

UFCW Local 1776 and Participating Employers
Pension Fund
3031B Walton Road
Plymouth Meeting, PA 19462

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Summary Plan Description



UFCW LOCAL 1776 AND PARTICIPATING EMPLOYERS PENSION FUND



**UFCW LOCAL 1776
AND PARTICIPATING EMPLOYERS
PENSION FUND**

SUMMARY PLAN DESCRIPTION

As in effect on January 1, 2017

**To All Employees Covered Under
The UFCW Local 1776 And
Participating Employers Pension Fund**

The UFCW Local 1776 and Participating Employers Pension Fund (the “Plan”) was developed in collective bargaining between UFCW Local 1776 and the Participating Employers that contribute to the Plan. The Plan is administered by a Board of Trustees comprised of an equal number of Employer Trustees and Union Trustees.

The purpose of this Summary Plan Description (“SPD”) is to give you an understanding of how the Plan works and how it affects you personally. It reflects the provisions of the Plan in effect as of January 1, 2017, and replaces the SPD previously distributed.

To make reading easier, we have left out legal and technical terms wherever possible. However, it is not intended that this SPD modify or change in any manner the complete official text of the Plan or Trust Agreement upon which this SPD is based. Therefore, in the event of any discrepancies between the SPD and the official text of the Plan and Trust Agreement, the official Plan text and/or Trust Agreement will govern.

Complete copies of all Plan documents are available for your inspection, during normal business hours, at the office of the Board of Trustees, 3031B Walton Road, Plymouth Meeting, PA 19462, or a copy can be obtained by writing to the Board of Trustees.

The Board of Trustees

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General Information Concerning Your Retirement Plan

Type of Plan

The Plan is a defined benefit pension plan, which means that your Accrued Benefit is based on a formula which takes into account your periods of Covered Employment. There are no individual accounts established to which portions of the Participating Employers’ contributions are credited. No Participant or beneficiary has any right, title or interest in or to the Trust Fund other than to the vested Accrued Benefits to which they are entitled under the Plan.

Plan Sponsor and Plan Administrator

The Board of Trustees serves as Plan Sponsor and Plan Administrator. The Board of Trustees consists of equal numbers of Employer Trustees and Union Trustees. The Trustees serve without compensation from the Plan. The Board of Trustees presently includes:

Employer Trustees	Union Trustees
<p>Dewey V. Cannella, Secretary Wakefern Food Corporation 33 Northfield Avenue Edison, NJ 08818</p>	<p>Wendell W. Young, IV, Chairman UFCW Local 1776 3031A Walton Road - Suite 201 Plymouth Meeting, PA 19462</p>
<p>Patrick Durning Wakefern Food Corporation 33 Northfield Avenue Edison, NJ 08818</p>	<p>Daneen Boyce UFCW Local 1776 3031A Walton Road - Suite 201 Plymouth Meeting, PA 19462</p>
<p>Craig Hoffman Wakefern Food Corporation 33 Northfield Avenue Edison, NJ 08818</p>	<p>Kevin Drew UFCW Local 1776 3031A Walton Road - Suite 201 Plymouth Meeting, PA 19462</p>

As the Plan Administrator, the Board of Trustees is charged with carrying out the provisions of the Plan. It has the exclusive right to interpret the terms and provisions of the Plan. In the discharge of its duties, the Board of Trustees is aided and advised by legal, actuarial, accounting and investment advisory services, as well as administrative personnel who are responsible for all Plan and Trust Fund records and communications.

The Board of Trustees has the exclusive right, power and authority, in its sole and absolute discretion, to administer, apply and interpret the Plan, the Trust Agreement and any other Plan documents, and to decide all matters (including factual matters) arising in connection with the operation or administration of the Plan or Trust Fund, including, but not limited to, the sole and absolute discretionary authority to:

- take all actions and make all decisions (including factual decisions) with respect to the eligibility for, and the amount of, benefits payable under the Plan;
- formulate, interpret and apply rules, regulations and policies necessary or appropriate to administer the Plan in accordance with the terms of the Plan;
- decide questions (including legal or factual questions) relating to the calculation and payment of benefits under the Plan;
- resolve and/or clarify any ambiguities, inconsistencies and omissions (including factual determinations) arising under this SPD, the Plan, the Trust Agreement or other Plan documents;
- process and approve or deny benefit claims; and
- determine the standard of proof required in any case.

All determinations and interpretations (including factual determinations) made by the Board of Trustees shall be final and binding to the fullest extent permitted by law upon all Participants, beneficiaries, and any other individuals claiming benefits under the Plan.

Any questions pertaining to the Plan should be directed to the Fund Office.

Fund Office

The Board of Trustees has contracted with Healthcare Strategies, Inc. to handle the daily administration of the Plan. If you have any questions about your benefits under this Plan, you may write or call the Healthcare Strategies, Inc. (which will be referred to in this SPD as the “Fund Office”) at:

3031B Walton Road Plymouth Meeting, PA 19462 610.941.9400 Toll-free 800.458.8618

Employer Identification Number and Plan Number

The Employer Identification Number assigned by the Internal Revenue Service to the Board of Trustees is 23-6461717. The Plan Number assigned to the Plan is 001.

Plan Year

The records of the Plan are kept on a January 1 through December 31 basis.

Agent for Service of Legal Process

Process can be served on the Board of Trustees (the Plan Administrator), 3031B Walton Road, Plymouth Meeting, PA 19462. Service of legal process may also be made upon each Plan Trustee.

Participating Employers

The Plan is financed by Participating Employer contributions made in accordance with the terms of collective bargaining agreements between UFCW Local 1776 and the Participating Employers. Copies of the agreements covering Participants of the Plan, or a complete list of the Participating Employers contributing to the Plan may be obtained by written request from you or your beneficiary to the Fund Office.

You may also inquire as to whether a particular employer contributes to the Plan by contacting the Fund Office in writing. If a particular employer contributes to the Plan, the Fund Office will provide you with the employer's address.

Copies of the collective bargaining agreements, under which the Plan is maintained, are also available for inspection by participants and beneficiaries at the Fund Office. If you cannot visit the Fund Office during normal business hours, copies of the agreements, and any other Plan documents which are required to be made available to you or your beneficiaries (See, "Your Rights Under ERISA," below) will be made available to you at your local union hall, within 10 calendar dates of your request.

A reasonable fee may be charged for the photocopying of any documents that are provided to you.

Investments

Funds contributed to the Plan are invested by the Board of Trustees. These funds and the income earned from their investment are used exclusively to provide benefits for Participants and their beneficiaries, and to pay the costs of maintaining the Plan. The Board of Trustees has engaged the services of an independent investment consultant to make recommendations with respect to the investment of the Plan's assets, and to assist it with selecting investment managers and monitoring the performance of the Plan's investments.

Description of the Plan

What is the Plan?

The Plan is a defined benefit plan, the primary purpose of which is to provide eligible Participants with a lifetime income during their Retirement years. The Participating Employers contribute to a Trust Fund that is maintained for the exclusive benefit of the Participants and their beneficiaries. The Board of Trustees invests the money until it is time to pay out Retirement benefits.

Do I pay anything into the Plan?

No. The Participating Employers pay the entire cost of the Plan.

How much do the Participating Employers contribute?

The amount contributed to Trust Fund is subject to negotiation and is included in each collective bargaining agreement. The level of a Participating Employer's contributions determines the benefits payable to eligible Participants employed by that Participating Employer.

If I participated in the Spawd, Inc. Defined Benefit Plan or the United Food and Commercial Workers Regional Pension Fund, will my participation in this Plan be affected?

Benefits accrued by certain groups of employees under the Spawd, Inc. Defined Benefit Plan and the United Food and Commercial Workers Regional Pension Fund have been transferred to this Plan, and the affected participants of those pension plans became Participants in this Plan. Those individuals will be entitled to their vested-accrued benefits under those pension plans, plus any additional benefits they may earn under this Plan. In addition, certain forms of benefit payment and benefit payment dates have been preserved with regard to the vested benefits accrued under the prior plans.

If you think you may be entitled to benefits under the Spawd, Inc. Defined Benefit Plan or the United Food and Commercial Workers Regional Pension Fund, contact the Fund Office to obtain information relating to your participation in those plans. Otherwise, you will be informed about any prior plan benefits to which you may be entitled when you are advised about your benefits under this Plan.

Participation and Service

When do I become a Participant in the Plan?

In order to become a Participant in the Plan, you must be employed by a Participating Employer in a job for which the Participating Employer is required to make contributions to the Plan. A Participating Employer's obligation to contribute to the Plan can arise as a result of a collective bargaining agreement or a participation agreement.

If you are covered by a collective bargaining agreement, you become a Participant as of your date of hire in Covered Employment, or, if later, the date your Participating Employer is first obligated to make contributions to the Trust Fund on your behalf.

If you are not covered by a collective bargaining agreement and your employer contributes to the Plan pursuant to a participation agreement, you will become a Participant the first day of the month coincident with or next following your completion of 30 days of employment with your Participating Employer.

If you are a former Participant, and you are rehired by a Participating Employer, you will become a Participant again as of the first date your Participating Employer is required to make contributions to the Trust Fund on your behalf.

How is my service counted under the Plan?

Your eligibility to receive Retirement benefits from the Plan is determined by the amount and type of service you perform for your Participating Employer. The rules regarding credit for your service with Participating Employers are complicated. In an effort to assist you in understanding these rules, this summary plan description contains both a simplified explanation and a more comprehensive explanation. Please bear in mind that, as is true with all contents of this summary plan description, neither the simplified version nor the more comprehensive version modifies or changes the terms of the formal Plan document and, in the event of any discrepancies between this summary plan description and the formal Plan document, the formal Plan document will govern.

Simplified Explanation of Service Credit

A. Credited Service

After you become a Participant in the Plan, you will earn Credited Service when you are employed by a Participating Employer in a job for which the Participating Employer is required to contribute to the Plan. The amount of Credited Service you earn determines whether you are entitled to benefits from the Plan and, if so, when you are entitled to receive them.

B. Credited Past Service

If you worked in a position for which the Participating Employer now contributes to the Plan at a time when the Participating Employer was not required to make such contributions, then depending on the circumstances, you may also earn Credited Service (referred to as Credited Past Service) for that work.

C. Transfers Between Covered and Non-Covered Job Positions

In addition, if you transfer from a position for which your Participating Employer is required to contribute to a position for which the Participating Employer is not required to

contribute (or, alternatively, if you transfer from a position for which your Participating Employer is not required to contribute to a position for which the Participating Employer is required to contribute), you may (depending on the circumstances) earn Credited Service for the work you perform in the position for which contributions are not required.

D. Loss of Credited Service Resulting from a Break in Service

If your employment with a Participating Employer ends before you become vested in a right to receive retirement benefits from the Plan, you may lose the Credited Service earned before your employment ended even if you later resume working for the Participating Employer or for another Participating Employer. Whether such a loss occurs depends on the circumstances, including how much time passes between these separate periods of employment. In addition, if you are away from work for certain reasons, such as military service, pregnancy and child care, then, again depending on the circumstances, the absence may not be counted as a separation from service for purposes of determining your Credited Service and whether a loss of Credited Service has occurred.

More Comprehensive Explanation of Service Credit

In order to understand the part your service plays in earning a Retirement benefit, it's important to understand the meaning of the following terms:

- “Covered Employment” means your employment with your Participating Employer for which you are directly or indirectly entitled to payment. This includes periods of Credited Employment, and periods of Non-Credited Employment that immediately precede or follow a period of Credited Employment.
- “Credited Employment” means your Covered Employment for which your Participating Employer is required (or deemed to be required) to make contributions to the Plan on your behalf.
- “Hour of Service” means each hour for which you are paid or entitled to be paid, either directly or indirectly for service with your Participating Employer or an affiliated employer. This includes not only time you actually worked, but also up to 501 Hours of Service for periods of time during which no duties were performed due to vacation, holidays, illness, incapacity (including disability) layoff, jury duty, military duty and approved absences. You will also be credited with Hours of Service you would have worked during a period of Qualified Military Service, so long as you return to employment within the time limits prescribed by federal law.
- “Non-Credited Employment” means your Covered Employment for which your Participating Employer is not required (or not deemed to be required) to make contributions to the Plan on your behalf. Non-Credited Employment also includes your employment with an affiliated employer.
- “Period of Service” means a twelve month period of employment, including any Period of Severance of less than twelve months but excluding any Period of Severance of twelve months or more.

- “Period of Severance” means the period of time commencing on the Severance from Service Date and ending on the date on which an Employee again performs an Hour of Service.
- “Severance from Service Date” means the earlier of the date on which an Employee quits, retires, is discharged or dies or the first anniversary of the first date of absence for any other reason such as vacation, holiday, sickness, disability, leave of absence or layoff.

Solely for purposes of the preceding sentence, if an Employee leaves employment in a “qualified absence,” Severance from Service will commence on the second anniversary of the first day of absence from work. As used herein, “qualified absence” with respect to an Employee means the absence from employment with an Employer as the result of (i) the pregnancy of the Employee (ii) the birth or adoption of a child of the Employee, or (iii) the caring for such child immediately subsequent to the child's birth or adoption, if such Employee is the natural or adoptive parent of such child. The Board of Trustees may require such information as it deems appropriate to confirm the reasons for any duration of any such absence

What does Credited Service mean?

Credited Service refers to your Period of Service in Covered Employment with a Contributing Employer and is used to determine your eligibility for benefits under the Plan. The amount of your Credited Service recognized under the Plan will be based upon your combined Periods of Service in

- Credited Employment,
- Non-Credited Employment when you move directly from Non-Credited Employment to Credited Employment with the same Employer, and
- Non-Credited Employment when you move directly from Credited Employment to Non-Credited Employment with the same Employer.

Years of Credited Service are separated into two parts – Credited Future Service and Credited Past Service.

What is Credited Future Service?

You will receive a year of Credited Future Service for each Period of Service you work in Covered Employment with a Participating Employer. In determining your years of Credited Future Service, you will be credited beginning with your first date of employment in Covered Employment (or the first day on which your Participating Employer was required to contribute to the Plan on your behalf, if later) and ending with your Severance from Service Date. If you have a Period of Severance and you are re-employed within 12 months, your Period of Severance will be included in your Credited Future Service. If you work less than 12 months in your last year of Covered Employment, you will be credited

with a full year of Credited Future Service if you complete at least 1,000 Hours of Service in the Plan Year during which your Severance from Service Date occurs.

What is Credited Past Service?

If provided for in the Collective Bargaining Agreement or in the participating Employer's participation agreement, and if approved by the Board of Trustees, you may be credited with Past Service if you were actually at work (or on the seniority list of your Participating Employer) on the date when your Participating Employer was first obligated to make contributions to the Trust Fund. Credited Past Service is computed to the nearest half-year, for each year or part of a year of continuous service with your Participating Employer immediately prior to the date when your Participating Employer's contributions began. However, the benefit you accrue as a result of such Past Service may not be payable if your Participating Employer ceases to make contributions to the Trust Fund.

Can my Credited Service be lost or cancelled?

If you complete at least five (5) years of Credited Service (at least two (2) of which are years of Future Service), you are vested in your Accrued Benefit, and you will be entitled to a Deferred Vested Retirement Benefit. "Vested" means that you cannot lose the Accrued Benefit you earned under the Plan.

If you are not entitled to a Deferred Vested Retirement Benefit (which means you are not vested in your Accrued Benefit), and you have two years of Credited Future Service which are separated by a Period of Severance due to your termination of work in Covered Employment, you will be charged with a One Year Break-in-Service for each 12-month period of absence. However, if you terminate employment and are re-employed within 12 months, you will receive credit for your Period of Severance. In addition, if your termination of work is due to a qualified absence for maternity, paternity or certain other child-related absences, your Severance from Service will begin on the second anniversary of the date you left service with your Employer.

When the number of your consecutive One Year Breaks-in-Service exceeds your years of Credited Service and your Period of Severance is at least five years, all of your Credited Service earned before your One Year Breaks-in-Service will be permanently cancelled, and since you would not be vested, any Accrued Benefit you earned prior to your consecutive One Year Breaks-in-Service will be forfeited.

You should keep in mind, however, that these rules apply only to Breaks-in-Service that occur after September 1, 1997. For periods before September 1, 1997, Breaks-in-Service are determined by the Plan rules then in effect. Contact the Fund Office if you want information regarding those prior rules.

How is my Military Service counted under the Plan?

If you leave employment covered by the Plan to go into Qualified Military Service, following your notification to your Contributing Employer of the need for such absence (unless such notification is precluded by military necessity), you may be entitled to service credit for that time, provided you return to your job while your reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”), and you return to work within the period required under USERRA.

Be sure to notify the Fund Office and your Contributing Employer upon your return.

Eligibility for Benefits

The following types of Retirement benefits are provided to eligible Participants and/or their beneficiaries under the Plan:

- Normal Retirement Benefit
- Early Retirement Benefit
- Rule of 90 Retirement Benefit
- Disability Retirement Benefit
- Deferred Vested Retirement Benefit
- Late Retirement Benefit

“Retire” or “Retirement” means your termination of employment (including Covered Employment, Non-Covered Employment and Disqualifying Employment) with your Participating Employer and all Participating Employers after you are eligible to receive benefits under the Plan, and you have made an application to receive those benefits.

Payment of your Accrued Benefit, i.e., the amount of benefit you have earned at any given time according to the Normal Retirement Benefit formula in effect at the date of your termination of employment, will be made at your Annuity Starting Date. “Annuity Starting Date” means the first day of the first period for which an amount is payable as an annuity, or in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle you (or your beneficiary) to such benefit.

When am I eligible for a Normal Retirement Benefit?

Your Normal Retirement Age is the later of the day you attain age 65 or your fifth anniversary of joining the Plan. If you Retire from the employ of your Participating Employer, you can receive your Normal Retirement Benefit on the first day of the month following your Normal Retirement Age or, if you attain Normal Retirement Age on the first day of the month, beginning on that date.

What will my Normal Retirement Benefit be?

The formula for determining your benefits from the Plan varies depending upon where you have been employed. The benefit formula for each Contributing Employer is set forth below.

Brown's ShopRite, Colligas Family Markets, Collins Family Market, Healthcare Strategies, Inc., R&R Family Markets, or ShopRite Aramingo

For Participants who are employed by **Brown's ShopRite, Colligas Family Markets, Collins Family Market, Healthcare Strategies, Inc., R&R Family Markets, or ShopRite Aramingo**, the monthly amount of your Normal Retirement Benefit, payable in the form of a Single Life Annuity is the sum of:

- 3.0% of aggregate Employer contributions made on your behalf on or after January 1, 2012, plus
- 3.34% of aggregate Employer contributions made on your behalf on or after January 1, 2011 and prior to January 1, 2012, plus
- 4.0% of aggregate Employer contributions made on your behalf on or after January 1, 2009 and prior to January 1, 2011, plus
- 4.5% of aggregate Employer contributions made on your behalf prior to January 1, 2009, plus
- \$4.50 per month for each year of your Credited Past Service, if any.

The following is an example of how a monthly benefit, paid in the form of a Single Life Annuity, is computed for participants employed by the employers identified above:

<u>Example</u>	
Lee is retiring in 2023 at age 65 with a total of 26 years of Credited Service. His service and contribution history is summarized as follows:	
1. <u>Credited Past Service</u>	
	6 years
2. <u>Credited Future Service</u>	
	20 years
3. <u>Employer Contributions</u>	
	Prior to 1996.....\$8,000
	After 1995.....\$5,000
	After 2009.....\$3,000
4. <u>Calculation of Monthly Normal Retirement Benefit</u>	
	Past Service benefit: \$4.50 x 6..... \$ 27.00
	Pre-1996 Future Service benefit: \$8,000 x 4.5% x 125% 450.00
	Post-1995 Future Service benefit: \$5,000 x 4.5% 225.00
	Post-2009 Future Service benefit: \$3,000 x 4.0% <u>120.00</u>
	Lee's total monthly benefit payable at age 65 \$822.00

SMS/RXDN or Village Pennbrook

For Participants who are employed by **SMS/RXDN** or **Village Pennbrook**, the monthly amount of your Normal Retirement Benefit, payable in the form of a Single Life Annuity is the sum of:

- 3.00% of aggregate Employer Contributions made on your behalf on or after January 1, 2014, plus
- 3.34% of aggregate Employer Contributions made on your behalf on or after January 1, 2013 and prior to January 1, 2014, plus
- 3.67% of aggregate Employer contributions made on your behalf on or after January 1, 2012 and prior to January 1, 2013, plus
- 4.0% of aggregate Employer contributions made on your behalf on or after January 1, 2009 and prior to January 1, 2012, plus
- 4.5% of aggregate Employer contributions made on your behalf prior to January 1, 2009, plus
- \$4.50 per month for each year of your Credited Past Service, if any.

Global Spectrum at Liacouras Center

For Participants who are employed by **Global Spectrum at Liacouras Center**, the monthly amount of your Normal Retirement Benefit, payable in the form of a Single Life Annuity is the sum of:

- 3.00% of aggregate Employer contributions made on your behalf on or after June 1, 2014, plus
- 3.34% of aggregate Employer contributions made on your behalf on or after June 1, 2013 and prior to June 1, 2014, plus
- 3.67% of aggregate Employer contributions made on your behalf on or after June 1, 2012 and prior to June 1, 2013, plus
- 4.0% of aggregate Employer contributions made on your behalf on or after January 1, 2009 and prior to June 1, 2012, plus
- 4.5% of aggregate Employer contributions made on your behalf prior to January 1, 2009, plus
- \$4.50 per month for each year of your Credited Past Service, if any.

PEBTF and Sermac

For Participants who are employed by **PEBTF** and **Sermac**, the monthly amount of your Normal Retirement Benefit, payable in the form of a Single Life Annuity is the sum of:

- 3.00% of aggregate Employer Contributions made on your behalf after January 1, 2015, plus
- 3.34% of aggregate Employer Contributions made on your behalf on or after January 1, 2014 and prior to January 1, 2015, plus
- 3.67% of aggregate Employer Contributions made on your behalf on or after January 1, 2013 and prior to January 1, 2014, plus
- 4.0% of aggregate Employer contributions made on your behalf on or after January 1, 2009 and prior to January 1, 2013, plus
- 4.5% of aggregate Employer contributions made on your behalf prior to January 1, 2009, plus
- \$4.50 per month for each year of your Credited Past Service, if any.

Borough of Dunmore and Shop Rite of Liberty and Monticello

For Participants employed by the **Borough of Dunmore** and **Shop Rite of Liberty and Monticello**, the monthly amount of your Normal Retirement Benefit, payable in the form of a Single Life Annuity is the sum:

- 3.00% of aggregate Employer Contributions made on your behalf on or after January 1, 2015; plus
- for periods prior to January 1, 2015, the amount determined in (a) or (b) below, whichever is greater:
 - (a) 4.00% of aggregate Employer Contributions made on your behalf for work performed on and after December 23, 2008 for Participants employed by the Borough of Dunmore, and for work performed on and after December 19, 2008 for Participants employed by Shop Rite of Liberty and Monticello, and prior to January 1, 2015; or
 - (b) For Participants who were formerly participants in the United Food and Commercial Workers Pension Fund of Northeastern Pennsylvania (the “Local 72 Plan”), for service completed on or after January 1, 2009 and prior to January 1, 2015, the accrued benefit determined under the benefit formula of the Local 72 Plan.

Global Spectrum at PPL Park, Global Spectrum at The Citizens Bank Ballpark in Philadelphia, Pennsylvania, and Spectrum Arena Limited Partnership

For Participants who are employed by **Global Spectrum at PPL Park, Global Spectrum at The Citizens Bank Ballpark in Philadelphia, Pennsylvania, and Spectrum Arena Limited Partnership**, the monthly amount of your Normal Retirement Benefit, payable in the form of a Single Life Annuity is the sum of:

- 3.00% of aggregate Employer Contributions made on your behalf on or after January 1, 2017, plus
- 4.00% of aggregate Employer Contributions made on your behalf on or after January 1, 2009 and prior to January 1, 2017, plus
- 4.50% of aggregate Employer Contributions made on your behalf prior to January 1, 2009, if any, plus
- \$4.50 per month for each year of Credited Past Service, if any.

Rite Aid Corporation and Shop Rite Knorr

For Participants employed by **Rite Aid Corporation and Shop Rite Knorr**, the monthly amount of your Normal Retirement Benefit, payable in the form of a Single Life Annuity is the sum of:

- 4.00% of aggregate Employer Contributions made on your behalf on or after January 1, 2009 plus
- 4.50% of aggregate Employer Contributions made on your behalf prior to January 1, 2009, if any, plus
- \$4.50 per month for each year of Credited Past Service, if any.

Additional Information Applicable to All Participants

The Plan provides a minimum \$100.00 monthly Normal Retirement benefit, paid in the form of a Single Life Annuity, if you are vested at your Annuity Starting Date and you worked at least one Hour of Service after June 1, 1998. If you are or were an employee of Columbia Footwear, you are not entitled to the \$100.00 minimum monthly benefit unless you completed Credited Service on or after October 1, 1999. (This minimum benefit is not available to Participants who are vested solely as a result of a reciprocity agreement).

If you were in Covered Employment on January 1, 1996, the accrued benefit you earned as of December 31, 1995 was increased by 25%. If you terminated Covered Employment prior to January 1, 1996, your accrued benefit as of December 31, 1995 will be increased by 25% if you return to Covered Employment and complete an additional two Periods of Credited Future Service.

What happens if I continue working beyond my Normal Retirement Age?

If you decide to continue working in Covered Employment after attaining your Normal Retirement Age, payment of your Accrued Benefit will be deferred until your actual Retirement Date, i.e., your Late Retirement Date. While you continue to work in Covered Employment, the additional Employer Contributions paid on your behalf will continue to accumulate, and your Accrued Benefit will continue to increase.

However, regardless of whether you are working in Covered Employment, your Accrued Benefit will begin to be paid to you as of the April 1 following the calendar year in which you turn age 70½.

You will be deemed to have retired as of the first day of any calendar month after you reach your Normal Retirement Age and during which you are credited with fewer than 40 Hours of Service.

May I retire before I reach my Normal Retirement Age?

If you retire before you reach your Normal Retirement Age, you may be able to qualify for either a Rule of 90 Retirement Benefit or an Early Retirement Benefit.

When am I eligible for a Rule of 90 Retirement Benefit?

You can receive a Rule of 90 Retirement Benefit if, when you Retire from Covered Employment, the sum of your attained age plus your years of Credited Service equals or exceeds 90.

What will my Rule of 90 Retirement Benefit be?

The amount of the Rule 90 Retirement Benefit is calculated in the same manner as a Normal Retirement Benefit. However, there is no early retirement reduction in the monthly amount because of your Retirement before your Normal Retirement Age.

In addition, at the time you Retire you can elect to receive up to 30% (in 5% increments) of your Accrued Benefit in the form of a single sum payment. If you are married, your spouse must consent to this single sum payment. If you elect to receive this single sum payment and your spouse consents, your monthly Retirement benefit payments will be permanently reduced to reflect the value of this single sum payment.

When am I eligible for an Early Retirement Benefit?

If you do not meet the eligibility requirement for a Rule of 90 Retirement Benefit, and you Retire prior to your Normal Retirement Date, you can receive an Early Retirement Benefit as of your Early Retirement Date if you have:

- attained age 55 (age 62 if you did not earn an Hour of Service on or after January 1, 2000), and
- accumulated at least ten years of Credited Service (at least two of which are years of Credited Future Service)

In addition, you must provide the Trustees with sixty (60) days notice of your intention to take an Early Retirement Benefit. Your Early Retirement Date is the first day of the month coincident with or next following your satisfaction of the requirements described above and your termination of employment.

What will my Early Retirement Benefit be?

Your Early Retirement Benefit will be an amount that is the actuarial equivalent of your Accrued Benefit based on your years of Covered Employment and the Normal Retirement benefit formula in effect when you terminate employment.

Your Early Retirement Benefit is calculated in the same manner as a Normal Retirement Benefit, but your Early Retirement Benefit will be reduced by one-half of one percent (½%) for each month your Early Retirement Date precedes your Normal Retirement Age. This Early Retirement reduction is taken to reflect the fact you will be receiving payments over a longer period of time than if the payments had started at your Normal Retirement Date. For example, if you retire at age 55, you will only receive 40% (paid in the form of a Single Life Annuity) of the monthly Retirement benefit that you would have received had you chosen to retire at age 65 with the same amount of service. This reduced amount is not increased once you reach your Normal Retirement Age. Below is the table of Early Retirement reduction factors at various ages:

Age at Retirement	Percentage of Monthly Benefit Received at age 65
65	100%
64	94%
63	88%
62	82%
61	76%
60	70%
59	64%
58	58%
57	52%
56	46%
55	40%

(Note: if your Early Retirement Benefit is paid in a form other than a Single Life Annuity, it will also be subject to the actuarial adjustment required to give you an equivalent benefit.)

Example

Assume in the prior example that Lee elects to retire on May 1, 2017 at age 59. Lee's monthly Early Retirement Benefit payable immediately, in the form of a Single Life Annuity, would be calculated as follows:

$$\$822.00 \times 64\% = \$526.08$$

What happens if I become totally and permanently disabled?

If you Retire due to a total and permanent disability, you will be eligible to receive a Disability Retirement Benefit, provided at the time you apply for a Disability Retirement Benefit, you:

- have at least ten years of Credited Service (at least two of which are years of Credited Future Service), and
- have been an active Participant in the Plan in Covered Employment at any time during the twelve months immediately preceding the date on which you suffer the total and permanent disability.

You will be determined to be "totally and permanently disabled" only if you have been awarded and continue to receive disability benefits from the federal Social Security Administration.

The amount of your monthly Disability Retirement Benefit will be equal to the Accrued Benefit you earned to the date of your Disability. Your monthly Disability Retirement Benefit, payable in the form of a Single Life Annuity, will be calculated in the same manner as a Normal Retirement Benefit.

Disability Retirement Benefits commence on the later of:

- the first day of the seventh month following the date your Disability begins, or
- the month following the month in which your application is filed and approved by the Trustees.

Payment of your Disability Retirement Benefit will terminate if, prior to your Normal Retirement Date, you:

- die;
- engage in other employment, except for employment determined by the Board of Trustees to be for the primary purpose of rehabilitation;

- have sufficiently recovered, as determined by the Board of Trustees, based upon medical examination by a qualified physician appointed by the Board of Trustees, such that you can resume employment with your Participating Employer, or you refuse to undergo a medical examination at the request of the Board of Trustees (such examination cannot be requested more than twice in any calendar year prior to your 65th birthday); or
- otherwise fail to satisfy the meaning of suffering a “total and permanent disability”

Upon recovery from your Disability before your Normal Retirement Age, if you return to work for a Participating Employer, you will be reinstated in the Plan with full credit given for all of the years of Credited Service you earned prior to your date of Disability. If you recover and you do not return to work with a Participating Employer, then it will be assumed that you terminated employment on your date of Disability, and you will be eligible for a Deferred Vested Benefit at age 65 or earlier, if eligible.

It is important that you apply for a Disability Retirement Benefit from the Plan as soon as possible after you apply to Social Security. Otherwise, the Disability Retirement Benefit payable from the Plan may be delayed.

Example

Kate, who is totally and permanently disabled, applies for Federal Social Security disability in January. The Social Security Administration awards her a disability pension in July. In order for Kate to begin receiving her Disability Retirement Benefit from the Plan coincident with her Social Security award, she must apply for her Disability Retirement Benefit from the Plan by June.

Instead, Kate delays her application until August (after she is awarded her Federal Social Security disability pension). Her first Disability Retirement Benefit payment will commence in September, and she will not be able to receive retroactive payments from the Plan.

When am I eligible for a Deferred Vested Retirement Benefit?

You are entitled to a Deferred Vested Retirement Benefit if, when you terminate Covered Employment, you have at least five years of Credited Service (at least two of which are years of Future Credited Service). Your Deferred Vested Retirement Benefit is equal to the Accrued Benefit you earned as of your termination date.

Payment of your Deferred Vested Retirement Benefit will begin on the first day of the month following your Normal Retirement Age. Alternatively, if you completed the amount of years of Credited Service needed to qualify for an Early Retirement Benefit at the time you left Covered Employment, you may elect to receive your Deferred Vested Retirement Benefit as early as age 55 (age 62, if you were a Participant prior to January 1, 2000). If your Deferred Vested Retirement Benefit payments begin before your Normal Retirement Age, your monthly Retirement benefit payments will be reduced in the same manner as specified under an Early Retirement Benefit.

Does the Plan provide any cost-of-living adjustments?

The Board of Trustees has, on occasion, provided certain increases to pensioners' and beneficiaries' benefits to help offset increases in the cost-of-living. Such increases are at the discretion of the Board of Trustees. The most recent adjustment was made effective January 1, 2000. This increase raised monthly benefit payments by 10%, with a minimum guaranteed monthly benefit equal to \$100.00. You will be notified whenever your benefit payment is subject to a cost-of-living adjustment.

Form of Payment

How will my Accrued Benefit be paid to me?

There are two normal forms of payments.

If you are single on your Annuity Starting Date, your Accrued Benefit automatically will be paid in the form of a Single Life Annuity. If you are married on your Annuity Starting Date, your Accrued Benefit automatically will be paid in the form of a Qualified Joint and Survivor Annuity.

Alternatively, you may elect to have your Accrued Benefit paid in any optional form of payment offered under the Plan, subject to spousal consent, if applicable. The optional forms of payment are described below.

What is a Single Life Annuity?

This form of payment provides you with equal monthly payments for your lifetime, only. Upon your death, payments will cease.

What is a Qualified Joint and Survivor Annuity?

A Qualified Joint and Survivor Annuity is a form of payment which pays reduced monthly payments during your lifetime with 50% of the reduced amount payable after your death to your surviving spouse for your spouse's lifetime. This survivor benefit will be paid only to the spouse who was married to you on your Annuity Starting Date. Because a Qualified Joint and Survivor Annuity is payable for as long as either you or your spouse are alive, it provides a smaller monthly payment than the Single Life Annuity. If your spouse dies before you, your monthly payments will "pop-up" to the amount of monthly payment you would have received had you originally elected the unreduced Single Life Annuity. The "pop-up" benefit will become payable as of the first day of the month following the month in which your spouse dies, provided you file a written application for the "pop-up" benefit, and you provide proof of your spouse's death.

What other forms of payment are available?

Depending upon your personal situation, you may wish to waive the normal form of payment, and receive your Accrued Benefit under one of the options described below. If you are married on the date your Annuity Starting Date, your spouse must consent in writing to reject the surviving spouse benefit, if you choose a form of payment other than a Joint and Survivor Annuity. Your spouse must sign the consent in the presence of a Notary Public or a Plan Representative. Your spouse's consent is not needed if you can demonstrate to the satisfaction of Board of Trustees that (1) you cannot locate your spouse, (2) you have been abandoned by your spouse, or (3) you are legally separated from your spouse and have a court order to that effect, unless a Qualified Domestic Relations Order provides otherwise.

All optional forms of payment are the actuarial equivalent of the amount you would be paid under the Single Life Annuity.

- **Single Life Annuity -- Under** this option, you will receive equal monthly payments for your lifetime, only. Upon your death, payments will cease.
- **Life Annuity with 120 Months Guaranteed** – Under this option, you will receive reduced monthly payments for as long as you live, but if you die before you receive payments for 120 months, monthly payments will continue to be paid to your designated beneficiary for the remainder of the 120-month period.
- **Joint and 75% Survivor Annuity** – Under this option, you will receive reduced monthly payments for as long as you live and upon your death your spouse will continue to receive 75% of your monthly payments for your spouse’s lifetime. If your spouse dies before you, your monthly payments will “pop-up” to the amount of payment you would have received had you originally elected the unreduced Single Life Annuity. The “pop-up” benefit will become payable as of the first day of the month following the month in which your spouse dies, provided you file a written application for the “pop-up” benefit, and you provide proof of your spouse’s death.
- **Joint and 100% Survivor Annuity** – Under this option, you will receive reduced monthly payments for as long as you live and upon your death your spouse will continue to receive 100% of your monthly payments for your spouse’s lifetime. If your spouse dies before you, your monthly payments will “pop-up” to the amount of payment you would have received had you originally elected the unreduced Single Life Annuity. The “pop-up” benefit will become payable as of the first day of the month following the month in which your spouse dies, provided you file a written application for the “pop-up” benefit, and you provide proof of your spouse’s death.
- **Level Income Option** – If you elect an Early Retirement Benefit or a Rule of 90 Retirement Benefit, the Plan also provides for a form of payment called the Level Income Option. This form of payment adjusts the amount you receive to take into account your anticipated Social Security payments. If you elect the Level Income Option, you will receive higher monthly payments from the Plan during the years you are not yet old enough to draw Social Security benefits. Then, when your Social Security benefits commence (reduced at age 62 or unreduced at age 65, 66 or 67, depending on your year of birth), your monthly payments from the Plan will be reduced. This form of payment is designed to produce an approximately “*level*” retirement income throughout all of your retirement years - when your Plan payments and your Social Security payments are added together. However, because this calculation is made when you first retire, it is based on your estimated Social Security pension. If the amount you actually receive from Social Security is different or you actually elect to begin to draw your Social Security at a date different than originally anticipated, your Level Income Option payments will not be changed.

How is the Level Income Option payment calculated?

This option can be calculated based on your estimated Social Security pension starting at either age 62 or age 65. You choose when you expect to start taking your Social Security pension. For each \$10 that you increase your monthly payments as of your Early Retirement Date, your monthly payments will subsequently be decreased at age 62 or 65 based on the following chart:

Pensioner's Age at Retirement	Increase in Monthly Payment for each \$10 of Anticipated Monthly Social Security Payments Commencing at:	
	Age 62	Age 65
50	\$3.25	\$2.35
51	\$3.54	\$2.56
52	\$3.86	\$2.79
53	\$4.22	\$3.05
54	\$4.61	\$3.33
55	\$5.05	\$3.65
56	\$5.54	\$4.00
57	\$6.09	\$4.40
58	\$6.70	\$4.84
59	\$7.38	\$5.33
60	\$8.15	\$5.89
61	\$9.02	\$6.52
62	—	\$7.23
63	—	\$8.03
64	—	\$8.95

Example

Don retires from active employment at age 58 with an Early Retirement Benefit equal to \$800 per month, payable at age 65. Because Don wants to retire early, his benefit is reduced to \$464 per month, payable as a Single Life Annuity.

Don informs the Fund Office that he anticipates commencing his Social Security at age 65. It is estimated that he will receive \$700 per month from Social Security at that time.

If Don elects the Level Income Option, his monthly benefit will be increased from \$464 to \$803 until he reaches age 65 [$\$464 + (\$700 \times 4.84 \div 10)$]. At age 65, his monthly benefit will be reduced by \$700 (his estimated Social Security benefit) to \$103 per month.

Regardless of when Don actually begins his Social Security payments, and how much he actually receives from Social Security, his Level Income monthly payments from the Plan will not change.

Example

Pat retires from active employment at age 60 with a Rule of 90 Retirement Benefit equal to \$700 per month, payable as a Single Life Annuity.

Pat informs the Fund Office that she anticipates commencing her Social Security at age 62. It is estimated that she will receive \$600 per month from Social Security at that time.

If Pat elects the Level Income Option, her monthly benefit will be increased from \$700 to receive \$1,189 until she reaches age 62 [$\$700 + (\$600 \times 8.15 \div 10)$]. At age 62, her monthly benefit will be reduced by \$600 (her estimated Social Security benefit) to \$589 per month.

Regardless of when Pat actually begins her Social Security payments, and how much she actually receives from Social Security, her Level Income monthly payments from the Plan will not change.

Can I choose the Level Income Option if I also want my spouse to receive the Qualified Joint and Survivor Annuity?

Yes. The calculation described above will be made after the adjustments for the Qualified 50% Joint and Survivor Annuity are made. So, if you die, your surviving spouse will receive

the same monthly amount he or she would have if you had not elected the Level Income Option adjustment. **Please note:** the “*pop-up*” feature is not available on the Level Income with survivor benefits option.

Death Benefits

What happens if I die after my Annuity Starting Date?

If you die after your Annuity Starting Date, the method of payment you elected governs if any payments are to continue after your death.

What happens if I die before my Annuity Starting Date?

If you are single and you die before your Annuity Starting Date, no death benefits will be payable from the Plan.

If you are vested and married and you die before your Annuity Starting Date, your spouse will be entitled to a Pre-Retirement Death Benefit that provides lifetime monthly payments, provided you and your spouse have been married for a period of at least one year as of the date of your death. If you were not married for at least one year as of your date of death, your spouse will not be entitled to any survivor benefits.

The Pre-Retirement Death Benefit payments to your spouse will begin on the first day of the month following the date of your death if, at the time of your death, you were eligible for a Rule of 90 Retirement Benefit or an Early Retirement Benefit. Your spouse will be eligible to receive a monthly benefit payment equal to 50% of your Rule of 90 Retirement Benefit or your Early Retirement Benefit, whichever is applicable, earned as of your date of death.

Otherwise, your surviving spouse will receive Pre-Retirement Death Benefit payments commencing on the first day of the month after you would have reached your earliest retirement age. The amount of this monthly benefit payment is equal to the amount your spouse would have been entitled to receive under the Qualified Joint and Survivor Annuity (see "Form of Payment"), computed as if you had (i) terminated employment on the earlier of the date you were last employed in Covered Employment or the day of your death, (ii) survived to your earliest retirement age with a Qualified Joint and Survivor Annuity, and (iii) died on the day after you reached your earliest retirement age.

Your spouse may defer the commencement of this Pre-Retirement Death Benefit to the date you would have attained age 65, however, if the single sum value of the surviving spouse benefit is \$5,000 or less, your spouse will receive a one-time cash payment instead of a life annuity.

Note, if you die during active Qualified Military Service under USERRA, you will be deemed to have died while in Covered Employment, and then terminated your employment on account of your death.

How do I designate a beneficiary?

If you elect a Life Annuity with 120 Months Guaranteed, you will be required to complete a beneficiary designation form. If you are married, your spouse is automatically your

beneficiary under the Plan unless your spouse waives this right. If you are not married and fail to designate a beneficiary, or if your designated beneficiary dies prior to your death, the death benefit will be paid to your estate.

Work after Retirement

If you return to work and you are receiving an Early Retirement Benefit or a Rule of 90 Retirement Benefit, payment of your Retirement Benefit will be suspended for any month in which you are employed in “Disqualifying Employment” before you attain your Normal Retirement Age. Effective January 1, 2000, Disqualifying Employment is employment in the retail food industry (including employment by the Union or the Fund) in the geographic area covered by the Plan.

If you are over age 65 and receiving a Retirement benefit and return to work, your Retirement benefit payments will be suspended for any calendar month in which you complete 40 or more hours in Totally Disqualifying Employment. Effective January 1, 2000, Totally Disqualifying Employment means employment or self-employment that is in

- the retail food industry,
- the geographic areas covered by the Plan when your Retirement benefit payments began, and
- any occupation in which you worked under the Plan

No Retirement benefit payments will be suspended for months starting on or after the April 1st following the calendar year in which you attain age 70-1/2.

Before the Board of Trustees will suspend your Retirement benefit payments, it will provide you with a notice (hand delivered or sent by first class mail) that your benefits are suspended during the first calendar month or payroll period in which your payments are suspended.

If you return to work, you are required to give timely notice to the Fund Office of your re-employment in Disqualifying Employment or Totally Disqualifying Employment, whichever is applicable. Notice given within ten days following a return to work shall be considered timely and in compliance with this requirement. If you are uncertain as to whether the job you are returning to might affect your Retirement benefit payments, contact the Fund Office before you go back to work.

Any Retirement benefit payments made by the Plan during a calendar month in which you are re-employed and working in Disqualifying Employment or Totally Disqualifying Employment, whichever is applicable, will be deducted from the Retirement benefit payments made after termination of employment (up to a maximum of 25% of your resumed monthly payment) from the benefit payments that will be made to you after your Disqualifying Employment or Totally Disqualifying Employment ends, except that the Board of Trustees may withhold up to 100% of the first pension payment made upon resumption of a suspension. If you die before recoupment of an overpayment, deductions will be made from the monthly payments made to your surviving spouse to the maximum of 25% of your monthly overpayment.

If you return to work prior to age 65, your original Early Retirement Benefit or Rule of 90 Retirement Benefit will also be adjusted to reflect the Retirement benefit payments you received.

If, after you retire, your Retirement benefit payments are suspended due to re-employment, you must file a written "*Notice of Termination of Employment*" with the Board of Trustees immediately upon termination of such employment. Upon receipt of such "*Notice of Termination of Employment*" at the Fund Office, your monthly Retirement benefit payments will resume.

Upon again retiring, you will be entitled to an adjustment in your original monthly Retirement benefit payments for those months of employment during which you worked for a Contributing Employer.

Applying for Retirement Benefits

When will I begin receiving Retirement benefits?

Generally, Retirement benefits payments will begin on the first day of the month following your actual Retirement or application for disability, except in the case of Deferred Vested Retirement Benefit.

How do I apply for my Retirement benefits?

You (or your spouse/beneficiary in the case of your death) may apply for Retirement benefits by filing an application at the Fund Office, 3031B Walton Road, Plymouth Meeting, PA 19462. To make sure your Retirement benefit payments are not delayed, you must file an application at least one month before the date you want your Retirement benefit payments to begin. The rules of the Plan require that your application be filed in advance, and you are urged to file as soon as you decide on your intended Retirement Date. Early filing will help avoid delays in the processing of your application and payment of Retirement benefits. Application forms are available at the Fund Office. When applying for your Retirement benefit, you may be requested to provide proof that you are entitled to receive Retirement benefits.

How do I elect to receive a form of payment?

When you are about to Retire, a representative from the Fund Office will explain the forms of payment available to you in greater detail. You will also be provided with an application for Retirement benefits to complete. This application will allow you to choose the form of Retirement benefit you desire.

During the election period before your payment of Retirement benefit is to begin, you will be given the option of electing not to receive the automatic form of payment. Your spouse must consent in writing to an election to receive an optional form that does not provide at least a 50% survivor annuity. You may revoke any election prior your Annuity Starting Date.

What if my claim for Retirement benefits is denied?

Claims Procedures and Time Limits

To challenge the Board of Trustees' determination regarding benefits, you or your beneficiary must file a written claim with the Trustees within the following time limitations:

- If your benefit application is approved, in whole or in part, any claim to correct an error must be filed within 180 days after you or your beneficiary receives (or begins receiving) a distribution.
- If you or your beneficiary receives a written statement regarding any benefits under the Plan, any claim to correct an error on such statement must be filed within 180 days of receipt of such statement.

Burden of Proof Regarding Plan Records

The Plan's employment and administrative records (including but not limited to a Participant's employment status, service, elections, distributions, and all other matters affecting eligibility for and amount of payment of benefits) are controlling in all cases. If you believe that the Plan's records are incomplete or incorrect, the burden of proof is on you to provide written documentation of additional information that you believe is relevant. Whether such documentation is satisfactory to override the Plan's records will be determined by the Board of Trustees in its sole and absolute discretion, subject to the Plan's claims and appeals procedure (described below). You may review or request copies of the Plan's records applicable to you according to the procedure established by the Board of Trustees or its delegates in accordance with applicable law.

Appeal Procedure: Notice of Claim Denial

The Plan maintains claims and appeals procedures, in full, as follows.

If any written claim for benefits is wholly or partially denied, the Board of Trustees will notify you in writing within 90 days after it receives your written claim. If special circumstances exist, this time period may be extended for an additional 90 days. You will be notified in writing if an extension of time to review your claim is needed. If you do not receive notice of a denial or extension of time within the first 90 days after the receipt of your application by the Trustees, your application will be deemed to be denied (referred to as a "Default Denial"), and you may proceed directly to the review stage at that point if you so desire.

The denial notice will be written in a manner calculated to be understood by you and will contain the following information:

- Reason for the Denial - the specific reason(s) for the denial;
- Reference to Plan Provisions - reference to the specific Plan provision(s) on which the denial is based;
- Description of Additional Material - a description of any additional material or information necessary for you to perfect your claim and an explanation as to why such information is necessary; and
- Description of Claims Appeals Procedures - a description of the Plan's appeals procedures and the time limits applicable for such procedures (such description will include a statement that you are eligible to bring a civil action in federal court under section 502 of ERISA to appeal any adverse decision on appeal).

Review Procedure

In the event your claim is denied, you have the right to appeal such denial. Your request for review must be made in writing, not later than 60 days after you receive a denial notice. Your request for review will be made to the Trustees through the Fund Office. If your request for review is not made within the specified 60-day period, you will forfeit your right to further review.

As part of the review procedure, you or your beneficiary will have the following rights:

- to have representation;
- to submit written comments, documents, records and information relating to the claim (the Board of Trustees' review of your claim will take into account all written comments, documents, records and information that you submit, regardless if such items were submitted or considered in the initial claim determination); and
- to request in writing access to copies (free of charge) of documents, records and other information relating to the claim.

Decision on Review

A decision on review will be made at the next regularly scheduled meeting of the Board of Trustees following the Fund Office's receipt of your request for review, unless receipt of your request for review is received by the Fund Office within 30 days of the next regularly scheduled meeting. In such a case, the review will be made no later than the date of the second meeting following the Fund Office's receipt of your request for review. If special circumstances require an extension of time to review your claim, the Board of Trustees will render a decision no later than the third regularly scheduled meeting following receipt of your request for review. You will be notified in writing if an extension of time to review your claim is needed. If your claim is denied you will receive written notice of the denial

and such notice will be written in a manner calculated to be understood by you and will contain the following information:

- Reason for the Denial - the specific reason(s) for the denial;
- Reference to Plan Provisions - reference to the specific Plan provision(s) on which the denial is based;
- Statement of Entitlement to Documents - a statement that you are entitled to receive, upon request and free of charge, access to and copies of, all documents, records and other information that is relevant to your claim and/or appeal for benefits; and
- Statement of Right to Bring Action - a statement that you are entitled to bring a civil action in federal court under section 502 of ERISA to pursue your claim for benefits.

In considering any claim for benefits or any request for review, the Board of Trustees shall have the exclusive discretionary authority to construe the terms of the Plan and Trust Agreement, to make all factual determinations, determine the standard of proof applicable in any instance and to make eligibility determinations. Any construction or eligibility determination adopted by the Trustees in good faith shall be binding upon the parties and shall not be disturbed by a court of law unless the Board of Trustees' determination was arbitrary and capricious.

Time Limit on Legal Proceedings

After exhausting the Plan's administrative claim process described above, you or your beneficiary may file a lawsuit regarding entitlement to benefits under the Plan or with respect to any aspect of the Plan.

Any such legal action must be commenced within the latest of the following dates:

- two (2) years of the receipt of a distribution or a written statement regarding your benefits;
- one (1) year from the time your benefit claims appeal is denied by the Board of Trustees; or
- the date otherwise prescribed by the applicable law.

How are my Retirement benefits taxed?

Whenever you receive a distribution from the Plan, it will normally be subject to federal income taxes. However, if you or your surviving spouse receive a single sum payment, you may request that a direct transfer of all or a portion of the distribution be made to an Individual Retirement Account (IRA), another employer's qualified plan, a Code Section 403(b) plan, a Code Section 457 plan or a Roth IRA, provided such plan accepts the rollover. A direct transfer will result in no tax being due or withheld until you withdraw funds from the IRA or other qualified plan. Whenever you receive a distribution that is eligible for a direct rollover, the Fund Office will deliver to you a more detailed explanation of this option.

In addition, generally distributions that are made prior to your attainment of age 59½ are also subject to an additional penalty tax equal to 10% of the amount of your distribution includable in your gross income. The 10% penalty tax will not apply to distributions made (i) after your separation from service with a Participating Employer during or after the year in which you attain age 55, (ii) after your separation from service and in a series of payments made over your life expectancy (or the joint life expectancy of you and your beneficiary), (iii) on account of your disability, (iv) to your beneficiary, (v) to an alternate payee under a Qualified Domestic Relations Order, or (vi) on account of certain tax levies or liens against you under the Plan.

Tax laws are frequently changed and this SPD does not explain all of the federal and state tax rules on payments from this Plan. Before you receive a distribution from the Plan, you should consult your tax advisor concerning your tax liability. Additional information will be given to you (or your beneficiary) concerning withholding of income tax when you (or your beneficiary) apply for your Retirement benefit.

Can my Retirement benefit be assigned to another person?

No. Retirement benefits cannot be sold, assigned or pledged to anyone, nor can they be used as security for a loan. Furthermore, they are not subject to attachment or execution under any judgment or decree of a court or otherwise interfere with your Retirement benefits prior to distribution.

There is an exception, however, to this general rule. The Trustees must honor a Qualified Domestic Relations Order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your Plan benefits to your spouse, former spouse, child or other dependent. You may obtain a copy of the Plan's procedures for determining whether a court order is a Qualified Domestic Relations Order by contacting the Fund Office.

What about my Social Security benefits?

The Social Security benefits to which you may be entitled are payable in addition to any Retirement benefits provided under this Plan.

Circumstances That Can Affect Your Retirement Benefit

Under certain conditions, your Retirement benefit may be denied, reduced or suspended. These conditions are as follows:

1. If you are no longer an eligible employee, you will be ineligible for further Plan participation. If you transfer to another position with your Contributing Employer which is not in Covered Employment or an affiliate, you will continue to accrue service for vesting. You may not receive your Retirement benefit from this Plan until you are no longer employed in Disqualifying Employment.
2. If your Covered Employment terminates by resignation, discharge, or death before you have completed at least 5 Years of Credited Service (2 of which must be Years of Credited Future Service), your Retirement benefit will be forfeited, subject to your rehire, as more fully described in the section, "Can my Credited Service be lost or cancelled?"
3. The Plan may be terminated before sufficient assets have been accumulated in the trust fund to pay your Retirement benefit. In this case you may be protected (in full or in part) by the Pension Benefit Guaranty Corporation (see "Pension Benefit Guaranty Corporation").
4. The Trustees may amend the Plan to reduce accrued benefits. This may be done only with the permission of the federal government to avoid serious economic hardship to the Contributing Employers. The Trustees have no present intention to take such action, but we are required by law to inform you of the possibility.
5. Federal law permits payment of all or a portion of your Retirement benefit to another person, provided such payment is made to comply with a "qualified domestic relations order" ("QDRO") relating to child support, alimony, or marital property rights payments.
6. If you do not provide the Trustees with your most recent address and you cannot be located, the Trustees may be unable to distribute your Retirement benefit to you.
7. If you fail to make proper application for your Retirement benefit or fail to provide necessary information, the Trustees may be unable to distribute your Retirement benefit to you.
8. If you leave employment and begin to receive a Retirement benefit from the Plan before you reach your Normal Retirement Age, your payments may be reduced to account for early payment.
9. See "Work after Retirement" to determine if your reemployment may cause your Retirement benefit payments to be suspended.
10. The Retirement benefit you accrue as a result of Past Service may not be payable if your Contributing Employer ceases to make contributions to the Plan.

11. New restrictions have been placed upon a defined benefit plan whose funding level falls below certain trigger points. If the Plan becomes subject to these restrictions, the Plan may be limited or precluded from making accelerated benefit payments (such as lump sum payments) or increasing the Plan's liability by amendment, and may, in certain instances, be required to freeze future accruals under the Plan until such time as the Plan's funding level rises above these trigger points. You will be notified should the Plan become subject to these restrictions.

Amendment and Termination of the Plan

The Board of Trustees reserves the right to amend the Plan. Except for unusual circumstances approved by the government, the rights of Participants, pensioners, and beneficiaries cannot be adversely affected by any amendment.

While it is expected and intended that the Plan will continue indefinitely, the Board of Trustees does have the right to terminate the Plan in accordance with the Trust Agreement between the Union and the Participating Employers.

If the Plan is terminated, you will not accrue any further benefit under the Plan. However, the benefit that you have already accrued will become vested to the extent it can be funded by the Plan assets allocated to such benefits at the Plan's terminate date.

Pension Benefit Guaranty Corporation

Your Retirement benefits under this multiemployer Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry. Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11.00 of the monthly benefit accrual rate and (2) 75% of the next \$33.00. For example, the maximum annual guarantee for a retiree with 30 years of service and a benefit accrual rate of \$23.00 per month would be \$7,200.

To the extent you are entitled to receive these benefits under your Plan, the PBGC guarantee generally covers (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover (1) benefits greater than the maximum guarantee set by law; (2) benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the earlier of (i) the date the Plan terminates or (ii) the time the Plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the Plan became insolvent; and (5) nonpension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it pays, ask your Plan Administrator or contact the PBGC's Technical Assistance Division at:

Technical Assistance Division
Pension Benefit Guaranty Corporation
1200 K Street, N.W.
Suite 930
Washington, D.C. 20005-4026

The PBGC may be reached by calling: 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

Your Rights Under ERISA

As a Participant in the UFCW Local 1776 and Participating Employers Pension Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

1. Examine, without charge, at the Plan Administrator's office, and other specified locations, such as worksites and union halls, all Plan documents, including insurance contracts, collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor, and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
2. Obtain, upon written request to the Plan Administrator, copies of the documents governing the operation of the Plan, including insurance contracts, collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The Administrator may make a reasonable charge for the copies.
3. Receive a summary of the Plan's annual funding notice. The Board of Trustees is required by law to furnish each Participant with a copy of this notice.
4. Obtain a statement telling you whether you have a right to receive a pension under the Plan at your Normal Retirement Age (the later of age 65 or the 5th anniversary of your participation in the Plan) and, if so, what your benefit would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your Employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension or exercising your rights under ERISA.

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents, or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons

beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C., 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

How can I obtain additional information about the Plan?

Should you have any questions concerning the Plan, you should contact the Fund Office. Simply call or write to:

<p>Board of Trustees UFCW Local 1776 and Participating Employers Pension Fund 3031B Walton Road Plymouth Meeting, PA 19462 610.941.9400 toll-free 800.458.8618</p>
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