

Notice of Critical Status

For

SEIU National Industry Pension Fund

April 30, 2009

This is to inform you that on March 31, the Plan actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the Plan is in critical status (the "red zone") for the plan year beginning January 1, 2009. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status (that is, in the "red zone") because the plan's actuary determined that the following three factors affecting plan funding are true: the sum of the Plan's normal cost and interest on the unfunded benefits for the current Plan year exceeds the value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and the Plan is projected to have an accumulated funding deficiency for Plan years beginning January 1, 2013.

Rehabilitation Plan and Possibility of 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 rehabilitation plan may include changes to the benefits you earn in the future. In addition, the law permits pension plans in the red zone to reduce, or even eliminate, certain features of benefits you have already earned – these features are called "adjustable benefits" – as part of a rehabilitation plan (more details below). You will receive a separate notification identifying and explaining the effect of those reductions when the Trustees adopt the rehabilitation plan later this year. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit already earned that is payable at normal retirement age. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after the date of this notice (April 30, 2009).

But please note that whether or not the Plan reduces benefits in the future, from the date of this Notice and as long as the Plan continues to be in critical status, the plan is not permitted to pay lump sum benefits, unless the lump sum value of the total benefit is \$5,000 or less. For example, the Plan offers participants the option to receive their benefit as a lump sum if the total value of their benefit is greater than \$5,000 but does not exceed \$10,000. The Plan also provides lump sum benefits in the event of pre-retirement death. These benefits are no longer permitted while the Plan remains in the red zone.

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
- Early retirement benefit or retirement-type subsidy; such as the Rule of 80
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA)
- Lump sum benefits
- Disability benefits
- Medicare Supplement (this benefit applies to some participants who are in groups that were formerly part of the Building Service Employees Pension Plan).

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan. 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, until the bargaining parties agree to a collective bargaining agreement that implements the Rehabilitation Plan. The 5% surcharge is payable on contributions due on and after June 1, 2009, until December 31, 2009, and the 10% surcharge is payable with respect to periods after that, until the Rehabilitation Plan goes into effect.

Where to Get More Information

For more information about this Notice, you may contact:

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The Rehabilitation Plan will be adopted later this year. Shortly after that the Plan will send a copy of it to contributing employers and unions, and a summary to participants and beneficiaries.