



**IMPORTANT NOTICE OF CHANGES
TO DISABILITY RETIREMENT BENEFITS**

October 2012

TO: Participants in the Southern California UFCW Unions and Food Employers Joint Pension Plan (The "Plan")
United Food & Commercial Workers Union Locals 8GS, 135, 324, 770, 1167, 1428 and 1442
Contributing Employers

RE: Changes to Disability Retirement Benefit.

The following changes are being made to the Plan's Disability Retirement Benefit. These changes will not apply to Participants whose Disability Retirement Benefit is in pay status as of December 1, 2012. These changes are required by the Industry Collective Bargaining Agreement and the Fund's Rehabilitation Plan.

A. *Change to Eligibility Rules*

Under the new rules, Participants must have at least 20 Years of Vesting Credit in order to be eligible for a Disability Retirement Benefit. Before this change, a Participant needed 10 Years of Vesting Credit to be eligible for a Disability Retirement Benefit.

B. *Change to the Amount of Disability Retirement Benefit*

The monthly amount of the Disability Retirement Benefit will be 84% of the amount the Participant would receive with a Normal Retirement Benefit for his total years of Benefit Credit accrued to the date of his Disability Retirement. In no case will the monthly amount of a Disability Retirement Benefit be less than the monthly amount that a Participant would receive with an Early Retirement benefit commencing on the same date.

Before this change, the monthly amount of the Disability Benefit was 100% of the amount the Participant would receive with a Normal Retirement Benefit for his total years of Benefit Credit accrued to the date of his Disability Retirement.

C. *75% Joint and Survivor Annuity Available to Disability Retirees*

In addition to the 50% Joint and Survivor Annuity, married Disability Retirees will be able to elect to receive their pension benefits in the form of a 75% Joint and Survivor Annuity.

D. *Effective Date of Changes*

These changes are effective for Participants who are not entitled to a Disability Retirement by December 1, 2012.

In order to be considered entitled to a Disability Retirement by December 1, 2012, so as to avoid having these changes applied to you, your Disability Retirement Benefit must be in pay status by December 1, 2012, or you must fulfill each of the following requirements (and fulfill all other eligibility requirements for a Disability Retirement Benefit):

- (1) you must file an application for a Disability Retirement with the Fund Office before December 1, 2012; and
- (2) you must file an application for disability benefits with the Social Security Administration before December 1, 2012, and
- (3) you must qualify for a Social Security Disability benefit which first becomes payable for a month before January 1, 2013.

E. *Examples*

Example 1 – Vesting Requirement after December 1, 2012

Jim is 48 and has 17 years of Vesting Credit when he stops working in 2014 due to disability. Since Jim does not have at least 20 years of Vesting Credit, he is not eligible for a Disability Retirement Benefit. Before the rule change, Jim would have been eligible for a Disability Retirement Benefit because he had at least 10 years of Vesting Credit. Although Jim is not eligible for a Disability Retirement, he can apply for an Early Retirement at Early Retirement age.

Example 2 – Amount of Disability Benefit after December 1, 2012

Jim is 48 and has 23 Years of Vesting Credit when he is forced to quit working in 2013 due to a disability. If Jim waited until Normal Retirement Age to retire, his monthly Normal Retirement Benefit would be \$1,000.00 per month. Jim elects a Disability Retirement benefit effective in 2013. His Disability Retirement Benefit is \$840.00 per month (84% of \$1,000.00).

Before the rule change, Jim's Disability Retirement Benefit would have been \$1,000.00 per month.

If you have any questions about this notice, please contact the Fund Office at 877-284-2320, extension 434.

This notice is being provided to you to notify you of modifications to the Plan's Disability Retirement Benefit, in accordance with the Rehabilitation Plan. The Rehabilitation Plan is maintained as required by the Pension Protection Act of 2006 (PPA) because the Plan is in "critical status." The Plan has been in critical status since 2008.

You previously were notified that certain "adjustable benefits" could be reduced or eliminated as part of a Rehabilitation Plan required by law to be adopted by the Board of Trustees.

This notice also constitutes a Summary of Material Modifications and should be kept with your Summary Plan Description ("SPD") and other important plan documents. Except for the changes outlined in this notice, and previous notices describing benefit changes, all other Plan provisions and rules remain the same. Please refer to your Summary Plan Description ("SPD"), including any Summary of Material Modifications, and/or Plan Document for detailed information on the rules regarding eligibility, participation in the Plan, benefits, and claims and appeals procedures.