

UNITED FOOD AND COMMERCIAL WORKERS AND FOOD EMPLOYERS AND LABOR RELATIONS ASSOCIATION SEVERANCE PLAN



A Program of the FELRA and UFCW Health & Welfare Fund

To All Participants:

This booklet contains a summary of your rights and benefits under the United Food and Commercial Workers and Food Employers Labor Relations Association Severance Plan (“the Plan”). On July 1, 2000, the UFCW and FELRA Severance Fund merged into the FELRA and UFCW Health and Welfare Fund. The Severance Plan is a benefit program of the Health and Welfare Fund and the Severance Fund is a sub-fund of the Health and Welfare Fund and will continue to be known as the UFCW and FELRA Severance Fund (“the Fund”).

While this Summary Plan Description (“SPD”) replaces and supersedes any prior SPD, it cannot cover in detail every provision of the Plan or how the Plan might work in every situation for every Participant. Therefore, in the event of any discrepancy between this SPD and the provisions of the Plan Document, the Plan Document will govern. Full details concerning the Plan are stated in the Plan Document, which is available from the Fund Office. If you have trouble understanding any part of this material, call or write the Fund Office. You will be notified, in writing, of any material modifications (changes) to the SPD, as required by law.

Your Employer pays for the benefit provided under the Plan. Nothing is deducted from your paycheck to pay for this benefit.

The provisions of this document are subject to amendment and interpretation by the Board of Trustees and to the rules, regulations and procedures of the Plan in effect at the time of a claim. The Board of Trustees has the power to make rules about your eligibility for benefits and the level of benefits available. The Trustees may amend the rules, benefit levels, or any other aspect of Fund coverage at any time. The Trustees also have the power to interpret, apply, and construe the provisions of the Plan and make factual determinations regarding its construction, interpretation, and application. Any decision made by the Board of Trustees is binding upon Employers, *Employees*, Participants, Beneficiaries, and all other persons who may be involved with, or affected by, the Plan.

This document does not constitute a guarantee of eligibility for benefits under the Plan. You should contact the Fund Office to verify your eligibility and coverage under the Plan. Please remember that no one other than the Fund Office can

verify your coverage. Do not rely upon any statement regarding coverage or benefits under the Plan made by your Employer, Shop Steward Agent, or other Union agent.

It is extremely important that you keep the Fund Office informed of any change in address or change in Beneficiary. This is your obligation and any failure to do so could affect your ability to receive benefits under the Plan. The importance of a current, correct address on file in the Fund Office cannot be overstated. It is the **ONLY** way the Trustees can keep in touch with you regarding Plan changes and other developments affecting your interests under the Plan.

Also, please remember that you may have separate Beneficiary designations for each benefit available under the Food Employers and Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund. Your Beneficiary designation for life insurance under the Health and Welfare Plan, for example, is separate from your Beneficiary designation for death benefits under the Severance Plan.

Please read the booklet carefully. If you have questions about the Plan, contact the Fund Office at this address and phone number:

Associated Administrators, LLC
911 Ridgebrook Road
Sparks, Maryland 21152-9451
(410) 683-6500

Sincerely,
Board of Trustees

TABLE OF CONTENTS

Facts about the Fund.....	4
Board of Trustees Health and Welfare Fund.....	7
Severance Fund Committee.....	8
Definitions.....	9
Participation.....	12
Earned Severance Benefit.....	14
Payable Severance Benefit.....	19
Death Benefit.....	21
Cancellation of Service Credited.....	23
Form of Payment.....	25
How to File Your Claim.....	27
How to Appeal A Decision on Your Claim.....	28
Your Rights under ERISA.....	30
Cash Bonus Tables.....	33
Participating Employers.....	35

FACTS ABOUT THE FUND

Fund and Plan Name

The United Food and Commercial Workers (“UFCW”) and Food Employers Labor Relations Association (“FELRA”) Severance Fund was established on January 1, 1980 under a Trust Agreement between the Food Employers Labor Relations Association and Locals 27, 400, and 1776 of the United Food and Commercial Workers International Union. On July 1, 2000, the Severance Fund merged into the FELRA and UFCW Health and Welfare Fund. The merged Severance Fund is a sub-fund of the Health and Welfare Fund and will continue to be known as the UFCW and FELRA Severance Fund (“the Fund”). The Severance Plan is a program of benefits of the Health and Welfare Fund. The Plan document applicable to the Fund is the UFCW and FELRA Severance Plan (“the Plan”).

Plan Sponsor

The Plan Sponsor is the Board of Trustees of the FELRA and UFCW Health and Welfare Fund, 911 Ridgebrook Road, Sparks, MD 21152-9451 (410) 683-6500.

Plan Type

The Severance Fund is a welfare plan designed to provide severance benefits.

Type of Administration

The type of administration is contract administration. The Board of Trustees has contracted with Associated Administrators, LLC to provide administrative management services.

Plan Administrator

The Plan Administrator is the Board of Trustees of the FELRA and UFCW Health and Welfare Fund. The Board consists of members appointed by both the Unions and the Employers. A committee of an equal number of members appointed by both the Unions and the Employers assists in the administration of the Severance Fund.

Employer Identification Number

52-1036978

Plan Number

901

Collective Bargaining Agreements

The Plan is maintained under Collective Bargaining Agreements that are available for inspection at the Fund Office. Copies of the Collective Bargaining Agreements may be obtained upon written request to the Local Union or Plan Administrator. There will be a reasonable charge for the copies.

Contributions to the Plan

The Severance Plan is supported by contributions made by Employers, to the extent required under Collective Bargaining Agreements. There are no *Employee* contributions to the Severance Fund. The Unions that participate in the Fund also make contributions, to the extent required under participation agreements between the Unions and the Welfare Fund. The Fund Office will provide you, upon written request, with information regarding whether your employer is a participating Employer in the Plan and if so, the Employer's address.

Assets of the Fund

The assets of the FELRA & UFCW Health and Welfare Fund are held in trust by the Board of Trustees of the FELRA & UFCW Health and Welfare Fund. Insurance premiums are paid by the Trust Fund and insurance companies may pay part of the benefits. Benefits are also partially paid from the accumulated assets of the Trust. Assets are held and managed by PNC Bank, NA.

Plan Amendments or Termination

The Board of Trustees intends to continue the benefits described in this booklet. However, the Trustees reserve the right to amend or terminate this Plan, or any part of it, at any time. In the event the Plan terminates, your rights to benefits will be governed by the terms of the Plan documents and applicable law.

Administrative Manager

The Board employs a third-party administrator to maintain Participant records, process claims, and answer your questions about the Plan. The firm is:

Associated Administrators, LLC
911 Ridgebrook Road
Sparks, Maryland 21152-9451
(410) 683-6500

Agent for Legal Process

Legal process may be served on Associated Administrators, LLC or any Trustee at the following address:
911 Ridgebrook Road
Sparks, Maryland 21152-9451
(410) 683-6500

Operation of the Plan

The basic financial records of the FELRA & UFCW Health and Welfare Fund are maintained on a fiscal year basis ending December 31. Financial operations are audited annually by an independent certified public accountant.

Plan Year

January 1 and ends December 31.

**FELRA AND UFCW HEALTH AND WELFARE FUND
BOARD OF TRUSTEES**

Union Trustees

George Murphy, Jr., Secretary
UFCW Local 27
21 West Road – Second Floor
Towson, MD 21204

Michael Boyle
UFCW Local 400
4301 Garden City Drive
Landover, MD 20785

Eric Masten
UFCW Local 27 Millsboro Office
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Thomas P. McNutt
UFCW Local 400
4301 Garden City Drive
Landover, MD 20785

Employer Trustees

Jason Paradis, Chairman
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Ira Kress
Giant Food, LLC
8301 Professional Place
Suite 115
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Frank Stegman
Safeway Inc.
4551 Forbes Blvd.
Lanham, MD 20706

UFCW AND FELRA SEVERANCE FUND COMMITTEE

Union Committee Members

Thomas P. McNutt, Chairman
UFCW Local 400
4301 Garden City Drive
Landover, MD 20785

James Freeman
UFCW Local 27
21 West Road, Second Floor
Towson, MD 21204

Gary Gatewood
UFCW Local 27
21 West Road, Second Floor
Towson, MD 21204

Tim Goins
UFCW Local 27
21 West Road, Second Floor
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Employer Committee Members

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The Stop & Shop Company
1129 Route 34 North
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Ira Kress
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8301 Professional Pl., Ste. 115
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Safeway Inc.
4551 Forbes Blvd.
Lanham, MD 20706

Frank Stegman
Safeway Inc.
4551 Forbes Boulevard
Landam, MD 20706

H. Edward Travers, III
Super*Fresh Food Markets
8905 Belair Road
Perry Hall, MD 21236

DEFINITIONS

The following terms have special meanings that will help you to understand your benefits. When they are used, defined terms are capitalized to indicate that they have specific definitions that you should check. Please refer to these definitions as you read this document.

Administrative Manager. The company responsible for receiving Employer contributions, keeping eligibility records, paying claims, and providing information to you about the Fund. The company is Associated Administrators, LLC, referred to as “the Fund Office” throughout this booklet.

Beneficiary. A person you designate who may become entitled to receive a benefit on your behalf under the terms of the Plan.

Collective Bargaining Agreement. The agreement between an Employer and a Union that identifies the classes of the Employer’s *Employees* who are eligible to participate in the Plan.

Death Benefit. The amount payable to your Beneficiary under the Plan if you die before your Severance from Service Date.

Effective Date. The date your Employer was first obligated to make a contribution to the Fund on your behalf.

Employee. Any person covered by a Collective Bargaining Agreement in a position that is eligible for participation in the Fund, and any *employee* of a participating Union for whom the Union has agreed to provide eligibility for severance benefits. *Employees* do not include self-employed persons or independent contractors

Employer. An employer that participates in the Fund pursuant to a Collective Bargaining Agreement with a Union. The term “Employer” also includes a Union in its role as an Employer of its *Employees* who participate in the Fund under a participation agreement.

Fund. The United Food and Commercial Workers (“UFCW”) and Food Employers Labor Relations Association (“FELRA”) Severance Fund, which merged into the FELRA & UFCW Health

and Welfare Fund, effective July 1, 2000. The UFCW and FELRA Severance Fund is a sub-fund of the FELRA & UFCW Health and Welfare Fund.

Future Service Credit. Service credit you receive under the Plan for periods of employment with an Employer after the Employer's *Effective Date*.

Participant. Any *Employee* or former *Employee* who meets the requirements for participation under the Plan. "You" refers to the Participant in this document.

Period of Severance. The period beginning with your Severance from Service Date and ending with the date you again perform a Service Hour with an Employer.

Plan. The United Food and Commercial Workers and Food Employers Labor Relations Association Severance Plan.

Prior Service Credit. Service credit you receive under the Plan for periods of employment with an Employer prior to the Employer's *Effective Date*. Employees of certain Employers are not eligible for Prior Service Credit.

Service Credited. The sum of your Prior Service Credit and Future Service Credit under the Plan, rounded to the highest full month.

Service Hour. A Service Hour is each hour of service for which you are paid or entitled to payment by an Employer for time worked, and for time not worked but paid either directly or indirectly by the Employer, such as vacation, holiday, illness, jury duty, military duty, or leave of absence, and each hour of service for which back pay has been awarded or agreed to by the Employer. It does not include time during which you received workers' compensation or unemployment compensation.

Severance from Service Date.

(a) Effective September 28, 2008, if you are an Employee covered by a Collective Bargaining Agreement, your Severance from Service Date is the earlier of: (1) the date your employment relationship with an Employer terminates; or (2) the first anniversary of the first date of your absence from employment with an Employer for any reason, including, but not limited to, disability, sickness, or leave of absence.

(b) Effective September 28, 2008, if you are an Employee not covered by a Collective Bargaining Agreement, your Severance from Service Date is the earliest of: (1) the date your employment relationship with an Employer terminates; or (2) if you are absent from employment with an Employer due to a period of military leave, sick leave, or other bona fide leave of absence, the later of: (i) the first day immediately following the end of the sixth month of your absence; or (ii) the last date your right to re-employment is protected under contract or law.

(c) Prior to September 28, 2008, your Severance From Service Date is the earlier of the date your employment relationship with an Employer ends or the first anniversary of the first date of your absence for any other reason (such as disability, sickness, leave of absence, or layoff), except that, if you are laid off because your Employer totally withdraws from business within the geographic area covered by the Fund, your Severance from Service Date is the date you are laid off.

Whether a termination of employment has occurred will be determined by the Fund based on the facts and circumstances and in accordance with federal law.

Trust Agreement. The FELRA & UFCW Health and Welfare Fund Agreement and Declaration of Trust effective July 1, 2000.

Union. The United Food and Commercial Workers, AFL-CIO, Locals 27, 400, and 1776, or their successors resulting from combination, consolidation, or merger.

PARTICIPATION

The Severance Plan began on January 1, 1980. You became a Participant on that date if:

- 1) You were then employed by an Employer on that date; and
- 2) Your Employer was obligated to make contributions to this Fund on your behalf, under a Collective Bargaining Agreement or under a participation agreement, on that date.

If you were hired by an Employer after January 1, 1980 but before March 26, 2000, you became a Participant retroactive to your date of hire, after you completed any required probationary period under a Collective Bargaining Agreement, provided that your Employer was obligated to make contributions or provide eligibility for you under a Collective Bargaining Agreement or participation agreement.

Generally, if you were first hired by an Employer on or after March 26, 2000, you are not eligible to participate in the Fund. There are certain exceptions to this rule. If you were hired on or after March 26, 2000, please check your Collective Bargaining Agreement or Participation Agreement to see whether you are eligible for severance benefits. If you work for an employer who became an Employer after January 1, 1980, you became a Participant on the date your Employer first became obligated make contributions or provide eligibility, on your behalf under a Collective Bargaining Agreement or Participation Agreement. A list of participating Employers and Unions is on page 35.

A Note on Contributions

Before March 26, 2000, Employers made contributions as called for under their Collective Bargaining Agreements or Participation Agreements on behalf of Participants. These contributions were made hourly at the levels specified in those Agreements. Effective March 26, 2000, certain Employers no longer are required to make regular contributions on behalf of their Employees under their Collective Bargaining Agreements or Participation Agreements. Instead, these Employers have agreed to continue crediting service under the Plan and providing contributions to the extent necessary to maintain benefits. Where actual contributions

are not made, to calculate a Participant's severance benefit, the Fund uses the contribution rate (as specified in the Collective Bargaining Agreement) at which a Participant is eligible to earn additional benefits, and multiplies that contribution level by the hours worked, as if the contribution was actually made.

EARNED SEVERANCE BENEFIT

Your Earned Severance Benefit is the total amount of your benefit, based on the total money credited to you under the Plan. It is the sum of:

- a) Your Prior Service Credit Benefit, if any, plus
- b) Your Future Service Credit Benefit, plus
- c) A Cash Bonus.

The Cash Bonus does not apply to former Participants of the UFCW Local 117 and FELRA Severance Plan who become Participants of this Fund before September 1, 1983.

Prior Service Credit Benefit

If you became a Participant within 90 days of your Employer's *Effective Date*, you are entitled to a Prior Service Credit Benefit. *If you became a Participant more than 90 days after your Employer's Effective Date, you will not receive a Prior Service Credit Benefit.* Your Prior Service Credit is based on the number of years and months (rounded to the next highest month) from your most recent hire date to your Employer's *Effective Date* of participation in the Severance Plan. Your Prior Service Credit will either be full-time or part-time. However, if your Employer's hourly contribution rate for you on your last day of work was \$0.10, you will be limited to a maximum of 10 years of Prior Service Credit, regardless of how many years you actually worked for your Employer before your Employer's *Effective Date*.

If you were working for an Employer who, on its *Effective Date*, was a participating Employer under the FELRA and UFCW Pension Plan, your credited service in the FELRA and UFCW Pension Fund as of the Employer's *Effective Date* will become your Prior Service Credit in this Fund.

To calculate your Prior Service Credit Benefit, your Prior Service Credit is multiplied by a Prior Service Credit Benefit Rate, which is determined based on the highest hourly contribution rate required to be contributed to the Fund on your behalf.

Highest Hourly Contribution Level for Which You Are Eligible	Full-Time Benefit Rate	Part-Time Benefit Rate
\$0.10	\$100/year	\$50.00/year
\$0.15	\$133/year	\$66.50/year
\$0.25	\$200/year	\$100.00/year
\$0.35	\$250/year	\$125.00/year

Let's look at an example. You were hired on January 1, 1975 and terminated on December 31, 2008. Your Employer's *Effective Date* was January 1, 1980. Since the highest hourly contribution level for which you were eligible was \$0.35 an hour, your Prior Service Credit Benefit rate is \$250 for full-time work and \$125 for part-time work. You worked part-time until January 1, 1977 and full-time after that.

- 2 years part-time (from 1-1-75 to 12-31-76) X \$125 = \$250
- 3 years full-time (from 1-1-77 to 1-1-80) X \$250 = \$750

Thus, your Prior Service Credit Benefit is \$1,000

For Former Participants of the UFCW Local 117 and FELRA Severance Plan who became Participants in the Fund before September 1, 1983, the following Prior Service Credit Benefit rates are applicable, beginning six months after the indicated contribution rate became effective, but in no event earlier than September 1, 1983:

Contribution Level for Which You Are Eligible	Full-Time Benefit Rate	Part-Time Benefit Rate
\$0.10	\$125/year	\$62.50/year
\$0.15	\$140/year	\$70.00/year
\$0.25	\$220/year	\$110.00/year
\$0.35	\$275/year	\$137.50/year

Future Service Credit Benefit

After you become a Participant, your Employer contributes a specific rate for each straight time hour you work up to 40 hours per week in accordance with the Collective Bargaining Agreement that applies to you. If the Collective Bargaining Agreement or other agreement that provides for your eligibility for benefits does

not require a contribution on your behalf, you are eligible for an assumed “contribution level” based on your Employer and your hire date, as determined by the Collective Bargaining Agreement between your Union and your Employer, or if your Employer is a Union, by the applicable participation agreement with the Fund. Your Future Service Credit Benefit will equal the total of contributions made to the Fund on your behalf by your Employer, multiplied by the number of eligible hours you worked. To calculate your Future Service Credit Benefit, multiply your annual straight time hours by the applicable contribution level.

For example, suppose you worked 160 hours a month from January 1988 – December 2007, and your Employer’s hourly contribution rate was \$0.35. Upon your Severance from Service Date, your Future Service Credit Benefit would equal \$13,440.00 ($\$0.35 \times 38,400$ hours).

Please note that the employer contribution rate used above is for example purposes only. Please refer to your CBA for the contribution rate that applies to you.

Future Service Credit for Participation in Excess of 20 Years

If you have more than 20 years of Service Credited with your Employer and you incur a Severance from Service Date on or after January 1, 1993, you will be credited with an additional contribution equal to the total of the contributions made to the Fund on your behalf for your Service Credited in excess of 20 years, or if your Employer was no longer required to contribute on your behalf pursuant to the relevant Collective Bargaining Agreement, the total of the contributions that would have been made on your behalf, at the contribution rate applicable under your Collective Bargaining Agreement. In other words, if you worked 24 years and your last four years were at the \$0.35 contribution rate, your last four years of Future Service Credit would be calculated at a \$0.70 contribution rate.

If, however, your Employer stops participating in the Fund, or there is a 50% decrease in the number of your Employer’s Employees, you may not be entitled to receive the full excess benefit described in the preceding paragraph. If you think this restriction may be applicable to you, please contact the Fund Office for more information.

Cash Bonus

Participants, other than former Participants of the UFCW Local 117 & FELRA Severance Plan who became Participants under this Plan as of September 1, 1983, are entitled to a Cash Bonus. The amount of your Cash Bonus is calculated like the cash value of the individual life insurance policy payable on your behalf under the Plan. It may be the total of several calculations, depending on any changes that may take place during your participation. Changes might occur because:

- a) Your status changed from full-time to part-time or vice versa; or
- b) There was an increase in your contribution rate.

The calculation of your Cash Bonus also depends on:

- a) Your age when you first became a Participant in the Plan (called your “initial coverage age”); and
- b) Your age when your life insurance amount increases (called your “increase age”); and
- c) The length of time you participate in the Plan at each level of insurance coverage (called your “period of coverage” or “POC”).

The amount of life insurance payable on your behalf under the Plan is based on the hourly contribution rate applicable to you at the time of your death.

Contribution Rate at Death	Full-Time Benefit	Part-Time Benefit
\$0.10	\$5,000	\$2,500
\$0.15	\$5,000	\$2,500
\$0.25	\$5,000	\$2,500
\$0.35	\$10,000	\$5,000

When your contribution rate changes, the Fund Office calculates your Cash Bonus benefit at each different contribution rate and different age. These calculations are then added together to determine your Cash Bonus amount.

For Example:

You become covered by the Plan on January 1, 1980 at age 40 and your hourly contribution rate at that time was less than \$0.35 per hour. You are full-time. Consequently, the life insurance amount payable on your behalf is \$5,000. In January 1983 (when

you are 43), your life insurance amount is increased by \$5,000 because your hourly contribution rate increased to \$0.35 per hour. You terminate service at age 55.

During your participation, you have:

- a) An initial coverage age of 40 for \$5,000 of insurance and a POC of 15 years at that level; and
- b) An increased coverage age of 43 for an additional \$5,000 and a POC of 12 years for that additional \$5,000 benefit.

Using the Cash Bonus Tables, located on pages 33 and 34, you can determine your Cash Bonus by plugging in your period of coverage and your coverage age. Multiply the intersecting number by 1/1000 of your life insurance coverage to determine the amount of your Cash Bonus.

In the example:

- Initial coverage age is 40.
- POC is 15 years.
- Insurance is \$5,000.
- Your Cash bonus = $\$250.27 \times 5 (\$5,000 \times 1/1000) = \$1,251.35$

- Increased coverage age is 43.
- POC is 12 years.
- Insurance is \$5,000.

Your Cash Bonus of $\$212.79 \times 5 (\$5,000 \times 1/1,000) = \$1,063.95$

Cash Bonus Part of Earned Severance Benefit = \$2,315.30
($\$1,251.35 + \$1,063.95 = \$2,315.30$)

If your service has been both full-time and part-time, the calculation of your Cash Bonus requires that the amount be first figured as though all service had been full-time and then as though all service had been part-time. The full-time amount is multiplied by your years of full-time service divided by total years of service. The part-time amount is multiplied by your years of part-time service divided by total years of service. The results are then added together to determine and equal your Cash Bonus.

If you are transferred to employment to which a lower hourly contribution rate applies, the amount of your Cash Bonus will be the sum of your Cash Bonus calculated on your transfer date, and an additional Cash Bonus calculated based on your new hourly contribution rate.

PAYABLE SEVERANCE BENEFIT

Your Payable Severance Benefit is the benefit you will receive after your Severance from Service Date. If you have 10 years or more of Service Credited, you will receive the full amount of your Earned Severance Benefit. If your total period of Service Credited is less than 10 years, your Payable Severance Benefit will be based on your years of Service Credited according to the following vesting schedule.

Years of Service Credited	Payable Benefit Percentage of Earned Severance Benefit
Less than 1 year	0%
1 year but less than 2 years	10%
2 years but less than 3 years	20%
3 years but less than 4 years	30%
4 years but less than 5 years	40%
5 years but less than 6 years	50%
6 years but less than 7 years	60%
7 years but less than 8 years	70%
8 years but less than 9 years	80%
9 years but less than 10 years	90%
10 years or more	100%

However, under federal law, your Payable Severance Benefit cannot be more than double your last annual salary.

Calculating Your Payable Severance Benefit

Example: You were hired January 1, 1975 at age 35, worked part-time until January 1977, and full-time until December 31, 2008. Your Employer's *Effective Date* was January 1, 1980 and you became a Participant on that same date at age 40. Your Prior Service Credit equals three years full-time and two years part-time. You worked 160 hours per month every month between January 1, 1980 and December 31, 2008. The contribution level for which you were eligible was 10 cents per hour effective January 1, 1980, 15 cents effective January 4, 1981, 25 cents effective January 3, 1982, and 35 cents effective January 2, 1983.

<u>Prior Service Credit</u>	<u>Future Service Credit</u>	<u>Cash Bonus</u>
3 Yrs. FT x \$250 = \$ 750	10¢ x 160 hrs. x 12 mo. = \$ 192	\$3,535.45
2 Yrs. PT x \$125 = \$ 250	15¢ x 160 hrs. x 12 mo. = \$ 288	
= \$1,000	25¢ x 160 hrs. x 12 mo. = \$ 480	
	35¢ x 160 hrs. x 144 mo. = \$ 8,064	
	70¢ x 160 hrs. x 168 mo. = \$18,816*	
	Total Future Service = \$27,840	

* For years of participation over 20

Earned Severance Benefit = \$ 1,000.00	Prior Service Credit
	27,840.00
	<u>3,535.45</u>
\$32,375.45	Earned Severance Benefit

Your Payable Severance Benefit is 100% of your Earned Severance Benefit since you have more than 10 years of Service Credited.

Additional 10% for Severance from Service on or After March 26, 2000

If your Employer agreed to fund an additional benefit under a Collective Bargaining Agreement, and your Severance from Service Date is on or after March 26, 2000, your final severance calculation will be increased by 10%.

Example: In the previous example, the \$32,375.45 Earned Severance Benefit would be increased by \$3,237.55, bringing your total **Earned Severance Benefit to \$35,613.00.**

Severance Benefits Are Taxable under Federal Law

Severance benefits are taxable income under the law. You must indicate on your application for benefits the amount you wish to have withheld from your earned Severance Benefit for federal taxes. You should consult a tax advisor if you have any questions about the taxation of your severance benefit.

DEATH BENEFIT

If you die while actively employed by an Employer in employment covered by the Plan, the Fund will pay to your Beneficiary the greater of:

- a) Your Payable Severance Benefit; or
- b) The amount shown in the chart below.

Effective for participants with a Service Hour under the Plan, on or after September 28, 2008, the Death Benefit will be payable no earlier than four months after your death and no later than the latest of:

- 1) The last day of the calendar year in which the four-month waiting period expires; or
- 2) The 15th day of the third calendar month following the expiration of the four-month waiting period.

A Beneficiary's right to receive a Death Benefit under the Plan will be forfeited if the Benefit is not paid by the latest date described above.

For all Participants, *other than former Participants in the UFCW Local 117 and FELRA Severance Plan*, who became Participants under this Plan as of September 1, 1983, the amount payable to your Beneficiary will not be less than:

Contribution Level for Which You Are Eligible at Your Death	Full-Time Death Benefit	Part-Time Death Benefit
\$0.10	\$ 5,000	\$2,500
\$0.15	\$ 5,000	\$2,500
\$0.25	\$ 5,000	\$2,500
\$0.35	\$10,000	\$5,000

You can designate or change your Beneficiary by completing a Severance Beneficiary Registration card.

A Beneficiary also may be designated in an entered court order, provided that such order contains a clear designation of rights. The designation will become effective only when it is received by the Fund, and then will take effect only as long as the Fund has

not made payment or taken other action before the entry on its records was made. A Beneficiary designation in a court order, meeting the above requirements, will supersede any prior or subsequent conflicting Beneficiary designation that is filed with the Fund Office.

A Beneficiary may waive his or her rights as a Beneficiary under the Plan in an entered court order, provided that such order contains a clear waiver of rights. The waiver will become effective only when it is received by the Fund and then will take effect only as long as the Fund has not made payment or taken other action before the entry on its records was made. A waiver in a court order meeting the above requirements will supersede any prior conflicting Beneficiary designation that has been filed with the Fund Office. If a court order meeting the above requirements contains a waiver of rights by the Beneficiary on file with the Fund Office, and you subsequently die without naming a new Beneficiary, then the Fund will pay the Death Benefit as if you died without naming a Beneficiary.

The Trustees will be the sole judges of the effectiveness of the designation, change, or waiver of a Beneficiary pursuant to this section.

The Death Benefit is insured by ING Life Insurance Company, P.O. Box 1548, Minneapolis, Minnesota 55440. ING pays proceeds to the Beneficiary. If there is more than one Beneficiary, each receives an equal share, unless you have requested another method in writing. To receive proceeds, a Beneficiary must be living on the earlier of the following dates:

- The date ING receives proof of your death; or
- The 10th day after your death.

If a Participant dies without designating a beneficiary, or was not survived by his/her beneficiary, payment shall be made in the following order of priority on or before the latest permissible Payment Date, in a single lump sum to the Participant's spouse, children, parents, brothers and sisters, or estate.

CANCELLATION OF SERVICE CREDITED

If you experience a Severance from Service Date on or after September 28, 2008, your Service Credited will be cancelled upon the earlier of:

- 1) The date you receive your Payable Severance Benefit; or
- 2) The expiration of the payment period described in the "Payment Options" section of this SPD.

If you experience a Severance from Service Date on or after September 28, 2008, and subsequently become re-employed by an Employer, you will be treated as a newly hired Employee under the Plan and your eligibility to participate will be determined based on the provisions of the Collective Bargaining Agreement between your Employer and the Union.

If you experience a Severance from Service Date prior to September 28, 2008, your Service Credited will be cancelled if you do not apply for and receive your Payable Severance Benefit within 24 months of your Severance from Service Date or your Period of Severance becomes equal to or greater than your Service Credited. Once your Service Credited is cancelled, unless an exception applies, you will be treated as a newly hired Employee under the Plan if you are subsequently re-employed by an Employer in employment covered by this Fund. *Remember, if you are treated as a new Giant, Safeway, or SuperFresh Employee on or after March 26, 2000, you are not eligible to participate again in the Fund.* All other Employees should look at their Collective Bargaining Agreements to determine their eligibility to participate. However, if at the time of your re-employment, your Period of Severance is less than your Service Credited as of your initial Severance from Service Date, and you have not already received your payable Severance Benefit, you will not lose your Service Credited from your first period of employment. Rather, it will be added to any Service Credited during your subsequent period of employment under the Plan.

With respect to Severance from Service Dates occurring prior to September 28, 2008, if you are re-employed in employment covered by the Fund within 12 months of your initial Severance from Service Date, your Period of Severance will be considered Service Credited for all purposes under the Plan. If you are re-

employed by an Employer in *non-covered employment* within 12 months of your initial Severance from Service Date, the Period of Severance will be considered Service Credited solely for the purpose of determining whether a Severance from the Service Date has occurred, but you will not receive Service Credited for your Period of Severance. Also, if you stop working in employment covered by the Fund to enter military service, and then you return to *covered employment* within the time provided under federal law, you will receive Service Credited for that period in accordance with Federal Law.

No period of time will be included as Service Credited for which benefits were previously paid to you under this Plan, nor will service used for vesting be counted for more than one Period of Severance.

FORM OF PAYMENT

When you experience a Severance from Service Date, you are entitled to receive your Payable Severance Benefit in a lump sum cash payment. The benefit is payable to you after the Fund Office receives a complete application for benefits.

If your Severance from Service Date occurs on or after September 28, 2008, you will receive your benefit no earlier than four months after your Severance from Service Date, and your benefit must be paid no later than the latest of:

- 1) The last day of the calendar year in which the four-month waiting period expires; or
- 2) The 15th day of the third calendar month following the expiration of the four-month waiting period.

Here are some examples of how this rule works:

Termination Date/One Year Separation from Service Date if on Leave:	You Can Receive Your Benefit on or After:	You <i>Must</i> Receive Your Benefit by this Date or it Is Forfeited:
Jan. 15, 2009	May 15, 2009	December 31, 2009
April 1, 2009	August 1, 2009	December 31, 2009
July 10, 2009	November 10, 2009	February 15, 2010
October 20, 2009	February 20, 2010	December 31, 2010

If your Severance from Service Date is prior to September 28, 2008, your severance benefits must be completely distributed to you within 24 months of your Severance from Service Date; otherwise, you will permanently forfeit your severance benefits under the Plan. However, if after working in employment covered by the Plan, you are transferred directly to another position with your Employer that is not covered by this Plan, the two year period does not begin to run until after you terminate from **any** employment with your Employer. Also, if you go to work directly from one Employer to another Employer in either covered or *non-covered employment* within 12 months of your termination of employment and before applying for your benefits, the two year time limit will not begin to run until after you terminate employment with your second Employer. The Fund Office will supply you with

the forms and help you file your claim. You can also get a claim form from your Employer or the Union.

Anti-Alienation:

Generally, your Payable Severance Benefit may not be alienated or assigned. This means that your Payable Severance Benefit may not be sold, used as collateral for a loan, given away, or otherwise transferred to somebody else. In addition, your creditors may not attach, garnish, or otherwise interfere with your Payable Severance Benefit. However, the Trustees may honor the terms of a domestic relations order that assigns all or a portion of your Severance Benefit to your spouse, former spouse, child or other dependant. If you think this applies to you, please contact the Fund Office for more information.

HOW TO FILE A CLAIM

To ensure that you will receive your Payable Severance Benefit before the deadlines described in the Form of Payment Section on page 25, you should apply to receive your Payable Severance Benefit as soon as your Severance from Service Date occurs.

You must apply to receive your Payable Severance Benefit using the Fund's application form. The Fund will not distribute your Payable Severance Benefit to you if it has not received your application. **If you do not timely submit an application for your Payable Severance Benefit, no benefit will be payable to you by the Fund. Further, your right to receive your Payable Severance Benefit under the Plan will be forfeited if the benefit is not paid by the deadline as described on page 25.**

If you do not timely apply for your severance benefits, the Trustees may make whatever elections are necessary to pay your severance benefits in the absence of an application, including paying your benefits to your Beneficiary.

HOW TO APPEAL A DECISION ON YOUR CLAIM

If you receive an adverse benefit determination, either in whole or in part, with regard to a claim for benefits under this Plan, the Fund will advise you of the denial within 90 days of the date your application is received by the Fund Office. If an extension of time is required, you will be notified in writing before the end of such 90-day period of the reason for delay, and the date the Fund expects to issue a final decision. A decision will be made with respect to your claim no more than 180 days from the date your claim is first filed with the Fund Office.

Your claim denial will contain the following information:

- a) The specific reason for the denial;
- b) Reference to the provision of the Plan or the rule on which the denial is based;
- c) A description of any additional materials you would need to perfect your claim and an explanation of why the Fund Office needs this material;
- d) The steps you must take if you want to have your denied claim reviewed by the Board of Trustees, including the amount of time you have to do this.
- e) A statement of your right to bring a lawsuit under ERISA if your claim is denied on appeal.

If you receive an adverse benefit determination, you (or your authorized representative) may appeal the decision by writing a letter to the Board of Trustees within 60 days after receiving the determination letter. Include your reason for appealing and any additional information that supports your claim. You may receive, upon request and free of charge, reasonable access to copies of any documents relevant to your claim and may submit issues and comments in writing.

You may name a representative to act on your behalf. To do so, you must notify the Fund in writing of the representative's name, address, and telephone number. You may, at your own expense, have a legal representative at any stage of these review procedures. Regardless of the outcome of your appeal, the Board of Trustees will not be responsible for paying any legal expenses which you incur during the course of your appeal.

The Board of Trustees, in making its decisions on claims on appeal, will apply the terms of the Plan and any applicable guidelines, rules, and schedules, and will periodically verify that benefit determinations are made in accordance with such documents, and where appropriate, applied consistently with respect to similarly situated claimants.

The Board of Trustees will take into account all information you submit in making its decision. A decision on your appeal will be made at the next regularly scheduled Board of Trustees meeting, unless your appeal is received less than 30 days before the meeting. In that case, the decision will be made at the second Board of Trustees meeting, unless special circumstances require an extension of time. In that case, a decision will be made no later than the third Board of Trustees meeting following the Fund Office's receipt of your appeal. If the Board of Trustees requires an extension of time, you will receive a notice describing the reason for the delay and an expected date of decision.

The Board will notify you by letter within five days of its decision. If your appeal is denied, the appeal denial will contain the following information:

- a) The specific reason for the denial;
- b) Reference to the provision of the Plan or the rule on which the denial is based;
- c) A statement of your right to bring a lawsuit under ERISA;
- d) A statement that you are entitled, upon request and free of charge, to copies of all documents relevant to your claim.

Where to Send Your Appeal

You must send your request for review (appeal) to:

UFCW & FELRA Severance Fund
911 Ridgebrook Road
Sparks, MD 21152-9451

YOUR RIGHTS UNDER ERISA

As a Participant of the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act (“ERISA”) of 1974, as amended. The Board of Trustees complies fully with this law and encourages you to first seek assistance from the Fund Office when you have questions or problems that involve the Plan.

ERISA provides that all Participants and beneficiaries are entitled to the rights described in this section.

Receive Information about Plan and Benefits

You have the right to:

- Examine all Plan documents, including insurance contracts, Collective Bargaining Agreements, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions. Participants may examine these documents without charge at the Fund Office and at other specified locations, such as Union halls and work sites where at least 50 Plan Participants are employed.
- Obtain copies of all Plan documents and other Plan information, including insurance contracts, Collective Bargaining Agreements, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and an updated Summary Plan Description, upon written request to the Fund Office. The Fund Office may make a reasonable charge for the copies.
- Receive a summary of the Plan’s annual financial report. The Fund Office is required by law to furnish each Participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people responsible for the operation of the Plan. The people who operate your Plan, called fiduciaries, 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 discriminate against you in any way for the purpose of preventing you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a 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 with certain time schedules. However, you may not begin any legal action, including proceedings before administrative agencies, until you have followed and exhausted the Plan's claim and appeal procedures.

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 Fund to provide the materials and pay you a fine of up to \$110 a day until you receive them, unless the materials were not sent because of reasons beyond the control of the Fund Office.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. If Plan fiduciaries ever 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 the 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 it finds your claim is frivolous, for example.

Assistance with Questions

If you have any questions about your Plan, you should contact the Fund Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Fund Office you should contact the nearest area office of the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration (“EBSA”), U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 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.

PARTICIPATING EMPLOYERS

Acme Markets, Inc. (SuperValu)

Basics/Food-a-Rama (SuperValu)

Chessie Federal Credit Union

Giant Food, LLC (Stop and Shop)

Kelco Federal Credit Union

Safeway Inc.

Staff, UFCW Local 27

Staff, UFCW Local 400

SuperFresh, Inc.

Wepco Federal Credit Union

