NORTHERN MINNESOTA – WISCONSIN AREA RETAIL CLERKS PENSION PLAN

SUMMARY PLAN DESCRIPTION

May 1, 2004

Summary

Plan Description

Local 1116

Created-Administered

by

Area Retail Grocers of Northern Minnesota-Wisconsin

United Food & Commercial Workers Local #1116

Northern Minnesota-Wisconsin

Area Retail Clerks

Pension Fund

(5/1/04 Printing)

IMPORTANT

This Summary Plan Description is complete and up to date as of May, 2004. However, the Trustees may amend the Pension Plan from time to time. Therefore, a participant should inquire with the Fund Office periodically in order to be sure that he/she has the full text of this Summary Plan Description and any material modifications made thereto. Additionally, if a participant has any questions, he/she should make sure that he/she has the full text of the Plan Documents with any and all amendments.

NORTHERN MINNESOTA-WISCONSION AREA
RETAIL CLERKS PENSION FUND

To All Participants:

As Trustees of the Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund (the Plan) we are pleased to provide you with this updated Summary Plan Description which is effective May 1, 2004.

This Plan is a defined benefit pension plan. It was created to help provide financial security for you and your family upon your retirement, death or disability.

This booklet is a Summary Plan Description. It is intended to provide you with a summary of the important features of the Plan. A more detailed description of the Plan is provided in the Plan Document. If your particular circumstance is not covered in this Summary Plan Description or if you do not understand something in this Summary, you may request to review the Plan Document at the Fund Office or ask the Plan Administrator for a clarification.

If there is any inconsistency or conflict between the contents of this Summary Plan Description and the Plan Document, the Plan Document shall govern.

We encourage you to read this booklet carefully and keep it with your important papers for future reference. You, your beneficiaries or legal representatives may examine the Plan Document and certain other documents during regular business hours or by appointment at the Fund office. The only people authorized to answer questions concerning the Plan are the Board of Trustees and the Staff at the Fund Office. If you have any questions about the Plan, contact the Fund Office at (218) 728-8317.

The Trustees will continue to keep you advised of any changes in the Plan, as they occur. However, you can be kept up to date only if the Fund Office has your current address on record at all times. Consequently, please notify the Fund Office immediately if your address changes.

Sincerely,

Board of Trustees

NORTHERN MINNESOTA-WISCONSION AREA RETAIL CLERKS PENSION FUND

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ESTABLISHMENT, ADMINISTRATION AND COST OF THE PENSION PLAN

1. The Pension Plan was established under an Agreement and Declaration of Trust dated April 15, 1966, and as thereafter amended. The Trust Agreement is between United Food and Commercial Workers Union Local 1116 and Northern Minnesota-Wisconsin Employers signatory to collective bargaining agreements with the Union.

2. The Pension Fund is administered by a Board of Trustees, which serves without any compensation and acts on behalf of you and your fellow employees in managing all aspects of the Pension Fund's operation. This Board is made up of an equal number of union and employer representatives whose powers and duties are set forth in the Agreement and Declaration of Trust.

3. The cost of the Pension Plan is paid by participating employers who make contributions to the Pension Fund in accordance with the collective bargaining agreements with UFCW Local 1116 and other UFCW affiliated locals.

4. **No employee contributions are required or are accepted.**

5. Notify the Fund office promptly if you change your address. If the Trustees are unable to reach you at your last address on record, any benefit payments will be held without interest.

PENSION PLAN DEFINITIONS

The following definitions of terms used in the Pension Plan may be helpful in understanding the benefits which are provided and your rights.

Unions - When a reference is made to the Union, it means United Food and Commercial Workers International Union Local 1116, AFL-CIO, or other Local Unions affiliated with the United Food and Commercial Workers International Union.

Employers - If the employer you work for contributes to the Pension Fund in accordance with a written collective bargaining agreement with the Union or participation agreement with the Trustees providing for such contributions, it is an employer under the Plan.

Employees – You become a participant in the Plan when you begin employment, with an employer that is obligated to make contributions to the Plan on your behalf due to a collective bargaining or participation agreement.

Covered Employment - If you work for an employer who contributes to the Pension Fund for your work in a job covered by the written agreement, you are considered to be working in covered employment.

Credited Service - Credited Service is the period used to measure your work in covered employment in order to qualify for pension benefits and includes both past and future service.

Past Service - Credited service before an Employer makes contributions based on your hours of work in covered employment to the Fund.

Future Service - Credited service based on hours of work in covered employment for which contributions are required to be paid to the Pension Fund.

Vesting Service - Years of vesting service are earned by your credited service.

Hours of Service - Each hour of work for which an employee is paid or entitled to payment by an employer, including certain hours of back pay not in excess of 40 in any one work week. Hours of work for an employer outside of covered employment while the employer is contributing to the Plan can be counted as hours of service if such noncovered employment is continuous with (immediately before or after) covered employment.

Vested - This term is used to refer to an employee who is either working in covered employment or who has left covered employment and who is eligible to receive a nonforfeitable pension upon reaching retirement age.

Retirement - The period after you qualify for a pension under the Plan and start to receive monthly pension payments is considered retirement. To be considered in retirement, there are certain types of employment which are prohibited.

Plan Year - The Plan Year is January 1 through December 31 and is the annual period used for computing years of vesting service, pension credits, and breaks in service.

ERISA – ERISA means the Employee Retirement Income Security Act of 1974.

PENSION PLAN PARTICIPATION

What does it mean to be a Participant under the Plan?

A participant is an Employee who is eligible to receive pension credit in accordance with the rules of the Plan. You will only start earning pension and vesting credit after you become a participant. However, you may receive retroactive credit for service performed prior to your participation for benefit accrual.

How do I become a Participant under the Plan?

Prior to January 1, 2003 you became a participant under the Plan on the date that you had completed 375 hours of service in a 12 consecutive month period commencing with your employment date or in any calendar year after your employment commencement date.

Beginning on January 1, 2003, you will become a participant in the Plan on the first entry date after all of the following occur:

1. You complete 1,000 hours of service in a 12 consecutive month period commencing with your employment date or in any calendar year after your employment commencement date; and
2. You have obtained age 21; and
3. You are working in covered employment on the date you meet these requirements.

The entry dates for Plan participation are January 1st and July 1st.

If you are not employed on the date you would have become a participant, you will become a participant when you go back to work. If you have been a participant in the Plan, leave employment with a participating employer and then return, you will immediately become a participant again as of the date you return to work unless you were not vested at the time you left and you suffered a break in service. If you were not vested and suffered a break in service you must again satisfy the initial participation requirements as if you had never been a participant in the Plan.

When am I no longer a Participant under the Plan?

You are no longer a participant if you fail to complete 501 hours of service (375 hours of service prior to January 1, 2003) in covered employment in a calendar year. This is termed a one-year break in service and is further described in this Summary Plan Description. However, if you are vested (have earned the right to a pension) you cannot lose your status as a participant.

Can I become a Participant again?

Yes. If you had a vested pension benefit when you left covered employment, you will again become a participant on the first of the month for which contributions are received on your behalf. If you left covered employment without a vested pension benefit, and do not repair a break in service, you must satisfy the initial participation requirements (described on page 2 under the heading **"How do I become a Participant under the Plan?"**) to again become a participant under the Plan.

PENSION PLAN SERVICE

CREDITED SERVICE

What is Credited Service?

Credited Service is the period of service used to determine when you have earned the right to a benefit and is also used in calculating the amount of the monthly benefit. Credited Service includes both Past and Future Service and may not exceed 30 years. Credited Service is used in determining:

* Eligibility for Benefits; and
* Breaks in Service.

The rules for counting pension credit differ for work performed before the contribution period and work performed during the contribution period for which contributions are required to be made to the Fund.

MILITARY SERVICE: USERRA

Under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), you are entitled to Plan benefits for periods of military service of less than five (5) years. If you will be entering military service, you must notify both your employer and the Plan in writing on a form available from the Plan Administrator.

Upon your return. When you return from military service and are going to return to employment, you must notify the Plan. To receive credit for Plan benefits for the period you were in the military, you must return to work within certain time limits:

- If your military duty was less than 31 days, you must return to work by the next work day following discharge (with an 8 hour rest period);

- If your military duty was more than 31 days but less than 181 days, you must return to work within 14 days of discharge; or

- If your military duty was longer than 181 days, you have 90 days to return to work after discharge.

Upon return, you must also furnish the Plan with copies of your discharge papers within 14 days after returning to work. Those papers must show the date of induction, date of discharge or termination of duty, and whether the discharge was honorable or not. If you did not receive an honorable discharge, you will not be entitled to Plan credit for the period of your military service.

Determining Hours of Services to be Credited: In order to determine how may hours of service you will be credited for military service, the Plan uses a twelve (12) month look-back counting all your employment with all contributing employers, including hours for which reciprocal contributions are received by the Plan. The employer contributions required for credit will be determined based on the average number of hours you worked during the 12 months prior to your military service. Increases in the contribution rate to the Plan specified in the agreement your employer has with the Trustees will be applied based upon hours of credit you receive for military service.

How is Past Service counted?

Past Service is your Credited Service before an Employer makes contributions based on your service. Past Service Credit, if any, for Employees of an Employer commencing participation after April 1, 1976, shall be determined and allowed only as set forth in a written acceptance of the Employer by the Trustees. Past Service Credit may not exceed 15 years. For years prior to January 1, 1976, Past Service will be credited in accordance with rules adopted by the Trustees and set forth in the Joinder Agreement.

How is Future Service counted?

Future Service is your Credited Service earned commencing with the beginning of the Plan Year in which you became a participant in the Plan. You will be credited with one year of Future Service for each Plan Year in which you complete at least 1,820 hours of service for a contributing employer. For years prior to January 1, 1979 in which you have less than 1,820 hours of service, future service will be credited in accordance with the Plan in effect in the year you earned the hour of service. For Plan Years beginning on and after January 1, 1979 and prior to January 1, 2003, in which you have at least 375 or more, but less than 1,820 hours of service, you are entitled to a fraction of a year of Future Service determined as follows:

Hours of work in Covered Employment during Plan Credit Year	**Partial Year of Credited Service**
0 - 374 hours	No credit
375 - 519 hours	1/4 credit
520 - 779 hours	3/8 credit
780 - 1039 hours	1/2 credit
1040 - 1299 hours	5/8 credit
1300 - 1559 hours	3/4 credit
1560 - 1819 hours	7/8 credit
1820 hours or more hours	1 credit

For Plan Years beginning on or after January 1, 2003, in which you have at least 520 but less than 1,820 hours of service you are entitled to a fraction of a year of Future Service determined as follows:

Hours of work in Covered Employment during Plan Credit Year	**Partial Year of Credited Service**
0 - 519 hours	No credit
520 - 899 hours	1/4 credit
900 - 1399 hours	1/2 credit
1400 - 1819 hours	3/4 credit
1820 hours or more hours	1 credit

YEARS OF VESTING SERVICE

What are the differences between Years of Credited Service and Years of Vesting Service?

Years of Vesting Services are earned only during the period contributions are made. A Participant will receive a full year of Vesting Service for each calendar year he/she is allowed at least a partial year of Credited Service.

Can Vesting Service Credit be lost or canceled?

Yes. Vesting Service Credit can be lost if a Participant is separated from covered employment for an extended period. Such cancellation is described in the following section, entitled "Break in Service".

BREAK IN SERVICE

What is a Break in Service?

A Break in Service is an absence from covered employment. A Break in Service occurs after a period of time in which an employee fails to work a specified number of hours or earn a specified amount of pension or Vesting Credit. In general, if before January 1, 1976, you had a Break in Service, all pension credits accumulated prior to the break were canceled and could not be restored.

As of January 1, 1976, the Break in Service rule is changed. There are now two types of Breaks in Service, a one-year break and a permanent break. A one-year break may be temporary and subject to repair. The effects of a permanent break are not repairable; canceled pension credits and years of Vesting Service cannot be restored.

How are Breaks in Service determined before January 1, 1976?

For any period prior to January 1, 1971, and after the contribution date, an employee had a Break in Service if he/she failed to earn credited service in any one plan year. For any period prior to January 1, 1976, and after January 1, 1971, an employee had a Break in Service if he/she failed to earn credited services during any two consecutive plan years. The effects of such a break were permanent and canceled all pension credits earned before the break.

How are Breaks in Service determined after December 31, 1975?

An employee has a one-year break if he/she does not complete at least 501 hours of service in covered employment in a plan credit year.

For the period between January 1, 1976, and January 1, 1985, an employee has a permanent break if he/she has consecutive one-year breaks which are equal to or greater than his/her years of vesting service.

For example, a Participant's work record before 1985 and after January 1, 1976, looks like this:

Year	Hours of Work	Years of Vesting Service	One-Year Breaks
1	1,200	1	0
2	1,000	1	0
3	300	0	1
4	0	0	1

This Participant has two consecutive one-year breaks. Because his/her consecutive one-year breaks are equal to his/her years of vesting service, he/she has a permanent break as of the end of year 4.

Beginning January 1, 1985, an employee will not have a permanent break until his/her consecutive one-year breaks equal or exceed the greater of five or the number of his/her years of vesting service.

For example, assume a Participant had the following work record:

Year	Hours of Work	Years of Vesting Service	One-Year Breaks
1984	1,235	1	0
1985	1,182	1	0
1986	300	0	1
1987	0	0	1
1988	0	0	1
1989	0	0	1
1990	0	0	1

Under the break rule which became effective January 1, 1985, this Participant will not have a permanent break in service until the end of 1990 when he/she incurs 5 consecutive one-year breaks.

Can Pension Credits and Vesting Service Lost due to a Permanent Break be restored?

No. However, a Participant can repair a one-year break or a series of one-year breaks before he/she has a permanent break in service. If following one-year breaks a Participant works at least 501 hours in covered employment during a plan credit year, all prior one-year breaks will be disregarded (provided he/she has not yet incurred a permanent break). In addition, by earning at least 501 hours of work and thereby again becoming a participant, all pension and vesting service credits previously earned will be restored.

Does a Permanent Break in Service occur if a Participant is Vested?

No. The Plan provides that a Participant cannot have a permanent break in service if he/she leaves covered employment after becoming vested.

A Participant shall be considered vested if, before incurring a permanent break, he/she has at least five (5) years of vesting service or he/she is eligible for any type of pension under this Plan.

PENSION PLAN BENEFITS

NORMAL PENSION

What is a Normal Pension?

A Normal Pension is the pension payable to an eligible active Participant who retires on or after the minimum required age.

When is a Participant eligible for a Normal Pension?

Your eligibility for normal retirement is based upon the Plan of Benefits, in effect, when the participant retires or when he/she separates from covered employment.

If you retired or separated from covered employment with Credited Service before January 1, 1996 you are eligible for normal retirement if:

1. You have attained age 62 on or after January 1, 1976; and
2. You have five (5) or more Years of Credited Service.

If you retired or separated from covered employment with Credited Service on or after January 1, 1996, but before January 1, 2001 you are eligible for normal retirement if:

1. You have attained age 55 on or after January 1, 1996; and
2. You have five (5) or more Years of Credited Service.

If you retired from covered employment with Credited Service on or after January 1, 2001 but before January 1, 2003 you are eligible for normal retirement if:

1. You have attained age 55 on or after January 1, 2001; and
2. You have five (5) or more Years of Credited Service; and
3. You were actively employed with a participating employer when you retired.

If you separated from covered employment with Credited Service on or after January 1, 2001, but before January 1, 2003 you are eligible for normal retirement if:

1. You have attained age 62 on or after January 1, 1996; and
2. You have five (5) or more Years of Credited Service.

If you retire or separate from covered employment with Credited Service in 2003 or later, you are eligible for normal retirement if:

1. You have obtained age 65; and
2. You have reached the fifth anniversary of your commencement of participation in the Plan.

How much is a Normal Pension?

The monthly amount of the Normal Pension will be based on the Plan of Benefits, in effect, when the Participant retires or, if earlier, when he/she separated from covered employment.

In general, a Participant is considered separated from covered employment when he/she has a one-year break in service. The Pension for that Participant would be based on the Plan, in effect, before the one-year break. If a year of Vesting Service is earned subsequently, he/she would generally be eligible for the Plan of Benefits in effect at the time the year of Vesting Service was earned.

Participants retiring or separating from covered employment on January 1, 1984, or thereafter, who meet the requirements for a Normal Pension, shall receive a monthly amount equal to the amount per year of service as set forth in the table on the following page based on the hourly contribution rate contributed by the Employer on the date of his/her retirement; provided, beginning January 1, 1986, where a retirement is other than Normal or Disability and the rate of contribution by the Employer has increased by more than one-third (1/3) within the thirty-six (36) months prior to the month payment of his/her Pension Benefits will begin, the amount per year of service shall be based on the rate of contribution from the Employer prior to such increase, but not counting Credited Service in excess of thirty (30) years of Credited Service resulting in the highest Pension.

Hourly Contribution Rate in Applicable CBA with Participating Employers	Credited Service (Past & Future) Earned Before January 1, 1970	Future Service Earned on or after January 1, 1970 and Prior to January 1, 2003	Future Service Earned on or after January 1, 2003
$0.05	$1.90	$4.17	$2.29
0.10	3.20	8.34	4.59
0.15	4.50	12.51	6.88
0.20	5.80	16.68	9.17
0.25*	7.00	20.85	11.47
0.30	8.30	25.02	13.76
0.35	9.60	29.19	16.05
0.40	10.90	33.36	18.35
0.45	11.20	37.50	20.63
0.50	13.40	41.70	22.94
0.55	14.70	45.85	25.22
0.60 or greater	16.00	50.00	27.50

*Two Harbors Retail and CHC Credited Service earned prior to 1-1-70 is $6.00 and thereafter to 12-31-78 is $8.00.

These monthly pension rates **DO NOT** apply to any employees who retired or separated from covered employment for any other reason before January 1, 1986. If you have questions, contact the Fund Office.

***Past and Future Service Credits are based on the date he/she became a participant in the Plan or the date the contributing employer started contributing to the Plan in accordance with the Collective Bargaining Agreement.**

Note: The Normal Pension payable will be reduced in order to provide for a Qualified Joint and Survivor Pension as described in this Plan unless the Participant and his/her spouse decide they want the Pension paid as a single-life pension.

<u>EARLY RETIREMENT PENSION</u>

When is a Participant eligible for an Early Retirement Pension?

He/she is eligible if:

1. he/she has attained age 50 on or after January 1, 1976, but is not eligible for a normal pension; and
2. he/she has five (5) or more Years of Credited Service.

How much is an Early Retirement Pension?

The monthly amount of the early retirement pension is based upon the Plan of Benefits in effect when the participant retires or, if earlier, when he/she separates from covered employment. The early retirement pension is determined as follows:

1. For early retirement pensions effective on or after January 1, 2003, the amount of the pension benefit depends on whether you are actively employed with a participating employer when you retire, your number of Years of Credited Service and the years you earned the Credited Service.

* If you are actively employed when you begin early retirement, Credited Service earned prior to January 1, 2003 is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 55 on the date your pension is to begin. Credited Service earned on or after January 1, 2003 is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 65 on the date your pension is to begin, unless you qualify for a thirty (30) year pension as described below. If you qualify for a thirty (30) year pension, Credited Service earned on or after January 1, 2003 is paid out at the normal pension amount beginning at age 55 without a reduction. You will qualify for a thirty (30) year pension if:

1. You have thirty (30) years of credited service;
2. You have obtained age 55 on or after January 1, 2003; and
3. You are actively employed with a participating employer when you retire.

* If you are not actively employed when you begin early retirement, Credited Service earned prior to January 1, 2001 is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 55 on the date your pension is to begin. Credited Service earned on or after January 1, 2001 and before January 1, 2003 is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 62 on the date that your pension is to begin. Credited Service earned on or after January 1, 2003 is paid out at the normal pension

amount and is reduced 5/12ths of 1% for each month you are younger than age 65 on the date your pension is to begin.

2. For early retirement pensions effective on or after January 1, 2001 and before January 1, 2003, the amount of the pension benefit depends on whether you were eligible for normal pension at age 55 at the time you began early retirement. See page 9 under NORMAL PENSION (as supplemented by this document) to determine whether you were eligible for a normal pension at age 55.

* If you were eligible for a normal pension at age 55, the normal amount payable at age 55 is reduced 5/12ths of 1% for each month you are younger than age 55 on the date your pension is to begin.

* If you were not eligible for a normal pension at age 55 then the amount of your pension depends on your number of years of Credited Service you have earned **and** the calendar years that you earned the Credited Service. Credited Service earned prior to January 1, 2001 is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 55 on the date your pension is to begin. Credited Service earned in 2001 or later is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 62 on the date your pension is to begin.

3. For early retirement pensions effective on or after January 1, 1996 and before January 1, 2001 or for participants who separated from covered employment on or after January 1, 1996 but before January 1, 2001, the normal pension amount payable at age 55 is reduced 5/12ths of 1% for each month you are younger than age 55 on the date your pension is to begin.

4. For early retirement pensions effective prior to January 1, 1996 or for participants who separate from covered employment and are vested prior to January 1, 1996, the normal amount payable at age 62 is reduced 5/12ths of 1% for each month you are younger than age 62 on the date your pension is to begin.

DISABILITY PENSION

Effective January 1, 2003, the Fund will no longer provide disability pensions to participants that become totally disabled. Participants with a vested pension benefit who become disabled on or after January 1, 2003 are entitled to receive only a normal or early retirement benefit as described elsewhere in this Summary Plan Description.

PENSION PLAN SURVIVOR BENEFITS

Survivor Benefits After Retirement

What is the Qualified Joint and Survivor Annuity (QJSA)?

Effective January 1, 1976, as required by ERISA, if a Participant is married when he/she retires, his/her pension benefit is automatically payable in the form of a Qualified Joint and Survivor Pension, unless he/she and his/her spouse reject this form of payment before his/her pension begins. The QJSA Pension provides that, upon the death of a pensioner, 50% of his/her monthly benefit will be paid to his/her surviving spouse for life. To provide this guaranteed benefit, the amount of the monthly benefit payable to the pensioner is reduced. The reduction factors are based on the ages of both the Participant and the Spouse.

How is the Qualified Joint and Survivor Annuity Pension Calculated?

Because the QJSA Pension guarantees retirement benefit to two people for two lifetimes (the husband's and the wife's), this means that more monthly benefit checks may be paid out than would be the case if only one lifetime were covered. Spreading the available money over more monthly benefit payments requires a reduction in the monthly benefit a pensioner is paid. The monthly amount of a QJSA Pension is, therefore, calculated as single-life based on the age of the pensioner and the resulting amount is then reduced depending on the difference in ages between the pensioner and his/her spouse.

Here is an example of how the amount of a single-life pension would be reduced when a QJSA Pension is payable. (A single-life pension is the non-reduced pension form payable to single employees and married employees who reject the QJSA Pension Form.)

For example, if you retire at age 62 and are eligible for a Normal Pension of $650.00 and your spouse is age 60, your monthly benefit under the Husband and Wife Pension is determined by reducing the Normal Pension by a factor based on your age and the age of your spouse. In this case, the actuarial factor is .9118%. Therefore, your QJSA Pension would be $592.67. This amount is payable to you for your lifetime. If your spouse is living at the time of your death, he/she will receive a monthly benefit of half of this amount, or $296.34, for the remainder of his/her lifetime.

When and how can a Participant make a decision about having his/her Pension paid in the QJSA form?

When he/she applies for his/her pension, the Fund Office will calculate the amount of his/her pension as described above, and also as an unreduced (single-life) benefit. This will give him/her and the spouse a comparison of the benefits available to them. They will have a period of 90 days to make their decision. Remember a Participant's pension will automatically be paid in the QJSA form unless rejected by him/her and the spouse in writing and signed before a Notary Public.

What if a Participant's Spouse dies before he/she does after his/her Pension begins?

If, after retirement, your spouse dies before you do or you and your spouse are divorced, the QJSA Pension form **cannot be changed.** You will continue to receive the reduced benefit amount and, upon your death, no further payments will be made to anyone except to the extent payments are required pursuant to a Qualified Domestic Relations Order.

What if a Participant's Spouse dies before his/her Pension begins?

The QJSA Pension will <u>not</u> be effective if your spouse dies, or you get a divorce, <u>before</u> your pension begins. In addition, for the QJSA Pension to be effective, you must have been married throughout the year immediately preceding the date your pension begins.

<u>SURVIVOR BENEFITS BEFORE RETIREMENT</u>

Are there Death Benefits for Participants who die before Retiring?

A Participant may be eligible for one of the two pre-retirement death benefits provided by the Plan.

1) The Plan provides for a lifetime monthly pension benefit payable to a surviving spouse if, upon your death, you were in active covered employment and eligible by virtue of age and service to a pension had you retired the date before your death, **or** you had separated from covered employment at a time when you had met all requirements for the immediate payment of a pension by virtue of age and service, and you died prior to retiring with a pension and after age 50.

   The amount of the surviving spouse benefit is 50% of the pension you would have received if you had retired the day before your death with a QJSA Pension. The monthly benefit is payable the first of the month following the death of Participant.

2) The Plan also provides for a lifetime monthly benefit to a surviving spouse of a Participant who does not qualify under (1) above, but has achieved vested status, is actively engaged in covered employment, and died on or before age 50. The amount of the surviving spouse benefit is 50% of the pension you would have received if you had separated from service on the date of death, survived to age 50, retired with an immediate QJSA Pension, and died the day after age 50. This monthly benefit is payable beginning the first of the month in which the Participant would have reached age 50.

For the QJSA Pension payable to a surviving spouse to be effective, a participant must be married the entire year immediately preceding the death of the Participant.

PENSION APPLICATION PROCESS

How do I get a Pension Application?

You can receive a pension application by writing, calling, or visiting the Fund Office at:

Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund
2002 London Rd Ste 300
Duluth MN 55812
Telephone (218) 728-4231 Toll Free (800) 570-1012

If you need help in filling out your pension application, the staff at the Fund Office will assist you.

When should I apply for my Pension?

You should file your application with the Trustees at the address of the Fund Office at least three months in advance of the date you expect your pension benefit to begin. If you delay in filing your application, the payment of your pension may be delayed.

Must proof of age be submitted with the Pension Application?

Yes. Instructions describing the types of acceptable proof of age will be given to you with your application. If you want your pension paid as a Husband and Wife, you will be asked to submit proof of your spouse's age and proof of your marriage.

Who will decide if I am eligible for a Pension?

The Board of Trustees who are bound by the rules of the Pension Plan will decide if you meet the eligibility requirements for a pension. The Trustees are the sole judges in reviewing the documents you submit with your application and in interpreting the Plan rules.

How does a Surviving Spouse or Beneficiary file for benefits?

As soon as possible after the death of the Participant or pensioner, the Fund Office should be contacted to request instructions about filing an application for the appropriate survivor benefits. A copy of the Participant's or pensioner's death certificate will be requested.

How will I know if my Pension Application is Denied?

If your application for a pension is denied, you will be informed in writing of the denial. You will also be told the reasons for the denial and the way in which you can appeal the decision. You may also appeal the decision if you feel your pension award is incorrect.

When must I make my Appeal?

If you want to appeal the decision, you must file a written request with the Trustees at the Fund Office within 60 days of your notice of denial. Your request for review of your claim must state your reasons why you believe you are entitled to benefits. You will also have the right to examine all Plan documents and other Fund Office records which affect your claim. You will have the right to argue against the denial in writing and to meet with the Trustees at a time and place designated by the Trustees to discuss your claim and submit any evidence as you may desire. You also have the right to be represented by an attorney or other person of your choice. (You will have to pay the fee of your attorney or other representative.)

RETIREMENT AND SUSPENSION OF BENEFITS

What does retirement mean?

To be considered retired, you must not work more than 40 hours in a month in plan-related employment. Plan-related employment is work: (1) in the same industry as employees covered by the plan were employed in at the time payment of your benefits began; (2) in a trade or craft covered by a collective bargaining agreement requiring contributions to the Fund, including but not limited to employment in retail, nursing homes and hospitals; and (3) in the geographical jurisdiction of the Union. **Note:** It makes no difference whether, for the purposes of determining plan-related employment, you are employed under a collective bargaining agreement.

Can I work at some other type of job after Retirement?

Yes. You may do any other kind of work provided it is not the type described above and you will continue to receive your monthly pension checks as usual. If you are not sure whether or not a job you are considering will be disqualifying, check with the Fund Office.

Does my Pension stop if I return to Disqualifying Employment?

Yes. If you return to such work your monthly benefit will be suspended if you work 40 hours or more a month.

Must I provide the Fund notice of my return to employment?

Yes. You must notify the Fund Office of your return to work within 30 days of the date you return. If you return to work and fail to provide timely notice of employment, a portion of your benefit may be withheld when you resume your benefit payments in order that the Fund may recover any benefits paid to you while you were working in disqualifying employment without providing notice to the Fund.

If the Board of Trustees learns that you have worked in disqualifying employment without providing proper notice, it will be presumed that you have been working at least 40 hours per month since your return to work. This may affect the amount of your benefit when you again retire. You will have the right to overcome this presumption by establishing the actual facts.

May I request a review of the Suspension of my Benefits?

Yes. You are entitled to a review of any determination suspending your benefits. You may file a written request for review with the Board of Trustees within 60 days of the notice of suspension at the Fund Office. In this manner, you may also request that the Board of Trustees review any contemplated employment to determine whether it will be disqualifying.

<u>**QUALIFIED DOMESTIC RELATIONS ORDERS**</u>

What are the rights of former Spouses?

Federal law provides that in the event of divorce, your former spouse may have a right to receive some portion of your retirement benefits directly from the Fund. In connection with a divorce or property settlement agreement, a court may direct that a portion of your retirement benefit be paid to your former spouse. The Fund will recognize such a court order and make direct payments to your former spouse, only if it is a "Qualified Domestic Relations Order" (QDRO) pursuant to federal law. The Fund has written procedures for notifying you of the receipt of a court order affecting your benefits and for determining if the court order is a "QDRO".

GENERAL QUESTIONS AND ANSWERS

If I owe money, can I sign over my rights to my Pension?

No. Except in the case of a Qualified Domestic Relations Order no person can make an assignment, a pledge, or in any way dispose of his/her pension payments. Any attempt to do so is void and of no affect. This is done for your protection. To the extent permitted by law, pension payments are not subject to garnishment or attachment.

Can an employee receive a refund of the money paid to the Pension Fund on his/her behalf by his/her employers?

No. There shall be no refund of contributions.

Must I retire when I reach a particular age?

No. Retirement under this Pension Plan is voluntary.

Will I receive Pension Credits if I continue to work after age 62?

Yes. You will receive pension credits as long as you work in covered employment.

Can I receive Social Security benefits in addition to those provided by this Plan?

Yes. Social Security Benefits paid by the Social Security Administration are independent of this Plan. You should file for any benefits you are entitled to receive from Social Security.

IMPORTANT PLAN INFORMATION

The following information provides important facts about the Plan which you should know.

PLAN NAME:

This Plan is known as the Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund.

PLAN ADMINISTRATION:

A Board of Trustees is responsible for the operation of this Plan. The Board of Trustees consists of an equal number of Employer and Union representatives selected by the Employers and Union respectively, which have entered into collective bargaining agreements which require contributions to this Plan. If you wish to contact the Board of Trustees, you may use the address and phone number below.

BOARD OF TRUSTEES
Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund
2002 London Rd
Suite 300
Duluth MN 55812
Telephone: (218)728-4231 Toll Free (800)570-1012

The Board of Trustees is both the Plan Sponsor and Plan Administrator. As of May 1, 2004, the Trustees of this Plan are:

Lane Harstad
UFCW Local 1116
2002 London Rd
Second Floor
Duluth, MN 55812

Steve Scrignoli
Plaza Management
15 South 13th Avenue East
Duluth, MN 55805

PLAN NUMBER: The number assigned to the Plan by the Board of Trustees pursuant to instruction of the Internal Revenue Service is 001.

EMPLOYER IDENTIFICATION NUMBER:

The Employer Identification Number (EIN) assigned to the Board of Trustees by the Internal Revenue Service is 41-6055635.

SERVICE OF LEGAL PROCESS:

Victoria Peterson, Wilson-McShane Corporation, is the Plan's agent for service of legal process. Accordingly, if legal disputes involving the Plan arise, any legal documents should be served upon Ms. Hansen or upon any of the Trustees.

Collective Bargaining Agreements: This Plan is maintained pursuant to collective bargaining agreements between the Employers and the Union. All collective bargaining agreements are available from the Fund Office upon written request and are available for examination by participants and beneficiaries. In addition, participants and beneficiaries may receive from the Fund Office, upon written request, information (including a sponsor's address) as to whether a particular employer or employee organization is a sponsor of the Plan.

Source of Contribution: The benefits described in this booklet are provided through employer contributions. The amount of employer contributions and the employees on whose behalf contributions are made are determined by the provisions of the collective bargaining agreements.

Pension Trust's Assets and Reserves: All assets are held in trust by the Board of Trustees for the purpose of providing benefits to eligible participants and defraying reasonable administrative expenses.

Plan Year: The records of the Plan are kept separately for each Plan Year. The Plan Credit year is the calendar year which begins on January 1 and ends on December 31. The Plan's fiscal year is also a calendar year, which is the period for which various governmental reports are filed.

Type of Plan: The Plan is a defined benefit plan maintained for the purpose of providing retirement benefits to eligible participants.

Eligibility and Benefits: The types of benefits provided and the Plan's requirements with respect to eligibility as well as circumstances that may result in disqualification, ineligibility, or denial or loss of any benefits as generally described in this booklet are contained in the Plan Document available at the Fund Office.

PENSION BENEFIT GUARANTEE CORPORATION

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first $5 of the monthly benefit accrual rate and (2) 75% of the next $15. The PBGC's maximum guarantee limit is $16.25 per month times a participant's years of services. For example, the maximum annual guarantee for a retiree with 30 years of services would be $5,850.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the earlier of: (i) The date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street NW, Suite 930, Washington DC 20005-4026 or call 202-326-4000 (not a toll free number). TTY/TTD users may call the federal relay service toll free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's web site on the Internet at http://www.pbgc.gov.

YOUR RIGHTS UNDER ERISA

As a Participant in the Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants are entitled to:

Receive Information about Your Plan and Benefits.

- Examine, without charge, at the Fund office and at other specified locations, such as work sites and union halls, all documents governing the Plan, including insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

- Obtain, upon written request to the Fund Office, copies of documents governing operation of the 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 summary of the Plan's annual financial report. The Fund Office is required by law to furnish each Participant with a copy of this summary annual report.

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

- In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries.

- No one including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and 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 Plan 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 Fund Office to provide the material and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Fund Office.

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 relations order, you may file suit in 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 are successful, the court may order the person you have sued to pay these costs and 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 any questions about your plan, you should contact the Fund Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publication=s hotline of the Pension and Welfare Benefits Administration.

Claim Denial

- If your claim for a pension benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the plan review and reconsider your claim. Appeal procedures for your claim are outlined elsewhere in this Summary Plan Description. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request appropriate materials from the plan and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the Plan Administrator to provide the material and pay you up to $100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. 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. 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 shall pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim frivolous. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the Pension Welfare Benefits Administration, U.S. Department of Labor.

NOTICE: Because this booklet is a "Summary Plan Description", it does not, and is not required under Department of Labor regulation, to contain an explanation of each and every provision or term contained in the more comprehensive "Plan Document". If your particular circumstances are not described, or you do not understand something in this Summary, a copy of the complete Plan Document is available for review at the Fund Office. If, after review of the Plan Document you still have a problem, please contact the Plan Administrator.

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