



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

August 31, 2017

Mr. Harry Boot
Chairman of the Board of Trustees
United Furniture Workers Pension Fund A
1910 Air Lane Drive
Nashville, TN 37210

Re: United Furniture Workers Pension Fund A (Fund) Application for Benefit Reduction

Dear Mr. Boot:

On July 20, 2017, you were notified that the Secretary of the Treasury (Treasury), in consultation with the Secretary of Labor (DOL) and the Pension Benefit Guaranty Corporation (PBGC), had reviewed your March 15, 2017, application for a reduction in benefits (Application) and determined that the Application satisfied the requirements of subparagraphs (C), (D), (E), and (F) of section 432(e)(9) of the Internal Revenue Code (Code), as added by Multiemployer Pension Reform Act of 2014 (MPRA). The notification indicated that, as required under MPRA, before any benefit reduction could go into effect, Treasury would administer a vote of eligible participants and beneficiaries to approve or reject the proposed benefit reduction.

Following the administration of the vote, which concluded on Thursday, August 24, 2017, Treasury has counted the votes and determined that 20.79% of eligible voters voted to reject the benefit reduction. Of the 2,969 votes cast in the election, 1,041 voted to approve the benefit reduction, and 1,928 voted to reject it. Because a majority of eligible voters did not vote to reject the benefit reduction, the benefit reduction may go into effect. This letter serves as a final authorization to reduce benefits under the Fund as described in the Application, effective September 1, 2017, subject to the conditions described below.

Under MPRA, the Fund's ability to reduce benefits is conditioned on the Fund's compliance with subparagraphs (C) and (E) of section 432(e)(9). Under subparagraph (C), after the benefit reduction goes into effect, the plan sponsor of the Fund must make an annual determination that, despite all reasonable measures to avoid insolvency, the Fund is projected to become insolvent unless the benefit reduction continues. The Fund must maintain a written record of the annual determinations, and this record must include a description of the factors considered to determine whether all reasonable measures have been taken to avoid insolvency. The written record must be made available to participants and beneficiaries. If the Fund fails to satisfy the annual plan sponsor determination requirement for a plan year (including maintaining the written record), then the reduction of benefits will expire as of the first day of the following plan year.¹

¹ 26 C.F.R. § 1.432(e)(9)-1(c)(5).

Subparagraph (E) of section 432(e)(9) contains rules that apply to any benefit improvements that are made to the Fund during the period that the benefit reduction remains in effect.

A copy of this letter will be posted on the Treasury Department website. Please contact Treasury staff if you have any questions or need any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Robert Neis (CAW)".

Robert Neis
Office of Tax Policy