FELRA and UFCW Pension Fund

Actuarial Valuation Report
as of January 1, 2012

Produced by Cheiron

November 2012

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CHEIRON

November 13, 2012

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, 2012 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 2012 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.

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
Consulting Actuary

FOREWORD

Cheiron has performed the Actuarial Valuation of the FELRA and UFCW Pension Fund as of January 1, 2012. 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, there have been no changes to either the provisions or assumptions of the Fund.

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

	1/1/2011	1/1/2012	Change
Participant Counts			
Actives Tier I	2,264	2,038	(9.98%)
Tier II	21,235	20,063	(5.52%)
Total	23,499	22,101	(5.95%)
Terminated Vesteds	11,685	12,648	8.24%
In Pay Status	16,678	16,946	1.61%
Total	51,862	51,695	(0.32%)
Financial Information			
(1) Market Value of Assets (MVA)	$ 736,147,145	$ 667,648,046	(9.31%)
(2) Actuarial Value of Assets (AVA)	883,376,574	801,177,655	(9.31%)
(3) Total Present Value of Future Benefits	$ 1,751,610,109	$ 1,755,329,018	0.21%
(4) Entry Age Actuarial Liability	$ 1,725,547,757	$ 1,731,304,886	0.33%
(5) Unfunded Actuarial Liability [(2) - (4)]	(842,171,183)	(930,127,231)	N/A
(6) Funding Ratio on AVA Basis [(2) ÷ (4)]	51.2%	46.3%	N/A
(7) Present Value of Accrued Benefits / PPA Liability	$ 1,651,894,392	$ 1,664,024,549	0.73%
(8) Unfunded Accrued Benefit [(2) - (7)]	(768,517,818)	(862,846,894)	N/A
(9) Funding Ratio on AVA Basis [(2) ÷ (7)]	53.5%	48.1%	N/A
(10) Present Value of Vested Benefits	$ 1,629,422,003	$ 1,627,265,234	(0.13%)
(11) Unfunded Vested Benefit [(2) - (10)]	(746,045,429)	(826,087,579)	N/A
(12) Funding Ratio on AVA Basis [(2) ÷ (10)]	54.2%	49.2%	N/A
Contributions and Cash Flows			
Employer Contributions (Actual / Estimated)	$ 69,205,021	$ 69,609,000	0.58%
ERISA minimum required contribution	0	0	0.00%
ERISA maximum deductible contribution	2,676,615,464	2,854,177,896	6.63%
ERISA credit balance at start of year	126,519,555	163,169,752	28.97%
Prior Year Benefit Payouts	$ 131,901,851	$ 136,150,940	3.22%
Prior Year Administrative Expenses	3,816,992	3,955,599	3.63%
Prior Year Total Investment Return (Net)	86,290,208	2,402,419	N/A

SECTION I
SUMMARY

General Comments

- The market value of assets returned -0.2%, compared to the assumption of 8.0%. In dollars, the total investment loss (difference between expected and actual returns on a market value basis) was $55.8 million for the plan year ending December 31, 2011.

- 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 $55.8 million loss described above would be phased in at a rate of $11.2 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 $801.2 million (120% of market value). Absent the corridor, the smoothed value of assets would be $890.2 million (133.3% of market value).

- The actuarial rate of return was -1.8%, resulting in a recognized investment loss of $81.3 million on an actuarial value basis.

- The Fund experienced a liability loss of $3.4 million. When combined with the investment loss of $81.3 million, the Fund experienced a total net actuarial loss of $84.7 million.

- The Fund's funding ratio (actuarial value of assets as a percentage of actuarial liability) decreased from 51.2% as of January 1, 2011 to 46.3% as of January 1, 2012. Based on market value of assets, the funding ratio decreased from 42.7% to 38.6%.

- The unfunded vested benefits used in calculating withdrawal liability have increased from $927.3 million the previous year to $993.1 million.

- The Fund's fifth actuarial certification under the Pension Protection Act was filed on March 31, 2012. The Fund was certified to be in **Critical status** based on estimated financial information provided as of December 31, 2011 and using the liabilities disclosed in the January 1, 2011 Actuarial Valuation projected forward to January 1, 2012. The Fund's Board of Trustees have determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the Fund cannot be reasonably expected to emerge from critical status by the end of the Rehabilitation Period. Since the actuarial certification, bargaining parties have agreed to increases to the contribution rates to forestall possible insolvency.

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, 2012

			%
Investments			
U.S. Government and Agencies	$	15,787,236	2.3%
Corporate Obligations		63,319,765	9.4%
Common Stocks		129,650,957	19.3%
Common/Collective Trusts		155,969,017	23.2%
Pooled Separate Accounts		14,606,511	2.2%
Hedge Funds		121,262,034	18.0%
Mutual Funds		96,509,360	14.3%
Short-Term Investment Funds		8,025,419	1.2%
Subtotal	$	605,130,299	90.0%
Receivables			
Employer Contributions		46,972,051	7.0%
Interest and Dividends		1,268,524	0.2%
Due from Broker for Investments Sold		1,504,869	0.2%
Employer Withdrawal Liability		5,078,803	0.8%
Holdback - Meridian investments		715,128	0.1%
Prepaids and other receivables		98,840	0.0%
Subtotal	$	55,638,215	8.3%
Cash		13,643,954	2.0%
Total Assets	$	674,412,468	100.3%
Liabilities			
Accounts Payable	$	(1,104,753)	-0.2%
Due from Broker for Investments Purchased	$	(580,866)	-0.1%
Subtotal	$	(1,685,619)	-0.3%
Market Value of Assets for Statement	$	**672,726,849**	100.0%
Expected Withdrawal Liability Payments		5,078,803	
Market Value of Assets for Funding	$	**667,648,046**	

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, 2012

Market Value of Assets as of December 31, 2011					$ 667,648,046
Plan Year		Initial Gain/(Loss)	Percent Recognized	Percent Deferred	Amount Deferred
2007	$	(3,826,203)	100%	0%	-
2008		(333,600,618)	40%	60%	(200,160,371)
2009		11,303,707	60%	40%	4,521,483
2010		29,521,840	40%	60%	17,713,104
2011		(55,798,262)	20%	80%	(44,638,610)
Total Gain/(Loss) Excluded					$ (222,564,394)
Preliminary Actuarial Value as of January 1, 2012					$ 890,212,440
Corridor for Actuarial Value					
80% of Market Value					$ 534,118,437
120% of Market Value					$ 801,177,655
Actuarial Value of Assets as of January 1, 2012					$ 801,177,655
Actuarial Value as a percent of Market Value of Assets as of January 1, 2012					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 2011 are presented below:

Changes in Market Values		
Value of Assets – January 1, 2011*	$	741,690,360
Employer Contributions	$	69,205,021
Investment Return (Gross)		6,901,978
Benefit Payments		(136,150,940)
Administrative Expenses		(3,955,599)
Investment Expenses		(4,499,559)
Change in Future Withdrawal Liability Payments		(464,412)
Value of Assets – January 1, 2012*	$	672,726,849

* 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, 2011 Value	$ 736,147,145	$ 883,376,574
2011 Employer Contributions	69,205,021	69,205,021
2011 Benefit Payments	(136,150,940)	(136,150,940)
Expected Investment Earnings (8%)	54,245,082	66,023,437
Expected Value December 31, 2011	723,446,308	882,454,092
Investment Gain / (Loss)	$ (55,798,262)	$ (81,276,437)
January 1, 2012 Value	667,648,046	801,177,655
Return	-0.22%	-1.79%

SECTION III
LIABILITIES

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

- **Disclosure** of Fund liabilities at January 1, 2011, and January 1, 2012; 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)		1/1/2011		1/1/2012
TOTAL OBLIGATIONS				
Active Participant Benefits	$	472,998,806	$	448,455,943
Retiree and Inactive Benefits		1,278,611,303		1,306,873,075
Total Obligations	**$**	**1,751,610,109**	**$**	**1,755,329,018**
ACTUARIAL LIABILITY				
Total Obligations	$	1,751,610,109	$	1,755,329,018
Less Present Value of Future Entry Age Method Normal Costs		26,062,352		24,024,132
Actuarial Liability	**$**	**1,725,547,757**	**$**	**1,731,304,886**
Actuarial Value of Assets		883,376,574		801,177,655
Net Surplus (Unfunded)	**$**	**(842,171,183)**	**$**	**(930,127,231)**
Assets as a Percentage of Actuarial Liability		51.2%		46.3%
ACCRUED LIABILITY / PPA LIABILITY				
Total Obligations	$	1,751,610,109	$	1,755,329,018
Less Present Value of Future Benefit Accruals		99,715,717		91,304,469
Accrued Liability / PPA Liability	**$**	**1,651,894,392**	**$**	**1,664,024,549**
Actuarial Value of Assets		883,376,574		801,177,655
Net Surplus (Unfunded)	**$**	**(768,517,818)**	**$**	**(862,846,894)**
VESTED LIABILITY				
Accrued Liability	$	1,651,894,392	$	1,664,024,549
Less Present Value of Non-Vested Benefits		22,472,389		36,759,315
Vested Liability	**$**	**1,629,422,003**	**$**	**1,627,265,234**
Actuarial Value of Assets		883,376,574		801,177,655
Net Surplus (Unfunded)[1]	**$**	**(746,045,429)**	**$**	**(826,087,579)**
Assets as a Percentage of Vested Liability		54.2%		49.2%
CURRENT LIABILITY	**$**	**2,487,635,089**	**$**	**2,554,527,923**
Market Value of Assets		736,147,145		667,648,046
Net Surplus (Unfunded)	**$**	**(1,751,487,944)**	**$**	**(1,886,879,877)**

[1] For purposes of withdrawal liability, the unfunded vested benefits (UVB) was $927,269,817 for 2011 and $993,068,146 for 2012.

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	$ 2,679,426	$ 1,996,818	$ 62,357	$ 244,567	$ 4,983,168
Entry Age Actuarial Liability					
Actives	$ 386,486,950	$ 17,436,768	$ 4,153,522	$ 16,354,571	$ 424,431,811
Terminated Vesteds	-	186,721,993	-	-	186,721,993
Retirees and Beneficiaries	1,031,925,470	-	55,682,763	32,542,849	1,120,151,082
Total	$ 1,418,412,420	$ 204,158,761	$ 59,836,285	$ 48,897,420	$ 1,731,304,886
RPA Current Liability Normal Cost	$ 23,337,556	$ 5,846,954	$ 172,161	$ 1,377,435	$ 30,734,106
RPA Current Liability					
Actives	$ 560,429,060	$ 52,421,225	$ 3,145,492	$ 25,335,820	$ 641,331,597
Terminated Vesteds	-	344,309,796	-	-	344,309,796
Retirees and Beneficiaries	1,441,201,302	-	76,560,750	51,124,478	1,568,886,530
Total	$ 2,001,630,362	$ 396,731,021	$ 79,706,242	$ 76,460,298	$ 2,554,527,923
Vested RPA Current Liability					
Actives	$ 410,080,940	$ 183,396,849	$ 3,092,437	$ 23,714,787	$ 620,285,013
Terminated Vesteds	-	344,309,796	-	-	344,309,796
Retirees and Beneficiaries	1,441,201,302	-	76,560,750	51,124,478	1,568,886,530
Total	$ 1,851,282,242	$ 527,706,645	$ 79,653,187	$ 74,839,265	$ 2,533,481,339

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.

Since the January 1, 2011 valuation there have been no changes in the accrued liability due to benefit changes.

	Actuarial Liability	Accrued Liability
Liabilities 1/1/2011	$ 1,725,547,757	$ 1,651,894,392
Liabilities 1/1/2012	$ 1,731,304,886	$ 1,664,024,549
Liability Increase (Decrease)	5,757,129	12,130,157
Change due to:		
Plan Amendment	0	0
Assumption Change	0	0
Accrual of Benefits	5,357,475	16,459,175
Passage of Time (Interest less benefits paid)	(3,019,788)	(8,023,922)
Other Sources	0	0
Actuarial (Gain)/Loss	3,419,442	3,694,904

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 2012 is shown below compared to the Government Limits and the actual contributions. The table also shows the per capita cost and contribution.

Contributions for 2012		
Actuarially determined contribution		
Entry Age Normal Cost	$	4,983,168
Amortization Payment		43,962,845
Interest to End of Year		3,915,681
Total	$	52,861,694
Government Limits		
Maximum Deductible Contribution	$	2,854,177,896
Minimum Contribution (before Credit Balance)	$	52,861,694
Interest Adjusted Credit Balance	$	176,223,332
Minimum Contribution (after Credit Balance)	$	0
Estimated Employer Contributions	$	69,609,000
Count of Active Participants		22,101
Per Capita Actuarial Cost	$	2,392
Per Capita Contribution	$	3,150

SECTION IV
CONTRIBUTIONS

The tables on the following pages show the development of the minimum and maximum contributions for 2012.

Funding Standard Account for Plan Years Ending		
1. Charges For Plan Year	**2011**	**2012**
a. Normal Cost	$ 5,357,475	$ 4,983,168
b. Amortization Charges	155,767,715	164,929,734
c. Interest on a. and b. to Year End	12,890,015	13,593,032
d. Additional Funding Charge	N/A	N/A
e. Interest Charge due to Late Quarterly Contributions	N/A	N/A
f. Total Charges	$ 174,015,205	$ 183,505,934
2. Credits For Plan Year		
a. Prior Year Credit Balance	$ 126,519,555	$ 163,169,752
b. Employer Contributions *(estimate for 2012)*	69,205,021	*69,609,000*
c. Amortization Credits	120,966,888	120,966,889
d. Interest on a., b., and c. to Year End	20,493,493	23,475,633
e. Full Funding Limit Credit	0	0
f. Total Credits	$ 337,184,957	$ 377,221,274
3. Credit Balance at End of Year [2. - 1.] *(estimate for 2012)*	$ 163,169,752	$ 193,715,340

SECTION IV
CONTRIBUTIONS

Calculation of the Maximum Deductible Contribution for the Plan Year Starting January 1, 2012			
1. Regular Maximum Contribution			
a.	Normal Cost	$	4,983,168
b.	Limit Adjustments		105,821,595
c.	Interest on a. and b. to Year End		8,864,381
d.	Total	$	119,669,144
e.	Minimum Required Contribution at Year End		0
f.	Larger of d. and e.		119,669,144
g.	Full Funding Limit		1,578,258,887
h.	Maximum Deductible Contribution, less of f. and g.	$	119,669,144
2. 140% of Current Liability Calculation			
a.	Current Liability at Start of Year	$	2,554,527,923
b.	Present Value of Benefits Estimated to Accrue during Year		30,734,106
c.	Expected Benefit Payments		141,332,015
d.	Net Interest on a., b. and c. at Current Liability Interest Rate (4.29%)		107,908,004
e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]		2,551,838,018
f.	140% of e.		3,572,573,225
g.	Actuarial Value of Assets		801,177,655
h.	Net Interest on c. and g. at Valuation Interest Rate (8.00%)		58,549,689
i.	Estimated Value of Assets, [g. – c. + h.]		718,395,329
j.	Unfunded Current Liability at Year End, [f. – i.], not less than $0	$	2,854,177,896
3. Maximum Deductible Contribution at Year End, greater of 1. and 2.		$	2,854,177,896

SECTION IV
CONTRIBUTIONS

Development of Actuarial Gain / (Loss) for the Year Ended December 31, 2011		
1. Unfunded Actuarial Liability at Start of Year (not less than zero)	$	842,171,183
2. Normal Cost at Start of Year		5,357,475
3. Interest on 1. and 2. to End of Year		67,802,293
4. Employer Contributions for Prior Year		69,205,021
5. Interest on 4. to End of Year		694,578
6. Increase in Unfunded Actuarial Liability Due to Changes in Assumptions		0
7. Increase in Unfunded Actuarial Liability Due to Changes in Plan Design		0
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.]	$	845,431,352
10. Actual Unfunded Actuarial Liability at End of Year (not less than zero)		930,127,231
11. Actuarial Gain / (Loss) [9. – 10.]	$	(84,695,879)
12. Amortization Factor for Actuarial Gain / (Loss)		9.2442
13. Amortization Credit / (Charge) for Actuarial Gain / (Loss)	$	(9,162,019)

SECTION IV
CONTRIBUTIONS

Schedule of Amortizations Required for Minimum Reqired Contribution as of January 1, 2012

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2012 Outstanding Balance	Remaining Amortization Years	Beg of Yr Amortization Amount
CHARGES						
1. Combined Charges	1/1/1985	$ 270,785,105	29	$ 80,434,431	7	$ 14,304,846
2. Assumption Change	1/1/1986	12,855,910	30	5,114,379	9	758,063
3. Plan Amendment	1/1/1987	6,109,000	30	2,726,679	10	376,255
4. Plan Amendment	1/1/1988	17,915,000	30	8,820,537	11	1,144,027
5. Plan Amendment	1/1/1989	7,929,000	30	4,248,691	12	522,019
6. Change Method	1/1/1989	133,216,000	29	66,291,318	11	8,598,005
7. Assumption Change	1/1/1990	39,781,000	30	22,946,648	13	2,688,196
8. Plan Amendment	1/1/1990	39,435,000	30	22,747,067	13	2,664,815
9. Plan Amendment	1/1/1991	2,876,000	30	1,769,781	14	198,768
10. Plan Amendment	1/1/1992	6,032,000	30	3,930,071	15	425,138
11. Assumption Change	1/1/1992	52,269,000	30	34,055,219	15	3,683,940
12. Plan Amendment	1/1/1993	94,753,000	30	64,948,376	16	6,794,134
13. Assumption Change	1/1/1994	56,054,000	30	40,133,578	17	4,073,909
14. Actuarial Loss	1/1/1995	107,611,616	15	11,097,455	3	3,987,208
15. Assumption Change	1/1/1996	18,104,924	30	13,956,671	19	1,345,625
16. Plan Amendment	7/1/1996	128,160,593	30	105,188,279	20	10,027,508
17. Plan Amendment	1/1/1997	1,109,834	30	882,861	20	83,261
18. Actuarial Loss	1/1/1997	64,079,186	15	15,848,228	5	3,675,270
19. Plan Amendment	1/1/1998	563,954	30	461,519	21	42,661
20. Plan Amendment	1/1/1999	62,490,169	30	52,468,058	22	4,762,548
21. Actuarial Loss	1/1/2001	128,020,114	15	67,931,924	9	10,069,002
22. Actuarial Loss	1/1/2002	147,313,065	15	87,505,429	10	12,074,898
23. Actuarial Loss	1/1/2003	234,893,247	15	153,581,497	11	19,919,569
24. Actuarial Loss	1/1/2004	30,409,963	15	21,594,279	12	2,653,198
25. Actuarial Loss	1/1/2005	11,178,830	15	8,528,178	13	999,075

SECTION IV
CONTRIBUTIONS

Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2012

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2012 Outstanding Balance	Remaining Amortization Years	Beg of Yr Amortization Amount
CHARGES (CONTINUED)						
26. Actuarial Loss	1/1/2006	27,723,307	15	24,387,565	14	2,739,014
27. Assumption Change	1/1/2007	39,448,609	30	37,989,652	30	3,124,559
28. Assumption Change	1/1/2008	31,841,997	15	28,706,564	16	3,002,942
29. Actuarial Loss	1/1/2009	189,464,345	20	176,023,552	17	17,867,928
30. Actuarial Loss	1/1/2010	45,333,520	15	41,860,725	13	4,903,977
31. Funding Method Change	1/1/2011	56,656,549	10	52,745,577	9	7,818,052
31. Actuarial Loss	1/1/2011	4,061,037	15	3,911,471	14	439,305
32. Actuarial Loss	1/1/2012	84,695,879	15	84,695,879	15	9,162,019
TOTAL CHARGES				$ 1,347,532,138		$ 164,929,734

SECTION IV
CONTRIBUTIONS

Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2012

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2012 Outstanding Balance	Remaining Amortization Years	Beg of Yr Amortization Amount
CREDITS						
1. Combined Credits	1/1/2006	$ 590,002,474	7.33	$ 132,815,023	1.33	$ 101,409,150
2. Actuarial Gain	1/1/2007	14,663,533	15	11,495,268	10	1,586,235
3. Actuarial Gain	1/1/2008	25,687,200	15	21,424,202	11	2,778,726
4. Funding Method Change	1/1/2009	71,927,744	10	55,808,927	7	9,925,329
5. Funding Method Change	1/1/2010	38,172,608	10	32,691,735	8	5,267,449
TOTAL CREDITS				$ 254,235,155		$ 120,966,889
NET CHARGE				$ 1,093,296,983		$ 43,962,845
Less Credit Balance				163,169,752		
Expected Unfunded Actuarial Liability				$ 930,127,231		
Actuarial Accrued Liability				$ 1,731,304,886		
Actuarial Value of Assets				801,177,655		
Unfunded Actuarial Liability				$ 930,127,231		

SECTION IV
CONTRIBUTIONS

Accumulated Reconciliation Account and Balance Test
as of January 1, 2012

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	$	1,093,296,983
5. Credit Balance at Start of Year	$	163,169,752
6. Unfunded Actuarial Liability at Start of Year from Funding Equation [4. - 3. - 5.]	$	930,127,231
7. Actuarial Liability at Start of Year	$	1,731,304,886
8. Actuarial Value of Assets at Start of Year	$	801,177,655
9. Unfunded Actuarial Liability at Start of Year from Liability Calculation [7. - 8.]	$	930,127,231

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, 2012

	Minimum	Maximum
1. Entry Age Actuarial Liability Calculation		
a. Actuarial Liability	$ 1,731,304,886	$ 1,731,304,886
b. Normal Cost	4,983,168	4,983,168
c. Lesser of Market Value and Actuarial Value of Assets	667,648,046	667,648,046
d. Credit Balance at Start of Year	163,169,752	N/A
e. Net Interest on a., b., c., and d. at Funding Interest Rate (8.00%)	98,544,781	85,491,201
f. Actuarial Liability Full Funding Limit, [a. + b. – c. + d.] x 1.08, limited to zero	$ 1,330,354,541	$ 1,154,131,209
2. Full Funding Limit Override (RPA 1994)		
a. RPA 1994 Current Liability at Start of Year	$ 2,554,527,923	$ 2,554,527,923
b. Present Value of Benefits Estimated to Accrue during Year	30,734,106	30,734,106
c. Expected Benefit Payments	141,332,015	141,332,015
d. Net Interest on a., b. and c. at Current Liability Interest Rate (4.29%)	107,908,004	107,908,004
e. Expected Current Liability at End of Year, [a. + b. – c. + d.]	2,551,838,018	2,551,838,018
f. 90% of e.	2,296,654,216	2,296,654,216
g. Actuarial Value of Assets	801,177,655	801,177,655
h. Net Interest on c. and g. at Valuation Interest Rate (8.00%)	58,549,689	58,549,689
i. Estimated Value of Assets, [g. – c. + h.]	718,395,329	718,395,329
j. RPA 1994 Full Funding Limit Override [f. – i.], limited to zero	$ 1,578,258,887	$ 1,578,258,887
3. Full Funding Limitation at End of Year, greater of 1. and 2.	$ 1,578,258,887	$ 1,578,258,887

SECTION IV
CONTRIBUTIONS

Schedule of Limit Adjustments for Maximim Deductible Contribution for the Plan Year Starting January 1, 2012

Sum of Bases Established	Initial Amount	Outstanding Balance	Limit Adjustment
1/1/1990	$ 35,661,313	$ 26,289,960	$ 4,870,077
1/1/1991	14,638,653	17,319,923	2,009,083
1/1/1992	(22,152,709)	(30,787,883)	(3,047,642)
1/1/1993	47,430,265	77,915,321	6,544,915
1/1/1994	2,306,183	3,898,043	318,230
1/1/1995	31,250,616	53,785,945	4,312,281
1/1/1996	(58,171,621)	(98,579,664)	(8,027,116)
1/1/1997	65,189,020	110,078,301	8,995,450
1/1/1998	(29,122,702)	(45,990,809)	(4,018,650)
1/1/1999	22,092,077	32,988,603	3,048,476
1/1/2000	(45,599,547)	(76,867,429)	(6,292,294)
1/1/2001	128,020,114	202,645,167	17,665,530
1/1/2002	147,313,065	212,169,376	20,327,769
1/1/2003	55,740,401	72,531,964	7,691,633
1/1/2004	30,409,963	35,485,834	4,196,279
1/1/2005	11,178,830	11,842,395	1,542,570
1/1/2006	30,023,253	29,478,548	4,142,917
1/1/2007	8,499,951	24,300,839	3,420,099
1/1/2008	6,154,797	5,949,924	849,302
1/1/2009	117,536,601	114,111,369	16,218,907
1/1/2010	7,160,912	6,975,966	988,136
1/1/2011	60,717,586	59,889,659	8,378,436
1/1/2012	84,695,879	84,695,879	11,687,207
Total		$ 930,127,231	$ 105,821,595

SECTION V
REORGANIZATION STATUS

Demonstration that the Fund is Not in Reorganization for the Year Starting January 1, 2012

The Multiemployer Pension Plan Amendments Act (MPPAA) created special rules that apply to financially troubled pension plans which are called plans in "Reorganization". Among other things, such plans have slightly higher minimum funding requirements. The calculation of a Plan's "Reorganization Index" and its Vested Benefits Charge is specified in MPPAA and its regulations. These calculations begin with determining a "Base Plan Year".

The "Base Plan Year" is the plan year ending at least six months before the "Relevant Effective Date". The "Relevant Effective Date" is the earliest date of all "Relevant Bargaining Agreements" in force during the plan year. "Relevant Bargaining Agreements" are contracts that as of the end of the plan year have been in force at least six months, but no more than 36 months. If there are no "Relevant Bargaining Agreements", the "Base Plan Year" is the plan year ending at least 12 months before the beginning of the plan year. An "Adjustment Date" is also defined as the day ending 90 days before the "Relevant Effective Date".

Based on the bargaining agreements in effect on 1/1/2012 we have determined the following applicable dates for the 2012 Reorganization calculations:

Relevant Effective Date:	8/1/2010
Base Plan Year:	12/31/2009
Adjustment Date:	5/3/2010

The Reorganization Index and the Vested Benefits Charge can be based on an actuarial valuation as of the last day of the "Base Plan Year" adjusted for any decrease of 5% or more in the value of plan assets, or increase of 5% or more in the number of participants in pay status between the first day of the plan year following the "Base Plan Year" and ending on the "Adjustment Date". Trustees can also use the results of the actual actuarial valuation as of the "Adjustment Date" or any later date before the last day of the year for which the determination is being made. This would allow any valuation date from 5/3/2010 through 12/31/2012. In the calculations which follow, we have estimated the Vested Benefits Charge as of a 7/1/2010 valuation date.

Vested Benefits Charge for 2012 using a 7/1/2010 valuation date:

1. Present Value of Vested Benefits for Retirees	$	1,090,529,720
2. Present Value of Vested Benefits for Non-Retirees		528,942,767
3. Actuarial Value of Assets		908,748,730
4. Retiree UVB (1. - 3.), but not less than zero		181,780,990
5. Residual Assets		0
6. Non-Retiree UVB (1. + 2. - 3. - 4.), but not less than zero		528,942,767
7. 10-year Amortization Factor of (4.)		25,084,007
8. 25-year Amortization Factor of (6.)		45,880,289
9. Vested Benefits Charge (7. + 8.)		70,964,297
10. Net Charges to Funding Standard Account for 2012[1]	$	74,883,708
11. Reorganization Index (9. - 10.), but not less than zero	$	0

The Fund 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, 2012 in Accordance with FASB ASC Topic No. 960

		Amounts	Vested Counts
1. Actuarial Present Value of Benefits			
For Retirees and Beneficiaries	$	1,120,151,081	16,946
Terminated Vesteds		186,721,993	12,648
Active Participants		340,178,275	12,725
Vested Benefits	$	1,647,051,349	42,319
2. Non-vested Benefits	$	16,973,200	9,376
3. Accumulated Benefits	$	1,664,024,549	51,695
4. Market Value of Assets	$	667,648,046	
5. Funded Ratios			
Vested Benefits		41%	
Accumulated Benefits		40%	

Reconciliation of Present Value of Accumulated Benefits

1. Actuarial Present Value at Start of Prior Plan Year	$	1,651,894,392
2. Increase (Decrease) over Prior Year due to:		
Benefit Accruals	$	16,459,175
Benefit Payments		(136,150,940)
Increase for Interest		128,127,018
Experience (Gains)/Losses		3,694,904
Changes in Assumptions		0
Plan Amendments		0
Total		12,130,157
3. Actuarial Present Value at End of Prior Year	$	1,664,024,549

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, 2012. 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 those active participants with unreasonable or missing dates 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 I	Full-Time	Male	22
Tier I	Full-Time	Female	25
Tier I	Part-Time	Male	23
Tier I	Part-Time	Female	24
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 set the accrued benefit to equal the average benefit of their respective group based on 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 2011 plan year. If they do not have service in the 2011 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, 2012

	COMPLETED YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2012										
AGE	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25	1	0	0	0	0	0	0	0	0	0	1
25-29	7	0	0	0	0	0	0	0	0	0	7
30-34	5	0	0	0	0	0	0	0	0	0	5
35-39	1	0	0	0	0	0	0	0	0	0	1
40-44	1	0	0	0	0	0	0	0	0	0	1
45-49	2	1	3	3	3	19	186	44	0	0	261
50-54	9	1	4	6	2	12	153	369	36	0	592
55-59	6	0	1	1	0	8	47	176	213	24	476
60-64	3	0	1	1	0	1	15	85	94	90	290
65-69	1	0	0	0	0	1	7	14	23	41	87
70 & Up	4	0	0	0	0	0	2	6	1	7	20
Total	40	2	9	11	5	41	410	694	367	162	**1,741**

Average Age = 55.1 Average Service = 31.9

APPENDIX A
MEMBERSHIP INFORMATION

PART-TIME TIER I PARTICIPANTS AS OF JANUARY 1, 2012

	COMPLETED YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2012										
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	1	0	0	0	0	0	0	0	0	0	1
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	1	0	4	26	3	0	0	35
50-54	0	0	0	0	0	3	38	65	2	0	108
55-59	0	0	0	1	1	1	16	43	26	0	88
60-64	0	0	0	0	0	0	3	21	17	8	49
65-69	0	0	0	0	0	0	1	3	6	4	14
70 & Up	0	0	0	0	0	0	0	1	0	1	2
Total	1	1	0	2	1	8	84	136	51	13	297

Average Age = 55.3 Average Service = 31.7

APPENDIX A
MEMBERSHIP INFORMATION

FULL-TIME TIER II PARTICIPANTS AS OF JANUARY 1, 2012

	COMPLETED YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2012										
AGE	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25	6	59	21	0	0	0	0	0	0	0	86
25-29	6	77	159	41	0	0	0	0	0	0	283
30-34	4	101	149	210	24	0	0	0	0	0	488
35-39	1	48	120	179	208	44	0	0	0	0	600
40-44	5	69	147	155	181	389	63	0	0	0	1,009
45-49	2	66	143	191	116	345	279	0	0	0	1,142
50-54	1	61	157	163	127	296	185	1	0	0	991
55-59	2	32	103	132	106	224	116	0	1	0	716
60-64	1	13	60	79	64	142	60	1	3	1	424
65-69	0	8	22	24	27	46	24	0	0	0	151
70 & Up	0	2	11	12	8	13	11	0	0	0	57
Total	28	536	1,092	1,186	861	1,499	738	2	4	1	**5,947**

Average Age = 46.5 Average Service = 15.5

APPENDIX A
MEMBERSHIP INFORMATION

PART-TIME TIER II PARTICIPANTS AS OF JANUARY 1, 2012

	COMPLETED YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2012										
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25	1,520	2,473	125	0	0	0	0	0	0	0	4,118
25-29	224	807	554	33	0	0	0	0	0	0	1,618
30-34	155	463	345	186	7	0	0	0	0	0	1,156
35-39	87	358	212	181	104	8	0	0	0	0	950
40-44	100	412	239	172	102	122	11	0	0	0	1,158
45-49	130	462	261	211	81	132	73	0	0	0	1,350
50-54	103	473	316	171	96	139	57	0	0	0	1,355
55-59	65	335	254	159	81	106	32	0	1	0	1,033
60-64	37	231	193	135	52	104	22	0	0	0	774
65-69	18	87	97	71	19	35	20	0	0	0	347
70 & Up	14	73	77	45	16	27	5	0	0	0	257
Total	2,453	6,174	2,673	1,364	558	673	220	0	1	0	**14,116**

Average Age = 37.8 Average Service = 5.8

APPENDIX A
MEMBERSHIP INFORMATION

PENSIONERS AND BENEFICIARIES RECEIVING BENEFITS AS OF JANUARY 1, 2012

	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	136	$ 67,045	273	$ 305,830	94	$ 48,106	503	$ 420,981
55-59	127	73,090	966	1,030,230	89	35,952	1,182	1,139,272
60-64	174	119,364	2,402	2,021,630	192	78,287	2,768	2,219,281
65-69	15	10,882	3,463	2,452,240	255	101,670	3,733	2,564,792
70-74	0	0	3,257	2,090,221	280	100,008	3,537	2,190,229
75-79	0	0	2,237	1,293,809	290	92,213	2,527	1,386,022
80 & Over	0	0	2,321	1,064,536	375	111,546	2,696	1,176,082
Total	452	$ 270,381	14,919	$ 10,258,496	1,575	$ 567,782	**16,946**	**$ 11,096,659**

DEFERRED VESTED PARTICIPANTS AND SURVIVING SPOUSES ENTITLED TO FUTURE BENEFITS

Age	Number	Monthly Benefit Payable at Normal Retirement Date
Under 45	4,242	$ 624,493
45-49	1,998	549,375
50-54	2,270	745,863
55-59	2,233	725,010
60-64	1,351	381,733
65 & Over	554	134,064
Total	12,648	$ 3,160,538

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 is 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.

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. His early retirement pension is equal to his Accrued Monthly Pension, 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.

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

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 60^{th} birthday (65^{th} 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 55^{th} 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 60^{th} birthday (65^{th} 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 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.

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

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.

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:
4.29% 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.

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 that expected mortality is only marginally different from actual mortality in prior patterns. This will continue to be monitored and adjustments will be made when necessary.

Current Liability:

The separate 2012 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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ACTUARIAL ASSUMPTIONS AND METHODS

8. Changes since the Previous Valuation

As required, the current liability interest rate and mortality tables were updated. The interest rate went from 4.47% to 4.29% and the mortality table was updated to the 2012 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.

APPENDIX C
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.