*