

*Western States Office and Professional Employees
Pension Fund*

July 29, 2009

Reminder Notice

Employer Surcharge Required of Contributing Employers

to the

Western States Office & Professional Employees Pension Fund ("Plan")

Employers have received a number of documents and notices concerning the Plan's critical status. This notice updates and supersedes the prior employer surcharge notice you may have received and clarifies the effective date of the employer surcharge, as required under the Pension Protection Act of 2006.

As stated in the "Notice of Critical Status" previously provided to all contributing employers, the Plan was certified to be in critical status on March 31, 2009, for the plan year beginning January 1, 2009. The Pension Protection Act of 2006 requires that employers contributing to the Plan pay a surcharge to help correct the Plan's financial situation. The surcharge applies while the Plan is in critical status and until the applicable collective bargaining agreement includes terms consistent with the Plan's rehabilitation plan. The rehabilitation plan will be adopted this fall.

The surcharge amount is mandated by the Pension Protection Act. *This notice informs you that the initial surcharge is effective August 1, 2009.* The surcharge is 5% of the contribution rate contained in the applicable collective bargaining agreement for the 2009 plan year. Please note that the 5% surcharge is applied to *August hours, payable in September 2009.*

Unless the applicable collective bargaining agreement is renegotiated to include terms consistent with an appropriate schedule pursuant to the adopted rehabilitation plan, the employer surcharge will increase to 10% of the contribution rate otherwise required under the agreement for plan years beginning January 1, 2010, and thereafter. This is an increase applied to January 2010 hours, payable in February 2010. A rehabilitation plan will be adopted by the Plan's Trustees on or before November 26, 2009. Within 30 days of adopting a rehabilitation plan, a copy will be distributed to bargaining parties and you may request to receive a copy.

Please note that surcharge payments are due and payable on the same schedule, terms, and conditions as the monthly employer contributions are due and payable under the applicable collective bargaining agreement and trust agreement. Should a contributing employer fail to make a surcharge payment, such failure shall be treated as a delinquent employer contribution pursuant to the applicable collective bargaining agreement, trust agreement, and section 515 of the Employee Retirement Income Security Act.

Please contact the Administrative Office if you have any questions.