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MEMORANDUM

Via E-Mail

To: Bill Jensen
Associated Administrators LLC

From: Josh Timm
Christopher Heppner

Date: November 17, 2017

Re: **Food Employers Labor Relations Association (FELRA) and United Food & Commercial Workers' (UFCW) VEBA Fund**
Plans XX and XXX Costs Per Enrolled Dependent Child Effective January 1, 2018

The chart below illustrates projected monthly expenses for Plans XX and XXX for an enrolled dependent child effective January 1, 2018. Costs include medical claims, prescription drug claims, and fees associated with the Affordable Care Act (ACA). Projections are based on the final Memorandum of Agreement (MOA) dated November 15, 2016.

Plans XX and XXX Costs Per Enrolled Dependent Child Effective January 1, 2018		
Plan	Per Child Rate*	3 or More Children Rate
Plan XX – Part Time	\$117.05	\$351.15
Plan XXX – Part Time	\$115.34	\$346.02

** Based on budget projections with data through June 30, 2016.*

If these costs are adopted as rates for an individual child, the Trustees may consider continuing to use a maximum rate of three times the cost of a single dependent child, which is common in the insurance industry.

Based on the most recent Administrative Manager's Report, there are currently about 14 participants in Plan XX and about 11 participants in Plan XXX.

If you have any questions, please do not hesitate to ask.

The projections in this report are estimates of future costs and are based on information available to Segal Consulting at the time the projections were made. Segal Consulting has not audited the information provided. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases. Unless otherwise noted, these projections do not include any cost or savings impact resulting from the new health care reform legislation or other recently passed state or federal regulations.

jt/ch/baa

cc: Mitch Bramstaedt
John Priester

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