

## Important Benefits Information:

- 1) **Summary Material Modification (“SMM”) for the “TRU” Partnership Employees’ Savings and Profit Sharing Plan (Puerto Rico) (“TRU” Plan-PR)**
- 2) **2012 Plan Year Annual Limits**
- 3) **Other Changes Required under the New PR Code**

### 1) **SMM for the “TRU” Plan-PR**

This SMM is a summary of the changes to the “TRU” Plan-PR in effect as of January 1, 2011. Details of the “TRU” Plan-PR, as well as provisions of the “TRU” Plan-PR in effect prior to January 1, 2011, are contained in the “TRU” Plan document, as amended, Trust Agreement and Summary Plan Description (“SPD”) that legally govern the “TRU” Plan-PR. If there is any discrepancy between the information contained in this document and the “TRU” Plan-PR documents, the “TRU” Plan-PR documents will always govern. If there are legal rules that require changes that are not written into the “TRU” Plan-PR document, the “TRU” Plan-PR document will be interpreted by the “TRU” Plan-PR Administrator as including those legal rules.

This SMM also makes changes to, and supersedes, information contained in the SPD for the “TRU” Plan-PR.

Please note that nothing in this SMM is meant to imply a contract or guarantee of employment. Participation in the “TRU” Plan-PR does not preclude Toys”R”Us, Inc. (or its affiliates) from terminating your employment at any time, whether or not for cause, with or without notice.

Please read this SMM carefully and share the information with your family. If you have any questions about the changes highlighted in this SMM or about the “TRU” Plan-PR in general, please contact the “**R**” **Retirement Benefits Line** at **866-690-401k (4015)**.

#### **Effective date of “TRU” Plan-PR**

The “TRU” Plan-PR is effective as of December 31, 2010, when TRU of Puerto Rico, Inc. adopted it for those employees who are bona fide residents of Puerto Rico and provide services to an Employer located in Puerto Rico. The “TRU” Plan-PR has been established to serve as successor retirement plan for participants in the “TRU” Partnership Employees’ Savings and Profit Sharing Plan (the “US Plan”) who are bona fide residents of Puerto Rico as of its effective date.

#### **Effective Date of Amendments of the New PR Code**

The amendments made to the “TRU” Plan-PR, pursuant to the enactment of the Puerto Rico Internal Revenue Code of 2011, as amended (the “New PR Code”), are effective as of January 1, 2011, or January 1, 2012, as applicable.

### 2) **2012 Plan Year Annual Limits**

Please note the following important information regarding the “TRU” Plan-PR.

The following New PR Code limits are applicable for the 2012 Plan Year, as applicable:

- The New PR Code maximum covered compensation limit in 2012: **\$250,000**
- The maximum combined contribution limit (including employer, employee and other additions with respect to participants) for 2012: **100% of the participant’s compensation or \$50,000, whichever is less.**
- Annual maximum before-tax contribution limit for 2012: **\$13,000**
- Annual Catch-up Contribution limit: **\$1,500** (provided for participants who will be at least age 50 by December 31, 2012, in excess of the before-tax contribution limit of \$13,000 for 2012).

### **3) Other Changes Required under the New PR Code**

#### **Combined Annual Contributions to Retirement Plan/IRA Limit**

Effective January 1, 2011, the combined limit between contributions to a Puerto Rico retirement plan and an Individual Retirement Account (“IRA”) is eliminated. Accordingly, effective January 1, 2011, participants can contribute the maximum annual before tax amount under a retirement plan, and also make a maximum annual contribution to an IRA of \$5,000 or compensation income, as applicable. This change is effective for tax year 2011 (for tax returns due on April 2012) and thereafter.

#### **Rollover Distribution of Benefits**

Effective January 1, 2011, partial rollovers of distributions from the “TRU” Plan-PR to another qualified retirement plan in Puerto Rico or to a Puerto Rico IRA are allowed at the election of the participant if such rollover is made as result of separation from service or termination of the retirement plan, in the context of a total distribution of benefits from the “TRU” Plan-PR (that is, a partial rollover to another PR qualified plan or IRA, and the remaining amount distributed to the participant or beneficiary).

#### **Definition of “Highly Compensated Employee”**

Effective January 1, 2011, “Highly Compensated Employee” is defined as a participant who is an officer of the employer, a 5% owner of the voting stock or total value of all classes of stock (or capital or interest in case of a non-corporate entity) of the Employer, or received compensation in the prior taxable year in excess of the applicable annual limit (e.g., \$110,000 for 2011, and \$115,000 for 2012). This definition is used for purposes of performing various discrimination testing under the “TRU” Plan-PR, in compliance with the New PR Code.