ANDREW L. STERN
International President

ANNA BURGER
International Secretary-Treasurer

ANNELLE GRAJEDA
Executive Vice President

MARY KAY HENRY
Executive Vice President

GERRY HUDSON
Executive Vice President

ELISEO MEDINA
Executive Vice President

DAVE REGAN
Executive Vice President

TOM WOODRUFF
Executive Vice President

SERVICE EMPLOYEES
INTERNATIONAL UNION
AFL-CIO

1800 Massachusetts Ave NW
Washington, DC 20036

202 730 7000
FAX 202 730 7481
www.SEIU.org

Notice of Critical Status

For

Pension Plan for Employees of the SEIU

April 29, 2009

This is to inform you that on March 30, 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 Plan is projected to have an accumulated funding deficiency for Plan years beginning 2010.

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 29, 2009).

But you should know that whether or not the Plan reduces adjustable 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. Nor can the Plan pay the level income optional form of benefit for those whose benefit commencement date is on or after the date of this Notice, until it exits 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;
- Early retirement benefit or retirement-type subsidy;

- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Lump sum benefits

Please be aware that the Trustees' intent, subject to completion of projections by the plan actuary, is to adopt a Rehabilitation Plan that includes increases in employer contributions, no reduction in the rate of future accruals (2.5% per year of service), and the following benefit reductions to apply to all participants commencing benefits on or after the date of this notice. These reductions will take effect 30 days after a notice regarding these reductions is provided to you.

- Reduction of cost-of-living adjustments
- Reduction of lump sum payments
- Elimination of early retirement subsidies, except for the Rule of 90

The Trustees are also required under law to include a "default plan" in the Rehabilitation Plan. The default plan goes into effect if there is no agreement on an alternative. The default plan must consist of cuts in benefits, including adjustable benefits and/or reductions in the future accrual rate, that are sufficient to bring the Plan out of the red zone without any contribution increases.

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 default plan or an alternative goes into effect. 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:

Eunice Washington
Pension Plan for Employees of the SEIU,
SEIU Benefit Funds Office
11 Dupont Circle
Washington DC, 20036
(202) 730-7500
(800) 458-1010

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.