



Pension Benefit Guaranty Corporation
1200 K Street, N.W., Washington D.C. 20005-4026

July 20, 2017

Christian E. Benjaminson
Cheiron
1000 Atrium Way, Suite 403
Mount Laurel, NJ 08054

Kyle Flaherty
Bryan Cave LLP
1290 Avenue of the Americas
New York, NY 10104

Re: Conditional Approval Letter for Partition of the United Furniture Workers Pension Fund A

Dear Messrs. Benjaminson and Flaherty:

On February 28, 2017, the United Furniture Workers Pension Fund A (“Plan”) submitted an application for partition to the Pension Benefit Guaranty Corporation (“PBGC”), under section 4233 of Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Multiemployer Pension Reform Act of 2014 (MPRA) (“Application”).

We are writing to notify you of PBGC’s decision to conditionally approve the Application. PBGC has determined that the proposed partition of the Plan, effective as of September 1, 2017, satisfies the requirements of ERISA section 4233(b) and PBGC’s regulations under 29 CFR § 4233.

Because the Plan will require both partition and benefit suspensions to remain solvent, this determination is conditioned on the U.S. Department of the Treasury (“Treasury”) issuing a final authorization to suspend under ERISA section 305(e)(9)(H)(vi).

Based on the Application, and the entire record, PBGC makes the following findings:

- (1) The Plan is in critical and declining status, as certified by the Plan’s actuary (ERISA section 4233(b)(1));
- (2) After consultation with the Participant and Plan Sponsor Advocate, the Plan sponsor has taken all reasonable measures to avoid insolvency (ERISA section 4233(b)(2));
- (3) A partition of the Plan is necessary for the Plan to remain solvent: the Plan’s Trustees and actuary have demonstrated that, based on reasonable actuarial assumptions, the Plan will remain solvent (ERISA section 4233(b)(3)(B));

- (4) The partition will reduce PBGC's expected long-term loss (ERISA section 4233(b)(3)(A));
- (5) The partition will not impair PBGC's ability to meet existing financial assistance obligations to other plans (ERISA section 4233(b)(4)); and
- (6) Financial assistance to the successor plan will be paid exclusively from the multiemployer insurance fund (ERISA section 4233(b)(5)).

Based on its findings, PBGC concludes that the requirements for the Plan to be eligible for partition under ERISA section 4233(b) and PBGC's regulations are satisfied, and PBGC approves the Application for partition conditional on Treasury's final authorization to suspend.

In accordance with the record and PBGC's determination, PBGC will issue a partition order, effective as of September 1, 2017, for the transfer to a successor plan (as defined in 29 CFR § 4233.2 (the "Successor Plan")) of all of the guaranteed benefit liabilities associated with the Plan's terminated vested participants and 56% of the guaranteed benefit liabilities associated with the Plan's retirees, beneficiaries and disabled participants. As of September 1, 2017, the Plan shall become the "Original Plan" (as defined in 29 CFR § 4233.2). The Plan's Board of Trustees will administer both the Original Plan and the Successor Plan, and process all pension benefits, including Residual benefits (as defined in 29 CFR § 4233.2) and Successor Plan benefits. If Treasury does not issue a final authorization to suspend, PBGC's conditional approval will be null and void.

Under the partition order, PBGC will provide financial assistance to the Successor Plan in an amount sufficient to enable the Successor Plan to pay the PBGC-guaranteed benefits transferred to the Successor Plan, and reasonable and necessary expenses, subject to PBGC approval. The partition order will also specify reporting requirements and other provisions of the partition.

In addition, PBGC will continue to have jurisdiction over the Original and Successor Plans to carry out the purposes, terms, and conditions of the partition order. See ERISA sections 4233, 4261 and the regulations thereunder.

Please let us know if you have any questions.

Best regards,

Karen L. Morris
Chief of Restructuring and Negotiations
Pension Benefit Guaranty Corporation

cc: Board of Trustees of the United Furniture Workers Pension Fund A