



July, 2009

Dear Co-op Plan Participant or Beneficiary,

The Co-op Retirement Plan Committee and the staff of United Benefits Group are pleased to provide you with the enclosed copy of the first **Annual Funding Notice for the Co-op Retirement Plan**. For the previous 62 years, the Plan provided participants with an "Annual Report." When Congress passed the Pension Protection Act of 2006 (the "PPA"), it eliminated the Annual Report requirement and replaced it with the Annual Funding Notice. Accordingly, for this and future years, the Plan will no longer distribute an Annual Report.

Federal law requires that the Annual Funding Notice include certain information, and the Department of Labor has issued a model notice that plans can use to ensure they provide the required information. The enclosed Notice closely follows that model notice. *Before you read the enclosed Notice, we suggest that you read the following clarifying descriptions of certain topics included in the Notice.*

Funding Chart. On the first page of the Notice, you'll see a large chart that does not include any numbers, but instead repeatedly indicates information is "not applicable." Most plans are required under the PPA to calculate the funding-related items listed in that chart. As you may know, the Co-op Retirement Plan is currently enjoying a special, valuable exemption from those demanding PPA rules. Accordingly, the items in the chart currently are not applicable to the Plan, and the chart indicates as much. We have left the chart on the Notice, however, because this is where those items will be reported when the Plan's exemption expires. We currently anticipate that will occur no earlier than the Notice you would receive in 2018. The Notice's "Transition Period" paragraph provides you funding-related information calculated pursuant to rules that do apply to the Plan.

"Single-Employer" Plan. The Notice refers in several places to rules applicable to a "single-employer" plan. We think this could be confusing because we commonly refer to the Plan as a "multiple employer" plan. In fact, as you might know, the availability of the PPA exemption described above is contingent upon the Plan remaining a multiple employer plan. The Plan indeed remains a multiple employer plan. For certain purposes under federal law, however, a "multiple employer" plan is considered a type of a "single-employer" plan. Therefore, when you see references to single employer plans in the enclosed Notice, please note that those references include the Plan.

Plan Termination. One of the primary requirements of an Annual Funding Notice is that it describe the rules that govern the termination of a plan. Accordingly, the enclosed Notice includes those rules *simply to comply with that requirement*. The Plan provides United Benefits Group the discretion to terminate the Plan at anytime, but the United Benefits Group Board of Directors has no current intention to do so. We nonetheless encourage you to review the Notice's description of the termination rules, but again emphasize that the Notice describes the rules simply because we are required to describe the rules that would apply if the Plan were terminated.

Value of the Co-op Retirement Plan. During difficult and turbulent economic times, like we have experienced in the last year, we should be particularly grateful that our employers have chosen to offer a defined benefit pension plan that will provide us economic security during our retirement years. I encourage you to take the time to let your employers or former employers know how much you appreciate the value of the Co-op Retirement Plan and the financial benefit that you can count on for the rest of your life. Unlike 401(k) plan balances, which go up and down with the market, the benefits associated with a defined benefit plan are determined by a formula and not by market conditions or your ability to make the right investment decisions at the right time. Also, as the enclosed Notice explains, the benefits in a defined benefit plan, unlike a 401(k) plan, are guaranteed within certain limits by the Pension Benefit Guaranty Corporation. As we have said before, defined benefit plans continue to be the most time-tested and efficient method of providing for the financial well-being of employees during the retirement years.

Please take the time to read the information contained in the Notice. If you have any questions, you are invited to call the Plan's administrative offices toll free at (800) 816-5535. You may also e-mail your questions or comments to plan.administrator@ubgonline.net.

Sincerely,

Keith Vickers
President
United Benefits Group
Sponsor of the Co-op Retirement Plan