



# INDUSTRY VARIABLE ANNUITY PENSION (IVAP) RATIFICATION FOR KROGER AND AHOLD MEMBERS

**Bottom Line** Employer contributions to the IVAP have been much lower than expected **due to a decline in active participation.**

**Significant benefit cuts** are probable **unless we ratify** an agreement to **extend the MOU** through June 30, 2033.

**⚠ Important Note:** Based on the current trends, we anticipate that IVAP plan will continue to experience demographic losses under the current MOU, which runs through June 30, 2028.

**What about Grandfathered Benefits?** The Grandfathered benefit is being eliminated regardless of whether the MOU is extended through the ratification process. All Grandfathered benefits earned through June 30, 2025 are protected.

## The IVAP's trustees ultimately agreed to a mediated settlement of the dispute, which is also known as the **2025 Consent Resolution.**

The settlement terms are as follows:

- ✓ Extension of the existing MOU through **June 30, 2033.**
- ✓ Existing non-Grandfathered **Nominal Accrual Rate of 27.5%** of contributions **will be preserved.**
- ✓ **Employers will guarantee** that there will be **no further reductions** in that Nominal Accrual Rate for the term of the Extended MOU.

### ✗ What happens if the extended MOU is NOT ratified?

Participants of Local Unions that **do NOT ratify** an Extended MOU **by September 30, 2025**, will have their **Nominal Accrual Rate decreased to 22% of benefit bearing contributions** effective October 1, 2025. Nominal Accrual Rate can go **back to 27.5%** but only if the Extended MOU is ratified by **June 30, 2026.**

### ❗ Impact of "NO" vote on Extended MOU

Groups with an **AUCR** (Average Unit Contribution Rate) under \$3.25 in the National Pension Fund received a subsidy to maintain an 80% floor benefit. **This subsidy ends on July 1, 2025.** After that, **Kroger and Stop & Shop** will make **increased contributions** to maintain the 80% floor benefit, but only if the Extended MOU is ratified.