

UFCW-GIANT VARIABLE ANNUITY FUND



SUMMARY PLAN DESCRIPTION
March 2024

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This Summary Plan Description (“SPD”) is based on the UFCW-Giant Variable Annuity Fund Plan Document dated January 1, 2021, as amended. Except where specified otherwise, this SPD describes the *Plan* rules applicable to all *Plan Participants* who have an *Hour of Service* in *Covered Employment* on or after January 1, 2021.

Note

Italicized words are defined starting on page 7 of this SPD.

March 2024

Dear Fund *Participant*:

The Board of Trustees of the UFCW-Giant Variable Annuity Fund is pleased to present this Summary Plan Description (“SPD”), which outlines features of the Plan of benefits (“*Pension Plan*” or “*Plan*”) of the UFCW-Giant Variable Annuity Fund as of January 1, 2021, as amended.

This is a single employer, defined benefit plan. Your pension benefits are based upon your period of *Covered Employment*, the benefit *Accrual Rate* that applies to you, and the Fund’s *Actual Investment Rate of Return*.

This SPD gives you the information you need to determine when you can retire, how much your monthly pension will be, and other important facts about your *Pension Plan*. Please take the time to read it. You will need this information to help plan for your future.

However, this SPD is only a summary of your rights and benefits under the *Plan* – It is not the *Plan* document. A summary cannot cover in detail each provision of the *Plan* and how it might work in every situation for every *Participant*. Therefore, in the event of any difference between this SPD and the actual provisions of the *Plan*, the *Plan* will govern. The *Plan* is available from the Fund Office. If you have trouble understanding any part of this SPD, call or write the Fund at the locations on page 2.

In addition, in reviewing your benefits and the options available to you, the *Plan* document and the SPD in effect at the time you leave *Covered Employment* will generally describe your right to benefits. This SPD applies to *Participants* with an *Hour of Service* with the *Employer* on or after the *Effective Date* of this *Plan*, January 1, 2021. The benefits for service with the *Employer* you may have earned under the Food Employers Labor Relations Association and United Food and Commercial Workers Pension Fund (*FELRA & UFCW Pension Fund*), the UFCW and Employers Retirement and Savings Fund (*UFCW R&S Fund*), or any other pension plan prior to January 1, 2021 are determined under the terms of that plan.

The *Pension Fund*, and the rules under which it is administered, are subject to change by the Board of Trustees from time to time, and the Board of Trustees has the authority to interpret, apply and make factual determinations regarding the provisions of the *Pension Plan* and the rules under which it is administered. Any decision made by the Board of Trustees is binding on the *Employer, Employees, Participants, beneficiaries* and all other persons affected by the *Plan*. Do not rely upon any statement regarding your coverage or benefits made by your *Employer, Union* or any other person. You will be notified of any changes to the SPD and the *Plan*, as required by law. The Board of Trustees reserves the right to amend, modify or discontinue all or part of this *Pension Fund* whenever, in their judgment, the conditions so warrant, in accordance with law.

It is extremely important that you keep the Plan Administrator informed of any change in address, marital status, or beneficiary designation. This is your obligation and it is the ONLY way the Trustees can keep in touch with you regarding *Plan* changes and other developments affecting your interests under the *Fund*.

The Trustees of the *Pension Fund* will continue their efforts to provide you with the best benefits possible from the income available so your retirement can be long, enjoyable, and financially sound.

Sincerely,

Board of Trustees

Contents

Important Fund Information.....	1
Name of Fund	1
Employer Identification Number	1
Plan Number	1
Plan Sponsor.....	1
Plan Administrator.....	1
Employer.....	1
Type of Fund.....	1
Contributions to the Fund	1
Funding Medium/Assets of the Fund	2
Type of Administration—Administrative Manager.....	2
Agent for Legal Process	2
Assignment of Benefits.....	2
Plan Year	3
Plan Amendment, Merger, Termination and Fees.....	3
Basic Financial Operations.....	4
Plan Highlights	5
Type of Benefit	5
Age and Service Requirement	5
Definitions.....	7
Participation and Benefit Service.....	10

Prior Plan (FELRA & UFCW Pension Fund or UFCW R&S Fund) Participation.....	10
Participation after the Effective Date	10
Tier I and Tier II	11
Full Time and Part Time	11
Prior Service and Reciprocity with FELRA & UFCW Pension Fund and UFCW R&S Fund.....	11
Benefit Service and Earning Credit for Service	11
• Future Service Credit – Tier I.....	12
• Future Service Credit – Tier II.....	12
Full Time Service.....	12
Part Time Service.....	12
Future Service Credit	12
Vesting Service.....	13
30 Months Credit Rule	14
Military Service	15
Loss of Pension Credits	15
Reinstatement of Lost Benefit Service after a Break in Service	15
Break in Service Year	16
Vesting Service and Benefit Service During Military Service.....	16
Transfers	18
Between Full Time and Part Time Covered Employment.....	18
Credited Service during Different Periods of Employment	18

Types of Pensions..... 19

 Normal Retirement Pension 19

 Calculating Your Accrued Benefit for your Normal Retirement
 Annual Adjustment..... 19

 Unreduced Early Retirement Pension (Tier I Participants)..... 21

 Thirty & Out Retirement Pension 21

 Calculating Your Unreduced Early Retirement Pension and
 Thirty & Out Retirement Pension 21

 Reduced Early Retirement Pension 21

 Calculating your Reduced Early Retirement Pension 22

 Disability Retirement Pension 23

 Calculating your Monthly Disability Retirement Pension..... 24

 Deferred Vested Pension..... 24

 When a Deferred Vested Pension Can Begin 25

 Pension Benefit Changes After Retirement..... 25

Forms of Benefit Payment 27

 Making the Election 27

 Lump Sum Amount 27

 Single Life Annuity 28

 50% Joint and Survivor Pension..... 28

 Five Year Certain Benefit 30

 Pre-Retirement Spouse’s Pension 31

Lump Sum Death Benefit..... 33

Commencement of Benefits 36

Right of Recovery/ Overpayments..... 38

Qualified Domestic Relations Orders..... 40

Tips on Retirement..... 42

Annual Retiree Information Form (RIF) 43

Applying for Benefits and Appeals Procedures..... 44

 Applying for Benefits 44

 Denial of a Claim 44

 Appeals 45

 Who Decides Appeals 45

 How Long the Review Takes 46

Pension Benefit Guaranty Corporation..... 47

Your Rights under ERISA 48

 Receive Information about Your Plan and Benefits..... 48

 Prudent Actions by Plan Fiduciaries 48

 Enforce Your Rights..... 49

 Assistance with Your Questions..... 49

Numbers and Addresses 50

Frequently Asked Questions 51

 How do I get an estimate of my Benefit Service before I retire?
 51

Does the fact that I collect a pension interfere in any way with my Social Security?	51
Do I contribute anything toward my pension?.....	51
How much should I have withheld from my pension benefit for taxes?.....	51
Why do I need my Spouse’s birth certificate and marriage certificate when applying for my pension?	51
Can the Joint and Survivor Pension form be changed after my pension commences?	52
Do I get any increases to my pension after I retire (cost of living, etc.)?.....	52
Does my Deferred Vested Pension accrue any interest over the years?.....	52
If a Participant is employed as a manager with the Employer, does the Fund provide the pension benefits?.....	52
Fund Accrual Rate Table A	53

Important Fund Information

Name of Fund

The UFCW-Giant Variable Annuity Fund (*Pension Fund or Fund*). The Plan of benefits of the Fund (*Pension Plan or Plan*) is the document that explains the benefits payable by the Fund and the rules that govern those benefits.

Employer Identification Number

86-2048100

Plan Number

001

Plan Sponsor

The Plan Sponsor is the Board of Trustees of the *Fund*.

Plan Administrator

The Plan Administrator is the Board of Trustees of the *Fund*. By authority of the Trust Agreement, an equal number of Trustees are appointed by the *Unions* and by the *Employer*.

Employer

The *Employer* whose employees are covered under the *Fund* is:

Giant Food, LLC
8301 Professional Place
Hyattsville, MD 20785

Type of Fund

The *Fund* is a single-employer defined benefit pension fund. This *Fund* is designed to provide retirement and survivor benefits to *Participants* and their surviving *Spouses* and beneficiaries.

Contributions to the Fund

The *Fund* is supported by contributions made by the *Employer* who is a party to collective bargaining agreements requiring contributions. Contributions are made in accordance with the terms of the applicable collective bargaining agreements and applicable law. Copies of the collective bargaining agreements pursuant to which contributions are made are available for examination at the Fund Office, and may be obtained upon written request.

Funding Medium/Assets of the Fund

The assets of the *Fund* are held in a trust administered by the Board of Trustees. The assets of the *Fund* are used to pay benefits and the administrative expenses of the *Fund*. The Board delegates management of *Fund* assets to investment managers and consultants.

Type of Administration—Administrative Manager

Contract Administration – The Board employs a third-party administrative manager specializing in the administration of pension funds to maintain necessary records of *Participants* and to answer questions about the Plan.

The Administrative Manager, often referred to as the Fund Office, is:

Associated Administrators, LLC
911 Ridgebrook Road
Sparks, MD 21152-9451
(800) 638-2972
(410) 683-6500

8400 Corporate Drive, Suite 430
Landover, MD 20785
(800) 638-2972
(301) 459-3020

The Fund Office hours are 8:30 a.m. to 4:30 p.m., Monday through Friday.

Agent for Legal Process

Associated Administrators, LLC or any Trustee at:

UFCW-Giant Variable Annuity Fund
911 Ridgebrook Road
Sparks, MD 21152-9451
(800) 638-2972

Assignment of Benefits

Benefits under the *Fund* are for your benefit only. They cannot be sold, transferred, assigned, or pledged to anyone and are not subject in any manner to anticipation, alienation, encumbrance, or charge. However, the *Fund* will comply with a Qualified Domestic Relations Order (*QDRO*) that gives someone else a right to a portion of your pension in accordance

with the *Fund's QDRO* procedures, and will comply with any offset or deduction permitted under applicable law.

Board of Trustees

Union Trustees

Mark Federici
911 Ridgebrook Road
Sparks, MD 21152-9451

Jason Chorpenning
911 Ridgebrook Road
Sparks, MD 21152-9451

Employer Trustees

Jason Paradis
911 Ridgebrook Road
Sparks, MD 21152-9451

Michael Goble
911 Ridgebrook Road
Sparks, MD 21152-9451

Alternate Union Trustee

David Blitzstein
911 Ridgebrook Road
Sparks, MD 21152-9451

Facts about the Plan

Plan Year

The *Plan Year* begins on January 1 and ends on December 31.

Plan Amendment, Merger, Termination and Fees

The Board of Trustees reserves the right to amend, terminate, merge, consolidate, or transfer the assets and liabilities of the *Fund*, in whole or in part, at any time, to the extent permitted by applicable law. However, in no event will the assets of the *Pension Fund* revert back to the *Employer* or be used for any purposes other than for the exclusive benefit of *Plan Participants* and beneficiaries, prior to the satisfaction of all liabilities under the *Plan*.

In accordance with applicable law, no merger or consolidation with, or transfer of assets or liabilities to, any other pension fund will take place unless each *Participant* in the *Fund* would receive a benefit equal to or greater than the benefit he or she would have been entitled to receive if the *Fund* terminated immediately before the merger, consolidation or transfer.

If the *Fund* is terminated or if contributions are discontinued, the Trustees will allocate *Fund* assets among *Participants* and beneficiaries consistent with legal requirements. If you are affected by a Plan termination, your right to benefits accrued as of the date of termination are non-forfeitable to the extent they are funded, and your pension benefits are insured by the Pension Benefit Guaranty Corporation. Refer to the Pension Benefit Guaranty Corporation section on page 47 for more information.

For additional information, contact the Fund Office.

Basic Financial Operations

The basic financial records of the *Fund* and Trust are maintained on a fiscal year ending December 31. The Board of Trustees meets regularly with an actuary representing the *Fund* and other advisers to review anticipated *Employer* contributions, investment income, benefit payments, and *Fund* expenses. These reviews are carried out to ensure that the financial operation of the *Fund* is sound for both the short and the long run, so that benefits can be paid and the funding requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA) are met. In addition, the financial operations of the *Fund* are audited annually by an independent firm of certified public accountants.

Plan Highlights

The level of benefits available to you is determined by the benefit *Accrual Rate* that applies to you and the *Fund's* annual *Actual Investment Rate of Return*. Refer to your collective bargaining agreement or **Table A** beginning on page 53 for the various pension benefit *Accrual Rates*. For the limited purpose of determining your eligibility for benefits, your service under the *FELRA & UFCW Pension Fund* and the *UFCW R&S Fund* prior to January 1, 2021 can also be counted as *Vesting Service* and *Benefit Service*.

Type of Benefit	Age and Service Requirement
Normal Retirement Pension	<i>Normal Retirement Age</i> and <i>Vested</i> .
Early Retirement Pension, Non-Reduced	Age 60 and at least 5 years of <i>Benefit Service</i> , and classified as a Tier I <i>Participant</i> at the date of your retirement.
Early Retirement Pension, Reduced (Tier I Reduced from Age 60) (Tier II Reduced from Age 65)	Age 55 and at least 15 years of <i>Benefit Service</i> ; Age 55 and at least 15 years continuous full time employment with the <i>Employer</i> , at least 5 years of which is <i>Benefit Service</i> ; or Age 62 and at least 10 years of <i>Benefit Service</i> , and classified as a Tier II <i>Participant</i> at the date of your retirement.
Thirty & Out Retirement Pension	Any age and at least 30 years of <i>Benefit Service</i> with a majority of <i>Benefit Service</i> as a Tier I <i>Participant</i> .
Disability Retirement Pension	Any age, at least 10 years of <i>Benefit Service</i> , and a Social Security Disability Award and finding you were Totally and Permanently Disabled at the time you terminated <i>Covered Employment</i> .
Deferred Vested Pension	Tier I <i>Participants</i> - Age 60 and <i>Vested</i> . Tier II <i>Participants</i> - Age 65 and <i>Vested</i> . (or at earlier age if certain additional service requirements are met).
Pre-Retirement Spouse's Pension	<i>Vested</i> and married on date of death and for the 12 months preceding death.
Five Year Certain Benefit	Retired and <i>Vested</i> , and a Tier I or the highest Tier II <i>Accrual Rate</i> applied to you at the time

	you terminated <i>Covered Employment</i> .
Joint and Survivor Pension	Retired, married on benefit commencement date and married at least one year before death.
Lump Sum Death Benefit	Retired on a Normal, Early, Thirty & Out, or Disability Retirement Pension. There is no lump sum death benefit payable on behalf of <i>Pensioners</i> who were receiving a Deferred Vested Pension or who are eligible for a death benefit from the <i>FELRA & UFCW Pension Fund</i> or the UFCW-Giant Excess Supplemental Benefit Fund.

Definitions

Accrual Rate means the accrual rate that applies to the *Participant*, as set forth in Table A. The *Accrual Rate* that applies to a *Participant* may be full-time or part-time, as set forth in Table A.

Actual Investment Rate of Return for a *Plan Year* is a percentage, rounded down to the nearest 1/100th of 1%, as determined annually by the *Plan's* actuary pursuant to the formula adopted by the Board of Trustees and as provided under the *Plan*.

Annual Adjustment Rate means the rate used annually to increase or decrease the amount of your pension benefit based on the *Fund's Actual Investment Rate of Return* for the prior *Plan Year*. For 2021 only, the *Annual Adjustment Rate* was determined by assuming the *Actual Investment Rate of Return* was the Hurdle Rate of 5.5%, rather than the *Actual Investment Rate of Return* (as defined above) for that *Plan Year*.

Annuity Starting Date means the date chosen by the *Participant* occurring on or after the first day of the first calendar month after the *Participant* has fulfilled all of the conditions for entitlement to benefits.

Benefit Service means, for each *Participant* at any given date, your total service (both full time and part time) accrued under the *Pension Plan*.

Break in Service Year means a *Plan Year* in which you did not receive credit for a minimum number of Future Service Credit or *Hours of Service*.

Covered Employment means employment performed by the *Employee* for which the *Employee* is eligible to accrue benefits and the *Employer* is required to pay contributions under the *Fund* pursuant to a collective bargaining agreement.

Effective Date means January 1, 2021.

Employee means any person covered by a collective bargaining agreement between the *Employer* and a *Union* requiring contributions to the *Pension Fund* and who is employed by the *Employer* on or after January 1, 2021 in a position for which the *Employer* is required to make contributions to the *Pension Fund*.

Employer means Giant Food LLC (or "Giant Food").

FELRA & UFCW Pension Fund means the Food Employers Labor Relations Association and United Food and Commercial Workers Pension Fund.

Hour of Service generally is any hour of service for the *Employer* for which:

- You are paid, or entitled to payment for the performance of duties;
- Although no duties were performed, you are paid, or entitled to payment; for instance, vacations, paid holidays, illness, layoff, jury duty or leave of absence; or
- Back pay is awarded or agreed to by the *Employer*.

It does not include time during which you receive only worker's compensation or unemployment compensation. You cannot receive credit twice for the same hour under these rules.

Normal Retirement Age means the later of the date you reach age 65 or, if you commence participation in the *Plan* within five years before you reach age 65, the 5th anniversary of the date you commence participation in the *Plan*. If you worked in covered employment under the *FELRA & UFCW Pension Fund* or the *UFCW R&S Fund* prior to the *Effective Date*, such service will apply for the purpose of determining the date you commenced participation in the *Plan*.

Participant means an *Employee* who is employed by the *Employer* and who meets the requirements to be a *Participant* set forth on page 10.

Pension Fund or Fund means the UFCW-Giant Variable Annuity Fund.

Pension Plan or Plan means the *Pension Fund's Plan* document describing the *Pension Fund's Plan* of benefits.

Pensioner means a former *Employee* who has been approved for a pension benefit under the *Plan*, or who has become eligible for a pension benefit under the *Plan* and has filed an application to commence such benefit.

Plan Year means the twelve (12) month period beginning on January 1, with the twelve (12) month period beginning on January 1, 2021 and ending on December 31, 2021 being the first such full *Plan Year*.

QDRO means a Qualified Domestic Relations Order within the meaning of the law. See page 40 for more information.

Regular Time Hours means, in the case of each Tier II *Participant*, each hour worked for the *Employer* in *Covered Employment* except hours paid at a premium rate because such hours are in excess of the maximum work week applicable to the *Employee* under Section 7(a) of the Fair Labor Standards act of 1938, as amended, or because such hours are in excess of a bona fide standard work week or work day.

Spouse means the person to whom you, the *Participant*, are legally married. For the purposes of the Pre-Retirement Spouse's Pension, *Spouse* shall mean the person to whom you are married on the date of death and for the 12 months preceding the date of your death. For purposes of the Automatic Post-Retirement Surviving Spouse Pension, *Spouse* shall mean the person to whom you are married on your *Annuity Starting Date* and for the twelve (12) months preceding your *Annuity Start Date* or the date of your death, whichever is later. *Spouse* may also mean your former spouse if provided under a *QDRO*.

UFCW R&S Fund means the UFCW and Employers Retirement and Savings Fund.

Union means either of Locals No. 400 and No. 27 of the United Food and Commercial Workers International Union, AFL-CIO, or their successors, resulting from combination, consolidation or merger.

Vested or **Vested Participant** means a *Participant* with five or more years of *Vesting Service*. You are also *Vested* when you attain *Normal Retirement Age* while working in *Covered Employment*. If you are *Vested*, your right to the *Benefit Service* you have earned is non-forfeitable.

Vesting Service means the sum of your *Vesting Service* under the *FELRA & UFCW Pension Fund*, if any, plus your *Vesting Service* under this *Plan*, which will be credited as described on page 13. *Vesting Service* also includes your service in covered employment under the *UFCW R&S Fund*.

Participation and Benefit Service

Prior Plan (FELRA & UFCW Pension Fund or UFCW R&S Fund) Participation

The *Fund* began on January 1, 2021, following the termination of the *FELRA & UFCW Pension Fund* on December 31, 2020 as a result of the withdrawal of all of its participating employers, including the *Employer*. If you were eligible to participate in the *FELRA & UFCW Pension Fund* on December 31, 2020, you became a *Participant* under this *Fund* on January 1, 2021.

In addition, if you were eligible to participate in the *UFCW R&S Fund* on December 31, 2020, you became a *Participant* under this *Fund* on January 1, 2021.

Participation after the Effective Date

If you were **not** eligible to participate in the *FELRA & UFCW Pension Fund* or *UFCW R&S Fund* on December 31, 2020, your participation in the *Fund* begins on the date you complete twelve (12) months of *Covered Employment*, but not later than the date on which you complete one thousand (1,000) *Hours of Service* within a twelve (12) month period measured from your employment commencement date. Notwithstanding the foregoing, for the purpose of determining eligibility to participate in the *Fund*, your employment credited under the *FELRA & UFCW Pension Fund* or *UFCW R&S Fund* prior to January 1, 2021 will be taken into account.

Your participation in the *Plan* is not a guarantee of continuing employment.

Cessation of Participation

Subject to certain exceptions, you shall cease to be a *Participant*:

- (a) upon death;
- (b) upon incurring a *Break in Service Year* after your termination of *Covered Employment* whether due to discharge, resignation, or failure to return to work after a period of leave or layoff; or
- (c) upon failing to timely return to *Covered Employment* after your completion of any period of military service.

Resumption of Participation

If you are *Vested* as described below on page 13 and you cease to be a *Participant* and you subsequently are credited with either three (3) months or one quarter of *Vesting Service* in a *Plan Year*, you shall become a *Participant* again, retroactive to your rehire date.

If you are not *Vested* and you cease to be a *Participant* and subsequently are credited with either three (3) months or one quarter of *Vesting Service* in a *Plan Year*, you shall become a *Participant* again, retroactive to your rehire date, as long as you have less than 5 consecutive *Break In Service Years*.

Tier I and Tier II

Table A beginning on page 53 of this booklet shows you the benefit *Accrual Rates* that apply to each category of *Employee*. Table A also designates these rates as Tier I or Tier II.

A **Tier I Participant** is a *Participant* to whom a Tier I *Accrual Rate* applies.

A **Tier II Participant** is a *Participant* to whom a Tier II *Accrual Rate* applies.

Full Time and Part Time

Benefit Service and *Accrual Rates* are deemed Full-Time (FT) or Part-Time (PT) according to the applicable provisions of the collective bargaining agreement requiring contributions to the *Fund* on your behalf.

Prior Service and Reciprocity with FELRA & UFCW Pension Fund and UFCW R&S Fund

As noted above, if you were eligible to participate in the *FELRA & UFCW Pension Fund* or *UFCW R&S Fund* on December 31, 2020, you became a *Participant* under this *Fund* on January 1, 2021. Any credit for service in *Covered Employment* with the *Employer* on or after January 1, 2021 is credited under this *Plan*. Any credit for service prior to January 1, 2021 credited under the *FELRA & UFCW Pension Fund* or *UFCW R&S Fund*, as applicable, does not count towards credit under this *Plan* other than for purposes of determining participation, as described above, and eligibility for a pension benefit, as described below under *Benefit Service* and *Combined Vesting Service* on page 13.

Benefit Service and Earning Credit for Service

Benefit Service is a period of *Covered Employment* with the *Employer* that is used to determine your eligibility for a pension and the amount of your

pension benefit. It is not necessarily the same as your time employed or your seniority time. For the purpose of determining your eligibility for a pension benefit under the *Plan*, *Benefit Service* may refer to service accrued during your participation under the *FELRA & UFCW Pension Fund* or *UFCW R&S Fund* prior to January 1, 2021. *Benefit Service* also refers to service accrued on and after January 1, 2021 under this *Plan*.

Your *Benefit Service* earned on or after January 1, 2021 under this *Plan* is credited as Future Service Credit. Your total Future Service Credit is used to determine the amount of your pension upon retirement.

Your *Benefit Service* earned under the *FELRA & UFCW Pension Fund* and service in covered employment under the *UFCW R&S Fund* prior to January 1, 2021, if any, is combined with your *Benefit Service* (Future Service Credit) under this *Plan* for the limited purpose of determining your eligibility for any benefit under this *Plan*. *Benefit Service* earned under the *FELRA & UFCW Pension Fund* and service in covered employment under the *UFCW R&S Fund* will not be used to determine the amount of your pension benefit under the *Plan*.

Benefit Service is calculated based on whether you are a Tier I or Tier II *Participant*:

- **Future Service Credit – Tier I (Monthly Credit):** A Tier I *Participant* earns one month of Future Service Credit for each month in which the *Employer* reports that the *Participant* has been paid, or is entitled to payment, by the *Employer* for the performance of at least one *Hour of Service* in *Covered Employment*, or reports that the *Participant* is on a military leave of absence.
- **Future Service Credit – Tier II (Regular Time Hours):** A Tier II *Participant* earns Future Service Credit based on the *Participant's* amount of *Regular Time Hours* worked in *Covered Employment* during a *Plan Year*, according to the following schedule:

Full Time Service	Part Time Service	Future Service Credit
1600 or more	800 or more	1 year
1200 to 1599	600 to 799	¾ year
800 to 1199	400 to 599	½ year
400 to 799	200 to 399	¼ year
Under 400	Under 200	None

Vesting Service

Your *Vesting Service* is the total sum of (a) your *Vesting Service* under the *FELRA & UFCW Pension Fund*, if any; (b) your service in covered employment under the *UFCW R&S Fund*, if any; and (c) your service under this *Plan*, which shall be credited as follows:

- If you are a **Tier I Participant**, you earn one month of *Vesting Service* for each month of your Future Service Credit in a *Plan Year*. If you have five or more months in one *Plan Year*, you receive 12 months of *Vesting Service* for such *Plan Year*.
- If you are a **Tier II Participant**, you earn one year of *Vesting Service* for each *Plan Year* of Future Service Credit in which you perform at least 750 *Regular Time Hours* or at least 1,000 *Hours of Service* as a full time or part time *Employee* for the *Employer*.

If you have less than five months of Future Service Credit in a *Plan Year* and you perform any *Hours of Service* for the *Employer* during any part of the *Plan Year* which did not constitute Future Service Credit, those months will be multiplied by 190 *Hours of Service* and added to your *Hours of Service* to determine whether you completed a year of *Vesting Service* in accordance with this *Plan* and Department of Labor regulations. You cannot earn more than one year of *Vesting Service* in any *Plan Year*.

You are *Vested* for a pension benefit if you have five or more years of *Vesting Service* or if you attain *Normal Retirement Age* while working in *Covered Employment*.

You also accrue *Vesting Service* (but not *Benefit Service*) during the following periods of time:

- (1) During any period immediately following the date of your transfer to or from a job classification outside the scope of the collective bargaining agreement, but within the employment of the *Employer*;
- (2) During any period immediately following the date of your transfer to a job classification or job status within the scope of the collective bargaining agreement but with respect to which you are not eligible to accrue benefits under the *Pension Fund* pursuant to the collective bargaining agreement;
- (3) During any period during which you serve the *Union* as an employee.
- (4) During any period of your absence which is made necessary by your inability to work anywhere in the type of employment covered under

this *Plan* due to mental or physical disability, determined by the Trustees based solely on your qualification or non-qualification for a federal Social Security disability income benefit, provided you had five or more years of *Benefit Service* immediately before the beginning of your absence.

- (5) Effective January 1, 2021, *Participants* employed by the *Employer* who earned Service Credit under the *FELRA & UFCW Pension Fund* or *UFCW R&S Fund* prior to December 31, 2020 will have such service included in determining the *Participant's* participation, *Vested* status and eligibility to receive a benefit under the *Pension Plan*, but such service will not increase the amount of the *Participant's* benefit under the *Pension Plan*.

Service held for you under these rules is often referred to as "frozen credit." Under items 1 and 2, your *Employer* must provide the *Fund* with the necessary information to protect your *Vesting Service*. Under item 3, you or the *Union* must provide the *Fund* with the necessary information regarding your employment with the *Union*, and under item 4, it is your responsibility to submit proof of disability. Failure to do so may cause you to lose *Vesting Service*. It is important that you provide the proof of disability to the *Fund Office* as soon as possible. If you later retire based on frozen credit accrued during a period of disability, additional proof of disability (that it is still the same, etc.) may be required.

Combined Vesting Service with FELRA & UFCW Pension Fund and UFCW R&S Fund

The *Fund* recognizes *Combined Vesting Service* for the purpose of determining eligibility for a pension under this *Plan*. *Combined Vesting Service* is the total of your *Vesting Service* under this *Plan* and under the *FELRA & UFCW Pension Fund* and *UFCW R&S Fund*, provided, however, that not more than one (1) year of *Combined Vesting Service* shall be counted for any calendar year.

30 Months Credit Rule

After you become a *Participant*, you may receive *Vesting Service* and *Benefit Service* for up to 30 months during which you are on a leave of absence from *Covered Employment* for sickness or accident while you were:

- (1) Receiving Accident & Sickness benefits through the *FELRA & UFCW VEBA Fund* or through any of the jointly-administered welfare funds

operating for eligible members of Locals 27 or 400 within the *Fund's* geographic area;

- (2) Receiving Workers' Compensation benefits because of injuries incurred during *Covered Employment*; or
- (3) On any other leave of absence granted by the *Employer* for sickness or accident.

Military Service

Service in the Armed Forces of the United States will be credited to the extent required by law. See page 16 for more information.

Loss of Pension Credits

You can lose your *Benefit Service* and *Vesting Service* before retirement if any of the following events occurs before the date you become *Vested* for a pension benefit:

- (1) Your death, unless your *Spouse* is eligible to receive a Pre-Retirement *Spouse's* Pension;
- (2) You have a *Break in Service Year* as a result of your termination of *Covered Employment*, including resignation, discharge, or failure to return to work after layoff or leave of absence granted by the *Employer* under the collective bargaining agreement; or
- (3) Your failure to return to *Covered Employment* after military service.

Reinstatement of Lost Benefit Service after a Break in Service

If your *Benefit Service* and *Vesting Service* is lost under (2) or (3) above and you later are credited with either three months or one quarter of *Vesting Service* in a *Plan Year*, you will become a *Participant* again, retroactive to your rehire date. Your *Benefit Service* and *Vesting Service* will be restored if the number of consecutive *Break in Service Years* is less than five. If you are not a *Vested Participant* and you have five or more consecutive *Break in Service Years*, your *Benefit Service* and *Vesting Service* earned before the *Break in Service Years* will be permanently forfeited.

Example

You earn three years of *Vesting Service* and *Benefit Service* for 2021, 2022, and 2023. You then have four *Break in Service Years* from 2024 to 2027. Your three years of *Vesting Service* and *Benefit Service* would not be lost if you are credited with either three months or one quarter of

Vesting Service in a *Plan Year* before a fifth *Break in Service Year* occurs (i.e., in 2028). However, if you are not credited with either three months or one quarter of *Vesting Service* before a fifth consecutive *Break in Service Year* occurs, your three years of *Vesting Service* and *Benefit Service* earned in 2021, 2022 and 2023 would be permanently forfeited.

Break in Service Year

A *Break in Service Year* is a *Plan Year* (other than the year in which you first accrued a month of Future Service Credit) in which you did not earn either:

- (1) Three or more months of Future Service Credit; or
- (2) If you are Tier II *Participant*, 376 or more *Regular Time Hours* with the *Employer*; or
- (3) 501 or more *Hours of Service* with the *Employer*.

If you did not accrue the necessary credit under (1) or (2), your total months of Future Service Credit will be multiplied by 190 *Hours of Service* and added to the number of *Hours of Service* that are not included in your accrued Future Service Credit to see if you reach 501 *Hours of Service* with the *Employer*.

Solely to avoid a *Break in Service Year*, you will be given credit for up to (1) three months of Future Service Credit, or (2) if you are a Tier II *Participant*, 376 *Regular Time Hours* with the *Employer*, or (3) 501 *Hours of Service* with the *Employer* for any absence from work by reason of: your pregnancy, the birth or adoption of a child by you, or the care of your child immediately after the child's birth or adoption. You will be credited with the *Hours of Service*, *Regular Time Hours*, or months that otherwise would normally have been credited but for the absence. When it is not possible to determine that service, you will be credited with eight *Hours of Service* for each business day during such absence.

Vesting Service and Benefit Service During Military Service

The Uniformed Services Employment and Re-employment Rights Act (USERRA) provides re-employment rights and benefits and protection from discrimination if you, either by induction or as a volunteer, have entered military service in any branch of the uniformed forces of the United States. If you satisfy the conditions for protection under USERRA, your period of military service will be treated as *Hours of Service* for all purposes under the *Pension Plan*, including vesting, benefit accrual, and

eligibility in accordance with law. To be entitled to re-employment rights and pension benefits under the USERRA, you must:

- (1) Be absent from *Covered Employment* with the *Employer* because of your military service;
- (2) Give advance notice of your service to your *Employer*, unless notice is prevented by military necessity or otherwise is impossible or unreasonable to give under the circumstances;
- (3) Be absent for military service for five years or less, unless extended service is required as part of your initial period of obligation or your service is involuntarily extended, such as during a war;
- (4) Apply for a job with the *Employer* within the requisite time period; and
- (5) Receive an honorable discharge or satisfactorily complete military service.

For periods of military service of less than 31 days or an absence due to a fitness exam, you must report back to *Covered Employment* not later than the first regularly scheduled work period on the first day after an eight-hour break and after time for travel back home. For periods of service from 31 days to 180 days, you must have reapplied for *Covered Employment* within 14 days after military service. For service over 180 days, you must have reapplied within 90 days after completion of service. These limits may be extended under USERRA in particular circumstances.

If you otherwise would qualify for reemployment rights under the law, but you were not reemployed due to your death or disability while performing qualified military service, you will be treated as having returned to *Covered Employment* on the day before your death or disability, and then having terminated such *Covered Employment* on the date of your death or disability, for granting *Vesting Service* and benefit accruals, to the maximum extent permitted by law.

Transfers

Between Full Time and Part Time Covered Employment

Full time *Benefit Service* and *Accrued Benefits* and part time *Benefit Service* and *Accrued Benefits* are calculated separately, as they generally have different *Accrual Rates*. If you transfer from full time to part time *Covered Employment* or vice versa, there is no effect upon the amount of pension accrued for you up to the date of change. Your *Benefit Service* and *Accrued Benefit* after the change, however, will be determined based on the rules for crediting the applicable full time or part time *Benefit Service* and *Accrual Rate*.

Credited Service during Different Periods of Employment

In addition, if you transfer to a new classification of employment or terminate employment and are subsequently rehired, and you begin earning Future Service Credit at a different *Accrual Rate* than the *Accrual Rate* that applied to you before your transfer or termination of employment, your *Benefit Service* and *Accrued Benefit* will be calculated separately based on the rules for crediting *Benefit Service* and *Accrual Rates* applicable to each period of employment.

Types of Pensions

You may retire when you are *Vested* and you satisfy the *Plan's* age and service requirements, and you submit an application to begin collecting your benefit. The type of pension you may select depends upon the eligibility criteria for each type of pension. Although you may meet the requirements for more than one type of pension, you may only elect one form of pension.

Normal Retirement Pension

You may retire on a Normal Retirement Pension at any time after you have reached *Normal Retirement Age* and you have at least five years of *Vesting Service*. You may not retire on a Normal Retirement Pension if you are a *Deferred Vested Participant* as of the date of your retirement. Your Normal Retirement Pension at *Normal Retirement Age* is equal to the amount of your *Accrued Benefit*, also known as your *Variable Income Benefit*, as adjusted each year to reflect the *Plan's Annual Adjustment Rate*.

Calculating Your Accrued Benefit for your Normal Retirement Pension

Your *Accrued Benefit* payable once you have reached your *Normal Retirement Age* as a monthly single life annuity for your lifetime is determined based on your *Annual Credits*, the *Plan's Annual Adjustment Rate* for each *Plan Year* and, if applicable, the terms of the *Fund's Stabilization Reserve Policy*.

Annual Credit

The *Annual Credit* that you earn each *Plan Year* is equal to the *Accrual Rate* described on Table A multiplied by your *Future Service Credit* for that *Plan Year*. For the initial *Plan Year*, your *Accrued Benefit* is equal to your *Annual Credit*. For each subsequent *Plan Year*, your *Accrued Benefit* will be determined as described below.

Annual Adjustment

After the initial *Plan Year*, your *Accrued Benefit* at the end of the immediately prior *Plan Year* is adjusted up or down based on the *Actual Investment Rate of Return* earned on the *Fund's* investments during that *Plan Year* as compared to the *Fund's "Hurdle Rate"* of 5.5%. This ratio is the *Annual Adjustment Rate* and it is determined by the Board of Trustees on November 1st of each *Plan Year*.

If the *Fund's Actual Investment Rate of Return* for the prior *Plan Year* is greater than the Hurdle Rate, your Accrued Benefit will increase proportionately, up to the *Fund's Ceiling Rate* of 10%. (For *Plan Years* starting before January 1, 2024, the Ceiling Rate was 9%.) If the *Fund's Actual Investment Rate of Return* for the prior *Plan Year* is less than the Hurdle Rate, your Accrued Benefit will decrease proportionately. These adjustments are subject to the *Fund's Floor Rate* of 2%, in accordance with the *Fund's Stabilization Reserve Policy*.

Your Accrued Benefit as of the end of a *Plan Year* after the initial *Plan Year* is equal to the sum of:

- Your Accrued Benefit as of the end of the prior *Plan Year*, multiplied by the *Annual Adjustment Rate* for that prior *Plan Year*; plus
- The Annual Credit that you earned for the current *Plan Year*.

For example, if your Accrued Benefit as of the end of 2025 is \$100.00, the *Annual Adjustment Rate* for 2025 is based on an *Actual Investment Rate of Return* of 6% and your Annual Credit earned in 2026 is \$25.00, your Accrued Benefit as of January 1, 2027 would be \$125.47 [$\$100 \times (1.0600 / 1.0550) + \25.00]. However, if the *Annual Adjustment Rate* for 2025 is based on an *Actual Investment Rate of Return* of 4% (and the other numbers above remain the same), your Accrued Benefit as of January 1, 2027 would be \$123.58 [$\$100.00 \times (1.0400 / 1.0550) + \25.00].

Important: Even after you begin to receive your pension benefit, the monthly amount of your Normal Retirement Pension will be adjusted each year based on the *Annual Adjustment Rate*. As a result, your monthly payment may increase or decrease each year during retirement.

For example, if your monthly pension payment as of the end of 2025 is \$100.00 and the *Annual Adjustment Rate* for 2025 is based on an *Actual Investment Rate of Return* of 6%, your monthly pension payment as of January 1, 2027 would be \$100.47 [$\$100.00 \times (1.0600 / 1.0550)$]. However, if the *Annual Adjustment Rate* for 2025 is based on an *Actual Investment Rate of Return* of 4%, your monthly pension payment as of January 1, 2027 would be \$98.56 [$\$100.00 \times (1.0400 / 1.0550)$].

Special rule for 2021: For 2021 only, the *Annual Adjustment Rate* was determined by assuming the *Actual Investment Rate of Return* was the

Hurdle Rate of 5.5%. For example, if your Accrued Benefit as of the end of 2021 is \$25.00 and your Annual Credit earned in 2022 is \$25.00, your Accrued Benefit as of January 1, 2023 would be \$50.00 [$\$25.00 \times (1.0550/1.0550) + \25.00]. For *Plan Years* after the year ending December 31, 2021, this special rule does not apply and the *Annual Adjustment Rate* is based on the *Actual Investment Rate of Return* for the prior *Plan Year*, as explained above.

Unreduced Early Retirement Pension (Tier I Participants)

If you are at least age 60, have at least five years of *Benefit Service*, and are an active Tier I *Participant* at the time of your retirement, you may retire on an unreduced Early Retirement Pension, in the same monthly amount as a Normal Retirement Pension.

Thirty & Out Retirement Pension

The Thirty & Out Retirement Pension is an unreduced Early Retirement Pension payable at any age, if you have accrued 30 or more years of *Benefit Service*, a majority of which was at a Tier I rate. This benefit also applies to General Merchandise *Employees* at *Employer* that had an \$81.76 contribution rate in effect under the *FELRA & UFCW Pension Fund* as of March 26, 2000, but only if such *Employee* earned an *Hour of Service* on or after that date. For purposes of determining your eligibility for the Thirty & Out Retirement Pension, your *Benefit Service* earned under the *FELRA & UFCW Pension Fund* or *UFCW R&S Fund*, including *Benefit Service* with a participating employer outside the scope of a collective bargaining unit covered by the *FELRA & UFCW Pension Fund* or *UFCW R&S Fund*, will be counted when determining eligibility, but not the amount of your pension.

Calculating Your Unreduced Early Retirement Pension and Thirty & Out Retirement Pension

If you qualify for an Unreduced Early Retirement Pension or a Thirty & Out Retirement Pension, your pension benefit amount is calculated just like a Normal Retirement Pension (see pages 19-20). There is no reduction in your monthly pension benefit amount because of your age.

Reduced Early Retirement Pension

You may retire on an Early Retirement Pension, with a reduction in the amount of your monthly pension benefit to reflect the early commencement of your benefit, at any time after you meet one of the following requirements:

- You have reached your 55th birthday and you have at least 15 years of *Benefit Service*;
- You have reached your 55th birthday and you have at least 15 years of continuous full-time employment with the *Employer*, at least five of which must be *Benefit Service*; or
- You have reached your 62nd birthday, you have at least 10 years of *Benefit Service*, and you are a Tier II *Participant* at the date of your retirement.

Calculating your Reduced Early Retirement Pension

Tier I Participant

If you are a Tier I *Participant* at the date of your retirement, the amount of your Early Reduced Retirement Pension is equal to your Accrued Benefit, reduced to be the actuarial equivalent of an unreduced pension payable on the first day of the month following your 60th birthday.

Example: You are a Tier I *Participant* and your Accrued Benefit is \$1,000.00/month. However, instead of retiring on an Unreduced Early Retirement Pension at age 60, you retire on a Reduced Early Retirement Pension beginning on your 55th birthday. Your pension is actuarially reduced to reflect the commencement of your benefit before age 60. The actuarial reduction is calculated using the applicable assumptions in effect for your benefit commencement date. For example, for a Tier I Participant commencing his benefit at age 55 in 2023, the benefit would be reduced by approximately 30%, resulting in a monthly benefit of \$700 [$\$1,000 \times (1-0.3)$].*

Tier II Participant

If you are a Tier II *Participant* at the date of your retirement, the amount of your Early Reduced Retirement Pension is equal to your Accrued Benefit, reduced to be the actuarial equivalent of an unreduced pension payable on the first day of the month following your 65th birthday.

Example: You are a Tier II *Participant* and your Accrued Benefit is \$1,000.00/month. Instead of retiring on a Normal Retirement Benefit at age 65, you retire on a Reduced Early Retirement Pension beginning on your 60th birthday. Your pension is actuarially reduced to reflect the commencement of your benefit before age 65. The actuarial reduction is calculated using the applicable assumptions in effect for your benefit commencement date. For example, for a Tier II Participant commencing his benefit at age 60 in 2023, the benefit would be reduced by

approximately 33%, resulting in a monthly benefit of \$670 [$\$1,000 \times (1 - 0.33)$].*

After you begin to receive your pension benefit, the monthly amount of your Unreduced Early Retirement Pension, Thirty & Out Retirement Pension, and Reduced Early Retirement Pension will be adjusted each year based on the *Annual Adjustment Rate* (see pages 19-20). As a result, your monthly payment may increase or decrease each year during retirement.

*The reduction factor for your reduced early retirement benefit is determined based on the *Plan's* actuarial assumptions in effect for your benefit commencement date. Please note that the *Plan's* actuarial assumptions change periodically. The above examples illustrate the impact of the reduction factor on your retirement benefit using certain actuarial assumptions. However, the actuarial assumptions in effect for your benefit commencement date may be different than those used in the illustration, which will result in a different reduction factor being applied to determine your reduced early retirement benefit.

Disability Retirement Pension

You may retire on a Disability Retirement Pension if you satisfy the following conditions:

- you have at least 10 years of *Benefit Service*;
- you have terminated your *Covered Employment*; and
- you were Totally and Permanently Disabled at the time you terminated *Covered Employment* (defined below), according to the rules of the *Plan*.

Benefit Service for purposes of determining your eligibility for a Disability Retirement Pension includes any *Benefit Service* you earned under the *FELRA & UFCW Pension Fund* or *UFCW R&S Fund*.

Total and Permanent Disability means total disability as a result of bodily injury or disease that prevents you from engaging in any occupation or employment and it is probable that your disability will be permanent and continuous for the remainder of your lifetime. To establish proof of Total and Permanent Disability, you must qualify for disability benefits under the Federal Social Security Act and the disability must have begun before your termination of *Covered Employment*.

If you are receiving a Disability Retirement Pension and you lose your eligibility for Social Security Disability **before** age 65, your Disability Retirement Pension will be terminated. If your Disability Retirement Pension is terminated, you may retire on an Early Retirement Pension, or a Deferred Vested Pension, if you meet the eligibility requirements for that type of pension. **It is your obligation to notify the Fund Office in writing if your Social Security Disability Award terminates for any reason.** Once you reach age 65, your Disability Retirement Pension becomes a Normal Retirement Pension, and you will not have to make another form of benefit election.

If your *Benefit Service* was frozen because of mental or physical disability as defined by the *Plan*, to be eligible for a Disability Retirement Pension, you must also furnish evidence that you are Totally and Permanently Disabled for the same disability that resulted in the freezing of your service.

Your Disability Retirement Pension will not begin until the later of:

- the date Accident & Sickness benefits provided under the FELRA & UFCW VEBA Fund have stopped; or
- the first day of the sixth calendar month following the calendar month in which the requirements for a Disability Retirement Pension have been met.

Calculating your Monthly Disability Retirement Pension

If you qualify for a Disability Retirement Pension, your monthly pension amount is calculated just like a Normal Retirement Pension monthly benefit amount (see pages 19-20). There is no reduction in your monthly pension benefit amount because of your age.

Even after you begin to receive your pension benefit, the monthly amount of your Disability Retirement Pension will be adjusted each year based on the *Annual Adjustment Rate* (see pages 19-20). As a result, your monthly payment may increase or decrease each year during retirement.

Deferred Vested Pension

You may retire on a Deferred Vested Pension if you accrued at least five years of *Vesting Service* before your termination of employment with the *Employer* and you do not meet the requirements for a Normal, Early, or Disability Retirement Pension.

When a Deferred Vested Pension Can Begin

- (1) If you were a Tier I *Participant* when you last worked in *Covered Employment*, you may commence a Deferred Vested Pension beginning at any time on or after the first day of the month following your sixtieth (60th) birthday.
- (2) If you were a Tier II *Participant* when you last worked in *Covered Employment*, you may commence a Deferred Vested Pension beginning at any time on or after the first day of the month following your sixty-fifth (65th) birthday.
- (3) If you have 30 or more years of *Benefit Service*, a majority of which was at a Tier I rate, you may commence a Deferred Vested Pension beginning at any time on or after the first day of the month following your fifty-fifth (55th) birthday, in the same amount as a Thirty & Out Retirement Pension.
- (4) If you have at least 15 years of *Benefit Service*, you may commence a Deferred Vested Pension beginning at any time on or after the first day of the month following your fifty-fifth (55th) birthday, in the form of a Reduced Early Retirement Pension.

Under options (1), (2) and (3) above, the amount of your Deferred Vested Pension shall be equal to your unreduced Normal Pension Benefit that would be payable at your *Normal Retirement Age*.

Under option (4) above, a Deferred Vested Pension will be calculated like a Reduced Early Retirement Pension, meaning there will be a reduction in the amount of your monthly pension if it begins before age 60 (for Tier I) or before age 65 (for Tier II).

After you begin to receive your pension benefits, the monthly amount of your Deferred Vested Pension will be adjusted each year based on the *Annual Adjustment Rate* (see pages 19-20). As a result, your monthly payment may increase or decrease each year during retirement.

Pension Benefit Changes After Retirement

After you retire and begin receiving monthly pension payments, and/or after your surviving *Spouse* begins to receive survivor annuity benefit payments, the amount of your monthly benefit likely will change once per year, based on the *Fund's Annual Adjustment Rate* for the immediately prior *Plan Year*.

If the *Fund's Actual Investment Rate of Return* exceeds 5.5%, your monthly benefit amount will increase. On the other hand, if the *Fund's*

Actual Investment Rate of Return is less than 5.5%, your monthly benefit amount will decrease.

In the event that the *Fund's Actual Investment Rate of Return* falls below 2% for a given *Plan Year*, the *Fund's* Stabilization Reserve may be used, in accordance with the *Fund's* Stabilization Reserve Policy, to offset a portion of the decrease that otherwise would apply to your monthly pension benefit.

The Stabilization Reserve is funded with *Employer* contributions and with annual investment returns in excess of 9.0% in a *Plan Year*.

Important Note: Use of the Stabilization Reserve in any given year will depend on the assets available and the policies set by the Board of Trustees.

Forms of Benefit Payment

Making the Election

Under the *Plan*, you may elect to receive your pension in one of the following benefit forms, and the Fund Office will review these with you at the time of retirement. The forms of benefit available are:

- (1) Single Life Annuity (automatic if you are single, optional if you are married);
- (2) 50% Joint and Survivor Pension (automatic if you are married, unless you and your spouse elect a different form);
- (3) 66 2/3% Joint and Survivor Pension (optional if you are married);
- (4) 75% Joint and Survivor Pension (optional if you are married); and
- (5) 100% Joint and Survivor Pension (optional if you are married).

Once you elect your form of benefit, you have until the date you receive your first benefit payment (or, if later, 14 days after you receive a written explanation of the 50% Joint and Survivor Pension) to change your mind regarding the form of benefit you elected. However, after that, you cannot change your elected form of benefit payment.

Lump Sum Amount

Effective for distributions on or after January 1, 2024, if the total present value of your pension benefit is \$7,000 or less when you elect to receive your benefit, you will receive one lump sum payment in lieu of monthly benefit payments. For distributions before January 1, 2024, the total present value limit for purposes of lump sum payments was \$5,000 or less. If such benefit is payable to your *Spouse* as a survivor benefit, he or she may choose to receive the benefit as a lump sum or in monthly payments. The amount of any lump sum benefit will be determined in accordance with the actuarial assumptions required by law.

Eligible Rollover Distributions

Under federal law, the *Plan* permits you to directly transfer or rollover all or a portion of certain payments, such as lump sum payments, to another qualified pension plan or IRA that accepts such rollovers. You will be notified upon your retirement if these rules apply to you. The *Fund* will provide the special forms, including any consent forms, that you and your *Spouse* are required to complete to let the *Fund* know how you want your payment to be handled.

An eligible rollover distribution must be at least \$200 and is subject to certain other restrictions. Monthly pension benefit payments are **not** eligible rollover distributions.

Single Life Annuity

The Single Life Annuity is the automatic form of benefit if you are not married at the time of your retirement. You will receive a benefit payment each month for your lifetime, and the benefit payments will stop the month you die, unless you have received fewer than 60 monthly benefits and you meet the eligibility requirements for a Five Year Certain Benefit. See pages 30-31 for information regarding the Five Year Certain Benefit.

50% Joint and Survivor Pension

The 50% Joint and Survivor Pension, also called the Automatic Post-Retirement Surviving *Spouse* Pension, is the automatic form of benefit if you are married at the time of your retirement. Your monthly pension benefit is actuarially reduced in order to provide a survivor benefit to your *Spouse*, and one half of that reduced pension will be payable to your *Spouse* after your death, for the remainder of your *Spouse's* lifetime. The amount of reduction depends on your age and that of your *Spouse* at the time you retire.

Note: if you have received fewer than 60 monthly benefit payments at the time of your death and you meet the eligibility requirements for a Five Year Certain Benefit, the remainder of the 60 monthly payments will be paid to your *Spouse* or other designated beneficiary (with spousal consent, see pages 30-31 for information).

The 50% Joint and Survivor Pension is the form mandated by law for married *Participants*, but this form can be waived by you and your *Spouse* as described below.

Waiver of 50% Joint & Survivor Pension

You and your *Spouse* can elect to waive this form within 180 days before the starting date of your pension. To waive the 50% Joint and Survivor Pension form of payment, you must timely file a waiver form with the Fund Office including the signed consent of your *Spouse*. This waiver form must be notarized. No spousal consent will be required if it is demonstrated to the satisfaction of the Trustees that: (1) you have no *Spouse*, (2) your *Spouse* cannot be located, (3) you and your *Spouse* are

legally separated, or (4) you have been abandoned by your *Spouse* as confirmed by court order.

If you and your *Spouse* elect to waive the 50% Joint and Survivor benefit form, you may change your mind and elect to receive a 50% Joint and Survivor benefit at any point prior to the date you receive your first benefit payment, without the consent of your *Spouse*.

Other Optional Forms of Joint & Survivor Pension

There are three other forms of the Joint and Survivor Pension—66 2/3%, 75% and 100% Joint and Survivor Pension. These optional forms of benefit payments provide that your pension amount will be actuarially reduced so that 66 2/3%, 75% or 100% (depending on your election) of the pension amount you were receiving will continue to be paid to your *Spouse* after your death. You do not need your *Spouse's* consent to choose one of these other forms of the Joint and Survivor Pension.

Note: if you have received fewer than 60 monthly benefit payments at the time of your death and you meet the eligibility requirements for a Five Year Certain Benefit, the remainder of the 60 monthly payments will be paid to your *Spouse* or other designated beneficiary (with spousal consent, see pages 30-31 for information).

Example

Mr. Smith retires at age 65 after 30 years of full time *Benefit Service*. He is married and his *Spouse* is then age 60. If he elects to waive the 50% Joint and Survivor Pension and elect a Single Life Annuity, his monthly pension starting at retirement will be \$1,000. The \$1,000 per month will be paid to him as long as he lives, adjusted up or down at the end of each *Plan Year* based on the *Annual Adjustment Rate* for the immediately prior *Plan Year*. If he qualifies for the Five Year Certain Benefit, and he has not received at least 60 monthly payments as of his date of death, his beneficiary will receive the remainder of those 60 payments. If he has received at least 60 monthly payments as of his date of death, his benefit payments will stop and neither he, his estate, nor his *Spouse*, will be entitled to any further benefit payments.

If Mr. Smith and his *Spouse* do not waive the 50% Joint and Survivor Pension, his monthly pension will be reduced for as long as he lives (with the Five Year Certain Benefit, if applicable). The factor applicable to him and his *Spouse* is 0.9143*. His 50% Joint and Survivor Pension starting at retirement is $\$1,000 \times 0.9143 = \914.30 , and will be adjusted up or down

annually at the end of each *Plan Year* based on the *Annual Adjustment Rate*. After Mr. Smith’s death and after any applicable Five Year Certain Benefit expires, his *Spouse* will receive \$457.15 per month for the rest of his or her life, as adjusted up or down annually at the end of each *Plan Year* based on the *Annual Adjustment Rate*.

If Mr. Smith elects the 66 2/3%, 75%, or 100% Joint and Survivor Pension, the applicable reduction factor will be different to reflect the higher benefit to the *Spouse* upon the Participant’s death. As an example, the following table shows the amounts for Mr. Smith under the other Joint and Survivor Pension payment forms assuming the amount of his monthly benefit paid as a Single Life Annuity is \$1,000 per month.

Joint and Survivor Pension Form	Reduction Factor*	Lifetime Monthly Benefit Paid to Participant	Lifetime Monthly Benefit Paid to Spouse upon Participant’s Death
66 2/3%	0.8889	\$888.90	\$592.60
75%	0.8767	\$876.70	\$657.53
100%	0.8421	\$842.10	\$842.10

*The reduction factor for your joint and survivor benefit is determined based on the *Plan’s* actuarial assumptions in effect for your benefit commencement date. Please note that the *Plan’s* actuarial assumptions change periodically. The above examples illustrate the impact of the reduction factor on your retirement benefit using certain actuarial assumptions. However, the actuarial assumptions in effect for your benefit commencement date may be different than those used in the illustrations, which will result in a different reduction factor being applied to determine your joint and survivor benefit.

If your *Spouse* dies before you, your monthly benefit will **not** increase as a result of your *Spouse’s* death and your pension benefits (except the Five Year Certain Benefit, if eligible) will terminate upon your death even though a Joint and Survivor Pension was in effect. A Joint and Survivor Pension is not available to a *Spouse* you marry after your retirement.

Five Year Certain Benefit

A Normal, Early, Disability, or Deferred Vested Pension payable in the form of a Single Life Annuity will continue for your lifetime, the last

payment being payable on the first day of the calendar month of your death. A Normal, Early, Disability, or Deferred Vested Pension payable in the form of a Joint and Survivor Pension will continue for your lifetime and, after your death, a monthly survivor benefit will be paid to your surviving *Spouse*, reduced as applicable based on the form of Joint and Survivor Pension you elected (or not reduced if you elected the 100% Joint and Survivor Pension). However, if at the time you terminated your *Covered Employment*:

- (a) a Tier I *Accrual Rate* applied to you, or
- (b) the highest Tier II *Accrual Rate* applied to you;

and you die before receiving 60 monthly pension payments (five years of payments), the remainder of those 60 payments will be paid to your surviving *Spouse* or designated beneficiary.

You do not have to be married to be eligible for this benefit. The designated beneficiary can be any person you choose. However, if you are married, and you would like to name a beneficiary other than your *Spouse*, your *Spouse* must consent to the person you name as your designated beneficiary in accordance with the requirements described above under “Waiver of 50% Joint & Survivor Pension”.

If the person you have designated is not living at the time this benefit would begin, the benefit will be paid to one of the following categories of persons, in this order:

- (1) your surviving *Spouse*,
- (2) your surviving children,
- (3) your surviving parents, or
- (4) your estate (paid in an actuarially adjusted lump sum).

Example

Ms. Jones retires on a Single Life Annuity. A Tier I *Accrual Rate* applied at the time of her termination of *Covered Employment*. At the time of her death, she received 35 monthly pension payments. Her designated beneficiary will receive the remaining 25 pension payments.

Pre-Retirement Spouse’s Pension

If you are an active *Participant* who has either (1) attained your fifty-fifth (55th) birthday and completed at least fifteen (15) years of *Benefit Service*, or (2) attained your sixty-fifth (65th) birthday, regardless of *Benefit Service*, and you are survived by a *Spouse* upon your death, your

Spouse is eligible to receive a Pre-Retirement Spouse's Pension if you die before your pension begins.

The Pre-Retirement Spouse's Pension will begin on the first day of the month following the month you die and continue for the remainder of your *Spouse's* lifetime. The amount of the Pre-Retirement Spouse's Pension will be one-half of the amount that you would have received if you had retired on the date of your death and elected the 50% Joint and Survivor Pension.

If you do not meet the above requirements for a Pre-Retirement Spouse's Pension and you have at least five (5) years of *Vesting Service*, your surviving *Spouse* will be entitled to the same Pre-Retirement Surviving Spouse Pension described above.

If your death occurs after you have met the requirements to start receiving a pension under the *Plan*, your *Spouse's* pension will be payable immediately following your death and will be one-half of the amount that you would have received if you had retired on the date of your death and elected the 50% Joint and Survivor Pension. If your death occurs before you have met the requirements to start receiving a pension under the *Plan*, your *Spouse's* pension will be payable beginning at the age when you would have met the requirements for an immediate pension, and will be one-half of the amount that you would have received if you had separated from service on the date of your death and elected to receive the 50% Joint and Survivor Pension on the earliest date you could receive a pension, adjusted by any applicable factors for early retirement.

Payments to your *Spouse* may be deferred if your *Spouse* so requests. However, your *Spouse* cannot defer payment past the later of: (1) December 31st of the calendar year immediately following the calendar year in which you died; or (2) December 31st of the calendar year in which you would have attained RMD Age (as defined below). If payments are deferred, the amount of the benefit will be actuarially adjusted to reflect the later age of the *Spouse* at the time the benefit commences.

"RMD Age" is defined as: (i) age 73 if you attain age 72 after December 31, 2022, (ii) age 72 if you attain age 70 ½ after December 31, 2019, but attain age 72 before January 1, 2023, and (iii) age 70 ½ if you attain age 70 ½ prior to January 1, 2020.

This Pre-Retirement Spouse's Pension is automatic; you do not have to apply for it. However, the Fund Office must be notified of your death before the benefit can be paid to your *Spouse*.

The monthly amount of the Pre-Retirement Surviving Spouse Pension will be adjusted each *Plan Year* based on the *Annual Adjustment Rate*.

Lump Sum Death Benefit

The beneficiary of a *Pensioner*, other than a *Pensioner* receiving a Deferred Vested Pension, is entitled to receive a Lump Sum Death Benefit upon the death of the *Pensioner*.

For *Pensioners* receiving a Normal, Early or Disability Retirement Pension, the Lump Sum Death Benefit will be paid to your named beneficiary upon your death, if they survive you. You may also name a trust fund as your beneficiary. If your named beneficiary is not living at the time of your death, the Lump Sum Death Benefit will be paid to the following categories of living persons, in this order of priority:

- (1) your surviving *Spouse*;
- (2) your surviving children;
- (3) your surviving parents;
- (4) your surviving brothers and sisters;
- (5) any other person who had legally assumed a financial obligation for your care; or
- (6) your estate.

Important Notes about the Lump Sum Death Benefit:

- ***Pensioners* receiving a Deferred Vested Pension are not eligible for the Lump Sum Death Benefit.**
- **The Lump Sum Death Benefit will not be payable under this *Plan* if your beneficiary is eligible to receive a lump sum death benefit under the *FELRA & UFCW Pension Fund* or the *UFCW-Giant Excess Supplemental Benefit Fund*.**

The amount of the Lump Sum Death Benefit is as follows:

- \$2,500 if the majority of your *Benefit Service* is at a Tier I full-time *Accrual Rate*.
- \$1,750 if half of your *Benefit Service* is at a Tier I full-time *Accrual Rate* and half of your *Benefit Service* is at either a Tier I part-time or Tier II full-time *Accrual Rate*.

- \$1,000 if the majority of your *Benefit Service* is at either a Tier I part-time or a Tier II full-time *Accrual Rate*.
- \$750 if half of your *Benefit Service* is at either a Tier I part-time or Tier II full-time *Accrual Rate* and half of your *Benefit Service* is at a Tier II part-time *Accrual Rate*.
- \$500 if the majority of your *Benefit Service* is at a Tier II part-time *Accrual Rate*.

Only one Lump Sum Death Benefit is payable on a *Pensioner's* behalf.

For the purposes of the Lump Sum Death Benefit and the Five Year Certain Benefit, you may designate one or more person(s) as a beneficiary and one or more other person(s) as a contingent beneficiary, in writing in the form and manner required by the Trustees. You may change your beneficiary designation at any time in the same manner by requesting a Change of Beneficiary Form from the Fund Office. If you are married, you do not need your *Spouse's* consent to elect or change your beneficiary for the Lump Sum Death Benefit, but you do need spousal consent (as described above in "Waiver of 50% Joint & Survivor Pension") to change your beneficiary designation for the Five Year Certain benefit.

A beneficiary also may be designated in an order that has been entered by a court, provided that such order contains a clear designation of rights and is presented to the *Fund* before any payment is made to another person whom you designated as your beneficiary. A beneficiary designation made pursuant to a court order meeting the above requirements will supersede any prior or subsequent conflicting beneficiary designation that is filed with the *Fund*.

A beneficiary may waive his or her rights as a beneficiary under the *Plan* in an order that has been entered by a court, provided that such order contains a clear and unequivocal waiver of the beneficiary's rights and is presented to the *Fund* before payment is made to the beneficiary. A waiver in a court order meeting the above requirements will supersede any prior conflicting beneficiary designation that has been filed with the *Fund*. 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, any benefits payable on your behalf will be paid pursuant to the *Plan* as though you died without designating a beneficiary.

The Trustees will be the sole judges of the effectiveness of the designation, change, or waiver of a beneficiary under the *Plan*.

Commencement of Benefits

Benefit payments will begin with the first full calendar month in which you have met all the conditions entitling you to benefits, including your termination of employment with the *Employer*, and the filing of a completed application for benefits. Unless you elect otherwise, benefit payments will begin no later than the 60th day after the close of the *Plan Year* in which the later of the following occur: (1) you reach *Normal Retirement Age*, (2) you terminate your *Covered Employment* with the *Employer*, or (3) the tenth anniversary of the year in which you commenced participation in the *Plan*, provided that you have filed a complete application for benefits. If you choose to begin receiving your benefit after your *Normal Retirement Age*, you may elect to:

- (1) Have your monthly benefit actuarially increased for each complete month between your *Normal Retirement Age* and your *Annuity Starting Date*; or
- (2) Receive, with your *Spouse's* consent (if applicable), your accrued pension benefit determined as of your *Normal Retirement Age*, paid retroactive to your *Annuity Starting Date*, with interest. Interest will not be paid if your *Annuity Starting Date* precedes the date of payment by sixty (60) days or less, or if you elect to receive a retroactive payment of your Early Retirement Pension or a Deferred Vested Pension and your monthly benefit is equal to or greater than your monthly Normal Retirement Pension.

You may elect to defer the commencement of benefits; however, benefit payments must begin on April 1 of the calendar year following the later of: (1) the calendar year in which you attained RMD Age (defined above); or (2) the calendar year in which you terminate *Covered Employment*. This is called your Required Beginning Date. If you defer commencement of your benefits until your Required Beginning Date, your benefit will be actuarially increased from April 1 of the calendar year in which you attain age 70 ½ to the date your benefits commence.

You must start your pension benefit by your Required Beginning Date. If you fail to complete an application for benefits by your Required Beginning Date, your benefit will be automatically distributed in the form of a 100% Joint & Survivor Pension, calculated by assuming your *Spouse* is three years younger than you. If your benefit payments are initiated without an application and you later submit an application, your benefit will be recalculated based on the terms of the completed application.

The Internal Revenue Code requires the *Fund* to place limitations on the maximum amount of benefits that you can receive from the *Fund*. If this limit applies to you, you will be notified by the Fund Office.

Right of Recovery/ Overpayments

If the Fund pays benefits to which you, your Spouse, alternate payee, beneficiary or other recipient are not entitled or pays benefits in an amount greater than the benefits to which you, your Spouse, alternate payee, beneficiary or other recipient are entitled, the Fund has the right to recover such benefit payments by offsetting future benefits otherwise payable by the Fund, to the extent permitted under law. If the Fund made the overpayment to your former Spouse as required by a qualified domestic relations order, the Fund may recover the overpayment from you and/or your former Spouse.

The Fund shall have a constructive trust, lien and/or an equitable lien by agreement in favor of the Fund on any overpayment, including amounts held by a third party, such as an attorney. Any such amount will be deemed to be held in trust by you, your Spouse, alternate payee, beneficiary, or third party for the benefit of the Fund until paid to the Fund. By accepting benefits from the Fund, you, your Spouse, alternate payee and beneficiary agree that a constructive trust, lien, and/or equitable lien by agreement in favor of the Fund exists with regard to any overpayment received. You, your Spouse, alternate payee, and beneficiary agree to cooperate with the Fund by reimbursing all amounts due.

In the event the overpayment is the result of a misrepresentation or omission by you, your Spouse, alternate payee or beneficiary, or you, your Spouse, alternate payee or beneficiary knew the overpayment was materially more than the correct amount, you, your Spouse, alternate payee, or beneficiary will be liable to the Fund for all of its costs and expenses, including attorneys' fees and costs, related to the collection of any overpayment and will be obligated to pay interest at the rate as determined by the Trustees through the date that the Fund is paid the full amount owed, to the extent permissible under applicable law.

Any refusal by you, your Spouse, beneficiary or alternate payee to reimburse the Fund for an overpayment will be considered a breach of the benefit recipient's agreement with the Fund that the Fund will provide the benefits available under the Plan in exchange for the recipient complying with the rules of the Fund. Further, by accepting benefits from the Fund, you and your Spouse, beneficiary and alternate payee affirmatively waive any defenses you may have in any action by the Fund to recover overpayments or amounts due under any other rule

of the Plan, including but not limited to a statute of limitations defense or a preemption defense, to the extent permissible under applicable law.

To the extent permissible under applicable law, the Fund has the right to recover overpayments by pursuing legal action against the party to whom the benefits were paid. In that event, the party to whom benefits were paid may be obligated to pay all costs and expenses, including attorneys' fees and costs, incurred by the Fund in connection with the collection of any overpayment or the enforcement of any of the Fund's rights to repayment.

Qualified Domestic Relations Orders

Generally, your benefits under the *Fund* cannot be assigned, mortgaged or pledged to anyone; nor are benefits subject in any manner to anticipation, alienation, encumbrance or charge. However, the law provides for certain limited exceptions to this general rule, including a judgment, decree, or order assigning your benefits pursuant to a qualified domestic relations order (*QDRO*).

When the Fund Office receives a *QDRO* requiring the *Fund* to pay benefits to an alternate payee pursuant to a state domestic relations law, the *Fund* will notify the *Participant* and the alternate payee of the receipt of that order and the procedures for determining whether it is a *QDRO*. You can request a copy of the *Fund's QDRO* procedures at any time from the Fund Office, free of charge.

An alternate payee means any *Spouse*, former *Spouse*, child, or other dependent of a *Participant* recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits payable under the *Plan*. To the extent provided in a *QDRO*, the former *Spouse* of a *Participant* can be treated as the surviving *Spouse* for purposes of joint and survivor annuities and pre-retirement surviving spouse annuities if the former *Spouse* and *Participant* were married for at least one year as of the date of divorce. If the beneficiary named in an approved *QDRO* is different from the beneficiary listed on your pension beneficiary card, benefits will be paid to the beneficiary named in the *QDRO* as long as the *QDRO* is presented to the *Fund* before payment of the death benefits and provided it contains a clear designation of rights.

The *Fund* will honor an order as a *QDRO* if it meets the following requirements:

- It must relate to the provision of child support, alimony, or marital property rights to a *Spouse*, former *Spouse*, child, or other dependent of a *Participant*, and must be made pursuant to a state domestic relations law.
- It must clearly specify the name and last known address of the *Participant* and each alternate payee covered by the order.
- It must specify the amount or percentage of the *Participant's* benefits to be paid by the *Fund* to the alternate payee, or the manner in which the amount is to be determined.
- It must specify the number of payments or period to which the order applies, and properly name the *Plan* as the plan to which

the order applies.

If there is a *QDRO* regarding your benefit under the *Plan*, you must provide a copy of the *QDRO* to the Fund Office as soon as it is entered by the court. The Fund Office also strongly recommends that you send a copy of any draft *QDRO* to the Fund Office for review **before** it is entered by a court. The Fund Office will review the draft *QDRO* and tell you whether the *Fund* would honor the order as a *QDRO*. This step will save you money and time.

Tips on Retirement

- (1) About six months before you would like to retire, please call the Fund Office at (800) 638-2972 and ask for an Application for Pension Benefits and a *Benefit Service* Request Form if you have not had a *Benefit Service* Estimate Statement completed in the preceding 12 months. Tell the Fund Office the approximate date you would like to retire. The Fund Office will research your service and send you an estimate within approximately 6 - 8 weeks.
- (2) Upon request, the Fund Office will send you a pension application. After your application is processed, you'll receive a benefit election form and other forms regarding the pension options available to you.
- (3) While the *Fund* has 90 days to make a determination with respect to your pension application, it usually takes at least a month from the date you stop working to process your application, as all available *Benefit Service* up through the date of your retirement must be included in the benefit calculation, and your date of termination and service must be confirmed with your *Employer*. If you submit a completed application in advance of your retirement with sufficient time for processing, usually you will receive your first pension check in the first week of the second month after you retire. For example, if you retire in December and all of your application materials were provided to the Fund Office in advance of your retirement, you will likely receive your first check in the first week of February. This check will include your pension benefit for January and February. From then on, you should receive your pension check during the first week of each month.
- (4) Electronic Funds Transfer (EFT) is the option chosen by the majority of *Pensioners* because of its convenience. To use this option, you simply need to provide the Fund Office with the bank routing number and other bank information for the account where you would like your deposit to go. A wire transfer then occurs on or about the first working day of every month. If you do not elect EFT, checks are mailed on the last working day of the month. If your mailed check is late, the Fund Office must wait 10 days before putting a "stop pay" on your check, since there is sometimes a delay in the postal service.

Annual Retiree Information Form (RIF)

Shortly after you retire and each year thereafter, the Fund Office will send you an annual Retiree Information Form (RIF). The form asks for basic information regarding your eligibility for pension benefits and your employment status, and gives you the opportunity to change your Beneficiary and your tax withholding. **You must complete and return this RIF each year to continue receiving your pension benefit. If you do not complete and return the annual RIF, your pension benefit may be suspended until the RIF is received.**

Applying for Benefits and Appeals Procedures

Applying for Benefits

To file an application (also referred to as a “claim”) for pension benefits, call or write the Fund Office for an application. The Fund Office will send you all appropriate forms.

Benefits will not begin until you return a completed application with all required application documents, and any subsequent pension election forms, to the Fund Office and it is determined that you are eligible to receive the benefits. You must submit a birth certificate or other acceptable proof of age, proof of marital status, and any other information necessary to process your application for benefits. At your request, the Fund Office will withhold certain taxes from your monthly pension check. During the pension application process, the Fund Office will send you a form which you must complete and return if you wish to have taxes withheld.

When you file an application for pension benefits, the *Fund* has 90 days to make a determination with respect to your pension application. However, the Fund Office will begin to process your application as soon as possible after you stop working and have supplied all the information the Fund Office needs. If an extension is required for the processing of your pension application, you will be notified of the extension within the original 90-day period, and a decision will be made with respect to your application no more than 180 days from the date your application is first filed with the Fund Office. The extension notice will tell you why the Fund Office requires extra time and the approximate date that a decision is expected.

Denial of a Claim

If your claim for benefits is denied, you will receive a written explanation that contains the following information:

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

(e) Your right to bring an action under ERISA if you decide to appeal and that appeal is denied.

Appeals

If your application for benefits is partly or entirely denied, you (or your authorized representative) can appeal the denial to the Board of Trustees.

If you decide to appeal, you must make a written request for a review within 60 days after you receive the written claim denial. You should include in your written appeal all the facts regarding your claim as well as the reason(s) you feel the denial was incorrect. You may submit written comments, documents and other information relating to your claim. If you so request, you will receive reasonable access to and free copies of documents relevant to your claim.

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 legal representation at any stage of these review procedures. Regardless of the outcome of your appeal, neither the Board of Trustees nor the *Fund* will 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 and on appeal, will apply the terms of the *Plan* document, 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. Further, in making its decision the Trustees will consider all written comments, documents and other information you (or your authorized representative) submit in relation to your claim.

Who Decides Appeals

Appeals of denied pension claims are reviewed by the Board of Trustees of the *Fund*. Send your request for review of these claims to:

UFCW-Giant Variable Annuity Fund
Attn: Board of Trustees
911 Ridgebrook Road
Sparks, MD 21152-9451

How Long the Review Takes

The Board of Trustees will make its decision at the next regular meeting following receipt of your appeal, unless there are special circumstances, in which case the Board of Trustees will decide the case at its second regular meeting following receipt of the appeal. If you submit your appeal less than 30 days before the next scheduled Board of Trustees meeting, the Board of Trustees will decide the case at the second scheduled meeting, or, if there are special circumstances, the third meeting after it receives your appeal. If the Board of Trustees requires a postponement of the decision to the next meeting, you will receive a notice describing the reason for the delay and an expected date of the decision.

The Board of Trustees will send you a notice of its decision within five days of the decision. If the Board of Trustees denies your appeal, you will receive a written explanation that contains the following information:

- (a) Reason for the denial;
- (b) Specific references to the *Plan* provisions on which the decision was based;
- (c) Notice that you may receive, upon request and free of charge, reasonable access to and copies of all documents and records relevant to the claim; and
- (d) A statement of your right to bring a lawsuit under ERISA.

The decision of the Board of Trustees is final and binding.

If your claim is denied, in whole or in part, you are not required to appeal the decision. However, you must exhaust your administrative remedies by appealing the denial to the Board of Trustees before you can file a lawsuit against the *Fund* relating to your claim. You have a right to file suit under Section 502(a) of ERISA, but failure to exhaust your administrative remedies under the *Plan* will result in the loss of your right to file suit.

If you wish to file suit for a denial of a claim of benefits, you must do so within three years from the date the Trustees denied your appeal. For all other actions, you must file suit within three years of the date on which the violation of *Plan* terms is alleged to have occurred. Any suit against the *Fund* or the Trustees must be filed in the United States District Court for the District of Maryland. These rules apply to you, your *Spouse*, beneficiary or alternate payee.

Pension Benefit Guaranty Corporation

Your pension benefits under this *Plan* are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the *Plan* terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the *Plan* terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the *Plan* terminates; (2) some or all of the benefit increases and new benefits based on *Plan* provisions which have been in place for fewer than 5 years at the time the *Plan* terminates; (3) benefits that are not vested because you have not worked long enough for the company; (4) benefits for which you have not met all of the requirements at the time the *Plan* terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the *Plan's Normal Retirement Age*; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you may still receive some of those benefits from the PBGC depending on how much money the *Plan* has and on how much the PBGC collects from the *Employer*.

For more information about the PBGC and the benefits it guarantees, ask your *Plan* administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, NW, Suite 930, Washington, DC 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at (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* of the UFCW-Giant Variable Annuity 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:

Receive Information about Your Plan and Benefits

Examine, without charge, at the *Plan* administrator's office and at other specified locations, such as worksites and union halls, all documents governing the *Plan*, including insurance contracts and 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 Employee Benefits Security Administration.

Obtain, upon written request to the *Plan* administrator, copies of documents governing the operation of the *Plan*, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a summary of the *Plan's* annual financial report. The *Plan* administrator is required by law to furnish each *Participant* with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at *Normal Retirement Age* (generally, age 65) and if so, what your benefits 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.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for *Plan Participants* ERISA imposes duties upon the people who are responsible for the operation of the employee benefit 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 benefit or exercising your rights under ERISA.

Enforce Your Rights

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 last 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 *Fund's* decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in 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, for example, if it finds your claim is frivolous.

Assistance with Your 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 Employee Benefits Security Administration (EBSA), 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, 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.

Numbers and Addresses

Address all correspondence to:

UFCW-Giant Variable Annuity Fund
Attn: Pension Department
911 Ridgebrook Road
Sparks, MD 21152-9451

Call the Fund Office:

Toll Free: (800) 638-2972

Frequently Asked Questions

How do I get an estimate of my Benefit Service before I retire?

Ask the Fund Office for a *Benefit Service* Request Form, fill it out, and return it. It takes about 6 - 8 weeks for your estimate to be researched and calculated because your *Benefit Service* is verified with your *Employer*.

Does the fact that I collect a pension interfere in any way with my Social Security?

No. You get both.

Do I contribute anything toward my pension?

No. Your pension is funded by contributions from your *Employer* under the *Pension Fund*. No part of your *Union* dues is paid to the *Pension Fund*.

How much should I have withheld from my pension benefit for taxes?

Every *Participant's* situation is different and the Fund Office does not give advice on taxes. Please contact your tax advisor.

Why do I need my Spouse's birth certificate and marriage certificate when applying for my pension?

Under federal law, your *Spouse* is legally entitled to the survivor annuity portion of your pension under the 50% Joint and Survivor Pension Option, unless you and your *Spouse* take the appropriate steps to waive this form of pension. The *Fund* requires the marriage license to prove that you and your *Spouse* are married, and the birth certificate as proof of age. The reduction factors involved in the calculation of this pension form are dependent upon your age and your *Spouse's* age.

Can the Joint and Survivor Pension form be changed after my pension commences?

No type of pension election can be changed once you receive your first benefit payment. In the case of a Joint and Survivor Pension, the pension form you elected (or the form required by a court order) cannot be changed after your benefits commence even if your *Spouse* dies or you and your *Spouse* get divorced.

Do I get any increases to my pension after I retire (cost of living, etc.)?

There are no cost-of-living increases built into the pension benefit. However, your monthly pension amount will be adjusted each *Plan Year* based on the *Annual Adjustment Rate*. As a result, your monthly payment may increase or decrease each year during retirement.

Does my Deferred Vested Pension accrue any interest over the years?

No. For Deferred Vested *Participants* who are not yet eligible to collect a pension, the Deferred Vested Pension amount remains the same as when you left *Covered Employment*, except for the adjustments based on the *Annual Adjustment Rate* referenced in the Q&A above.

If a Participant is employed as a manager with the Employer, does the Fund provide the pension benefits?

The *Fund* provides pension benefits for *Participants* who have had earned *Benefit Service* in the bargaining unit and under the *Plan*. If you go from the bargaining unit covered by the *Plan* into management with the *Employer*, we process *Fund* benefits based on your time in the bargaining unit (assuming you qualify). If you were hired as a manager or outside the collective bargaining unit and have not had any time in the collective bargaining unit covered by the *Plan*, please contact your *Employer*. Time in management with the *Employer* (or outside the scope of the collective bargaining agreement) may count towards your eligibility for a pension, but does not count in the calculation of your pension amount (*i.e.* time outside the scope of the collective bargaining agreement may be *Vesting Service* in certain situations, but is not *Benefit Service*, meaning it is not used to calculate the amount of your accrued pension benefit).

**Fund Accrual Rate
Table A**

If you are a Tier I *Participant* with at least 30 years of combined *Benefit Service* under this *Plan*, the *FELRA & UFCW Pension Fund*, and the *UFCW R&S Fund*, the *Accrual Rate* that applies to you for each *Plan Year* after your completion of 30 years of combined *Benefit Service* will be (1) \$54 for full time *Benefit Service* and (2) \$37 for part time *Benefit Service*, subject to the *Annual Adjustment Rate* that will be applied to your benefit at the end of each *Plan Year*.

Local	Tier	Group	Accrual Rate
27	I	FT Grocery hired before 1/15/82	\$47.00
27	I	FT Meat hired before 10/9/83	\$47.00
27	II	FT Grocery hired on or after 1/15/82	\$25.00
27	II	FT Meat hired on or after 10/9/83	\$25.00
27	II	FT Service Clerks	\$15.00
27	I	FT Pharmacy hired before 8/28/77	\$47.00
27	II	FT Super G Delaware	\$25.00
400	I	FT Grocery hired before 10/23/83	\$47.00
400	I	FT Meat hired before 10/23/83	\$47.00
400	II	FT Grocery hired on or after 10/23/83	\$25.00
400	II	FT Meat hired on or after 10/23/83	\$25.00
400	I	FT NF hired before 3/1/64	\$47.00
400	I	FT NF hired between 3/1/64 and 8/28/77	\$31.33

Local	Tier	Group	Accrual Rate
400	II	FT Service Clerks	\$15.00
400	II	FT Pharmacy Clerk hired after 10/23/83	\$25.00
400	II	Free Standing Pharmacy Clerk	\$25.00
400	II	FT Lexington Park	\$25.00
400	II	FT Freshgo	\$25.00
400	II	FT Valley	\$25.00
27	I	PT Grocery hired before 1/15/82	\$32.00
27	I	PT Meat hired before 10/9/83	\$32.00
27	II	PT Grocery hired on or after 1/15/82	\$15.00
27	II	PT Meat hired on or after 10/9/83	\$15.00
27	II	PT Service Clerks	\$10.00
27	I	PT Pharmacy Clerk hired before 8/28/77	\$32.00
27	II	PT Super G Delaware	\$15.00
400	I	PT Grocery hired before 10/23/83	\$32.00
400	I	PT Meat hired before 10/23/83	\$32.00
400	I	PT NF hired before 8/28/77	\$32.00
400	II	PT Grocery hired on or after 10/23/83	\$15.00
400	II	PT Meat hired on or after 10/23/83	\$15.00

Local	Tier	Group	Accrual Rate
400	II	PT Pharmacy Clerks hired after 10/23/83	\$15.00
400	II	PT Lexington Park	\$15.00
400	II	PT Freshgo	\$15.00
400	II	PT Valley	\$15.00

