

**SOUTHERN CALIFORNIA GENERAL SALES EMPLOYERS-UNITED FOOD & COMMERCIAL
WORKERS UNIONS PENSION FUND**

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DATE: December 2011

TO: Pension Plan Participants and Retirees

RE: Changes to the Pension Plan, Including Benefit Improvement

SUMMARY OF MATERIAL MODIFICATIONS

**SOUTHERN CALIFORNIA GENERAL SALES EMPLOYERS AND
UFCW UNIONS PENSION PLAN**

We are pleased to inform you that the Board of Trustees has adopted a benefit improvement for Retirees and for Participants who have not retired.

This Summary of Material Modifications (SMM) will describe the benefit improvement and advise you of other changes that have been made to the Southern California General Sales Employer and UFCW Unions Pension Plan ("Plan"). This information is very important to you. Please take the time to read it carefully and keep it with your copy of the Summary Plan Description.

I. Benefit Improvement (Effective January 1, 2010)

1. Each living Retiree whose Annuity Starting Date was before January 1, 2010, will be entitled to a Minimum Normal Retirement Benefit equal to \$50 multiplied by his or her total years of Credited Service. For some Retirees, this \$50 rate will not apply to more than 30 years of Credited Service.
2. Each Participant with an Annuity Starting Date on or after January 1, 2010 will be entitled to a Minimum Normal Retirement Benefit equal to \$45 multiplied by his or her total years of Credited Service.

Note: **Retirees who are entitled to a benefit increase as a result of the benefit improvement described above can expect that the amount of their monthly retirement benefit will be adjusted to reflect the benefit increase no later than March 1, 2012.** In addition, these Retirees will receive a one-time payment consisting of the amount of the increase for each month between January 1, 2010 (or the Retiree's retirement effective date, if that is after January 1, 2010) and the date that pension amounts are adjusted in 2012.

**II. Termination of Employment for Retirements Before Age 62
(Effective January 1, 2010)**

Effective January 1, 2010, Participants who have not attained the age of 62 must terminate employment with all Contributing Employers before benefits can begin. A Participant who has attained age 62 may commence his or her pension benefits without a termination of employment, provided he or she meets all other requirements for a pension.

III. Elimination of Suspension of Benefits (Effective January 1, 2009)

Effective January 1, 2009, the Plan's provisions concerning Suspension of Benefits were eliminated. This means that Retirees may return to work after retirement without having their pension benefit payments suspended.

Retirees who work for a Contributing Employer after retirement may earn additional benefit accruals. However, benefit accruals earned after retirement and after having attained Normal Retirement Age will be reduced by the actuarial equivalent of the pension benefits paid to the Retiree during that year.

IV. New Form of Payment: 75% Joint & Survivor Annuity (Effective January 1, 2009)

Married Participants who retire on or after January 1, 2009 and who are married on their Annuity Starting Date may elect to receive their pension in the form of a 75% Joint & Survivor Annuity (the 50% Joint & Survivor Annuity will also still be available). The 75% Joint & Survivor Annuity provides the Retiree monthly pension payments for life. Upon the Retiree's death, payments equal to 75% of the payment amount the Retiree was receiving will continue to the Retiree's surviving spouse for the spouse's life, provided the Retiree and his or her spouse were married on the Retiree's Annuity Starting Date and for at least one year before the Retiree's death. In order to provide continuing payments to the spouse after the Retiree's death, the amount of the Retiree's monthly pension payment is reduced from what the Retiree would have received with a Single Life Annuity.