

## ***NOTICE OF CRITICAL STATUS***

***For***

***Western States Office & Professional Employees Pension Trust***



This is to inform you that on March 31, 2009, the Plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Western States Office & Professional Employees Pension Trust (Plan) is in critical status 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 because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that over the next three plan years, the Plan is projected to have an accumulated funding deficiency by the 2011 plan year.

### ***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 law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Trustees of the Plan determined that benefit reductions are necessary. A separate notice is included with this mailing which identifies and explains the effect of the reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) 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 April 30, 2009. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of April 30, 2009, 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. However, the Plan may still pay mandatory lump sum distributions as required by law.

***Adjustable Benefits***

The Plan offers the following adjustable benefits which will be reduced or eliminated as part of a rehabilitation plan that the Plan adopts:

- Post-retirement death benefits;
  - Sixty-month payment guarantees;
  - Disability benefits (if not yet in pay status);
  - Early retirement benefit or retirement-type subsidy;
  - Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
  - Recent benefit increases (i.e., occurring in past 5 years);
  - Other similar benefits, rights, or features under the Plan
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***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 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, until the applicable collective bargaining agreement includes terms consistent with an appropriate schedule pursuant to a rehabilitation plan.

***Where to Get More Information***

For more information about this Notice, you may contact:

Marana Benefits Administration, Inc. (through May 31, 2009):  
12667 Alcosta Blvd., Suite 300  
San Ramon, CA 94583  
Phone: (925) 294-8891

A&I Benefit Plan Administrators, Inc. (on and after June 1, 2009):  
1220 S.W. Morrison St, Suite 300  
Portland, OR 97205-2222  
Toll-Free: (800) 413-4928 Local: (503) 222-7694

You have a right to receive a copy of the rehabilitation plan from the Plan.