FELRA and UFCW Pension Fund

Actuarial Valuation Report
as of January 1, 2013

Produced by Cheiron

November 2013

CHEIRON Classic Values, Innovative Advice

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November 25, 2013

FELRA and UFCW Pension Fund Trustees
c/o Mr. William Jensen
Associated Administrators, LLC
4301 Garden City Drive, Suite 201
Landover, MD 20785

Dear Trustees:

At your request, we have performed the January 1, 2013 Actuarial Valuation of the FELRA and UFCW Pension Fund (the Fund). This report contains information on the Fund's assets and liabilities and also discloses contribution levels, including the minimum required amount as mandated by Federal law.

Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions on which our findings are based. Those comments are the basis for our certification that this report is complete to the best of our knowledge and belief. The results of this report are only applicable to the 2013 plan year and rely on future plan experience conforming to the underlying assumptions. To the extent that actual plan experience deviates from the underlying assumptions, the results would vary accordingly.

The purpose of this report is to present the annual actuarial valuation of the FELRA and UFCW Pension Fund. This report is for the use of the Fund and its auditors in preparing financial reports in accordance with applicable law and accounting requirements.

In preparing our report, we relied on information (some oral and some written) supplied by Associated Administrators, LLC. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice #23.

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To the best of our knowledge, this report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This report was prepared for the Fund for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. This report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Sincerely,
Cheiron

Gene M. Kalwarski, FSA, EA
Principal Consulting Actuary

Kevin Woodrich, FSA, EA
Principal Consulting Actuary

FOREWORD

Cheiron has performed the Actuarial Valuation of the FELRA and UFCW Pension Fund as of January 1, 2013. The purpose of this report is to:

1) **Measure and disclose**, as of the valuation date, the financial condition of the Fund; and
2) **Provide specific information** and documentation required by the Federal Government and the auditors of the Fund.

An actuarial valuation establishes and analyzes fund assets, liabilities and contributions on a consistent basis, and traces the progress of both from one year to the next. It includes measurement of the Fund's investment performance as well as an analysis of actuarial liability gains and losses.

Section I presents a summary of the valuation and compares this year's results to last year's results.

Section II contains exhibits relating to the valuation of assets.

Section III shows the various measures of liabilities.

Section IV shows the development of the minimum and maximum contributions.

Section V contains a demonstration that the Fund is not in reorganization.

Section VI provides information required by the Fund's auditor.

The appendices to this report contain a summary of the Fund's membership at the valuation date, a summary of the major provisions of the Fund, and the actuarial methods and assumptions used in the valuation. Since the prior valuation, the plan was amended to cease future benefit accruals effective January 1, 2013 for active participants of Giant and Safeway.

In preparing our report, we relied without audit, on information (some oral and some written) supplied by Associated Administrators LLC, Investment Performance Services, Inc., and Salter & Company, LLC. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice #23.

The actuarial assumptions, analyzed individually, represent our best estimates for the future experience of the Fund. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the Fund could vary from our results.

Finally, in preparing this report, we have conformed to generally accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and Applicable Actuarial Standards set out by the Actuarial Standards Board.

SECTION I
SUMMARY

The table below sets out the principal results of this year's valuation and compares them to last year's results.

FELRA and UFCW Pension Fund
Summary of Principal Results

	1/1/2012	1/1/2013	Change
Participant Counts			
Actives Tier I	2,038	1,823 [1]	(10.55%)
Tier II	20,063	19,192 [2]	(4.34%)
Total	22,101	21,015	(4.91%)
Terminated Vesteds	12,648	12,719	0.56%
In Pay Status	16,946	17,310	2.15%
Total	51,695	51,044	(1.26%)
Financial Information			
(1) Market Value of Assets (MVA)	$ 667,648,046	$ 652,897,338	(2.21%)
(2) Actuarial Value of Assets (AVA)	801,177,655	783,476,806	(2.21%)
(3) Total Present Value of Future Benefits	$ 1,755,329,018	$ 1,653,321,531	(5.81%)
(4) Actuarial Liability	$ 1,731,304,886	$ 1,652,793,158	(4.53%)
(5) Unfunded Actuarial Liability [(2) - (4)]	(930,127,231)	(869,316,352)	N/A
(6) Funding Ratio on AVA Basis [(2) ÷ (4)]	46.3%	47.4%	N/A
(7) Present Value of Accrued Benefits / PPA Liability	$ 1,664,024,549	$ 1,650,999,249	(0.78%)
(8) Unfunded Accrued Benefit [(2) - (7)]	(862,846,894)	(867,522,443)	N/A
(9) Funding Ratio on AVA Basis [(2) ÷ (7)]	48.1%	47.5%	N/A
(10) Present Value of Vested Benefits for Withdrawal Liability	$ 1,627,265,234	$ 1,600,460,445	(1.65%)
(11) Unfunded Vested Benefit [(2) - (10)]	(826,087,579)	(816,983,639)	N/A
(12) Funding Ratio on AVA Basis [(2) ÷ (10)]	49.2%	49.0%	N/A
Contributions and Cash Flows			
Employer Contributions (Actual / Estimated)	$ 59,617,365	$ 56,709,000	(4.88%)
ERISA Minimum Required Contribution	0	0	0.00%
ERISA Maximum Deductible Contribution	2,854,177,896	3,005,976,334	5.32%
ERISA Credit Balance at Start of Year	163,169,752	183,622,984	12.53%
Prior Year Benefit Payouts	$ 136,150,940	$ 138,082,930	1.42%
Prior Year Administrative Expenses	3,955,599	4,514,755	14.14%
Prior Year Total Investment Return (Net)	2,402,419	68,229,612	N/A

[1] Effective January 1, 2013, benefit accruals were ceased for 1,752 Tier I active participants employed by Giant and Safeway.

[2] Effective January 1, 2013, benefit accruals were ceased for 18,717 Tier II active participants employed by Giant and Safeway.

SECTION I
SUMMARY

General Comments

- The market value of assets returned 10.5%, compared to the assumption of 8.0%. In dollars, the total investment gain (difference between expected and actual returns on a market value basis) was $15.1 million for the plan year ending December 31, 2012.

- For minimum funding purposes we do not use the market value of assets, but a smoothed value of assets. The smoothing method adopted by the Trustees phases in investment gains and losses over five years, which means the $15.1 million gain described above would be phased in at a rate of $3.0 million per year over the next five years. Due to the IRS requirement that the smoothed value not exceed 120% of market value, the smoothed value is $783.5 million (120% of market value). On the smoothed basis the rate of return was 8.2%, resulting in a recognized investment gain of $1.4 million.

- Effective January 1, 2013, future benefit accruals were ceased for employees of Giant and Safeway. This decreased the Actuarial Liability by $62.0 million.

- In addition, the Fund experienced a liability gain of $16.9 million. When combined with the investment gain of $1.4 million, the Fund experienced a total net actuarial gain of $18.3 million.

- The Fund's funding ratio (actuarial value of assets as a percentage of actuarial liability) increased from 46.3% as of January 1, 2012 to 47.4% as of January 1, 2013. Based on market value of assets, the funding ratio increased from 38.6% to 39.5%.

- The unfunded vested benefits used in calculating withdrawal liability decreased from $993.1 million the previous year to $974.0 million.

- The Fund's sixth actuarial certification under the Pension Protection Act was filed on March 29, 2013. The Fund was certified to be in **Critical status** based on estimated financial information provided as of December 31, 2012 and using the liabilities disclosed in the January 1, 2012 Actuarial Valuation projected forward to January 1, 2013. The Fund's Board of Trustees has determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the Fund cannot reasonably be expected to emerge from Critical status by the end of the Rehabilitation Period. Consistent with contribution rate changes negotiated by the Fund's two largest employers during bargaining in 2012, the Board of Trustees had adopted revised Rehabilitation Plan Schedules designed to forestall insolvency. On this basis, the Fund is making scheduled progress.

SECTION II
ASSETS

Assets at Market Value

Market values represent "snap-shot" or "cash-out" values which provide the principal basis for measuring financial performance from one year to the next.

Statement of Assets at Market Value, January 1, 2013

			%
Investments			
U.S. Government and Agencies	$	14,153,714	2.2%
Corporate Obligations		45,719,906	7.0%
Common Stocks		110,306,945	16.8%
Common/Collective Trusts		175,616,520	26.7%
Pooled Separate Accounts		13,246,790	2.0%
Hedge Funds		107,716,566	16.4%
Mutual Funds		128,504,640	19.5%
Short-Term Investment Funds		6,892,151	1.0%
Subtotal	$	602,157,232	91.5%
Receivables			
Employer Contributions		38,597,551	5.9%
Interest and Dividends		832,688	0.1%
Due from Broker for Investments Sold		715,658	0.1%
Employer Withdrawal Liability		4,850,003	0.7%
Holdback - Meridian investments		-	0.0%
Prepaids and other receivables		110,446	0.0%
Subtotal	$	45,106,346	6.9%
Cash		12,639,159	1.9%
Total Assets	$	659,902,737	100.3%
Liabilities			
Accounts Payable	$	(1,085,901)	-0.2%
Due from Broker for Investments Purchased	$	(1,069,495)	-0.2%
Subtotal	$	(2,155,396)	-0.3%
Market Value of Assets for Statement	**$**	**657,747,341**	100.0%
Expected Withdrawal Liability Payments		4,850,003	
Market Value of Assets for Funding	**$**	**652,897,338**	

Assets at Actuarial Value

For long-term planning, actuaries commonly use smoothing techniques to mitigate the short-term volatility exhibited by the capital markets. The actuarial value of assets is calculated by excluding a portion of the prior four years of investment experience, using a sliding scale, over four years (with the exception of the 2008 loss which is recognized at a rate of 10% per year due to funding relief). The expected return on market assets is determined using the Fund's actual cash flows and the actuarial rate of return. The actuarial value is constrained so that it cannot exceed 120% of the market value and cannot be less than 80% of the market value.

Development of Actuarial Value of Assets as of January 1, 2013

Market Value of Assets as of December 31, 2012					$ 652,897,338
Plan Year		Initial Gain/(Loss)	Percent Recognized	Percent Deferred	Amount Deferred
2008	$	(333,600,618)	50%	50%	(166,800,309)
2009		11,303,707	80%	20%	2,260,741
2010		29,521,840	60%	40%	11,808,736
2011		(55,798,262)	40%	60%	(33,478,957)
2012		15,076,093	20%	80%	12,060,874
Total Gain/(Loss) Excluded					$ (174,148,915)
Preliminary Actuarial Value as of January 1, 2013					$ 827,046,253
Corridor for Actuarial Value					
80% of Market Value					$ 522,317,870
120% of Market Value					$ 783,476,806
Actuarial Value of Assets as of January 1, 2013					$ 783,476,806
Actuarial Value as a percent of Market Value of Assets as of January 1, 2013					120.0%

SECTION II
ASSETS

Changes in Market Value

The components of asset change are:

- Contributions
- Benefit payments
- Expenses
- Investment income (realized and unrealized)

The specific changes during 2012 are presented below:

Changes in Market Values		
Value of Assets -- January 1, 2012*	$	672,726,849
Employer Contributions	$	59,617,365
Investment Return (Gross)		72,782,186
Benefit Payments		(138,082,930)
Administrative Expenses		(4,514,755)
Investment Expenses		(4,552,574)
Change in Future Withdrawal Liability Payments		(228,800)
Value of Assets -- January 1, 2013*	$	657,747,341

* Includes withdrawal liability payments receivable

Investment Gains / (Losses)

The following table calculates the investment related gain/loss for the plan year on both a market value and actuarial value basis. The market value gain/loss is an appropriate measure for comparing the actual asset performance to the long-term 8% assumption. The gain/loss on actuarial value is one component of the Fund's overall experience gain/loss which is recognized for minimum funding purposes. The actuarial value incorporates a significant level of smoothing which helps to smooth the funding requirements by reducing asset valuation volatility.

Item	Market Value	Actuarial Value
January 1, 2012 Value	$ 667,648,046	$ 801,177,655
2012 Employer Contributions	59,617,365	59,617,365
2012 Benefit Payments	(138,082,930)	(138,082,930)
Expected Investment Earnings (8%)	48,638,764	59,321,133
Expected Value December 31, 2012	637,821,245	782,033,223
Investment Gain / (Loss)	$ 15,076,093	$ 1,443,583
January 1, 2013 Value	652,897,338	783,476,806
Return	10.47%	8.19%

SECTION III
LIABILITIES

In this section, we present detailed information on Fund liabilities including:

- **Disclosure** of Fund liabilities at January 1, 2012, and January 1, 2013; and
- Statement of **changes** in these liabilities during the year.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them.

- **Total Future Obligations:** Used for analyzing the financial outlook of the Fund, this represents the amount of money needed today, to fully pay off all future benefits of current participants and expenses of the Fund, assuming participants continue to accrue benefits.

- **Actuarial Liabilities:** Used for ensuring minimum funding standards are met, this liability is calculated by subtracting from the Total Obligations above, the present value of future expenses and the present value of future Normal Costs under an acceptable funding method. For this Fund that method is **Entry Age Normal**.

- **Accrued Liabilities:** Used for communicating the current level of liabilities, this liability represents the total amount of money needed to fully pay off all future obligations of the Fund, assuming no further accrual of benefits. This liability is used in the Pension Protection Act tests for funding levels. These liabilities are also required for accounting purposes (FASB ASC Topic No. 960) and used to establish comparative benchmarks with other plans in financial reports.

- **Vested Liabilities:** Used for administrative purposes in determining employer withdrawal liability, this liability represents that portion of the accrued liabilities which are vested.

- **Current Liabilities:** Used for Federal Government compliance purposes, the calculation of this liability is defined by federal regulations and is used by the government to monitor maximum allowable tax deductible contributions.

The following table discloses each of these liabilities for the current valuation and the prior one. With respect to each disclosure, a subtraction of the appropriate value of plan assets yields, for each respective type, an **unfunded liability**.

SECTION III
LIABILITIES

Liabilities/Net Surplus (Unfunded)

		1/1/2012		1/1/2013
TOTAL OBLIGATIONS				
Active Participant Benefits	$	448,455,943	$	353,561,267
Retiree and Inactive Benefits		1,306,873,075		1,299,760,264
Total Obligations	**$**	**1,755,329,018**	**$**	**1,653,321,531**
ACTUARIAL LIABILITY				
Total Obligations	$	1,755,329,018	$	1,653,321,531
Less Present Value of Future Unit Credit Method Normal Costs		24,024,132		528,373
Actuarial Liability	**$**	**1,731,304,886**	**$**	**1,652,793,158**
Actuarial Value of Assets		801,177,655		783,476,806
Net Surplus (Unfunded)	**$**	**(930,127,231)**	**$**	**(869,316,352)**
Assets as a Percentage of Actuarial Liability		46.3%		47.4%
ACCRUED LIABILITY / PPA LIABILITY				
Total Obligations	$	1,755,329,018	$	1,653,321,531
Less Present Value of Future Benefit Accruals		91,304,469		2,322,282
Accrued Liability / PPA Liability	**$**	**1,664,024,549**	**$**	**1,650,999,249**
Actuarial Value of Assets		801,177,655		783,476,806
Net Surplus (Unfunded)	**$**	**(862,846,894)**	**$**	**(867,522,443)**
VESTED LIABILITY				
Accrued Liability	$	1,664,024,549	$	1,650,999,249
Less Present Value of Non-Vested Benefits		36,759,315		50,538,804
Vested Liability	**$**	**1,627,265,234**	**$**	**1,600,460,445**
Actuarial Value of Assets		801,177,655		783,476,806
Net Surplus (Unfunded)[1]	**$**	**(826,087,579)**	**$**	**(816,983,639)**
Assets as a Percentage of Vested Liability		49.2%		49.0%
CURRENT LIABILITY	**$**	**2,554,527,923**	**$**	**2,688,515,639**
Market Value of Assets		667,648,046		652,897,338
Net Surplus (Unfunded)	**$**	**(1,886,879,877)**	**$**	**(2,035,618,301)**

[1] For purposes of withdrawal liability, the unfunded vested benefits (UVB) was $993,068,146 for 2012 and $974,030,915 for 2013.

SECTION III
LIABILITIES

Allocation of Liabilities by Type

The Fund's participants may qualify for a benefit on death, termination, and disability as well as on retirement. The value of the liabilities arising from each of these sources is shown in the following table.

Benefit Type	Retirement	Termination	Death	Disability	Total
Entry Age Normal Cost	$ 62,250	$ 44,797	$ 1,854	$ 5,385	$ 114,286
Entry Age Actuarial Liability					
Actives	$ 317,751,785	$ 17,429,014	$ 4,851,345	$ 13,000,750	$ 353,032,894
Terminated Vesteds	-	172,860,816	-	-	172,860,816
Retirees and Beneficiaries	1,036,852,580	-	58,826,960	31,219,908	1,126,899,448
Total	$ 1,354,604,365	$ 190,289,830	$ 63,678,305	$ 44,220,658	$ 1,652,793,158
RPA Current Liability Normal Cost	$ 727,916	$ 151,287	$ 4,573	$ 36,934	$ 920,710
RPA Current Liability					
Actives	$ 591,504,403	$ 58,653,985	$ 6,843,006	$ 27,541,823	$ 684,543,217
Terminated Vesteds	-	351,578,862	-	-	351,578,862
Retirees and Beneficiaries	1,515,644,113	-	84,541,673	52,207,774	1,652,393,560
Total	$ 2,107,148,516	$ 410,232,847	$ 91,384,679	$ 79,749,597	$ 2,688,515,639
Vested RPA Current Liability					
Actives	$ 442,060,450	$ 196,696,013	$ 3,370,917	$ 26,145,490	$ 668,272,870
Terminated Vesteds	-	351,578,862	-	-	351,578,862
Retirees and Beneficiaries	1,515,644,113	-	84,541,673	52,207,774	1,652,393,560
Total	$ 1,957,704,563	$ 548,274,875	$ 87,912,590	$ 78,353,264	$ 2,672,245,292

SECTION III
LIABILITIES

Changes in Liabilities

Each of the liabilities shown in the table below is subject to change at successive valuations as the experience of the Fund varies from that assumed in the valuation. The liabilities may change for any of several reasons, including:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments
- Interest on accrued liabilities
- Benefits paid to retirees
- Participants leaving employment at rates different from expected
- Changes in actuarial assumptions
- Changes in actuarial methods

The overall valuation results also change because employer contributions differ from those expected and investment returns are not in line with the actuarial assumptions.

Effective January 1, 2013 valuation, benefit accruals for employees of Giant and Safeway were ceased.

	Actuarial Liability	Accrued Liability
Liabilities 1/1/2012	$ 1,731,304,886	$ 1,664,024,549
Liabilities 1/1/2013	$ 1,652,793,158	$ 1,650,999,249
Liability Increase (Decrease)	(78,511,728)	(13,025,300)
Change due to:		
Plan Amendment	(61,985,205)	0
Funding Method Change	0	0
Assumption Change	0	0
Accrual of Benefits	4,983,168	15,339,954
Passage of Time (Interest less benefits paid)	(4,596,946)	(9,150,830)
Other Sources	0	0
Actuarial (Gain)/Loss	(16,912,745)	(19,214,424)

SECTION IV
CONTRIBUTIONS

In this section, we present detailed information on Fund contributions from two perspectives:

- **Actuarially determined** contributions, based on the Entry Age Normal funding method; and
- **Government Limitations** which could affect either of the above.

Actuarial Contributions

For this Fund, the funding scheme employed is the **Entry Age Cost Method**. The cost is determined in two parts.

The first part is the Entry Age Normal Cost. This is the level cost of providing the benefits promised by the Fund to each individual participant in service at the valuation date assuming that contributions are made over the period of the participant's working life.

The second part is a net amortization payment to pay off the unfunded actuarial liability. The unfunded actuarial liability is the difference between the actuarial assets of the Fund at the valuation date and the assets the Fund should hold as determined by the actuarial cost method. The actual cost is determined by the amortization schedule established by the IRS minimum funding rules.

Government Limitations

ERISA and the IRS tax code place various limits on the contributions made to qualified pension plans. The limits impact the minimum that must be paid, the maximum that can be deducted and the timing of contributions.

To ensure that minimum contributions are met, pension plans are required to retain an Enrolled Actuary to complete Schedule MB to Form 5500 on an annual basis. Because the bargained contributions have exceeded the minimum required contribution in years past, the Fund has built up a Credit Balance. The Credit Balance can be used to make up the difference between the minimum required contribution and the bargained contribution.

The actuarially determined contribution for 2013 is shown below compared to the Government Limits and the actual contributions. The table also shows the per capita cost and contribution.

Contributions for 2013		
Actuarially determined contribution		
Unit Credit Normal Cost	$	114,286
Amortization Payment		102,762,663
Interest to End of Year		8,230,156
Total	$	111,107,105
Government Limits		
Maximum Deductible Contribution	$	3,005,976,334
Minimum Contribution (before Credit Balance)	$	111,107,105
Interest Adjusted Credit Balance	$	198,312,823
Minimum Contribution (after Credit Balance)	$	0
Estimated Employer Contributions	$	56,709,000
Count of Active Participants		21,015
Per Capita Actuarial Cost	$	5,287
Per Capita Contribution	$	2,699

SECTION IV
CONTRIBUTIONS

The tables on the following pages show the development of the minimum and maximum contributions for 2013.

FUNDING STANDARD ACCOUNT FOR PLAN YEARS ENDING

	2012	2013
1. Charges For Plan Year		
a. Normal Cost	$ 4,983,168	$ 114,286
b. Amortization Charges	164,929,734	164,929,730
c. Interest on a. and b. to Year End	13,593,032	13,203,521
d. Additional Funding Charge	N/A	N/A
e. Interest Charge due to Late Quarterly Contributions	N/A	N/A
f. Total Charges	$ 183,505,934	$ 178,247,537
2. Credits For Plan Year		
a. Prior Year Credit Balance	$ 163,169,752	$ 183,622,984
b. Employer Contributions *(estimate for 2013)*	59,617,365	*56,709,000*
c. Amortization Credits	120,966,889	62,167,067
d. Interest on a., b., and c. to Year End	23,374,912	20,238,855
e. Full Funding Limit Credit	0	0
f. Total Credits	$ 367,128,918	$ 322,737,906
3. Credit Balance at End of Year [2. - 1.] *(estimate for 2013)*	$ 183,622,984	$ 144,490,369

SECTION IV
CONTRIBUTIONS

CALCULATION OF THE MAXIMUM DEDUCTIBLE CONTRIBUTION FOR THE PLAN YEAR STARTING JANUARY 1, 2013

1.	Regular Maximum Contribution		
a.	Normal Cost	$	114,286
b.	Limit Adjustments		94,735,245
c.	Interest on a. and b. to Year End		7,587,963
d.	Total	$	102,437,494
e.	Minimum Required Contribution at Year End		0
f.	Larger of d. and e.		102,437,494
g.	Full Funding Limit		1,683,353,305
h.	Maximum Deductible Contribution, less of f. and g.	$	102,437,494
2.	140% of Current Liability Calculation		
a.	Current Liability at Start of Year	$	2,688,515,639
b.	Present Value of Benefits Estimated to Accrue during Year		920,710
c.	Expected Benefit Payments		143,170,168
d.	Net Interest on a., b. and c. at Current Liability Interest Rate (3.78%)		98,979,877
e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]		2,645,246,058
f.	140% of e.		3,703,344,481
g.	Actuarial Value of Assets		783,476,806
h.	Net Interest on c. and g. at Valuation Interest Rate (8.00%)		57,061,509
i.	Estimated Value of Assets, [g. – c. + h.]		697,368,147
j.	Unfunded Current Liability at Year End, [f. – i.], not less than $0	$	3,005,976,334
3.	Maximum Deductible Contribution at Year End, greater of 1. and 2.	$	3,005,976,334

SECTION IV
CONTRIBUTIONS

DEVELOPMENT OF ACTUARIAL GAIN / (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2012

1. Unfunded Actuarial Liability at Start of Year (not less than zero)	$	930,127,231
2. Normal Cost at Start of Year		4,983,168
3. Interest on 1. and 2. to End of Year		74,808,832
4. Employer Contributions for Prior Year		59,617,365
5. Interest on 4. to End of Year		643,981
6. Increase in Unfunded Actuarial Liability Due to Changes in Assumptions		0
7. Decrease in Unfunded Actuarial Liability Due to Changes in Plan Design	$	(61,985,205)
8. Increase in Unfunded Actuarial Liability Due to Funding Method Change		0
9. Expected Unfunded Actuarial Liability at End of Year [1. + 2. + 3. – 4. – 5. + 6. + 7. + 8.]	$	887,672,680
10. Actual Unfunded Actuarial Liability at End of Year (not less than zero)		869,316,352
11. Actuarial Gain / (Loss) [9. – 10.]	$	18,356,328
12. Amortization Factor for Actuarial Gain / (Loss)		9.2442
13. Amortization Credit / (Charge) for Actuarial Gain / (Loss)	$	1,985,705

SECTION IV
CONTRIBUTIONS

SCHEDULE OF AMORTIZATIONS REQUIRED FOR MINIMUM REQUIRED CONTRIBUTION AS OF JANUARY 1, 2013

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2013 Outstanding Balance	Remaining Amortization Years	Beg of Yr Amortization Amount
CHARGES						
1. Combined Charges	1/1/1985	$ 270,785,105	29	$ 71,419,951	6	$ 14,304,847
2. Assumption Change	1/1/1986	12,855,910	30	4,704,821	8	758,063
3. Plan Amendment	1/1/1987	6,109,000	30	2,538,458	9	376,255
4. Plan Amendment	1/1/1988	17,915,000	30	8,290,631	10	1,144,026
5. Plan Amendment	1/1/1989	7,929,000	30	4,024,806	11	522,019
6. Change Method	1/1/1989	133,216,000	29	62,308,778	10	8,598,005
7. Assumption Change	1/1/1990	39,781,000	30	21,879,128	12	2,688,196
8. Plan Amendment	1/1/1990	39,435,000	30	21,688,832	12	2,664,815
9. Plan Amendment	1/1/1991	2,876,000	30	1,696,694	13	198,767
10. Plan Amendment	1/1/1992	6,032,000	30	3,785,328	14	425,137
11. Assumption Change	1/1/1992	52,269,000	30	32,800,981	14	3,683,940
12. Plan Amendment	1/1/1993	94,753,000	30	62,806,581	15	6,794,134
13. Assumption Change	1/1/1994	56,054,000	30	38,944,443	16	4,073,909
14. Actuarial Loss	1/1/1995	107,611,616	15	7,679,067	2	3,987,208
15. Assumption Change	1/1/1996	18,104,924	30	13,619,930	18	1,345,625
16. Plan Amendment	7/1/1996	128,160,593	30	102,773,633	19	10,027,508
17. Plan Amendment	1/1/1997	1,109,834	30	863,568	19	83,261
18. Actuarial Loss	1/1/1997	64,079,186	15	13,146,795	4	3,675,269
19. Plan Amendment	1/1/1998	563,954	30	452,366	20	42,662
20. Plan Amendment	1/1/1999	62,490,169	30	51,521,951	21	4,762,548
21. Actuarial Loss	1/1/2001	128,020,114	15	62,491,956	8	10,069,002
22. Actuarial Loss	1/1/2002	147,313,065	15	81,464,973	9	12,074,898
23. Actuarial Loss	1/1/2003	234,893,247	15	144,354,882	10	19,919,569
24. Actuarial Loss	1/1/2004	30,409,963	15	20,456,368	11	2,653,197
25. Actuarial Loss	1/1/2005	11,178,830	15	8,131,431	12	999,075

SECTION IV
CONTRIBUTIONS

SCHEDULE OF AMORTIZATIONS REQUIRED FOR MINIMUM REQUIRED CONTRIBUTION AS OF JANUARY 1, 2013

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2013 Outstanding Balance	Remaining Amortization Years	Beg of Yr Amortization Amount
CHARGES (CONTINUED)						
26. Actuarial Loss	1/1/2006	27,723,307	15	23,380,435	13	2,739,014
27. Assumption Change	1/1/2007	39,448,609	30	37,654,300	29	3,124,559
28. Assumption Change	1/1/2008	31,841,997	15	27,759,912	15	3,002,942
29. Actuarial Loss	1/1/2009	189,464,345	20	170,808,074	16	17,867,928
30. Actuarial Loss	1/1/2010	45,333,520	15	39,913,289	12	4,903,976
31. Funding Method Change	1/1/2011	56,656,549	10	48,521,727	8	7,818,052
31. Actuarial Loss	1/1/2011	4,061,037	15	3,749,939	13	439,305
32. Actuarial Loss	1/1/2012	84,695,879	15	81,576,569	14	9,162,019
TOTAL CHARGES				$ 1,277,210,597		$ 164,929,730

SECTION IV
CONTRIBUTIONS

SCHEDULE OF AMORTIZATIONS REQUIRED FOR MINIMUM REQUIRED CONTRIBUTION AS OF JANUARY 1, 2013

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2013 Outstanding Balance	Remaining Amortization Years	Beg of Yr Amortization Amount
CREDITS						
1. Combined Credits	1/1/2006	$ 590,002,474	7.33	$ 33,918,343	0.33	$ 33,918,343
2. Actuarial Gain	1/1/2007	14,663,533	15	10,701,756	9	1,586,235
3. Actuarial Gain	1/1/2008	25,687,200	15	20,137,114	10	2,778,726
4. Funding Method Change	1/1/2009	71,927,744	10	49,554,286	6	9,925,329
5. Funding Method Change	1/1/2010	38,172,608	10	29,618,229	7	5,267,448
6. Actuarial Gain	1/1/2013	18,356,328	15	18,356,328	15	1,985,705
7. Plan Amendment	1/1/2013	61,985,205	15	61,985,205	15	6,705,281
TOTAL CREDITS				$ 224,271,261		$ 62,167,067
NET CHARGE				$ 1,052,939,336		$ 102,762,663
Less Credit Balance				183,622,984		
Expected Unfunded Actuarial Liability				$ 869,316,352		
Actuarial Accrued Liability				$ 1,652,793,158		
Actuarial Value of Assets				783,476,806		
Unfunded Actuarial Liability				$ 869,316,352		

SECTION IV
CONTRIBUTIONS

ACCUMULATED RECONCILIATION ACCOUNT AND BALANCE TEST AS OF JANUARY 1, 2013

1. Amount due to Additional Interest Charges in prior years	$	0
2. Amount due to Additional Funding Charges in prior years		NA
3. Reconciliation Account at Start of Year [1. + 2.]	$	0
4. Net Outstanding Amortization Bases	$	1,052,939,336
5. Credit Balance at Start of Year	$	183,622,984
6. Unfunded Actuarial Liability at Start of Year from Funding Equation [4. - 3. - 5.]	$	869,316,352
7. Actuarial Liability at Start of Year	$	1,652,793,158
8. Actuarial Value of Assets at Start of Year	$	783,476,806
9. Unfunded Actuarial Liability at Start of Year from Liability Calculation [7. - 8.]	$	869,316,352

The Fund passes the Balance Test because line 6. equals line 9.

SECTION IV
CONTRIBUTIONS

DEVELOPMENT OF FULL FUNDING LIMITATION FOR THE YEAR BEGINNING JANUARY 1, 2013

		Minimum	Maximum
1.	ERISA Actuarial Liability Calculation		
a.	Actuarial Liability	$ 1,652,793,158	$ 1,652,793,158
b.	Normal Cost	114,286	114,286
c.	Lesser of Market Value and Actuarial Value of Assets	652,897,338	652,897,338
d.	Credit Balance at Start of Year	183,622,984	N/A
e.	Net Interest on a., b., c., and d. at Funding Interest Rate (8.00%)	94,690,647	80,000,808
f.	Actuarial Liability Full Funding Limit, [a. + b. – c. + d.] x 1.08, limited to zero	$ 1,278,323,737	$ 1,080,010,914
2.	Full Funding Limit Override (RPA 1994)		
a.	RPA 1994 Current Liability at Start of Year	$ 2,688,515,639	$ 2,688,515,639
b.	Present Value of Benefits Estimated to Accrue during Year	920,710	920,710
c.	Expected Benefit Payments	143,170,168	143,170,168
d.	Net Interest on a., b. and c. at Current Liability Interest Rate (3.78%)	98,979,877	98,979,877
e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]	2,645,246,058	2,645,246,058
f.	90% of e.	2,380,721,452	2,380,721,452
g.	Actuarial Value of Assets	783,476,806	783,476,806
h.	Net Interest on c. and g. at Valuation Interest Rate (8.00%)	57,061,509	57,061,509
i.	Estimated Value of Assets, [g. – c. + h.]	697,368,147	697,368,147
j.	RPA 1994 Full Funding Limit Override [f. – i.], limited to zero	$ 1,683,353,305	$ 1,683,353,305
3.	Full Funding Limitation at End of Year, greater of 1. and 2.	$ 1,683,353,305	$ 1,683,353,305

SECTION IV
CONTRIBUTIONS

SCHEDULE OF LIMIT ADJUSTMENTS FOR MAXIMUM DEDUCTIBLE CONTRIBUTION FOR THE PLAN YEAR STARTING JANUARY 1, 2013

Sum of Bases Established	Initial Amount	Outstanding Balance	Limit Adjustment
1/1/1990	$ 35,661,313	$ 25,867,515	$ 4,870,077
1/1/1991	14,638,653	17,663,598	2,009,083
1/1/1992	(22,152,709)	(31,670,393)	(3,047,642)
1/1/1993	47,430,265	80,754,326	6,544,915
1/1/1994	2,306,183	4,044,851	318,230
1/1/1995	31,250,616	55,852,453	4,312,281
1/1/1996	(58,171,621)	(102,303,141)	(8,027,116)
1/1/1997	65,189,020	114,219,487	8,995,450
1/1/1998	(29,122,702)	(47,585,985)	(4,018,650)
1/1/1999	22,092,077	34,046,738	3,048,476
1/1/2000	(45,599,547)	(79,753,613)	(6,292,294)
1/1/2001	128,020,114	209,695,362	17,665,530
1/1/2002	147,313,065	218,600,860	20,327,769
1/1/2003	55,740,401	74,345,608	7,691,633
1/1/2004	30,409,963	36,148,493	4,196,279
1/1/2005	11,178,830	11,989,803	1,542,570
1/1/2006	30,023,253	29,688,298	4,142,917
1/1/2007	8,499,951	24,471,229	3,420,099
1/1/2008	6,154,797	5,985,466	849,302
1/1/2009	117,536,601	114,829,085	16,218,907
1/1/2010	7,160,912	7,021,591	988,136
1/1/2011	60,717,586	60,335,739	8,378,436
1/1/2012	84,695,879	85,410,515	11,687,207
1/1/2013	(80,341,533)	(80,341,533)	(11,086,350)
Total		$ 869,316,352	$ 94,735,245

SECTION V
REORGANIZATION STATUS

DEMONSTRATION THAT THE FUND IS NOT IN REORGANIZATION FOR THE YEAR BEGINNING JANUARY 1, 2013

The Reorganization Test specified by ERISA and its Regulations states that unless the Fund elects otherwise, the test is based on the valuation for the plan year ending at least 6 months before the Relevant Effective Date. The Relevant Effective Date is the date of the relevant bargaining agreement, provided that bargaining agreement is not more than 36 months old. If there is no relevant bargaining agreement, the test is based on the valuation for the plan year ending at least 12 months before the current plan year.

However, the Trustees can opt to use a more recent valuation. This makes the test somewhat simpler to perform because it avoids the need to adjust old valuation results. If the Fund passes the test (i.e. is NOT in Reorganization) using the current valuation, then the Trustees can ensure the Fund passes the Reorganization Test by electing to use the current valuation.

Vested Benefits Charge for 2013 based on 1/1/2013 Valuation:

Present Value of Vested Benefits for Retirees	$	863,991,764
Actuarial Value of Assets	$	783,476,806
Retiree UVB	$	80,514,958
10 year Amortization Factor		7.2469
Charge for Retirees	$	11,110,281
PVVB for Non-Retirees	$	773,426,008
Residual Assets	$	-
Non-retiree UVB	$	773,426,008
25 year Amortization Factor		11.5288
Charge for Non-Retirees	$	67,086,670
Vested Benefits Charge	**$**	**78,196,951**
Net Charges to Funding Standard Account[1]	**$**	**128,814,646**
Reorganization Index	**$**	**0**

The Plan is not in Reorganization because the Reorganization Index is zero.

[1] For purposes of performing the reorganization test, the IRC §431(d) automatic amortization extension is excluded.

SECTION VI
FASB ASC TOPIC NO. 960 DISCLOSURE

Present Value of Accumulated Benefits as of January 1, 2013 in Accordance with FASB ASC Topic No. 960

		Amounts	Vested Counts
1. Actuarial Present Value of Benefits			
For Retirees and Beneficiaries	$	1,126,899,447	17,310
Terminated Vesteds		172,860,816	12,719
Active Participants		337,657,509	12,650
Vested Benefits	$	1,637,417,772	42,679
2. Non-vested Benefits	$	13,581,477	8,365
3. Accumulated Benefits	$	1,650,999,249	51,044
4. Market Value of Assets	$	652,897,338	
5. Funded Ratios			
Vested Benefits		40%	
Accumulated Benefits		40%	

Reconciliation of Present Value of Accumulated Benefits

1. Actuarial Present Value at Start of Prior Plan Year	$	1,664,024,549
2. Increase (Decrease) over Prior Year due to:		
Benefit Accruals	$	15,339,954
Benefit Payments		(138,082,930)
Increase for Interest		128,932,100
Experience (Gains)/Losses		(19,214,424)
Changes in Assumptions		0
Plan Amendments		0
Total		(13,025,300)
3. Actuarial Present Value at End of Prior Year	$	1,650,999,249

APPENDIX A
MEMBERSHIP INFORMATION

The data for this valuation was provided on magnetic tape by Associated Administrators LLC (AA). Cheiron did not audit any of the data. The data is as of January 1, 2013. Below is a list of assumptions Cheiron made in processing the data this year. These assumptions only affected a de minimis number of participants.

Dates of Birth for Active Employees

For 20 Tier II active participants who had an unreasonable or missing date of birth we imputed a date of birth based on the assumption that they entered the plan at the average hire age of the participants in their group. These average hire ages are as follows:

Tier	Full-Time/ Part-Time	Sex	Average Hire Age
Tier II	Full-Time	Male	30
Tier II	Full-Time	Female	32
Tier II	Part-Time	Male	31
Tier II	Part-Time	Female	34

Dates of Birth for Terminated Vested Employees

For terminated vested participants with unreasonable or missing dates of birth we assumed they were the average age of their respective group based on Tier I or Tier II participation.

Accrued Benefits for Terminated Vested Employees

The accrued benefit for each terminated vested was taken directly from the data supplied by Associated Administrators. For terminated vested participants with a $0 accrued benefit, we estimated the accrued benefit based on the amount of benefit service report and the monthly accrual levels for Tier I or Tier II participation.

Full-Time/Part-Time Status

Full-time versus part-time status is not included in the data provided to Cheiron. For Tier I participants, this status is determined based on the most recent contribution rate for that participant. Tier II participants are assigned full-time versus part-time status based on the majority of their service for the 2012 plan year. If they do not have service in the 2012 plan year, earlier years are used.

APPENDIX A
MEMBERSHIP INFORMATION

The following is a list of data charts contained in this section:

- Age/Service Distribution for Tier I Full-Time Active Participants
- Age/Service Distribution for Tier I Part-Time Active Participants
- Age/Service Distribution for Tier II Full-Time Active Participants
- Age/Service Distribution for Tier II Part-Time Active Participants
- Counts and Average Benefit Amount by Age for Retirees, Beneficiaries, and Disabled Participants
- Counts and Average Benefit Amount by Age for Deferred Vested Participants and Surviving Spouses entitled to future benefits

FULL-TIME TIER I PARTICIPANTS AS OF JANUARY 1, 2013

	COMPLETED YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2013										
AGE	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0
30-34	1	0	0	0	0	0	0	0	0	0	1
35-39	1	0	0	0	0	0	0	0	0	0	1
40-44	0	0	0	0	0	0	0	0	0	0	0
45-49	0	1	2	2	1	10	106	26	0	0	148
50-54	0	2	5	4	0	8	134	348	30	0	531
55-59	0	0	2	1	3	10	25	201	206	18	466
60-64	0	0	1	1	0	1	16	75	106	96	296
65-69	0	0	0	0	0	1	7	15	16	50	89
70 & Up	0	0	0	0	0	0	0	4	8	11	23
Total	2	3	10	8	4	30	288	669	366	175	**1,555**

Average Age = 56.0 Average Service = 33.4

APPENDIX A
MEMBERSHIP INFORMATION

PART-TIME TIER I PARTICIPANTS AS OF JANUARY 1, 2013

	COMPLETED YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2013										
AGE	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0
45-49	0	1	0	0	1	1	16	1	0	0	20
50-54	0	0	0	0	0	1	24	59	5	0	89
55-59	0	0	0	1	1	2	14	44	23	3	88
60-64	0	0	0	0	0	0	3	16	24	5	48
65-69	1	0	0	0	0	0	0	5	6	8	20
70 & Up	0	0	0	0	0	0	0	2	0	1	3
Total	1	1	0	1	2	4	57	127	58	17	**268**

Average Age = 56.5 Average Service = 32.7

APPENDIX A
MEMBERSHIP INFORMATION

FULL-TIME TIER II PARTICIPANTS AS OF JANUARY 1, 2013

	COMPLETED YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2013										
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
AGE											
Under 25	5	43	22	0	0	0	0	0	0	0	70
25-29	2	65	147	39	0	0	0	0	0	0	253
30-34	2	77	130	206	20	0	0	0	0	0	435
35-39	3	42	108	175	215	25	0	0	0	0	568
40-44	5	40	117	156	179	343	60	0	0	0	900
45-49	4	44	111	180	123	268	338	0	0	0	1,068
50-54	3	40	132	174	136	248	249	3	0	0	985
55-59	1	31	84	135	113	218	161	6	1	0	750
60-64	2	8	54	92	72	115	99	0	2	1	445
65-69	0	2	23	29	28	45	29	0	0	1	157
70 & Up	0	1	11	11	11	13	15	1	0	0	63
Total	27	393	939	1,197	897	1,275	951	10	3	2	**5,694**

Average Age = 47.1 Average Service = 16.3

APPENDIX A
MEMBERSHIP INFORMATION

PART-TIME TIER II PARTICIPANTS AS OF JANUARY 1, 2013

	COMPLETED YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2013										
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25	1,089	2,440	155	0	0	0	0	0	0	0	3,684
25-29	185	820	541	49	0	0	0	0	0	0	1,595
30-34	114	439	334	232	8	0	0	0	0	0	1,127
35-39	76	329	201	182	95	8	0	0	0	0	891
40-44	79	380	241	166	114	107	9	0	0	0	1,096
45-49	76	383	242	223	84	112	99	0	0	0	1,219
50-54	84	435	311	220	102	126	76	1	0	0	1,355
55-59	67	333	236	211	89	97	59	1	1	0	1,094
60-64	39	246	175	153	63	99	26	0	0	0	801
65-69	15	95	113	83	22	43	24	0	0	0	395
70 & Up	8	63	70	51	15	25	9	0	0	0	241
Total	1,832	5,963	2,619	1,570	592	617	302	2	1	0	**13,498**

Average Age = 38.5 Average Service = 6.3

APPENDIX A
MEMBERSHIP INFORMATION

PENSIONERS AND BENEFICIARIES RECEIVING BENEFITS AS OF JANUARY 1, 2013

	Disability Retirements		Normal, Early Deferred Vested Retirements		Surviving Spouses and Beneficiaries Receiving Benefits		Total	
Age	Number	Monthly	Number	Monthly	Number	Monthly	Number	Monthly Benefit
Under 55	128	$ 61,771	222	$ 243,692	84	$ 47,357	434	$ 352,820
55-59	128	72,779	910	958,418	85	38,092	1,123	1,069,289
60-64	184	121,423	2,372	1,947,367	194	71,223	2,750	2,140,013
65-69	3	3,304	3,448	2,423,066	261	105,161	3,712	2,531,531
70-74	0	0	3,439	2,237,492	341	126,147	3,780	2,363,639
75-79	0	0	2,360	1,400,367	283	92,434	2,643	1,492,801
80 & Over	0	0	2,454	1,155,553	414	124,359	2,868	1,279,912
Total	443	$ 259,277	15,205	$ 10,365,955	1,662	$ 604,773	**17,310**	**$ 11,230,005**

DEFERRED VESTED PARTICIPANTS AND SURVIVING SPOUSES ENTITLED TO FUTURE BENEFITS

Age	Number	Monthly Benefit Payable at Normal Retirement Date
Under 45	4,145	$ 579,578
45-49	2,007	511,832
50-54	2,285	734,287
55-59	2,252	673,774
60-64	1,437	357,219
65 & Over	593	123,763
Total	12,719	$ 2,980,453

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

This summary reflects all amendments made to the Fund up to and including January 2012. In March 2008 the two largest employers entered into new contracts with increased contributions, the contribution rates under the 2008 Bargaining Agreement have been reflected in this report. The rates for the majority of participants are set forth in this appendix.

1. **Eligibility**

   Each employee with bargaining units represented by Locals 400, 27 or 1776 (formerly 1357), where the collective Bargaining Agreements call for contributions to this Fund on behalf of such employee, will become a participant upon receipt of the first such contribution on his behalf.

2. **Normal Retirement Date**

   An employee's Normal Retirement Date is the last day of the month in which his 65th birthday occurs.

3. **Past Service**

   Service prior to January 1, 1976 was granted according to the terms of the Fund as in effect from time to time prior to that date.

4. **Future Service**

   On and after January 1, 1976, an employee for whom monthly contributions are made receives future service credit for each month for which a contribution is made on his behalf. An employee for whom hourly contributions are made receives future service credit for each plan year at the rate of one-quarter of a year for each 400 such hours for which contributions are made up to a full year credit for 1,600 or more such hours. In either case, an employee also receives future service benefit credit for any period during which he is reported as being in the military service of the United States and returns to covered employment within the period for protection of his statutory rights to re-employment.

5. **Accrued Monthly Pension**

   An employee's Accrued Monthly Pension is determined according to the contribution rate applicable to him from time to time. The contribution rate for most of the participants in the Plan is set in the Collective Bargaining Agreement between FELRA and the participating unions.

   The applicable contribution rates and benefit rates for Tier I and Tier II employees are shown below:

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

	Tier I		Tier II			
Effective July 1, 1996	**Full-Time**	**Part-Time**	**Full-Time**		**Part-Time**	
Contribution Rate at January 1, 2008	$588.46/month	$217.87/month	$0.87/hour	$0.46/hour	$0.87/hour	$0.46/hour
Contribution Rate at January 1, 2009	$730.50/month	$270.46/month	$1.08/hour	$0.57/hour	$1.08/hour	$0.57/hour
Contribution Rate at January 1, 2010	$872.54/month	$323.05/month	$1.29/hour	$0.68/hour	$1.29/hour	$0.68/hour
Contribution Rate at January 1, 2011	$1,104.59/month	$375.64/month	$1.50/hour	$0.79/hour	$1.50/hour	$0.79/hour
Contribution Rate at January 1, 2012	$1,156.63/month	$428.23/month	$1.71/hour	$0.90/hour	$1.71/hour	$0.90/hour
Benefit Rate Per Year of Credited Service (Effective April 1, 2000)	$47	$32	$25	$15	$15	$10

For Tier I participants, the benefit rate for credited service in excess of 30 years is $54 per month per year of full-time credited service and $37 per month per year of part-time credited service.

Certain other "non-core" bargaining units participate at different contribution/benefit levels. These non-core employers make up a small percentage of plan liabilities. For FELRA employees hired after the effective date of the applicable Collective Bargaining Agreement, other contribution rates and benefit levels may be applicable.

Participants employed by either Giant or Safeway will not earn any future benefit accrual for service earned on or after January 1, 2013.

6. Normal Retirement Benefit

An employee's Normal Retirement Benefit is his Accrued Monthly Pension determined as of his Normal Retirement Age (65).

7. Employment after Age 65

An employee whose employment continues beyond his Normal Retirement Age will continue to receive additional pension credit for that employment.

8. Early Retirement Benefit

An employee who has both attained age 55 and completed at least 15 years of Credited Service can retire prior to his Normal Retirement Date. Tier II participants are also eligible to retire provided the Participant has both attained age 62 and completed at least 10 years of Credited Service. His early retirement pension is equal to his Accrued Monthly Pension,

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reduced by one-half of one percent for each month in the period between the date his pension commences and his 60th birthday (65th in the case of employees having an hourly contribution basis). Certain other participants acquired through plan mergers are entitled to early retirement benefits under different age and service requirements.

9. Special Early Retirement

An employee (other than an employee having an hourly contribution basis) who has either (a) attained age 60 and completed at least five years of Credited Service, or (b) has completed at least 30 years of Credited Service regardless of age, may retire and receive his Accrued Monthly Pension without actuarial reduction.

10. Disability Retirement

An employee who becomes totally and permanently disabled (according to Social Security criteria) after he has completed at least ten years of Credited Service, is entitled to a Disability Retirement Pension. His Accrued Pension will be payable without actuarial reduction as soon as his disability has been established to the satisfaction of the Trustees and he has completed the six-month waiting period.

11. Vesting

If an employee who has completed five or more years of "Vesting Service" terminates covered employment other than by death or disability prior to the time he is eligible for an Early (or Normal) Retirement Benefit, he will be entitled to a Deferred Vested Pension beginning on his 60th birthday (65th in the case of employees having an hourly contribution basis), equal to his Accrued Monthly Pension up to the date his covered employment terminates. A former employee may elect to receive his pension payments on the first day of any month on or after his 55th birthday, in which case his pension amount will be reduced by one-half of one percent for each month in the period between the date his pension begins and his 60th birthday (65th in the case of employees having an hourly contribution basis). For this purpose, Vesting Service is equal to (a) the years of Credited Service granted prior to 1976, and (b) the sum of the years of Credited Service granted after 1975, except that one full year of Vesting Service is granted for each calendar year in which either five or more months of Credited Service were granted or 750 Regular Time Hours were credited; if an employee has less than 750 Regular Time Hours or five months of Credited Service in any plan year and transfers to (or is transferred from) non-covered service with a participating employer, such non-covered service will also be included as Vesting Service.

12. Pre-Retirement Spouse's Pension

Each employee who is vested under the Fund (other than as set out below) is provided with pre-retirement spouse's pension coverage, whereby if his death occurs before actual retirement, his spouse will receive a lifetime pension from the Fund. The spouse's pension will be payable starting with the later of (a) the earliest date the employee could have elected to retire under the Plan, or (b) the employee's death. The amount of such pension will be one-half of that which would have been payable to the employee if he had retired early on the date of

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the start of the spouse's pension and elected a Joint and 50 Percent Survivor option. The coverage is elective for former employees who became entitled to deferred vested pension prior to August 23, 1984 and is paid for by reduction of the pension otherwise payable to him.

13. Normal Form of Pension

The normal form of pension for an unmarried employee (or for a married employee who so elects) will be a lifetime pension. If his pension accrual was greater than $15 per month per year of service (or $10 for part-time employees), the pension is also payable for 60 months certain. The normal form of pension payable to a married employee who does not elect otherwise will be an actuarially reduced pension on the Joint and 50 Percent Survivor basis.

Upon the death of a pensioner, other than pensioners receiving Deferred Vested Pensions, a lump sum death benefit will be paid to the employee's designated beneficiary. The amount is either $500, $1,000 or $2,500 depending on the contribution rate applicable to the participant and the full-time/part-time employment status.

14. Reciprocity

An employee covered by this Fund may transfer to (or from) the UFCW and Participating Employers' Pension Plan without loss of pension credits. Upon eventual retirement, each Fund will pay the benefit for service accrued under that Fund, according to the benefit rate in effect under that Fund, at the time of retirement. Reciprocity also has been authorized between this Fund and certain other collectively bargained plans in the retail food industry, under which payment of benefits from each Fund is made according to the benefit rate in effect at the end of his covered employment under each Fund.

Note: The above summary is for the sole purpose of stating the principal plan provisions on which the valuation is based. Entitlement to benefits under the Fund is determined under the terms and provisions of the Pension Plan document.

14. Changes in Plan Provisions

Participants employed by either Giant or Safeway will not earn any future benefit accrual for service earned on or after January 1, 2013.

APPENDIX C
ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. Rates of Investment Return

Funding and disclosure purposes:
8.00% compounded annually

Current Liability under RPA 1994:
3.78% compounded annually

All investment returns are net of investment expenses and administrative expenses.

2. Rates of Mortality

Funding and disclosure purposes:

Active: RP-2000 Combined Healthy mortality table for males and females.

Healthy Inactive: RP-2000 Healthy Annuitant mortality table set forward one year for males and no adjustment for females. The mortality table for active lives is used prior to age 49 for males and age 50 for females, but set forward one year for males.

Disabled: RP-2000 Disabled Annuitant for ages prior to 65. The same mortality as Healthy Inactives for ages 65 and older.

Past experience has shown more deaths have occurred than assumed, which has yielded liability gains attributable to this experience. Therefore, the current assumption includes a margin for future mortality improvements. This will continue to be monitored on an annual basis and adjustments will be made when necessary.

Current Liability:

The separate 2013 Static Mortality Tables for annuitants and non-annuitants as prescribed under IRS Notice 2008-85 and Regulation §1.431(c)(6)-1.

3. Rates of Turnover

Terminations of employment for reasons other than death or retirement are assumed to be in accordance with annual rates as shown below.

	Number Expected to Terminate Annually Per 1,000	
Service	**Males**	**Females**
0	400	400
1	220	220
2	180	180
3	150	150
4	130	130
5	120	120
6	110	110
7	105	105
8	90	90
9	90	90
10	90	90
11	80	80
12	80	80
13	80	80
14	70	70
15	70	70
16	70	70
17	50	50
18	50	50
19	50	50
20	40	40
21	30	30
22 and over	25	25

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4. Rates of Retirement

Tier I rates of retirement depend on whether a participant has fewer than 30 years of service or more than 30 years of service.

	Number Expected to Retire Annually Per 1,000		
	Tier 1	Tier 1	Tier 2
Age	Less than 30 years	Over 30 years	
50	0	200	0
51	0	200	0
52	0	200	0
53	0	200	0
54	0	200	0
55	85	200	75
56	85	200	75
57	85	200	75
58	85	200	75
59	85	200	75
60	150	200	100
61	150	250	100
62	300	350	150
63	200	400	125
64	200	400	150
65	300	400	200
66	300	400	200
67	200	400	200
68	200	400	200
69	200	400	200
70 and over	1,000	1,000	1,000

Employees who leave employment with entitlement to a deferred vested pension are assumed to commence receipt of their pension when first eligible for unreduced benefits.

5. Rates of Disability

Terminations of employment for disability are assumed to be equal to 50% of the Group Long-Term Disability Insurance Crude Rates of Disablement for males published in the Transactions of the Society of Actuaries, 1979.

Illustrative rates are shown below.

Age	Number Expected to Become Disabled Annually Per 1,000
25	0.3
30	0.3
35	0.4
40	0.7
45	1.4
50	2.7

6. Marital Status and Elections

80% of participants are assumed to be married at death, and eligible for pre-retirement spouse benefits.

56% of participants are assumed to elect the joint and survivor option on retirement. The rest are assumed to elect the single life form.

Husbands are assumed three years older than their wives.

7. Service Accrual

All employees are assumed to earn one year of service credit for each year of future employment.

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8. Changes since the Previous Valuation

As required, the current liability interest rate and mortality tables were updated. The interest rate went from 4.29% to 3.78% and the mortality table was updated to the 2013 Static Mortality Tables for annuitants and non-annuitants (per IRS Notice 2008-85).

B. Actuarial Methods

1. Asset Valuation Method

The valuation assets are determined as the market value less (1) 80% of the investment gain/(loss) during the preceding year, less (2) 60% of the investment gain/(loss) during the second preceding year, less (3) 40% of the investment gain/(loss) during the third preceding year, less (4) 20% of the investment gain/(loss) during the fourth preceding year. However, the 2008 investment loss is recognized at a rate of 10% per plan year due to funding relief. For the purpose of this calculation, the gain/(loss) are defined as the difference between the actual and the expected return (based on the valuation interest rate) on the market value of assets during the year.

The actuarial value is taken to be the adjusted market value as described above, but subject to a 20 percent corridor limit around the actual market value; that is, the actuarial value is never greater than 120 percent of the market value (130 percent for 2009 and 2010 due to funding relief), nor less than 80 percent of market value.

2. Funding Method: Entry Age Normal Cost Method

Under the entry age normal actuarial cost method the individual entry age normal cost is determined for each participant by calculating the level annual contribution required to fund that individual's expected benefits based on the current Plan provisions over the participant's expected active working lifetime with the Fund at entry.

At the valuation date, the present value of future normal cost is calculated for each individual participant by multiplying the entry age normal cost by the present value of the participant's expected future active working lifetime with the Fund. The cost for each participant is then summed to yield the present value of future normal costs.

The excess of the present value of future benefits for all individuals at the valuation date over the present value of future normal costs is called the actuarial liability, or past service liability.

The excess, if any, of the actuarial liability over the actuarial value of assets is known as the unfunded accrued liability. If the actuarial value of assets exceeds the actuarial liability, the Fund may have a surplus.

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ACTUARIAL ASSUMPTIONS AND METHODS

3. PRA 2010 Funding Relief

The Fund's Board of Trustees elected funding relief under § 431(b)(8) of the Code and § 304(b)(8) of ERISA, specifically:

- The "special asset valuation rule" in determining the actuarial value of plan assets which allows the Plan to recognize the 2008 loss over 10 years, at 10% per year. Prior to the relief, the 2008 loss would have been recognized over 5 years, or 20% per year. This was first reflected with the January 1, 2010 actuarial value of assets.

- The "special asset valuation rule" in determining the actuarial value of plan assets which allows the Fund to use 130% of the market value of assets as the ceiling for the 2009 and 2010 actuarial value of assets.

4. Changes in Actuarial Methods since Last Valuation

None.