UFCW & Employers Trust, LLC
P.O. Box 4102
Concord, CA 94524-4102

April 2022

To: Participants of the UFCW- Retail Clerks Specialty Stores Pension Trust Fund
From: The Board of Trustees
RE: Pension Plan Notices

Enclosed are three important notices regarding the Retail Clerks Specialty Stores Pension Trust Fund (the "Plan"): (1) the Plan's Annual Funding Notice for the 2021 Plan Year; (2) a Notice of Critical Status regarding the Plan's funded status for the 2022 Plan Year; and (3) an informational notice detailing the availability of Pension Estimates upon request. This letter provides a brief explanation of each of these notices and discusses the steps we are taking to ensure the security of your pension benefits.

Annual Funding Notice-2021

The first notice is the Annual Funding Notice for the 2021 Plan Year. The Annual Funding Notice provides important financial information about the Plan, including descriptions of the Trustees' funding and investment policies and the allocation of the Plan's investments.

Much of the information in the Annual Funding Notice is a snapshot of the Plan's financial status as of the beginning of 2021, and therefore does not reflect changes that have occurred since that time. For example, the section titled "Funded Percentage" provides information as of January 1, 2021, well over a year ago.

Notice of Critical and Declining Status - 2022

The second notice is the Notice of Critical and Declining Status for the 2021 plan year. The Pension Protection Act of 2006 (PPA) created new funding classifications for pension plans. A critical status plan is in declining status if it is projected to become insolvent within 15 years (20 years if the inactive to active participant ratio is more than 2 to 1, or if the plan is less than 80 percent funded). The Plan's actuary has determined that this Plan is in Critical and Declining status for the 2022 Plan Year.

The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries. Please note that the Plan's Board of Trustees have not taken any such action to date. You will receive notification before any changes related to the Plan's funding status are made to your benefits.

Please note that the PPA requires that the Plan's funding status be reviewed and certified annually. There are several variables beyond our control, which our advisors will monitor closely, including market volatility and changes in participants and/or amount of contributions from employers. These factors could affect the Plan's status and the Trustees' recommended corrective actions in the future.

Pension Estimate Availability Notice

If you are interested in finding out more about your retirement benefits and would like to receive a Pension Estimate, this notice details how to request a Pension Estimate from the Trust Fund Office.

If you have any questions regarding the attached notices, please contact the Fund Office at 1-800-552-2400.

Mail: P. O. Box 4102 · Concord, CA 94524-4102
Telephone: (800) 552-2400 · Facsimile: (925) 746-7552
www.ufcwtrust.com

ANNUAL FUNDING NOTICE
For the
RETAIL CLERKS SPECIALTY STORES PENSION TRUST FUND

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the Plan Year beginning January 1, 2021 and ending December 31, 2021 ("Plan Year").

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the Plan Year to get this percentage. In general, the higher the percentage, the better funded the Plan. The Plan's funded percentage for the Plan Year and each of the two preceding Plan Years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentages			
	2021 Plan Year	**2020 Plan Year**	**2019 Plan Year**
Valuation Date	January 1, 2021	January 1, 2020	January 1, 2019
Funded percentage	25.7%	30.9%	39.4%
Value of Assets	$17,355,300	$21,072,999	$23,347,092
Value of Liabilities	$67,353,023	$68,230,014	$59,303,679

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding Plan Years.

	December 31, 2021	December 31, 2020	December 31, 2019
Fair Market Value of Assets	$13,417,990	$17,335,300	$21,072,999

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

Critical Status

The Plan's actuary certified the Plan as being in critical status for the 2021 Plan Year, due to the following reasons:

(1) the Plan has an accumulated funding deficiency for the current Plan Year and over the next three Plan Years, the Plan is projected to have an accumulated funding deficiency for the 2021 through 2024 Plan Years;

(2) the funded percentage of the Plan is less than 65%, the Plan has an accumulated funding deficiency for the current Plan Year, and over the next four Plan Years, the Plan is projected to have an accumulated funding deficiency for the 2021 through 2024 Plan Years,

(3) the sum of the Plan's normal cost and interest on the unfunded benefits for the current Plan Year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; the Plan has an accumulated funding deficiency for the current Plan Year, and over the next four Plan Years, the Plan is projected to have an accumulated funding deficiency for the 2021 through 2024 Plan Years;

(4) the Plan was in critical status last year, the plan has an accumulated funding deficiency for the current Plan Year, and over the next 9 years, the Plan is projected to have an accumulated funding deficiency for the 2021 through 2030 Plan Years; and

(5) the Plan is projected to become insolvent in 2024.

Critical and Declining Status

The Plan actuary also certified the Plan as being in critical and declining status for the Plan Year ending December 31, 2021, because insolvency is projected within 15 years.

The Plan is expected to become insolvent during the 2023 Plan Year. Such insolvency may result in benefit reductions. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan in 2013. You were sent a notice of the benefit modifications under the Rehabilitation Plan in October of 2013. You may obtain a copy of the Plan's Rehabilitation Plan, any update to the Plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement. You may obtain this information by contacting the plan administrator.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2022, separate notification of that status has or will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was1,424. Of this number, 32 were active participants, 1,032 were retired or separated from service and receiving benefits, and 360 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan consists of the following:

- monitoring the balance in the funding standard account and the Plan's funded status as reflected in the annual valuation report prepared by an enrolled actuary retained by the Plan;
- implementing funding measures mandated by Code section 432; and
- maintaining an investment policy that establishes an investment program that over the long term is expected to generate returns that equal or exceed the Plan's actuarial assumed rate of return.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is to achieve the best possible return commensurate with prudence, diversification, and preservation of principal of the Fund. The manner in which the Investment Policy is to be carried out and the accountability of the investment managers in seeking to achieve the investment objectives is consistent with the fiduciary provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and prudent man rule standards expressed therein.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
Value of interest in common/ collective trusts	9.85%
Value of interest in registered investment companies (e.g., mutual funds)	90.15%

The above percentages are unaudited. For information about the plan's investment in any of the following types of investments as described in the chart above – common/collective trusts or pooled separate accounts – contact the Plan administrator at the following address:

Administrator – Retail Clerks Specialty Stores Pension Fund
UFCW & Employers Trust, LLC
1000 Burnett Ave, Suite 110
Concord, CA 94520
(800) 552-2400

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. You can access the Plan's annual report online by going to https://www.efast.dol.gov and using the search tool. Copies of the annual report are also available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Alternatively, you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Please note the Annual Report for the 2019 Plan Year will not be available until November 2020. Annual reports do not contain personal information, such as the amount of your accrued benefits. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where to Get More Information."

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see "Benefit Payments Guaranteed by the PBGC," below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1:If a participant with 10 years of credited service has an accrued monthly benefit of $600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($600/10), which equals $60. The guaranteed amount for a $60 monthly accrual rate is equal to the sum of $11plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/prac/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan," below.

.

Where to Get More Information

For more information about this notice, you may contact the Plan administrator at the following address:

Administrator – Retail Clerks Specialty Stores Pension Fund
UFCW & Employers Trust, LLC
1000 Burnett Ave, Suite 110
Concord, CA 94520
(800) 552-2400

For identification purposes, the official Plan number is 001 and the Plan's employer identification number or "EIN" is 94-6313558.

Events Having a Material Effect on Assets or Liabilities

The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021. Among other things, ARPA provides various forms of funding relief for multiemployer pension plans. Most notably, ARPA establishes a new program under which the Pension Benefit Guaranty Corporation (PBGC) will provide severely distressed multiemployer plans with "special financial assistance" in order to keep them solvent.

The Pension Fund is eligible for special financial assistance under ARPA because it is in critical and declining status. PBGC issued guidance on or about July 9, 2021, clarifying how the amount of special financial assistance eligible plans will receive is determined, how the application process works, and when plans such as this one may submit an application.

The Board of Trustees is reviewing filing for special financial assistance under ARPA and will provide you more information in the future on what the financial relief available under ARPA may mean to your pension benefits.

Mail: P. O. Box 4102 · Concord, CA 94524-4102
Telephone: (800) 552-2400 · Facsimile: (925) 746-7552
www.ufcwtrust.com

NOTICE OF CRITICAL AND DECLINING STATUS

FOR THE

RETAIL CLERKS SPECIALTY STORES PENSION FUND

This is to inform you that on March 31, 2022, the Plan actuaries certified to the U.S. Department of the Treasury, and to the Trustees, that the Plan is in critical and declining status for the Plan Year beginning January 1, 2022. Federal law requires that you receive this notice.

Critical and Declining Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that: (1) a funding deficiency is projected in four years, (2) a funding deficiency is projected in five years and the present value of vested benefits for non-actives is more than the present value of vested benefits for actives and the normal cost, plus interest, on unfunded actuarial accrued liability (unit credit basis) is greater than the contributions for the current year, (3) a funding deficiency is projected in five years and the funded percentage is less than 65%, (4) the funded percentage is less than 65% and the present value of assets, plus contributions, is less than the present value of benefit payments and administrative expenses over seven years, and (5) the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years.

Further, the Plan is considered to be in critical and declining status because (1) insolvency is projected within 15 years, (2) the ratio of in-actives to actives is 2:1 and insolvency is projected within 20 years, and (3) the funded percentage is less than 80% and insolvency is projected within 20 years.

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. A 5% surcharge is applicable in the initial critical Plan Year and a 10% surcharge is applicable for each succeeding Plan Year thereafter in which the Plan is in critical status, until the employer agrees to a collective bargaining agreement that implements the rehabilitation plan. The 5% surcharge was payable for work performed (contributions due) on or after (30 days from the date of this Notice of Critical Status) until December 31, 2013. The 10% surcharge has been payable after that date and until an employer's negotiated contribution rate that satisfies the Rehabilitation Plan goes into effect.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. This is the eighth year that the Plan has been in critical status. In addition to revising the Plan's formula for future benefit accruals and making similar changes, the law permits pension plans in the Red Zone to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan.

The Board of Trustees adopted a Rehabilitation Plan in 2013. You received notice of these benefit modifications pursuant to the Rehabilitation Plan in October 2013. The Rehabilitation Plan is subject to annual review and revision by the Board of Trustees, depending upon the Fund's financial condition and other factors. If the Trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement age. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 13, 2013. As you were notified in April of 2013, the Plan is not permitted to pay lump sum benefits or any other payment in excess of the monthly amount paid under a single life annuity (except for the payout of benefits worth less than $5000) while it is in critical status. This includes the Social Security Adjustment Option benefit.

Multiemployer Pension Reform Act of 2014 – Critical and Declining Status

In December 2014, the president signed into law the Multiemployer Pension Reform Act of 2014. The law allows for certain benefit suspensions if a plan is in Critical and Declining status. A critical status plan is in declining status if it is projected to become insolvent within 15 years (20 years if the inactive to active participant ratio is more than 2 to 1, or if the plan is less than 80 percent funded). As indicated above, the Plan's actuary has determined that this Plan is in Critical and Declining status for the 2022 Plan Year**.**

The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries. Please note that the Plan's Board of Trustees have not taken any such action to date. You will receive notification before any changes related to the Plan's funding status are made to your benefits.

Adjustable Benefits

The Plan offers or offered the following adjustable benefits that may be reduced or eliminated as part of any Rehabilitation Plan:

- Early Retirement Benefit or Retirement-type subsidy
- Disability Retirement Benefit (not yet in pay status)
- 75% Optional Survivor Annuity subsidy
- Benefit Improvements Made Within the Last 5 Years

Where to Get More Information

For more information about this notice, you may contact the Plan Administrator at the following address:

Administrator – Retail Clerks Specialty Stores Pension Fund
UFCW & Employers Trust, LLC
1000 Burnett Ave, Suite 110
Concord, CA 94520
(800) 552-2400

You have a right to receive a copy of the Rehabilitation Plan from the Plan.

Mail: P. O. Box 4102 · Concord, CA 94524-4102
Telephone: (800) 552-2400 · Facsimile: (925) 746-7552
www.ufcwtrust.com

April 2022

Retail Clerks Specialty Stores Pension Fund

Pension Estimate Availability Notice

Dear Member:

The Trust Fund Office would like to take this opportunity to remind you that Pension Estimates are available upon request. Pension Estimates can provide you with useful information needed to help plan your retirement. The statement will show the estimated value of the benefit you have earned under the UFCW- Retail Clerks Specialty Stores Pension Fund - based on the most currently available information - payable on or after your Normal Retirement Date.

If you are interested in finding out more about your retirement benefits and would like to receive a Pension Estimate, please contact the Pension Department at 1-800-552-2400. You can also view your Pension information by logging onto the Trust Fund's newly streamlined website at ufcwtrust.com. To protect your privacy in all pension matters, we have built in new layers of security that are required in order for you to register on the newly redesigned website

This service is just another way the UFCW Trust Pension Department is committed to "Working for Your Benefit."

Sincerely,

Pension Department