# UFCW Consolidated Pension Plan

## Summary Plan Description

## Employees of The Kroger Co.

## January 1, 2012 Edition

Board of Trustees and Fund Office
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## To All Covered Employees:

The Board of Trustees of the UFCW Consolidated Pension Fund is pleased to present you with this Summary Plan Description for the UFCW Consolidated Pension Plan (the "Consolidated Plan"). **This Summary Plan Description describes the key features of the Consolidated Plan as of January 1, 2012, as they apply to Employees working in Covered Employment for The Kroger Co. ("Kroger").** Since Kroger employees are covered by a separate schedule of benefits, separate Summary Plan Descriptions have been prepared for Kroger Employees and other Employees working in Covered Employment for participating employers other than Kroger (a "Non-Kroger Employer").

If you are an Employee covered under the Consolidated Plan, you and your spouse should read this booklet carefully so you understand how the Consolidated Plan works and the types of benefits it can provide. Please keep this booklet in a safe place for future reference.

The Consolidated Plan reflects the merger, effective December 31, 2011, of four separate pension plans: the United Food and Commercial Workers Unions and Employers Pension Plan (the "Atlanta Plan"), the UFCW Unions and Food Employers Pension Plan of Central Ohio (the "Central Ohio Plan"), the Indiana Area United Food and Commercial Workers Unions and Retail Food Employers Joint Pension Plan (the "Indiana Plan"), and the Northwest Ohio UFCW Union and Employers Joint Pension Fund (the "Northwest Ohio Plan") (collectively called the "Prior Plans").

This Summary Plan Description explains the general rules under the Consolidated Plan that apply if you have worked in Covered Employment for Kroger on or after January 1, 2012. The benefits you may have earned under the Prior Plans before January 1, 2012 remain unchanged, and are subject to the general rules under those plans as they existed on December 31, 2011. A short summary of the rules under the Prior Plans is contained in Appendices A though D at the end of this Summary Plan Description. For further information on the Prior Plan in which you participated prior to the merger of the Atlanta, Central Ohio, Indiana and Northwest Ohio Plans, please contact the Fund Office. The Fund Office can also provide you with a copy of the Summary Plan Description for your Prior Plan.

This Summary Plan Description for the Consolidated Plan also explains certain rules that apply to you if you terminated Covered Employment before January 1, 2012, but had not yet begun to receive your benefits from the Prior Plan in which you participated as of January 1, 2012. If you ceased Covered Employment or retired before January 1, 2012, your benefits will be based on provisions of your Prior Plan. If this applies to you, please contact the Fund Office for more information. However, please note that the Level Income Option described on page 24 can be elected by any participant who has not commenced benefits, including participants who terminated before January 1, 2012, and additional benefit options are available to participants who have not commenced benefits.

Your eligibility for a benefit and the amount of your benefit (if any) will be determined by the terms of the Consolidated Plan that are in effect on your last day of Covered Employment.

While every attempt has been made to make this booklet as accurate and complete as possible, full details of the Consolidated Plan are contained in the official plan document for the Consolidated Plan. You may request a copy of the official plan document from the Fund Office. If this Summary Plan Description differs from a provision contained in the official plan document for the Consolidated Plan or a Prior Plan, the official plan document for the Consolidated Plan or the Prior Plan will prevail.

Only the Board of Trustees of the UFCW Consolidated Pension Fund is authorized to interpret the terms of the Consolidated Plan. No Employer, UFCW Local Union, or any representative of an Employer or UFCW Local Union, is authorized to interpret the terms of the Consolidated Plan, nor can any such person act as an agent of the Board of Trustees.

For purposes of the Employee Retirement Income Security Act of 1974 ("ERISA"), this Summary Plan Description supersedes all other summary plan descriptions for the Prior Plans with respect to hours of service after December 31, 2011. This booklet does not create a contract or a guarantee of employment between your Employer and any individual.

The Board of Trustees recognizes the contributions of Covered Employees, contributing Employers, and participating UFCW Local Unions that have made it possible to provide the benefits described in this booklet. Continued efforts on our part, and yours, will bring additional financial security to the Consolidated Plan as it covers more hard-working people for many years to come.

If you are thinking about retirement, you should contact the Fund Office for a pension application. In general, you should submit a completed pension application and all required documents 180 days prior to the date you want to begin receiving your benefits to ensure timely processing of your application. Please remember to keep the Fund Office informed of any change in your mailing address. This will ensure that you receive all communications.

Sincerely,

**The Board of Trustees**

*You and your beneficiary have the right to obtain a statement of your pension benefit, free of charge, by written request to the Fund Office at the address shown on the cover of this booklet. The statement shows the benefit you have accrued to date, payable at your Normal Retirement Age under the Plan. You may request a pension benefit statement at any time, but not more than once in any 12-month period.*

Version: January 1, 2012

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# Introduction to the Consolidated Plan

## History of the Plan

The Consolidated Plan reflects the merger, effective December 31, 2011, of four separate pension plans: the United Food and Commercial Workers Unions and Employers Pension Plan (the "Atlanta Plan"), the UFCW Unions and Food Employers Pension Plan of Central Ohio (the "Central Ohio Plan"), the Indiana Area United Food and Commercial Workers Unions and Retail Food Employers Joint Pension Plan (the "Indiana Plan"), and the Northwest Ohio UFCW Union and Employers Joint Pension Fund (the "Northwest Ohio Plan") (collectively called the "Prior Plans").

The pension fund that resulted from the mergers is called the UFCW Consolidated Pension Fund and the assets used to fund your benefits under the Consolidated Plan are held in the UFCW Consolidated Pension Fund.

## Contributing Employers

There are many Employers contributing to the UFCW Consolidated Pension Fund pursuant to collective bargaining or participation agreements. However, Kroger accounts for more than 90% of all active participants in the Consolidated Plan. There are some differences between the benefits under the Consolidated Plan based on Covered Employment with Kroger and Covered Employment with a Non-Kroger Employer. This Summary Plan Description describes the schedule of benefits provided with respect to Covered Employment with Kroger. A separate Summary Plan Description has been prepared describing the schedule of benefits applicable to Covered Employment with a Non-Kroger Employer. See page 3 for a definition of "Covered Employment."

## Benefits Covered by This Summary Plan Description

For Kroger Employees, this Summary Plan Description generally applies only to those benefits accruing from your Credited Service with Kroger on and after January 1, 2012 (your "Post-2011 Benefit"). The benefits you earned before 2012 (your "Pre-2012 Benefit") and the rules applicable to those benefits are governed by the Prior Plan in which you participated on December 31, 2011. For purposes of determining (1) your eligibility to participate in the Consolidated Plan, (2) your vested interest in the Consolidated Plan, and (3) your retirement date eligibility, your Eligibility Service earned both before and after January 1, 2012 will be added together. For purposes of determining which percentage of Compensation applies to you under the Consolidated Plan's benefit formula on and after January 1, 2012 (see page 10), your Credited Service earned both before and after January 1, 2012 will be added together.

For purposes of reviewing the provisions applicable to Pre-2012 Benefits, please refer to your Prior Plan Summary Plan Descriptions, or the summaries in the Appendices. If you need a copy of your Prior Plan Summary Plan Description, please contact the Fund Office.

*Here is a look at some of the key provisions of the Consolidated Plan that apply to Post-2011 Benefits of Kroger Employees. More detailed information can be found in the following pages of this booklet. If you need information concerning your benefit under a Prior Plan, please consult your Prior Plan Summary Plan Description, or contact the Fund Office.*

### Covered Employment

Your participation in the Consolidated Plan is based on Covered Employment. You are in "Covered Employment" when you are working for an employer required to make contributions to the Consolidated Plan on your behalf under a collective bargaining or participation agreement.

### Eligibility Service and Participation

Eligibility Service is used to determine when you are eligible to participate in the Consolidated Plan. You earn one year of Eligibility Service for your first year of employment if you have at least 400 Hours of Service during the 12-consecutive-month period following your date of hire. Commencing January 1, 2012 (or if later, your date of hire), you earn one year of Eligibility Service for each calendar year in which you have at least 400 Hours of Service.

### Eligibility Service for Participation – Example

Susan began Covered Employment on June 24, 2012 at the age of 22, and completed 600 Hours of Service by June 23, 2013. Susan would be credited with one year of Eligibility Service for the period June 24, 2012 through June 23, 2013.

### Eligibility Service and Vesting

Eligibility Service is also used to determine whether you are vested under the Consolidated Plan and whether you are eligible for certain benefits or rights under the Consolidated Plan. You earn one year of Eligibility Service for vesting purposes during *each calendar year* in which you have at least 400 Hours of Service. In general, you become vested under the Consolidated Plan after you have earned five years of Eligibility Service. You can never earn more than one year of Eligibility Service for vesting purposes for any single calendar year.

### Eligibility Service for Vesting – Example

Anthony began Covered Employment on May 1, 2012, and completed 360 hours during 2012. Anthony also completed 180 Hours of Service during the first four months of 2013 and 375 Hours of Service during the remaining eight months of 2013, for a total of 555 Hours of Service during 2013. Although Anthony earned a year of Eligibility Service for his initial 12 months of employment (for purposes of determining whether he was eligible to participate in the Consolidated Plan), he did not have 400 Hours of Service during 2012 and did not earn a year of Eligibility Service for vesting purposes in 2012. However, since Anthony had more than 400 Hours of Service in 2013, he would earn a year of Eligibility Service for vesting purposes in 2013.

### Credited Service

Credited Service is used to determine the amount of your benefit under the Consolidated Plan. Commencing January 1, 2012, you earn one year of Credited Service for each calendar year in which you have at least 400 Hours of Service in Covered Employment. You can never earn more than one year of Credited Service for any single calendar year.

### Credited Service – Example

Alison began Covered Employment on June 24, 2012, and completed 225 hours during 2012. Alison also completed 225 Hours of Service during the first six-month period of 2013 and 225 Hours of Service during the second six-month period of 2013, for a total of 450 Hours of Service during 2013. Although Alison earned a year of Eligibility Service for her initial 12 months of employment (for purposes of determining whether she was eligible to participate in the Consolidated Plan), she did not have 400 Hours of Service during 2012 and did not earn a year of Credited Service for 2012. However, since Alison had more than 400 Hours of Service in 2013, she would be credited with one year of Credited Service for 2013, and would have one year of Credited Service on December 31, 2013.

### Normal Retirement Benefit

You are eligible to receive your Normal Retirement Benefit at the later of when you reach age 65 or when you have at least five years of Eligibility Service.

### Early Retirement Benefit

You are eligible for an Early Retirement Benefit after you have reached age 55 and have at least 10 years of Eligibility Service (as determined for vesting purposes). Your Early Retirement Benefit will be reduced to the extent that you elect to start receiving it before your Normal Retirement Date.

### Terminated Vested Benefit

If you are vested under the Consolidated Plan and you terminate employment before becoming eligible for a Normal Retirement Benefit or Early Benefit, you will be eligible for a Terminated Vested Benefit. Your Terminated Vested Benefit will be reduced to the extent that you elect to start receiving it before your Normal Retirement Date.

### Disability Benefit

If you become totally and permanently disabled while you are in Covered Employment and you have at least 20 years of Eligibility Service (as determined for vesting purposes), you may be eligible for a Disability Benefit.

### Pre-Retirement Surviving Spouse Benefit

If you have completed at least five years of Eligibility Service (as determined for vesting purposes) and you die before you start receiving benefits under the Consolidated Plan, your surviving spouse may be eligible to receive benefits from the Consolidated Plan.

### Suspension of Benefits

Your benefits under the Consolidated Plan may be totally or partially suspended if you continue your Covered Employment after your Normal Retirement Date or if you return to Covered Employment or other Prohibited Employment after you have begun receiving benefits.

The extent to which benefits earned under a Prior Plan may be suspended if you remain in Covered Employment after your Normal Retirement Date or if you return to Covered Employment after you have begun receiving benefits will be determined in accordance with the rules of your Prior Plan. These rules may differ significantly from those applicable to benefits under the Consolidated Plan. Please consult your Prior Plan Summary Plan Description for the suspension of benefit rules applicable under your Prior Plan (or contact the Fund Office).

### Required Commencement Date

If you have not applied for benefits by age 70 ½, your pension benefit payments will automatically begin on April 1 of the following year in the form of a joint and 50% survivor annuity. If you do not apply for a pension, your annuity will be calculated based on the assumptions that you are married and your spouse is five years younger.

If you are age 70, have at least five years of Eligibility Service (as determined for vesting purposes) and have not yet begun receiving benefits, you should contact the Fund Office for information.

### Contributions and Benefit Accruals

Your Employer pays contributions to the UFCW Consolidated Pension Fund on your behalf. You are not required or permitted to make any contributions to the UFCW Consolidated Pension Fund.

# Eligibility and Vesting

## Enrolling in the Consolidated Plan

You do not need to do anything to enroll in the Consolidated Plan. As soon as you become eligible, you will be automatically enrolled.

## When Participation Begins

If you were a Participant in one of the Prior Plans on December 31, 2011, you automatically became a Participant in the Consolidated Plan on January 1, 2012 (if you were still employed in Covered Employment on January 1, 2012). Otherwise, you will become a Participant in the Consolidated Plan on the first day of the month after you meet all of the following requirements (provided you are in Covered Employment on that date):

- You are an Employee of an Employer who has agreed to make contributions to the Consolidated Plan on your behalf, and
- Your Employer has been approved by the Board of Trustees, and
- You have reached age 21 and completed at least one year of Eligibility Service. If you started Covered Employment before age 21, once you reach age 21, your Eligibility Service completed prior to your 21st birthday will be taken into account.

## When Participation Ends

You cease to be a Participant in the Consolidated Plan when:

- Your Employer discontinues its participation in the Consolidated Plan and contributions are no longer made on your behalf, or
- The Trustees terminate the participation of your Employer because it fails to abide by the rules of the Consolidated Plan or fails to make required contributions, or
- You terminate Covered Employment at a time when you do not satisfy the requirements for a vested benefit under the Consolidated Plan.

You are still a Participant in the Consolidated Plan if you terminated Covered Employment and are vested or are currently receiving benefits from the Consolidated Plan.

## Eligibility Service

For purposes of determining when you are eligible to participate in the Consolidated Plan, you earn one year of Eligibility Service for your first year of employment if you have at least 400 Hours of Service during the 12-consecutive-month period following your date of hire. Starting with the first Plan Year commencing after your date of hire, you earn one year of Eligibility Service for each calendar year in which you have at least 400 Hours of Service.

### Eligibility to Participate – Examples

Rebecca began Covered Employment on June 24, 2012 at age 22, and completed 425 Hours of Service by June 23, 2013. Rebecca would be credited with one year of Eligibility Service for the period from June 24, 2012 through June 23, 2013, so she would commence participation in the Consolidated Plan on July 1, 2013.

Ben began Covered Employment on April 3, 2012 at the age of 19, and completed 650 Hours of Service by April 2, 2013. Although he will be credited with one year of Eligibility Service, he is not eligible to commence participation in the Consolidated Plan because he is not 21. Ben will commence participation in the Consolidated Plan on the first day of the month following his 21st birthday. Once Ben becomes a Participant in 2014, his Eligibility Service for 2012 and 2013 will be counted in determining whether his benefit is vested and in determining the benefit amount he earns once he becomes a Participant.

## Vesting

Vesting is based on your Eligibility Service. However, the vesting rules are slightly different from those used to determine your eligibility to participate in the Consolidated Plan. For purposes of determining your vested interest in your Consolidated Plan benefits, you earn one year of Eligibility Service for each calendar year in which you have at least 400 Hours of Service. You can never earn more than one year of Eligibility Service for vesting purposes during any single calendar year.

Eligibility Service earned under a Prior Plan will generally be taken into account in determining the total amount of your Eligibility Service. In addition, if you are under age 21, any Eligibility Service you completed prior to your 21st birthday will be credited when you become a participant in the Consolidated Plan.

### Vesting – Examples

Nancy began Covered Employment on September 24, 2012, and completed 350 hours during 2012. Nancy did not have 400 Hours of Service during 2012 and did not earn a year of Eligibility Service for vesting purposes during 2012.

Andrew began Covered Employment on April 3, 2012, his 19th birthday. He completed 500 Hours of Service during both 2012 and 2013. When Andrew commences participation in the Consolidated Plan on May 1, 2014 (following his 21st birthday), he will be credited with two years of Eligibility Service for vesting purposes (for 2012 and 2013). His service for 2012 and 2013 will also be taken into account in determining the benefit amount he earns once he becomes a Participant (as described later).

## Hour of Service

For purposes of earning Eligibility Service, an "Hour of Service" includes:

- Any hour for which you are directly or indirectly compensated by your Employer, including overtime.
- Each of the first 501 hours during which you are compensated for back pay, vacation, holidays, illness, incapacity or disability, jury duty, layoff, and authorized leaves of absence.

## Compensation

Compensation includes your W-2 earnings, and also includes any pre-tax contributions you may have made to Kroger's 401(k) plan, health plan or cafeteria plan. Compensation excludes payments under this Plan, worker's compensation, unemployment insurance, etc.

## Becoming Vested

If you are "vested" under the Consolidated Plan, you have earned a non-forfeitable right to a benefit under the Consolidated Plan that cannot be taken away from you. You must have earned five years of Eligibility Service (as determined for vesting purposes) in order to be vested under the Consolidated Plan.

## Break in Service

A "Break in Service" is a period of five consecutive Plan Years in which you fail to earn any Eligibility Service.

If you are not vested under the Consolidated Plan and you incur a Break in Service, the Credited Service and Eligibility Service you had previously earned will be permanently canceled. If you return to Covered Employment after that, you will be treated as a new Employee.

# Eligibility and Vesting (cont.)

You won't fail to earn a year of Eligibility Service due to:

- An authorized leave of absence due to illness or injury (provided that you return to service or retire on or before the end of the leave period), or
- A leave of absence by a Kroger Employee to serve as an employee of a UFCW Local, or
- A transfer or change to a position with your Employer that does not require contributions to be made to the Consolidated Plan on your behalf, or
- A maternity or paternity leave of absence, up to a total of 501 hours.

*The following are examples showing how Breaks in Service are determined under the Consolidated Plan.*

### Break in Service – Example 1

| Calendar Year | Hours of Service | Eligibility Service | Break in Service |
|---|---|---|---|
| Year 1 | 1,200 | 1 | - |
| Year 2 | 1,600 | 1 | - |
| Year 3 | 1,400 | 1 | - |
| Year 4 | 1,200 | 1 | - |
| Year 5 | 300 | - | 1 |
| Year 6 | 200 | - | 1 |
| Year 7 | 300 | - | 1 |
| Year 8 | 200 | - | 1 |
| Year 9 | 300 | - | 1 |
| **Total** | | **4** | **5** |

Bill earned 4 years of Eligibility Service and then incurred a 5-year Break in Service. The service and benefits that Bill earned under the Consolidated Plan from Year 1 to Year 4 are permanently canceled at the end of Year 9.

### Break in Service – Example 2

| Calendar Year | Hours of Service | Eligibility Service | Break in Service |
|---|---|---|---|
| Year 1 | 1,200 | 1 | - |
| Year 2 | 1,600 | 1 | - |
| Year 3 | 1,400 | 1 | - |
| Year 4 | 1,200 | 1 | - |
| Year 5 | 300 | - | 1 |
| Year 6 | 200 | - | 1 |
| Year 7 | 300 | - | 1 |
| Year 8 | 200 | - | 1 |
| Year 9 | 600 | 1 | - |
| **Total** | | **5** | **4** |

Nancy earned 4 years of Eligibility Service and then incurred a 4-year Break in Service. However, following that 4-year Break in Service, she earned another 1 year of Eligibility Service. Therefore, the service and benefits that Nancy earned under the Consolidated Plan from Year 1 to Year 4 are not canceled. Further, Nancy earned her fifth year of Eligibility Service in Year 9 and she is therefore fully vested in the Consolidated Plan. Once Nancy is fully vested, her service and benefits cannot be cancelled.

### Military Service

You may earn Eligibility Service (and Credited Service) for periods of military service in accordance with the Uniformed Service Employment and Reemployment Rights Act of 1994 ("USERRA") and the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART Act") if you return as an Employee of your Employer within the time prescribed by law to protect re-employment rights, or if you die or become disabled while in military service.

## Reciprocity Agreements

The Board of Trustees has entered into Reciprocity Agreements with several other pension plans covering members of the UFCW. These Reciprocity Agreements will protect Participants against a loss of prior service, benefits, or eligibility resulting from a Break in Service.

In general, under a Reciprocity Agreement, one UFCW pension plan will accept the service you earned under another UFCW pension plan for purposes of determining your eligibility and vesting. However, each plan will pay its share of your benefit based on the credited service you earned under that plan, so there will be no duplication of benefits. Credited service and benefit amounts will be determined under the provisions of the applicable plan.

If you would like to receive a list of reciprocal plans, you should contact the Fund Office.

# Benefit Accruals

## Credited Service

You earn one year of Credited Service for each calendar year in which you have at least 400 Hours of Service with an Employer required to make contributions to the UFCW Consolidated Pension Fund on your behalf. You can never earn more than one year of Credited Service for any single calendar year.

You may earn Credited Service (and Eligibility Service) for periods of military service in accordance with the USERRA and the HEART Act if you return as an Employee of your Employer within the time prescribed by law to protect re-employment rights, or if you die or become disabled while in military service.

### Credited Service – Example

Glen began Covered Employment on September 12, 2012 at age 22, and completed 200 Hours of Service during 2012. Glen also completed 600 Hours of Service during the first eight months of 2013 and worked a total of 800 Hours of Service during 2013. Glen became a participant in the Consolidated Plan on October 1, 2013 (after he completed one year of Eligibility Service). He earned a year of Credited Service for 2013 (because he completed 400 Hours of Service during that year). Since he did not have 400 Hours of Service during 2012, he did not earn a year of Credited Service for 2012.

## Benefit Accrual Formula for Kroger Covered Employment

Your accrued benefit under the Consolidated Plan based on Covered Employment with Kroger is defined as an amount payable for your lifetime beginning on the first day of the month coincident with or next following your Normal Retirement Date. The amount of the benefit you accrue under the Consolidated Plan each year of Covered Employment with Kroger is based on a percentage of your Compensation.

Your annual Compensation includes your W-2 earnings, and also includes any pre-tax contributions you may make to Kroger's 401(k) plan, your health plan or cafeteria plan. Your annual Compensation excludes payments under this Plan, worker's compensation, unemployment insurance, etc.

Under the new percentage of pay formula, you will accrue pension benefits each year, starting January 1, 2012, equal to a percentage of your Compensation for that year. For each of your first five years of Credited Service, you will accrue pension benefits of 0.75% of your Compensation for that year. (Credited Service earned before 2012 is included in determining whether you have reached five years.) After that, you will accrue pension benefits for each year of Credited Service equal to 1.0% of your Compensation for that year. Only compensation paid on or after January 1, 2012 counts towards pension benefits.

### Benefit Accrual Formula for Kroger Covered Employment

*Plan Years when you have less than five years of Credited Service*:

Monthly Benefit Accrual = 0.75% x (1/12) x Your Compensation for that year

*Plan Years when you have at least five years of Credited Service:*

Monthly Benefit Accrual = 1.00% x (1/12) x Your Compensation for that year

### Special Rule for Some Kroger Employees

There is a special rule for some Kroger Employees. Specifically, if you were a "Tier I Participant" in the Atlanta Plan or Indiana Plan, or you were a "Tier II Participant" in the Atlanta Plan or Indiana Plan who was vested as of December 31, 2011, you will earn a benefit equal to the *greater of* the benefit you would have received under your old Prior Plan formula (taking into account a wear-away of early retirement subsidies under your old Prior Plan provisions) or the new pay-based formula described above. However, in determining the amount of the monthly benefit accrual under the new pay-based formula, your annual Compensation will be subject to an annual maximum. That maximum is $36,000 in 2012, increasing by 2% per year after 2012.

For purposes of this special rule, a "Tier I Participant" is a Kroger Employee who either (1) was in the Atlanta Plan and had a date of hire before July 1, 2004, or (2) was in the Indiana Plan and had a date of hire before May 1, 2004.

For purposes of this special rule, a "Tier II Participant" is a Kroger Employee who either (1) was in the Atlanta Plan and had a date of hire on or after July 1, 2004 but before January 1, 2010, or (2) was in the Indiana Plan and had a date of hire after April 30, 2004 but before June 18, 2008.

### Authorized Leave of Absence from Kroger with a UFCW Local Union

If you are on an authorized leave of absence from Kroger to work for a UFCW Local Union, you will be treated as being in Covered Employment with Kroger during the period of your leave, as long as the Union agrees to make contributions to the UFCW Consolidated Pension Fund based on your service with the UFCW Local Union. If your UFCW service is treated as Kroger employment, your benefits while working for the UFCW Local Union will be based on your average total compensation from Kroger over the six months preceding the commencement of your Union leave (or such shorter period that you worked for Kroger, if you have been employed less than six months). In determining compensation, general wage increases (but not step or longevity increases) applicable to Kroger Employees in your bargaining unit during the period of your Union leave will be taken into account.

# BENEFIT ACCRUALS

*The examples on the following pages show how benefit accruals are calculated under the Consolidated Plan for Kroger Employees:*

**EXAMPLE 1 JOHN:**

John began working at Kroger in 2011. As of December 31, 2011, he had earned one (1) year of Credited Service and accrued a monthly benefit of $16.00 under the Atlanta Plan. In other words, John's Pre-2012 Benefit is $16.00 per month.

John's Compensation for 2012 is $18,000, and it will increase each year in the future as shown below. John will also earn a year of Credited Service for each year from 2012 through 2021, because he will have at least 400 Hours of Service in each of those years.

Beginning in 2012, the amount of the benefit that John earns each year increases as his Compensation increases. Note that the accrual rate increases after John earned five years of Credited Service (starting in 2016). From 2012 through 2021, John earns a Post-2011 Benefit of $148.80 per month.

| John's Pre-2012 Accrued Benefit Under the Atlanta Plan | | | |
|---|---|---|---|
| $16.00 per month | | | |
| **John's Post-2011 Accrued Benefit Under the Consolidated Plan** | | | |
| (1) | (2) | (3) | (4) |
| Year | Compensation | Accrual Rate (% Pay) | Monthly Benefit Accrued = (2) x (3) / 12 |
| 2012 | $18,000 | 0.75% | $ 11.25 |
| 2013 | $18,360 | 0.75% | $ 11.48 |
| 2014 | $18,725 | 0.75% | $ 11.70 |
| 2015 | $19,100 | 0.75% | $ 11.94 |
| 2016 | $19,485 | 1.00% | $ 16.24 |
| 2017 | $19,875 | 1.00% | $ 16.56 |
| 2018 | $20,270 | 1.00% | $ 16.89 |
| 2019 | $20,675 | 1.00% | $ 17.23 |
| 2020 | $21,090 | 1.00% | $ 17.57 |
| 2021 | $21,510 | 1.00% | $ 17.93 |
| **John's Total Accrued Benefit During 2012-2021** | | | **$148.80** |
| **John's Total Pre-2012 and Post-2011 Accrued Benefit = $164.80 per month** | | | |

At December 31, 2021, John's total Accrued Benefit will be $164.80, payable at his Normal Retirement Date. This is the sum of his Pre-2012 Benefit ($16.00) and Post-2011 Benefit ($148.80)

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**EXAMPLE 2 ELLEN:**

Ellen began working at Kroger in 1992 and was covered under the Atlanta Plan. Therefore, she is a "Tier I Participant" in the Atlanta Plan.

As of December 31, 2011, Ellen had earned twenty (20) years of Credited Service and accrued a monthly benefit of $1,016.00 under the Atlanta Plan. In other words, Ellen's Pre-2012 Benefit is $1,016.00 per month.

Ellen's Compensation for 2012 is $24,500, and it will increase each year in the future as shown in the table below. Ellen will also earn a year of Credited Service for each year from 2012 through 2021, because she will have at least 400 Hours of Service in each of those years.

Note the amount of the Post-2011 Benefit that Ellen earns each year increases as her Compensation increases. Also note that the accrual rate beginning January 1, 2012 is always 1.00% of Compensation, because Ellen had already earned five years of Credited Service as of that date.

Under the new, pay-based formula, Ellen will earn a Post-2011 Benefit of $225.00 per month for the Credited Service she earns from 2012 through 2021.

However, Ellen is a "Tier I Participant." Therefore, her Post-2011 Benefit must be the *greater of* the benefit under the pay-based formula and the benefit under her Prior Plan (the Atlanta Plan) formula. Ellen's accrual rate under the Atlanta Plan on December 31, 2011 was $40.00 per month per year of Credited Service. Therefore, Ellen's Post-2011 Benefit must be at least $400.00 per month, $40.00 times the 10 years of Credited Service she earned from 2012 through 2021.

At December 31, 2021, Ellen's total Accrued Benefit will be $1,416.00, payable at her Normal Retirement Date. This amount is the sum of her Pre-2012 Benefit ($1,016.00) and her Post-2011Benefit ($400.00).

See the table on the following page.

**Ellen's Pre-2012 Accrued Benefit Under the Atlanta Plan**

$1,016.00 per month

**Ellen's Post-2011 Accrued Benefit Under the Consolidated Plan (Based on New Pay-Based Formula)**

| (1) Year | (2) Compensation | (3) Accrual Rate (% Pay) | (4) Monthly Benefit Accrued = (2) x (3) ÷ 12 |
|---|---|---|---|
| 2012 | $24,500 | 1.00% | $ 20.42 |
| 2013 | $24,990 | 1.00% | $ 20.83 |
| 2014 | $25,490 | 1.00% | $ 21.24 |
| 2015 | $26,000 | 1.00% | $ 21.67 |
| 2016 | $26,520 | 1.00% | $ 22.10 |
| 2017 | $27,050 | 1.00% | $ 22.54 |
| 2018 | $27,590 | 1.00% | $ 22.99 |
| 2019 | $28,700 | 1.00% | $ 23.92 |
| 2020 | $29,280 | 1.00% | $ 24.40 |
| 2021 | $29,865 | 1.00% | $ 24.89 |
| **Ellen's Total Post-2011 Accrued Benefit Under New Pay-Based Formula** | | | **$225.00** |

**Ellen's Post-2011 Accrued Benefit Under the Consolidated Plan (Under the Prior Plan Formula)**

| Year | Accrual Rate |
|---|---|
| 2012 | $ 40.00 |
| 2013 | $ 40.00 |
| 2014 | $ 40.00 |
| 2015 | $ 40.00 |
| 2016 | $ 40.00 |
| 2017 | $ 40.00 |
| 2018 | $ 40.00 |
| 2019 | $ 40.00 |
| 2020 | $ 40.00 |
| 2021 | $ 40.00 |
| **Ellen's Total Post-2011 Accrued Benefit Under Prior Plan Formula** | **$400.00** |

**Ellen's Total Pre-2012 and Post 2011 Accrued Benefit = $1,416.00 per month ($1,016.00 + $400.00)**

# Normal Retirement

## Eligibility

You will be eligible for a benefit payable at your Normal Retirement Date if you are vested under the Consolidated Plan. At your Normal Retirement Date, your Accrued Benefit will be payable to you without reduction.

## Normal Retirement Date

Your Normal Retirement Date under the Consolidated Plan for your Post-2011 Benefit is the later of when you reach age 65 or complete five years of Eligibility Service.

If you participated in a Prior Plan, your Normal Retirement Date for your Pre-2012 Benefit will be determined under the terms of your Prior Plan and may be different than your Normal Retirement Date under the Consolidated Plan. Thus, you may have more than one Normal Retirement Date with respect to your total pension benefit.

## Late Retirement

If you retire on or before your Normal Retirement Date but you do not begin receiving benefits from the Consolidated Plan until after your Normal Retirement Date, your Post-2011 Benefit that you had accrued prior to your Normal Retirement Date will be actuarially increased to take into account the delay in the commencement of your benefits.

In general, if you continue to work past your Normal Retirement Date, you will continue to earn Credited Service (and to accrue benefits), but the Post-2011 Benefit you had accrued as of your Normal retirement date will not be actuarially increased as long as you are continuing to earn Credited Service.

If you were a participant in a Prior Plan, the actuarial increases on your Pre-2012 Benefit will be based on the terms of your Prior Plan.

## Actuarial Increase Factors

The following table shows actuarial factors that may be used to increase the amount of the Post-2011 Benefit that you have accrued as of your Normal Retirement Date in the event that you begin receiving your benefits after your Normal Retirement Date.

The actuarial increase factors are generally based on the RP-2000 Healthy Annuitant Mortality Table (blend of 50% male and 50% female mortality) and an interest rate of 7.5% per year. Different factors will apply to your Pre-2012 Benefit, as described in the terms of your Prior Plan.

**Actuarial Increase Factors for Late Retirement for Post-2011 Benefit**

| Age at Retirement* | Normal Retirement Date Age 65 |
|---|---|
| 65 | 1.0000 |
| 66 | 1.1123 |
| 67 | 1.2401 |
| 68 | 1.3864 |
| 69 | 1.5543 |
| 70 | 1.7480 |
| 71 | 1.9724 |

* These factors will be adjusted if you retire at an age in between those shown above (for example, if you retire at age 66 and 7 months).

## Suspension of Benefits Notice

In the event that you have not begun receiving your benefits as of your Normal Retirement Date, you continue to work with an Employer under the Consolidated Plan, and you have 40 or more Hours of Employment in any month, the Consolidated Plan will send you a “Notice of Suspension of Benefits.” You may also receive a Notice of Suspension of Benefits if you have begun receiving your benefits, you return to Covered Employment, and you have 40 or more

Hours of Employment in any month. See page 29 for more information.

*The following examples show how Accrued Benefits may be actuarially increased for retirement after the Normal Retirement Date.*

### Late Retirement – Example 1
### Terminated Vested Participant
### Retirement at Age 69

Joe begins working in 2012. He terminates from Covered Employment at the end of 2023 at the age of 65, and he has a vested benefit under the Plan. However, Joe does not begin receiving his benefit at that time. Instead, he waits four years before submitting an application to begin receiving his benefit at age 69.

As of his date of retirement, Joe has earned a Post-2011 Benefit of $185.65 per month.

Note that it is only necessary to calculate Joe's Post-2011 Benefit, because he started working after December 31, 2011. In other words, Joe is not affected by the terms of a Prior Plan, and he does not have a Pre-2012 Benefit.

Joe's Normal Retirement Date for his Post-2011 Benefit is age 65. Therefore, his benefit should be actuarially increased from age 65 to his actual retirement date of age 69 (an increase of 55.43%). Joe's benefit will be increased from $185.65 per month to $288.56 per month when he begins receiving benefits at age 69.

#### Post-2011 Benefit

| Years | Benefit Accrued | Actuarial Increase Factor | Benefit Payable |
|---|---|---|---|
| 2012 – 2023 | $ 185.65 | 1.5543 | **$ 288.56** |

### Late Retirement – Example 2
### Working After Normal Retirement
### Retirement at Age 67

Karen begins working in 2012, and she turns age 65 at the end of 2021. Her Normal Retirement Date is January 1, 2022. However, Karen continues to work for two more years before retiring on January 1, 2024 at age 67.

Because Karen continues to work past her Normal Retirement Date, she will receive a "Notice of Suspension of Benefits" from the Consolidated Plan shortly after she turns age 65.

As of her date of retirement, Karen has earned a Post-2011 Benefit of $185.65 per month (just like Joe in the prior example).

Because she started working after December 31, 2011, Karen is not affected by the terms of a Prior Plan, and she does not have a Pre-2012 Benefit.

Because Karen continued to work past her Normal Retirement Date, her Post-2011 Benefit will not be actuarially increased. Karen's total benefit payable at age 67 is $185.65 per month.

#### Post-2011 Accrued Benefit

| Years | Benefit Accrued | Actuarial Increase Factor | Benefit Payable |
|---|---|---|---|
| 2012 – 2021 | $ 148.79 | 1.0000 | $ 148.79 |
| 2022 – 2023 | 36.86 | 1.0000 | 36.86 |
| **Total** | **$ 185.65** | | **$ 185.65** |

## Late Retirement – Example 3
## Kroger "Tier I Participant"

Richard began working at Kroger in 1995 and was covered under the Atlanta Plan. Therefore, he is a "Tier I Participant" in the Atlanta Plan.

Richard turns age 65 at January 1, 2015. However, he decides not to begin receiving his benefits from the Consolidated Plan until age 68. Therefore, he receives a "Notice of Suspension of Benefits" from the Consolidated Plan shortly after he turns age 65. When Richard retires at age 68, his Pre-2012 Benefit at age 65 must be actuarially increased to take into account the delay in his commencement of benefits. However, his Post-2011 Benefit will not be actuarially increased.

As of December 31, 2011, Richard had accrued a Pre-2012 Benefit of $860.00 per month prior to his Normal Retirement Date under the Atlanta Plan. With actuarial increases for late retirement as defined under Richard's Prior Plan, the amount of his Pre-2012 Benefit is increased to $1,386.20 per month, payable at age 68.

Under the new pay-based formula, Richard accrues a Post-2011 Benefit of $91.81 per month from 2012 through 2014, all before his Normal Retirement Date of age 65.

Because Richard is a "Tier I Participant," his Post-2011 Benefit must be the *greater of* the benefit under the new pay-based formula and the benefit under his Prior Plan formula. The amount of his Post-2011 under the Prior Plan formula, $120.00, is greater than under the pay-based formula.

Because Richard continued working after his Normal Retirement Age, no actuarial increases are applied to this his Post-2011 Benefit.

Richard's total Accrued Benefit, with actuarial increases to age 68, is $1,506.20 per month. This amount is the sum of his Pre-2012 Benefit with actuarial increases as defined under the terms of his Prior Plan ($1,386.20) and his Post-2011 Benefit without actuarial increases as defined under the Consolidated Plan, but based on his Prior Plan formula ($120.00).

**Pre-2012 Benefit**

| Years | Benefit Accrued | Actuarial Increase Factor | Benefit Payable |
|---|---|---|---|
| 1995 – 2007 | $676.00 | 1.6765 | $1,133.31 |
| 2008 – 2009 | 104.00 | 1.3744 | 142.94 |
| 2010 – 2011 | 80.00 | 1.3744 | 109.95 |
| Total | $860.00 | | $1,386.20 |

**Post-2011 Benefit (New Pay-Based Formula)**

| Years | Benefit Accrued | Actuarial Increase Factor | Benefit Payable |
|---|---|---|---|
| 2012 – 2014 | $91.81 | 1.0000 | $91.81 |

**Post-2011 Benefit (Prior Plan Formula)**

| Years | Benefit Accrued | Actuarial Increase Factor | Benefit Payable |
|---|---|---|---|
| 2012 – 2014 | $120.00 | 1.0000 | $120.00 |

**Total Benefit Payable = $1,506.20 per month**

# Early Retirement

## Eligibility

You are eligible to receive your Post-2011 Benefit as an Early Retirement Benefit prior to your Normal Retirement Date if you meet the following criteria *as of the date of your termination from Covered Employment*:

- You are age 55 or older, and
- You have completed at least 10 years of Eligibility Service (as determined for vesting purposes).

Note that different eligibility criteria for Early Retirement may apply under the terms of your Prior Plan to your Pre-2012 Benefit.

Also, if you begin to receive your Post-2011 Benefit as an Early Retirement Benefit and then return to Covered Employment within 30 days of your termination of employment (or return to Prohibited Employment at any time), your benefits may be suspended. See page 29 for further information on suspension of benefits.

If you are vested under the Consolidated Plan, you have terminated from active employment, and you are not eligible for a Normal Retirement Benefit or an Early Retirement Benefit, you will be eligible for a Terminated Vested Benefit (see page 21.)

## Early Retirement Reductions

The amount of your Early Retirement Benefit will be reduced to the extent that you begin receiving your benefits earlier than your Normal Retirement Date. The earlier you begin receiving your benefits, the more your benefits will be reduced.

In determining your Early Retirement Benefit, an actuarial reduction will be applied based on the RP-2000 Healthy Annuitant Mortality Table (blend of 50% male and 50% female mortality) and an interest rate of 7.5% per year. Note that this reduction only applies to your Post-2011 Benefit. Note that different reductions will apply to your Pre-2012 Benefit, as determined under the terms of your Prior Plan.

The following table shows factors that will be used to reduce the amount of your Early Retirement Benefit to the extent that your retirement date precedes your Normal Retirement Date.

### Early Retirement Reduction Factors

### Actuarial Reductions

| Age at Retirement* | Normal Retirement Date Age 65 |
|---|---|
| 55 | 0.3822 |
| 56 | 0.4180 |
| 57 | 0.4578 |
| 58 | 0.5019 |
| 59 | 0.5511 |
| 60 | 0.6060 |
| 61 | 0.6674 |
| 62 | 0.7363 |
| 63 | 0.8137 |
| 64 | 0.9011 |
| 65 | 1.0000 |

* These factors will be adjusted if you retire at an age in between those shown above. For example, if you retire at age 56 and 3 months, the applicable actuarial reduction factor will be 0.4273.

*The following examples show how Accrued Benefits may be actuarially reduced for retirement before the Normal Retirement Date.*

### Early Retirement – Example 1
**Early Retirement at Age 55**
**Employee Hired in 2012**

Chris begins working in 2012. He terminates from Covered Employment at the end of 2031 at age 55 with more than 10 years of Eligibility Service. Chris is therefore eligible for an Early Retirement benefit from the Consolidated Plan.

As of his date of retirement, Chris has earned a Normal Retirement Benefit of $342.68 per month.

Note that it is only necessary to calculate Chris's benefit under the Consolidated Plan, because he started working after December 31, 2011. In other words, Chris is not affected by the terms of a Prior Plan, and he does not have a benefit under a Prior Plan.

Chris's Normal Retirement Date is age 65. Therefore, his benefit should be actuarially reduced from age 65 to his actual Early Retirement Date of age 55 (a reduction of 61.78%). Chris's benefit will be reduced from $342.68 per month to $130.97 per month at an Early Retirement Date of age 55.

**Post-2011 Accrued Benefit**

| Years | Benefit Accrued | Reduction Factor | Benefit Payable |
|---|---|---|---|
| 2012 – 2031 | $ 342.68 | 0.3822 | $ 130.97 |
| **Total** | | | **$ 130.97** |

### Early Retirement – Example 2
**Early Retirement at Age 57**
**Employee Hired in 2010**

Cindy began working for Kroger in 2010 and was covered under the Atlanta Plan. Cindy terminates from Covered Employment at the end of 2019 at age 57 with 10 years of Eligibility Service. Cindy is therefore eligible for an Early Retirement Benefit from the Consolidated Plan.

As of December 31, 2011, Cindy had accrued a Pre-2012 Benefit of $32.00 per month at age 65 under the Atlanta Plan. With reductions for Early Retirement under the Atlanta Plan, the amount of her Pre-2012 Benefit is reduced to $14.81 per month, payable at age 57.

Under the new pay-based formula, Cindy accrues a Post-2011 Benefit of $113.29 per month from 2012 through 2019. With actuarial reductions for Early Retirement, as defined under the Consolidated Plan, the amount of Cindy's Post-2011 Benefit is reduced to $51.86 per month, payable at age 57.

Cindy's total Early Retirement Benefit payable at age 57 is $66.67 per month. This amount is the sum of her Pre-2012 Benefit under the Atlanta Plan ($14.81) and her Post-2011 Benefit under the Consolidated Plan ($51.86).

**Pre-2012 Accrued Benefit**

| Years | Benefit Accrued | Reduction Factor | Benefit Payable |
|---|---|---|---|
| 2010 – 2011 | $ 32.00 | 0.4628 | **$ 14.81** |

**Post-2011 Accrued Benefit**

| Years | Benefit Accrued | Reduction Factor | Benefit Payable |
|---|---|---|---|
| 2012 – 2019 | $ 113.29 | 0.4578 | **$ 51.86** |

**Total Benefit Payable = $66.67 per month**

# Terminated Vested Retirement

## Eligibility

In general, you will be eligible for a Terminated Vested Benefit if you are vested under the Consolidated Plan but you do not meet the eligibility requirements for a Normal Retirement Benefit or an Early Retirement Benefit when you terminate Covered Employment.

Your Terminated Vested Benefit is normally payable at age 65, but if you had completed 10 years of Eligibility Service (as determined for vesting purposes) when you terminated Covered Employment and want to start benefits before age 65, you can elect to start receiving a reduced benefit anytime on or after age 55.

## Early Retirement Reductions

If you had completed 10 years of Eligibility Service (as determined for vesting purposes) when you terminated Covered Employment and elect to begin receiving your Terminated Vested Benefit before reaching age 65, the amount of your Terminated Vested Benefit will be actuarially reduced to the extent that you begin receiving your benefits earlier than age 65. The earlier you begin receiving your benefits, the more the amount of your benefits will be reduced.

The amount of the reduction to your benefit will be based on the RP-2000 Healthy Annuitant Mortality (weighted 50% male and 50% female mortality) and an interest rate of 7.5% per year.

Tables of actuarial reduction factors that may apply to your Terminated Vested Benefit if you begin receiving it before your Normal Retirement Date can be found on page 17.

## Calculating Your Benefit

The amount of your Terminated Vested Benefit will be your benefit accrued as of your date of termination or retirement, actuarially reduced to the extent that your retirement date precedes your Normal Retirement Date of age 65.

## TERMINATED VESTED RETIREMENT (CONT.)

*The following example shows how a benefit is calculated under the Consolidated Plan for a Terminated Vested Employee.*

### Terminated Vested Retirement – Example

Tom begins working in 2012, and he terminates from Covered Employment at the end of 2020 at age 55. At the time, Tom does not have at least 10 years of Eligibility Service. Therefore, he is not eligible for an Early Retirement benefit from the Consolidated Plan.

As of his date of retirement, Tom has earned a benefit under the Consolidated Plan of $126.81 per month. Note that because Tom started working after December 31, 2011, he is not affected by the terms of a Prior Plan, and he does not have a benefit under a Prior Plan.

Tom's Normal Retirement Date is age 65. Because Tom is not eligible for an Early Retirement benefit, he must wait to begin receiving his benefit until his Normal Retirement Date, which is the first of the month following his attainment of age 65. At that time, he can receive his full Accrued Benefit, without reduction.

**Deferred Retirement Benefit**
**Payable at Normal Retirement Date**

| Years | Benefit Accrued | Reduction Factor | Benefit Payable |
|---|---|---|---|
| 2012 – 2020 | $ 126.81 | N/A | $ 126.81 |
| **Total** | | | **$ 126.81** |

Note that if Tom had at least 10 years of Eligibility Service, then he would have been allowed to begin receiving a reduced benefit at age 55. Similar to Example 1 on page 20, his Early Retirement reduction factor would have been 0.3822, resulting in a reduced benefit of $48.47 payable at age 55.

# Disability Retirement

## Eligibility

If you become totally and permanently disabled, you will qualify for a Disability Benefit, regardless of your age, if all of the following conditions apply:

- You terminate from Covered Employment for reason of Disability, and
- You have completed at least 20 years of Eligibility Service (as determined for vesting purposes) as of the date of your Disability, and
- You have filed a written application for a Disability Benefit with the Fund Office.

## Disability Benefit

The Disability Benefit is payable in the form of a monthly benefit for your lifetime until your Normal Retirement Date. The amount of the Disability Benefit is your Normal Retirement Benefit without any reduction for commencement prior to your Normal Retirement Date and is based on the Credited Service and Compensation you had earned as of the date of your termination from Covered Employment for reasons of Disability.

Note that the disability rules with regard to your Pre-2012 Benefit are governed by the terms of your Prior Plan.

## Determination of Disability

Your Disability status will be established under the Consolidated Plan by the determination of the Social Security Administration that you are entitled to receive a disability benefit from the Social Security Administration.

Notwithstanding the foregoing, you will not be deemed to have incurred a Disability under the Consolidated Plan if your disability is due to:

- Chronic alcoholism, or
- Addiction to narcotics, or
- An injury suffered while you were engaged in a felonious criminal act or enterprise, or
- An intentionally self-inflicted injury.

## When Payments Begin

Your Disability Benefit will begin as of the first day of the month following the date that you terminate from Covered Employment for reason of Disability (provided that you meet the requirements for a Disability Benefit under the Consolidated Plan). Because your determination of disability is based on your entitlement to a disability benefit from the Social Security Administration, your actual benefit payments will not start until the Social Security Administration has determined that you are eligible for disability benefits under Title II of the Social Security Act. Once you notify the Fund Office that the Social Security Administration has determined that you are disabled (and eligible for disability benefits under Title II of the Social Security Act), your disability benefits will commence retroactive to the date of your disability. However, you will not receive more than 6 months of retroactive payments from the date you apply to the Consolidated Fund for a disability pension. For this reason, it is important to apply to the Consolidated Fund for a disability pension as soon as possible after you become disabled, even if you have not received your Social Security disability award. It is also important to provide all information to the Social Security Administration so that it can timely process your disability determination and that you immediately notify the Fund Office once you receive your determination from the Social Security Administration.

### When Payments End

Your Disability Benefit will end on the earliest to occur of:

- Your Normal Retirement Date, or
- The date you return to a regular occupation or employment, or
- The date your Social Security disability payments end, or
- The date you die.

If you are no longer eligible for a Disability Benefit, you will be entitled to submit a written application with the Fund Office for a Normal Retirement Benefit, an Early Retirement Benefit, or a Terminated Vested Benefit, provided that you meet the respective eligibility requirements for those benefits. This means that if you are receiving a Disability Benefit and you remain disabled until your Normal Retirement Date, your Disability Benefit will stop on your Normal Retirement Date, but you will be able to submit an application for a Normal Retirement Benefit. You will have the same options for your Normal Retirement Benefit as other retirees.

### Death during Disability

If you die while you are receiving a Disability Benefit, your spouse may be eligible to receive survivor benefits from the Consolidated Plan. See page 28 for more information.

### Disability under Prior Plan

If you are receiving a disability benefit under a Prior Plan, the rules of the Prior Plan will govern the payment of that disability benefit. These rules may be significantly different than the rules governing a Disability Benefit under the Consolidated Plan.

## Payment Options for Retirement Benefits

As described below, there are two basic forms of payment for retirement benefits that are available to you under the Consolidated Plan. (These options do not apply to a Disability Benefit, which is paid as a single life annuity.)

- **Single Life Annuity**

  This option pays you a monthly benefit for your lifetime only. When you die, your benefits will stop.

- **Joint and Spousal Survivor Annuity**

  This option pays you a *reduced* monthly benefit for your lifetime. When you die, a percentage of the original reduced amount will continue to your spouse for his or her lifetime. You may select the survivor percentage to be 50%, 66-2/3%, 75%, or 100%.

The Consolidated Plan also offers some optional forms of payment:

- **Joint and Non-Spouse Survivor Annuity**

  This option pays you a *reduced* monthly benefit for your lifetime. When you die, a percentage of the original reduced amount will continue to your designated beneficiary for his or her lifetime. You may select the survivor percentage to be 50%, 66-2/3%, 75%, or 100%.

  If you name someone other than your spouse as the beneficiary, the survivor benefit may be restricted. See page 25.

- **Level Income Option**

  This option pays you a higher benefit prior to age 62 and a reduced benefit on and after age 62 and one month, which is the earliest date that your Social Security benefits could begin. When combined with your age 62 Social Security benefits, the benefits from the Consolidated Plan are designed to provide you with a "level income" before and after age 62. The Level Income Option is only available if you are eligible for an Early Retirement Benefit and begin receiving it prior to age 62. The Level Income Option (if available) may be combined with a Joint and Survivor Option.

The amount of your benefits under the different available payment options will be furnished to you by the Fund Office when you apply for your benefits.

## Automatic Forms

If you are not married on your Annuity Starting Date, your benefit will be paid as a Single Life Annuity, unless you elect a different form of payment.

If you are married on your Annuity Starting Date (and have been married for at least 30 days prior to your Annuity Starting Date), your benefit will be paid as a 50% Joint and Survivor Annuity with your spouse as the designated beneficiary. This is the Qualified Joint and Survivor Annuity (or "QJSA") under the Consolidated Plan. However, you may elect a different Joint and Survivor benefit with your spouse as beneficiary without spousal consent. You may elect a different form of payment or a different beneficiary, if your spouse provides written consent, as described below.

### Waiver of the QJSA

If you are married and you wish to elect a different form of payment other than a Qualified Joint and Survivor Annuity with your spouse as the designated beneficiary or if you want to choose a different beneficiary, your spouse must agree to your decision in writing by signing a statement witnessed by a notary public.

### General Rules

The following are general rules that apply to electing optional forms of payments under the Consolidated Plan.

- You can elect any of the forms of payment described on the prior page with respect to your entire benefit under the Consolidated Plan, even if the form of payment was not available under your Prior Plan.
- If you were a participant in a Prior Plan, you must elect the same form of payment with respect to your total benefit under both the Prior Plan and the Consolidated Plan. In other words, the same form of benefit payment must be elected with respect to your Consolidated Plan benefit and your benefit under a Prior Plan.
- There is one exception to rule requiring the election of the same form of payment with respect to your total benefit. Participants in the Central Ohio Pension Plan who elect to have their benefit paid in the form of a Joint and 50% Spousal Survivor Annuity can elect a "pop-up" feature with respect to their Pre-2012 Benefit under the Central Ohio Pension Plan. The "pop-up" feature cannot be elected for Post 2011 Benefits. Affected participants should refer to the Summary Plan Description for the Central Ohio Pension Plan for more details concerning the "pop-up" feature.
- You must elect a payment option in writing during the 180-day period before you begin receiving your monthly benefit, using the election form supplied by the Fund Office. If you submit your election before the 180-day period, you will need to submit an updated election form within the 180-day period.
- You cannot elect, change or revoke your payment option after your monthly benefit payments begin.
- As required by law, no option will be granted if its expected payment period is longer than your life expectancy, or the lifetime of your spouse, if he or she is the designated beneficiary. Also, no option will be granted if it would reduce the value of your benefit amount by more than 50%.
- If you elect to receive a Joint and Survivor Annuity and name someone other than your spouse as the beneficiary, the survivor percentage may be restricted if your beneficiary is more than 10 years younger than you. You will be notified if this applies to you.
- If you begin to receive a Joint and Survivor Annuity and your spouse or other designated beneficiary dies before you, the amount of your benefit will not change. Further, no survivor benefits will be payable to any other beneficiary upon your death.
- In the unlikely event that the Consolidated Plan is certified to be in "critical status" as described under Section 432(b) of the Internal Revenue Code, then the Level Income Option will not be available for new retirements, as required by law. If the Consolidated Plan is certified in critical status, however, that will not affect benefits already in payment status.

### Exception for Disability Benefit

If you are disabled and begin receiving a Disability Benefit, your benefit will be automatically paid as a Single Life Annuity. You cannot elect another form of payment.

When your Disability Benefit ends, you will be allowed to elect to receive your Consolidated Plan retirement benefit under any of the optional forms of payment applicable to retirement benefits under the Consolidated Plan.

If you die while you are receiving a Disability Benefit from the Consolidated Plan, your spouse will be eligible to receive survivor benefits from the Consolidated Plan. See page 26 for more information.

If you are eligible to receive a disability benefit under your Prior Plan with respect to your Pre-2012 Benefit, the rules of your Prior Plan will govern the payment of that disability benefit. These rules may be significantly different than the rules governing a Disability Benefit under the Consolidated Plan.

### Actuarial Equivalence

If you elect any form of payment other than the Single Life Annuity, the amount of your benefit will be adjusted so that it has an "actuarially equivalent" value to your Single Life Annuity.

For example, if you elect a Joint and Survivor Annuity, your adjusted benefit payment will be lower than under the Single Life Annuity, because more benefits are expected to be paid to both you and your designated beneficiary than to just you alone. However, the value of your benefit as a reduced Joint and Survivor Annuity will be the same as the Single Life Annuity.

Actuarial adjustments for optional forms of payment are based on the RP-2000 Healthy Annuitant Mortality Table (weighted 50% male and 50% female mortality) and an interest rate of 7.5% per year. These assumptions apply only to your Post-2011 Benefit.

Different assumptions will be used to make actuarial adjustments for optional forms of payment for your Pre-2012 Benefit. See your Prior Plan Summary Plan Description for more information.

### Payment Option Examples

#### Payment Options – Example 1
#### Joint and Survivor Annuities

Anna retires at age 60 with a monthly Consolidated Plan benefit of $1,000.00 per month, payable as a Single Life Annuity for her lifetime. Anna's spouse is also age 60. Therefore, she may elect to receive the Single Life Annuity or any of the Joint and Survivor ("J&S") Annuities listed below.

**Optional Forms of Payment**

| Form of Payment | Adjustment Factor | Monthly Benefit |
|---|---|---|
| Single Life Annuity | 1.0000 | $1,000.00 |
| 50% J&S Annuity | 0.9417 | $941.70 |
| 66 2/3% J&S Annuity | 0.9237 | $923.70 |
| 75% J&S Annuity | 0.9150 | $915.00 |
| 100% J&S Annuity | 0.8898 | $889.80 |

Because Anna is married, she will receive a J&S Annuity with her spouse as the designated beneficiary, unless her spouse provides written consent allowing her to elect a different form of payment.

For example, if Anna were to receive the 50% J&S Annuity, she will receive a monthly benefit of $941.70 for the remainder of her lifetime. If she dies before her spouse, then her spouse would receive $470.85 (50% x $941.70) for the remainder of his lifetime.

Or, if Anna were to elect to receive the 100% J&S Annuity, she will receive a monthly benefit of $889.80 for the remainder of her lifetime. If she dies before her spouse, then her spouse will receive the same $889.80 for the remainder of his lifetime.

Each of the benefits shown above is "actuarially equivalent" to the other benefits. In other words, the benefits have the same value, considering the life expectancies of Anna and her spouse. The adjustment factors are different for different ages, so the adjustment factor and benefit amounts would be different if Anna and her spouse's ages were different.

### Payment Options – Example 2
### Level Income Option

Heather retires at age 60 with a monthly Consolidated Plan benefit of $1,000.00, payable as a Single Life Annuity for her lifetime. Heather's spouse is also age 60. Heather may elect to receive the Single Life Annuity or any of the Joint and Survivor Annuities described in Example 1.

Heather wishes to take her benefit as a Level Income Option and her spouse consents. Her Social Security benefit is payable beginning at age 62 and one month is estimated to be $1,100.00 per month.

The following are the Level Income benefits payable before age 62 and one month and on or after age 62 and one month under either the Single Life Annuity option or the Level Income Option under the Consolidated Plan. Estimated Social Security benefits payable at age 62 and one month are also shown.

Under the Level Income Option, Heather will receive a total benefit (from the Consolidated Plan and Social Security) of $1,977.64 per month, as shown below.

#### Optional Forms of Payment

| | *Monthly Benefit* | |
|---|---|---|
| Form of Payment | Before Age 62 | On/After Age 62 |
| ***Single Life Annuity*** | | |
| Plan Benefit | $1,000.00 | $1,000.00 |
| Social Security Benefit | N/A | 1,100.00 |
| Total Benefit | $1,000.00 | $2,100.00 |
| ***Level Income Option**** | | |
| Plan Benefit | $1,977.64 | $ 877.64 |
| Social Security Benefit | N/A | 1,100.00 |
| Total Benefit | $1,977.64 | $1,977.64 |

*Consolidated Plan benefits payable under the Level Income Option are actuarially adjusted to have the same value as the Single Life Annuity. The assumptions used to make the actuarial adjustments change each year, as prescribed by law. The Level Income Option may also be combined with a Joint and Survivor Annuity.

### Lump Sum Distribution

In the event that the value of your vested accrued benefit is $1,000 or less (under your Prior Plan and the Consolidated Plan) when you terminate Covered Employment, you will receive your benefit in an immediate lump sum payment. If the value of your vested accrued benefit exceeds $1,000, but does not exceed $5,000, you may request that your benefit be paid to you in a lump sum distribution. No spousal consent is necessary for a lump sum distribution. If the value of your vested accrued benefit is more than $5,000, a lump sum payment is not an available option; rather your benefit will be paid in the form of an annuity.

### Prior Plan Benefits

If you were a participant in a Prior Plan, you must elect the same form of payment with respect to your benefit under both the Prior Plan and the Consolidated Plan, with one exception. Participants in the Central Ohio Pension Plan who elect to have their benefit paid in the form of a Joint and 50% Spousal Survivor Annuity can elect a "pop-up" feature with respect to their Pre-2012 Benefit.

As described above, different actuarial equivalence assumptions will apply in adjusting your Pre-2012 Benefit that are paid as an optional form of payment. These actuarial equivalence assumptions are specified under the terms of your Prior Plan.

## Pre-Retirement Surviving Spouse Benefit

If you die before you start receiving retirement benefits and you are vested under the Consolidated Plan, then your "Eligible Spouse" will receive a Pre-Retirement Surviving Spouse Benefit.

You must have been continuously married to your spouse for at least 30 days immediately preceding your date of death for your spouse to be considered an Eligible Spouse.

Also, if you die while you are receiving a Disability Benefit, your spouse will be eligible to receive a Pre-Retirement Surviving Spouse Benefit if you were continuously married to your spouse for at least 30 days immediately preceding your date of death.

The amount of the Pre-Retirement Surviving Spouse Benefit is 50% of the monthly amount that you would have received under a 50% Joint and Survivor Annuity had you retired as of the *later* of (1) your date of death, or (2) the date you would have been eligible for an Early or Normal Retirement Benefit. The monthly amount is based on the benefit you had earned before the date of your death.

Payments to your Eligible Spouse will generally begin in the month after your date of death, or if later, in the month you would have been eligible for an Early or Normal Retirement Benefit.

However, your spouse may elect to commence his or her payments at any time after your death, but to the extent that the benefit commences before you would have been eligible for a Normal Retirement Benefit, it will be actuarially reduced to account for earlier payments.

A written application for the Pre-Retirement Surviving Spouse Benefit must be filed with the Fund Office in order for it to be payable.

### When Benefits Begin

Your benefits will begin on the first day of the month on or after you have satisfied all of the eligibility conditions under the Consolidated Plan, including filing a completed pension application with the Fund Office. The Consolidated Plan's application procedures apply to benefits under both the Consolidated Plan and the Prior Plans.

In general, you should submit a completed application and all required documents 180 days prior to the date you want to begin receiving your benefits to ensure timely processing of your application.

You can request a pension application and instructions for filing this application from the Fund Office at:

UFCW Consolidated Pension Fund
1800 Phoenix Boulevard, Suite 310
Atlanta, GA 30349-5559
(770) 997-9910 or (800) 241-7701
www.ufcwcpf.org

A representative from the Fund Office is available to assist you in completing your pension application.

### Your Responsibility to Provide Information

It is your responsibility to provide any information the Fund Office may require at the time of your application for benefits. It is also your responsibility to make sure the Fund Office always has your correct address so your Consolidated Plan benefit checks will reach you.

If you misrepresent any information at any time during the application process, that may result in the denial, suspension or cancellation of payments. If payments to you or anyone else were made in error as a result of any misrepresentations you have made, the Consolidated Plan can recover any benefits that you or anyone else were not entitled to receive. See page 30 for more information on the Consolidated Plan's right to recover overpayments.

### Modifying Your Election

You may elect, modify or cancel any benefit option you are eligible to receive by filing a written application with the Fund Office during the 180-day period before the date when your benefits are scheduled to begin.

If you are married and you elect an option other than a Joint and Spousal Survivor Annuity, your spouse must provide written, notarized consent of your election.

*You cannot change your election once you have begun receiving your retirement benefits from the Consolidated Plan.*

### Required Commencement Date

In accordance with Federal law, the Consolidated Plan will begin paying you your benefits no later than April 1 following the calendar year in which you attain age 70½, whether or not you have terminated Covered Employment. This is your Required Distribution Date under the Consolidated Plan.

Furthermore, if you have not applied for benefits by age 70 ½, your pension benefit payments will be paid in the form of a joint and 50% survivor annuity. If you do not apply for a pension, your annuity will be calculated based on the assumptions that you are married and your spouse is five years younger.

You will be required to pay additional taxes if your benefits do not begin on or before your Required Distribution Date.

If you are age 70 and have not yet begun receiving benefits from the Consolidated Plan, you should contact the Fund Office for information regarding your Required Distribution Date.

### IRS Limitations

Federal law imposes limitations on the amount of benefits that can be paid to you from the Consolidated Plan. The rules regarding maximum benefits are complex, and they rarely apply to participants under the Consolidated Plan. If you should become affected by these rules, you will be notified and given an explanation by the Fund Office.

### Overpayments

It is possible that the Consolidated Plan may inadvertently pay benefits to you or your spouse or other beneficiary to which you or they are not entitled under the Consolidated Plan terms. The Consolidated Plan has the right to recover these overpayments.

### Assignment of Benefits

Except as required by law, benefits under the Consolidated Plan are not subject to sale, assignment, alienation, attachment, lien, garnishment, levy, pledge, bankruptcy, execution or any other form of transfer.

However, under certain circumstances, a court may award all or part of your benefit to a present or former spouse, child, or other dependent through a Qualified Domestic Relations Order (QDRO). A copy of the procedures governing QDROs is available from the Fund Office, upon request and without charge.

### Former Employees

The Consolidated Plan provisions described in this booklet may not apply to participants who retired or terminated before January 1, 2012. However, the Level Income Option described on page 22 can be elected by any participant, including participants who terminated Covered Employment before January 1, 2012. Also, the Single Life Annuity, and Joint and Survivor Annuity Options described on page 22 can be elected by any participant who worked in Covered Employment after August 22, 1984, including participants who terminated Covered Employment before January 1, 2012.

If you terminated prior to January 1, 2012, your eligibility under the Consolidated Plan, the amount of your benefit, the actuarial factors that apply, and your payment dates will largely be determined in accordance with the provisions of the Prior Plan in effect on the date your employment was terminated.

If you are a former Employee and you are subsequently rehired, you will be subject to the Consolidated Plan provisions in effect when you resume your Covered Employment.

### Incompetence or Incapacity

If you (or your surviving spouse or designated beneficiary) become unable to care for your affairs because of an illness, accident, or medical or physical condition, payments will be made on your account to your legally-appointed representative, spouse or other person deemed by the Board of Trustees to incur expenses on your behalf.

# Suspension of Benefits

## Suspension of Benefits Notice

The following rules apply only to those benefits accrued under the Consolidated Plan. The rules regarding suspension of benefits accrued under a Prior Plan may differ substantially from the rules discussed below. Please consult your Prior Plan Summary Plan Description or contact the Fund Office for the suspension of benefit rules applicable to the benefits you accrued under the Prior Plan.

The Consolidated Plan will send you a "Notice of Suspension of Benefits" in the event that:

- You continue your Covered Employment after your Normal Retirement Date and have at least 40 Hours in Covered Employment during a month, or

- You return to Covered Employment after you have begun receiving benefits and have at least 40 Hours in Covered Employment during a month.

For purposes of these benefit suspension rules, your benefit will also be suspended if you work 40 hours or more during a calendar month in Prohibited Employment. Generally, "Prohibited Employment" is:

- Employment in the retail sale of food or food products industry and in a store of the size and nature comparable to those operated by an Employer contributing to the Consolidated Plan, and

- Employment in the same job or occupation, using the same skills, in which you were employed at any time while covered by the Consolidated Plan, and

- Employment that is in the same geographical jurisdiction covered by the Consolidated Plan.

## Re-Employment After Your Retirement Date

If you return to Covered Employment after you begin receiving your benefits and work at least 40 Hours in a month, any benefits that you are receiving will be suspended until you terminate again from Covered Employment. However, there is an exception for Kroger Employees, which is described later in this Section.

Also, the suspension will not apply to benefits that you accrued on or after January 1, 2012 if you are age 65 or older and you are working less than 40 hours per month in Covered Employment.

Whether or not your benefits are suspended, you will accrue additional benefits for any Credited Service you earn after you have returned to Covered Employment.

### Suspension of Benefits – Example

Dan retires at age 65 on January 1, 2014 with a Single Life Annuity monthly benefit of $1,200. $200 of his benefit was earned under the Consolidated Plan and $1,000 was earned under a Prior Plan. He then returns to Covered Employment on January 1, 2015 and works more than 40 hours each month.

Because Dan returned to Covered Employment after beginning to receive his benefits under the Consolidated Plan, the Fund Office sends him a Notice of Suspension of Benefits, and the benefit earned under the Consolidated Plan, $200 per month, is suspended. The extent to which the remaining $1,000 would be suspended depends on the terms of the Prior Plan in which Dan was participating.

Dan works for two more years before retiring again on December 31, 2016. During that period, he accrued an additional benefit under the Consolidated Plan of $80.00 per month.

When Dan re-retires on January 1, 2017, his total benefit payable from the Consolidated Plan (and the Prior Plan) will be $1,280.

#### Summary of Accrued Benefits

| For Credited Service | Benefit Payable |
|---|---|
| Prior to 1/1/2014 | $1,200.00 |
| From 1/1/2015 to 12/31/2016 | 80.00 |
| **Total** | **$1,280.00** |

### Special Rule for Kroger Employees

If you are a Kroger Employee who retires from Kroger, starts receiving your benefits, and then returns to Covered Employment with Kroger after at least 30 days, your benefit will not be suspended. However, you will be treated as a new Kroger Employee for purposes of (1) determining your subsequent retirement eligibility (other than your Normal Retirement Date), and (2) determining whether you have five or more years of Credited Service under the benefit formula applicable to you and described on page 9. For vesting purposes and for purposes of determining your Normal Retirement Date, all of your years of Eligibility Service will count, both before and after your resumption of Covered Employment.

## Review of Your Claim

In general, after you submit your application to the Fund Office to begin receiving benefits from the Consolidated Plan, the Fund Office has 90 days to review your application, determine whether benefits will be paid, and provide a written notification to you regarding the status of your claim. The Fund Office may extend that review period by up to 90 additional days (180 days in total), provided that it notifies you of the delay and the reason more time is needed.

If you applied for a Disability Benefit, the Fund Office will review your claim as soon as possible, and not for a period longer than 45 days after receiving your application. The Fund Office may extend that review period by up to 30 days (75 days in total) if the Fund Office determines that such extension is necessary for reasons beyond its control.

If you applied for a Disability Benefit and the Fund Office requests additional information to render a final decision on your claim, you have 45 days to provide such additional information to the Fund Office.

The timeframes described above begin with the date your application is initially received by the Fund Office, regardless of whether it is accompanied by the necessary information to support your claim.

## Denial of Your Claim

If all or part of your claim for benefits is denied, the Fund Office will send you a written notification including:

- A description of the requirements and standards under the Consolidated Plan on which eligibility for the benefit is based.
- The reason your claim was denied, including references to specific provisions of the Consolidated Plan on which the denial was based.
- A description of additional materials or information that you may provide to the Fund Office to support your claim.
- How to submit an appeal.

## Submitting an Appeal

You or your beneficiary may submit an appeal to the Board of Trustees to reconsider your claim if:

- Your claim for a benefit under the Consolidated Plan is denied, but you believe you meet the eligibility requirements for the benefit under the Consolidated Plan, or
- You believe the amount of your benefit determined by the Fund Office is incorrect.

To submit an appeal to the Board of Trustees, you (or your beneficiary) should do the following:

- Submit your appeal in writing to the Fund Office within 60 days of receiving notification of the denial (180 days if you applied for a Disability Benefit).
- Indicate the reason you believe there was an error in the denial of your claim.
- Include copies of any documents or records that support your appeal.

## Your Rights

You should also keep in mind your rights during the appeals process:

- The right to request, free of charge, copies of all documents, records, and other information relevant to your claim.
- A right to a review that takes into account all comments, documents, records and

other information submitted by you, without regard to whether such information was submitted or considered in the initial claim decision.

- The right to a review that does not afford deference to the initial adverse decision and which is conducted neither by the individual who made the adverse decision nor that person's subordinate.
- The right to representation during the appeals process by a qualified person.
- The right to request a hearing.

## Appeal Decision

The Board of Trustees will make a determination based on your appeal and the supporting facts and information that you submit. Your appeal will be thoroughly reconsidered, whether or not you submit any supporting documentation.

The following describes the process the Board of Trustees will use regarding your appeal:

- The decision will be made during the first meeting of the Board of Trustees (or committee) that is at least 30 days following the date the Fund Office received your written appeal.
- If special circumstances require a delay in the decision, the Board of Trustees (or committee) will send you a written notification describing the special circumstances that require an extension of the appeals process and the date by which the Board of Trustees or committee shall render its decision. The Board of Trustees will render its decision no later than the date of the third meeting of the Board of Trustees or committee following the date the Fund Office received your written request for a review.
- The Fund Office will notify you in writing of the decision by the Board of Trustees (or committee) regarding your appeal within five days after the decision is made.

If an extension of the appeal determination period is necessary because you failed to submit necessary information, the days from the date the Fund Office sends you the extension notice until you respond to the request for additional information are not counted as part of the appeal determination period.

## Denial of Appeal

If the decision by the Board of Trustees is to deny your appeal, the written decision will:

- Specify the reason or reasons for the adverse determination, and
- Inform you that you are entitled to reasonable access (free of charge) to copies of documents and other information relevant to your claim and appeal, and
- Include a statement of your right to bring action under Section 502(a) of ERISA, and
- A statement of the internal rule, guideline, protocol or other similar criterion that was relied upon (if any) in making an adverse determination.

## Failure to Appeal

If you fail to pursue the administrative appeal procedures described above, your failure will constitute a failure to exhaust your administrative remedies. This failure will legally prevent you from filing suit against the Fund in federal or state court.

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## Plan Information

The name of the Plan is UFCW Consolidated Pension Plan and the name of the trust fund holding the assets of the UFCW Consolidated Pension Plan is the UFCW Consolidated Pension Fund. The Consolidated Plan is a multiemployer defined benefit pension plan and is subject to the Employee Retirement Income Security Act of 1974 (ERISA).

For purposes of reporting to the Internal Revenue Service and the Department of Labor, the Consolidated Plan's Employer Identification Number (EIN) is 58-6101602, and its Plan Number (PN) is 001. The Consolidated Plan's plan sponsor and plan administrator are the Board of Trustees.

Service of process for matters relating to the Consolidated Plan may be made upon the Board of Trustees at the following address:

Board of Trustees
UFCW Consolidated Pension Fund
1800 Phoenix Boulevard, Suite 310
Atlanta, GA 30349-5559

## Board of Trustees

The Board of Trustees of the UFCW Consolidated Pension Fund is generally responsible for the operation of the Consolidated Plan. The Trustees are appointed to the Board by the Employers and UFCW Local Unions that have entered into collective bargaining agreements that relate to this Plan.

The Board of Trustees selects all non-investment-related individuals and professional firms whose services are necessary for the proper administration of the Fund.

The Board of Trustees authorizes benefit payments to participants and beneficiaries, resolves questions and disputes, and makes rules to be sure the Consolidated Plan is administered fairly. The Board of Trustees is also responsible for reviewing appeals by participants whose claims for benefits under the Consolidated Plan were denied.

The Board of Trustees has sole authority to interpret, apply, construe and amend the Consolidated Plan, as needed, except that some plan provisions may only be changed by the bargaining parties. The Board of Trustees has the power and sole discretion to make all factual determinations regarding the construction, interpretation and application of the Plan. The decision of the Board of Trustees is final and binding.

The Board of Trustees is the plan administrator and named fiduciary of the Consolidated Plan, except that Kroger has been designated as the named fiduciary of the Consolidated Plan with respect to all matters relating to the investment and custody of Plan assets of the Consolidated Plan.

## Board of Trustees as of June 1, 2013

UFCW Consolidated Pension Fund
1800 Phoenix Boulevard, Suite 310 • Atlanta, GA 30349-5559
(770) 997-9910 or (800) 241-7701 • www.ufcwcpf.org



*Note that the members of the Board of Trustees may have changed after publication of this Summary Plan Description. Contact the Fund Office for more information.*

### Fund Office

The Board of Trustees has appointed a Fund Administrative Manager (together with its staff, the "Fund Office") to administer the Consolidated Plan, communicate the Consolidated Plan to you, and to maintain records regarding your service under the Consolidated Plan and the contributions made on your behalf.

The Fund Office determines eligibility for benefits under the Consolidated Plan, with final determination made by the Board of Trustees. The Fund Office also processes applications for benefits, calculates the amount of benefits, and makes payments of benefits.

### Plan Year

The Consolidated Plan and its records are maintained on the basis of the Plan Year. The Plan Year begins January 1 and ends December 31.

### Plan Funding

Benefits under the Consolidated Plan are funded entirely by contributions from participating Employers. Contributions are made to the Fund, which is a trust established solely for the purpose of paying benefits and reasonable expenses of administering the Consolidated Plan. These contributions are made to the Fund and are deposited in a custodial bank.

### Continuation of the Consolidated Plan

The Consolidated Plan is intended to be permanent. However, it is possible that it may be changed sometime in the future. Any material changes to the Consolidated Plan will be communicated to you in writing.

The Board of Trustees may terminate the Consolidated Plan if there are no longer any collective bargaining agreements in effect between an Employer and a Union that require contributions to the Fund. If the Consolidated Plan is terminated, the Fund's assets will be liquidated and used to provide for the payment of all benefit obligations remaining under the Consolidated Plan. Any action to discontinue the Consolidated Plan will be communicated to you in writing.

## Fund Directory

### Fund Office

Dennis A. Nast, Administrative Manager
UFCW Unions and Employers
Benefits Administration, LLC
1800 Phoenix Boulevard, Suite 310
Atlanta, GA 30349-5559
(770) 997-9910 or (800) 241-7701

### Fund Custodian

The Bank Of New York Mellon
135 Santilli Highway
Everett, MA 02149

### Fund Auditor

Dennis G. Jenkins, C.P.A., LLC
1301 Shiloh Road
Building 1200, Suite 1250
Kennesaw, GA 30144

### Fund Actuary

Horizon Actuarial Services, LLC
900 Ashwood Parkway, Suite 170
Atlanta, GA 30338

### Plan Termination

Benefits under the Consolidated Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Consolidated Plan becomes insolvent and unable to pay benefits when due, the PBGC will pay benefits, up to a specified guaranteed level.

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100% of the first $11.00 of the Consolidated Plan's monthly benefit accrual rate, plus 75% of the next $33.00 of the accrual rate, times each year of credited service. Therefore, the PBGC's maximum guarantee is $35.75 per month times your years of Credited Service.

**Example 1:** If you have 10 years of Credited Service and have accrued a monthly benefit of $400.00, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by your years of service, which equals $40.00 ($400.00 / 10). The guaranteed amount for a $40.00 monthly accrual rate is equal to the sum of $11.00 plus $21.75 (75% x $29.00), or $32.75. Therefore, your guaranteed monthly benefit would be $327.50 ($32.75 x 10).

**Example 2:** If you have 10 years of Credited Service and have accrued a monthly benefit of $200.00, the accrual rate for purposes of determining the guarantee would be $20.00 (or $200.00 / 10). The guaranteed amount for a $20.00 monthly accrual rate is equal to the sum of $11 plus $6.75 (75% x $9.00), or $17.75. Therefore, your guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at your Normal Retirement Date and some early retirement benefits. In calculating your monthly payment, the PBGC will disregard any benefit increases that were made under the Consolidated Plan within 60 months before the earlier of the Consolidated 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 pre-retirement death benefits to your spouse or beneficiary if you die after the plan is terminated, benefits above the normal retirement benefit, disability benefits not in payment status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay or severance pay.

For more information about the PBGC and the benefits it guarantees, contact the Fund Office or:

PBGC Technical Assistance Division
1200 K Street, NW, Suite 930
Washington, DC 20005-4026

You may also visit the PBGC's website, www.pbgc.gov or call 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.

### Your Rights and Responsibilities

If you have any questions regarding your benefit payments, you have the right to contact the Board of Trustees or the Fund Office.

The same basic rights under ERISA apply to all benefit plans, including the Consolidated Plan. These rights are described in the following section.

# Statement of ERISA Rights

As a participant in the UFCW Consolidated Pension Fund, you are entitled to certain rights and protections under federal law, as stated in ERISA, as amended, and in regulations issued by the Department of Labor. These rights are outlined below.

## Receive Information about Your Plan and Benefits

Under ERISA, as a participant in the Consolidated Plan, you have the right to:

- Examine, without charge, at the Fund Office and at other specified locations such as worksites and union halls, all documents governing the Consolidated Plan, including insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 series) filed by the Consolidated Plan with the U.S. Department of Labor, and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA). Note that annual reports for 2009 and later can be found at www.efast.dol.gov by using the Form 5500 search feature and entering the Plan's EIN (58-6101602) and Plan Number (001).

- Obtain, upon written request to the Fund Office, copies of documents governing the operation of the Consolidated Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 series) and updated summary plan description. The Fund Office may make a reasonable charge for the copies.

- Receive a copy of the Plan's annual funding notice. The Plan Administrator is currently required by law to furnish each Participant with a copy of the annual funding notice each year.

- Obtain a statement telling you whether you have a right to receive a benefit at your Normal Retirement Date (generally age 65) and, if so, what your benefits would be at your Normal Retirement Date if you stop participating in the Consolidated Plan now. If you do not have a right to a benefit under the Consolidated Plan, the statement will tell you how many more years you have to work to have a right to a benefit under the Consolidated Plan. This statement must be requested in writing and is not required to be given more than once a year. The statement must be provided free of charge.

- Obtain a copy of the labor agreement with your Employer upon written request to the plan administrator. Also, a copy of the labor agreement must be available for examination at the Local Union office.

## Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon people who are responsible for the operation of the plan. The people who operate the plan are called "fiduciaries" of the Plan and have a duty to do so prudently and in the best interest of you and other Plan participants and beneficiaries. No one, including your Employer or any other person, may terminate your employment or otherwise discriminate against you in any way to prevent you from obtaining a retirement benefit or exercising your rights under ERISA.

## Enforce Your Rights

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 documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Board of Trustees and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Board of Trustees to provide the materials and pay you up to $110.00 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Board of Trustees.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relation's order, you may file suit in a federal court. 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 a federal court. The court will decide who should pay court costs and legal fees. If you lose, the court may order you to pay the costs and fees, for example, if it finds your claim is frivolous.

### Assistance with Your Questions

If you have questions about the Consolidated Plan, you should contact the Fund Office. If you have questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Board of Trustees or the Fund Office, you should contact:

Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration.

# Participating UFCW Local Unions and Employers

You may contact the Fund Office for a complete list of the UFCW Local Unions and Employers currently participating in the UFCW Consolidated Pension Fund.

**Local Unions whose Members are Covered by the Consolidated Plan**

| | |
|---|---|
| UFCW Local Union 75 | Dayton, OH |
| UFCW Local Union 204 | Clemmons, NC |
| UFCW Local Union 400 | Landover, MD |
| UFCW Local Union 455 | Houston, TX |
| UFCW Local Union 496 | Metairie, LA |
| UFCW Local Union 700 | Dallas, TX |
| UFCW Local Union 1000 | Dallas, TX |
| UFCW Local Union 1059 | Columbus, OH |
| UFCW Local Union 1529 | Memphis, TN |
| UFCW Local Union 1625 | Lakeland, FL |
| UFCW Local Union 1657 | Birmingham, AL |
| UFCW Local Union 1995 | Nashville, TN |
| UFCW Local Union 1996 | Atlanta, GA |
| UFCW Local Union 2008 | Little Rock, AR |

A UFCW Local Union will be a participating Employer in the Consolidated Plan if its employees are covered under the Consolidated Plan and the UFCW Local Union makes contributions to the Consolidated Plan on their behalf.

# CLOSING

The Board of Trustees is pleased to provide you with this Summary Plan Description for the UFCW Consolidated Pension Plan, as of January 1, 2012.

If you or your spouse has any questions concerning your benefits or rights under the Plan, please contact the Fund Office at:


**UFCW Consolidated Pension Fund**
**1800 Phoenix Boulevard, Suite 310**
**Atlanta, GA 30349-5559**

**(770) 997-9910 | (800) 241-7701**

**www.ufcwcpf.org**


Nothing in this Summary Plan Description is meant to interpret or change in any way the provisions expressed in the Consolidated Plan or in a Prior Plan. In the event of any inconsistency between the information in the Summary Plan Description and the Plan document, the Plan document will prevail. The Board of Trustees reserves the right to amend, modify, or discontinue all or part of this Plan, subject to the rights reserved to the collective bargaining parties.

Please refer to the summary plan description for the applicable Prior Plan for a summary of provisions affecting benefits earned prior to January 1, 2012.