Food Employers Labor Relations Association and United Food & Commercial Workers Pension Fund

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ANNUAL FUNDING NOTICE FOR FOOD EMPLOYERS LABOR RELATIONS ASSOCIATION AND UNITED FOOD AND COMMERCIAL WORKERS PENSION 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. 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, 2022 and ending December 31, 2022 ("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.

	2022 Plan Year	2021 Plan Year	2020 Plan Year
Valuation Date	January 1, 2022	January 1, 2021	January 1, 2020
Funded percentage	3.6%	5.4%	9.5%
Value of Assets	$104,141,289	$178,613,626	$152,761,091
Value of Liabilities	$2,899,459,259	$3,321,737,430	$1,605,104,647

As required by law, the value of liabilities for the 2022 and 2021 Plan Years were calculated based on the interest rates prescribed by ERISA 4044.52 (2.40% per year for the first 20 years and 2.11% per year thereafter for 2022 and 1.62% per year for the first 20 years and 1.40% per year thereafter for 2021) for a multiemployer plan terminated by mass withdrawal. The value of liabilities for the 2020 Plan Year shown above reflects the Plan's 7.00% assumed rate of investment return in effect at such time.

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 differed from market values for the 2020 Plan Year 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. Additionally, the asset values in the chart above do not include the amount of the special financial assistance account, which reflects the remaining portion of the special financial assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act.

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. The asset value in the chart below for 2022 includes the amount of the Plan's special financial assistance account.

	December 31, 2022 (estimated)	December 31, 2021	December 31, 2020
Fair Market Value of Assets	$1,263,087,761	$104,141,289	$178,613,626

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 41,786. Of this number, 8,723 were current employees, 18,574 were retired and receiving benefits, and 14,489 were retired or no longer working for the employer and have a right 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 is to fund the Plan through a combination of payments received from withdrawn employers and investment income generated by the Plan's investments. The Plan's Trustees develop and implement the funding policy and monitor the funding level with the assistance of the Plan's enrolled actuary and the Plan's investment advisor.

Pension plans also have investment policies. These generally are written guidelines or general instructions concerning various types of categories of investment management decisions. The investment Policy of the Plan has been adopted by the Board of Trustees with the advice of the Plan's investment consultant. The investment policy, generally, is to invest the assets of the Plan in several different asset classes, within permitted allocation ranges. The investment policy is intended to (1) maintain a portfolio with an asset allocation and investment strategy that has a high probability of allowing the Plan to satisfy all remaining benefit payment and other obligations while limiting risk and complying with all restrictions on the on the investment of Plan assets under applicable law. The portion of the Plan's assets held in the special financial assistance account is subject to certain restrictions under the applicable regulations. In general, at least 67% of that account must be invested in investment grade fixed income securities and cash and up to 33% of that account may be invested in return-seeking assets, such as stocks. Additionally, taking into account the assets in the special financial assistance account, the Plan must hold assets in investment grade fixed income securities and cash sufficient to pay at least one year of projected benefit payments and administrative expenses.

Based on the advice of the Plan's investment consultant, the Trustees have diversified the Plan's investments with allocations to a number of different asset classes. 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. The allocations are percentages of the Plan's total assets, which include special financial assistance paid to the Plan and earnings thereon. These allocations are the preliminary, unaudited percentages of total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	5.51%
2. U.S. Government securities	6.01%
3. Corporate debt instruments (other than employer securities):	
Preferred	0.00%
All other	86.94%
4. Corporate stocks (other than employer securities):	
Preferred	0.00%
All other	0.00%
5. Partnership/joint venture interests	0.73%
6. Real estate (other than employer real property)	0.00%
7. Loans (other than to participants)	0.00%
8. Participant loans	0.00%
9. Value of interest in common/collective trusts	0.00%
10. Value of interest in pooled separate accounts	0.00%
11. Value of interest in master trust investment accounts	0.00%
12. Value of interest in 103-12 investment entities	0.00%
13. Value of interest in registered investment companies (e.g., mutual funds)	0.00%
14. Value of funds held in insurance co. general account (unallocated contracts)	0.00%
15. Employer-related investments:	
Employer Securities	0.00%
Employer real property	0.00%
16. Buildings and other property used in plan operation	0.00%
17. Other	0.81%
	100.00%

For information about the Plan's investment in any of the following types of investments -- common/collective trusts, pooled separate accounts, or 103-12 investment entities -- contact the Fund at FELRA & UFCW Pension Fund, 8400 Corporate Drive, Suite 430, Landover, MD 20785-2361, or by calling (866) 552-5071.

Events Having a Material Effect on Assets or Liabilities

By law this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. This is because such events can significantly impact the funding condition of a plan. The American Rescue Plan Act of 2021 ("Act) became law on March 11, 2021. The new law includes a special financial assistance program funded by the federal government for certain financially troubled multiemployer pension plans. The Plan applied for special financial assistance (SFA) from the federal government in December 2021 and August 2022. The Plan's applications were approved by the government and the Plan received $1,242,121,642 in SFA funds in May 2022 and an additional $125,747,248 in SFA funds in January 2023. The second payment was pursuant to a supplemented application that reflected the PBGC's final regulations governing the special financial assistance program.

Because the Plan received special financial assistance from PBGC under the American Rescue Plan Act, the Plan is required to be administered in accordance with conditions described in PBGC regulations. These conditions relate to benefit increases; allocation of plan assets; reductions in employer contribution rates; diversion of contributions to, and allocation of expenses to, other benefit plans; transfers or mergers; and withdrawal liability. Under certain circumstances, a plan may request approval from PBGC for an exception from the conditions relating to benefit increases, reductions in employer contribution rates, transfers or mergers, and withdrawal liability.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are 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. Or you may obtain a copy of the Plan's annual report by making a written request to the Fund Office. Annual reports do not contain personal information, such as the amount of your accrued benefit. 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

The Plan is required to include the following information about the rules that apply to insolvent plans and the PBGC guarantee. That does not mean that these rules will ever apply to the Plan. Whether these rules will ever apply depends on many factors.

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 $11 of 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 $11 plus $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/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," below.

Where to Get More Information

For more information about this notice, you may contact the Fund Office at 1-866-552-5071. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 52-6128473. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).