

Alaska United Food and Commercial Workers Trust Funds

375 West 36th Avenue, Suite 200 • P. O. Box 93870 • Anchorage, Alaska 99509-3870
Phone (907) 561-5119 or (800) 325-6532 • Fax (907) 561-4802

March 13, 2009

TO: All Participants
Alaska UFCW Pension Trust

RE: Summary of Material Modifications

This is a summary of material modification describing a change adopted by the Board of Trustees. Please be sure to read it carefully and keep this important notice with your Summary Plan Description.

One of the principal roles of the Board of Trustees is to ensure that negotiated contributions are in balance with the formula used to calculate benefits. This means that over the long term, the contributions and investment income are sufficient to secure the benefits provided. In order to balance the contributions and benefits, the Trustees and their advisors must make assumptions about the amount of investment income that will be earned between the time contributions are received and the date benefits are paid.

Over the past year, the financial markets have performed very poorly. Consequently, the Trustees, like the trustees of many other pension plans, are taking a hard look at the benefits that can be provided for future years of service. As a result of this review, the following Plan changes were made and are effective April 1, 2009.

The changes described apply to benefits earned on and after April 1, 2009 only. The benefit you earned through March 31, 2009 is not affected by the changes described in this notice.

➤ **FUTURE SERVICE BENEFIT**

Currently, the benefit accrual rate is calculated as follows:

For Service Earned During This Time Period . . .	Your Future Service Benefits is . . .
On or Before 12/31/1991	\$0.0378 times your covered hours of service
01/01/1992 through 12/31/1998	4.45% of employer contributions
01/01/1999 through 12/31/2006	4.3% of employer contributions
01/01/2007 through 03/31/2009	2.5% of employer contributions

Beginning with covered hours earned April 1, 2009, the benefit accrual rate has been reduced to 0%. This means that the plan does not currently provide for any additional benefit after March 31, 2009. All employer contributions will be applied toward securing the benefits you and other participants have earned through March 31, 2009. Participants who are not yet fully vested in their retirement benefit will continue to earn service credit toward vesting in the benefit they have already earned. Service will also continue to be credited toward satisfying the 5-year service requirement for an early retirement benefit. ***IMPORTANT: The Future Service benefit accrual rate for hours worked before April 1, 2009 will remain unchanged.***

(over)

➤ **NORMAL RETIREMENT AGE**

Currently, the normal retirement date for all participants is the first of the month following the later of age 57, or the participant’s 5th anniversary of participation. For any retirement benefits you earn on or after April 1, 2009, normal retirement age will be changed from 57 to age 65. ***IMPORTANT: This change does not affect any retirement benefits you earned before April 1, 2009.***

Under the terms of the Plan, any retirement benefit you choose to receive on an early retirement date before your normal retirement age is reduced by 5/12 of 1% for each month by which payment begins prior to your normal retirement age. Going forward, your benefit will be subject to different reduction factors depending on when you earn your benefit, as indicated in the Table below:

If your age at retirement is...	COLUMN 1	COLUMN 2
	The percentage of the benefit you earned <i>before</i> April 1, 2009 that you’ll receive is...	The percentage of the benefit you earn <i>on and after</i> April 1, 2009 that you’ll receive is...
65	100%	100%
64	100%	95%
63	100%	90%
62	100%	85%
61	100%	80%
60	100%	75%
59	100%	70%
58	100%	65%
57	100%	60%
56	95%	55%
55	90%	50%
54	85%	45%
53	80%	40%
52	75%	35%
51	70%	30%
50	65%	25%

If you choose to retire at age 57, you may elect to begin all of your retirement benefit at that time, or you may delay payment of the benefit you earn on and after April 1, 2009 until as late as the date you reach age 65. If you elect to begin payment of your entire accrued benefit, the reduction factors in column 2 of the table above will only apply to the portion of your benefit you earn on and after April 1, 2009. If you choose to delay beginning payment on that portion of your benefit, the reduction factor that applies will be determined based on your age when payment of that portion begins. At this time the Plan does not provide for accruals after April 1, 2009 – so your benefit is subject to the factors in column 1 of the table above.

The Trustees will continue to monitor the Trust’s financial condition, and they remain committed to providing the best possible level of benefits consistent with the Trust’s financial security. However, if the financial markets do not improve sufficiently, further changes may become necessary.

If you have any questions regarding your benefits, please contact Zena Alexander at the Labor Trust Services, Inc. at (800) 325-6532, extension 4224.

**Board of Trustees
Alaska UFCW Pension Trust**