



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

APR 11 2017

In re:

("Plan");

EIN: - , Plan No.

Dear :

This letter constitutes notice that the ruling letter (the "Ruling Letter"), dated October 6, 2010, modifying the ruling letter dated August 2, 2006, granting conditional approval for a 10-year extension for amortizing the unfunded liabilities described in section 412(b)(2)(B) of the Internal Revenue Code and section 302(b)(2)(B) of the Employee Retirement Income Security Act of 1974, has been modified.

Specifically, the Ruling Letter has been modified, in substantive part, to replace the paragraph on page three immediately below the filing address for copies of the actuarial valuations and Schedules MB<sup>1</sup> with the following sentence<sup>2</sup>:

If any one of the prior and modified conditions is not satisfied, the approval to extend the amortization periods for amortizing the unfunded liabilities shall not apply to any plan year ending on or after the date the condition is not satisfied.

It is our understanding that the Plan first failed to meet one of the conditions in the Ruling Letter in the plan year beginning July 1, 20 . Therefore, the approval to extend the amortization periods for amortizing the unfunded liabilities does not apply to the plan year beginning July 1, 20 , and all subsequent plan years.

The Plan has been in Critical status since the plan year beginning July 1, 20 . It is our understanding that the Plan has not failed any of the requirements in paragraphs (2), (3), or (4) of section 4971(g) of the Code. Accordingly, no tax under section 4971 shall be imposed under section 4971 for the plan year beginning July 1, 20 and all subsequent plan years in which the Plan is in Critical status and has not failed any of the requirements in paragraphs (2), (3), or (4) of section 4971(g) of the Code. Your authorized representative agreed to this modification by facsimile dated March 27, 2017.

<sup>1</sup> Prior to the modification the first sentence of the replaced paragraph read as follows: "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 retroactively null and void, retroactive to July 1, 2003."

<sup>2</sup> Of course, the sentence effectively replaces the first paragraph on page 4 of the ruling letter dated August 2, 2006, as well.

This letter also changes the filing address for copies of the actuarial valuation reports and Schedules MB (Form 5500) to the following address.

Internal Revenue Service  
Attn: David M. Ziegler, SE:T:EP:RA:T:A2  
1111 Constitution Avenue, N.W., NCA-630  
Washington, DC 20224

This modification carries out the purposes of ERISA, and protects participants. The failure to provide this modification to the extension would be a substantial risk to the continuation of the plan and would be adverse to participants' interests.

When an amortization extension becomes prospectively null and void, the following steps must be taken in determining the funding standard account as of the beginning of the plan year in which it becomes prospectively null and void (Revocation Date).

1. Effective at the Revocation Date, the balance of each extended amortization base would be redetermined as an amount equal to the balance that each extended base would have had if the extension had not been granted (hereinafter, the "Redetermined Prospective Revocation Balance"). For this purpose, if as of the Revocation Date, the base would have been fully amortized had the extension not been granted, the Redetermined Prospective Revocation Balance on account of such base as of the Revocation Date shall equal \$0.
2. There is a one-time charge to the funding standard account at the Revocation Date on account of each extended amortization base equal to the excess of (A) over (B), where:
  - A. Is the actual balance of the extended amortization bases determined as if the amortization extension was not null and void on the Revocation Date.

Note that the balance of each extended amortization base is determined as the prior year's balance brought forward with interest at the prior year's valuation interest rate less the prior year's extended amortization payment brought forward with interest at the prior year's IRC 6621(b) rate.

- B. Is the Redetermined Prospective Revocation Balance.
3. The annual amortization charge at the Revocation Date for each amortization base that was previously extended shall be redetermined by amortizing each Redetermined Prospective Revocation Balance over the remaining amortization period, determined without regard to the extension previously granted under section 412(e) of the Code. The resulting amortization charges would be determined using the applicable valuation interest rate at the Revocation Date.

Note that if the Redetermined Prospective Revocation Balance of an extended base is \$0, there is no amortization charge with respect to such base at the Revocation Date.

4. At the Revocation Date, the reconciliation account shall be redetermined as if the amortization extension had never been approved.

Your attention is called to section 431(b)(7)(B) of the Code which provides for an adjustment to the funding standard account when a multiemployer plan leaves reorganization. If a multiemployer plan is not in reorganization in the current plan year but was in reorganization in the immediately preceding plan year, any balance in the funding standard account at the close of such immediately preceding plan year shall be eliminated by an offsetting credit or charge (as the case may be) and shall be taken into account in subsequent plan years by being amortized in equal installments (until fully amortized) over a period of 30 plan years.

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 Manager, EP Classification in Baltimore, Maryland, to the Manager, EP Compliance Unit in Chicago, Illinois, and to your authorized representative pursuant to a power of attorney on file in this office.

If you require further assistance in this matter, please contact me (ID# ) at ( ) - .

Sincerely yours,

David M. Ziegler, Manager  
Employee Plans Actuarial Group 2

cc: