

MERGER WITH ABC PLAN

In the event of the merger of a plan sponsored by Associated Benefits Corporation (an “ABC Plan”) into this Plan, benefits accrued under the ABC Plan will be combined with benefits under the Co-op Plan. Most of the Plan’s normal rules will apply to that combined benefit, but some special rules apply to the administration of benefits accrued under the ABC Plan and transferred to this Plan. The following rules apply only if your benefit was transferred to the Co-op Plan as a result of a merger with an ABC Plan.

EARNINGS AND SERVICE

“Monthly Earnings” under the ABC Plan will be considered “Wage Bases” for the Co-op Plan’s Benefit Formula, “Credited Service” under the ABC Plan will be considered “Creditable Service” under the Co-op Plan, and the Co-op Plan will count all ABC Plan vesting service.

ABC PLAN BENEFIT

Although, as noted above, the benefit accrued under the ABC Plan will be combined into one accrued benefit under the Co-op Plan, the Co-op Plan will still apply the ABC Plan’s actuarial assumptions to the portion of the benefit accrued under the ABC Plan. In addition, that portion – and only that portion – may be received through any of the Co-op Plan’s otherwise-available distribution forms or under one of the forms offered only by the ABC Plan (except in the case of a Disability Retirement). Those forms are: (i) 5-, 10-, or 15-year installment payments; or (ii) straight life annuity with 5- or 15-year guarantee. If you elect one of those forms, you will elect from among the Co-op Plan’s optional forms with respect to the remainder of your total accrued benefit. If you elect a form otherwise available under the Co-op Plan, you may elect only one form of distribution for your entire benefit.

REQUIRED BEGINNING DATE

The “Deferred Retirement” section of this SPD describes your “Required Beginning Date” or “RBD.” If you reach age 70 1/2 on or after January 1, 1996, and are not a 5% owner, you may elect to defer your RBD to the first day of any month after the Plan’s typical RBD (that is, the April 1 following the calendar year in which you turn 70 1/2). In no event, however, may your RBD be deferred beyond the April 1 following the calendar year in which you retire.

BENEFICIARY DESIGNATIONS

Your designation of a beneficiary under the ABC Plan will apply for the Co-op Plan’s purposes unless and until you execute a new Co-op Plan beneficiary designation form. Your execution of such a form will supersede your ABC Plan election and will apply to your combined accrued benefit.

RETIREMENT STATUS

If you are receiving retirement payments from the ABC Plan at the time the ABC Plan and Co-op Plan merge, you have a choice. You may either choose to: (i) stop receiving benefits and link together your two service and wage periods; or (ii) continue to draw your monthly benefit and begin accruing an additional benefit based solely on your service and wages earned under the Co-op Plan. If you do not make an election within 45 days after the merger, you will be deemed to have elected option (ii) and your benefit payments will continue.

TERMINATION ANNUITY

The Section of this document entitled “Terminating Employment Before Age 55” explains that you may elect between Option A and Option B. It also explains that you may elect to receive the Termination Annuity attributable to your employer’s contributions as early as age 55, but at a reduced amount for any distribution beginning prior to age 65.

You may only make one such Option A or B election with respect to your entire, combined accrued benefit. With respect to the Termination Annuity attributable to employer contributions, however, you will have a choice. You may elect to receive that entire Termination Annuity as early as age 55, but subject to the Co-op Retirement Plan's reductions described in that earlier Section. In the alternative, you may elect to wait to receive the ABC Plan portion of that Termination Annuity at a later date permissible under the ABC Plan's terms and subject to the ABC Plan's smaller reduction, and to receive the remaining portion of the Termination Annuity as early as age 55 and subject to the Co-op Retirement Plan's reductions. Please do not hesitate to contact United Benefits Group if you would like to see an illustration of your options.