

Notice of Critical Status For

Intermountain Retail Store Employees Pension Plan December 27, 2013

This is to inform you that on November 29, 2013 the plan actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Intermountain Retail Store Employees Pension Plan (the "Plan") is in critical status for the plan year beginning September 1, 2013. 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. The Plan was considered to be in critical status for the prior plan year and the Plan's actuary determined that the Plan has not met the necessary tests to emerge from critical status. More specifically, the Plan's actuary determined that the Plan is projected to have an accumulated funding deficiency for the plan year ending August 31, 2015, taking into consideration only those contributions that are included in current collective bargaining agreements. This is the fourth year that the Plan has been in critical status.

Rehabilitation Plan

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. On October 1, 2011, August 16, 2012, and October 26, 2012, affected participants were notified that the Plan reduced or eliminated adjustable benefits. If the Trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit accrued to date and payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after September 1, 2011.

Adjustable Benefits

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

- Post-retirement death benefits, including a death benefit for unmarried participants;
- 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);
- Other similar benefits, rights, or features under the Plan such as preretirement death benefits in excess of a qualified preretirement survivor annuity) and the level income option;
- Certain cost of living adjustments.

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 a new collective bargaining agreement which contains terms consistent with the Plan's rehabilitation plan takes effect. All contributing employers began to pay the 5% surcharge with their February 2011 contributions (for hours worked in January 2011) and the 10% surcharge with contributions due in September 2011 (for hours worked August 2011).

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees of the Intermountain Retail Store Employees Pension Plan, c/o Zenith American Solutions, at 111 West Cataldo Avenue, Suite 220, Spokane, Washington 99201, or by telephone at (509) 534-5625 or (800) 522-2403. You have a right to receive a copy of the rehabilitation plan from the Plan.