

Oregon Retail Employees Pension Trust

Administered by: ATPA

7600 SW Mohawk ST – Tualatin, OR 97062

(503) 454-3800 or (800) 654-4411

Fax: (503) 454-3825

To: Plan Participants, Participating Employers, and Union Representatives

From: Board of Trustees, Oregon Retail Employees Pension Trust

Re: Election by Trustees to Maintain “Green Zone” Status for 2009 Plan Year

As you have been previously informed, the Board of Trustees deadlocked over whether to freeze the Plan’s funded status for 2009. This deadlock arbitration has now been resolved and the Board of Trustees has agreed to freeze the Plan’s status as not being critical, seriously endangered or endangered for 2009.

The remainder of this Notice provides additional information about this “green zone” status election for 2009.

What is “Zone Certification” Under the Pension Protection Act?

A federal law called the Pension Protection Act of 2006 (PPA) requires the Plan’s actuary to certify a funded “zone” status for the Plan each year beginning in 2008. The Plan’s actuary provides a report to the Trustees and the IRS regarding the Plan’s financial status. A plan can be certified “critical,” “seriously endangered,” “endangered” or “neither critical nor endangered.”

If the Plan is certified to be “critical,” “seriously endangered” or “endangered” the Board must notify you and take certain prescribed steps designed to improve the Plan’s financial status over a specific period of time.

Worker, Retiree, and Employer Recovery Act of 2008 – A Response to the Financial Crisis

At the beginning of the 2008 Plan year, the Oregon Retail Employees Pension Trust was considered well funded. The formal designation was that the Plan was not endangered, seriously endangered or in critical status. This is sometimes referred to as being in the “green zone.”

With the significant drop in virtually all investments during the last six months of 2008, nearly all pension plans were in a worse financial position in 2009 than they were in 2008. In light of the financial crisis the Worker, Retiree, and Employer Recovery Act of 2008 was enacted. Under this Act—and for 2009 only—the Trustees can elect to disregard the certified status of the Plan and maintain the Plan’s zone status from the preceding Plan year. This is called a “freeze election.”

Election to Maintain “Green Zone” Funded Status for 2009

Ordinarily, and in future years, the certification by the Plan’s actuary would be the only factor in determining how to report the Plan’s funded status. Opting to take the “freeze election” allows pension plan Trustees to maintain the “green zone” status for the 2009 Plan year (essentially allowing more time for the financial markets to normalize, or for the Trustees of previously well funded plans more time to fully evaluate a wide range of alternatives).

On April 30, 2009, the Trust provided you a notice that it was in critical zone status. You subsequently received a notice that the Board of Trustees was involved in a deadlock arbitration over whether to freeze the Plan’s zone for 2009. This deadlock arbitration has now been resolved and you are receiving this notice because the Plan has elected to maintain its green zone status for 2009. It means the previous notice you received indicating the Trust was in critical zone status has been rescinded. Automatic limitations imposed on participants in 2009 because the Plan was in critical status (specifically removing the Social Security Level Income Option) also have been rescinded.

What Does the Election to Maintain the Plan’s Funded Status Mean Going Forward?

The freeze election made by the Trustees only applies for the 2009 Plan year. If the Plan is certified to be in endangered, seriously endangered or in critical status for the year beginning January 1, 2010, the Trustees will provide a notice of the Plan’s status and the steps that will be taken to improve its funded status. You will receive a notice concerning the Plan’s zone status for the 2010 Plan year by no later than April 30, 2010. These steps may include reductions in future benefit accruals and/or increased contributions. If the Plan is in critical status in 2010 certain features of the Plan (called “adjustable benefits”) may also be changed. This includes the cost-of-living adjustments, early retirement benefits, disability benefits, and certain death benefits. A surcharge on employer contributions can also be required. Finally, certain benefit payment options, namely the Social Security Level Income options, will become unavailable.

Where to Get More Information

This freeze election does not affect the terms of the Plan, nor any benefit you have earned under the Plan. This information is being provided because federal law requires that you receive a notice of the Trustees’ election to maintain the Plan’s “green zone” funded status for the 2009 Plan year. No action is required on your part. For more information, you may contact the Administrative Office:

Plan Name:	Oregon Retail Employees Pension Plan (also includes the Oregon Federation of Butchers Pension Plan)
EIN:	93-6074377
Plan No.:	001