

Notice of Critical Status For

Retail, Wholesale and Department Store
International Union and Industry Pension Fund

April, 2019

This is to inform you that on March 29, 2019 the actuary of the Retail, Wholesale and Department Store International Union and Industry Pension Fund (the "Plan") certified to the U.S. Department of the Treasury, and also to the Plan's Board of Trustees (the "Trustees"), that the Plan is in critical status for the plan year beginning January 1, 2019. 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 because the Plan was in critical status last year and the Plan is projected to have an accumulated funding deficiency within the next nine years, the Plan will not exit critical status until there is no funding deficiency projected for a 10-year period.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the fifth year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On April 30, 2015, the Plan's participants (and other interested parties) were notified that as of May 1, 2015, 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. On December 28, 2015, the Plan's participants (and other interested parties) were notified that the Trustees adopted a Rehabilitation Plan, which includes three options (two Alternative Schedules and one Default Schedule) for adoption by the bargaining parties, and the notice explained the benefit changes provided in the Schedules and the Rehabilitation Plan. If the Trustees 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 (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, under the Rehabilitation Plan adopted by the Trustees, the reductions only apply to participants and beneficiaries whose benefit commencement date is on or after February 1, 2016.

Adjustable Benefits

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

- Post-retirement death benefits;
- 36-month and 120-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
 - Joint and Survivor Annuity with Non-Spouse Beneficiary
 - Shutdown benefits
 - Pop-up benefits
 - Partial Lump Sum Payment Option

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation until the bargaining parties adopt a collective bargaining agreement that includes terms consistent with one of the Schedules set forth in the Rehabilitation Plan. 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 or participation agreement. With some exceptions, a 5% surcharge was 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 employer adopts a collective bargaining agreement that includes one of the Schedules of the Rehabilitation Plan.

Where to Get More Information

For more information about this notice, you may contact the Fund Administrator, Sandi Mantooth, at 1901 10th Avenue South, P.O. Box 55728, Birmingham, Alabama 35255-5728, telephone: (205) 252-3586 or toll free at (800) 633-8906. You have a right to receive a copy of the Rehabilitation Plan from the Plan. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's employer identification number or "EIN" is 63-0708442.