

December 20, 2019

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Re: Facilitated Merger of the
Laborers International Union of North America Local 1000 Pension Fund into
the Laborers Local 235 Pension Fund

Dear Mr. Iaccarino and Ms. Madan:

By your letter to PBGC dated June 7, 2019, you notified PBGC of the proposed facilitated merger, to be effective on January 1, 2020, of the Laborers International Union of North America Local 1000 Pension Fund (the “**Local 1000 Plan**”) into the Laborers Local 235 Pension Fund (the “**Local 235 Plan**” and, together with the Local 1000 Plan, the “**Plans**”). And you conveyed the Plans’ sponsors’ (the “**Sponsors**”) request: (1) that PBGC determine that the merger satisfies the requirements of section 4231(b) of ERISA and thus falls within the section 4231(c) safe harbor from certain prohibited transaction rules; and (2) that PBGC provide financial assistance to facilitate the merger.

PBGC has discretion under section 4231(e) of ERISA to take such actions as it deems appropriate to facilitate the merger of two or more multiemployer plans if it determines that the proposed merger is in the interests of the participants and beneficiaries of at least one of the plans, and is not reasonably expected to be adverse to the overall interests of the participants and beneficiaries of any of the plans involved in the proposed merger. PBGC may in its discretion approve a financial assistance merger that it determines necessary to allow one or more of the plans to avoid insolvency, if the request for a financial assistance merger satisfies the requirements under section 4231(b) and (e) of ERISA and the regulations thereunder. Based on the entire record, PBGC:

1. has determined that the proposed merger complies with the requirements of section 4231 and the regulations thereunder, except the requirement, under 29 C.F.R. §§ 4231.3(a)(4), 4231.8(a)(1), that a notice of a facilitated merger be filed with PBGC 270 days before the proposed merger date;¹

¹ A merger of multiemployer plans is deemed not to violate the prohibited transaction provisions of sections 406(a) and 406(b)(2) of ERISA if PBGC determines that the merger complies with the requirements of section 4231. See ERISA § 4231(c), 29 U.S.C. § 1411(c).

2. waives that timing-of-notice requirement pursuant to 29 C.F.R. § 4231.8(g);
3. has determined that the merger is necessary for the Local 1000 Plan, a plan certified to be in critical and declining status, to avoid insolvency;
4. has determined that the financial assistance merger is in the interests of the participants and beneficiaries of the Local 1000 Plan and is not reasonably expected to be adverse to the overall interests of the participants and beneficiaries of either Plan;
5. will provide financial assistance to facilitate the merger, in three annual installments of \$8.9 million each, beginning January 15, 2020, under the terms of a Financial Assistance Agreement to be executed by PBGC and the board of trustees of the Local 235 Plan, a form of which is attached for the board's execution;
6. reasonably expects that the provision of such financial assistance is necessary for the Local 235 Plan to remain solvent following the merger;
7. reasonably expects that such financial assistance will reduce PBGC's expected long-term loss with respect to the Local 1000 Plan; and
8. has determined that providing such financial assistance will not impair PBGC's ability to meet existing financial assistance obligations to other plans.

PBGC will pay the financial assistance exclusively from its multiemployer insurance fund.

Please have the board of trustees of the Local 235 Plan execute the attached Financial Assistance Agreement after the merger agreement is fully executed, and then send the partially executed Financial Assistance Agreement to us with the executed merger agreement attached.

Sincerely,



Karen L. Morris
Chief of Negotiations and Restructuring

Enclosure