



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

201147031

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

OCT 06 2010

SE: T. EP: RA: A2

Re:

Dear :

This letter constitutes notice that the Service has approved your request for a modification of its prior approval of a 10-year extension for amortizing the Plan's unfunded liabilities for the plan year beginning July 1, 20 . This amortization extension is described in Code Section 412(b) and Section 302(b)(2)(B) of the Employee Retirement Security Act of 1974 ("ERISA"), prior to amendment by the Pension Protection Act of 2006 ("PPA '06"). The conditions of this approval are outlined in this letter.

The prior amortization extension was granted subject to certain conditions. One of the conditions was that:

- (2) the Plan's funded ratio, calculated by dividing the Plan's market value of assets by its actuarial accrued liability (computed by using the unit credit method and the Plan assumptions as of July 1, 20 is:
 - (a) no less than 59% for each valuation date from July 1, 20 through July 1, 2011, inclusive;
 - (b) for each valuation date subsequent to July 1, 2011, no less than 1% greater than the floor funded ratio as of the previous valuation date. (For example, because the floor funded ratio as of July 1, 20 is 59%, the funded ratio must be at least 60% as of July 1, 20 and 61% as of July 1, 20

The approval would be retroactively null and void if the conditions were not met. However, the approval letter indicated that the Service will consider modifications of these conditions especially in the event that unforeseen circumstances beyond the control of the Plan may cause the actual experience of the Plan to fail the funded ratio condition. An example of such unforeseen circumstance would be market fluctuations which affect the value of the Plan's assets. This unforeseen circumstance happened for the plan year ending June 30, 2008 with a general decline in asset values worldwide.

The Plan had met the funded ratio conditions above for the plan years beginning July 1, 2007 through July 1, 2008 (see table below).

<u>Each July 1 Valuation Date</u>	<u>Funded Ratio (target minimum = 59%)</u>
2007	64.9%
2008	63.0%
2009	67.6%
2010	59.1%

For the plan year ended June 30, 2009, the plan's asset return was negative 16.6%. This resulted in a funded ratio as of July 1, 2009 of 45.7%. Had the fund earned the assumed 8.0%, the funded ratio would have been 59.4%.

This approval modifies conditions, 2, 2(a) and 2(b) outlined above, effective July 1, 2009 as follows:

(2) the Plan's funded ratio, calculated by dividing the Plan's market value of assets by its actuarial accrued liability (computed using the unit credit method and the Plan assumptions as of July 1, 2009 taking into account provisions of the rehabilitation plan) is:

(a) no less than 46% as of July 1, 2009

(b) for each July 1 valuation date subsequent to July 1, 2009 the funded ratio shall not be less than the percentages shown in the following table:

<u>Year</u>	<u>Funded Ratio</u>
2009	47%
2010	49%
2011	50%
2012	53%
2013	56%
2014	59%
2015	62%

<u>Year</u>	<u>Funded Ratio</u>
20	66%
20	70%
20	74%
20	79%
20	83%
20	88%
20	93%
20	98%
20	100%

Please note that the address has changed for filing copies of the actuarial valuation report and Schedule MB (Form 5500) to the following:

IRS - EP Classification
10 Metro Tech Center
625 Fulton Street
Brooklyn NY 11201

If any one of the prior and modified conditions is not satisfied, the approval to extend the amortization periods for amortizing the unfunded liabilities will be null and void, retroactive to July 1, 20 . However, the Service will consider modifications of these conditions, especially in the event that unforeseen circumstances beyond the control of the Plan may cause the actual experience of the Plan to fail the funded ratio condition. An example of such an unforeseen circumstance would be market fluctuations which affect the value of the Plan's assets. Of course, any request for a modification would be considered another ruling request and would be subject to an additional user fee.

Your attention is called to section 412(c)(7) of the Code and section 302(c)(7) of ERISA which describe the consequences that would result in the event the Plan is amended to increase benefits, change the rate in the accrual of benefits or to change the rate of vesting, while the amortization extension remains in place. Please note that any amendment that increases liabilities for a profit sharing plan or any other retirement plans (whether qualified or unqualified) maintained by the Trustees for the Plan and covering participants of the Plan to which this ruling applies, would be considered an amendment for purposes of section 412(c)(7) of the Code and section 302(c)(7) of ERISA. Similarly, the establishment of a new profit sharing plan or any other retirement plan (whether qualified or unqualified) maintained by the Trustees for the Plan and covering participants of the Plan to which this ruling applies, would be considered an amendment for purposes of section 412(c)(7) of the Code and section 302(c)(7) 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.

We have sent a copy of this letter to the _____ and to your
to the _____ authorized representative pursuant to a power of attorney on file in this office.

This ruling has been made considering the September 9, 20____ response from your
authorized representative to our previous tentative ruling. If you require further
assistance in this matter, please contact _____

Sincerely yours,

A handwritten signature in black ink, appearing to read "D. M. Ziegler", written in a cursive style.

David M. Ziegler, Manager
Employee Plans Actuarial Group 2