

SUPERVALU Retiree Medical Overview – Legacy SVU program - 2010

There are many different rules and variables that impact determination of retiree medical coverage eligibility and participant cost. This is a general overview of the core rules. The facts and circumstances of each retirement are evaluated individually to determine specific eligibility and costs. Eligibility and cost determination is administered by Risk Planners. This is a summary of the rules. If there is a difference between this summary and the plan documents, the plan documents will be followed. SUPERVALU reserves the right to amend or terminate the plan in whole or part at any time.

Below are the eligibility requirements and plans offered through Retiree Medical:

Eligibility:

- Must be age 55 or older
- Have at least 10 years of service*
- Retire from a location that participates in the Retiree Medical program
- Hired or rehired prior to 7/1/2002
- Eligible for the SUPERVALU core medical plan as an active employee immediately prior to retirement

Medical

Plan 55 (Born prior to 3/1/35) retiree pays 50% of Active Experience

Plan 47 (Born between 3/1/35-2/28/43) retiree pays 50% of Retiree Experience

Plan 98 (Born 3/1/43 and later) The retiree pays the full cost of insurance coverage from age 55-62. Once the retiree reaches age 62, a subsidy (based on years of service*) begins. The subsidy amount varies based on 5 year service bands. Starting with 10 years of service, the subsidy is 10%, at 15 years the subsidy is 20%, at 20 years the subsidy is 30%, at 25 years the subsidy is 40%, at 30 years the subsidy is 50% and with 35 years of service the subsidy is 60%. The maximum subsidy percentage occurs with 40 or more years of service, with the retiree paying 30% and SUPERVALU paying 70% of the premium.

Maximum Subsidy Limit

The SUPERVALU subsidy is subject to the maximized recognized cost (or Cap) reflected in the Benefit News release on 7/1/02 that outlined the changes to the Retiree Medical Plan. In the event total cost of coverage exceeds the maximized recognized cost (Cap), the retiree is responsible for the total excess cost above the Cap.

The total cost of coverage in 2008 remains near, but still below the cost Cap and is therefore completely subject to the subsidy levels described above. The total cost rates are as follows:

Pre-65 Plans:

| | Single | EE+1 |
|---------------|----------|------------|
| Standard Plan | \$837.66 | \$1,675.32 |
| Cigna HDHP | \$706.38 | \$1,412.76 |

Post-65 Plans:

At age 65 the cost of the Plan is adjusted and Medicare Part A and B becomes the primary coverage and SUPERVALU is secondary. Retirees and/or spouses must enroll in Medicare A & B for their primary coverage. It is important that eligible retirees and spouses enroll in Medicare because the Retiree Health Plan will pay benefits only on medical expenses not covered by Medicare A and B, whether or not participants have actually enrolled.

| | | |
|----------|----------|----------|
| | Single | EE+1 |
| UHC Plan | \$177.62 | \$355.24 |

Life Insurance

The amount of coverage available is determined using the following formula:

Optional Life Insurance coverage in effect immediately prior to retirement multiplied by 1% multiplied by years of service = Retiree Life Amount.
(Maximum coverage amount is \$15,000.)

The Life insurance premiums are based on 5-year age bands. The 2009 rates are below per \$1,000.00 of insurance.

| | |
|-------|--------|
| 55-59 | \$.41 |
| 60-64 | \$.52 |
| 65-69 | \$1.06 |
| 70-74 | \$1.56 |
| 75-79 | \$2.06 |
| 80+ | \$2.06 |

*Service equals Pension Vesting Service

Premium Collection

The Retiree Health Insurance will become effective the date after the employee's retirement date. If the retiree insurance effective date is not the first of the month, the premium will be pro-rated and the amount will be added to the first months premium that is debited via the ACH (Automatic-Bill Payment) draft.