UNITED FURNITURE WORKERS *Pension Fund A*

P.O. BOX 100037
NASHVILLE, TN 37224

TEL: 615-889-8860
FAX: 615-391-0865

1910 AIR LANE DRIVE
NASHVILLE, TN 37210

June 27, 2008

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

To Whom It May Concern:

The enclosed Notice of Critical Status for the United Furniture Workers Pension Fund A 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

Enclosure
DAW/lf
CC: Harry Boot, Chairman
Ken Barton, Secretary-Treasurer
UFW Pension Fund A Board of Trustees
James Gill, Esquire
Kyle Flaherty, Esquire
John Colberg, Actuary
Christian Benjaminson, Actuary

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Notice of Critical Status For

United Furniture Workers Pension Fund A (the "Plan")

This is to inform you that on May 29, 2008 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 March 1, 2008. A new federal law, the Pension Protection Act, requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that over the next three plan years, the Plan is projected to have an accumulated funding deficiency for the plan year ending 2011.

Rehabilitation Plan and Possibility of Reduction in Benefits

The Pension Protection Act requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the Trustees of the Plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. **In addition, the reductions may only apply to participants and beneficiaries whose pension is effective on or after June 28, 2008. Therefore, if the effective date of your pension is before June 28, 2008, your pension benefit will not be affected by those reductions.** But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of June 28, 2008, 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. The plan sponsor will develop a rehabilitation plan for this Plan, no later than January 24, 2009.

Adjustable Benefits

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

- ☒ Post-retirement death benefits;
- ☒ 36 month payment guarantees;
- ☒ 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 including:
  - Lump sum withdrawal benefits, and
  - Lump sum death benefits

Employer Surcharge

The new 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, unless the employer agrees to pay contributions in accordance with one of the payment schedules set forth in the Plan's rehabilitation plan. The surcharge contributions will not cause any additional benefit accruals for any participants or beneficiaries.

Where to Get More Information
For more information about this Notice, you may contact Ms. Dee Anne Walker at (615) 889-8860 or 1910 Air Lane Drive, Nashville, Tennessee 37210. You have a right to receive a copy of the rehabilitation plan from the Plan, once it has been adopted by the plan sponsor.