



COMMISSIONER  
TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

NOV 02 2001

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U/L 4971.00-00

T:EP:RA:T:AI

In re:

This letter constitutes notice that, with respect to the above-named money purchase pension plan, your request for waivers of the 100% excise tax under § 4971(b) of the Internal Revenue Code for the two plan years ended December 31, 1993-1994 has been conditionally granted. The conditional waivers have been granted for the tax that would otherwise apply to the accumulated funding deficiencies for those two plan years.

The conditional waivers of the 100% excise tax have been granted in accordance with § 3002(b) of the Employee Retirement Income Security Act of 1974 (ERISA). The amount for which each of these conditional excise tax waivers has been granted is equal to 100 percent of the accumulated funding deficiency in the funding standard account to zero as of the end of each of the applicable plan years for which a waiver is granted to the extent such deficiency has not been corrected. Of course, because we have conditionally waived the 100% excise tax for these two plan years, the penalties and interest associated solely with respect to the excise taxes under § 4971(b) of the Code will be zero.

The New York State Department of Social Services ("DSS") changed eligibility standards for the Employer's clients in 1993. Therefore, DSS began to reimburse the Employer at 50% of the previous funding rate. DSS represents a major revenue source for the Employer. Accordingly, because the Employer was unable to replace that lost revenue it began to run a deficit. In addition to the DSS policy change, the county where the Employer provides services began in 1998 to provide reimbursement at a lower rate than the county had historically done. Also, according to the information received, the Plan was frozen in 1994 and converted into a profit-sharing plan of the Employer in 1995. Therefore, no additional participant allocations have been required since the end of the 1994 plan year.

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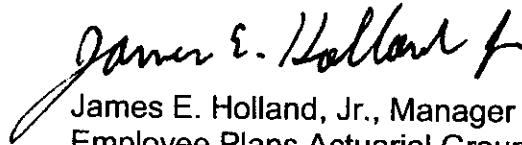
These waivers are subject to the following condition:

The Employer will allocate to the accounts of all non-management Plan participants the difference between the required Plan contribution for such participants in 1993 less the contributions to the profit-sharing plan in 1995 for such participants. This amount equals \$54,510. The payment schedule for this amount will be 12 monthly payments of \$700 each followed by 24 monthly payments of \$1,921.25. This payment schedule will commence in the month following the date of this letter.

In a letter sent by your authorized representative dated October 21, 2001, you agreed to this condition. If the condition is not satisfied, these waivers are retroactively null and void.

We have sent a copy of this letter to your authorized representative pursuant to a Form 2848 (Power of Attorney) on file with our office. We have also sent a copy of the letter to the EP Classification Manager in \_\_\_\_\_ and to the EP Area Manager for the \_\_\_\_\_ If you have any questions, please contact me. Or, you may contact \_\_\_\_\_

Sincerely,



James E. Holland, Jr., Manager  
Employee Plans Actuarial Group 1  
Tax Exempt and Government Entities  
Division

cc:

cc:

cc: