United Food and Commercial Workers Unions
and Participating Employers
Pension Fund

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ANNUAL FUNDING NOTICE

for the

United Food and Commercial Workers Unions and Participating Employers Pension Fund

Introduction

This notice provides key details about your multiemployer pension plan, United Food and Commercial Workers Unions and Participating Employers Pension Fund ("the Plan") for the plan year beginning January 1, 2025 and ending December 31, 2025 ("Plan Year").

This is an information notice. You do not need to respond or take any action.

This notice includes:
- Information about your Plan's funding status.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this notice, my Plan, or my benefits?

Contact your Plan administrator at:

- Associated Administrators, LLC.
- Phone: (410) 683-6500 or
- Address: 911 Ridgebrook Road, Sparks, MD 21152

To better assist you, provide your Plan administrator with the following information when you contact them:

- **Plan Number:** 002
- **Plan Sponsor Name:** UFCW Unions and Participating Employers Pension Fund
- **Employer Identification Number:** 52-6117495

What if I have questions about PBGC and the pension insurance program guarantees?

Visit www.pbgc.gov/prac/multiemployer for more information. For specific information about your pension plan or pension benefits, you should contact your employer or Plan administrator as PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pension plans, to provide this notice every year regardless of funding status. This notice does not mean your Plan is terminating.

How Well Funded Is Your Plan?

The law requires the Plan's administrator to explain how well the Plan is funded, using a measure called the "funded percentage." The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the percentage, the better funded the Plan. The chart below shows the Plan's funded percentage for the Plan Year and the two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

Funded Percentage			
	2025	**2024**	**2023**
Valuation Date	January 1, 2025	January 1, 2024	January 1, 2023
Funded Percentage	39%	43%	45%
Value of Assets	$ 100,865,333	$ 109,029,387	$ 113,456,215
Value of Liabilities	$ 258,595,001	$ 252,157,597	$ 253,765,788

In accordance with Treasury Department guidance, the funded percentage and asset values in the chart above do not reflect the Special Financial Assistance (SFA) paid to the Plan by the PBGC under the American Rescue Plan Act of 2021 (ARPA).

Year-End Fair Market Value of Assets

To provide further insight into the Plan's financial position, the chart below shows the fair market value of the Plan's assets on the last day of the Plan Year and each of the two preceding plan years as compared to the actuarial value of the Plan's assets on January 1st.

- **Actuarial values (shown in the chart above)** account for market fluctuations over time. Unlike market values, actuarial values do not change daily with stock or market shifts.
- **Market values (shown in the chart below)** fluctuate based on investment performance, providing a more immediate snapshot of the plan's funding status. The asset values in the chart below for December 31, 2025 include the amount of the Plan's SFA account.

	December 31, 2025	December 31, 2024	December 31, 2023
Fair Market Value of Assets	$278,595,327*	$93,897,413	$99,956,010

**Estimated based on unaudited information and includes $183,870,761 relating to SFA that the Plan received during 2025.*

<u>Endangered, Critical, or Critical and Declining Status</u>

Under federal pension law, a plan's funding status determines the steps a plan must take to strengthen its finances and continue paying benefits:

- **Endangered:** The plan's funded percentage drops below 80%. The plan's trustees must adopt a funding improvement plan.

- **Critical:** The plan's funded percentage falls below 65% or meets other financial distress criteria. The plan's trustees must implement a rehabilitation plan.

- **Critical and Declining:** A plan in critical status is also designated as critical and declining if projected to become insolvent – meaning it will no longer have enough assets to pay out benefits – within 15 years (or within 20 years under a special rule). The plan's trustees must continue to implement the rehabilitation plan. The plan's sponsor may seek approval to amend the plan, including reducing current and future benefits.

The Plan was in critical status for the Plan Year ending December 31, 2025 because the Plan was in critical status for the prior Plan Year and it has an accumulated funding deficiency in the current year.

In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan on November 26, 2010. The Rehabilitation Plan describes the actions to be taken by the Plan's Trustees, and the benefit and contribution changes to be bargained by the bargaining parties, to emerge from critical status or forestall possible insolvency. On March 26, 2025, in accordance with the Plan's Rehabilitation Plan, the Board of Trustees applied for SFA from the PBGC under ARPA.

The PBGC approved the Plan's SFA application and, on August 25, 2025, the Plan received SFA in the amount of $187,670,305.

As required by law, the Trustees will continue to evaluate the Plan's Rehabilitation Plan each year, and will consider any appropriate updates to the Rehabilitation Plan during its annual review process.

You may request a copy of the Plan's Rehabilitation Plan by contacting the Plan administrator. You can also ask for any updates to the Rehabilitation Plan and the actuarial and financial data showing actions taken to improve the Plan's funding.
If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2026, a separate notification of that status has been or will be provided.

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding plan years. The numbers for the Plan Year reflect the Plan administrator's reasonable, good faith estimate.

Number of participants and beneficiaries on last day of relevant plan year	**2025***	**2024**	**2023**
1. Last day of Plan Year	December 31, 2025	December 31, 2024	December 31, 2023
2. Participants currently employed	**1240**	1,656	1,828
3. Participants and beneficiaries receiving benefits	**3889**	3,858	3,767
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	**6142**	6,217	6,317
5. Total number of covered participants and beneficiaries (Lines 2 + 3 + 4 = 5)	**10,271**	**11,731**	**11,912**

* This is an estimated amount based on currently available data and therefore may be updated in future reporting years.

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Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The Plan's funding policy is to fund the Plan through a combination of contributions received from contributing employers and investment income generated by the Plan's investments. The funding level is designed to comply with requirements of ERISA and the Internal Revenue Code. These requirements include minimum funding levels and also include maximum limits on the contributions that may be deducted by contributing employers for federal income tax purposes. The Board of Trustees develops and implements the funding policy and monitors the funding level with the assistance of the Plan's enrolled actuary and the Plan's investment consultant.

Investment Policy

Pension plans also have investment policies that provide guidelines for making 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. It is intended to (1) generate net of fee returns in excess of the Plan's actuarial assumed rate of return within an acceptable level of volatility; (2) maintain sufficient Plan benefit payments; and (3) preserve the principal value of the Plan.

As of the end of the Plan Year, the Plan's assets were allocated among the following investment categories as percentages of total assets. The allocations are percentages of the Plan's total assets, which include special financial assistance paid to the Plan and earnings thereon.

Asset Allocations	**Percentage**
1. Cash (Interest bearing and non-interest bearing)	0.5%
2. U.S. Government securities	66.0%
3. Corporate debt instruments (other than employer securities):	
Preferred	0
All other	7.2%
4. Corporate stocks (other than employer securities):	
Preferred	0
Common	10.1%
5. Partnership/joint venture interests	9.6%
6. Real estate (other than employer real property)	0
7. Loans (other than to participants)	0
8. Participant loans	0
9. Value of interest in common/collective trusts	1.3%
10. Value of interest in pooled separate accounts	0.6%
11. Value of interest in 103-12 investment entities	2.5%
12. Value of interest in registered investment companies (e.g., mutual funds)	0
13. Value of funds held in insurance co. general account (unallocated contracts)	0
14. Employer-related investments:	
Employer Securities	0
Employer real property	0
15. Buildings and other property used in plan operation	0
16. Other	2.2%

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 Plan at UFCW Unions and Participating Employers Pension Fund, Attention: AFN Notice, 8400 Corporate Drive, Suite 430, Landover, MD 20785-2361, or by telephone at (866) 552-5071.

The average return on assets for the Plan Year is estimated to be 9.3%. The actual return cannot be known until audited financial statements are available later in 2026.

Events Having a Material Effect on Assets or Liabilities

By law this notice must include an explanation of any new events that materially affect the Plan's liabilities or assets. These events could affect the Plan's financial health or its ability to meet its obligations.

For the Plan Year beginning on January 1, 2025 and ending on December 31, 2025, the following events have such an effect:

The Plan received SFA funds in the amount of $187,670,305 on August 25, 2025. The SFA is being used to improve the financial health of the Plan and pay benefits to participants and beneficiaries. Because the Plan received SFA, the Plan may not submit an application to the Secretary of the Treasury to suspend or reduce your benefits in the future under the Multiemployer Pension Reform Act, also known as MPRA.

The Plan's largest employer closed a number of grocery stores during 2025 and its 2026 hours are expected to decline by 35% from its 2025 hours. Further declines are not anticipated.

Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the **Form 5500**, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans.

You can get a copy of your Plan's Form 5500:

- **Online:** Visit www.efast.dol.gov to search for your Plan's Form 5500.
- **By Mail:** Submit a written request to your Plan administrator.
- **By Phone:** Call 202-693-8673 to speak with a representative of the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your Plan administrator.

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. 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

Only vested benefits – those that you've earned and cannot forfeit – are guaranteed.

What PBGC Guarantees

PBGC guarantees "basic benefits" including:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Annuity benefits for survivors of plan participants.
- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor's bankruptcy date.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including:

- A participant's pension benefit or benefit increase until it has been part of the plan for 60 full months. Any month in which the multiemployer plan was insolvent or terminated due to mass withdrawal does not count toward this 60-month requirement.
- Any benefits above the normal retirement benefit.
- Disability benefits in non-pay status.
- Non-pension benefits, such as death benefits.

Determining Guarantee Amounts

The maximum benefit PBGC guarantees is set by law. Your Plan is covered by PBGC's multiemployer program. The maximum PBGC guarantee is $35.75 per month, multiplied by a participant's years of credited service.

PBGC guarantees a monthly benefit based on the Plan's monthly benefit accrual rate and your years of credited service. The guarantee is calculated as follows:

1. Take 100 percent of the first $11 of the Plan's monthly benefit accrual rate.
2. Take 75 percent of the next $33 of the accrual rate.
3. Add both amounts together.
4. Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

Example 1: Participant with a Monthly $600 Benefit and 10 Years of Service.

1. Find the accrual rate: $600/10 = $60 accrual rate
2. Apply the PBGC formula:
   Take 100 percent of the first $11 = $11
   Take 75 percent of the next $33 = $24.75
3. Add the two amounts together: $11 + $24.75 = $35.75
4. Multiply by years of credited service: $35.75 x 10 years = $357.50

In this example, the participant's guaranteed monthly benefit is $357.50.

Example 2: Participant with a Monthly $200 Benefit and 10 Years of Service.

1. Find the accrual rate: $200/10 = $20 accrual rate
2. Apply the PBGC formula:
   Take 100 percent of the first $11 = $11
   Take 75 percent of the next $9 = $6.75
3. Add the two amounts together: $11 + $6.75 = $17.75
4. Multiply by years of credited service: $17.75 x 10 years = $177.50

In this example, the participant's guaranteed monthly benefit is $177.50.