January 31, 2014

VIA ELECTRONIC MAIL

Policy Committee of the FELRA & UFCW Pension Fund and
c/o Mr. William R. Jensen, President
Associated Administrators, LLC
4301 Garden City Drive, Suite 201
Landover, Maryland 20785

Re: Revised 2014 Retainer Fees

Dear Trustees:

This letter represents our proposed fees for the year 2014, pursuant to Section 2 of the Consulting Agreement between Cheiron and the Food Employees Labor Relations Association & United Food and Commercial Workers Pension Fund.

A) Retainer –Our proposed annual fee for 2014 retainer services is $61,920 ($5,160 per month) effective January 1, 2014. This represents a 1.5% increase totaling $920 from our 2013 fee. The retainer fee covers the following services for the FELRA Pension Fund:

1. Conduct an annual valuation of the Pension Fund including all standard required exhibits and disclosures as well as a detailed review and summary discussion of the Fund's assets and liabilities, funded status, historical trends, and future projections. This will result in a formal written report.
2. Attend one annual Board of Trustees meeting for the purpose of presenting the annual valuation report. The presentation will include an historical trend analysis and deterministic and stochastic forecast projections using Cheiron's proprietary ***P-scan*** interactive modeling tool.
3. Attend up to three additional Trustee/Policy Committee meetings per year.
4. Respond to the annual disclosure request of the Fund auditor.
5. Prepare the Schedule MB attachment to the annual Form 5500 filing.
6. Provide other Fund professionals any additional information required from the Fund auditor in regard to the standard annual government and PBGC filings. Ad-hoc brief discussions with other Fund professionals that do not require follow-up work or communications.

B) Non-Retainer – With respect to special consulting projects, Cheiron's hourly billing rates for our actuarial analysts and consultants will range between $144 and $465 per hour for 2014.

We look forward to working with you and the Trustees during 2014.

Sincerely,
Cheiron

Gene M. Kalwarski, FSA, EA
Principal Consulting Actuary

cc: Kevin J. Woodrich, FSA, EA