RETAIL CLERKS PENSION TRUST  
(now known as Sound Retirement Trust)

Summary Annual Report

This is a Summary of the Annual Report for the Retail Clerks Pension Trust (EIN 91-6069306, Plan Number 001) for the Plan year beginning October 1, 2007 through September 30, 2008. The Annual Report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the Plan are provided by the Trust. Plan expenses were $72,557,224, and include $9,506,426 in administrative expenses, and $63,050,798 in benefits paid to participants and beneficiaries. A total of 126,155 persons were participants in, or beneficiaries of, the Plan at the end of the Plan year, although not all participants had yet earned the right to receive benefits.

The value of Plan assets, after subtracting liabilities of the Plan, was $1,509,627,734, as of September 30, 2008, compared to $1,812,953,746, as of October 1, 2007. During the Plan year, the Plan experienced a decrease in its net assets of $303,326,012. This decrease includes unrealized appreciation or depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the Plan Year, the Plan had total income of ($230,768,788), which includes employer contributions of $27,934,065, loss from the sale of assets of ($17,986,852), loss from investments of ($240,716,001).

Minimum Funding Standards

An actuary's statement shows that enough money was contributed to the Plan to keep it funded in accordance with the minimum funding standards of ERISA.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Loans or obligations in default or classified as uncollectible;
5. Transactions in excess of five percent of Plan assets;
6. Information regarding common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the Plan participates; and
7. Actuarial information regarding the funding of the Plan.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Administrative Agent: Zenith Administrators, Inc. (also known as the Administrator), 201 Queen Anne Avenue North, Suite 100, Seattle, Washington 98109-4896; phone (206) 282-4500. The charge to cover copying costs will be $24.25 for the full Annual Report or $0.25 per page for any part thereof.

You also have the right to receive, upon request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Administrator, the above statements and accompanying notes will be included as part of the Annual Report. Copies of the statements and notes are furnished at no charge.

You also have the legally protected right to examine the Annual Report at the main office of the Administrator: Zenith Administrators, Inc., 201 Queen Anne Avenue North, Suite 100, Seattle, Washington or obtain a copy, upon payment of copying costs, from the U.S. Department of Labor in Washington, D.C.

Introduction

This notice, which federal law requires all multi-employer plans to send annually, includes important information about the funding level of the Retail Clerks Pension Trust (the “Plan”), E.I.N. 91-6069306, Plan Number 001. This notice also includes information about rules governing insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (the “PBGC”), a federal agency. This notice is for the period beginning October 1, 2007, and ending September 30, 2008 (the “Plan Year”).

Plan’s Funding Level

The Plan’s “funded current liability percentage” for the Plan Year was 74.8%. In general, the higher the percentage, the better funded the plan. The funded current liability percentage, however, is not indicative of how well a plan will be funded in the future or if it terminates. Whether this percentage will increase or decrease over time depends on a number of factors, including how the plan’s investments perform, what assumptions the plan makes about rates of return, whether employer contributions to the fund increase or decline, and whether benefits payments from the fund increase or decline.

Plan’s Financial Information

The market value of the Plan’s assets as of October 1, 2007 was $1,812,252,135. The total amount of benefit payments for the Plan Year was $63,050,798. The ratio of assets to benefit payments is 28.7 to 1. This ratio suggests that the Plan’s assets could provide for approximately 28.7 years of benefit payments in annual amounts equal to what was paid out in the Plan Year. However, the ratio does not take into account future changes in total benefit payments or plan assets.

Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called “plan reorganization rules,” a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC’s guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan’s available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan’s financial condition improves.
A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and the PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

**Benefit Payments Guaranteed by the PBGC**

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100% of the first $11 of the Plan’s monthly benefit accrual rate, plus 75% of the next $33 of the accrual rate, times each year of credited service. The PBGC’s maximum guarantee, therefore, is $35.75 per month times a participant’s years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant’s years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant’s guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant’s guaranteed monthly benefit would be $177.50 ($17.75 x 10).

In calculating a person’s monthly payment, the PBGC will disregard any benefit increases that were made under the Plan within 60 months before the earlier of the plan’s termination or insolvency. Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay or severance pay.

**Where to Get More Information**

For more information about this notice, you may contact the Administrator, Zenith Administrators, Inc., at 201 Queen Anne Avenue North, Suite 100, Seattle, WA 98109-4896, (206) 282-4500 or 1-800-225-7620. For more information about the PBGC and multiemployer benefit guarantees, go to PBGC’s web site, www.pbgc.gov or call the PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

**Additional Explanation**

The Funding Notice included with this mailing is required by new Department of Labor regulations and has been taken verbatim from those regulations in order that the Plan satisfies the reporting rules. As additional information, the Trustees of the Plan can report to you that the Plan is not insolvent and is not in a reorganization status.
Notice to Retirees Regarding Suspension of Benefits While Continuing To Work in the Industry

This notice is to advise Retired Participants that employment during retirement may result in the temporary suspension of your pension benefits. This is in accordance with a regulation of the U.S. Department of Labor, 29 CFR sections 2530.203-3. That regulation also contains provisions to protect your right to receive your nonforfeitable pension benefit. You may read or obtain a copy of that regulation at the Fund Office.

Retail Drug Participants prior to October 1, 2008.
If you retire and later return to work, under certain circumstances your monthly payments related to benefits earned under the Drug Plan may be suspended. If you are under age 65, contact the Administrative Office at (206) 282-4500 or (800) 225-7620 immediately if you return to work. Generally, your monthly benefit payments will be suspending during any month you: 1) Perform more than 58 hours of work in the industry, 2) Work in Western Washington, 3) Work in the same trade or craft you in which you were employed at any time while a Drug Plan participant, and 4) Your employment is in an industry in which participants in the Drug Plan were employed prior to the merger. Benefit payments for service earned prior to January 1, 1988 will not be suspended.

These provisions apply only to benefits you earned under the Drug Plan before October 1, 2008. For benefits earned under the Sound Plan on or after October 1, 2008, you will be subject to the reemployment rules below. The plan’s reemployment provisions do not apply after you reach normal retirement age. If you return to work after your normal retirement age (generally, age 65), your pension benefit payments will continue. In addition, when you reach normal retirement, you will have the option to draw your benefit while continuing to work regardless of how much you are working. In either case, your benefit will be updated annually for any additional benefits you earn.

Retail Drug Participants after October 1, 2008.
If you retire and then go back to work under certain circumstances, your pension payments may be suspended. If you are under age 70½, you must notify the Administrative Office immediately if you return to work. You will generally not receive a pension payment for any month during which you perform more than 58 hours of work which is in the “industry,” in the State of Washington, and in a trade or craft in which you were employed at any time while a Plan Participant. The “industry” means any type of business engaged in by any of the Employers who contribute to the Plan and includes employers not party to the Plan. The suspension will not apply if you are age 70½ or older. You should contact the Administrative Office if you have any question about whether a certain type of employment would bring about a suspension of pension payments.

When you again retire, you must notify the Administrative Office so monthly pension payments can begin again. Benefits earned before your return to work will be paid in the same form and amount as was being paid before you returned to work.

If you are receiving a Disability pension benefit and have not attained age 65, you will be deemed to have recovered from the disability if you return to any gainful employment — and your benefits will cease regardless of the hours worked. A Disability Pensioner on a Trial Work Period is not subject to the suspension of pension payments described in this section.

If you return to Covered Employment (working for a Contributing Employer) and earn at least one year of Credited Service, you will receive additional pension benefits in the following Plan Year (or when your pension is no longer suspended, if later).
Notice to Participants Age 70 ½ or Older Not Receiving A Pension

This notice is to advise Participants that section 401(a)(9) of the Internal Revenue Code requires that all eligible pension plan participants must start receiving benefits no later that April 1st of the calendar year following the calendar year in which they reach age 70 ½. You should contact the Trust Office prior to reaching age 70 ½ to determine whether benefits are payable to you under these requirements.
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Notice to Retirees Regarding  
Death Benefits for Surviving Spouse  

Pre-Retirement  

This notice is to advise Participants that if you die October 1, 2008 or later and after you become eligible for a Regular or Early Retirement pension, the survivor benefit is figured as if you had retired the day before your death and elected the 50% Spouse Pension. The survivor benefits will begin on the first of the month on or immediately after receipt of your spouse’s application. If you die before you are eligible for Early Retirement, the survivor benefit is based on whatever pension you had earned by the date of death, but payments are calculated as if you had lived to retire at the earliest opportunity, and died the next day. In that case, survivor benefit payments will not start until the date on which you would first have been eligible to retire. Alternately, your Surviving Spouse may elect to receive a 60-month pre-retirement death benefit calculated in the same manner as the regular pension.  

Death Benefit for Surviving Family Member(s)  

Pre-Retirement  

If you die October 1, 2008 or later and before you retire, and are not survived by a spouse, your Surviving Family Member(s) – see below - will be entitled to a death benefit provided you are vested with at least five years of Credited Service (at least one of which is Credited Future Service). Your Surviving Family Member(s) will be entitled to a lump sum payment equal to 75% of the contributions required to be made to the Plan’s trust fund on your behalf by your employer. The maximum death benefit is $10,000. An application for Pre-Retirement Death Benefits shall be made in writing and must be submitted to the Trustees no later than one (1) year from the date the surviving Family Member(s) are notified of the death benefit by the Trust Office.  

Post-Retirement  

If you die after you retire, the form of payment you elect when you retire will govern the death benefit which is payable. However, if a spouse does not survive you, the Plan provides 60 Months Guaranteed. Under this feature, if you die after your pension begins, but before you receive 60 monthly pension payments, your monthly pension will be paid to your Surviving Family Member(s) – see below - until a total of 60 monthly payments have been made to you and your Surviving Family Member(s). This “guarantee” feature does not apply if you elect a 50% Spouse Pension or Contingent Annuitant Benefit Option.  

Your Surviving Family Member(s) will be the Family Member(s) you have designated as your beneficiary(ies). If you have not designated a Family Member as your beneficiary, your Surviving Family Member(s) will be the Family Member(s) who are alive at the time of your death, in the following order of priority:  

- Your children (biological and legally adopted) - divided equally, or  
- Your parents - divided equally, or  
- Your brothers and sisters – divided equally.  

If none of these family members is alive at the time of your death, no death benefits for Surviving Family Member(s) will be payable.  

To request a pre-retirement death benefit application or beneficiary card, please contact the Trust Office at (206) 282-4500 or 1- (800) 225-7620.