

Table of Contents**SAFeway INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements****Note N: Employee Benefit Plans**

**Pension Plans** The Company maintains defined benefit, non-contributory retirement plans for substantially all of its employees not participating in multiemployer pension plans. Safeway recognizes the funded status of its retirement plans on its consolidated balance sheet.

**Other Post-Retirement Benefits** In addition to the Company's pension plans, the Company sponsors plans that provide post-retirement medical and life insurance benefits to certain employees. Retirees share a portion of the cost of the post-retirement medical plans. Safeway pays all the costs of the life insurance plans. The Company also sponsors a Retirement Restoration Plan that provides death benefits and supplemental income payments for senior executives after retirement. All of these Other Post-Retirement Benefit Plans are unfunded.

**Canadian Pension and Other Post-Retirement Plans** Sobeys assumed Safeway's Canadian pension and post-retirement plan obligations as part of the overall purchase of Safeway's Canadian operations in November 2013. Accordingly, the activity in these plans is not included in this footnote unless otherwise noted.

Beginning in 2013, the Company maintains a defined contribution plan for Safeway's continuing employees in Canada. The plan provides an annual retirement benefit into a fund that is managed by the employee. Plan contributions are based on the employees age, earnings and years of participation in the plan. The Company also makes discretionary contributions. Contributions to the defined contribution plan totaled \$0.8 million in 2014 and \$0.1 million in 2013.

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