Alaska United Food and Commercial Workers Pension Fund

Summary Plan Description

January 1, 2006

CONTACT INFORMATION

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Local Union #1496

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Alaska United Food and Commercial Workers
Pension Fund
Plan Administration Office

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Anchorage, Alaska 99509-3870
(907) 561-5119
(800) 325-6532

To All Participants:

We are pleased to provide you with this revised booklet which describes the benefits of your Pension Plan. Since the Plan was established in 1970, the benefits have been improved many times. This booklet incorporates all changes made prior to January 1, 2006.

This booklet applies to active participants in the Alaska United Food and Commercial Workers Pension Fund on or after January 1, 2006. If you terminated or retired prior to that date, you should consult the booklet in effect on that date.

If you have any questions about your participation, eligibility for benefits, or about any matter of Trust Fund or Pension Plan administration, you should contact the Administration Office.

Administration Office
Alaska United Food and Commercial Workers
Pension Fund
Labor Trust Services, Inc.
3380 C Street, #107
P.O. Box 93870
Anchorage, Alaska 99509-3870

Telephone Numbers: (907) 561-5119
(800) 325-6532

Only the Administration Office is authorized by the Board of Trustees to answer your questions. No participating employer, employer association, or labor organization or its employees has any authority to answer your questions.

We urge you to read this booklet carefully. You should keep it with your other important papers, so that you can refer to it when you terminate, change jobs, or retire. If you have any questions about your pension situation, you should contact your Administration Office.

Sincerely,

Board of Trustees

Alaska United Food and Commercial Workers Pension Fund Summary Plan Description

Table of Contents

This booklet is a summary of the important provisions of the Plan and is not intended to serve as a legal document. If there is any discrepancy between this summary and the Plan and Trust documents, the Plan and Trust documents will govern. This booklet is not an agreement of employment.

Introduction

This Plan provides monthly retirement income for eligible participants and their surviving spouse at retirement. Benefits you receive are based on your service with a contributing employer and the level of contributions made on your behalf.

Here's an overview of some of the Plan's key features:

Alaska UFCW Pension Plan Highlights	
Who is Eligible	Employees of contributing employers who are required to make contributions on your behalf. You must complete at least 375 covered hours of service in a calendar year to earn a year of "credited service."
When Participation Begins	First day of the month for which employer contributions are required.
Cost of the Plan	The Plan is funded by your employer's contributions. You do not contribute.
How Benefits Are Determined	Your benefits are determined based on your service with a contributing employer and the level of contributions made on your behalf. See the section called "How Your Accrued Benefit is Determined" on page 8 for more information.
Vesting	• You become vested in your retirement benefit when you have completed five or more years of service, or on your normal retirement date if you are still actively employed on that date. • If you terminate employment before you are vested, you forfeit your benefits under this Plan. Forfeited benefits may be restored if you are later reemployed, as long as you do not incur a five year break-in-service.
When Benefits May Begin	• You may retire and begin receiving reduced early retirement benefits from this Plan as early as age 50 if you have completed five or more years of service. • Unreduced retirement benefits are available at your normal retirement date. Normal retirement is generally age 57 with at least five years of service or age 65 with at least one year of service. (See page 10 for more information.)

These are just the highlights. It's important to read this entire booklet carefully.

Employee Statements

At your request, the Plan will provide you with one personal benefit statement per year. You should check the information carefully and advise the Administration Office of any necessary corrections.

Cost of the Plan

This Plan is funded by your employer's contributions. The hourly rate of your employer's contribution is determined by a collective bargaining agreement or by a special written agreement between your employer and the Trustees. You are not required or permitted to contribute to the Plan.

A copy of the collective bargaining agreement and other information about your status, rights and privileges under the Plan is available for inspection at the Administration Office. A copy of the collective bargaining agreement may be obtained by writing to the Administration Office. You will be charged $0.25 per page for the reproduction.

Participation

If your employer is required to make contributions to this Plan on your behalf by the terms of a collective bargaining agreement or a special agreement with the Trustees, you are automatically covered by the Plan effective the first day of the month for which employer contributions are required.

A complete listing of contributing employers is available to participants and beneficiaries for inspection at the Administration Office. In addition, a participant or beneficiary may upon written request obtain a list of the contributing employers or information as to whether a particular employer is a contributing employer and the employer's address.

Individual proprietors, partners or other self-employed persons, corporate officers, individuals excluded by the Labor Management Relations Act, and substantial shareholders (generally 10% shareholders) are not eligible to participate in the Plan.

As a participant, you will be classified in one of the following categories of participation:

1. You are an ***"Active Participant"*** if employer contributions are being made for you, you have not terminated participation under the Plan, you are not currently receiving benefits under the Plan and you are not an "Inactive Participant," as described below.
2. You are an ***"Inactive Participant"*** if you were an Active Participant and are either earning "Uncovered Hours of Service" towards vesting (see page 6) or are currently on an approved leave of absence (described on page 6).
3. You are a ***"Terminated Vested Participant"*** if you have a vested interest in the Plan and are not currently receiving benefit payments under the Plan but have terminated Plan participation (described on page 18).
4. You are a ***"Terminated Non-Vested Participant"*** if you have terminated Plan participation, do not have a

vested interest in the Plan, are not earning "Uncovered Hours of Service" towards vesting and are not on an approved leave of absence.

5. You are a ***"Retired Participant"*** if you were an Active or Terminated Vested Participant but are now receiving benefit payments under the Plan.

How Service is Measured

Your eligibility for a benefit and the amount of benefit you are eligible for are based on your service with a contributing employer and the level of contributions made on your behalf. You must complete at least 375 covered hours of service in a calendar year to earn a year of credited service. Covered hours of service include all hours for which an employee is paid or entitled to payment (and for which an employer contribution to the Trust is required) on account of working, absence due to vacation, holiday, illness, incapacity, layoff, jury duty, military duty or leave of absence, or a back pay award. Hours in excess of the maximum hours per month recognized under a collective bargaining agreement are not counted.

Years of service are determined in the same manner as credited service (described above) with two exceptions:

1. "Uncovered hours of service." Beginning January 1, 1976, or the date your employer first contributes to the Plan (whichever is later), your hours worked in a job classification not covered by a collective bargaining agreement will be counted toward meeting the 375 required minimum hours to prevent a break-in-service and for determining whether your retirement benefit is vested, if you are continuously employed by the same employer and your uncovered hours follow your covered hours of service.

2. Maternity or paternity absence. If you earn less than 375 hours of service due to the birth or adoption of a child, you will be credited with enough additional hours of service to reach the minimum of 375 hours of service either in the calendar year of the birth or adoption or in the following calendar year. Hours credited for maternity or paternity absence will only be counted in determining whether you have a break-in-service and not for vesting or earning benefits under the Plan.

Also, only for purposes of determining whether there has been a break-in-service, hours of service include the following unpaid periods:

- Absence for military service.

- Absence for at least six months due to illness or injury which prevents you from working. The Trustees must approve the absence, and only the first two years of an absence will be counted.
- Absence for at least six months due to strike or lockout.

Hours of service during an absence are credited according to your regular work schedule, or eight hours per day if your regular schedule cannot be determined.

Calendar years in which you fail to work 375 hours of service will be counted as a break-in-service.

Service Used in Determining Benefits

The amount of benefit payable from the Plan is based on your covered hours of service and credited service. Your credited service is made up of credited past service and credited future service.

Credited Past Service

Credited past service generally is the number of your completed years of continuous service with a contributing employer starting from the date the employer was first required to contribute to the Plan or before January 1, 1970, whichever is later. Service before January 1, 1950 does not count. You are not entitled to credited past service unless you were employed by the contributing employer on the date the employer was first required to contribute to the Plan. You are responsible for proving that you were employed by the contributing employer in those prior years. The Trustees will determine the maximum number of years of credited past service allowed with respect to your employer.

In order to receive credited past service, you must have worked at least 375 covered hours of service either in the first calendar year that your employer was required to contribute to the Plan or in the next calendar year. In addition, to receive credited past service, you must complete at least five years of credited future service.

If your employer withdraws from participation in the Plan and you have not retired or terminated, the Trustees may withdraw their former grant of credited past service for your employer, and your credited past service will be forfeited.

Completed years of continuous service may be calculated using either of the following methods, whichever results in the most credited past service:

- **Method 1:** You are entitled to one year of credited past service for each calendar year before your employer became a contributing employer in which you were a member in good standing with your Local Union No. 1496 (Anchorage) or, prior to January 1, 1987, Local No. 1689 (Fairbanks), of the United Food & Commercial Workers, International Union, AFL-CIO, and any other lawful labor organization that the Trustees allow to participate in this Plan. If your latest Union membership date was before December 1, you will be credited with a full year of past service for that calendar year. If you let your Union membership lapse for a period of more than 12 consecutive months, your service prior to such a break in membership will not be counted.

- **Method 2:** You are entitled to one year of credited past service for each consecutive 12-month period preceding the first day of the month in which your employer became a contributing employer in which you worked at least 1,000 hours in the industry. Working in the industry means past continuous employment with your current employer or with any other employer participating in this Plan in any job classification included in a collective bargaining agreement (whether or not the collective bargaining agreement existed at that time) in an operation and within the area covered by this Plan. In addition, it means past employment under an agreement between any Union and an employer that was the same or similar to employment with employers participating in this Plan, but with an employer that is no longer in business. If you do not work at least 1,000 hours in the industry during a year, service prior to that year will not be counted.

Credited Future Service

Credited future service is based on your covered hours of service in each calendar year after the date your employer first contributed to the Plan for you. A covered hour of service is an hour for which your employer is required to contribute to the Plan on your behalf.

For each calendar year in which you complete 375 covered hours of service, you will be entitled to a year of credited future service. Excess covered hours may not be carried over to the next year.

You cannot earn more than one year of credited service in any one calendar year.

How Your Accrued Benefit is Determined

Your accrued benefit is the total of your past service benefit plus your future service benefit. Your accrued benefit is payable monthly, beginning at normal retirement, in the form of a Two Year Certain and Life annuity.

Read the following section for information about how your past service benefit and future service benefit are determined. You can also refer to the section called "Examples" starting on page 20 to see how one fictional participant's accrued benefit is calculated.

Past Service Benefit

For each year of your credited past service, you receive a month's past service credit as follows:

Under These Conditions and Circumstances:	The Amount of Monthly Past Service Benefit Is:	For This Credited Past Service:
Termination or retirement on or before 12/31/1972	**$ 9.50**	
Termination or retirement 1/1/1973 through 12/1/1975	**$20.00**	
Termination or retirement 12/2/1975 through 12/31/1977	**$30.00**	
Termination or retirement after 12/31/1977	**$40.00**	Each year commencing prior to 1/1/1980
Termination or retirement after 12/31/1977 and employer contributes at the highest contribution rate collectively bargained by Carrs or Safeway as of participant's most recent termination date	**$40.00**	Each year commencing on and after 1/1/1980
Termination or retirement after 1/1/1980 and employer contributes less than the highest contribution rate collectively bargained by Carrs or Safeway as of participant's most recent termination date	**$20.00**	Each year commencing on and after 1/1/1980

Future Service Benefit

For each year of your credited future service, you are credited with a monthly future service benefit as follows:

For Service Earned During This Time Period...	Your Future Service Benefit Is...
On or before **December 31, 1991**	**$0.0378** X covered hours of service
January 1, 1992 through December 31, 1998	**4.45%** of employer contributions
January 1, 1999 through December 31, 2003	**4.3%** of employer contributions
January 1, 2004 or later	**2.5%** of employer contributions

In order to be entitled to a future service benefit for any year, you must have earned at least 375 covered hours of employment during the calendar year (a year of credited future service).

Please note, the future service benefits shown in the chart above apply to active Plan participants who:

- Retire on or after January 1, 2004, and
- Have one year of credited service on or after January 1, 2004.

If you are a terminated vested participant or a terminated non-vested participant without a break-in-service as of January 1, 2004, you return to covered employment and earn one year of credited service, all your future service (both before and after termination) will be calculated using the table shown above.

If you are not in one of these categories (for example, you retired before January 1, 2004), your credited future service will be calculated based on the Plan provisions in effect at that time. Call the Administration Office if you have questions about your how your future service was determined.

When Benefits May Begin

Benefits may begin when you are eligible for and decide to take early, normal or deferred retirement. If you choose to retire early, your monthly benefit will be reduced as described later in this section.

Normal Retirement

Your normal retirement date is generally the earlier of either:

- The first of the month after you reach age 57 with at least five years of service, or

- The first of the month after you reach age 65 with at least one year of service in the current or preceding calendar year.

However, the Plan's rules for determining your normal retirement date are more complex than this and your normal retirement date may be slightly different, based on these rules. The complete Plan rules are as follows:

Normal retirement date is the earlier of:

(a) The later of:

 (i) The first day of the first month after you reach age 57 (but use your actual birthday if it is on the first of a month); or, the first anniversary of the date your employer was first required to contribute to the Plan according to a collective bargaining agreement, whichever is later; or

 (ii) The earlier of the date you:

  (1) Complete five or more years of service, at least one year of which is credited future service; or

  (2) Complete one year of service in the current or preceding year and have had the tenth anniversary of the first day of the month in which employer contributions were first made or owed on your behalf during any year of service which is not forfeited.

(b) The date you complete one year of service in the current or preceding year, reach age 65 and have had the fifth anniversary of the first day of the month in which employer contributions were first made or owed on your behalf during any year of service which is not forfeited.

Call the Administration Office for help determining your Normal Retirement Date.

If you retire on your normal retirement date, your monthly retirement income will be based on the accrued benefit you have earned as of your normal retirement date. Your monthly retirement income will be adjusted based on form of payment you elect (see Retirement Payment Options, page 14).

Early Retirement

You may choose to retire early if you are at least 50 years old, have completed five or more years of service, and you stop working for your current employer. You must make your election in writing.

If you retire on an early retirement date, your monthly retirement income will be your accrued benefit as of your early retirement date ***reduced*** by 5/12ths of 1% for each month that your early retirement date precedes your normal retirement date.

This reduction in your monthly early retirement income is because benefits are expected to be paid for a longer period than if they began at your normal retirement date. Your monthly benefit will be reduced further if you elect a payment option that provides for payments to your spouse to continue after your death (see Retirement Payment Options, page 14).

Deferred Retirement

If you choose to continue working after your normal retirement date, you will be eligible for a deferred retirement as of the first day of any month after you actually stop working. Your deferred retirement date must not be later than April 1 of the year after the year in which you reach age 70½ or the date you stop working, whichever is later. If you continue working after age 70½ you may choose, but are not required, to begin receiving benefits on the April 1 following the calendar year in which you turn age 70½.

If you retire on a deferred retirement date, your monthly retirement benefit will be your accrued benefit earned as of your deferred retirement date (but no less than the amount you would have received if you had retired on your normal retirement date increased to reflect the fact you delayed the start of your benefits). Your monthly retirement income will be reduced if you choose a payment option that provides for payments to continue to your spouse after your death (see Retirement Payment Options, page 14).

If you keep working after your deferred retirement date and after you start receiving benefits (at age 70½) your benefit amount will be recalculated and adjusted each year.

Applying for Retirement Benefits

When you decide to retire, ask the Administration Office for a retirement income application form. Complete the application and submit it to the Administration Office along with proof of age (for you and your spouse, if you're married), proof of marriage, and documentation of any name changes (as described on the next page).

When the Administration Office receives your application, the Trustees will determine if you are eligible for a benefit under the Plan. If you are eligible, the Trustees will send you a written explanation of the retirement payment forms available to you and the amount of your monthly retirement benefit under each of the applicable payment options. Based on this information, you should select the form of payment that best fits your personal circumstances. If you are married, some payment options you choose will require your spouse's written, notarized consent.

You should submit your application at least 60 days before you wish to retire. You may choose to begin receiving your benefit as of the first day of any month in the 90-day period following the date of your application. You may take at least 30 days to decide which payment option you want. If you and your spouse decide to waive this 30-day period on your application form, your benefit still cannot begin until at least eight days after the application is sent to you.

Normally your benefit will begin on the first of the month following the date your application was received, provided you have ceased working and your completed paperwork is received no later than the 20th of the month.

Application Forms

You may also choose a retroactive benefit start date as long as the date you choose is after the date the Trustees provide a written description of the forms of benefit to you.

If you have any questions, please call the Administration Office.

Proof of Age

Because the Plan requires proof of your date of birth as a condition of benefit payment when you retire, you must provide proof of age (and your spouse's age) before your benefits can start. Documents that will substantiate date of birth are as follows:

One of the following:	Or any two of the following:
Birth certificate	Passport
Infant baptismal certificate	Naturalization papers
	Family bible entries
	Marriage license
	Early school records
	U.S. census report*
	Life insurance policies*
	U.S. military service records
	** Must be at least 10 years old*

Note: If the name shown on any document differs from the present name, a copy of the court order, marriage license, or other document recording the name change must be submitted for identification purposes.

Retirement Payment Options

The Plan provides several different payment options when you retire. Although the amount of retirement income you receive each month differs under each option, the expected "actuarial" value for all of the payment options is the same.

If you are married and do not select a form of payment, your monthly retirement income will automatically be paid as a 100% Spouse Option. If you are single and do not select a form of payment, your monthly retirement income will automatically be paid as a Two-Year Certain and Life option.

Very small benefits (payments less than $10 a month) will not be paid monthly. Instead, they'll be paid less frequently (for example, every two to three months) so that each payment is at least $10.

Two-Year Certain and Life Option

This form of payment will provide you with monthly retirement income based on the accrued benefit you are entitled to as of your retirement date. The monthly payments will begin on your retirement date and will end when you die. If you die before you have received 24 monthly payments, your designated beneficiary will continue to receive the same amount of monthly payment for the remainder of the 24-month period, or until your beneficiary dies, whichever happens first.

Spouse Options

If you choose a Spouse Option, your monthly benefit amount is reduced to guarantee a lifetime income to your surviving spouse if you die first. You receive this reduced amount for life and, if you die before your spouse, your spouse receives a lifetime monthly income as follows:

- A **50% Spouse Option** gives your spouse half the amount you were receiving before your death.
- A **66⅔% Spouse Option** gives your spouse 66⅔% of the amount you were receiving before your death.
- A **100% Spouse Option** gives your spouse the same amount you were receiving before your death.

If you are married when you retire, your benefit will automatically be paid as a 100% Spouse Option unless you choose a different payment option.

If you elect a Spouse Option, you must submit proof of your spouse's age, proof of your marriage, and proof of any name changes of you or your spouse.

Spousal Consent Requirements

If you are married and elect the Two-Year Certain and Life payment option when you retire, your spouse must consent to this election in writing, on the official Plan form, witnessed by a notary public, and submitted during the 90 days before the first payment is made. You may choose any of the Plan's Spouse Options without having to provide the written consent of your spouse.

Reemployment After Retirement

Your monthly retirement benefits will be suspended during any month in which you return to active, covered post-retirement service for at least 40 hours per month or more. If you return to work, you must immediately notify the Administration Office. Your benefits will be suspended as long as you continue to work at least 40 hours per month, but they will be reinstated when you return to retirement or you reach age 70½, whichever comes first. When your benefits are reinstated, they will be in an amount that is no less than your initial retirement benefit.

You are considered to be reemployed in "post retirement service" if you work 40 or more covered hours of service in any month (defined as the calendar month or the four- or five- week pay period ending in a calendar month) in the industry, in the same trade or craft and in the same geographic area. These terms are defined below:

- *Industry* means any organization which is engaged in retail business as a supermarket, grocery store, super-drugstore, general merchandise store, drug store, liquor store, convenience food store, retail bakery or meat market.
- *Trade or Craft* is any work handling, selling, processing, servicing, or cashiering of any merchandise in any business under "Industry" above. Trade or craft shall also include any work as a supervisor, sole proprietor, partner, or corporate owner.
- *Geographic Area* is employment in the state of Alaska.

If you engage in post-retirement employment, you must provide to the Administrator any information regarding employment after retirement during the first calendar month of the employment, including Social Security and income tax records. If you fail to provide this information and the Administrator becomes aware that you are employed post-retirement, your retirement benefits will be suspended for every month of noncompliance, in accordance with the provisions of the regulations of the United States Department of Labor.

If benefits are suspended, the Administrator will notify you of the reasons for the suspension during the first calendar month that payments are suspended.

You must notify the Administrator upon your return to retirement during the first calendar month after you stop post-retirement service. Suspended benefit payments will resume no later than the first day of the third month after the month in which you stop post-retirement service. The first payment will include benefits for the months (or four- or five-week pay periods ending in a month) in which you completed less than 40 hours of post-retirement service.

If you receive a benefit for any month you were working 40 or more hours (or four- or five- week pay periods ending in a calendar month) the Administrator will reduce your first benefit payment by the amount of benefits paid during post-retirement service. If the overpayment amount is larger than the first payment, a portion of your future monthly checks will be withheld to repay the trust. You will receive 75% of your future pension benefits until the full amount has been repaid.

If you earn additional credited service by working at least 375 covered hours of service in a calendar year, your pension benefit will be re-determined. Your new benefit will take into account this additional service plus the benefit you earned previously. If you earn an additional benefit after your Normal Retirement Date, it will be paid according to your most recent payment election.

Cost of Living Adjustments

The Plan does not provide regular cost of living adjustments to your monthly retirement benefits. However, the Trustees have in the past from time to time authorized one-time cost of living adjustments for retired participants. Past cost of living adjustments were as follows:

Past Cost of Living Adjustments	
Effective Date	**Increase to Monthly Retirement Benefits**
1/1/1994	3.0%
4/1/1999	3.5%
4/1/2000	5.0%

A special, one-time extra monthly payment of 105% of the monthly benefit was also paid to retired participants as of March 1, 2000.

The Trustees are not obligated to make any future increases or payments.

Vesting

Your retirement benefit becomes vested when you have completed five or more years of service. Your retirement benefit will also become vested upon your normal retirement date if you are still an employee on that date.

If your participation in the Plan ends before you are eligible for early or normal retirement but after your retirement benefit has vested, you will be entitled to a monthly retirement benefit beginning on your early or normal retirement date. If your participation ends before you are vested, you forfeit Plan benefits.

The amount of your monthly retirement benefit will be based on your accrued benefit and the terms of the Plan as of your most recent date of Active Participation and will be subject to the normal or early retirement provisions, depending on when you choose to have monthly payments begin.

Reciprocity (Service With Related Plans) and Vesting

“Reciprocity” refers to agreements between various retail clerks and Amalgamated Meats pension plans under which each plan recognizes continuous service in the various Plans to determine whether you have a vested right to a benefit. Reciprocity is a “two-way street.” It applies to employees who leave this Plan and go to a related Plan, and to employees who enter this Plan from a related Plan.

A related Plan is another retirement Plan that has agreed with this Plan to exchange and recognize service credits earned by employees who work in both Plans. The following related Plans have been recognized by this Plan:

- Retail Clerks Pension Trust (Washington)
- Washington Meat Industry Pension Fund
- Clark County Employers and Retail Clerks 942 Pension Trust
- Denver Area Meat Cutters & Employers Pension Trust
- Oregon Retail Employees Pension Trust
- Northern California Retail Clerks Unions Food Employers Joint Pension Trust
- Rocky Mountain UFCW Unions & Employers Pension Trust (formerly Denver Area Trust)
- Intermountain Retail Store Employees Pension Trust
- Retail Drug Employees’ Pension Trust Fund
- Desert States Plan
- Oregon Federation of Butchers

The list may change from time to time. Contact the Administration Office for more information.

Hours of service you earn while a member of a related Plan will be counted by this Plan for vesting if you have earned at least one year of credited future service under this Plan. Also, hours of service under a related Plan will be considered in determining whether you worked enough hours to avoid a break-in-service and whether you have been in continuous service for purposes of credited past service.

When you retire, the service credits you earned while a member of a related Plan will be added to the service credits you earned while a member of this Plan in determining whether you meet the requirements for vesting under the Plan. The maximum amount of service credit you may earn in one calendar year using reciprocity is one year of service from either the related Plan or this Plan, but not both. You will receive credit for a year in the plan under which you worked the longest during that year.

Termination of Participation

Your participation in the Plan ends on the date you incur a break-in-service or the date an approved leave of absence ends, if later.

A leave of absence is approved if it lasts at least six months and due to:

- One period of voluntary enlistment in military service and all periods of conscription.
- Illness or injury that prevents you from working; the Trustees must approve the absence and it may not exceed two years.
- Other reasons approved by the Trustees, up to two years.
- Strike or lock-out.

Absences will not be approved if due to unlawful drug use, or legal drug use if you are required but fail to attend a rehabilitation program.

If you terminate Plan participation before you are vested (see below) and you have five consecutive breaks-in-service, you will lose all of your past and future service benefits earned before your termination.

Break-in-Service

If you earn less than 375 hours of credited service in a calendar year, you will have a break-in-service for that year. If you incur five consecutive breaks-in-service, your Plan participation will terminate.

Reemployment After Termination

Vested Participants: If you are a terminated vested participant and you are later reemployed by a contributing employer, all the benefits you earn after your reemployment will be added to those you earned before your termination.

Non-vested Participants: If your Plan participation terminated before you were vested and you are later reemployed, you may be eligible to have your service and accrued benefit reinstated if both the following apply:

- You are reemployed by a contributing employer, and
- You return before incurring a break-in-service equal to the larger of five consecutive years or the number of years of service preceding the break-in-service.

Death Benefits

If You Die Before Retirement – Married

If you are vested, married, and die **before** your earliest retirement date, your surviving spouse will receive a monthly benefit for life equal to the amount your spouse would have received if you terminated service the day you died, survived to your earliest retirement date, elected the 100% Spouse Option form of payment and died immediately after retiring. These monthly payments will begin on your earliest retirement date unless your surviving spouse elects to postpone the commencement of benefits to the first day of any month on or before the date that would have been your normal retirement date if you had survived.

If you are vested, married, and die **after** your earliest retirement date, but before you begin receiving benefits, your surviving spouse is entitled to a 100% Spouse Option. The benefit is equal to the amount he or she would have been entitled to if you had elected the 100% Spouse Option and retired the day before you died. The benefit is payable monthly beginning the first of the month following your date of death unless your surviving spouse decides to postpone receiving benefits to the first day of any month on or before the date that would have been your normal retirement date if you had survived.

As an alternative, your spouse may receive the actuarial equivalent of the applicable 100% Spouse Option form of payment described above in equal monthly installments over a 24-month period or until the spouse's death, whichever occurs first.

If You Die Before Retirement – Single

If you are vested, single, and die before your earliest retirement date, your designated beneficiary will receive a monthly death benefit, beginning within a reasonable time following your death but no later than the last day of the calendar year following your death. This death benefit will be paid for 24 months or until your beneficiary's death, whichever occurs first. The monthly benefit amount is equal to the benefit you would have received if you had survived, and began receiving retirement benefit payments on the date of your death or your earliest retirement date (determined as if you had survived but were not employed after your date of death), whichever is later, and commenced benefits in the form of a two year certain and life option. If your beneficiary dies before receiving 24 monthly payments, no further payments will be made after your beneficiary's death.

If You Die After Retirement

If you die after you retire, the form of payment you chose when you retired will determine the death benefit that may be payable to your surviving spouse or, if you have no surviving spouse, to your designated beneficiary under the Two-Year Certain and Life option (see page 14). If you die and do not have a surviving spouse (if married) or designated beneficiary (if single), no death benefits are payable.

Retiree Medical Benefits

If you are covered under the Retiree Medical Plan provided by the Alaska U.F.C.W. Health and Welfare Fund, medical benefits may be provided to you, your spouse and dependents under this Plan. These benefits are subject to certain limitations. Furthermore, the Trustees have the right to amend or terminate retiree medical benefits and/or the Retiree Medical Plan at any time. You should refer to the Summary Plan Description for the Alaska U.F.C.W. Health and Welfare Fund for more information regarding eligibility and benefits under that plan.

Examples

The following examples are intended to help you better understand your benefit. They are for illustration purposes only. If you have specific questions about the way your benefit is calculated, please contact the Administration Office.

Normal Retirement

Bill Jackson decides to retire on January 1, 2006 from an employer who has contributed at the highest collectively-bargained rate. He will be age 57 (normal retirement). Let's further assume that Bill has 10 years of credited past service and that, during his 26 years of future service beginning January 1, 1980, he worked 40,000 covered hours: 18,000 hours before January 1, 1992, 18,000 hours from January 1, 1992 to January 1, 2004, and 4,000 hours from January 1, 2004 through January 1, 2006. Also assume his employer contributed 85¢ for each covered hour Bill worked after December 31, 1991.

Bill's accrued benefit earned up to his normal retirement date is determined as follows:

1. **Monthly Past Service Benefit**

   $40 X 10 years of credited past service =
   $400.00/month

2. **Monthly Future Service Benefit**

   <u>For the period January 1, 1980 through January 1, 1992</u>:
   18,000 covered hours of employment x $0.0378 =
   $680.40/month

   +

   <u>For the period January 1 , 1992 through January 1, 1999</u>:
   10,500 covered hours of employment x .85 x 4.45% =
   $**397.16/month**

   +

   <u>For the period January 1, 1999 through January 1, 2004</u>:
   7,500 covered hours of employment x .85 x 4.3% =
   $274.13/month

   +

   <u>For the period January 1, 2004 through January 1, 2006</u>:
   4,000 covered hours of employment x .85 x 2.5% =
   $85.00/month

   Total Monthly Accrued Benefit = $1,836.69/month

If Bill is married and his wife is five years younger, the monthly retirement income available under the available retirement payment options is as follows:

Forms of Payment	Monthly Payment to Bill	Monthly Payment to Bill's Wife After His Death
Two Year Certain and Life	$1,836.69	*
50% Spouse Option	$1,663.49	$831.75
66% Spouse Option	$1,611.88	$1,074.59
100% Spouse Option	$1,518.02	$1,518.02

*Under this option, if Bill dies before January 1, 2008, his surviving spouse would receive $1,836.69 each month through January 1, 2008, or until her death if earlier, and nothing thereafter. If Bill dies after January 1, 2008, no further benefits will be paid from this Plan.

Early Retirement

Let's again assume that Bill Jackson decides to retire on January 1, 2006, but that he will only be age 55 at that time. The facts are the same as in the Normal Retirement example except that it will be an early retirement instead of a normal retirement.

Since Bill's retirement income payments will begin two years before his normal retirement date, his accrued benefit of $1,836.69 is adjusted to reflect the additional monthly payments he is expected to receive over his lifetime. His monthly accrued benefit is reduced by 5/12ths of 1% for each month that Bill's early retirement date (age 55) precedes his normal retirement date (age 57). This results in a reduction of 10% (5/12 x .01 x 24 months). Therefore, the monthly accrued benefit payable to Bill beginning at age 55 is $1,653.02 ($1,836.69 x 90%).

Monthly retirement income available under the available retirement payment options is as follows:

Forms of Payment	Monthly Payment to Bill	Monthly Payment to Bill's Wife After His Death
Two Year Certain and Life	$1,653.02	*
50% Spouse Option	$1,508.22	$754.11
66% Spouse Option	$1,464.91	$976.60
100% Spouse Option	$1,385.40	$1,385.40

* Under this option, if Bill dies before January 2008, his surviving spouse would receive $1,653.02 each month through January 1, 2008, or until her death if earlier, and nothing thereafter. If Bill dies after January 1, 2008, no further benefits will be paid from this Plan.

Important Information

Income Tax Highlights

Before you begin receiving Plan benefits, you should consult your tax advisor for information about current federal and state tax laws and how they apply to your situation.

However, distributions you receive from this Plan are taxable income for federal income tax purposes. If your benefits are paid monthly under a two year certain and life option or a spouse option you may elect whether or not to have income tax withheld from your payments. State income tax may also apply; check with your tax advisor.

A more detailed "Special Tax Notice Regarding Plan Payments" will be sent to you before you begin receiving Plan benefits. You may request a copy by calling the Administration Office.

Limitations on Benefits

There are federal laws that limit the maximum amount you can receive under the Plan. The limits have been set very high and you will be notified if they ever apply to you.

The Future of the Plan

Although the Board of Trustees intends to continue this Plan indefinitely, it reserves the right to change or discontinue the Plan at any time, unless precluded by the terms of a collective bargaining agreement. It cannot be changed, however, in a way that would reduce the rights you have accrued under the Plan prior to the change, nor can the Plan assets be used for anything other than to provide benefits to participants and beneficiaries or to pay Plan administrative expenses.

Protection of Benefits

Generally, your benefits under the Plan may not be assigned, sold, transferred, encumbered or used to secure debts, and are not subject to attachment, garnishment, or any other legal process. The law provides exceptions with respect to benefits payable pursuant to qualified domestic relations orders (QDRO) and for collection of federal taxes. A QDRO is a court order, judgment or decree which governs child support, spousal support or alimony, or marital property rights. Payments under a QDRO may begin, after you are vested, on the earliest date you could retire, even if you continue to work after that date.

Contact the Administration Office for more information about QDROs.

Name of Plan

This Plan is known as the Alaska United Food and Commercial Workers Pension Fund.

Plan Administrator–Agent for Legal Process

This Plan is maintained and administered by a joint labor-management Board of Trustees. The name, address and telephone number for the Board of Trustees and the Plan Administrator is:

Board of Trustees of the Alaska United Food and
Commercial Workers Pension Fund
c/o Welfare & Pension Administration Service, Inc.
2815 2nd Ave., Ste. #300
P.O. Box 34203
Seattle, Washington 98124-1203
Telephone: (206) 441-7574
(800) 732-1121

A list of participating employers and labor organizations can be examined at this office. Each member of the Board of Trustees and the Plan Administrator is an agent for purposes of accepting service of legal process on behalf of this Plan.

Contract Trust Administrator

The name, address and telephone number for the Contract Trust Administrator is:

Welfare & Pension Administration Service, Inc.
2815 2nd Ave., Ste. #300
P.O. Box 34203
Seattle, Washington 98124-1203
Telephone: (206) 441-7574 or (800) 732-1121

Members of the Board of Trustees

Union Trustees:

Identification Number

The Employer Identification Number assigned to the Plan by the Internal Revenue Service is 91-6123694. The Plan Number is 001.

Type of Plan

This Plan is a defined benefit pension plan.

Type of Administration

This Plan is administered by the Board of Trustees, with the assistance of Welfare & Pension Administration Service, Inc., a contract administrative services organization.

Description of Collective Bargaining Agreements

This Plan is maintained under several collective bargaining agreements between contributing employers and Local No. 1496 of the United Food & Commercial Workers International Union, AFL-CIO and, for years prior to January 1, 1987, Local No. 1689 (Fairbanks) of the United Food & Commercial Workers International Union, AFL-CIO. These collective bargaining agreements can be examined at the offices of the Plan Administrator.

Insured Benefits and the Future of the Plan

The Plan is intended to be permanent. However, the Trustees reserve the right to change, modify, amend, or terminate the Plan at any time. The Board of Trustees is authorized to amend the Plan in certain respects; for instance, changes may be required to comply with federal law. However, the Plan cannot be changed or amended in a way that would reduce the benefits you have earned under the Plan before the change or amendment. Any amendment that materially changes the costs under the Plan must be approved by the Board of Trustees and signed by two authorized officers. Continuation of the Plan is subject to the terms of the collective bargaining agreement.

Your pension benefits under this multiemployer Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first $11 of the monthly benefit accrual rate and (2) 75% of the next $33. The PBGC's maximum guarantee limit is $35.75 per month times a participant's years of service. For example, the maximum monthly guarantee for a retiree with 30 years of service would be $1,072.50.

The PBGC guarantee generally covers:

- Normal and early retirement benefits;
- Disability benefits if you become disabled before the Plan becomes insolvent; and
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law;
- Benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the earlier of (1) the date the Plan terminates, or (2) the date the Plan becomes insolvent;
- Benefits that are not vested because you have not worked long enough;
- Benefits for which you have not met all of the requirements at the time the Plan becomes insolvent; or
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask the 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). If you are hearing impaired, you may call 1-800-877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC pension insurance program is available through the PBGC web site *(http://www.pbgc.gov/)*.

In the event the Plan is terminated or partially terminated, all affected employees on the date of termination would be fully vested in their accrued benefits *to the extent those benefits are funded.* To the extent accrued benefits are *not* funded and not guaranteed by the PBGC, benefits would be permanently forfeited on Plan termination. Contributing employers would not be obligated to make any further contributions on behalf of affected employees, except for any additional contribution that may be required by federal law.

For more information on the PBGC insurance protection and its limitations, ask your Plan Administrator or the PBGC. Inquiries to the PBGC should be addressed to:

Branch of Coverage and Inquiries
PBGC
2020 K Street N.W.
Washington, D.C. 20006

The Branch of Coverage and Inquiries may also be reached by calling (202) 778-8800.

Funding Medium

A Trust is maintained as part of this Plan. The contributions made to this Plan by your employer are held in trust and invested by a professional investment manager in a diversified portfolio of assets.

Plan Year

The Plan's fiscal year and Plan year end December 31.

Your Rights as a Plan Participant

As a participant in this Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), as amended. ERISA provides that all Plan participants will be entitled to receive information about your plan and benefits:

- You may examine, without charge, at the Plan administrator's office and at other specified locations, such as work sites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, if any, and a copy of the latest annual report (Form 5500) filed by the Plan with the U.S. Department of Labor and available at the

Public Disclosure Room of the Employee Benefits Security Administration.

- You may obtain, upon written request to the Plan administrator, copies of documents governing operation of the Plan, including insurance contracts and collective bargaining agreements, if any, copies of the latest annual report (Form 5500) and an updated summary plan description. The Plan administrator may make a reasonable charge for the copies.
- You may receive a summary of the Plan's financial report. The Plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- You may 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 the right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide this statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties on the people who operate the plan. The people responsible for exercising discretion in the administration or operation of the Plan are called fiduciaries. These individuals or entities have an obligation to administer the Plan prudently and to act 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 receiving benefits or exercising your rights under ERISA.

Enforce Your Rights

If you believe your ERISA rights have been violated, you may file suit for:

- **Improper denial of benefits:** If your claim for a 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. If your claim is denied, you will receive a written explanation of the reasons for the denial. After you exhaust the Plan's claim appeal procedure, you may file suit in state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court.

- **Failure to provide materials:** If you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in federal court. In such a 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.
- **Misuse of Plan funds:** 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 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 the Plan, contact the Plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan administrator, contact the nearest office of the Employee Benefits Security Administration, 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 also may obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration at (800) 998-7542.

How To Appeal Your Claim For Benefits

Claim Procedures

If your (or your beneficiary's) claim to retirement benefits is denied or partially denied, the Trustees will notify you in writing and will give you an opportunity to appeal the decision.

The time periods for responding to a claim may be extended during periods when you have been requested to supply the Trustees with additional information. If the Trustees request additional information from you (or your beneficiary), you will have at least 45 days to respond to the request. The time period for the Trustees to respond to the appeal does not continue to run during this time.

Appealing Your Claim

If the Trustees deny your claim for benefits, you will receive written notification of this denial (or partial denial) within 90 days after your claim is filed, unless specific circumstances require an extension. You will be notified if the Trustees require an extension to review your claim. However, under no circumstance will this additional time extend beyond 180 days after your claim was originally filed.

If you wish to appeal this decision, you should request a hearing before the Trustees concerning your denied (or partially denied) claim. You or a person appointed by you must submit the request for a hearing within 60 days after you have received written notice that your claim has been denied. Your request for a hearing must be submitted in writing to the Administration Office. Within 30 days of receiving your request for a hearing, the Trustees will notify you of the date, time, and location of the hearing.

If you wish, you or a person appointed by you may examine pertinent documents relating to the denial prior to the hearing. You, or a person appointed by you, may also write to the Trustees requesting a description of the information used by the Trustees to deny your claim.

The hearing will be conducted by the Trustees or a committee appointed by the Trustees, composed of an equal number of employer and union Trustees. You, or a person appointed by you, will have a right to attend the hearing to present your position and supporting evidence, either orally or in writing. After the hearing, the Trustees (or subcommittee of Trustees) will issue a decision regarding your claim within 5 days of the hearing. The decision will be in writing and will include the specific reasons for the decision and references to any Plan provisions on which the decision is based. You will receive this notification to reaffirm, modify, or set aside your denied claim within 60 days after your appeal is filed, unless specific circumstances require an extension. Under no circumstances will this additional time extend beyond 120 days after your appeal was originally filed.

After you have exhausted the Plan's claim appeal procedure, you may file suit in state or federal court if you are not satisfied with the written decision of the Trustees. In addition, if you disagree with the Plan's decision, or lack thereof, concerning the qualified status of a domestic relations order, you may file suit in federal court.

Military Service Under USERRA

If you leave covered employment for service in the United States uniformed services (including the military, National Guard, and the Commissioned Corps of the Public Health Service), the period of military service may prevent a break in service (as described on page 7), and you may receive benefit accrual and vesting for the time you are away.

Under the Uniformed Services Employment and Reemployment Rights Act (USERRA), you must notify your employer before taking leave, unless precluded by military necessity or other reasonable cause. You should also tell your employer how long you expect to be gone. Your uniformed service may not exceed five years unless a longer period is necessary to complete an initial period of obligated service or you are ordered to (or retained on) active duty.

Upon release from duty, you must apply for reemployment as follows:

- For less than 31 days military service – apply immediately, taking into account safe transportation plus an 8-hour rest period.
- For 31-180 days military service – apply within 14 days.
- For more than 180 days military service – apply within 90 days.
- If you are hospitalized or convalescing, these reemployment deadlines will be extended while you recover, but not longer than two years.
- To ensure proper crediting of service under USERRA, you should notify the Administration Office when you take USERRA leave and how long you expect to be gone. You should also notify the Administration Office when you apply for reemployment after your leave.
- USERRA only applies if you seek reemployment after December 11, 1994. For information on the military service provisions that applied before that date, or for additional information on service under USERRA, please contact the Administration Office.

CONTACT INFORMATION

United Food and Commercial Workers
Local Union #1496

501 W. Northern Lights Boulevard #200
Anchorage, Alaska 99503-2577
(907) 258-1496

1410 S. Cushman, Suite #3A
P.O. Box 71349
Fairbanks, Alaska 99707-1349
(907) 456-6571

Alaska United Food and Commercial Workers
Pension Fund
Plan Administration Office

Labor Trust Services, Inc.
3380 C Street, #107
P.O. Box 93870
Anchorage, Alaska 99509-3870
(907) 561-5119
(800) 325-6532