

RETAIL FOOD EMPLOYERS AND UFCW LOCAL 711 PENSION TRUST FUND

4885 South 900 East, Suite 202 • Salt Lake City, Utah 84117 • (801) 266-3279 / 1-800-453-4584
Fax (801) 266-4383 • E-mail jas@jasbenefits.com

JAS, Inc.
Administrator

NOTICE OF FUNDED STATUS OF PENSION PLAN

April 2009

TO: PARTICIPANTS, BENEFICIARIES, CONTRIBUTING EMPLOYERS AND UNITED FOOD AND COMMERCIAL WORKERS LOCAL 711

FROM: BOARD OF TRUSTEES OF THE RETAIL FOOD EMPLOYERS AND UFCW LOCAL 711 PENSION TRUST FUND

BACKGROUND

This notice contains important information about the Retail Food Employers and UFCW Local 711 Pension Trust Fund, E.I.N. 51-6031512, Plan Number 001. Starting with the 2008 Plan Year, the Pension Protection Act of 2006 ("PPA") requires the Pension Plan's actuary to annually certify the funded status of the Pension Plan. If the Plan's funding status is certified to be either Endangered or Critical, the PPA requires improvements in the Plan's funding over a period of ten years or more.

2008 PLAN YEAR CERTIFICATION

The Plan's actuary certified the Plan's zone status for the January 1, 2008 through December 31, 2008 plan year to be neither endangered nor critical ("Green Zone").

2009 PLAN YEAR CERTIFICATION

For the January 1, 2009 through December 31, 2009 plan year, the Plan's actuary has certified the Plan to be in the critical status ("Red Zone") due to the following reasons:

- The Plan is projected to have an accumulated funding deficiency within four (4) years;
- The liability for non-active participants exceeds the vested liability for actives; and
- The plan's normal cost plus expenses on a unit credit basis, as well as interest for the current plan year on the amount of unfunded benefit liabilities, exceeds the present value of the anticipated contributions for the current plan year.

Recognizing that the value of the assets has declined due to the impact of the current economic crisis, Congress passed the *Worker, Retiree, and Employer Recovery Act of 2008 (WRERA)*. This law provides multiemployer plan trustees with the option to retain a pension plan's 2008 funded status for the 2009 plan year – regardless of the plan's actual funded status for the 2009 plan year. By "freezing" a pension plan's funded status, a plan may delay, or possibly avoid, reductions in employee benefits and/or increases in the rate of employer contributions that would be necessary under a funding improvement plan or rehabilitation plan for an Endangered or Critical plan.

ELECTION TO CONTINUE TO USE THE 2008 PLAN YEAR ZONE CERTIFICATION

In accordance with Section 204(a) of WRERA, the Trustees have elected to "freeze" the Plan's 2008 Plan Year Green Zone certification and have it apply to the 2009 Plan Year. Therefore, the Plan will be treated as neither Endangered or Critical status for the Plan Year beginning on January 1, 2009.

Please be advised that the freezing of the Plan's 2008 Plan Year Green Zone status does not extend beyond December 31, 2009. By March 31, 2010, the Plan's actuary will again certify its funded status and zone classification. If the Plan is certified to be in either Endangered or Critical status, within 30 days after the date of certification, you will be sent a notice similar to this one explaining the Plan's zone status and actions that the Trustees may be required to take under the law to improve the funded status of the Plan. If the Plan is in Critical status, no partial lump sum or related benefit forms could be paid after you are notified of the actuary's determination and the Plan may need to be amended to reduce early retirement benefits or other "adjustable" benefits for people who retire after that date. It is also possible that a 5% surcharge could be imposed on employer contributions.

WHAT'S NEXT?

No participant will receive any reduction in benefits during 2009. If you are a retiree, your benefits cannot be affected by any changes that may be required if the Plan is Endangered or Critical in the future. Accrued benefits payable at normal retirement age may never be reduced for any participant as a result of the Plan being Endangered or Critical. Finally, previously accrued benefits, including rights to early retirement or disability retirement, may be subject to change if the Plan is in Critical status in 2010 or thereafter.

QUESTIONS?

For more information about this notice or the Trust, contact the Administration Office at the address or phone number listed at the top of this letter.

Sincerely,

Board of Trustees

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