

January 2023

Special Notice to Members of the Canada Safeway Division (the “Division”)

Subject:

UFCW Union Pension Plan (the “Plan”) – Increase in Pension Benefits

The Trustees of the Plan are pleased to advise that, as a result of an improvement in the Division’s financial condition, active and retired members will be receiving an increase in the pension benefit they have earned in the Division up until December 31, 2022.

The most recent actuarial valuation of the Division, as at December 31, 2021, showed that the Division is in an excess funded position. A portion of this excess will be used to increase pensions currently in payment and to increase the benefits of those members who are active in the Division.

The Trustees of the Plan and their advisors are closely monitoring the Division’s investments. Over the past several years, the Trustees have diversified the assets to improve the long-term expected rate of return of the pension fund, while keeping investment-related risk at a reasonable level. These asset allocation changes have helped generate the excess and allowed the Trustees to make this benefit improvement. Even after considering the current risks in markets, the Trustees are comfortable that the increase is reasonable and appropriate. In accordance with the Plan’s Funding Policy, there remains sufficient excess assets to act as a cushion if market conditions deteriorate.

Benefit Increase Details

At their most recent meeting, the Trustees of the Plan passed a motion to increase pensions in payment by 2% starting with the January 2023 payment. A notice has been sent to members who retired on or before December 31, 2022 to notify them of this change.

Active members of the Division will also receive a benefit improvement; their accrued entitlements will increase by 2% at the end of 2022. Information regarding this increase will be included in the 2022 Personal Statement which will be mailed out at the end of June to members who are active as at January 1, 2023.

Please note that this is a one-time ad hoc increase based on the funding of the Plan.

If you have any questions, please contact the Plan administrator by calling 1-888-345-8329 or emailing ufcw@bgbenefitsadmin.com.

Yours truly,

Bililand Griffith Benefit Administrators

Administrator for the Trustees