

RETAIL CLERKS WELFARE TRUST

(now known as Sound Health & Wellness Trust)

SUMMARY ANNUAL REPORT

This is a Summary of the Annual Report for Retail Clerks Welfare Trust (Employer Identification Number 91-6058475, Plan Number 501) for the period April 1, 2009 to March 31, 2010. The Annual Report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees of the Retail Clerks Welfare Trust has committed itself to pay certain dental, medical, vision and weekly disability claims incurred under the terms of the Plan.

Insurance Information

The Plan has contracts with Met Life to pay life and accidental death and dismemberment incurred under the terms of the Plan. The total premiums paid for the contract year ending July 31, 2010 with Metropolitan Life Insurance Company were \$519,805.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the Plan, was \$99,838,802 as of March 31, 2010, compared to \$96,903,503 as of April 1, 2009. During the plan year, the Plan experienced an increase in its net assets of \$2,935,299. This increase includes unrealized appreciation and depreciation in the value of the plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the Plan had total income \$242,100,241, including employer contributions of \$206,687,877, employee contributions of \$18,027,230, earnings from investments of \$16,225,317 and other income of \$1,159,817.

Plan expenses were \$239,164,942. These expenses included \$19,988,849 in administrative expenses, and \$219,176,093 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

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

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5 percent of plan assets; and
5. Insurance information including sales commissions paid by insurance carriers

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of Zenith Administrators, who is the administrative agent, 201 Queen Anne Avenue North, Suite 100, Seattle, Washington, 98109-4896, (206) 282-4500 or (800) 225-7620. The charge to cover copying costs will be \$12.00 for the full Annual Report or \$ 0.25 per page for any part thereof.

You also have the right to receive from the Administrative Agent, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Administrative Agent, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan, 201 Queen Anne Avenue North, Suite 100, Seattle, Washington 98109-4896 and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20210.

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Notice Concerning Medicare Election

Employees age 65 and over and their spouses age 65 and over have the Retail Clerks Welfare Trust as their primary source of health coverage unless Medicare is selected instead. The Medicare election applies to a spouse age 65 and over although the employee is under age 65. Please contact the Trust Office at least 60 days prior to your 65th birthday or that of your spouse for further information.

In order to avoid any loss of protection, employees and dependents should enroll for Parts A and B of the Federal Medicare program during the three months before the month in which you (or your dependents) will become eligible for Medicare; this should be done at the nearest Social Security office.

Upon attainment of eligibility for Medicare benefits, you will be given the opportunity to select Medicare for your primary insurance coverage. If you do decide to select Medicare for your primary insurance, and drop the Plan's medical and hospital benefits, your dental and vision coverage will remain in effect as long as you meet the Plan's eligibility rules. If you select the fund's medical and hospital coverage as primary, you will remain eligible for all benefits, as described in the medical Plan booklet.

Women's Health and Cancer Rights Act

The Women's Health and Cancer Rights Act of 1998 requires that your health plans provide you with an annual notice of the Act. The Plan provides benefits for mastectomy-related services, including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy, including lymphedemas. Contact the Trust Office at (206) 282-4500 or (800) 225-7620 for more information.

Important Notice About Your Prescription Drug Coverage and Medicare For Participants Who are Eligible for Medicare or will Become Eligible

Please read this notice carefully and keep it where you can find it. This notice has information about your prescription drug coverage with the Sound Health & Wellness Trust (SHWT) and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The Trustees have determined that the prescription drug coverage offered by SHWT is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st.

However, if you lose your creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your SHWT coverage will not be affected. For active employees and their dependents, benefits payable under this plan normally are primary and Medicare secondary. However, active employees have the option of electing Medicare as primary coverage. If an employee or dependent spouse age 65 or older makes this election, the plan pays no further benefits.

If you do decide to join a Medicare drug plan and drop your SHWT coverage, be aware that you and your dependents will be able to get this coverage back.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your coverage with SHWT and don't join a Medicare drug plan within 63 continuous days after your coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

For more information about this notice or your prescription drug coverage, contact the Trust Office at (206) 282-4500 or (800) 225-7620. NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through SHWT changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Medicaid and the Children's Health Insurance Program (CHIP) Offer Free Or Low-Cost Health Coverage To Children And Families

If you are eligible for health coverage from your employer, but are unable to afford the premiums, some States have premium assistance programs that can help pay for coverage. These States use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage, but need assistance in paying their health premiums.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, you can contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, you can contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or **www.insurekidsnow.gov** to find out how to apply. If you qualify, you can ask the State if it has a program that might help you pay the premiums for an employer-sponsored plan.

Once it is determined that you or your dependents are eligible for premium assistance under Medicaid or CHIP, your employer's health plan is required to permit you and your dependents to enroll in the plan – as long as you and your dependents are eligible, but not already enrolled in the employer's plan. This is called a "special enrollment" opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance.**

If you live in Washington State, you may be eligible for assistance paying your employer health plan premiums. You should contact Washington State for further information on eligibility –

WASHINGTON – Medicaid
Website: http://hrsa.dshs.wa.gov/premiumpymt/Apply.shtm
Phone: 1-877-543-7669

If you live in a State other than Washington or for more information on special enrollment rights, you can contact either:

U.S. Department of Labor
Employee Benefits Security Administration
www.dol.gov/ebsa
1-866-444-EBSA (3272)

U.S. Department of Health and Human Services
Centers for Medicare & Medicaid Services
www.cms.hhs.gov
1-877-267-2323, Ext. 61565

Notice of Privacy Practices for Use & Disclosure of Health Information

Your health information is information that constitutes protected health information (PHI) as defined by the Privacy Rule of the Administrative Simplification provision of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Trust has established a policy to guard against unnecessary disclosure of your health information. You may obtain a copy of this policy/notice on Sound Health & Wellness's website at www.soundhealthwellness.com or to obtain a paper copy contact the privacy person at (206) 352-9730.