# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2009**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**1b** Three-digit plan number (PN) ▶ 003

**1c** Effective date of plan 07/02/1990

**2a** Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
SAKS & COMPANY

12 EAST 49TH STREET
ATTN CORP TAX DEPT
NEW YORK, NY 10017

**2b** Employer Identification Number (EIN)
13-1256625

**2c** Sponsor's telephone number
212-940-4000

**2d** Business code (see instructions)
452110

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/13/2010 | MICHAEL VINCENT |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/13/2010 | CELESTE L. TATE |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
SAKS INCORPORATED RETIREMENT COMMITTEE

12 EAST 49TH STREET, 4TH FLOOR
NEW YORK, NY 10017

**3b** Administrator's EIN
37-1584180

**3c** Administrator's telephone number
877-725-7238

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 7926 |
| **6** | Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**). | | |
| **a** | Active participants | **6a** | 3236 |
| **b** | Retired or separated participants receiving benefits | **6b** | 1344 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 2746 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 7326 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 86 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 7412 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 9 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1C 1G 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | | Insurance |
| **(2)** | | Code section 412(e)(3) insurance contracts |
| **(3)** | X | Trust |
| **(4)** | | General assets of the sponsor |

**9b** Plan benefit arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | | Insurance |
| **(2)** | | Code section 412(e)(3) insurance contracts |
| **(3)** | X | Trust |
| **(4)** | | General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

| | | |
|---|---|---|
| **(1)** | X | **R** (Retirement Plan Information) |
| **(2)** | | **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary |
| **(3)** | X | **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |

**b General Schedules**

| | | | |
|---|---|---|---|
| **(1)** | X | | **H** (Financial Information) |
| **(2)** | | | **I** (Financial Information – Small Plan) |
| **(3)** | | 0 | **A** (Insurance Information) |
| **(4)** | X | | **C** (Service Provider Information) |
| **(5)** | X | | **D** (DFE/Participating Plan Information) |
| **(6)** | | | **G** (Financial Transaction Schedules) |

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2009**

**This Form is Open to Public Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
SAKS & COMPANY

**D** Employer Identification Number (EIN)
13-1256625

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

| | | | | |
|---|---|---|---|---|
| **1** | Enter the valuation date: Month 01 Day 01 Year 2009 | | | |
| **2** | Assets: | | | |
| **a** | Market value | **2a** | | 100550713 |
| **b** | Actuarial value | **2b** | | 110605784 |
| **3** | Funding target/participant count breakdown | | **(1)** Number of participants | **(2)** Funding Target |
| **a** | For retired participants and beneficiaries receiving payment | **3a** | 1411 | 35506216 |
| **b** | For terminated vested participants | **3b** | 2719 | 30415689 |
| **c** | For active participants: | | | |
| | **(1)** Non-vested benefits | **3c(1)** | | 19417 |
| | **(2)** Vested benefits | **3c(2)** | | 53382376 |
| | **(3)** Total active | **3c(3)** | 3796 | 53401793 |
| **d** | Total | **3d** | 7926 | 119323698 |
| **4** | If the plan is at-risk, check the box and complete items (a) and (b) [ ] | | | |
| **a** | Funding target disregarding prescribed at-risk assumptions | **4a** | | |
| **b** | Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor | **4b** | | |
| **5** | Effective interest rate | **5** | | 8.31 % |
| **6** | Target normal cost | **6** | | 1509119 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

Signature of actuary

08/24/2010
Date

HENRY A. ERK III
Type or print name of actuary

08-02713
Most recent enrollment number

MERCER
Firm name

502-561-4500
Telephone number (including area code)

462 SOUTH FOURTH STREET, SUITE 1100
LOUISVILLE, KY 40202-3415
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of year carryover and prefunding balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) | 16501329 | 0 |
| 8 | Portion used to offset prior year's funding requirement (Item 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (Item 7 minus item 8) | 16501329 | 0 |
| 10 | Interest on item 9 using prior year's actual return of -29.84 % | -4923997 | 0 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Excess contributions (Item 38 from prior year) | | 0 |
| | b Interest on (a) using prior year's effective rate of 5.98 % | | 0 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 0 |
| | d Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Reduction in balances due to elections or deemed elections | 8362877 | 0 |
| 13 | Balance at beginning of current year (item 9 + item 10 + item 11d – item 12) | 3214455 | 0 |

## Part III Funding percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 90.00 % |
| 15 | Adjusted funding target attainment percentage | 15 | 90.00 % |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 113.27 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | % |

## Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 0 | 18(c) 0 |

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

| | | |
|---|---|---|
| a Contributions allocated toward unpaid minimum required contribution from prior years. | 19a | 0 |
| b Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 0 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| | | | |

## Part V Assumptions used to determine funding target and target normal cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: % | 2nd segment: % | 3rd segment: % | [X] N/A, full yield curve used |
|---|---|---|---|

**b** Applicable month (enter code) — **21b**: 2

**22** Weighted average retirement age — **22**: 63

**23** Mortality table(s) (see instructions) [ ] Prescribed - combined [X] Prescribed - separate [ ] Substitute

## Part VI Miscellaneous items

**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

| | | | |
|---|---|---|---|
| **27** | If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment | **27** | |

## Part VII Reconciliation of unpaid minimum required contributions for prior years

| | | | |
|---|---|---|---|
| **28** | Unpaid minimum required contribution for all prior years | **28** | 0 |
| **29** | Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) | **29** | 0 |
| **30** | Remaining amount of unpaid minimum required contributions (item 28 minus item 29) | **30** | 0 |

## Part VIII Minimum required contribution for current year

| | | | |
|---|---|---|---|
| **31** | Target normal cost, adjusted, if applicable (see instructions) | **31** | 1509119 |

| **32** Amortization installments: | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 4772947 | 846953 |
| **b** Waiver amortization installment | 0 | 0 |

| | | | |
|---|---|---|---|
| **33** | If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount | **33** | 0 |
| **34** | Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33) | **34** | 2356072 |

| **35** Balances used to offset funding requirement | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| | 2356072 | 0 | 2356072 |

| | | | |
|---|---|---|---|
| **36** | Additional cash requirement (item 34 minus item 35) | **36** | 0 |
| **37** | Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) | **37** | 0 |
| **38** | Interest-adjusted excess contributions for current year (see instructions) | **38** | |
| **39** | Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) | **39** | 0 |
| **40** | Unpaid minimum required contribution for all years | **40** | 0 |

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2009**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

**A** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY

**D** Employer Identification Number (EIN)
13-1256625

## Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

RUSSELL TRUST COMPANY

91-1117282

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 13 | PARTY IN INTEREST | 608045 | Yes [ ] No [X] | Yes [ ] No [ ] | 0 | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

PBGC INSURANCE

52-1042410

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 19 | NONE | 423256 | Yes [ ] No [X] | Yes [ ] No [ ] | 0 | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

WILLIAM M. MERCER

13-2834444

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 11 | NONE | 242086 | Yes [ ] No [X] | Yes [ ] No [ ] | 0 | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

MCDERMOTT LEGAL

36-1453176

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 29 | NONE | 21594 | Yes [ ] No [X] | Yes [ ] No [ ] | 0 | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes [ ] No [ ] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes [ ] No [ ] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

## Part I Service Provider Information (continued)

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN; |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN; |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

# DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2009**

**This Form is Open to Public Inspection.**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

**A** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY

**D** Employer Identification Number (EIN)
13-1256625

## Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL EMERGING MARKETS FUND

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-010 | C | 2049040 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL EQUITY I FUND

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-003 | C | 42816879 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL EQUITY II FUND

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-006 | C | 5142163 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL REAL ESTATE EQUITY FUND

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-008 | C | 4878368 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL MULTI-MANAGER BOND FUND

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-038 | C | 32081982 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL INT'L EQUITY W ACT CURRENCY

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 35-2268857-001 | C | 19314403 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2009**

**This Form is Open to Public Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

**A** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY

**D** Employer Identification Number (EIN)
13-1256625

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 497345 | 446742 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 100119846 | 106282835 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 100617191 | 106729577 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | 168366 | 205424 |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 168366 | 205424 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 100448825 | 106524153 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | | |
| | **(B)** Participants | 2a(1)(B) | | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 0 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 0 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **2b** (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| (B) Other | 2b(5)(B) | | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | 0 |
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 21276270 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| **c** Other income | 2c | | |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 21276270 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 13905961 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines 2e(1) through (3) | 2e(4) | | 13905961 |
| **f** Corrective distributions (see instructions) | 2f | | |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | |
| **h** Interest expense | 2h | | |
| **i** Administrative expenses: (1) Professional fees | 2i(1) | 686936 | |
| (2) Contract administrator fees | 2i(2) | 608045 | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 1294981 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 15200942 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line 2j from line 2d | 2k | | 6075328 |
| **l** Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSECOOPERS LLP (2) EIN: 13-4008324

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** | Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** | Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |
| **c** | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| **d** | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| **e** | Was this plan covered by a fidelity bond? | 4e | X | | 10000000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | X | | |
| **k** | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2009**

**This Form is Open to Public Inspection.**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

**A** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY

**D** Employer Identification Number (EIN)
13-1256625

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-3581074

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3** 470

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☒ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: 53.4% Investment-Grade Debt: 37.4% High-Yield Debt: 1.4% Real Estate: 7.8% Other: 0.0%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

# Saks Fifth Avenue
# Pension Plan

**Financial Statements and Supplemental Schedules**
**December 31, 2009 and 2008**

# Saks Fifth Avenue Pension Plan
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Note: Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

PRICEWATERHOUSECOOPERS

**PricewaterhouseCoopers LLP**
1901 6th Ave. North
Suite 1600
Birmingham AL 35203
Telephone (205) 252 8400
Facsimile (205) 252 7776

## Report of Independent Auditors

To the Participants and Administrator of
Saks Fifth Avenue Pension Plan

We were engaged to audit the financial statements and supplemental schedules of the Saks Fifth Avenue Pension Plan (the "Plan") at December 31, 2009 and 2008, and for the years then ended December 31, 2009, as listed in the accompanying index. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Russell Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008 and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

PricewaterhouseCoopers LLP

Birmingham, Alabama
October 12, 2010

# Saks Fifth Avenue Pension Plan
## Statements of Net Assets Available for Benefits
## December 31, 2009 and 2008

| | 2009 | 2008 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value (Note 6) | | |
| Commingled trust funds | $ 106,282,835 | $ 100,119,846 |
| Total investments | 106,282,835 | 100,119,846 |
| Securities sold receivable | 446,742 | 430,863 |
| Other income receivable | - | 66,482 |
| Total assets | 106,729,577 | 100,617,191 |
| **Liabilities and Net Assets Available for Benefits** | | |
| Administrative expenses payable | 205,424 | 168,366 |
| Total liabilities | 205,424 | 168,366 |
| Net assets available for benefits | $ 106,524,153 | $ 100,448,825 |

The accompanying notes are an integral part of these financial statements.

# Saks Fifth Avenue Pension Plan
## Statement of Changes in Net Assets Available for Benefits
## Year Ended December 31, 2009

| | |
|---|---|
| **Additions** | |
| Net appreciation in fair value of investments (Note 6) | $ 21,276,270 |
| Total additions | 21,276,270 |
| **Deductions** | |
| Benefits paid | $ 13,905,961 |
| Administrative expenses | 1,294,981 |
| Total deductions | 15,200,942 |
| Net increase | 6,075,328 |
| Net assets available for benefits, beginning of year | 100,448,825 |
| **Net assets available for benefits, end of year** | $ 106,524,153 |

The accompanying notes are an integral part of these financial statements.

## 1. Description of the Plan

The following brief description of the Saks Fifth Avenue Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

### General

The Plan is a noncontributory cash balance defined benefit pension plan covering certain employees of Saks Fifth Avenue, a subsidiary of Saks Incorporated (the "Company"). The Plan expresses the participant's benefit in an account balance format and reflects subsequent interest and/or benefit credits as a cash amount. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

### Plan Administrator and Trustee

The Plan is sponsored by the Company and administered on a day-to-day basis by the Plan administrator, who was appointed by the Board of Directors of the Company. The Retirement Committee (the "Committee"), appointed by the Board of Directors of the Company, was established to oversee the investment of plan assets. The Plan appointed Russell Trust Company (the "Trustee") to serve as trustee. Therefore, all investment transactions with the Trustee qualify as party-in-interest transactions.

### Eligibility

An amendment to the Plan, which became effective on May 1, 2002, changed the eligibility requirements for participation in the Plan. Under the revised Plan, an employee must have been actively employed on April 30, 2002 to be eligible to participate in the Plan.

Prior to the amendment affecting eligibility, an employee became a participant following the completion of 12 months of employment during which he had at least 1,000 hours of service and attained age 21. Under the revised Plan, employees not actively employed by the Company as of April 30, 2002 are not eligible to participate in the Plan. Provided that an employee was employed prior to April 30, 2002, all employees of Saks Fifth Avenue are considered eligible except for: (1) any nonresident alien with no U.S. source of income; (2) any person covered by a collective bargaining agreement which does not provide for participation in the Plan; and (3) any leased employee, unless participation of such employee is required for plan qualification under the Internal Revenue Code.

### Benefits and Vesting

The Committee approved an amendment to the Plan to freeze all benefit accruals effective January 1, 2007 for all participants except those who have attained age 55 and have completed 10 years of credited service as of January 1, 2007 who are considered to be non-highly compensated employees ("grandfathered participants").

In December 2008, the Committee approved an amendment to the Plan to freeze all benefit accruals for all remaining participants in the Plan effective on March 13, 2009.

Beginning May 1, 2002, a participant's benefit credit was determined at a flat 2 percent of eligible compensation, regardless of the years of vesting service. For the Plan year ended December 31, 2009, only grandfathered participants' accounts were credited with a benefit credit for eligible compensation through March 13, 2009.

The eligible compensation used in determining benefit credits was limited to $245,000 for the year ended December 31, 2009.

Each year a participant's account is credited with interest on the balance determined at the beginning of the year for as long as the account balance remains in the Plan. The rate of interest is based on the three-year Treasury rate in effect on December 31 of the previous year, but not less than 4.75 percent. The interest rate credited to participants' accounts was 4.75 percent for the year ended December 31, 2009.

Each participant who retires on or after the Plan's normal retirement age (age 65) shall be entitled to receive their Normal Retirement Pension, as defined in the Plan document, in the form of an annuity for the life of the participant or, if they are married, for the joint life of the participant and his/her spouse. Benefits are payable monthly and commence within 90 days following retirement. A participant may elect to receive a lump sum payment (provided they participated in the Plan at any time from April 1, 1998 to April 30, 2002) in lieu of the life annuity or qualified joint and survivor annuity.

The Plan provides for survivor benefits in the event that a participant dies prior to receiving their benefits.

The Plan permits early retirement benefits to be paid between the ages of 55 through 64 (at a reduced rate), provided ten years of vesting service have been completed upon the participant's termination of employment.

If employment is terminated prior to normal retirement for reasons other than death or early retirement, participants with at least three years of vesting service are entitled to a retirement benefit payable on their normal retirement date.

Prior to January 1, 2008, a participant was 100 percent vested in his accrued benefit after five years of vesting service. Effective January 1, 2008, the vesting requirement was changed from five years to three years. A year of service, for vesting purposes, is defined as a plan year during which at least 1,000 hours of service are credited.

**Forfeitures**
Participants who terminate employment, but have not become fully vested, forfeit their unvested benefits. In accordance with the Plan document, forfeitures are used to reduce the cost of the Plan to the Company.

**Administrative Expenses**
Expenses incurred with respect to the administration of the Plan are paid from the assets of the Plan to the extent allowed under ERISA. To the extent such expenses are not paid by the Plan, they are paid by the Company. Administrative expenses of $1,294,981 were incurred by the Plan for the year ending December 31, 2009.

## 2. Summary of Significant Accounting Policies

**Basis of Presentation**
The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**Recently Issued Accounting Pronouncements**
On July 1, 2009, the Financial Accounting Standards Board ("FASB") released the authoritative version of its new Accounting Standards Codification ("ASC") as the single source for GAAP, which replaces all previous GAAP accounting standards. While not intended to change GAAP, the ASC

significantly changes the way in which the accounting literature is organized. The Plan adopted the ASC during the 2009 plan year. The adoption of the ASC did not impact the Plan's financial statements.

In September 2009, the FASB issued authoritative guidance requiring additional disclosures regarding the inputs and valuation techniques used to measure fair value. The guidance also requires that the Plan disclose debt and equity securities by major category, on a more disaggregated basis than had previously been required. The adoption of this guidance did not materially impact the Plan's financial statements. See Note 3, Fair Value Measurements.

For the year ended December 31, 2009, the Plan adopted the FASB's update to general standards on accounting for disclosures of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. The adoption of this guidance did not materially impact the Plan's financial statements as there were no subsequent events.

**Use of Estimates**
The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

**Investment Valuation**
Investments in the commingled trust funds are valued at the unit value, which approximates fair value, as reported by the Trustee of the commingled trust fund on each valuation date.

Investment transactions are recorded on the settlement date. Investment income is recorded when earned.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits, the net appreciation in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

**Actuarial Present Value of Accumulated Plan Benefits**
Accumulated plan benefits are those future benefit payments that are attributable under the Plan’s provisions to the service participants have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated participants or their beneficiaries; (b) beneficiaries of participants who have died; and (c) present participants or their beneficiaries.

The actuarial present value of accumulated plan benefits (see Note 5) is determined by the Plan's independent actuary, Mercer, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts of interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The method and significant actuarial assumptions used in the determination of the actuarial present value of accumulated plan benefits as of January 1, 2010 and 2009 are as follows:

| | |
|---|---|
| Actuarial cost method | Unit credit method. |
| Assumed rate of interest | 8.00% per annum at January 1, 2010 and 2009. |
| Interest credit on cash balance accounts | 5.00% per annum at January 1, 2010 and 2009. |
| Mortality basis | The mortality tables were updated from the 2009 Separate Annuitant and Non-Annuitant mortality tables for males and females used at January 1, 2009 to the 2010 Separate Annuitant and Non-Annuitant mortality tables for males and females used at January 1, 2010 as required under the Pension Protection Act ("PPA") for target liability purposes. |
| Employee turnover | At assumed annual rates during the first five years of employment, ranging from .200 to .450 for males and females for January 1, 2010 and 2009 assumptions. After the first five years of employment, assumed turnover rates are based on attained age ranging from .600 to .160 for males and females for January 1, 2010 and .900 to .200 for males and females for January 1, 2009. |
| Retirement age | Employees were assumed to retire in accordance with the following assumptions in the January 1, 2010 and 2009 plan year valuations: |

| January 1, 2010 | | January 1, 2009 | |
|---|---|---|---|
| **Age** | **Rate of Retirement** | **Age** | **Rate of Retirement** |
| 55 | .060 | 55 | .090 |
| 56-59 | .050 | 56-57 | .070 |
| 60-61 | .060 | 58-59 | .080 |
| 62-64 | .100 | 60-61 | .090 |
| 65 | .250 | 62 | .100 |
| 66-74 | .150 | 63-64 | .150 |
| 75 | 1.000 | 65 | .250 |
| | | 66-74 | .150 |
| | | 75 | 1.000 |

Vested terminated participants are assumed to start receiving benefit payments at age 61.

| | |
|---|---|
| Maximum annual benefit | Projections of benefits under the Plan do not exceed the current year's annual limit of $195,000 adjusted for form of payment. |
| Maximum annual compensation | Projections of salaries under the Plan do not exceed the current year's annual limit of $245,000. |

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

**3. Fair Value Measurements**

The authoritative accounting standard related to fair value measurements and disclosures provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Plan may use valuation techniques consistent with the market, income and cost approaches to measure fair value.

To increase consistency and comparability in fair value measurements and related disclosures, the Plan utilizes the fair value hierarchy required by the standard which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Quoted prices in active markets for identical debt and equity securities.

Level 2: Prices determined using other significant observable inputs that other market participants would use in pricing a security, including quoted prices for similar securities.

Level 3: Prices determined using significant unobservable inputs. Unobservable inputs reflect the Plan's own assumptions about the factors that other market participants would use in pricing an investment that would be based on the best information available in the circumstances.

There have been no changes in the valuation techniques used at December 31, 2009 and 2008 to value the Plan's assets at fair value.

The Plan's assets are invested in commingled trust funds that are valued at the unit value, which approximates fair value, as reported by the trustee of the commingled trust fund on each valuation date.

The following tables set forth the fair value of the Plan's financial assets by level within the fair value hierarchy as of December 31, 2009 and 2008:

| | For the Year Ended December 31, 2009 | Quoted Prices In Active Markets for Identical Assets/Liabilities (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Commingled trust funds: | | | | |
| Equity Funds | $ 47,959,042 | $ - | $ 47,959,042 | $ - |
| Bond Fund | 32,081,982 | | 32,081,982 | |
| International Fund | 19,314,403 | | 19,314,403 | |
| Real Estate Fund | 4,878,368 | | 4,878,368 | |
| Emerging Markets Fund | 2,049,040 | | 2,049,040 | |
| Total Invesments | $ 106,282,835 | | $ 106,282,835 | |

| | For the Year Ended December 31, 2008 | Quoted Prices In Active Markets for Identical Assets/Liabilities (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Commingled trust funds | $ 100,119,846 | $ - | $ 100,119,846 | $ - |

## 4. Funding Policy

The Plan is funded solely through contributions by the Company. The Company intends to make contributions to the Plan, as actuarially determined, in amounts at least equal to the amounts, if any, required to satisfy the minimum funding requirements of Section 430 of the Internal Revenue Code of 1986, as amended.

The Company was not required to contribute, and did not contribute, to the Plan for the year ended December 31, 2009. The Company has met the minimum funding requirements of ERISA and the Plan document for 2009.

## 5. Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits as of December 31, 2009 and 2008 are as follows:

| | 2009 | 2008 |
|---|---|---|
| Actuarial present value of accumulated plan benefits: | | |
| Vested participants: | | |
| Vested benefits of participants currently receiving benefits | $ 36,199,418 | $ 36,208,427 |
| Other vested benefits | 86,622,170 | 85,738,300 |
| Total vested benefits | 122,821,588 | 121,946,727 |
| Non-vested benefits: | | |
| Non-vested benefits | 8,877 | 7,750 |
| Total actuarial present value of accumulated plan benefits | $ 122,830,465 | $ 121,954,477 |

Certain factors affected the change in the actuarial present value of accumulated plan benefits as follows:

| | |
|---|---|
| Actuarial present value of accumulated plan benefits at December 31, 2008 | $ 121,954,477 |
| Increase (decrease) attributable to: | |
| Benefits accumulated and (gains) losses | 3,306,957 |
| Benefits paid to participants | (13,905,961) |
| Increase for interest due to decrease in discount period | 9,200,120 |
| Change in actuarial assumptions & plan provisions | 2,274,872 |
| Actuarial present value of accumulated plan benefits at December 31, 2009 | $ 122,830,465 |

The actuarial present value of accumulated plan benefits at December 31, 2009 and 2008 was developed using actuarial valuations as of January 1, 2010 and 2009, respectively. The difference between the December 31, 2009 and 2008 and January 1, 2010 and 2009 valuations were not considered material.

It is expected that the Plan's total actuarial present value of accumulated plan benefits in excess of net assets available for benefits at December 31, 2009, will be funded through future Company contributions and/or increases in the market value of the Plan’s investments.

## 6. Information Certified by the Trustee

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator has obtained certifications from the Trustee of the Plan that all of the information provided by them is complete and accurate. Information included in the accompanying financial statements and footnotes thereon as to investments and net appreciation thereon in the trust fund administered by the Trustee, and all information in the Schedule of Assets (Held at End of Year) and in the Schedules of Reportable Transactions is presented in reliance solely upon those certifications.

Amounts certified by the Trustee, as of December 31, 2009 and 2008 and for the year ended December 31, 2009, are summarized below:

| | 2009 | | 2008 | |
|---|---|---|---|---|
| Investments, at fair value: | | | | |
| Russell Equity I Fund | $ 42,816,879 | * | $ 36,136,340 | * |
| Russell Equity II Fund | 5,142,163 | | 4,163,855 | |
| Russell Multi-Manager Bond Fund | 32,081,982 | * | 34,342,015 | * |
| Russell International Equity Fund with Active Currency | 19,314,403 | * | 16,238,143 | * |
| Russell Real Estate Equity Fund | 4,878,368 | | 7,843,316 | * |
| Russell Emerging Markets Fund | 2,049,040 | | 1,396,177 | |
| | $ 106,282,835 | | $ 100,119,846 | |
| Net appreciation in the fair value of investments | $ 21,276,270 | | | |

* Investment exceeds five percent of the net assets available for benefits at December 31, 2009 and 2008, respectively.

## 7. Risks and Uncertainties

Plan contributions and the actuarial present value of accumulated plan benefits are determined on the basis of certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements. The Plan's portfolio consists of various securities. This portfolio is exposed to credit risk in the event that a debtor cannot fulfill its contractual obligations. The Plan limits its credit exposure associated with these securities by diversifying its investments and monitoring the credit ratings of such investments.

## 8. Plan Termination

Should the Plan terminate at some future time, its net assets generally will not be available on a pro rata basis to provide participants' benefits. Whether a participant's accumulated plan benefit will be paid depends on both the priority of those benefits and the level of the benefits guaranteed by the Pension Benefit Guaranty Corporation ("PBGC") at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

The Company has the right to terminate the Plan at any time subject to the provisions set forth in the Plan document and ERISA and its regulations. In the event of the termination of the Plan, all accrued benefits of affected participants, to the extent funded as of such date, shall be nonforfeitable.

The Committee approved an amendment to the Plan to freeze all benefit accruals effective January 1, 2007 for all participants except those who have attained age 55 and have completed 10 years of credited service as of January 1, 2007 and who are considered to be non-highly compensated employees.

In December 2008, the Committee approved an amendment to the Plan to freeze all benefit accruals for all remaining participants in the Plan effective on March 13, 2009.

## 9. Tax Status

On August 10, 2007, the Company received a favorable determination letter from the Internal Revenue Service as to the qualified tax-exempt status of the Plan under Section 401(a) of the Internal Revenue Code (the "Code"). This status exempts the Plan from Federal, state, and local income taxes. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the financial statements.

## 10. Related Party Transactions

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan. The Plan invests in commingled trust funds managed by Russell Trust Company, the Trustee, and therefore these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for services provided by Russell Trust Company for the year ended December 31, 2009 amounted to $608,045. Fees payable by the Plan to Russell Trust Company as of December 31, 2009 and December 31, 2008 were $165,860 and $145,980, respectively.

# Supplemental Schedules

# Saks Fifth Avenue Pension Plan
## Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
## December 31, 2009

| (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| | **Identity of issue, borrower, lessor or similar party** | **Description of investment including maturity date, rate of interest, collateral, par, or maturity value** | **Cost** | **Current Value** |
| * | Russell Trust Company | Russell Equity I Fund, 1,056,164 units | $ 33,436,507 | $ 42,816,879 |
| * | Russell Trust Company | Russell Equity II Fund, 101,463 units | 3,424,156 | 5,142,163 |
| * | Russell Trust Company | Russell Multi-Manager Bond Fund, 2,336,634 units | 28,601,225 | 32,081,982 |
| * | Russell Trust Company | Russell International Equity Fund with Active Currency, 2,065,711 units | 21,696,589 | 19,314,403 |
| * | Russell Trust Company | Russell Real Estate Equity Fund, 22,742 units | 4,474,561 | 4,878,368 |
| * | Russell Trust Company | Russell Emerging Markets Fund, 31,264 units | 704,990 | 2,049,040 |
| | | | $ 92,338,028 | $ 106,282,835 |

* Party-in-interest to the Plan.

NOTE: The information on this schedule has been certified as complete and accurate by Russell Trust Company, the Trustee.

# Saks Fifth Avenue Pension Plan
## Schedule H, Line 4j - Schedule of Reportable Transactions
## Year Ended December 31, 2009

I. Single transactions of the same issue exceeding 5% of plan assets.

NONE

II. Series of transactions involving property other than securities.

NONE

III. Series of transactions of the same issue exceeding 5% of plan assets.

See attached.

NOTE – Information required in columns e, f, and h is inapplicable

IV. Transactions in conjunction with the same person involved in reportable single transaction.

NONE

# Saks Fifth Avenue Pension Plan
## Schedule H, Line 4j - Schedule of Reportable Transactions
## Year Ended December 31, 2009

**Series transactions of the same issue exceeding 5% of plan assets.**

| (a) Identity of party involved | (b) Description of asset (include interest rate and maturity in case of a loan) | (c) Purchase Price | (d) Selling Price | (g) Cost of asset | (i) Net gain or (loss) |
|---|---|---|---|---|---|
| * Russell Trust Co. | Russell Multi-Manager Bond Fund | $ 12,135 | | | |
| * Russell Trust Co. | Russell Multi-Manager Bond Fund | | $ 7,533,337 | $ 7,710,242 | $ (176,905) |

* Party-in-interest to the Plan

NOTE: The information on this schedule has been certified as complete and accurate by Russell Trust Company.

## Schedule SB, Line 26 – Schedule of Active Participant Data

| Age | Years of credited service as of 1/1/2009 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | < 1 | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40+ | Total |
| Under 25 | | | | | | | | | | | |
| 25-29 | | 1 | 43<br>49,640<br>4,315 | 2 | | | | | | | 46 |
| 30-34 | | 2 | 87<br>56,510<br>5,901 | 59<br>55,358<br>8,322 | 1 | | | | | | 149 |
| 35-39 | | 8 | 105<br>49,284<br>6,016 | 135<br>58,539<br>10,099 | 23<br>62,224<br>13,853 | 2 | | | | | 273 |
| 40-44 | | 6 | 143<br>53,479<br>6,431 | 175<br>63,135<br>11,805 | 51<br>68,152<br>14,503 | 20<br>84,076<br>21,677 | | | | | 395 |
| 45-49 | | 7 | 139<br>54,553<br>6,484 | 219<br>60,330<br>11,918 | 94<br>65,253<br>16,753 | 64<br>70,243<br>22,135 | 21<br>81,910<br>29,865 | | | | 544 |
| 50-54 | | 6 | 130<br>52,455<br>6,547 | 222<br>56,166<br>11,713 | 95<br>71,832<br>21,179 | 70<br>77,178<br>27,638 | 58<br>67,851<br>31,360 | 21<br>51,205<br>28,665 | | | 602 |
| 55-59 | | 8 | 122<br>49,481<br>6,298 | 227<br>56,799<br>12,723 | 104<br>61,068<br>19,956 | 42<br>67,148<br>29,178 | 34<br>75,197<br>41,726 | 28<br>62,991<br>43,020 | 18 | | 583 |
| 60-64 | | 9 | 121<br>42,613<br>5,487 | 235<br>49,361<br>12,306 | 86<br>54,883<br>23,818 | 44<br>65,540<br>34,945 | 35<br>63,788<br>45,875 | 22<br>70,396<br>55,823 | 20<br>46,699<br>52,141 | 15 | 587 |
| 65-69 | | 9 | 68<br>38,207<br>5,606 | 128<br>47,426<br>13,280 | 72<br>45,548<br>26,559 | 41<br>46,520<br>39,391 | 20<br>54,009<br>51,049 | 11 | 13 | 10 | 372 |
| 70+ | | 10 | 46<br>25,861<br>4,825 | 89<br>37,850<br>14,499 | 47<br>35,685<br>35,170 | 22<br>50,629<br>51,357 | 17 | 4 | 6 | 4 | 245 |
| Total | | 66 | 1,004 | 1,491 | 573 | 305 | 185 | 86 | 57 | 29 | 3,796 |

In each cell, the top number is the count of active participants for each age/service combination. Average pay and cash balance accounts are not shown for cells with fewer than 20 participants. The middle number is the average compensation limited to $230,000 of the active participants in that group. The lower number is the average cash balance account of the active participants in that group.

## Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

| | |
|---|---|
| **Discount rate elections** | Based on the full yield curve with a 2 month lookback. |
| **Mortality elections** | |
| ▪ All participants | 2009 PPA separate static annuitant and nonannuitant mortality tables |
| **417(e) lump sums** | |
| ▪ Annuity substitution | Yes |
| ▪ Generational mortality option | No |
| ▪ Phase-in option | No |
| **Cash balance plans** | |
| ▪ Interest accumulation rate | 5.00% |
| ▪ Whipsaw calculations | No |
| **Other economic assumptions** | |
| ▪ Salary increases | 4.25% per year |
| ▪ Expenses | Amount paid from trust for prior year |

**Demographic assumptions**

Withdrawal

Rates during the first 5 years of employment are as follows:

| Year of Employment | Rate |
|---|---|
| 1 | 45% |
| 2 | 35 |
| 3 | 25 |
| 4 | 20 |
| 5 | 20 |

Rates after the first 5 years of employment are as follows:

| Age | Rate |
|---|---|
| 25 | 20.0% |
| 30 | 20.0 |
| 35 | 17.6 |
| 40 | 13.6 |
| 45 | 10.8 |
| 50 | 9.4 |
| 55 | 9.0 |

**Schedule SB, Part V – Statement of Actuarial Assumptions/Methods**

| | | |
|---|---|---|
| Retirement age | **Attained age** | **Percentage** |
| | 55 | 9.0% |
| | 56 | 7.0 |
| | 57 | 7.0 |
| | 58 | 8.0 |
| | 59 | 8.0 |
| | 60 | 9.0 |
| | 61 | 9.0 |
| | 62 | 10.0 |
| | 63 | 15.0 |
| | 64 | 15.0 |
| | 65 | 25.0 |
| | 66 | 15.0 |
| | 67 | 15.0 |
| | 68 | 15.0 |
| | 69 | 15.0 |
| | 70 | 15.0 |
| | 71 | 15.0 |
| | 72 | 15.0 |
| | 73 | 15.0 |
| | 74 | 15.0 |
| | 75 | 100.0 |

| | |
|---|---|
| Benefit commencement age for | |
| ▪ Future vested deferred | Immediate |
| ▪ Current vested deferred | Immediate if have a cash balance account; else age 61. |
| **Form of payment** | |
| ▪ Active retirements | Lump sum |
| ▪ Future vested deferred | Lump sum |
| ▪ Future deaths | Lump sum |
| ▪ Current vested deferred | Life annuity if participant does not have a cash balance account; else, a lump sum. |
| **Changes since prior valuation** | Interest discounts and mortality rates were updated from 2008 to 2009 in accordance with PPA and sponsor elections.<br>Expense normal cost was increased from $0 to $1,403,229. |

**Schedule SB, Part V – Statement of Actuarial Assumptions/Methods**

## Asset methods

We used financial data submitted by the trustee as of January 1, 2009 without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method is an annual average of the adjusted market value over the last 25 months preceding the valuation date. The adjusted market value is the market value at each determination date (calendar year end) adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value as defined in IRC Section 430.

A characteristic of this asset valuation method is that, over time, it is slightly more likely to produce an actuarial value of assets less than the market value of assets than an actuarial value that is greater than market value.

## Participant methods

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

## Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

### *Minimum funding method*

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **accrued liability** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual normal costs, and the plan's **funding target** is the sum of the accrued liabilities for all participants under the plan.

### *Method changes since prior valuation*

Beginning with the 2009 valuation, the asset method was changed from market value to that described previously. The discount rate elected for the January 1, 2008 valuation was the 24-month average of segmented rates with no lookback and without phase-in. For the January 1, 2009 valuation the full yield curve with a two-month lookback (using average rates for October 2008) was used.

Plan: Saks Fifth Avenue Pension Plan
EIN/PN: 13-1256625/003

# Saks Fifth Avenue Pension Plan

**Schedule H, Line 4j - Schedule of Reportable Transactions**
**Year Ended December 31, 2009**

I. Single transactions of the same issue exceeding 5% of plan assets.

NONE

II. Series of transactions involving property other than securities.

NONE

III. Series of transactions of the same issue exceeding 5% of plan assets.

See attached.

NOTE – Information required in columns e, f, and h is inapplicable

IV. Transactions in conjunction with the same person involved in reportable single transaction.

NONE

Plan: Saks Fifth Avenue Pension Plan
EIN/PN: 13-1256625 /003

# Saks Fifth Avenue Pension Plan
## Schedule H, Line 4j - Schedule of Reportable Transactions
## Year Ended December 31, 2009

**Series transactions of the same issue exceeding 5% of plan assets.**

| (a) Identity of party involved | (b) Description of asset (include interest rate and maturity in case of a loan) | (c) Purchase Price | (d) Selling Price | (g) Cost of asset | (i) Net gain or (loss) |
|---|---|---|---|---|---|
| * Russell Trust Co. | Russell Multi-Manager Bond Fund | $ 12,135 | | | |
| * Russell Trust Co. | Russell Multi-Manager Bond Fund | | $ 7,533,337 | $ 7,710,242 | $ (176,905) |

* Party-in-interest to the Plan

NOTE: The information on this schedule has been certified as complete and accurate by Russell Trust Company.

| SCHEDULE SB (Form 5500) | Single-Employer Defined Benefit Plan Actuarial Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury, Internal Revenue Service; Department of Labor, Employee Benefits Security Administration; Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF. | 2009 — This Form is Open to Public Inspection |

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

| A Name of plan | B Three-digit plan number (PN) ▶ | 003 |
|---|---|---|
| Saks Fifth Avenue Pension Plan | | |
| **C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF | **D** Employer Identification Number (EIN) | |
| Saks & Company | 13-1256625 | |

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 1 Day 1 Year 2009

| | | | | |
|---|---|---|---|---|
| **2** | Assets: | | | |
| | **a** Market value | | **2a** | 100,550,713 |
| | **b** Actuarial value | | **2b** | 110,605,784 |
| **3** | Funding target/participant count breakdown | | (1) Number of participants | (2) Funding Target |
| | **a** For retired participants and beneficiaries receiving payment | **3a** | 1,411 | 35,506,216 |
| | **b** For terminated vested participants | **3b** | 2,719 | 30,415,689 |
| | **c** For active participants: | | | |
| | (1) Non-vested benefits | **3c(1)** | | 19,417 |
| | (2) Vested benefits | **3c(2)** | | 53,382,376 |
| | (3) Total active | **3c(3)** | 3,796 | 53,401,793 |
| | **d** Total | **3d** | 7,926 | 119,323,698 |
| **4** | If the plan is at-risk, check the box and complete items (a) and (b) [ ] | | | |
| | **a** Funding target disregarding prescribed at-risk assumptions | | **4a** | |
| | **b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor | | **4b** | |
| **5** | Effective interest rate | | **5** | 8.31 % |
| **6** | Target normal cost | | **6** | 1,509,119 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

Henry A. Erk III HAE — Signature of actuary

8/24/2010 — Date

Henry A. Erk III — Type or print name of actuary

08-02713 — Most recent enrollment number

Mercer — Firm name

(502)561-4500 — Telephone number (including area code)

462 South Fourth Street, Suite 1100

Louisville KY 40202-3415 — Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of year carryover and prefunding balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) | 16,501,329 | 0 |
| 8 | Portion used to offset prior year's funding requirement (Item 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (Item 7 minus item 8) | 16,501,329 | 0 |
| 10 | Interest on item 9 using prior year's actual return of (29.84)% | (4,923,997) | |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Excess contributions (Item 38 from prior year) | | 0 |
| | b Interest on (a) using prior year's effective rate of 5.98 % | | 0 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 0 |
| | d Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Reduction in balances due to elections or deemed elections | 8,362,877 | 0 |
| 13 | Balance at beginning of current year (item 9 + item 10 + item 11d - item 12) | 3,214,455 | 0 |

## Part III Funding percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 90.00 % |
| 15 | Adjusted funding target attainment percentage | 15 | 90.00 % |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 113.27 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | % |

## Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 0 | 18(c) 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year: | | |
| | a Contributions allocated toward unpaid minimum required contribution from prior years. | 19a | 0 |
| | b Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| | c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 0 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| | | | |

## Part V Assumptions used to determine funding target and target normal cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: % | 2nd segment: % | 3rd segment: % | [X] N/A, full yield curve used |
|---|---|---|---|
| | | | |

**b** Applicable month (enter code) — **21b**: 2

**22** Weighted average retirement age — **22**: 63

**23** Mortality table(s) (see instructions) [ ] Prescribed - combined [X] Prescribed - separate [ ] Substitute

## Part VI Miscellaneous items

**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment [X] Yes [ ] No

**27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment — **27**:

## Part VII Reconciliation of unpaid minimum required contributions for prior years

| | | |
|---|---|---|
| **28** Unpaid minimum required contribution for all prior years | **28** | 0 |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) | **29** | 0 |
| **30** Remaining amount of unpaid minimum required contributions (item 28 minus item 29) | **30** | 0 |

## Part VIII Minimum required contribution for current year

| | | | |
|---|---|---|---|
| **31** Target normal cost, adjusted, if applicable (see instructions) | **31** | | 1,509,119 |
| **32** Amortization installments: | | Outstanding Balance | Installment |
| **a** Net shortfall amortization installment | | 4,772,947 | 846,953 |
| **b** Waiver amortization installment | | 0 | 0 |
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount | **33** | | 0 |
| **34** Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33) | **34** | | 2,356,072 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances used to offset funding requirement | 2,356,072 | 0 | 2,356,072 |

| | | |
|---|---|---|
| **36** Additional cash requirement (item 34 minus item 35) | **36** | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) | **37** | 0 |
| **38** Interest-adjusted excess contributions for current year (see instructions) | **38** | 0 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) | **39** | 0 |
| **40** Unpaid minimum required contribution for all years | **40** | 0 |

## Schedule SB, Part V – Summary of Plan Provisions

| | |
|---|---|
| Effective date and plan year | Original plan: July 2, 1990<br>Restated plan: April 1, 1998<br>Plan year: January 1 |
| Most recent amendment | February 3, 2009 |
| Status of the plan | All pension benefits, accruals, credits, compensation and service are frozen at December 31, 2006 for non-grandfathered participants. For grandfathered participants, the freeze date is March 13, 2009. |
| Significant events that occurred during the year | Benefit accruals for grandfathered participants are frozen after March 13, 2009. |
| **Definitions** | |
| ▪ Covered employees and participation | An "employee" becomes a member following attainment of age 21 and completion of 12 months of employment during which 1000 hours is worked. An "employee" includes all employees of Saks Fifth Avenue except for (1) any nonresident alien with no U.S. source income, (2) any person covered by a collective bargaining agreement which does not provide for participation in the plan and (3) any leased employee. Notwithstanding the above, employees hired after April 30, 2002 are not eligible for the plan. |
| ▪ Vesting service | Each year of service in which a participant completes 1000 hours of service. |
| ▪ Compensation | Earnings are wages used for purposes of income tax withholding plus pre-tax contributions under IRC Sections 401(k) and 125 minus allowances, reimbursements, bonuses and incentive payments. Compensation shall not exceed the specified annual amount under IRC Section 401(a)(17). |
| ▪ Accrued benefit | The accrued benefit is the benefit earned based on compensation and service through the date of termination. |

## Schedule SB, Part V – Summary of Plan Provisions

**Normal retirement**

- Eligibility

Normal retirement age is the later of age 65 and the earlier of date on which 5 years of service are completed or the fifth anniversary of the date a person becomes a participant. However, if an employee was a participant in the BATUS Retail Group Pension Plan with at least 3 years of service as of January 1, 1989 and was employed by Saks Fifth Avenue on July 2, 1990, normal retirement age is 65.

- Benefit

A cash balance design with the following key provisions:

Opening Account Balance: Based on accrued benefit as of December 31, 1997

Benefit Credits: Beginning in 1998, benefit credits were provided for each year of vesting service through 2001, based on the following schedule:

| Year of Vesting Service | Benefit Credit |
|---|---|
| 1 - 2 | 2.0% |
| 3 - 6 | 2.5 |
| 7 - 10 | 3.0 |
| 11 - 15 | 4.0 |
| 16 - 20 | 5.0 |
| 21 and over | 6.0 |

Effective for participants terminating employment on or after May 1, 2002, the benefit credit is 2.0% beginning with the 2002 plan year.

Effective December 31, 2006, only those participants who are grandfathered will continue to accrue benefit credits after 2006. A grandfathered participant is an active participant who has attained age 55 and completed 10 years of service as of January 1, 2007 and is a non-highly compensated employee. Effective March 13, 2009, grandfathered participants no longer accrue benefits for periods after March 13, 2009.

Interest Credits: Based on 3-year treasury rates but not less than 4.75%.

Minimum Benefit: The benefit accrued as of March 31, 1998 under the prior plan design.

## Schedule SB, Part V – Summary of Plan Provisions

| | |
|---|---|
| **Early retirement** | |
| ▪ Eligibility | Early retirement age is the earlier of (1) age 55 with 10 years of service and (2) the age at which age plus service equals 65 with at least 5 years of service. Early retirement benefits cannot commence before age 55. |
| ▪ Benefit | The benefit provided by the cash balance account or the minimum benefit, if greater. The minimum benefit is the accrued benefit as of March 31, 1998 reduced 1/2 of 1% for each of the first 60 months and 1/4 of 1% for each of the next 60 months that early retirement precedes age 65. |
| **Late retirement** | |
| ▪ Eligibility | Termination of employment after normal retirement. |
| ▪ Benefit | A member receives an immediate annual benefit equal to the accrued benefit as of late retirement date. |
| **Deferred vested** | |
| ▪ Eligibility | After 5 years of vesting service; effective January 1, 2008 after 3 years of vesting service. |
| ▪ Benefit | Accrued benefit. |
| **Pre-retirement death** | The vested balance of the cash balance account is payable to the beneficiary. |
| **Form of benefits** | |
| ▪ Automatic form for unmarried participants | Life annuity. |
| ▪ Automatic form for married participants | Qualified joint and 50% survivor annuity. |
| ▪ Optional forms | Options available to members who retire under the plan include:<br>1. Life with 120 months guaranteed,<br>2. Joint and 50% survivor,<br>3. Joint and 75% survivor;<br>4. Lump sum.<br>For conversions from a cash balance account to a life annuity and for conversions to optional monthly forms of payment, the GATT 2003 mortality table and the 30 year Treasury rate in effect for November preceding the plan in which payment is made are used. For conversion of the December 31, 1997 and accrued benefit to a lump sum, PPA mortality and interest rates equal to the 3-tiered minimum present value segment rate for the month of November immediately preceding the first day of the Plan Year during which the lump sum occurs and reflecting the appropriate phase-ins. |

**Schedule SB, Part V – Summary of Plan Provisions**

| | |
|---|---|
| ▪ Maximum compensation | Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2009, the limit is $245,000. |
| ▪ Maximum benefits | Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2009, the limit is $195,000. |
| ▪ Administrator | Saks Fifth Avenue and Mercer |
| ▪ Funding medium | Trust. |
| ▪ Benefits not included in valuation | None. |
| ▪ Changes since the prior valuation | 1. Effective March 13, 2009, grandfathered participants no longer accrue benefits for periods after March 13, 2009.<br>2. The maximum annual benefit and compensation limits were updated as required by law. |

## *Benefits included or excluded*

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Plan amendments:** The plan amendment adopted after the valuation date that freezes all benefit accruals as of March 13, 2009 was reflected.
- **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

## *Significant Events*

To the best of our knowledge, no events occurred during the year that would significantly affect the valuation results.

Plan: Saks Fifth Avenue Pension Plan
EIN/PN: 13-1256025/003

# Saks Fifth Avenue Pension Plan
## Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
## December 31, 2009

| (a) | (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | Russell Trust Company | Russell Equity I Fund, 1,056,164 units | $ 33,436,507 | $ 42,816,879 |
| * | Russell Trust Company | Russell Equity II Fund, 101,463 units | 3,424,156 | 5,142,163 |
| * | Russell Trust Company | Russell Multi-Manager Bond Fund, 2,336,634 units | 28,601,225 | 32,081,982 |
| * | Russell Trust Company | Russell International Equity Fund with Active Currency, 2,065,711 units | 21,696,589 | 19,314,403 |
| * | Russell Trust Company | Russell Real Estate Equity Fund, 22,742 units | 4,474,561 | 4,878,368 |
| * | Russell Trust Company | Russell Emerging Markets Fund, 31,264 units | 704,990 | 2,049,040 |
| | | | $ 92,338,028 | $ 106,282,835 |

* Party-in-interest to the Plan.

NOTE: The information on this schedule has been certified as complete and accurate by Russell Trust Company, the Trustee.

## Schedule SB, Line 32 – Schedule of Amortization Bases

| | Amortization Period | | | Balances | | |
|---|---|---|---|---|---|---|
| Base | Date Created | Initial Years | Years Left | Initial | Present Value of Remaining Installments | Installment |
| Shortfall | 1/1/09 | 7 | 7 | $4,772,947 | $4,772,947 | $846,953 |
| Total | | | | | $4,772,947 | $846,953 |

## Schedule SB, Line 25 – Change in Method

Beginning with the 2009 valuation, the method used to develop the actuarial value of assets was changed from market value to an annual average of the adjusted market value over the last 25 months preceding the valuation date. The adjusted market value is the market value at each determination date (calendar year end) adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value as defined in IRC Section 430. A characteristic of this asset valuation method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than market value.

The discount rate elected for the January 1, 2008 valuation was the 24-month average of segmented rates with no lookback and without phase-in. For the January 1, 2009 valuation the full yield curve with a two-month lookback was used.

## Schedule SB, Line 24 – Change in Actuarial Assumptions

Interest discounts and mortality rates were updated from 2008 to 2009 in accordance with PPA and sponsor elections. Expense normal cost was increased from $0 to $1,403,229.

**Schedule SB, Line 22 – Description of Weighted Average Retirement Age**

The number of employees expected to retire at each potential retirement age is shown below.

| Age | Retirement Percent | Lx | # Ret | #Ret x Age |
|---|---|---|---|---|
| 55 | 9.00% | 10,000 | 900 | 49,500 |
| 56 | 7.00% | 9,100 | 637 | 35,672 |
| 57 | 7.00% | 8,463 | 592 | 33,767 |
| 58 | 8.00% | 7,871 | 630 | 36,520 |
| 59 | 8.00% | 7,241 | 579 | 34,177 |
| 60 | 9.00% | 6,662 | 600 | 35,973 |
| 61 | 9.00% | 6,062 | 546 | 33,281 |
| 62 | 10.00% | 5,517 | 552 | 34,202 |
| 63 | 15.00% | 4,965 | 745 | 46,918 |
| 64 | 15.00% | 4,220 | 633 | 40,513 |
| 65 | 25.00% | 3,587 | 897 | 58,291 |
| 66 | 15.00% | 2,690 | 404 | 26,634 |
| 67 | 15.00% | 2,287 | 343 | 22,982 |
| 68 | 15.00% | 1,944 | 292 | 19,826 |
| 69 | 15.00% | 1,652 | 248 | 17,100 |
| 70 | 15.00% | 1,404 | 211 | 14,746 |
| 71 | 15.00% | 1,194 | 179 | 12,713 |
| 72 | 15.00% | 1,015 | 152 | 10,958 |
| 73 | 15.00% | 862 | 129 | 9,444 |
| 74 | 15.00% | 733 | 110 | 8,137 |
| 75 | 100.00% | 623 | 623 | 46,735 |
| | | Sum | 10,000 | 628,092 |
| | | Average Age | | 63 |

The weighted average retirement age is the total for the number of Retirements multiplied by age and divided by the total number of Retirements, rounded to the nearest age. It should be noted that while only integral values are shown in the table, the full content of each cell, including decimal portions, is used in the calculations.