

**SOUTHERN CALIFORNIA UNITED FOOD & COMMERCIAL WORKERS UNIONS AND
DRUG EMPLOYERS TRUST FUNDS**

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Administrative offices for:

SOUTHERN CALIFORNIA UNITED FOOD & COMMERCIAL
WORKERS UNIONS AND DRUG EMPLOYERS PENSION FUND
SOUTHERN CALIFORNIA DRUG BENEFIT FUND

DATE: September 2011
TO: Active Pension Plan Participants
RE: Pension Plan Improvements for Calendar Year 2011

SUMMARY OF MATERIAL MODIFICATIONS

**SOUTHERN CALIFORNIA UNITED FOOD & COMMERCIAL WORKERS
UNIONS AND DRUG EMPLOYERS PENSION FUND**

The Pension Protection Act of 2006 (“PPA”) requires the Pension Plan’s actuary to annually certify the funded status of the Pension Plan. For the Plan Year January 1, 2011 through December 31, 2011, the Board of Trustees is pleased to announce that the Plan’s actuary once again certified the Plan to be in the “Green Zone”. This is the safest zone that a plan can be in under the PPA.

Furthermore, the Board of Trustees has approved a 10% increase in pension benefits earned during the one-year period from January 1, 2011 through December 31, 2011. Pension benefits earned after December 31, 2011 are not subject to the 10% increase.

The increased monthly accrual rates for one year of Benefit Credit earned during the 2011 calendar year are as follows:

- Clerk’s accrual rate is increased for 2011 from:
 - \$27.30 to **\$30.03** if you have less than 10 years of Benefit Credit
 - \$36.40 to **\$40.04** if you have 10 or more years of Benefit Credit
- Pharmacist’s accrual rate is increased for 2011 from:
 - \$78.50 to **\$86.35** if you have less than 10 years of Benefit Credit
 - \$104.60 to **\$115.06** if you have 10 or more years of Benefit Credit
- Kaiser Employees’ accrual rate is increased for 2011 from:
 - \$40.00 to **\$44.00** if you have less than 10 years of Benefit Credit
 - \$53.30 to **\$58.63** if you have 10 or more years of Benefit Credit

The increased accrual rates shown above are the amount of a monthly normal retirement benefit for a full year of Benefit Credit payable as a Single Life Annuity at Normal Retirement Age. Partial years of Benefit Credit are pro-rated based on the applicable accrual rate.

Over →

A full year of Benefit Credit requires 1800 Hours of Covered Service in a calendar year. A partial year of Benefit Credit is determined by dividing your Hours of Covered Service in a calendar year by 2000. For example, 500 Hours of Covered Service in 2011 will earn you one-quarter of a year of Benefit Credit. Partial Benefit Credit is not available if you earn less than 300 Hours of Covered Service in a calendar year.

Beginning January 1, 2012, the accrual rates for Benefit Credit will return to the rates that were in effect in 2010.

Words that appear above with their first letters in capitals have the same meaning described in the Summary Plan Description. You may request a copy of the Summary Plan Description from the Pension Plan Office.

Please keep a copy of this Summary of Material Modifications as a permanent record with your Summary Plan Description.

Should you have any questions, please feel free to contact the Pension Department at extension #500.

Sincerely,

BOARD OF TRUSTEES