

UNITED FURNITURE WORKERS *Employees Pension Fund*

P.O. BOX 100037 TEL: 615-889-8860 1910 AIR LANE DRIVE
NASHVILLE, TN 37224 FAX: 615-391-0865 NASHVILLE, TN 37210

Trustees
ELMO DE SILVA
ULISES VERGARA
DEE ANNE WALKER

HARRY BOOT
Chairman

DEE ANNE WALKER
Director

Notice of Critical Status for the Pension Plan for Employees of United Furniture Workers of America

CHEIRON
Actuarial Consultants
BRYAN CAVE LLP
General Counsel
JOSEPH WARREN & CO
Certified Public Accountants

This is to inform you that on March 30, 2018 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning January 1, 2018. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status and will remain in critical status until it is projected to have a positive credit balance for the next 10 years. Currently, the plan's actuary determined that the plan is projected to have an accumulated funding deficiency for the plan year ending 2018.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the ninth year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On December 30, 2013, the Board amended the Rehabilitation Plan to include reductions in Adjustable Benefits and a reduction in future benefit accruals as part of the Preferred Schedule. These changes in benefits were effective March 1, 2014. On December 28, 2016, the Board again amended the Rehabilitation Plan to include further reductions in Adjustable Benefits effective April 1, 2017. Please review the notice dated January 27, 2017 for more detail on these plan changes.

If the trustees of the plan determine that further benefit reductions are necessary, or your Employer elects the Default Schedule, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. On April 30, 2010, you were notified that as of April 30, 2010 the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2010.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Other similar benefits, rights, or features under the plan

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status. The surcharges continue until such time as the bargaining parties adopt one of the approved Rehabilitation Schedules. Currently all contributing employers have adopted the Preferred Schedule and thus the surcharges are no longer applicable.

Where to Get More Information

For more information about this Notice, you may contact the Fund Office by telephone at 1-615-889-8860 or by letter at 1910 Air Lane Drive, Nashville, TN 37210. You have a right to receive a copy of the rehabilitation plan from the plan.

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April 6, 2018


Department of Labor
Employee Benefits Security Administrations
Public Disclosure Room, N-1513
200 Constitution Avenue, NW
Washington, DC 20210

EBSA/PUBLIC DISCLOSURE
2018 APR 13 PM 12:24

To Whom It May Concern:

The enclosed Notice of Critical Status for 2018 for the United Furniture Workers Employees Pension Fund has been mailed to the Fund's covered participants, beneficiaries receiving benefits, local unions representing the participants of the Plan, each contributing employer and the Pension Benefit Guarantee Corp.

Sincerely yours,


Dee Anne Walker
Director

DAW/lf

Enclosure

CC: Mr. Harry Boot
Mr. Christian Benjaminson
Kyle Flaherty, Esquire

CERTIFIED MAIL - RETURN RECEIPT REQUESTED