

**Notice of Critical Status For  
UFCW Heartland Pension Fund  
EIN: 31-6056028  
PN: 001**

The Pension Protection Act of 2006 ("PPA") added new requirements for measuring the financial health of multiemployer pension plans. The PPA requires that a pension plan's actuary determine the plan's funded status and certify the status to the U.S. Department of the Treasury and the plan's board of trustees. This notice is to inform you that on March 30, 2016 the UFCW Heartland Pension Fund's (the "Plan") actuary certified that the Plan is in endangered status for the plan year beginning January 1, 2016 and is projected to be in critical status within the succeeding five years. In accordance with provisions outlined in the law, the Trustees of the Plan elected to be in critical status for the 2016 plan year. Federal law requires that you receive this notice.

**Critical Status**

The Plan is considered to be in critical status because it has funding or liquidity problems, or both, that would cause the Plan to enter critical status in the five years following the current plan year and the Board of Trustees of the Plan have elected to enter critical status effective January 1, 2016. More specifically, the Plan's actuary determined that the Plan is projected to be in critical status within the next five years and is projected to have an accumulated funding deficiency for the 2022 plan year and thereafter.

**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 first 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. If the Board of Trustees of the Plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 29, 2016. But you should know that whether or not the Plan reduces adjustable in the future, effective as of April 29, 2016, 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) while it is in critical status.

**Adjustable Benefits**

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- X Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Recent benefit increases (i.e., occurring in past 5 years);
- X Other similar benefits, rights, or features under the plan (i.e., subsidized joint and survivor benefit)

**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. 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, until the employer agrees to a collective bargaining agreement that implements the Rehabilitation Plan.

**Where to Get More Information**

For more information about this Notice, you may contact the Fund Administrator at 7250 Poe Avenue, Suite 300, Dayton, OH 45414 or call at (937) 665-1900. You have a right to receive a copy of the rehabilitation plan from the Plan.

cc Department of Labor  
Pension Benefit Guaranty Corporation