

## ANNUAL FUNDING NOTICE

For

United Food and Commercial Workers  
Unions and Employers Midwest  
Pension Fund

### Introduction

This notice includes important information about the funding status of your multiemployer pension plan (the “Plan”). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), a federal insurance agency. All traditional pension plans (called “defined benefit pension plans”) must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning December 1, 2021 and ending November 30, 2022 (“Plan Year”).

### How Well Funded Is Your Plan

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

<b>Funded Percentage</b>			
	<b>2021 Plan Year</b>	<b>2020 Plan Year</b>	<b>2019 Plan Year</b>
Valuation Date	December 1, 2021	December 1, 2020	December 1, 2019
Funded Percentage	50.8%	51.9%	52.8%
Value of Assets	\$926,381,328	\$959,379,665	\$934,375,210
Value of Liabilities	\$1,822,070,469	\$1,849,251,146	\$1,768,979,539

### Year-End Fair Market Value of Assets

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

	<b>November 30, 2022</b>	<b>November 30, 2021</b>	<b>November 30, 2020</b>
Fair Market Value of Assets	\$799,602,041*	\$965,969,522**	\$928,357,527

\* *The fair market value of the plan’s assets as of November 30, 2022 is based on unaudited financial information as of the date of this Notice, and may change when final audited asset numbers are available. You may contact the Fund Administrator for audited information after the audit is completed.*

\*\* *Revised from the unaudited value of \$ as published in the prior year’s Annual Funding Notice*

### Endangered, Critical or Critical and Declining Status

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

The Plan was in critical and declining status in the Plan Year ending November 30, 2022 because the Plan was in critical status and the Plan is projected to become insolvent within 20 years. The Plan was projected to be insolvent in the plan year beginning December 1, 2030. Such insolvency may result in benefit reductions. The plan sponsor has taken the following legally-permitted actions to prevent insolvency: On February 28, 2023, the Trustees applied to the PBGC for Special Financial Assistance, as allowed under the American Rescue Plan Act. Also, the Trustees adopted a Rehabilitation Plan calling for increases in hourly contribution rates for all Collective Bargaining Agreements effective after the date the Rehabilitation Plan schedules were provided to unions and employers, November 22, 2010. In addition, you received a notice on December 16, 2010 of several benefit changes that went into effect on January 1, 2011. The Rehabilitation Plan is reviewed annually and updated as needed to reflect plan experience. The Rehabilitation Plan currently

requires annual contribution rate increases of 5 cents per hour for all employers. In 2016, the Trustees also revised the Rehabilitation Plan's annual benchmarks to adopt all-reasonable measures approach to forestall insolvency. Also, recent federal legislation provides additional options for actions that plan sponsors can take if a plan meets certain conditions, that are intended to prevent insolvency (including immediate benefit reductions for certain participants). If the Trustees determine that such actions are legally permitted and advisable, you will receive a separate notice in the future identifying and explaining any such actions. You may get a copy of the Rehabilitation Plan, any update to such plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement. You may get this information by contacting the Fund Administrator.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending November 30, 2023, separate notification of that status has or will be provided.

### Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 35,223. Of this number, 1,968 were current employees, 17,459 were retired and receiving benefits, and 15,796 were retired or no longer working for the employer and have a right to future benefits.

### Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to fund the Plan's benefit obligations through a combination of contributions received from participating employers and investment income generated by the Plan's investments. The funding policy is designed to comply with the funding requirements of ERISA and the Internal Revenue Code. The Plan's Board of Trustees monitors the Plan's funding requirements with the assistance of the Plan's enrolled actuary.

Once money is contributed to the Plan, the money is invested by Plan officials called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan has been adopted by the Board of Trustees with the advice of the Plan's investment consultant. The investment policy, generally, is to invest the assets of the Plan in several different asset classes, within permitted allocation ranges. It is intended to: (1) set forth the manner in which the Plan's investment managers will invest the Plan's assets (i.e., consistent with the fiduciary standards of ERISA); and (2) assist the Trustees with selecting appropriate investment managers and monitoring and evaluating their investment performance. Because the Plan's benefit obligations are payable over several years, the Plan seeks to generate a long-term rate of return that is consistent with the Plan's funding policy and that is expected over the long-term to equal or exceed the assumed actuarial rate of return within an acceptable level of risk. The Trustees' investment policy seeks to maintain sufficient liquid assets to fund benefit payments.

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

<b>Asset Allocations</b>	<b>Percentage</b>
1. Cash (Interest bearing and non-interest bearing)	2.0
2. U.S. Government securities	11.9
3. Corporate debt instruments (other than employer securities):	
Preferred	1.0
All other	
4. Corporate stocks (other than employer securities):	3.8
Preferred	
Common	
5. Partnership / joint venture interests	12.0
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common / collective trusts	69.3
10. Value of interest in pooled separate accounts	
11. Value of interest in 103-12 investment entities	
12. Value of interest in registered investment companies (e.g., mutual funds)	
13. Value of funds held in insurance co. general account (unallocated contracts)	
14. Employer-related investments:	
Employer Securities	
Employer real property	
15. Buildings and other property used in plan operation	
16. Other	

For information about the Plan’s investment in any of the following types of investments- common/ collective trusts, pooled separate accounts, or 103-12 investment entities – contact the Fund Administrator at 248-813-9800 or 700 Tower Drive, Suite #300, Troy, Michigan 48098.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the “Form 5500.” These reports contain financial and other information. You may obtain an electronic copy of your Plan’s annual report by going to [www.efast.dol.gov](http://www.efast.dol.gov) and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration’s Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673, or you may obtain a copy of the Plan’s annual report by making a written request to the Fund Administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your Fund Administrator if you want information about your accrued benefits. Your Fund Administrator is identified below under “Where To Get More Information.”

## Summary of Rules Governing Insolvent Plans

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

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

### Benefit Payments Guaranteed by the PBGC

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

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

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

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

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

#### Where to Get More Information

For more information about this notice, you may contact the Fund Administrator of the United Food and Commercial Workers Unions and Employers Midwest Pension Fund, at 800-621-5133, 9550 W. Higgins Road, Ste 310, Rosemont, IL 60018. For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number or "EIN" is UFCW Unions & Employers Midwest Pension Fund, 36-6508328. For more information about the PBGC, go to PBGC's website, [www.pbqc.gov](http://www.pbqc.gov).