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Significant Index No. 0412.06-00

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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

AUG 18 2003

T:EP:RA:T:A2

In re: Request for waiver of the minimum funding standard for
of

Plan No. 001
EIN:

Agency =

Dear

This letter constitutes notice that a waiver of the minimum funding standard has been granted for the above-named pension plan for the plan year beginning January 1, 2002.

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

The Agency is a non-profit Code section 501(c)(3) corporation that provides services that help to support, strengthen, and build better ,
. Areas in which the Agency has provided support include

The Agency has experienced substantial, temporary hardship as evidenced by a negative net worth in 2000, declining revenue and support over the years 2000 to 2002, and a net operating loss as of January 31, 2003. A substantial portion of the Agency's revenue is derived from reimbursements by the state, which has significantly reduced the amount of reimbursements to be paid to the Agency.

The Agency supports 11 main programs, and some of these have either been mismanaged or have been unprofitable, contributing to the financial difficulties of the Agency.

The Agency has taken steps to effect recovery, and expects improved financial performance due to a restructuring and refocus on fiscal year budgets for each of the Agency's programs. Each of the program managers of the Agency are to receive special budgetary training by outside consultants in fiscal planning and management, and the consulting costs will be provided through a foundation grant at no cost to the Agency. The Agency has identified and eliminated non-profitable portions of each program. The Agency is currently in the midst of a fundraising campaign, and has already received commitments of 59% of its goal.

The Plan was amended to cease benefit accruals as of October 31, 1996, and to not take compensation earned after October 31, 1996, into account for the final average compensation used in benefit calculations. As of January 1, 2002, the ratio of the market value of assets to the present value of vested benefits is approximately 74%.

Your attention is called to section 412(f) of the Code and section 304 of ERISA which describes the consequences which result in the event the plan is amended to increase benefits, to change the rate in the accrual of benefits, or to change the rate of vesting while any portion of the waived amount remains unamortized.

This ruling is directed only to the organization 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 beginning January 1, 2002, the date of this letter should be entered on Schedule B (Actuarial Information). We have sent a copy of this letter to the Manager, EP Classification, in , and to your authorized representatives (Form 2848) on file with this office.

If you have any questions concerning this letter, please contact In any correspondence relating to this letter, please refer to T:EP:RA:T:A2 as well.

Sincerely,

Martin L. Pippins

Martin L. Pippins, Manager
Employee Plans Actuarial Group 2

cc:
Manager, EP Classification