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

This is to inform you that on March 31, 2026 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, 2026. Federal law requires that you receive this notice.

Critical Status
Under federal pension law, the Pension Plan for Employees of the United Furniture Workers of America ("Employees' Pension Fund" or the "Plan") is considered to be in critical status in the Plan Year ending December 31, 2026, because the Plan received special financial assistance from the Pension Benefit Guaranty Corporation under the American Rescue Plan Act.

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 second year the Plan is back into critical status after being in critical and declining status from 2019-2023. 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. On August 16, 2018, the Board amended the Rehabilitation Plan to require indefinite 1.5% annual employer contribution increases, after a one-time contribution reduction of 25% effective July 1, 2018. On July 23, 2019, the Board amended the Rehabilitation Plan to have the 1.5% annual employer contribution increases effective on the contract cycle.

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 that date 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 Employees' Pension Fund 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.