

BAKERS UNION AND FELRA

HEALTH AND WELFARE FUND

FOURTH QUARTER 2011

ADMINISTRATIVE MANAGER'S REPORT

FOURTH QUARTER 2011
PLAN I
CONTRIBUTIONS

	<u>RATE</u>	<u>HOURS</u>	<u>PARTICIPANTS</u>	<u>CONTRIBUTIONS</u>
GIANT ¹	\$ 5.01	106,855	223	\$ 535,344
SAFEWAY ^{1,2}	\$ 5.01	103,761	209	\$ 519,878
TOTAL		210,616	432	\$ 1,055,222

¹ Rate changes as of 10/1/11

² Includes previous months' Contribution Adjustments

FOURTH QUARTER 2011
PLAN I
EXPENSES

BENEFIT EXPENSES

<u>BENEFIT</u>	<u>RATE</u>	<u>EXPENSE</u>	<u>AVG. HOURLY COST</u>	<u>COMMENT</u>
MEDICAL		\$ 654,601	\$ 3.1080	
CIGNA ¹	\$ 20.39	\$ 27,886	\$ 0.1324	
DENTAL-DENEX	\$ 55.27	\$ 63,118	\$ 0.2997	
DISABILITY		\$ 20,200	\$ 0.0959	
CATALYST RX		\$ 194,011	\$ 0.9212	2,492 Scripts
LIFE/AD&D	\$ 0.24	\$ 6,043	\$ 0.0287	
OPTICAL CLAIMS		\$ 9,642	\$ 0.0458	
OPTICAL PROVIDER	\$ 0.60	\$ 766	\$ 0.0036	
STOP LOSS	\$ 20.83	\$ 26,225	\$ 0.1245	
SUB TOTAL		\$ 1,002,492	\$ 4.7598	

OPERATING EXPENSES

ADMINISTRATION	\$ 21.12	\$ 27,118	\$ 0.1288	
MISCELLANEOUS		\$ 10,739	\$ 0.0510	
SUB TOTAL		\$ 37,857	\$ 0.1798	

TOTAL EXPENSES	\$ 1,040,349	\$ 4.9396		
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MISCELLANEOUS EXPENSES

CONSULTANTS	\$ 1,804
LEGAL	\$ 7,946
MEETINGS	\$ 351
POSTAGE	\$ 353
PRINTING	\$ 21
PNC ACCOUNT FEE	\$ 171
TELEPHONE	\$ 93
TOTAL MISCELLANEOUS EXPENSES	\$ 10,739

¹Rate increase as of November 2011

Miscellaneous expense assigned to Plan I and Plan II is based on participant counts-approved by The Board of Trustees on September 13, 2006

2011
PLAN I
QUARTERLY RECAP

INCOME	FIRST 2011	SECOND 2011	THIRD 2011	FOURTH 2011	TOTAL
EMPLOYER CONTRIBUTIONS	\$ 1,049,544	\$ 1,045,651	\$ 1,055,573	\$ 1,055,222	\$ 4,205,990
EMPLOYEE CONTRIBUTIONS ¹	\$ 7,903	\$ 4,971	\$ 7,246	\$ 6,247	\$ 26,367
TOTAL INCOME	\$ 1,057,447	\$ 1,050,622	\$ 1,062,819	\$ 1,061,469	\$ 4,232,357

EXPENSES	FIRST 2011	SECOND 2011	THIRD 2011	FOURTH 2011	TOTAL
MEDICAL	\$ 530,308	\$ 522,400	\$ 597,261	\$ 654,601	\$ 2,304,570
CIGNA	\$ 26,485	\$ 25,867	\$ 21,249	\$ 27,886	\$ 101,487
DENTAL-DENEX	\$ 71,188	\$ 70,580	\$ 61,405	\$ 63,118	\$ 266,291
DISABILITY	\$ 18,886	\$ 33,286	\$ 26,857	\$ 20,200	\$ 99,229
DRUG	\$ 172,653	\$ 182,078	\$ 170,779	\$ 194,011	\$ 719,521
LIFE	\$ 6,221	\$ 6,110	\$ 6,053	\$ 6,043	\$ 24,427
STOP LOSS	\$ 26,996	\$ 26,517	\$ 26,225	\$ 26,225	\$ 105,963
OPTICAL	\$ 10,833	\$ 9,936	\$ 10,938	\$ 10,408	\$ 42,115
OPERATING EXPENSE	\$ 72,934	\$ 61,354	\$ 43,824	\$ 37,857	\$ 215,969
TOTAL EXPENSE	\$ 936,504	\$ 938,128	\$ 964,591	\$ 1,040,349	\$ 3,879,572

SURPLUS (DEFICIT)	\$ 120,943	\$ 112,494	\$ 98,228	\$ 21,120	\$ 352,785
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	FIRST 2011	SECOND 2011	THIRD 2011	FOURTH 2011	AVG. TOTAL
TOTAL PARTICIPANTS	429	430	433	432	431
TOTAL HOURS	202,224	201,474	203,386	210,616	204,425

TOTAL HOURLY INCOME	\$ 5.23	\$ 5.21	\$ 5.23	\$ 5.04	\$ 5.18
TOTAL HOURLY EXPENSE	\$ 4.63	\$ 4.66	\$ 4.74	\$ 4.94	\$ 4.74
SURPLUS (DEFICIT)	\$ 0.60	\$ 0.55	\$ 0.49	\$ 0.10	\$ 0.44

¹ 1st Qtr - Includes COBRA ARRA subsidy reimbursement for 4TH Qtr 2010 of \$1,818.09

2d Qtr - Includes COBRA ARRA subsidy reimbursement for 1ST Qtr 2011 of \$ 1,818.09

3d Qtr - Includes COBRA ARRA subsidy reimbursement for 2ND Qtr 2011 of \$ 606.13

FOURTH QUARTER 2011
PLAN II
CONTRIBUTIONS

	<u>RATE</u>	<u>HOURS</u>	<u>PARTICIPANTS</u>	<u>CONTRIBUTIONS</u>
GIANT ^{1,2}	\$ 2.59	23,297	57	\$ 60,272
SAFEWAY ^{1,2}	\$ 2.59	65,463	146	\$ 169,502
TOTAL		88,760	203	\$ 229,774

¹ Rate changes as of 10/1/11

² Includes previous months' Contribution Adjustments

FOURTH QUARTER 2011
PLAN II
EXPENSES

BENEFIT EXPENSES

<u>BENEFIT</u>	<u>RATE</u>	<u>EXPENSE</u>	<u>AVG. HOURLY COST</u>	<u>COMMENT</u>
MEDICAL		\$ 172,542	\$ 1.9439	
CIGNA1	\$ 20.39	\$ 10,413	\$ 0.1173	
DENTAL-DENEX	\$ 55.27	\$ 25,701	\$ 0.2896	
DISABILITY		\$ 14,971	\$ 0.1687	
CATALYST RX		\$ 52,563	\$ 0.5922	317 Scripts
LIFE/AD&D	\$ 0.24	\$ 2,323	\$ 0.0262	
OPTICAL CLAIMS		\$ 905	\$ 0.0102	
OPTICAL PROVIDER	\$ 0.60	\$ 298	\$ 0.0034	
SUB TOTAL		\$ 279,716	\$ 3.1515	

OPERATING EXPENSES

ADMINISTRATION	\$ 21.12	\$ 13,580	\$ 0.1530	
MISCELLANEOUS		\$ 4,146	\$ 0.0467	
SUB TOTAL		\$ 17,726	\$ 0.1997	

TOTAL EXPENSES	\$ 297,442	\$ 3.3512		
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MISCELLANEOUS EXPENSES

CONSULTANTS	\$ 696
LEGAL	\$ 3,069
MEETINGS	\$ 135
POSTAGE	\$ 136
PRINTING	\$ 8
PNC ACCOUNT FEE	\$ 66
TELEPHONE	\$ 36
TOTAL MISCELLANEOUS EXPENSES	\$ 4,146

¹Rate increase as of November 2011

Miscellaneous expense assigned to Plan I and Plan II is based on participant counts-approved by The Board of Trustees on September 13, 2006

2011
PLAN II
QUARTERLY RECAP

INCOME	FIRST 2011	SECOND 2011	THIRD 2011	FOURTH 2011	TOTAL
EMPLOYER CONTRIBUTIONS	\$ 220,391	\$ 223,388	\$ 208,542	\$ 229,774	\$ 882,095
EMPLOYEE CONTRIBUTIONS	\$ 398	\$ 1,216	\$ 1,032	\$ 1,238	\$ 3,884
TOTAL INCOME	\$ 220,789	\$ 224,604	\$ 209,574	\$ 231,012	\$ 885,979

EXPENSES	FIRST 2011	SECOND 2011	THIRD 2011	FOURTH 2011	TOTAL
MEDICAL	\$ 163,010	\$ 115,694	\$ 111,605	\$ 172,542	\$ 562,851
CIGNA	\$ 12,821	\$ 12,670	\$ 15,972	\$ 10,413	\$ 51,876
DENTAL-DENEX	\$ 34,544	\$ 31,172	\$ 30,233	\$ 25,701	\$ 121,650
DISABILITY	\$ 7,771	\$ 7,457	\$ 10,371	\$ 14,971	\$ 40,570
DRUG	\$ 47,193	\$ 37,381	\$ 39,405	\$ 52,563	\$ 176,542
LIFE	\$ 2,976	\$ 2,698	\$ 2,501	\$ 2,323	\$ 10,498
OPTICAL	\$ 1,641	\$ 1,569	\$ 2,121	\$ 1,203	\$ 6,534
OPERATING EXPENSE	\$ 36,562	\$ 30,779	\$ 21,006	\$ 17,726	\$ 106,073
TOTAL EXPENSE	\$ 306,518	\$ 239,420	\$ 233,214	\$ 297,442	\$ 1,076,594

SURPLUS (DEFICIT)	\$ (85,729)	\$ (14,816)	\$ (23,640)	\$ (66,430)	\$ (190,615)
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	FIRST 2011	SECOND 2011	THIRD 2011	FOURTH 2011	AVG. TOTAL
TOTAL PARTICIPANTS	246	238	223	203	228
TOTAL HOURS	101,391	102,944	96,103	88,760	97,300

TOTAL HOURLY INCOME	\$ 2.18	\$ 2.18	\$ 2.18	\$ 2.60	\$ 2.28
TOTAL HOURLY EXPENSE	\$ 3.02	\$ 2.33	\$ 2.43	\$ 3.35	\$ 2.77
SURPLUS (DEFICIT)	\$ (0.84)	\$ (0.15)	\$ (0.25)	\$ (0.75)	\$ (0.49)

**2011
COMBINED
QUARTERLY RECAP**

INCOME	FIRST 2011	SECOND 2011	THIRD 2011	FOURTH 2011	TOTAL
EMPLOYER CONTRIBUTIONS	\$ 1,269,935	\$ 1,269,039	\$ 1,264,115	\$ 1,284,996	\$ 5,088,085
EMPLOYEE CONTRIBUTIONS ^{1,2,3}	\$ 8,301	\$ 6,187	\$ 8,278	\$ 7,485	\$ 30,251
INTEREST & DIVIDENDS	\$ 3,139	\$ 3,261	\$ 3,826	\$ 3,976	\$ 14,202
MISCELLANEOUS INCOME ^{4,5,6,7}	\$ 10,777	\$ 21,260	\$ 10,609	\$ 10,245	\$ 52,891
TOTAL INCOME	\$ 1,292,152	\$ 1,299,747	\$ 1,286,828	\$ 1,306,702	\$ 5,185,429

EXPENSES	FIRST 2011	SECOND 2011	THIRD 2011	FOURTH 2011	TOTAL
MEDICAL	\$ 693,318	\$ 638,094	\$ 708,866	\$ 827,143	\$ 2,867,421
CIGNA	\$ 39,306	\$ 38,537	\$ 37,221	\$ 38,299	\$ 153,363
DENTAL-DENEX	\$ 105,732	\$ 101,752	\$ 91,638	\$ 88,819	\$ 387,941
DISABILITY	\$ 26,657	\$ 40,743	\$ 37,228	\$ 35,171	\$ 139,799
DRUG	\$ 219,846	\$ 219,459	\$ 210,184	\$ 246,574	\$ 896,063
LIFE	\$ 9,197	\$ 8,808	\$ 8,554	\$ 8,366	\$ 34,925
STOP LOSS	\$ 26,996	\$ 26,517	\$ 26,225	\$ 26,225	\$ 105,963
OPTICAL	\$ 12,474	\$ 11,505	\$ 13,059	\$ 11,611	\$ 48,649
OPERATING EXPENSE	\$ 109,496	\$ 92,133	\$ 64,830	\$ 55,583	\$ 322,042
TOTAL EXPENSE	\$ 1,243,022	\$ 1,177,548	\$ 1,197,805	\$ 1,337,791	\$ 4,956,166

SURPLUS (DEFICIT)	\$ 49,130	\$ 122,199	\$ 89,023	\$ (31,089)	\$ 229,263
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	FIRST 2011	SECOND 2011	THIRD 2011	FOURTH 2011	AVG. TOTAL
TOTAL PARTICIPANTS	675	668	656	635	659
TOTAL HOURS	303,615	304,418	299,489	299,376	301,725

TOTAL HOURLY INCOME	\$ 4.26	\$ 4.27	\$ 4.30	\$ 4.36	\$ 4.30
TOTAL HOURLY EXPENSE	\$ 4.09	\$ 3.87	\$ 4.00	\$ 4.47	\$ 4.11
SURPLUS (DEFICIT)	\$ 0.17	\$ 0.40	\$ 0.30	\$ (0.11)	\$ 0.19

FUND RESERVE	\$ 1,425,589	\$ 1,469,457	\$ 1,284,927	\$ 1,283,211
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1ST Qtr ¹ Includes COBRA ARRA subsidy reimbursement for 4TH Qtr 2010 of \$1,818.09

⁴ Catalyst rebate for 2nd Qtr 2010 - \$10,282.35, Litigation Settlement for TriCor - \$494.21

2ND Qtr ² Includes COBRA ARRA subsidy reimbursement for 1ST Qtr 2011 of \$ 1,818.09

⁵ Catalyst rebate for 3rd Qtr 2010 - \$9,890.65, Litigation settlements - \$ 1,137.21, Subrogation settlements - \$ 10,232.3

3RD Qtr ³ Includes COBRA ARRA subsidy reimbursement for 2ND Qtr 2011 of \$ 606.13

⁶ Catalyst rebate for 4th Qtr 2010 - \$10,301.70, Pharmacy audit reimbursement - \$ 307.19

4TH Qtr ⁷ Catalyst rebate for 1st Qtr 2011 - \$10,151.85, Pharmacy audit reimbursement - \$93.28

**2010
COMBINED
QUARTERLY RECAP**

INCOME	FIRST 2010	SECOND 2010	THIRD 2010	FOURTH 2010	TOTAL
EMPLOYER CONTRIBUTIONS	\$ 684,187	\$ 686,466	\$ 683,954	\$ 1,322,073	\$ 3,376,680
EMPLOYEE CONTRIBUTIONS ^{1,2}	\$ 3,650	\$ 4,863	\$ 3,776	\$ 14,249	\$ 26,538
INTEREST & DIVIDENDS	\$ 16,697	\$ 11,504	\$ 7,023	\$ 3,750	\$ 38,974
MISCELLANEOUS INCOME ^{3,4}	\$ -	\$ 9,729	\$ -	\$ 12,966	\$ 22,695
TOTAL INCOME	\$ 704,534	\$ 712,562	\$ 694,753	\$ 1,353,038	\$ 3,464,887

EXPENSES	FIRST 2010	SECOND 2010	THIRD 2010	FOURTH 2010	TOTAL
MEDICAL	\$ 658,201	\$ 710,391	\$ 968,067	\$ 424,206	\$ 2,760,865
CIGNA	\$ 38,068	\$ 39,542	\$ 38,629	\$ 41,505	\$ 157,744
DENTAL-DENEX	\$ 113,525	\$ 123,417	\$ 106,837	\$ 99,932	\$ 443,711
DISABILITY	\$ 30,086	\$ 40,714	\$ 27,886	\$ 36,114	\$ 134,800
DRUG	\$ 163,680	\$ 181,952	\$ 198,933	\$ 196,385	\$ 740,950
LIFE	\$ 9,283	\$ 9,360	\$ 9,427	\$ 9,288	\$ 37,358
STOP LOSS	\$ 38,572	\$ 37,820	\$ 37,347	\$ 36,567	\$ 150,306
OPTICAL	\$ 9,945	\$ 10,478	\$ 14,090	\$ 11,963	\$ 46,476
OPERATING EXPENSE	\$ 83,507	\$ 64,348	\$ 75,796	\$ 82,237	\$ 305,888
TOTAL EXPENSE	\$ 1,144,867	\$ 1,218,022	\$ 1,477,012	\$ 938,197	\$ 4,778,098

SURPLUS (DEFICIT)	\$ (440,333)	\$ (505,460)	\$ (782,259)	\$ 414,841	\$ (1,313,211)
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	FIRST 2010	SECOND 2010	THIRD 2010	FOURTH 2010	AVG. TOTAL
TOTAL PARTICIPANTS	725	728	736	711	725
TOTAL HOURS	321,057	326,257	328,114	322,162	324,398

TOTAL HOURLY INCOME	\$ 2.19	\$ 2.18	\$ 2.12	\$ 4.20	\$ 2.67
TOTAL HOURLY EXPENSE	\$ 3.57	\$ 3.73	\$ 4.50	\$ 2.91	\$ 3.68
SURPLUS (DEFICIT)	\$ (1.38)	\$ (1.55)	\$ (2.38)	\$ 1.29	\$ (1.01)

FUND RESERVE	\$ 2,386,202	\$ 1,792,551	\$ 1,041,142	\$ 1,546,576
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¹ 1st Qtr - includes COBRA ARRA subsidy reimbursement for 1st Qtr 2010 of \$2,530.64

² 4th Qtr - includes COBRA ARRA subsidy reimbursement for 2nd Qtr 2010 of \$1,871.35 and 3rd Qtr 2010 of \$1,818.09

³ 2nd Qtr - Catalyst rebate for 3rd Qtr 2009 - \$9,725.80, Litigation Settlement for GlaxoSmithKline - \$2.73

⁴ 4th Qtr - Catalyst rebate for 1st Qtr 2010 - \$9,950.80; Litigation Settlement for Bextra & Celebrex - \$3,015.49