

**SOUND
RETIREMENT
TRUST**



FORMERLY KNOWN
AS RETAIL CLERKS
PENSION TRUST

**A Labor-Management Retirement Plan
Summary Plan Description**

April 2009

This booklet applies to individuals who are active participants of the Sound Retirement Trust on or after October 1, 2008. If you terminated or retired prior to October 1, 2008, you should consult the booklet in effect on the earlier of your termination date or retirement date.

Sound Retirement Trust

201 Queen Anne Avenue North, Suite 100
Seattle, Washington 98109-4896
(206) 282-4500
(800) 225-7620
www.soundretirementtrust.com

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K&L Gates LLP

YOUR SUMMARY PLAN DESCRIPTION

This booklet is a summary of the pension plan available to you if you are a participant in the Sound Retirement Trust (“Sound Plan”), formerly known as the Retail Clerks Pension Trust (“Clerks Plan”), on or after October 1, 2008, including former participants in the Retail Drug Employees Pension Trust (“Drug Plan”) who became participants in the Sound Plan on that date. The provisions for current and former Drug employees have been changed as a result of the merger of the Drug Plan into the Clerks Plan. The provisions of the Clerks Plan were not affected by this merger.

This summary plan description describes how the plan works and how benefits are paid to you under the terms of the Sound Plan as of October 1, 2008, unless otherwise noted. If you retired or terminated your employment before that date, your pension benefit will be calculated under the terms of your pension plan on the date you retired or terminated. If this applies to you, contact the Administrative Office at (206) 282-4500 or (800) 225-7620 for more information. You may also visit www.soundretirementtrust.com for general information about the plan, including information about plan provisions, frequently asked questions, and details about your own pension benefit.

The plan is funded by contributing employers and is an important source of income for your future. It is intended to work with Social Security benefits to provide retirement income. You are encouraged to build on this base through your own personal retirement savings and investments.

Special Provisions for Current Drug Employees and Former Drug Plan Participants

In general, this summary plan description describes the benefit you earn on or after October 1, 2008 under the Sound Plan. However, certain current Drug employees and former Drug Plan participants have different provisions that apply to their pension benefit. These differences are discussed in the following Appendices:

- **Appendix A** applies to Drug employees hired on or after October 1, 2008.
- **Appendix B** applies to former Drug Plan participants who earned pension benefits before October 1, 2008 and began participation in the Sound Plan on that date.

If you have questions about how these different provisions apply to you, please contact the Administrative Office at (206) 282-4500 or (800) 225-7620.

HOW YOUR PENSION PLAN WORKS

You receive a percentage of employer contributions for each plan year (October 1–September 30), provided you complete a specified amount of service. When you begin receiving benefits, these amounts are added together to determine your base monthly payment for life, payable as a single life annuity with 60 payments guaranteed.

The amount of your plan benefit will depend on all of the following:

- Your years of service with a contributing employer.
- The percentage of employer contributions you are eligible to receive.
- Whether you terminate your employment before retirement age.
- When you begin receiving your pension benefit.

KEY FEATURES OF YOUR PENSION PLAN

- Contributing employers make all contributions to the plan; you are neither required nor permitted to make contributions.
- You earn a right to your pension benefit after you complete 5 years of service. This is known as “vesting.”
- Several payment options are available. Generally, all options pay monthly benefits for your lifetime.
- Your pension benefit is insured, up to certain limits, by the Pension Benefit Guaranty Corporation, a U.S. Government corporation.

LEGAL INFORMATION

The contents and delivery of this booklet are intended to comply with the Employee Retirement Income Security Act of 1974, as amended (ERISA). If there is any conflict between the information in this booklet and the official plan document, the official plan document will govern.

The only party authorized by the Board of Trustees to answer questions concerning the pension plan is the administrative agent, Zenith Administrators. Zenith Administrators may be contacted at:

Zenith Administrators, Inc.
201 Queen Anne Avenue North, Suite 100
Seattle, Washington 98109-4896
Telephone number: (206) 282-4500 or (800) 225-7620

No participating employer, employer association, labor organization, nor any individual employed thereby, has any authority to answer questions about the plan. The Trustees have full discretionary and final authority to interpret the plan, and to decide all pension benefit claims (subject to the appeal rights summarized beginning on page 37 of this booklet.)

If you have questions about this booklet or the terms of the pension plan, please contact the Administrative Office at (206) 282-4500 or (800) 225-7620, or visit www.soundretirementtrust.com.

QUESTIONS AND ANSWERS

<p>Where do I find a list of defined terms?</p>	<p>This summary plan description uses a variety of terms specific to the pension plan, many of which are defined in “Definitions” beginning on page 41. If a used term is not captured in the “Definitions” section, you may contact the Administrative Office with your question or to request a copy of the full plan document, which defines all terms used in the administration of the plan.</p>
<p>Does my pension benefit under this plan affect my Social Security benefits?</p>	<p>No. Benefits under this plan are paid in addition to benefits you receive from Social Security.</p>
<p>Can I receive a copy of the legal documents describing this plan?</p>	<p>Yes. Copies of the following legal documents are available for inspection at the Administrative Office during regular business hours. Copies are also available upon written request – see the Administrative Office’s contact information on page 42. The Administrative Office may charge a reasonable amount for copying these documents.</p> <p>You may request to review any or all of the following:</p> <ul style="list-style-type: none"> ➤ Texts of plan and trust documents (including amendments) adopted by the Trustees. ➤ Collective bargaining agreements and/or special agreements. ➤ Reciprocity agreements. ➤ Annual reports filed with various government agencies. ➤ Any financial reports prepared by any plan investment manager, advisor, or other fiduciary that have been in the Trust’s possession for at least 30 days. ➤ Any actuarial report (including any sensitivity testing) received by the plan for any plan year that has been in the plan’s possession for at least 30 days prior to the date of your written request. ➤ Summary annual reports, plan booklets and inserts, benefit updates and other materials distributed to participants and beneficiaries. ➤ Collections and payroll audit policies. ➤ Funding notices, policies, and investment guidelines. ➤ Any application filed with the IRS requesting an extension of amortization periods, and the IRS determination pursuant to that application. ➤ To any contributing employer of the pension trust, a notice of the estimated withdrawal liability if that contributing employer withdrew on the last day of the plan year preceding the date of the request, and an explanation of how the estimated liability amount was determined.



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ELIGIBILITY AND PARTICIPATION

You are a participant if you are an employee of a contributing employer working under a collective bargaining agreement with your union or a special agreement with the Trustees covered by the plan. Your participation begins on the first day of the calendar month after you work 1 hour of covered employment.

The plan does not cover any sole proprietors, partners, corporate owner/officers with management responsibilities, or any other self-employed persons.

If you became eligible for the plan before October 1, 2008, please refer to your prior summary plan description for the eligibility and participation details that applied to you. You may also contact the Administrative Office at (206) 282-4500 or (800) 225-7620 if you have any questions, or visit www.soundretirementtrust.com.

QUESTIONS AND ANSWERS

Is my eligibility affected if I transfer from a position as a Clerks employee to one as a Drug employee?

No. Provided your transfer occurred on or after October 1, 2008, you will continue to earn benefits under the provisions of the Sound Plan, but after your transfer date benefits will be earned as described in "Appendix A," beginning on page 48. Benefits you earned to the time of your transfer will not be affected.

If your transfer occurred before October 1, 2008, you are subject to the rules of the Clerks Plan or Drug Plan in effect at the time of your transfer. If this applies to you, contact the Administrative Office for details.

SERVICE

You must earn credited service to qualify for a benefit under the plan. Credited service is granted for the hours you work for an employer that contributes to the Sound Plan, or work for which employer contributions are required subject to a collective bargaining agreement. Credited service is also counted for hours worked before your employer was required to contribute to the Sound Plan.

Credited service is comprised of credited future service and credited past service. It is used to determine your benefit eligibility and whether you are vested in the benefits you have accrued. Credited past service is also used to determine the amount of any past service benefit you may have earned.

CREDITED FUTURE SERVICE

Earning credited future service depends on when your service was earned.

- **Before October 1, 1977**, you earned 1 year of credited future service for each plan year you worked 375 or more hours in covered employment between your entry date and October 1, 1977.
- **On and after October 1, 1977**, you earn 1 year of credited future service for each plan year you worked 500 or more hours in covered employment.

CREDITED PAST SERVICE

In general, credited past service is service you earned while working for a covered employer before that employer began contributing to the plan. In other words, it is service you would have earned had you been eligible for plan participation before your effective date of coverage. Your effective date of coverage is the date when employer contributions on your behalf first became effective.

- **If you are under age 65 on your effective date of coverage**, to receive credited past service you must have worked at least 500 hours in covered employment (375 hours if your effective date of coverage was before October 1, 1977) in
 - 1 of the 2 consecutive 12-month periods following your effective date of coverage, or
 - Either the plan year in which your effective date of coverage occurred or the following plan year.
- **If you are age 65 or older on your effective date of coverage**, to receive credited past service you must have
 - Worked at least 80 hours in covered employment in the 12 consecutive months immediately following your effective date of coverage, and
 - Worked at least 500 hours (375 hours if your effective date of coverage is before October 1, 1977) in employment for a contributing employer during the 12 consecutive months immediately before your effective date of coverage.

Methods of Crediting Past Service

Crediting past service can be based on affiliated union membership or on industry employment. Your credited past service will be calculated using both methods, and the plan will use the method that provides you with the greater number of years.

- **Credited past service based on union membership** is granted for continuous years of membership in a union participating in the plan. One year of credited past service is granted for each 12 consecutive months of membership.

Continuous years of membership are years without a break. A break occurs when more than 24 months separates 2 periods of union membership. No credited past service will be credited prior to a break.

- **Credited past service based on industry employment** is granted for continuous years of employment under a collective bargaining agreement with the union or with a contributing employer. (This is provided that your work with a contributing employer was in a job classification included in any collective bargaining agreements requiring contributions to the plan.)

Continuous years of employment are years without a break in service. A break in service occurs when you work less than 500 hours (375 hours before October 1, 1976) in covered employment during any 12-month period before your effective date of coverage. No past service will be credited prior to a break in service.

Your Maximum Credited Past Service

The maximum years of credited past service you can receive is determined by your effective date of coverage.

If your effective date of coverage was...	Your maximum credited past service is...
Between 10/1/65 and 9/30/82	20 Years
Between 10/1/82 and 9/30/83	18 Years
Between 10/1/83 and 9/30/84	16 Years
Between 10/1/84 and 9/30/85	14 Years
Between 10/1/85 and 9/30/86	12 Years
On 10/1/86 or later	10 Years

VESTING SERVICE

You are 100% vested in your pension benefit if you have 5 or more years of credited future service and/or credited past service (provided you have at least 1 year of credited future service). If your employment terminates or you have a break in service before earning 5 years, you are not entitled to any pension

benefit from the Sound Plan unless you return to work before incurring a permanent break in service.

Beginning October 1, 1976, hours of service in continuous non-covered employment are also counted when determining if you have earned a year of credited future service.

BREAK IN SERVICE

If you stop working for a contributing employer before you are vested, you may lose all of your credited service and accrued benefits. This happens if you are out of covered employment or continuous non-covered employment for 5 consecutive years, called a permanent break in service. If, before you earn a permanent break in service, you return to covered employment and earn an additional year of service, your prior credited service and vesting service will be restored.

Effective October 1, 1986, if you have 5 consecutive 1-year breaks in service it is considered a permanent break in service. In this case, all of your years of vesting and credited service are permanently canceled. Any service you earned before the permanent break cannot be used to qualify for pension or death benefits.

The plan’s break in service rules are different for various periods of service, as shown in the following table.

If you had a break...	You earn a 1-year break in service for each plan year your covered employment and/or continuous non-covered employment was...	And earn a permanent break in service if you earned...
Before 10/1/76	Less than 375 hours	2 consecutive 1-year breaks in service*
Between 10/1/76 and 9/30/86	Less than 435 hours	<ul style="list-style-type: none"> ➤ 2 consecutive 1-year breaks in service, and ➤ You had as many break in service years as credited service years
On or after 10/1/86	Less than 435 hours	5 consecutive 1-year breaks in service
<p>* Certain grace periods apply before October 1, 1976. Contact the Administrative Office at (206) 282-4500 or (800) 225-7620 for details.</p>		

Break in Service Grace Periods

If you have a leave of absence, you may be eligible for a break in service grace period, depending on the type of leave you take.

Maternity/Paternity Leave

Effective October 1, 1986, if you are absent due to maternity or paternity reasons, you will be credited with hours of service if they are necessary to prevent a break in service for that year. Otherwise, those hours will be credited the following year in order to prevent a break in service.

Maternity/paternity leave will be granted for

- Your pregnancy,
- The birth of your child,
- The placement of a child with you due to adoption, or
- Care of your child immediately after birth or adoption.

No more than 501 hours will be credited for any 1 absence, and will be applied only to prevent a break in service. These hours will not add to your credited service.

If you qualify for a grace period for maternity or paternity reasons, you must submit a grace period application and provide adequate proof of the circumstances on which the application is based. You must provide the number of days for which there was an absence.

Family and Medical Leave

If you are absent from covered employment after August 4, 1993 and eligible for family or medical leave under the provisions of the Family and Medical Leave Act of 1993, you will receive credit for the time on leave, but only for determining whether or not a 1-year break in service has occurred. These hours will not add to your credited service.

Military Service under USERRA

If you leave covered employment to perform certain United States military service (including active duty for training), the period of military service may prevent a break in service, and you may receive benefit accrual and vesting for the time you are away. Under the Uniformed Services Employment and Reemployment Rights Act (USERRA), you must notify your employer before taking leave (unless precluded by military necessity or other reasonable cause). You should also tell your employer how long you expect to be gone. Upon release from military duty, you must apply for reemployment by these deadlines:

- **For less than 31 days military service**, apply immediately, taking into account safe transportation plus an 8-hour rest period.
- **For 31-180 days military service**, apply within 14 days.
- **For more than 180 days military service**, apply within 90 days.

If you are hospitalized or convalescing, these reemployment deadlines are extended while you recover (but not longer than 2 years).

The rules above also apply to uniformed service in the commissioned corps of the Public Health Service.



To ensure proper crediting of service under USERRA, you should notify the Administrative Office when you take USERRA leave. You should also tell the staff how long you expect to be gone and notify them when you apply for reemployment after your leave.

USERRA only applies if you seek reemployment after December 11, 1994. For information on military service provisions before that date, and for details on service under USERRA, please contact the Administrative Office at (206) 282-4500 or (800) 225-7620, or visit www.soundretirementtrust.com.

Example: Break in Service		
<p>Linda's effective date of coverage under the Clerks Plan was October 1, 2000, after which she earns 4 years of credited service. Then she has 3 successive plan years in which she works less than 435 hours of service, earning a break in service each year. The following year, beginning October 1, 2007, Linda works 500 hours, which adds 1 year of credited service to the 4 she originally earned.</p>		
In the plan year beginning...	Linda worked...	And earned her...
10/1/00	1,400 hours	1st year of credited service
10/1/01	1,800 hours	2nd year of credited service
10/1/02	1,100 hours	3rd year of credited service
10/1/03	1,200 hours	4th year of credited service
10/1/04	200 hours	1st break in service
10/1/05	345 hours	2nd break in service
10/1/06	275 hours	3rd break in service
10/1/07	500 hours	5th year of credited service
<p>Because Linda earned 5 years of credited service before having 5 consecutive break in service years, she becomes fully vested in her pension benefit and her break in service years are cancelled. If Linda had 5 consecutive break in service years <i>before</i> earning her 5th year of credited service, she would lose the pension benefit she earned during her first 4 years of covered employment.</p>		



QUESTIONS AND ANSWERS

<p>How are credited service and breaks in service used to determine benefits under the plan?</p>	<p>Credited future and credited past service are used to determine your eligibility for pension and death benefits, the amount of those benefits, and your right to receive a benefit (also called vesting).</p> <p>Breaks in service, or plan years in which you work less than the required number of covered hours, can affect your right to receive a pension benefit and the amount you are eligible to receive.</p>
<p>Are there any breaks that may be excepted when determining continuous years of credited service?</p>	<p>Yes. Your continuous years of service will not be broken by periods of</p> <ul style="list-style-type: none"> ➔ Military service when you had reemployment rights under federal law, ➔ Qualifying maternity, paternity, and family medical leave, ➔ Service as an employee or official of a union participating in the plan, or ➔ Employment in a managerial or non-covered position with a contributing employer either immediately before or immediately after covered service with that employer.
<p>Do breaks in service affect me if I'm already vested?</p>	<p>Once you are fully vested under the plan, a break in service will not cause you to lose the benefit you have earned. However, you will not earn any additional benefit eligibility or vesting credit for any break in service years.</p>

REGULAR PENSION

ELIGIBILITY

You are eligible for a regular pension when 6 months have elapsed since your effective date of coverage and you are either

- Age 65 or older and have 5 or more years of credited service (without a permanent break in service), or
- Age 65 or older, passed your 5th anniversary of participation (without a permanent break in service), and are still actively participating in the plan.

YOUR REGULAR PENSION AMOUNT

Your regular pension is a monthly amount equal to the sum of your past service benefit and your future service benefit.

- **Your past service benefit** is a monthly amount equal to \$5.98 multiplied by your years of credited past service.
- **Your future service benefit** is a monthly amount equal to
 - 7.1% of the employer contributions credited to you between October 1, 1965 and September 30, 2002,
 - 6.34% of the employer contributions credited to you between October 1, 2002 and August 31, 2003, and
 - 3.0% of the employer contributions credited to you on or after September 1, 2003.

This amount is then adjusted for the form of payment you select.

Example: Regular Pension Benefit

Terry's effective date of coverage is October 1, 1977. He has 31 years of credited future service and works an average of 1,800 hours per year. He has no credited past service. Terry retires on October 1, 2008, at age 65.

For the period of...	Terry's benefit equaled...	Resulting in a monthly pension benefit of...
10/1/77 to 9/30/80	5,400 hours x \$0.30 per hour x 7.1%	\$115.02
10/1/80 to 9/30/82	3,600 hours x \$0.40 per hour x 7.1%	\$102.24
10/1/82 to 9/30/02	36,000 hours x \$0.55 per hour x 7.1%	\$1,405.80
10/1/02 to 8/31/03	1,650 hours x \$0.55 per hour x 6.34%	\$57.54
9/1/03 to 9/30/2008	9,150 hours x \$0.55 per hour x 3.0%	\$150.98
Terry's regular pension at age 65 =		\$1,831.58 per month

After adding together Terry's pension benefit for each of the periods in which he worked, Terry is entitled to a regular pension benefit of \$1,831.58 per month, payable as a single life annuity with 60 payments guaranteed. If Terry selects a different form of payment (for example, if he is married and selects the 50% spouse pension), this monthly amount will be reduced.

QUESTIONS AND ANSWERS**How will my regular pension be paid?**

If you are not married, your regular pension amount will be paid as a single life annuity with 60 payments guaranteed. If you are married, your regular pension amount will be paid as a 50% spouse option, unless you and your spouse elect otherwise. All the Sound Plan's payment options are described in "Forms of Payment" beginning on page 27.

EARLY RETIREMENT PENSION

There are 3 different types of early retirement pensions, each based on your age and service. In general, an early retirement pension benefit is based on the regular pension benefit you would be eligible to receive at age 65, but reduced because your benefit is expected to be paid for a longer period of time. The exception is the unreduced early retirement pension, as described on page 17.

Each of the plan’s 3 early retirement pensions are described in the following sections.

STANDARD REDUCED PENSION

Eligibility

You are eligible for a standard reduced early retirement pension if

- You are at least age 55, but not yet age 63,
- You have 5 or more years of credited service (without a permanent break in service), including 1 or more years of credited future service, and
- 6 months have elapsed since your effective date of coverage.

Your Standard Reduced Pension Amount

Your standard reduced pension benefit is equal to the regular pension benefit you would be eligible to receive at age 65, reduced for your age when you begin receiving payments. This amount is then adjusted for the form of payment you select.

For benefits earned under the Sound Plan, your regular pension benefit is reduced by ½ of 1% for each month you are younger than age 63 (but not younger than age 60), and ⅓ of 1% for each month you are younger than age 60.

Example: Standard Reduced Pension Benefit		
<p>Jim’s effective date of coverage is October 1, 1988, he has 20 years of credited future service, a regular pension benefit of \$1,200 per month (payable at age 65 as a single life annuity with 60 guaranteed payments), and he worked an average of 1,800 hours per year. He has no credited past service. Jim retires on October 1, 2008, at age 58.</p> <p>Because Jim retired at age 58 with a standard reduced pension benefit, his monthly payment will be adjusted as follows.</p>		
For ages...	Jim’s early retirement reduction is calculated as...	For a standard early retirement reduction of...
60 to 63	36 months x ½ of 1% per month	18%
58 to 60	24 months x ⅓ of 1% per month	8%
Jim’s standard early retirement reduction at age 58 =		26% per month



After adding together Jim's reduction percentages based on his age at retirement, then subtracting from 100%, Jim is eligible for a standard early retirement pension equal to 74% (100% – 26%) of his regular pension amount. He will therefore receive \$888 per month (\$1,200 x 74%), payable as a single life annuity with 60 payments guaranteed. If Jim selects a different form of payment (for example, if he is married and selects the 50% spouse pension), this monthly amount will be further reduced.

55/30 PARTLY REDUCED PENSION

Eligibility

You are eligible for a 55/30 partly reduced pension if

- You became a participant in the Sound Plan before September 1, 2003,
- You are at least age of 55, but not yet age 65,
- You have earned 30 or more years of credited service (without a permanent break in service), including 1 or more years of credited future service, and
- 6 months have elapsed since your effective date of coverage.

Your 55/30 Partly Reduced Pension Amount

Your 55/30 partly reduced pension benefit equals:

- The regular pension benefit you earned before September 1, 2003, plus
- The regular pension benefit you earned on and after September 1, 2003, reduced by $\frac{1}{2}$ of 1% for each month you are younger than 63 (but not younger than 60), and $\frac{1}{3}$ of 1% for each month you are younger than age 60.

Once your 55/30 partly reduced pension benefit is calculated, your total amount is adjusted for the form of payment you select.

Example: 55/30 Partly Reduced Pension Benefit

Alex's effective date of coverage is October 1, 1977, he has 31 years of credited future service, and works an average of 1,800 hours per year under the Sound Plan. He has no credited past service. Alex retires on October 1, 2008, at age 58, when he is entitled to a regular pension benefit of \$1,831.58 per month (payable at age 65 as a single life annuity with 60 guaranteed payments).

Alex's benefit through September 1, 2003 equaled \$1,680.60, which will not be reduced. However, because Alex retired at age 58 with a 55/30 partly reduced pension benefit, the pension amount he earned on and after September 1, 2003 will be adjusted as follows.

For ages...	Alex's early retirement reduction is calculated as...	For a standard early retirement reduction of...
60 to 63	36 months x $\frac{1}{2}$ of 1% per month	18%
58 to 60	24 months x $\frac{1}{3}$ of 1% per month	8%

Alex's 55/30 early retirement reduction at age 58 =	26% per month
<p>After adding together Alex's reduction percentages based on his age at retirement, then subtracting from 100%, Alex is eligible for a standard early retirement pension equal to 100% of his benefit earned before September 1, 2003 (\$1,680.60), plus \$111.73 of his regular pension amount (\$150.98 x 74%) earned on or after September 1, 2003. He will therefore receive \$1,792.33 per month (\$1,680.60 + \$111.73), payable as a single life annuity with 60 payments guaranteed. If Alex selects a different form of payment (for example, if he is married and selects the 50% spouse pension), this monthly amount will be further reduced.</p>	

UNREDUCED PENSION

Eligibility

You are eligible for an unreduced early retirement pension if:

- You are at least age 63, but not yet age 65,
- You have earned 5 or more years of credited service (without a permanent break in service), including 1 or more years of credited future service, and
- 6 months have elapsed since your effective date of coverage.

Your Unreduced Pension Amount

If you qualify for the unreduced pension benefit, the amount you receive is the same as your regular pension benefit.

No early retirement reduction will apply to your monthly payment. However, the pension benefit you receive may be reduced based on the form of payment you select.

QUESTIONS AND ANSWERS

How will my early retirement pension be paid?	<p>Regardless of whether you receive a standard reduced pension, 55/30 partly reduced pension, or unreduced pension, your payment options generally will be the same. If you are not married, your early retirement pension will be paid as a single life annuity with 60 payments guaranteed, unless you elect otherwise. If you are married, your early retirement pension will be paid as a 50% spouse option, unless you and your spouse elect otherwise. The plan's payment options are described in "Forms of Payment," beginning on page 27.</p>
Can my early retirement benefits increase?	<p>Yes. If you select the single life annuity with 60 payments guaranteed, you also may select the level income option (described beginning on page 27), which allows you to receive a higher monthly pension until age 62 or age 65, then a smaller monthly pension afterwards.</p> <p>In addition, the cost of living adjustment (described beginning on page 30) allows your monthly benefit to be adjusted each year to reflect changes in the cost of living. (This applies only to benefits earned before September 1, 2003.)</p>



DISABILITY PENSION

ELIGIBILITY

You are eligible for a disability pension if

- You are totally and permanently disabled for at least 6 months,
- You are under age 65,
- You have earned 5 or more years of credited service (without a permanent break in service), including 1 or more years of credited future service,
- You earned at least 1 year of credited service in the 2 plan years immediately before the plan year in which you became totally and permanently disabled, and
- You are not receiving an early retirement pension.

The 6-month requirement may be waived if the Trustees conclude earlier that your disability is total and permanent. Before ruling on any disability, the Trustees may require that you be examined by a qualified physician of their choice.

A “total and permanent disability” is a disability resulting from bodily injury, disease, or mental disorder that, on the basis of medical evidence, is found by the Trustees to be permanent and is expected to continue for the remainder of your lifetime, and which renders you incapable of continuing in the employment of a contributing employer or engaging in other substantially gainful employment which you would otherwise have been expected to be capable of performing.

If you are eligible for early retirement and apply for a disability pension on or after July 1, 1993, you may begin receiving a temporary early retirement pension while awaiting a decision on your disability pension application. Disability under this exception must be established within 36 months of the start date for your early retirement pension, and must have commenced within the 2 plan years immediately before the plan year in which you became totally and permanently disabled (and before the start date of your early retirement pension). If your disability application is approved, your temporary early retirement pension will be converted to a disability pension retroactive to the date you began receiving benefits.

YOUR DISABILITY PENSION AMOUNT

Your disability pension amount is determined in the same way as your regular pension, as described on page 13. Even if you become disabled before your normal retirement date, your disability pension will not be reduced based on your age when you begin receiving payments. However, this amount will be reduced if you select a form of payment other than the single life annuity with 60 payments guaranteed.

ABOUT YOUR DISABILITY PAYMENTS

Disability pension payments are paid retroactively to the first of the calendar month coinciding with or following the date you become totally and permanently disabled, up to a maximum of 6 months before the month in which your disability pension application is received.

If you begin receiving an early retirement pension after your employment terminates and it is later determined that you qualified for a disability pension when you left, the difference in benefit amounts will be paid retroactive to the effective date of your early retirement pension.

Disability pension payments will stop when your total disability stops, unless you are age 65. The Trustees may require proof from time to time that your disability is continuing.

Returning to Work

You are allowed to return to work for a trial work period without losing eligibility for a disability pension benefit, provided

- You submit a statement from your doctor affirming that you are still considered totally and permanently disabled and stating the maximum hours of trial work recommended,
- You work less than 500 hours over 12 consecutive months during your trial work period,
- Your disability does not cease during your trial work period,
- You have only 1 trial work period during any 1 period of disability, and
- You do not work for more than 9 months (not necessarily consecutive) during a trial work period.

During a trial work period, the suspension of benefits provisions described in “Reemployment After Retirement,” beginning on page 39, do not apply.

YOUR DISABILITY PENSION PAYMENTS

When selecting a form of payment for your disability pension, there are differences that would not apply if you were selecting the same form for a regular, early, late, or deferred vested pension. These payment differences are detailed in the following sections.

Single Life Annuity with 60 Payments Guaranteed

If you are eligible for a disability pension and select the single life annuity with 60 payments guaranteed, as described on page 27, some differences will apply.

- **If you die before age 65**, the 60-month “guarantee” feature will not apply to your spouse, if you are married. Instead, your spouse will receive the spouse portion of the 50% spouse pension, figured as though you retired with an early retirement pension on the later of your 55th birthday or your date of

death. (If you die before age 55, payments to your spouse will not begin until the first day of the month following, or coinciding with, your 55th birthday.)

- **If you survive to age 65**, you may change your payment form to the 50% spouse pension or contingent annuitant benefit option, as described beginning on page 28. This election would be effective the first day of the month coinciding with or following your 65th birthday, and will determine the form of benefit paid to your spouse upon your death. If you do not change your form of payment and continue with the single life annuity option, the 60-month guarantee will remain in effect and will be counted from the effective date of your disability retirement.

50% Spouse Option

If you are eligible for a disability pension, select the 50% spouse option, and survive to age 65, you may not change your benefit payment option.

PROOF OF DISABILITY

You must submit proof to the Trustees of total and permanent disability, including a statement from your physician describing the nature of your disability and how long it is expected to last. The Trustees may also require additional information.

Before making a decision concerning your entitlement to a disability pension, the Trustees may designate a physician to examine you.

QUESTIONS AND ANSWERS

When is someone considered totally and permanently disabled?	Under the Sound Plan you are considered totally and permanently disabled if you are unable to engage in any substantially gainful employment for at least 6 consecutive months because of a bodily injury, disease or mental disorder which, on the basis of medical evidence, the Trustees determine is total, permanent and expected to continue for the remainder of your lifetime.
How will my disability pension be paid?	<p>If you are not married, your disability pension will be paid as a single life annuity with 60 payments guaranteed, unless you elect otherwise. If you are married, your disability pension will be paid as a modified 50% spouse option, unless you and your spouse elect otherwise. All the plan's disability payment options are described in "Your Disability Pension Payments," beginning on page 19.</p> <p>Please note that the contingent annuitant benefit option is not available if you are receiving a disability pension. However, if you originally chose a single life annuity with 60 payments guaranteed, you will have the option to change your payment form to a contingent annuity benefit when you reach age 65.</p>

LATE RETIREMENT PENSION

ELIGIBILITY

You are eligible for a late retirement pension if you have met the eligibility requirements for a regular pension or a deferred vested pension, but wish to defer the start of your pension until after your regular pension would ordinarily begin. However, whether or not you stop working, a late retirement pension must begin by April 1 following the calendar year you reach age 70½.

YOUR LATE RETIREMENT PENSION AMOUNT

Your late retirement pension amount is determined in the same way as the regular pension amount, as described on page 13, except that it includes benefits earned to your late retirement date (or April 1 following the year you reach age 70½, if sooner). Each year after normal retirement and prior to your benefit commencement date, the additional benefit you earn will be the larger of the benefit calculated under the Sound Plan's formula, or the prior year's benefit times an actuarial increase factor. This amount is then adjusted for the form of payment you select.

QUESTIONS AND ANSWERS

<p>How will my late retirement pension be paid?</p>	<p>If you are not married, your late retirement pension will be paid as a single life annuity with 60 payments guaranteed, unless you elect otherwise. If you are married, your late retirement pension will be paid as a 50% spouse option, unless you and your spouse elect otherwise. All the Sound Plan's payment options are described in "Forms of Payment," beginning on page 27.</p>
<p>Is my late retirement benefit affected if I'm still working at age 70½ and begin receiving payments?</p>	<p>Yes. If you are employed beyond age 70½ and begin receiving minimum distributions from the Sound Plan, you will receive an annual update of your monthly benefit to reflect any additional benefits you earn under the plan.</p>

DEFERRED VESTED PENSION

ELIGIBILITY

You are eligible for a deferred vested pension if you leave the industry after earning a specified number of years of credited service (including 1 or more years of credited future service). The years of credited service you are required to earn depends on the date you left the industry, as shown in the following table.

If you left the industry...	You are eligible for a deferred vested pension after you...
Before 6/1/73	<ul style="list-style-type: none"> ➤ Attained age 45 and completed 10 or more years of credited service, or ➤ Completed 15 or more years of credited service (regardless of age)
Between 6/1/73 and 9/30/86	Completed 10 or more years of credited service
On and after 10/1/86	Completed 5 or more years of credited service

If you meet 1 of the above requirements but have not worked at least 435 hours in covered employment in 1 of 2 consecutive plan years before retirement, your deferred vested pension will be payable when you become eligible for a regular pension (described beginning on page 13), an early retirement pension (described beginning on page 15), or a late retirement pension (described beginning on page 21).

PENSION AMOUNT

Your deferred vested pension benefit is equal to your regular, early, or late retirement pension amount, depending on the type of pension for which you are eligible. This amount is then adjusted for the form of payment you select.

QUESTIONS AND ANSWERS

How will my deferred vested pension be paid?

Your deferred vested pension will be paid at your retirement date and in your chosen form of payment. A deferred vested pension must begin no later than April 1 following the calendar year in which you reach age 70½.

If you are not married, your deferred vested pension amount will be paid as a single life annuity with 60 payments guaranteed, unless you are commencing your benefit before age 65 and you elect otherwise. If you are married, your deferred vested pension amount will be paid as a 50% spouse option, unless you and your spouse elect otherwise. All the plan's payment options are described in "Forms of Payment," beginning on page 27.

PARTIAL PENSION

ELIGIBILITY

You are eligible for a partial pension if you would not otherwise qualify for a pension from the Sound Plan because your years of creditable employment were divided between the jurisdiction of this plan and a related pension plan. A related pension plan is another plan in the retail industry which the Trustees have agreed to recognize for the purpose of providing partial pensions. See “Related Pension Plans,” later in this section, for details.

You are eligible for a partial pension if

- You would be eligible for a pension if your combined credited service earned under the Sound Plan and related pension plan(s) were treated as credited service under this plan, and
- You earned 1 or more years of credited service under the Sound Plan as a result of work in covered employment.

YOUR PARTIAL PENSION AMOUNT

Your partial pension amount is determined in the same way as the regular, early, late, disability, or deferred vested pension, depending on the type of partial pension for which you are eligible. Only credited service and contributions applicable to the Sound Plan are used to determine your partial pension amount. This amount is then adjusted for the form of payment you select.

Example: Partial Pension

Carol retires on October 1, 2008, at age 65, after earning 4 years of future credited service under the Sound Plan and 3 years of service in a related pension plan. (See “Related Pension Plans,” later in this section.)

Without the provision for a partial pension, Carol would not be eligible for a pension from either plan since she did not earn enough service under either. However, the partial pension provisions permit service under both plans to be combined. In this case, Carol would receive a monthly pension payment based on her credited service and employer contributions earned under the Sound Plan, plus a monthly pension payment based on her service in the other pension plan. (This is provided Carol did not have a permanent break in service between her service periods in the 2 plans.)

RELATED PENSION PLANS

As of October 1, 2008, the following plans are considered related pension plans. If you need to confirm the current status of these reciprocity agreements, contact the Administrative Office at (206) 282-4500 or (800) 225-7620.

Related Pension Plan	Local Unions
Alaska United Food and Commercial Workers Pension Trust	1496 and 1689
Clark County Employers and Retail Clerks Union Local #942 Pension Trust (merged with Oregon Retail Employees Pension Trust)	942
Rocky Mountain United Food & Commercial Workers Unions and Employers' Pension Trust (through 1994, then merged with Desert States January 1, 1995)	7
United Food & Commercial Workers Unions and Employers Midwest Pension Fund	30, 35, 98, 219, 229, 254, 304, 313, 418, 435, 482, 526, 575, 580, 680, 736, 896, 912, 1053, 1130, 1263, 1354, 1453, 1460, 1470, 1504, 1540, 1550, 1595, and 1696
Intermountain Retail Store Employees Pension Trust	4, 8, 33, 102, 189, 560, 683, 684, 991, 1434, 1439, 1573, 1612, and 1614
United Food & Commercial Workers District Union Local 2 and Employers Pension Fund (formerly the Kansas City Area Retail Food Store Employees Pension Fund)	322, 576, and 782
Northern California Retail Clerks Unions and Food Employers Joint Pension Trust Fund	8, 17, 199, 373, 410, 428, 541, 588, 648, 775, 839, 1100, 1179, 1288, 1364, and 1532
Oregon Federation of Butchers Pension Trust (merged with Oregon Retail Employees Pension Trust)	143, 231, 524, 555, 656
Oregon Retail Employees Pension Trust (and Lower Columbia Fish Packing Industry)	25, 143, 148, 201, 555, 992, 1092, 1188, and 1257
Retail Drug Employees Pension Trust (through September 30, 2008)	21, 330, and 1001
Washington Meat Industry Pension Trust	44, 81, 367, 554, and 1439
Retail Clerks Specialty Stores Pension Trust (formerly Northern California Retail Specialty)	115, 120, 377, 410, 428, 480, 588, 648, 775, 839, 870, 1100, 1119, 1179, 1288, and 1532
Southern California UFCW Unions and Food Employers Pension Trust Fund	135, 324, 770, 905, 1036, 1167, 1428, and 1442
Retail Food Employers & UFCW Local 711 Pension Trust	4 and 711
Intermountain Retail Food Industry Pension Trust	33, 99R, 242, and 368

UFCW Local 1439 and Food Industry Retirement Savings Trust	1439
UFCW International Union Industry Pension Fund (Chicago)	Contact the Administrative Office at (206) 282-4500 or (800) 225-7620 for this plan's local unions.
Desert States Pension Plan	99 and 1564

QUESTIONS AND ANSWERS

How is service under a related pension plan measured?	<p>Service under a related pension plan is measured using related hours and related credit.</p> <ul style="list-style-type: none"> ➤ Related hours are hours of employment for which contributions are required to be made under the related pension plan. Related hours are used to determine related credits, and are counted as hours in covered employment to determine whether you had a break in service. They are also used to determine whether a permanent break in service has occurred, until you stop receiving contributions under this plan or a related pension plan. After that time only Sound Plan service is used to determine whether a permanent break in service has occurred. ➤ Related credit is past credited service or future credited service you earned under a related pension plan. Related credit is counted as credited service in order to determine your vested status, provided you have 1 or more years of credited future service under the Sound Plan.
How will my partial pension be paid?	<p>If you are not married, your partial pension amount will be paid as a single life annuity with 60 payments guaranteed, unless you elect otherwise. If you are married, your partial pension amount will be paid as a 50% spouse option, unless you and your spouse elect otherwise. All the plan's payment options are described in "Forms of Payment," beginning on page 27.</p>



PENSION EFFECTIVE DATES

Your pension benefit is generally payable beginning the first day of the month after the Administrative Office receives a completed pension application, provided you are eligible to receive a pension, you have terminated employment, and you are not working more than 58 hours per month in the industry, in the same trade or craft in which you were employed while a participant in the Sound Plan, and in the same geographic area covered by the Sound Plan. For example, if you want to receive your first pension payment on November 1, you must not be working more than 58 hours per month (50 hours prior to November 1, 2008) and the application must be received by the Administrative Office on or before November 30.

However, whether or not you retire, your pension must begin by April 1 following the calendar year you reach age 70½.

IF YOU DELAY RECEIVING YOUR REGULAR PENSION BENEFIT

If you are eligible for a regular pension, retire, but delay filing a pension application with the Administrative Office, you may receive retroactive benefits. In other words, you will receive the monthly benefit amount you would have received if you had immediately taken your regular pension benefit at retirement, plus a make-up payment. This make-up payment will include the missed pension payments from the 1st day of the month in which you attained normal retirement age (or in which you worked 58 hours or less in the industry, in the same trade or craft in which you were employed while a participant in the Sound Plan, and in the same geographic area covered by the Sound Plan), whichever is later, plus 5% interest per year. This make-up payment will not include amounts for any month you worked more than 58 hours in the industry. (This was 50 hours in the industry before November 1, 2008.)

If you are married, your spouse must consent to the payment of retroactive benefits. This consent must be in writing on the plan's consent form, witnessed by a notary public, and submitted to the Administrative Office within the 90-day period ending on the date your benefit payments begin.

Instead of retroactive payments, you can elect an immediate commencement date. In this case, you receive an actuarial increase for the retroactive period.

Retroactive benefit payments are available only to participants retiring with a regular pension benefit. They do not apply to participants retiring with any other type of pension benefit.



FORMS OF PAYMENT

When you retire, you will be able to receive your pension benefit in one of several forms of payment. You may not change your selected form after you begin receiving your monthly payments.

The Sound Plan's forms of payment are described in the following sections. If you are single when you retire, you will automatically receive your pension benefit as a single life annuity with 60 payments guaranteed, unless you are not yet age 65 and elect otherwise. If you are married when you retire, you will automatically receive your pension benefit as a 50% spouse option, unless you elect otherwise and your spouse consents to that election.

When you apply for retirement benefits, you will be given additional information concerning each of the following payment options. You (and your spouse, if you are married) can make the decision and change it as often as you wish. However, no changes can be made after benefit payments have commenced.

SINGLE LIFE ANNUITY WITH 60 PAYMENTS GUARANTEED

If you are single, the Sound Plan's normal form of payment is the single life annuity with 60 payments guaranteed. Under this form of payment, you receive a monthly payment for your lifetime equal to your regular, early, late, or disability retirement pension. If you die before your beneficiary, the number of payments you have already received will determine if he or she will continue to receive payments after your death.

- **If you die before 60 monthly payments have been made**, your beneficiary will receive the remaining guaranteed monthly payments, until a total of 60 payments have been made from the plan. After the 60th monthly payment has been made, your beneficiary will receive no further amounts from the plan.
- **If you die after 60 monthly payments have been made**, no payments will be made to your beneficiary.

Level Income Option

If you retire early, the level income option allows you to receive a higher monthly pension until age 62 or age 65, then a smaller monthly pension afterwards. This option helps level your combined monthly payments before and after you begin receiving Social Security. You may choose to receive level income payments until age 62 or age 65.

This payment option is only available if you elect to receive your early retirement benefit as a single life annuity with 60 payments guaranteed, and must be elected before your payments begin. Once your payments start, you may not change your payment option.

The chart on page 28 shows the increases in the monthly pension payments when beginning at different early retirement ages.

Level Income Option Payment Increases		
If you elect the level income option and retire at age...	Your monthly payment increase to age 62 (if elected) will be...	Your monthly payment increase to age 65 (if elected) will be...
55	\$57.09	\$43.51
56	\$61.53	\$46.89
57	\$66.41	\$50.61
58	\$71.81	\$54.71
59	\$77.77	\$59.25
60	\$84.39	\$64.29
61	\$91.77	\$69.90
62	n/a	\$76.16
63	n/a	\$83.19
64	n/a	\$91.08
65 or older	n/a	n/a

Your benefit will be reduced by \$100 per month beginning at age 62 or age 65, depending on which leveling option you select.

50% SPOUSE OPTION

If you are married, the Sound Plan's normal form of payment is the 50% spouse option. Under this form of payment, you receive a monthly payment for your lifetime. If you die before your spouse, he or she will receive 50% of your monthly payment for the remainder of his or her lifetime.

If you are married and select a payment option other than the 50% spouse option, your spouse must consent to that change. This spousal consent must be witnessed by a notary public. Written spousal consent is not required if you demonstrate that you are not married or are unable to locate your spouse.

Monthly payments under the 50% spouse option will be made according to several rules.

- ➡ You and your spouse must have been married to each other at the time of your retirement for your spouse to receive benefits following your death,
- ➡ If your spouse dies before you, no further pension benefits will be paid from the plan following your death, unless a total of 60 payments have not been

made from the plan,

- If you divorce, the 50% spouse option is not revoked unless so ordered by a qualified domestic relations order (as described on page 44),
- Payments to your surviving spouse are for the spouse’s lifetime. They do not stop if your surviving spouse remarries. Once your surviving spouse dies, no further pension benefits will be paid from the plan, and
- Once you begin receiving payments under the 50% spouse option, your form of payment cannot be changed – even if you and your spouse eventually divorce. If your spouse dies before you, however, your monthly payments will be increased to the amount that would have received if you had retired and elected a single life annuity with 60 payments guaranteed.

Reduced Payment Amount

Because the 50% spouse option guarantees pension benefits for 2 lifetimes (yours and your spouse’s), the amount you receive each month will be reduced to cover the longer payment period. The amount of this reduction depends on the age difference (in years and months) between you and your spouse, as shown in the following example.

If your spouse is...	The factor applied to your pension payment will be...
10 years younger than you	89%
Your same age	93%
5 years older than you	95%

The reductions shown are based on the spouse ages indicated. When you retire, the percentage reduction applied to your benefit will be determined based on the actual age difference between you and your spouse. In general, your adjustments start with a base percentage of 93%, which is adjusted

- 0.4% higher for each year your spouse is older than you, or
- 0.4% lower for each year your spouse is younger than you.

If you retire with a disability pension, different spouse reductions will apply to your monthly payments and modified payments may be made to your spouse depending on your age at death. Contact the Administrative Office at (206) 282-4500 or (800) 225-7620 for details.

CONTINGENT ANNUITANT BENEFIT OPTION

If you are married, you and your spouse may elect a contingent annuitant benefit option from the Sound Plan instead of the 50% spouse option. The contingent annuitant benefit option works much like the 50% spouse option, except that it permits you to provide 75% (66⅔% for annuities beginning prior to April 1, 2009) or 100% (whichever you choose) of your monthly payment to your spouse following your death. This option is not available if you are receiving a disability pension, although you may change your disability retirement payment to a

contingent annuity benefit option once you reach age 65, unless you are already receiving your pension as a 50% spouse option.

You must choose this option before your first pension payment is issued. The option can only be revoked if notice is given to the Trustees before your pension starts.

The factor used for your contingent annuitant benefit option depends on the annuity form you select and the age difference between you and your spouse, as shown in the following table.

If you select the following contingent annuity option...	Your base factor will be...	Plus this percentage for each year your spouse is older than you...	Or minus this percentage for each year your spouse is younger than you...
66⅔ annuity	90%	+0.4%	-0.4%
75% annuity	89%	+0.5%	-0.5%
100% annuity	85%	+0.6%	-0.6%

LUMP SUM PAYMENT

If the actuarial value of your pension benefit is \$5,000 or less when you are eligible to receive a benefit, the Board of Trustees will automatically pay this amount in a single lump sum payment. Such payment is full payment of benefits under the plan.

You may not receive a lump sum payment if the actuarial value of your pension benefit is greater than \$5,000.

COST OF LIVING ADJUSTMENT

Monthly benefits earned under the Sound Plan before September 1, 2003 and payable to you, your spouse, or your surviving family members may be adjusted each year to reflect changes in the cost of living. If there is a change in the Consumer Price Index on July 1 of any year (as compared to July 1 of the previous year), your monthly benefit will be changed – upward or downward – beginning with the October 1 pension payment. However, regardless of the changes in the Consumer Price Index, your monthly benefit can never be less than the amount of your first monthly payment.

The maximum adjustment to your monthly payment (whether an increase or decrease) is 2%. If the change in the Consumer Price Index is more than 2% in 1 year, the excess will be added to the adjustment for the next year to bring it up to 2%, if necessary. No adjustment will be made to additional amounts payable if you selected the level income payment option.

Example: Cost of Living Adjustment			
Alex retires on October 1, 2008. His monthly pension is equal to \$1,831.58, of which \$1,680.60 was earned before September 1, 2003 and \$150.98 after.			
If the Consumer Price Index on...	Increases or decreases by...	Alex's pre-9/1/03 benefit amount will change by...	And Alex's new pre-9/1/03 benefit amount, beginning with his next 10/1 payment, will be...
July 1, 2009	+3%	+\$33.61	\$1,714.21
July 1, 2010	+1%	+\$34.28	\$1,748.49
July 1, 2011	+2%	+\$34.97	\$1,783.46
Because Alex earned an additional \$150.98 on and after September 1, 2003, each year this amount would be added to Alex's revised September 1, 2003 benefit, beginning with the October 1 monthly payment.			

DIRECT ROLLOVERS

You may ask the Administrative Office to pay all or part of a lump sum payment directly to your individual retirement account (including a Roth IRA) or annuity, an annuity plan, or other qualified employer (or trust-sponsored) retirement plan, including a 403(b) or 457(b) plan. Unless a direct rollover is made, the Administrative Office must withhold 20% of the payment for federal income taxes.

Similar rollover and withholding rules apply to a 60-month pre-retirement death benefit payable to your spouse, as described on page 33.

Example: Forms of Payment		
Joan and her spouse are both 60, and Joan retires from the Sound Plan with a standard reduced early retirement pension equal to \$1,500 per month, payable as a single life annuity with 60 payments guaranteed.		
If Joan and her spouse select the...	Joan's adjusted monthly payment during her lifetime will be...	And after Joan's death her spouse will receive...
Single life annuity with 60 months guaranteed	\$1,500.00	\$0.00
➤ With level income option to age 62	\$1,584.39 to age 62, and \$1,484.39 starting at age 62	n/a
➤ With level income option to age 65	\$1,564.29 to age 65, and \$1,464.29 starting at age 65	n/a
50% spouse option	\$1,395.00	\$697.50

66⅔% contingent annuity option	\$1,350.00	\$899.91
75% contingent annuity option	\$1,335.00	\$1,001.25
100% contingent annuity option	\$1,275.00	\$1,275.00

Because the actuarial value of Joan's benefit is greater than \$5,000, she would not be eligible to receive a lump sum payment. If she was eligible, however, she would receive the actuarial value of her pension benefit in 1 single sum, and her spouse would not be eligible for any additional payments following her death.

QUESTIONS AND ANSWERS

Can my pension benefit be assigned to another person?	No. The plan prohibits the assignment of your pension benefits to a different party, except as required for compliance with an IRS levy, a qualified domestic relations order resulting from divorce proceedings, or child support enforcement. For details, see "Ineligibility, Loss or Suspension of Benefits," beginning on page 43.
Will the 66⅔% contingent annuity option eventually be eliminated?	<p>Yes. With the addition of the 75% contingent annuity option, the plan will eliminate the 66⅔% option effective April 1, 2009.</p> <ul style="list-style-type: none"> ➤ If you retire and are scheduled to begin your monthly benefit payments before April 1, 2009, you will be able to select the 66⅔% contingent annuity option as a form of payment, but not the 75% option. ➤ If you retire and are scheduled to begin your monthly benefit payments on or after April 1, 2009, you will be able to select the 75% contingent annuity form, but will not be able to select the 66⅔% contingent annuity option as a form of payment. ➤ If you have retired and are currently receiving monthly benefit payments in the 66⅔% contingent annuity form, you will continue to receive your monthly payments without change.

DEATH BENEFITS

If you die, the plan provides benefits to your surviving spouse or family members if you have met certain conditions. Survivor benefits depend on whether your death occurs before or after retirement.

IF YOU DIE BEFORE RETIREMENT

If you have 5 or more years of credited service (with at least 1 or more years of credited future service), your surviving spouse or family members are eligible for pre-retirement death benefits in the event of your death. The payment options available to your survivors will depend on your marital status.

If You Are Married

If you are married and vested in your pension benefit when you die, your surviving spouse's benefit is figured as if you had retired the day before your death and elected the 50% spouse option. Alternatively, your surviving spouse may elect the 60-month death benefit and receive a total of 60 monthly payments from the plan. Please note that any application for the 60-month survivor benefit must be made within 1 year from the date your spouse or surviving family member is notified of your death.

- **If your surviving spouse chooses the 50% spouse benefit**, payments will begin on the first of the month on or immediately after receipt of your spouse's application, unless you died before you were eligible for early retirement. In that case, your spouse's survivor benefit will be calculated as if you had lived until early retirement, and died the next day. Payments to your survivor may not begin until the date you would have been eligible to retire. For example, if you have 15 years of credited service and die at age 45, payment of a 50% spouse benefit may not begin until after the first of the month following the date you would have reached age 55.
- **If your surviving spouse chooses the 60-month death benefit**, payments begin on the first of the month on or immediately after receipt of your spouse's application. The amount of each payment will be based on your regular pension benefit earned to the date of your death (but not less than the actuarial equivalent of the 50% spouse benefit). Once 60 monthly payments have been made to your surviving spouse, he or she will receive no further amounts from the plan.

Your spouse can only elect the 60-month death benefit if you earned 5 or more years of credited service (including 1 or more years of credited future service) before your death. Service in continuous non-covered employment does not count toward eligibility for the 60-month death benefit. If you received benefits (such as a disability pension) from the plan at any time before to your death, the amounts you already received will be deducted from the payments due to your surviving spouse.

If You Are Not Married

If you are not married when you die, your surviving family members will receive a death benefit if you earned 5 or more years of credited service (including 1

or more years of credited future service) before your death. Your surviving family members will receive a lump sum payment equal to 75% of the plan contributions made on your behalf, up to a maximum of \$10,000.

IF YOU DIE AFTER RETIREMENT

If you die after you retire, the form of payment you elected when you retired will govern the death benefit which is payable.

QUESTIONS AND ANSWERS

<p>Who are my surviving family members?</p>	<p>Your surviving family members will be the family member(s) you have designated as your beneficiary(ies).</p> <p>If you have not designated a beneficiary(ies), your surviving family members will be determined in the following order of priority:</p> <ul style="list-style-type: none"> ➤ Your children, biological and legally adopted (in equal shares), ➤ Your parents (in equal shares), or ➤ Your brothers and sisters (in equal shares). <p>If none of these family members are alive at the time of your death, no death benefit will be payable.</p>
<p>Should I complete a beneficiary form?</p>	<p>Yes. You should ensure that your beneficiary designation is up to date whenever you have a life changing event such as marriage, birth of a child, divorce, etc.</p>



HOW TO APPLY FOR BENEFITS

APPLICATION FOR A RETIREMENT PENSION

When you retire, you must complete a pension application, available from the local union or from the Administrative Office. You should complete, sign and send your application (along with proof of birth) to the Administrative Office by no later than the month you want your pension to start.

The election of benefits form you will then receive includes a written explanation of the payment options available to you, the amount of monthly benefit payable under each method plus its relative value, and an explanation of what happens if you defer receiving your benefit. Based on this information, you and your spouse (if you are married) may take at least 30 days to decide on the payment options for which you are eligible. If you prefer, you may waive the 30-day waiting period (with your spouse's written consent) by returning your completed pension application early — but payment(s) will not be made until at least 8 days after the application is sent to you, and normal processing time still applies. You may change your payment selection at any time during the 90-day period ending on the date your payments begin.

- **If you are married and elect a single life annuity with 60 payments guaranteed (with or without the level income option),** you must also submit your spouse's written consent to that election. This consent must be in writing and witnessed by a notary public, and must be submitted to the Administrative Office within the 90-day period ending on the date your payments begin.
- **If you elect the 50% spouse option or the contingent annuitant benefit option,** you will need to provide proof of your marriage and of your spouse's birth date.
- **If you are applying for a disability pension,** you will need to submit proof of your total and permanent disability.

The Trustees have the right to recover any benefits paid on the basis of a false or fraudulent application or before a required notification is received.

Before the Administrative Office can make pension payments, it must verify the amount of credited past service (periods prior to your effective date of coverage) you earned. Because of this calculation, it may take the Administrative Office 120 days or longer to process your application.

Your form of payment cannot change once you begin receiving monthly payments (unless you qualify to receive a disability pension before age 65, as described on page 18).

APPLICATION FOR PRE-RETIREMENT DEATH BENEFITS

If you die before retiring and your surviving spouse or surviving family member is entitled to a death benefit, he or she must file a pension application with the

Administrative Office. This application can be obtained from the Administrative Office or the local union office at any time after your death, and must be submitted no later than 1 year from the date your surviving spouse or surviving family member is notified of their eligibility for pre-retirement death benefits if they would like to receive the 60-month death benefit.

Before the Administrative Office can make pre-retirement death payments, it must verify the amount of retirement benefit you had earned, including any credited past service (periods prior to your effective date of coverage). Because of this calculation, it may take the Administrative Office 120 days or longer to process an application.

QUESTIONS AND ANSWERS

If my (or my spouse's) pension application is denied, can that decision be appealed?

Yes. You, your spouse, or your surviving family member can appeal a denied pension benefit to the Appeals Committee. The deadline for your appeal, and other rules concerning filing an appeal with the Appeals Committee, are described beginning on page 37. Generally, only the Trustees have discretionary and final authority to interpret the Sound Plan and decide pension benefit claims.



CLAIM AND APPEAL PROCEDURES

To claim your pension benefit under the plan, you must complete a pension application (available from your local union or the Administrative Office). Submit this application in accordance with the instructions provided on page 35 of this booklet.

If your claim for benefits is denied, the Board of Trustees has adopted the following procedures to appeal such a denial. In general, the Trustees have the discretionary and final authority to interpret the plan, and to decide pension benefit claims, subject only to the appeal rights described in this section.

REVIEW BY APPEAL COMMITTEE

If you (or your spouse or surviving family member) apply for benefits, and that pension application is denied, you have the right to ask the Appeals Committee to conduct a review of the matter. You must make this request in writing within 60 days after your pension application is denied (within 180 days for a disability application). Your appeal may be based on any or all of the following:

- The Trustees (or by a committee of Trustees, an administrative agent or other organization acting for the Trustees) ruled that you were ineligible for benefits,
- You do not believe that you received the full amount of benefits to which you are entitled, and/or
- You were otherwise adversely affected by any action of the Trustees.

The Appeals Committee will review all documents related to your claim, plus any additional information that you (or your spouse or surviving family member) have submitted regarding the benefit. A decision will be issued within 30 days of the date your appeal was received, unless you (or your spouse or surviving family member) agree to a different schedule. You (or your spouse or surviving family member) will be notified of the Appeals Committee's decision within 5 days of the date a decision is made.

APPEAL TO HEARINGS COMMITTEE

If you (or your spouse or surviving family member) are dissatisfied with the decision of the Appeals Committee, you may request a hearing before the Hearings Committee, designated by the Trustees. This request must be made in writing and must be received by the Trust within 30 days following the Appeals Committee's decision.

The Hearings Committee will conduct a hearing at its next regularly scheduled meeting unless the meeting occurs within 30 days of the receipt of the appeal, or unless you (or your spouse or surviving family member) agree to a different schedule. At the hearing, you (or your spouse or surviving family member) will be entitled to present your position and any evidence. You (or your spouse or surviving family member) may be represented before the Hearings Committee by an attorney or by any other representative of your choosing.

You (or your spouse or surviving family member) will be notified of the Hearings Committee's decision within 5 days of the date a decision is made.

APPEAL TO ARBITRATION

Except in the case of claims involving disability benefits, if you (or your spouse or surviving family member) are dissatisfied with the decision of the Hearings Committee, you have the right to appeal the matter to arbitration in accordance with the labor arbitration rules of the American Arbitration Association. To appeal to arbitration you must submit a request to the Trust, in writing, within 60 days of receipt of the Hearings Committee's decision. If an appeal to arbitration is requested, the Trustees will submit to the arbitrator a certified copy of the record upon which the Trustees' decision was made.

The questions for the arbitrator shall be whether:

- The Trustees were in error upon an issue of law,
- The Trustees acted arbitrarily or capriciously in the exercise of their discretion, or
- The Trustees' findings of fact were supported by substantial evidence.

In general, the decision of the arbitrator shall be final and binding upon the Trustees, upon the appealing party, and upon all other parties whose interests are affected. In very limited circumstances, however, the arbitrator's decision may be overturned by a court of law.

The expenses of arbitration will be covered equally by the appealing party and by the Trust Fund, unless otherwise ordered by the arbitrator.

Does arbitration apply to appeals on disability benefits?

No. Regulations of the U.S. Department of Labor prohibit the use of binding arbitration on claims for disability pensions. If the Trustees deny your (or your spouse's or surviving family member's) disability pension application, your only recourse will be to file suit in state or Federal court.

REEMPLOYMENT AFTER RETIREMENT

If you retire and later return to work, under certain circumstances your monthly benefit payments may be suspended.

If you are under age 70½, 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 suspended during any month you

- Perform more than 58 hours of work (prior to November 1, 2008, this was 50 hours),
- Work in the same geographic area covered by the plan,
- Work in the same trade or craft in which you were employed at any time while a plan participant, and
- Your employment is in the type of business activity engaged in by contributing employers.

If you return to work at age 70½ or older, your monthly benefit payments will not be suspended. In addition, the plan's suspension rules will not apply to any benefits earned before January 1, 1982.

RESUMING YOUR PENSION BENEFIT

When you again retire or work less than 58 covered hours in a subsequent month, you must notify the Administrative Office so your monthly benefit payments can resume. If you earned 1 or more years of credited service during your return to covered employment, you will receive additional pension benefits. Your monthly benefit payments generally will be in the same form you previously received, and will reflect additional pension benefits earned, if any.

IF YOU RETURN TO WORK FROM A DISABILITY RETIREMENT

If you return to work in any type of employment while receiving a disability benefit from the Sound Plan, and you are under age 65, you will be deemed to have recovered from your disability and your monthly benefit payments will be suspended. If you are a disability pensioner on a trial work period, your pension payments will not be suspended as described in "Disability Pension," beginning on page 18.

QUESTIONS AND ANSWERS

What constitutes "working in the industry"?

Working in the industry means employment in any business activity engaged in by any of the employers contributing to the plan, or other employer who does not contribute to the plan. Please contact the Administrative Office at (206) 282-4500 or (800) 225-7620 if you have questions about whether a certain type of employment might result in suspension of your monthly benefit payments.

If I return to work in the industry after retirement, but I'm employed outside the state of Washington, will my pension benefit be suspended?

Currently, no. As of October 1, 2008, the geographical footprint of plan is limited to the state of Washington. If that does not change and you are later employed in the industry outside Washington state, your pension benefit would not be suspended.

However, if the plan's geographical footprint were to expand in the future, benefits payable after such an expansion could be suspended.



DEFINITIONS

The following are general definitions of terms used in explaining the plan. The actual plan document includes these and other definitions in greater detail.

Continuous Non-Covered Employment

Continuous employment on and after October 1, 1976 with a contributing employer in a job not covered by this plan.

A period of non-covered employment is considered “continuous” with covered employment only if there is no quit, discharge, or other termination of employment between periods of covered and non-covered employment.

Covered Employment

Employment in a job for which contributions are made or required to be made to the Sound Plan.

Credited Service

Your hours of work in covered and continuous non-covered employment that are recognized by the Sound Plan in determining your pension benefit.

Effective Date of Coverage

Your employer’s effective date of coverage is the later of the date your employer is first required to contribute to the Sound Plan or October 1, 1965.

Employee

Any person employed by a contributing employer and for whom the employer is obligated to make contributions to the Trust.

Entry Date

The date a contributing employer first made contributions to the Sound Plan for your work in covered employment.

One-Year Break in Service

You incur a 1-year break in service when you fail to work at least 435 hours in a plan year. (Different rules apply to breaks in service that occurred before October 1, 1976.)

Permanent Break in Service

If you are not vested, you incur a permanent break in service if you have 5 or more consecutive 1-year breaks in service. Once you incur a permanent break in service, all your credited service and accrued pension benefits are canceled. (Different rules apply to permanent breaks in service that occurred before October 1, 1986.)

Separation from Covered Employment

A separation from covered employment occurs if you do not work at least 435 hours in covered employment in at least 1 of 2 consecutive plan years. (Different rules apply to separations of service that occurred before October 1, 1976.)

Agent for Service of Legal Process	Each member of the Board of Trustees is an agent for purpose of accepting service of legal process on behalf of the Trust Fund. In addition, service of legal process may be made upon the Plan Administrator.	
Collective Bargaining Agreements	The plan is maintained pursuant to many collective bargaining agreements. Copies of these agreements may be obtained upon written request to the Trustees, or by contacting the Administrative Office. A reasonable charge may be imposed to cover the cost of furnishing the agreements. You (or your beneficiaries) may inquire as to the amount of the charges before requesting copies.	
Trustees	Employer Trustees	Union Trustees
	Randy Zeiler Allied Employers, Inc. 4030 Lake Washington Blvd. NE, Suite 201 Kirkland, WA 98033-7870	Dave Schmitz UFCW Local 21 5030 First Ave. South, Suite 200 Seattle, WA 98134
	Frank Jorgensen Safeway, Inc. 1121 124th Ave. NE Bellevue, WA 98005	David Blitzstein UFCW International Union 1775 K. Street NW Washington, DC 20006
	Carl A. Wojciechowski Fred Meyer, Inc. 3800 SE 22nd Ave. Portland, OR 97202	Mike Hatfield UFCW Local 44 1510 N. 18th Mount Vernon, WA 98273
	Derrick Anderson Haggen, Inc. 2211 Rimland Drive Bellingham, WA 98266	Brenda Willis UFCW Local 21 5030 First Ave. South, Suite200 Seattle, WA 98134
	Nathan Hyde Albertsons, Inc. 250 Parkcenter Blvd. Boise, ID 83726	Diane Zahn UFCW Local 21 5030 First Ave. South, Suite 200 Seattle, WA 98134
	Scott Klitzke Powers Allied Employers, Inc. 4030 Lake Washington Blvd. NE, Suite 201 Kirkland, WA 98033-7870	Peter Diaz UFCW Local 21 5030 First Ave. South, Suite 200 Seattle, WA 98134

INELIGIBILITY, LOSS OR SUSPENSION OF BENEFITS

In certain circumstances your application (or your beneficiary’s application) for plan benefits may be denied or partially denied, including:

- You do not meet the eligibility and participation requirements, as described on page 6,



- You are not vested when you leave the plan, as described on page 8,
- You have a break in service or return to work after a break, but do not meet the requirements for reinstatement of service and accrued benefits, as described on page 9,
- You return to work after retirement, as described on page 39,
- The plan's assets are inadequate to fund benefits following the plan's termination, on page 45,
- Limitations and/or taxes must be applied to your pension benefits, as described in the Internal Revenue Code,
- Your benefits are subject to a qualified domestic relations order, as described in the following section,
- The plan becomes insolvent and benefits are replaced with termination insurance, as described on page 45,
- You die before retiring and have no surviving spouse or surviving family member, as described on page 33, or
- Your application for benefits is not timely, as described on page 35.

QUALIFIED DOMESTIC RELATIONS ORDERS

Generally, your plan benefit may not be assigned and is not subject to garnishment, attachment, or other legal process. Federal law provides an exception with respect to benefits that become payable due to a qualified domestic relations order (QDRO). A QDRO is a judgment, decree, or order that relates to divorce decrees, property settlements, and child support orders.

If the Administrative Office receives a QDRO notice that may affect your plan benefit, a hold may be placed on distributions from the plan for a period of time determined to be reasonable by the Administrative Office. You will be notified if a hold is placed on your benefit. You will also have the opportunity to appeal any decisions to pay some or all of your benefit to someone else based on the terms of the order.

For more information regarding QDROs or for a copy of the plan's QDRO procedures, please contact the Administrative Office.

TRUST FUND

Employer contributions are received and held by the Board of Trustees of the Retail Clerks Pension Trust pending the payment of benefits and administrative expenses. The Board of Trustees pays benefits directly from the Trust Fund. State Street Bank and Trust Company is custodian of the investments of the Trust Fund. The Administrative Office handles the daily business of the Trust Fund, including employer contributions, administrative costs, and benefit payments through Bank of America. The investment advisor is Alan D. Biller & Associates, Inc.

Termination of the Trust Fund

It is intended that the Sound Plan will continue indefinitely. However, if necessary the Trustees have the authority to terminate (or to partially terminate) the Plan and the trust fund in accordance with prevailing law. The trust fund may also terminate upon the expiration of all collective bargaining agreements and special agreements requiring the payment of contributions to the trust fund.

TERMINATION INSURANCE

Your pension benefits under the plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. The plan is considered a multiemployer plan, which is a collectively bargained pension arrangement involving 2 or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,870.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (i) the date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent, and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number. TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at www.pbgc.gov.

STATEMENT OF ERISA RIGHTS

This statement is furnished to you pursuant to Department of Labor Regulations. As a participant in the Sound Retirement Trust you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), as amended. ERISA provides that all plan participants will be entitled to:

- Examine, without charge, at the plan administrator's Office and at other locations, such as work sites and union halls, all documents governing the plan, including collective bargaining agreements, and a copy of the latest annual report (Form 5500) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the plan administrator, copies of all plan documents and other plan information, including copies of the latest annual report (Form 5500) and an updated summary plan description. The plan administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain, upon written request to the plan administrator (but not more than once a year), a statement telling you whether you have a right to receive a retirement benefit at normal retirement age (generally, age 65) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a retirement benefit, the statement will tell you how many more years you have to work to get the right to a retirement benefit. This statement is provided free of charge.

In addition to creating rights for plan participants, ERISA imposes duties on the people who operate the plan. The people responsible for exercising discretion in the administration or operation of the plan are called fiduciaries. These individuals or entities have an obligation to administer the plan prudently and to act in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a retirement benefit from the Plan or exercising your rights under ERISA.

If your claim for a retirement benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the plan to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the plan.



If your claim for benefits is denied or ignored, in whole or in part, you may file suit in a state or federal court. If your claim for benefits is denied, however, you must appeal the decision and follow the claims procedure described in this document before you may file suit. If you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. Further, if you are dissatisfied with the Trustee's determination, you may appeal their decision to arbitration in accordance with the Labor Arbitration Rules of the American Arbitration Association.

If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the plan, contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration at (866) 444-3272, or through the website at www.dol.gov/ebsa.

APPENDIX A

Drug Employees Hired on or After October 1, 2008

The Retail Drug Industry Pension Trust (“Drug Plan”) merged into the Sound Retirement Trust (“Sound Plan,” formerly the Retail Clerks Pension Trust) effective October 1, 2008. Employees hired on or after October 1, 2008 by Drug employers or employed in Drug positions will have the same benefits as those participants in Clerks positions, except as provided in this Appendix A. (Please contact the Administrative Office for more details.)

REGULAR PENSION

Your Regular Pension Amount

For pension benefits earned on or after October 1, 2008, your regular pension is a monthly amount equal to 5/7 of 3.0% of the employer contributions credited to you. This amount is then adjusted for the form of payment you select.

REEMPLOYMENT AFTER RETIREMENT

If you return to work before normal retirement and work more than 58 hours during a month, in general your benefit will be suspended as described in “Reemployment After Retirement,” beginning on page 39. With respect to benefits earned under the Drug Plan, there is an exception — suspension shall only be applicable to work in the Drug industry and only in the geographical area in which the Drug Plan had been operating (Western Washington) before the merger.

The Sound 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 many covered hours you are working.

QUESTIONS AND ANSWERS

Is my eligibility affected if I transfer from a position as a Drug employee to one as a Clerks employee?

No. In either case you will earn benefits under the provisions of the Sound Plan, provided your transfer occurred on or after October 1, 2008. The only difference will be to the regular pension amount you earn and the terms governing reemployment after you transfer, as described in this Appendix A.

If your transfer occurred before October 1, 2008, you are subject to the rules of the Sound Plan or Drug Plan in effect at the time of your transfer. If this applies to you, contact the Administrative Office for details.

APPENDIX B

Drug Plan Participants Prior to October 1, 2008

The Retail Drug Industry Pension Trust (“Drug Plan”) merged into the Sound Retirement Trust (“Sound Plan,” formerly the Retail Clerks Pension Trust) effective October 1, 2008. The plan terms described in this summary plan description do not affect the pension benefit you earned under the Drug Plan through September 30, 2008. Except as provided in this Appendix B, the provisions discussed in this booklet only apply to benefits earned on and after October 1, 2008. Your September 30, 2008 pension benefit under the Drug Plan, as adjusted using the Drug Plan’s actuarial factors, will always serve as a minimum benefit under the Sound Plan. If you do not earn any years of credited future service on or after October 1, 2008, your benefits will be determined under the terms of the Drug Plan before the merger.

ELIGIBILITY AND PARTICIPATION

If you had an accrued benefit in the Drug Plan as of September 30, 2008, you are automatically a participant in the Sound Plan effective October 1, 2008, regardless of whether you work in covered employment on or after that date.

SERVICE

Credited Service

You earn a year of credited service for each plan year you complete 500 or more hours of credited service. In addition, you will continue to earn partial years of credited service if you earn between 90 and 499 hours of service during the plan year, as shown in the following table. You will have a break in service only if you complete less than 90 hours of service during a plan year.

If you earn this many hours of covered employment...	You will earn credited service equal to...
0 – 89	0 years
90 – 179	1/12 year
180 – 269	2/12 year
270 – 359	3/12 year
360 – 449	4/12 year
450 – 499	5/12 year
500 or more	1 year

Vesting Service

The vesting service you earned under the Drug Plan prior to October 1, 2008 will also count as vesting service under the Sound Plan. For example, if you have 3 years of vesting service under the Drug Plan as of that date, you are considered to have 3 years of vesting service under the Sound Plan. If you then complete 2 years of vesting service under the Sound Plan, you will be fully vested in both the Drug Plan benefit you earned through September 30, 2008 and the Sound Plan benefit you earned thereafter.

Break in Service

As under the Drug Plan, you will continue to earn a 1-year break in service for any year you complete less than 90 hours of service during the plan year.

REGULAR PENSION

Eligibility

You are eligible for a regular pension when 6 months have elapsed since your effective date of coverage and you are either

- Age 65 or older and have 5 or more years of credited service (including continuous non-covered service, but without a permanent break in service), or
- Age 65 or older and have passed your 5th anniversary of participation (without a permanent break in service), and are still actively participating in the plan.

Your Regular Pension Amount

For pension benefits earned on or after October 1, 2008, your regular pension is a monthly amount equal to 5/7 of 3.0% of the employer contributions credited to you. This formula is unchanged from the one that applied to your pension benefits just before the merger. The monthly amount you earn on and after October 1, 2008 will be added to the monthly benefit you earned under the Drug Plan through September 30, 2008, the total being your regular pension amount. This total is then adjusted for the form of payment you select, using the adjustment factors in the Sound Plan, but will not be less than the benefit you earned through September 30, 2008 under the Drug Plan using the Drug Plan's adjustment factors.

As under the Drug Plan, once you are eligible for normal retirement you may begin receiving your regular pension amount even while you are still working.

EARLY RETIREMENT PENSION

Early Retirement Before Age 55

Unlike the terms of the Sound Plan, you may elect early retirement before age 55 if you have 30 or more years of unbroken credited service. The 30-year eligibility requirement will include credited service you earn under the Sound Plan on or after October 1, 2008, if any. If you retire before age 55 and

- **Before October 1, 2008**, your early retirement pension will be determined

under the terms of the Drug Plan.

- **On or after October 1, 2008**, your initial early retirement pension will be based only on the benefit you earned under the Drug Plan through September 30, 2008 (determined according to the Drug Plan early retirement and payment form adjustment factors). Any benefit you accrued for service under the Sound Plan will be available to you on or after the date you attain age 55 (determined according to the Sound Plan early retirement and payment form adjustment factors).

Example: Early Retirement Before Age 55

On October 1, 2008, Sam is age 50, has 28 years of unbroken credited service, and a benefit of \$1,200 per month under the terms of the Drug Plan. Sam earns an additional 2 years of credited future service under the Sound Plan, retiring on October 1, 2010. During that time, he earns an additional monthly benefit of \$60.

Because Sam earned an additional 2 years of credited future service, his total years of unbroken credited service between the plans is 30 (28 + 2), allowing him to retire before age 55. Sam's early retirement monthly benefit starting at age 52 will equal \$444 per month (\$1,200 x 37%, his early retirement reduction factor), subject to further adjustment based on the form of payment he selects.

At age 55, Sam is eligible to receive the \$60 monthly benefit he earned under the Sound Plan. Upon his election, this additional amount will be adjusted for his age and the form of payment he selects, then added to the \$444 he was previously receiving.

Early Retirement On or After Age 55 (Standard Reduced Pension)

You are eligible to begin receiving an early retirement pension if you are age 55 or older and have

- 5 or more years of credited service (including 1 or more years of credited future service earned on or after October 1, 2008), or
- 10 or more years of credited service (including any continuous non-covered service).

Your early retirement pension will be your regular pension amount, reduced for your age when you begin receiving payments using the Sound Plan factors. However, this amount will not be less than your regular pension amount under the Drug Plan as of September 30, 2008, reduced for your age when you begin receiving payments using the Drug Plan factors.

Both the Sound Plan and Drug Plan reduction factors are described in the following section.

Early Retirement Reduction Factors

Two sets of early retirement reduction factors may apply to your pension benefit: One set applied to your total benefit you earn under the Sound Plan, and one set applied to benefits earned through September 30, 2008 under the Drug Plan.

- **Under the Sound Plan factors**, your regular pension benefit is reduced by $\frac{1}{2}$ of 1% for each month you are younger than age 63 (but not younger than age 60), and $\frac{1}{3}$ of 1% for each month you are younger than age 60.

- Under the **Drug Plan factors**, your regular pension benefit is reduced by $\frac{1}{4}$ of 1% for each month you are younger than age 65 (but not younger than age 60), and $\frac{1}{2}$ of 1% for each month you are younger than age 60.

Examples: Comparisons of Early Retirement Pension Amount

Example 1: No credited service earned after October 1, 2008

As of September 30, 2008, Bruce is 55 and has 20 years of credited service under the Drug Plan and a monthly benefit of \$1,400, payable at normal retirement as a single life annuity. He does not earn any additional credited service on or after October 1, 2008, and instead retires on that date.

When he retires, Bruce's benefit as of September 30, 2008 under the Drug Plan is all he will receive. As a result, Bruce will receive \$770 per month ($\$1,400 \times 55\%$, his early retirement reduction factor), payable as a single life annuity. Alternatively, he can receive an adjusted amount if he selects a different form of payment, determined using the reduction factors in the Drug Plan as of September 30, 2008.

Example 2: Additional credited service earned after October 1, 2008

As of September 30, 2008, Linda is age 59 and has 20 years of credited service under the Drug Plan and a monthly benefit of \$1,400, payable at normal retirement as a single life annuity. She completes one additional year of credited service under the Sound Plan, earning an additional pension benefit of \$30/month, and retires on October 1, 2009.

When she retires at age 60, Linda's total benefit under the Sound Plan is determined after applying her Sound Plan early retirement reduction ($\$1,430 \times 78\% = \$1,115.40/\text{month}$). This is compared to her September 30, 2008 benefit under the Drug Plan, using the Drug Plan's actuarial factors ($\$1,400 \times 85\% = \$1,190/\text{month}$). Because Linda receives the higher of these two calculations, she will receive a pension benefit of \$1,190 per month, payable as a single life annuity with 60 payments guaranteed. This amount would then be adjusted if she selects a different form of payment.

DISABILITY PENSION

If you become disabled on or after October 1, 2008, the provisions of the Sound Plan will apply, as described in "Disability Pension" beginning on page 18. If you became disabled before October 1, 2008, the provisions of the Drug Plan will apply. Contact the Administrative Office at (206) 282-4500 or (800) 225-7620 for details.

LATE RETIREMENT PENSION

Your Late Retirement Pension Amount

If you continue working after your normal retirement date, you will continue to accrue pension benefits while you are working. Each year, the additional benefit you earn will be the larger of the benefit calculated under the plan's formula, or the prior year's benefit times an actuarial increase factor, as described in "Late Retirement Pension" beginning on page 21.

When you eventually retire, your late retirement pension benefit will be no less than the actuarially increased value of your benefit under the Drug Plan through September 30, 2008, using the Drug Plan's actuarial factors.

FORMS OF PAYMENT

The forms of payment available to you depend on whether you earned credited service in the Sound Plan on or after October 1, 2008.

- **If you do not earn any credited service on or after October 1, 2008**, your payment choices and adjusted amounts will be determined under the terms of the Drug Plan as of September 30, 2008.
- **If you earned credited service on or after October 1, 2008**, your payment choices and adjusted amounts will be determined under the terms of the Sound Plan. In general, when the same form of payment is offered under the Drug Plan and the Sound Plan, your benefit will be the larger of
 - Your total benefit using the Sound Plan factors, or
 - Your Drug Plan benefit through September 30, 2008 using the Drug Plan factors.

There is an exception if you retire before age 55, in which case the Sound Plan factors apply only to benefits earned on or after October 1, 2008, and to disability pensions.

For forms that are unique to one plan and not the other (such as the 75% contingent annuity option), the adjustment factors will be applied after your total Sound Plan benefit and your September 30, 2008 Drug Plan benefit are compared based on your age at retirement.

Normal Form of Payment if You Are Single

If you are single and do not earn any credited service on or after October 1, 2008, the plan's normal form of payment is the single life annuity. Under this form of payment, you receive a monthly payment for your lifetime. If you die before your beneficiary, no further payments will be made from the plan.

If you are single and earn credited service on or after October 1, 2008, the plan's normal form of payment is the single life annuity with 60 payments guaranteed, as described under "Single Life Annuity with 60 Payments Guaranteed" beginning on page 27.

Normal Form of Payment if You Are Married

If you are married, the plan's normal form of payment is the 50% spouse option, as described beginning on page 28.

Your benefit will be adjusted based on your age and the age of your spouse.

- **Under the Sound Plan**, the formula for determining this adjustment factor is 93% plus 0.4% for each year the spouse is older than you, or 93% minus 0.4% for each year the spouse is younger than you.
- **Under the Drug Plan** (for benefits earned as of September 30, 2008), the formula for determining this adjustment factor is 93% plus 0.3% for each year your spouse is older than you, or 93% minus 0.3% for each year your spouse is younger than you.

These factors may be different if you are applying for a disability pension. Contact the Administrative Office for details.

CONTINGENT ANNUITANT BENEFIT OPTION

If you are married, you and your spouse may elect a contingent annuitant benefit option from the plan instead of the 50% spouse option. The contingent annuitant benefit option works much like the 50% spouse option, except that it permits you to provide 75% (66 $\frac{2}{3}$ % for annuities beginning prior to April 1, 2009) or 100% (whichever you choose) of your monthly payment to your spouse following your death. This option is not available if you are receiving a disability pension, although you may change your disability retirement payment to a contingent annuity benefit option once you reach age 65 (unless you are already receiving your benefit as a 50% spouse option).

You must choose this option before your first pension payment is issued. The option can only be revoked if notice is given to the Trustees before your pension starts.

Under the Sound Plan, the factor used for your contingent annuitant benefit option depends on the annuity form you select and the age difference between you and your spouse, as shown in the following table.

If you select the following contingent annuity option under the Sound Plan...	Your base adjustment factor will be...	Plus this percentage for each year your spouse is older than you...	Or minus this percentage for each year your spouse is younger than you...
66 $\frac{2}{3}$ % annuity	90%	+0.4%	-0.4%
75% annuity	89%	+0.5%	-0.5%
100% annuity	85%	+0.6%	-0.6%

Under the Drug Plan, the factor used for your contingent annuitant benefit option depends on the annuity form you select and the age difference between you and your spouse, as shown in the following table.

If you select the following contingent annuity option under the Drug Plan...	Your base adjustment factor will be...	Plus this percentage for each year your spouse is older than you...	Or minus this percentage for each year your spouse is younger than you...
66 $\frac{2}{3}$ % annuity	91%	+0.4%	-0.4%
100% annuity	87%	+0.5%	-0.5%

You must choose this option before your first pension payment is issued. The option can only be revoked if notice is given to the Trustees before your pension starts.

Social Security Adjustment Option

If you retire early, the Social Security adjustment option allows you to receive a higher monthly pension at age 62 or age 65, then a smaller monthly pension afterwards. This option helps level your combined monthly payments before and after you begin receiving Social Security. You may choose to receive level income payments before and after age 62 or age 65.

Please note that this payment option only applies to your Drug Plan benefit earned through September 30, 2008, and only to payments with an annuity starting date on or before January 31, 2009. For benefits earned on or after October 1, 2008, or for an annuity starting date on or after February 1, 2009, a similar payment method is provided under "Level Income Option," beginning on page 27.

The following chart shows the increases in the monthly pension payments when beginning at different early retirement ages under the Social Security adjustment option.

Social Security Adjustment Option Payment Increases		
If you elect the Social Security adjustment option and retire at age...	Your monthly payment increase to age 62 (if elected) will be...	Your monthly payment increase to age 65 (if elected) will be...
55	52.36%	38.54%
56	57.17%	42.18%
57	62.51%	46.12%
58	68.44%	50.49%
59	75.05%	55.36%
60	82.44%	60.80%
61	90.71%	66.89%
62	n/a	73.72%
63	n/a	81.43%
64	n/a	90.13%
65 or older	n/a	n/a

Your benefit will be reduced by the Social Security amount that is used to

determine your additional benefit to age 62 or age 65, depending on which option you choose.

LUMP SUM PAYMENT

If the actuarial value of your pension benefit is \$5,000 or less when you are eligible to retire, the Board of Trustees will automatically pay your benefit in a single lump sum payment. Such payment is full payment of benefits under the plan.

You may not receive a lump sum payment if the actuarial value of your pension benefit is greater than \$5,000.

Example: Forms of Payment			
<p>Bruce and his spouse are both 56, and Bruce retires from the Sound Plan on October 1, 2009 with a standard reduced early retirement pension equal to \$924 per month, payable as a single life annuity with 60 payments guaranteed.</p> <p>The following table shows each of Bruce's payment options, how much he would receive under the terms of the Sound Plan and Drug Plan, and the amount he can expect to be paid (the larger of the two calculations).</p>			
If Bruce and his spouse select the...	His benefit under the terms of the Sound Plan would be...	And his benefit under the terms of the Drug Plan would be...	So Bruce and his spouse would receive...
Single life annuity with 60 months guaranteed	\$924.00	\$854.00	\$924.00
➡ With level income option to age 62	\$1,015.53 to age 62, and \$915.53 starting at age 62	n/a	\$1,015.53 to age 62, and \$915.53 starting at age 62
➡ With level income option to age 65	\$970.89 to age 65, and \$870.89 starting at age 65	n/a	\$970.89 to age 65, and \$870.89 starting at age 65
50% spouse option	\$859.32	\$794.22	\$859.32
66⅔% contingent annuity option	\$831.60	\$777.14	\$831.60
75% contingent annuity option	\$822.36	n/a	\$822.36
100% contingent annuity option	\$785.40	\$742.98	\$785.40

Because the actuarial value of Bruce's benefit is greater than \$5,000, he would not be eligible to receive a lump sum payment. If he was eligible, however, he would receive the actuarial value of his pension benefit in 1 single sum, and his spouse would not be eligible for any additional payments following his death.

DEATH BENEFITS

If You are Married

As described under “If You Are Married,” beginning on page 33, your surviving spouse will receive a death benefit equal to what he or she would have received had you retired at age 55 and selected the 50% spouse option. Your September 30, 2008 pension benefit under the Drug Plan (determined using the Drug Plan’s actuarial factors) will serve as a minimum death benefit for your surviving spouse. This minimum benefit applies only to surviving spouses to elect their death benefit under the 50% spouse option.

Alternatively, your surviving spouse may receive immediate monthly payments of your pension benefit for a total of 60 months. Any application for the 60 month survivor benefit must be made within 1 year from the date your spouse or surviving family member is notified of your death.

If You are Not Married

If you die on or after October 1, 2008, your beneficiary will receive a death benefit (payable immediately) equal to the lesser of 75% of the employer plan contributions made on your behalf or \$10,000.

REEMPLOYMENT AFTER RETIREMENT

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

- Perform more than 58 hours of work in the industry,
- Work in Western Washington,
- Work in the same trade or craft you in which you were employed at any time while a Drug Plan participant, and
- 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 described in “Reemployment

After Retirement” beginning on page 39.

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.

QUESTIONS AND ANSWERS

<p>Is my eligibility affected if I transfer from a position as a Drug employee to one as a Clerks employee?</p>	<p>No. In either case you will earn benefits under the provisions of the Sound Plan, provided your transfer occurred on or after October 1, 2008. The only difference will be to the regular pension amount you earn and the terms governing reemployment after you transfer, as described in this Appendix B.</p> <p>If your transfer occurred before October 1, 2008, you are subject to the rules of the Sound Plan or Drug Plan in effect at the time of your transfer. If this applies to you, contact the Administrative Office for details.</p>
<p>How do benefits under the Drug Plan and the Sound Plan compare?</p>	<p>Your benefits under the Sound Plan are very similar to the benefits you earned before October 1, 2008 under the Drug Plan. For example, you continue to earn service and pension benefits at the same rate, and you have the same suspension provisions if you are reemployed after you retire. However, the early retirement and payment form adjustment factors are slightly different. Some are larger and some are smaller, depending on your age at retirement, the age of your spouse, and the form of payment you select.</p>
<p>As a former participant in the Drug Plan, how is my regular pension determined?</p>	<p>Your regular pension is determined based on the benefit you earn between October 1, 2008 and the date you retire or are no longer covered under the terms of the Sound Plan.</p> <p>At retirement, your total pension benefit will be your Drug Plan benefit earned through September 30, 2008, plus your Sound Plan benefit earned on and after October 1, 2008. Because the benefit formula is the same, the only difference in how your regular pension is determined is the adjustment factors used when you select a form of payment.</p>
<p>If I have 30 years of unbroken credited service and retire before age 55, am I eligible to receive all of my pension benefits right away?</p>	<p>If you are eligible and retire before age 55, you can begin receiving your benefit earned under the Drug Plan through September 30, 2008. Once you attain age 55, you can begin receiving pension benefits earned under the Sound Plan on or after October 1, 2008, if any. These benefits will be adjusted by the Early Retirement Pension factors described beginning on page 51.</p>
<p>When is my “minimum benefit” under the Drug Plan determined?</p>	<p>When you retire, your total benefit (including amounts earned before and after October 1, 2008, if any) will be determined using the adjustment factors under the Sound Plan. This amount will be compared with your benefit under the Drug Plan through September 30, 2008, using the adjustment factors of that plan. You will receive the larger of these two calculations.</p>

<p>Will my pension benefit be suspended if I return to work in the industry before age 65, but in an area that was not covered by the Drug Plan?</p>	<p>Your benefit earned under the Drug Plan will not be suspended if you return to work in a position located outside the Drug Plan's former geographical area (Western Washington). However, amounts you earned under the Sound Plan on or after October 1, 2008, if any, may be suspended if you work more than 58 hours in the industry during any given month.</p>
<p>May I begin receiving my pension benefit at age 65 while continuing to work?</p>	<p>Yes. You may begin receiving pension benefits earned under the Sound Plan at age 65, regardless of whether you continue to work.</p>
<p>Are the Drug Plan disability provisions still being applied as a minimum?</p>	<p>If you become disabled on or after October 1, 2008, the provisions of the Sound Plan will apply. No comparison to your Drug Plan benefit will be made.</p>
<p>If I terminate employment, will there be any difference in my benefit on or after October 1, 2008?</p>	<p>No. If you terminate on or after October 1, 2008, your benefit will be paid under the terms of the Sound Plan, as described in "Deferred Vested Pension," beginning on page 22. If you terminated before that date, your benefit will be paid under the terms of the Drug Plan. (Contact the Administrative Office at (206) 282-4500 or (800) 225-7620 for more information.)</p>
<p>Do I need to complete a new beneficiary form under the Sound Plan?</p>	<p>Yes. You will need to complete a new beneficiary form under the Sound Retirement Trust. You should also update your beneficiary designation for the Sound Retirement Trust whenever you have a life changing event, such as marriage, birth of a child, divorce, etc.</p>
<p>Who are eligible beneficiaries?</p>	<p>If you are married, your beneficiary is your spouse.</p> <p>If you are not married, your beneficiary(ies) will be the family member(s) you have designated as your beneficiary(ies).</p> <p>If you have not designated a beneficiary(ies), your surviving family members will be determined in the following order of priority:</p> <ul style="list-style-type: none"> ➤ Your children, biological and legally adopted (in equal shares), ➤ Your parents (in equal shares), or ➤ Your brothers and sisters (in equal shares). <p>If none of these family members are alive at the time of your death, no death benefit will be payable.</p>

