Keep Your STAR Shining

If you have an account balance that is more than $1,000 in the SUPERVALU STAR 401(k) Plan (“STAR 401(k) Plan”), you can keep your savings in the STAR 401(k) Plan and continue enjoying its benefits. Here are some reasons why it may make sense:

• **Simplicity and familiarity.** Simply continue to manage and update your account using familiar tools and resources, including the Plan Website and the Plan Information Line.

• **Investment flexibility.** The investment options available to you are regularly monitored to ensure that you have access to a broad range of investment alternatives, including diversified funds from a variety of asset classes and styles. You can continue to maintain a portfolio that is right for you.

• **Lower fees.** The investment management costs of the funds available are generally lower when compared to retail mutual funds. Lower fees mean more of a fund’s potential investment return stays in your account every year you remain invested. If you want to review details of investment fees, please refer to the Disclosure of Plan-Related Information in the Plan Information section of the Plan Website at supervalustar401k.com.

• **A powerful online experience.** This personalized, interactive resource shows you the income you’ll likely need each month in retirement and the estimated progress you’ve already made toward that goal. You can change different aspects of your retirement savings strategy including your estimated retirement age and assumed investment return to instantly see what effect those changes may have on your retirement income goal.

Take a look at the table on the next page to view more information on your distribution options.

**NOTE:** If your vested STAR 401(k) Plan account is $1,000 or less, you have 90 days to roll over your money or request a distribution. If you do not elect one of these options within this time, your vested account balance will automatically be distributed to you by check. In addition, if you have an outstanding loan, it will default 90 days after your termination if not paid in full.
## HOW IT WORKS

### OPTION 1
**Leave your money in the STAR 401(k) Plan and take distributions as you wish**

*Available only to accounts with vested balances higher than $1,000.*

- You may leave your money in the STAR 401(k) Plan and take a partial or complete distribution at any time until age 70 ½.
- You cannot make additional contributions, but you can continue to transfer all or part of your account balances between investment options. You may choose to have your distributions paid in monthly, quarterly or annual installments. You can choose to begin payments immediately or on a later date you specify. Payments can be deposited directly to your checking or savings account after applicable taxes have been withheld.
- In addition to receiving periodic payments, you also can request a payment of a specified sum any time you wish. This will not interrupt the flow of your payments, but may shorten the length of time during which you receive any periodic payments.

### OPTION 2
**Take your money and pay taxes now**

- You can take all or part of your vested balance out of the STAR 401(k) Plan regardless of the amount of your account balance.
- You can request payment of a specified sum now and the rest later.
- For example, you might choose to receive a cash payment of $10,000 this year, and postpone payment of the remainder until next year, in order to spread out your income for tax purposes.

### OPTION 3
**Rollover your money to an IRA**

- You can make a direct rollover of all or part of your account directly from the STAR 401(k) Plan to an IRA with the financial institution of your choice.
- You also can rollover your money into an IRA if you took a cash distribution (an indirect rollover), provided you make the rollover within 60 days of the date you receive the distribution. (Note that if you receive a distribution in two or more parts, the 60-day rollover period applies separately to each distribution.)
- All eligible amounts may be rolled over, including investment earnings, Company contributions and your own pretax and aftertax contributions.

### OPTION 4
**Rollover your eligible balance to another employer sponsored plan**

- Depending on the provisions of your new employer’s plan, you can use a direct rollover to reinvest all or part of your STAR 401(k) Plan account in your new employer’s plan.
- You also may be able to rollover your balance to an IRA first, and then from the IRA to your new employer’s plan (if the new plan allows).

### OPTION 5
**Take an annuity**

*Available only to eligible prior merged plan accounts with vested balances higher than $1,000.*

- If your account contains money from a prior merged plan that provided for an annuity option, you may continue to receive an annuity option from the STAR 401(k) Plan. An annuity is an insurance contract that provides you a guaranteed income for life.1
- If you are married, the annuity must be payable over the joint lives of you and your spouse.
- If you are married and do not want a joint and survivor annuity, you must have your spouse sign a spousal consent form.
- You can choose an annuity that either begins immediately or begins at a later date.
- You can call the Plan Information Line at the end of this flyer to see if you are eligible to take an annuity.

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1 Guarantees are subject to the claims-paying ability of the issuing insurance company.
### TAX IMPLICATIONS

- The balance in your account, after each payment, has the potential to grow tax deferred. Your tax liability can be spread out because you pay income taxes only as you receive payments. And if payments from your account are expected to last 10 years or more, the taxable portion of your payments will not be subject to 20 percent mandatory withholding, but instead will be subject to the withholding you elect.

- Distributions will be taxed as ordinary income. Federal income of 20 percent will automatically be withheld. If you are under age 59½ and do not meet the exceptions under the Internal Revenue Code, a 10 percent early withdrawal penalty may apply.²

- For direct rollovers, taxes will continue to be deferred until you take a distribution. You also may avoid the 10 percent early withdrawal penalty. Like 401(k) plans, IRA withdrawals are subject to ordinary income tax. And, in most cases, a 10 percent early withdrawal penalty if made before age 59½.²

- Taxes will continue to be deferred until you take a distribution. If you're under age 59½, you may also avoid the 10 percent early withdrawal penalty.²

- Your tax liability will be spread out because you pay income taxes as you receive payments, rather than all at once.

- In addition, this option allows you to receive payments without paying the 10 percent early withdrawal penalty. However, taxable amounts withdrawn prior to age 59½ will be subject to a 10 percent early withdrawal penalty.²

- Annuity payments are subject to current income taxes.

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### IMPORTANT FEATURES

- Any earnings on your account balance have the potential to grow tax deferred as long as they remain in the STAR 401(k) Plan.

- You can postpone a decision about the method of payment you want to receive until your needs become clearer.

- You preserve your right to elect a distribution at a later date, subject to the rules on minimum required distributions after age 70½.

- You have immediate use of your money and can spend it or invest it as you wish.

- If you use the money now, of course, you won’t have it for retirement. But, you still have an opportunity to roll over the eligible portion of your distribution within 60 days.

- If you are rolling over a cash distribution (an indirect rollover), the federal government requires the STAR 401(k) Plan to automatically withhold 20 percent federal income tax from the portion of your distribution that is eligible for rollover. If you want to rollover the entire amount of your distribution, you’ll need to add back that 20 percent from your own pocket, which may cause an adjustment for taxes withheld when you file your tax return.

- Consolidating retirement accounts can make your recordkeeping easier. You’ll be restricted to the investment options, as well as the withdrawal and loan options, offered by the new plan.

- An annuity provides you with a lifetime income.

- You cannot change your annuity once payments begin.

- Your annuity payments are dependent on the continued financial stability of the insurance company, investment company or financial institution from which the annuity was purchased.

- Annuity payments cannot be rolled over to an IRA or employer sponsored plan.

² The early withdrawal penalty does not apply to payments you receive before age 59½ if you meet the exceptions under the Internal Revenue Code. See enclosed Special Tax Notice for exceptions.
Important Information Regarding Your Right to Defer Distributions

As a terminated participant, you have the right to make a decision about what to do with your Star 401(k) Plan account. You are now eligible to receive a distribution of your account and you also have the right to leave your account in the STAR 401(k) Plan until you reach age 70½. If you leave your account in the STAR 401(k) Plan, you can continue to invest it in the investment options available in the STAR 401(k) Plan and you will continue to defer taxation on the amounts accumulated in your account.

For information about the investment options, including any applicable fees, please login to the Plan Website and click Fund Information.

Special rules may affect your decision to keep money in the STAR 401(k) Plan. We urge you to refer to the Summary Plan Description (“SPD”) for any special rules that may affect your decision to defer taking a distribution from the STAR 401(k) Plan. The SPD is located on the Plan Website.

If you decide to take money out of the STAR 401(k) Plan, any amount that is not directly rolled over to an IRA or another eligible plan will be subject to 20 percent Federal income tax withholding. Any amount that is received and not rolled over within 60 days must be included in your taxable income and may be subject to a 10 percent early withdrawal penalty. If you decide to keep your money in the STAR 401(k) Plan, you must begin taking at least a minimum payment beginning the April 1st of the calendar year following the year in which you reach age 70½ or retire, whichever is later.

QUESTIONS?

If you have any questions or need more information about your STAR 401(k) Plan options upon leaving SUPERVALU, please visit the Plan Website or call the Plan Information Line:

Plan Website: supervalustar401k.com
Plan Information Line: 1-888-STAR-088 (1-888-782-7088)

The Plan Information Line is accessible 24 hours a day with Customer Service Associates available weekdays between 7 a.m. and 8 p.m. Central Time (except stock market holidays).

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3 The performance of your account may be reduced by fees, in addition to investment fees, charged to your account such as recordkeeping fees, trustee fees, and any applicable fees. In addition, certain fund expenses may apply.

4 Terms and conditions of the STAR 401(k) Plan: This is general information only. The formal Plan document will determine the actual benefit under the STAR 401(k) Plan. SUPERVALU reserves the right to amend or terminate the STAR 401(k) Plan at any time, for any reason and in any respect at its sole discretion. If as a SUPERVALU employee, you are represented by a labor union, you are not eligible to participate in the STAR 401(k) Plan, unless the collective bargaining agreement covering your group specifically provides for participation. See your collective bargaining agreement for information on whether your collective bargaining unit participates in the STAR 401(k) Plan, and if so, on what basis.