ANNUAL FUNDING NOTICE FOR
United Food and Commercial Workers Union and
Participating Food Industry Employers Tri-State Pension Plan

Introduction

This notice, and the Notice of Funding Status that also is enclosed, reflect the American Rescue Plan Act of 2021 (ARPA). ARPA provides financial assistance to multiemployer pension plans with solvency issues. Specifically, multiemployer plans like this one that meet certain eligibility requirements may receive "special financial assistance" (SFA) from the Pension Benefit Guaranty Corporation (PBGC) to keep them solvent through approximately 2051. The Board of Trustees has applied to the PBGC and been approved for SFA. Information relating to the amount of SFA received by the Plan and its impact on the Plan are included throughout the notice below.

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning January 1, 2025 and ending December 31, 2025 ("Plan Year").

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

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

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

Contact your plan administrator at:
- Board of Trustees of the United Food and Commercial Workers Union and Participating Food Industry Employers Tri-State Pension Plan
- Phone: (610) 941-4282 (Toll-free: (866) 928-8329)
- Address: 3031B Walton Road, Plymouth Meeting, PA 19462
- Email: tsfund@ufcwtristatepensionfund.org

To better assist you, provide your plan administrator with the following information when you contact them:
- Plan Number: 001
- Plan Sponsor Name: Board of Trustees of the United Food and Commercial Workers Union and Participating Food Industry Employers Tri-State Pension Plan
- Employer Identification Number: 23-6396097

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

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

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

How Well Funded Is Your Plan?

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

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Funded Percentage			
Plan Year	2025	2024	2023
Valuation Date	January 1, 2025	January 1, 2024	January 1, 2023
Funded Percentage	25%	29%	32%
Value of Assets	$219,811,924	$252,978,793	$281,528,904
Value of Liabilities	$864,896,475	$869,411,757	$871,925,167

In accordance with Treasury Department guidance, the funded percentage and asset values in the chart above do not reflect the special financial assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act.

Year-End Fair Market Value of Assets

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

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

Plan Year Ending	**December 31, 2025**	**December 31, 2024**	**December 31, 2023**
Fair Market Value of Assets	$887,860,159	$869,221,648	$233,099,438

The December 31, 2025 fair market value of assets disclosed above is reported on an unaudited basis since this notice is required to be distributed before the normal completion time of the audit which is currently in progress. Please note, the asset values for the plan years ending December 31, 2024 and 2025 include the amount of the Plan's special financial assistance account.

If the amount held in the special financial assistance account (which reflects the remaining portion of the special financial assistance) were to be reflected, the funded percentage for the plan year ending December 31, 2024 on a market value basis would be 100.5%.

Endangered, Critical, or Critical and Declining Status

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

- **Endangered:** The plan's funded percentage drops below 80 percent. The plan's trustees must adopt a funding improvement plan.
- **Critical:** The plan's funded percentage falls below 65 percent or meets other financial distress criteria. The plan's trustees must implement a rehabilitation plan.
- **Critical and Declining:** A plan in critical status is also designated as critical and declining if projected to become insolvent—meaning it will no longer have enough assets to pay out benefits—within 15 years (or within 20 years under a special rule). The plan's trustees must continue to implement the rehabilitation plan. The plan's sponsor may seek approval to amend the plan, including reducing current and future benefits.

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Under federal pension law, the Plan is considered to be in critical status in the Plan Year ending December 31, 2025 because the Plan received special financial assistance from the Pension Benefit Guaranty Corporation under the American Rescue Plan Act. Prior to receiving SFA, in an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan. The Board of Trustees continues to evaluate the Plan's funding status and comply with all applicable legal requirements.

You may obtain a copy of the Plan's Rehabilitation Plan and the actuarial and financial data supporting the actions taken to improve the Plan's funding by contacting the Plan administrator. Or you may obtain this information at www.ufcwtristatepensionfund.org.

The Plan remains in critical status for the Plan Year ending December 31, 2026 and was certified as such on March 31, 2026 by the Plan's Actuary. Since the Plan received SFA from the PBGC under ARPA, the Plan will be deemed to be in critical status through the Plan Year ending 2051.

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding plan years.

Number of participants and beneficiaries on last day of relevant plan year	**2025**	**2024**	**2023**
1. Last day of plan year	12/31/2025	12/31/2024	12/31/2023
2. Participants currently employed	3,314	3,839	4,366
3. Participants and beneficiaries receiving benefits	11,002	11,312	11,088
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	12,440	12,451	12,656
5. Total number of covered participants and beneficiaries (Lines 2 + 3 + 4 = 5)	26,756	27,602	28,110

The December 31, 2025 participant counts disclosed above reflect the plan administrator's reasonable, good faith estimates based on the January 1, 2025 Valuation assumptions and data. These counts are estimated since this notice is required to be distributed before the year-end data is available.

Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to require contributing employers to meet the obligations of the Rehabilitation Plan schedules established by the Trustees under the Pension Protection Act of 2006.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The investment policy of the Plan is to invest the assets of the Plan in a manner consistent with the fiduciary standards of ERISA, namely: (a) all transactions undertaken must be for the sole interest of Plan participants and their beneficiaries to provide maximum benefits and defray reasonable expenses in a prudent manner, and (b) assets are to be diversified in order to minimize the impact of

large losses in individual investments and to achieve a rate of return commensurate with contemporary economic conditions, recognizing that the actuarial interest rate for the Plan is 7%.
SFA assets are managed in a separate account and in accordance with section 4262(l) of ERISA and 29 CFR 4262.14 regarding the restrictions and limitations on investments. SFA assets are required to be managed with a minimum of one year of projected benefit payments and administrative expenses invested in investment grade fixed income in accordance with section 29 CFR 4262.16(c).

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 the Plan's total assets, which include the SFA assets:

Asset Allocation	Percentage
Public Equity	15.44%
Private Equity	0.00%
Investment grade debt instruments	78.26%
High-yield debt instruments	1.26%
Cash and cash equivalents	0.16%
Real Estate	4.88%
Other	0.00%

The average return on assets for the Plan Year beginning January 1, 2025 and ending December 31, 2025 was 9.16%.

Events Having a Material Effect on Assets or Liabilities

Federal law requires the Plan administrator to provide, in this notice, a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on the Plan's liabilities or assets. Material effect events are occurrences that tend to have a significant impact on a plan's financial health or its ability to meet its obligations. An event is material if it, for example, is expected to increase or decrease total plan assets or plan liabilities by five percent or more.

Over the years, the Plan's contribution base has been adversely affected by the withdrawals of several employers, including the withdrawal by Shop-Rite and Super G. In addition, the liquidation in bankruptcy of the Great Atlantic & Pacific Tea Company, Inc. (including Pathmark Stores, Inc. and Super Fresh Food Markets, Inc., and collectively with their affiliated debtors, the "A&P Debtors") has adversely affected the Plan because it has significantly reduced the Plan's contribution base and resulted in former employees of the A&P Debtors applying for pension benefits earlier than would have been the case if the bankruptcy not occurred.

More recently, the American Rescue Plan Act of 2021 described at the beginning of this notice was passed, providing financial assistance to pensions plans like this one to meet benefit obligations through approximately 2051.

On December 2, 2024, the Plan received $684,360,361 in Special Financial Assistance ("SFA"). Of this amount, $638,123,040 was the amount requested in the Plan's application for Special Financial Assistance, and the remaining $46,237,321 was for interest to account for the amount of time between the Plan's application measurement date and the payment date of the SFA.

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

Prohibition Against Future MPRA Suspensions

Because the Plan received special financial assistance, the Plan may not submit an application to the Secretary of the Treasury to suspend or reduce your benefits in the future under the Multiemployer Pension Reform Act, also known as MPRA.

Right to Request a Copy of the Annual Report

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

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

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

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

Summary of Rules Governing Insolvent Plans

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

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

Benefit Payments Guaranteed by the PBGC

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

What PBGC Guarantees

PBGC guarantees "basic benefits" including:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Annuity benefits for survivors of plan participants.

- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor's bankruptcy date.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including:

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

Determining Guarantee Amounts

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

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

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

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

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

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

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

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

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