



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

201052021

OCT - 5 2010

Significant Index Number: 412.06-00

Number: **201052021**
Release Date: 12/30/2010

In re: Request for Waiver of the Minimum Funding Standard for *****

EIN: *****

Company = *****

Plan = *****

Dear *****:

This letter constitutes notice that a waiver of the minimum funding standard for the Plan, for the plan year ending December 31, 2006 has been approved subject to the following conditions:

1. Collateral acceptable to the Pension Benefit Guaranty Corporation (PBGC) is provided to the Plan for the full amount of the waiver by the later of (a) 120 days from the date of the ruling letter or (b) the earlier of (i) the date the PBGC notifies the Service in writing that this condition has not been met or (ii) 360 days from the date of the ruling letter;
2. The Sponsor provides the PBGC with the copy of any ruling request it makes under section 412(c)(7)(B) of the Code;
3. Starting with the quarterly contribution due on October 15, 2010, the Sponsor makes the required quarterly contributions to the Plan in a timely fashion while the plan is subject to a waiver of the minimum funding standard. For this purpose, the total amount of each quarterly contribution will be determined in accordance with section 430(j)(3)(D) and section 430(j)(3)(E) of the Code, and can be comprised of several installments made prior to the respective due date of the quarterly contribution;
4. The Sponsor makes contributions to the Plan in an amount sufficient to meet the minimum funding requirements for the Plan for the plan years ending December

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31, 2007, through 2011, by September 15, 2008 through 2012, respectively (without applying for a waiver of the minimum funding standard);

5. The Sponsor provides proof of payment of all contributions described above in a timely manner, to the Service and to the PBGC using the fax numbers or addresses below.

IRS - EP Classification

Fax: *****

Pension Benefit Guaranty Corporation

Fax: *****

If any one of these conditions is not satisfied, the waiver is retroactively null and void.

This conditional waiver has been granted in accordance with section 412(d) of the Internal Revenue Code and section 303 of the Employee Retirement Income Security Act of 1974 ("ERISA"). The amount for which this conditional waiver has been granted is the contribution that would otherwise be required to reduce the balance in the funding standard account to zero as of December 31, 2006.

The Company is a partnership comprised of two non-stock, non-profit hospitals. The main purpose of the partnership was to create a regional healthcare delivery system and improve the financial health of both hospitals.

The Company made its pension contributions from Limited Use assets that require approval before their use. If these assets were used to fund the Plan for the year in which the waiver was requested, they would have been depleted to the point of putting the Company at risk, preventing the Company from expanding its programs and services. The expansion of these programs and services is vital to the Company's recovery. However, the Company cannot continue to draw down its Limited Use assets indefinitely. In addition, the Company has renegotiated contracts, reduced labor costs, and increased fees to improve its financial position. The Company has demonstrated that it can continue to make contributions to the Plan by satisfying the 2007 through 2011 minimum funding requirements.

Your attention is called to section 412(f) of the Code and section 304(b) of ERISA which describe the consequences that would result in the event the Plan is amended to

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increase benefits, change the rate in the accrual of benefits or to change the rate of vesting, while any portion of the waived funding deficiency remains unamortized. Please note that any amendment to a profit sharing plan or any other retirement plans (covering employees covered by this plan) maintained by the Company, to increase the liabilities of those plans would be considered an amendment for purposes of section 412(f) of the Code and section 304(b) of ERISA. Similarly, the establishment of a new profit sharing plan or any other retirement plan by the Company (covering employees covered by this plan) would be considered an amendment for purposes of section 412(f) of the Code and section 304(b) of ERISA.


This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

When filing Form 5500 for the plan year ending December 31, 20 , the date of this letter should be entered on Schedule B (Actuarial Information). For this reason, we suggest that you furnish a copy of this letter to the enrolled actuary who is responsible for the completion of the Schedule B.

We have sent a copy of this letter to the Manager, EP Classification in ,
, and to the Manager, EP Compliance Unit in .

If you require further assistance in this matter, please contact *** ***** at () -

Sincerely yours,



for Andrew Zuckerman, Director
Employee Plans, Rulings & Agreements

cc: *****

Manager, EP Classification

Manager, EP Compliance Unit