

Alaska United Food and Commercial Workers Trust Funds

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December 14, 2012

TO: All Plan Participants
Alaska UFCW Pension Trust

RE: Summary of Material Modifications – Effective January 1, 2013

This is a summary of material modification describing plan changes adopted by the Board of Trustees. Please read it carefully and keep it with your Summary Plan Description.

The Pension Protection Act requires plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate benefits called adjustable benefits as part of the rehabilitation plan. The reductions below were adopted by the Trustees and on November 17, 2010 made part of the rehabilitation plan. However, the effective date of the benefit reductions was delayed until January 1, 2013. You have received prior notices of these benefit changes. To recap: First, benefit increases made within 60 months prior to April 30, 2010 were rolled back. That means that benefit checks issued after January 1 will be lower for all retirees who have been receiving the general increases set out below. Second, certain specific adjustable benefits are scheduled to end and will no longer be paid after January 1, 2013 for participants whose benefit commencement date was after April 30, 2010.

The Rehabilitation Plan changes, effective January 1, 2013, are outlined below:

- Rescind the 3.0% benefit increase granted retirees and beneficiaries on January 1, 2007;
- Rescind the 4.3% accrual rate for hours worked and contributions made in calendar years 2004, 2005, and 2006. The benefit accrual rate for those years will revert to 2.5%;
- Eliminate all early retirement subsidy and apply the true actuarial reduction for early retirement;
- Change pre-retirement spousal death benefit from 100% to the 50% Joint and Survivor Option;
- Eliminate the 2-year death benefit for non-married participants; and
- Eliminate the 2-year certain period for the normal form of benefit.

Retirees and beneficiaries that were granted the 3% retiree increase in 2007 will have their benefits modified with the January 1, 2013 payment. All other changes will impact participants and beneficiaries who retired or will retire on or after April 30, 2010.

The Trustees are continuing to monitor the Fund's financial condition and remain committed to restoring the Trust's financial security. If you have any questions regarding your benefits, please contact Labor Trust Services, Inc. at (800) 478-8329.

Sincerely,

Board of Trustees
Alaska UFCW Pension Trust