

# Alaska United Food and Commercial Workers Pension Trust

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Administered by  
Labor Trust Services, Inc.

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## Good News From the Trustees About Your Pension Benefit

As you may recall, due to poor performance in the stock market between 2000 and 2002 we reduced the benefit accrual rate under the Alaska United Food and Commercial Workers Pension Trust (the "Plan") from 4.3% to 2.5% for benefits earned after January 1, 2004. We made this reduction to protect the benefit you had already earned and to help put the Plan in a better financial position for the future.

Despite this reduction, we remained committed to improve benefits and raise your accrual rate when the Plan's financial situation improved. We are happy to announce that the time has come!

### BENEFIT IMPROVEMENTS EFFECTIVE JANUARY 1, 2007

At the Plan's recent Trustee meeting, a motion was made and unanimously approved, authorizing the following benefit improvements effective January 1, 2007:

- **If you are an active participant**, the benefits you earned in 2004, 2005, and 2006 will be recalculated at an increased accrual rate of 4.3% – the same level you were earning before the reduction. Benefits earned in 2007 and beyond will continue to be based on an accrual rate of 2.5%. (You are considered an active participant if you worked at least 375 hours in 2006 and did not retire and begin receiving a Plan benefit on or before January 1, 2007.)
- **If you are a retiree (or a beneficiary)** receiving a Plan benefit as of January 1, 2007, your monthly payment amount will be increased by 3.0% – the first increase we've made to retiree benefits in seven years. This 3.0% increase will be reflected in your May pension check.

### PENSION PLAN FULLY FUNDED

In addition, we are happy to report that the Plan's liabilities are 100% funded. In other words, the value of the Pension Trust's assets is enough to cover the full cost of Plan benefits that have been earned to date by all participants and retirees. Future changes to interest rates and the Plan's investment returns may affect our funding status, but there aren't many pension plans out there today that can make a similar claim.

### THANK YOU...

We appreciate your patience during these last few years. As Trustees, we are bound by our fiduciary role to act in the best interest of you and other Plan participants – a role we take very seriously. We will continue to look for ways to improve your benefits in the future.