



TO: US Department of Labor
Employees Benefits Security Administration
200 Constitution Avenue NW, Room N-1513
Washington, DC 20210

Pension Benefit Guaranty Corporation
(multiemployerprogram@pbgc.gov)
1200 K Street NW, Suite 930
Washington, DC 20005

Date: April 25, 2011

Re: RETAIL CLERKS PENSION TRUST
Notice of Critical Status

Attached is the Critical Status Notice for Retail Clerks Pension Trust for the plan year ending October 1, 2010.



NOTICE OF CRITICAL STATUS FOR OCTOBER 1, 2010 PLAN YEAR

This is to inform you that on December 14, 2010 the plan actuaries certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning October 1, 2010. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary has determined that over the next three plan years, the plan is projected to have a deficiency for the 2013 plan year, when measured without regard to the extension of amortization periods that was previously enacted and about which you were previously informed.

Rehabilitation Plan and Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that benefit reductions are necessary, you will receive a separate notice identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after December 16, 2010. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of December 16, 2010, the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);

- Early retirement benefit more favorable than what is determined to be actuarially equivalent benefits or retirement-type subsidy
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA); and
- Cost-of Living increases.

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation beginning 30 days after receipt of this notice and continuing until a rehabilitation plan schedule becomes effective. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact the Administrative Office at (206) 282-4500 or (800) 225-7620. You have a right to receive a copy of the rehabilitation plan from the plan.