September 29, 2017

The Board of Trustees:

Warehouse Employees Union Local No. 730 & Contributing Companies' Prepaid Legal Services Fund

Warehouse Employees Union Local No. 730 Pension Trust Fund

Warehouse Employees Union Local No. 730 Health and Welfare Trust Fund

Re: Administrative Services Contracts Renewal

Trustees:

The administrative services contracts between Associated Administrators, LLC ("Associated") and the Warehouse Employees Union Local No. 730 & Contributing Companies' Prepaid Legal Services Fund, Pension Trust Fund, Health and Welfare Trust Fund ("Funds") expires December 31, 2017. We hope that you will consider favorably our request for a new three-year agreement.

Proposed Fee Increases

We propose a three-year contract term with 3% annual rate increases. Please see a detailed proposal of those fees in Attachment A. To give you an idea of the scope of our request, the overall increase for 2018 for all Funds would be about $7,100.

Justification for Fee Increases

- **Vendor and Benefit Implementations**

  Associated prepared a request for proposal for stop loss carriers and implemented the carrier selected by the Trustees of the Welfare Fund. Associated provides monthly reporting which is required by the stop loss carrier.

Associated implemented several benefit changes in 2016 for the active participants of the Welfare Fund. As a result of the benefit changes, Associated provided special data requests to various vendors to assist with the transition.

- **Regulatory Changes**

Over the last several years, regulations continue to affect benefits administration. Associated has had to increase its workforce, training, and systems to abide by these regulations.

- **Pension Protection Act (PPA)/ Multiemployer Pension Reform Act of 2014 (MPRA)**

The PPA and MPRA contain requirements for reporting which must be provided for participants, beneficiaries, Unions, and contributing employers. The Acts also require coordination with the Fund actuary, auditor and Counsel for the actuarial certification and distributions of the Annual Funding Notice, Notice of Critical Status and Multiemployer Plan Summary Report. Associated has consistently exercised its responsibility to administer timely production and mailing of these notices and filing with the appropriate reporting entities, including the Department of Labor, EBSA, PBGC, the union and the participating employers.

- **Class Actions**

Associated continues to work to ensure the Fund participates to its fullest extent and receives settlement checks whenever possible.

- **HIPAA and HITECH Act**

This Act requires breach reporting regarding protected health information. Associated conducts ongoing in–house training of all our employees on the requirements of the Act and has established procedures for breach notification and reporting on behalf of the Fund.

- **Compliance Monitoring**

Associated continues to provide a compliance monitoring program to help each of our client funds track regulatory reporting requirements, vendor contracts, and required documentation. Failure to comply can result in fines and fees to the Funds.

- **Information Technology Developments**

Associated's highest cost increases and deliberate reinvestment have been in Information Technology. We expect to pay over $767,000 in 2017. System enhancements allow us to better serve our clients and participants and to maintain proper computer security.

- **Postage**

Associated pays all regular postage on behalf of the Funds, excluding mass mailings. The United States Postal Service implemented a rate hike in 2017 of 4.25% for first class mail.

Associated has assigned to the Funds an Account Executive and an Account Manager with over 18 years of benefits fund administrative experience. Supporting the account management team are sixteen employees, which includes staff from our accounting, accident and sickness, eligibility, pension, medical claims, communications, mailroom, appeals, and IT departments. We are all dedicated to providing superior services.

We realize that as fiduciaries, the Trustees must be certain that the Fund receives services proportionate in quality and quantity to the fees charged. Associated prides itself on providing excellent service to the Fund and its participants, and we do so at a competitive price.

Associated appreciates the opportunity to serve the Funds and welcomes all questions concerning our proposal.

Sincerely,

Alicia Cochran
Account Executive
Associated Administrators, LLC

EXHIBIT A

Fund	Current Fee Per Month	01/01/18 Through 12/31/18	01/01/19 Through 12/31/19	01/01/20 Through 12/31/20
Legal Fund *Additional annual fee*	$1.83	$1.88 *$704.92*	$1.94 *$726.06*	$2.00 *$747.85*
Pension Fund *Additional annual fee*	$6.86	$7.07 *$3,324.08*	$7.28 *$3,423.80*	$7.50 *$3,526.52*
Welfare Fund Admin HIPAA *Additional annual fee*	$22.39 $0.21	$23.06 $0.21 *$3,071.01*	$23.75 $0.21 *$3,163.14*	$24.47 $0.21 *$3,258.04*

01/01/2018 through 12/31/2020 Hourly Rates for

New Regulatory Changes and Implementation of New Vendors:

$100/Hour – IT/Management

$60/Hour – Supervisor

$30/Hour – Regular Employee