FELRA and UFCW Pension Fund

Actuarial Valuation Report
as of January 1, 2014

Produced by Cheiron

December 2014

Classic Values, Innovative Advice

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Via Electronic Mail

December 23, 2014

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, 2014 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 2014 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, Inc.

Gene M. Kalwarski, FSA, FCA, MAAA, EA
Principal Consulting Actuary

Kevin Woodrich, FSA, MAAA, EA
Principal Consulting Actuary

FOREWORD

Cheiron has performed the Actuarial Valuation of the FELRA and UFCW Pension Fund as of January 1, 2014. 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 assumption regarding who is included as an active participant was changed. In addition, the accrued benefit was calculated for any terminated vested participant instead of relying on an accrued benefit field provided by Associated Administrators, LLC as done in previous valuations. This change was made following a conversation with AA in determining what was more appropriate.

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.

Table I-1
Summary of Principal Results

	1/1/2013	1/1/2014	Change
Participant Counts			
Actives* Tier I	1,823	1,624	(10.92%)
Tier II	19,192	16,889	(12.00%)
Total	21,015	18,513	(11.91%)
Terminated Vesteds	12,719	13,190	3.70%
In Pay Status	17,310	17,698	2.24%
Total	51,044	49,401	(3.22%)
Financial Information			
(1) Market Value of Assets (MVA)	$ 652,897,338	$ 641,765,217	(1.71%)
(2) Actuarial Value of Assets (AVA)	783,476,806	760,146,729	(2.98%)
(3) Total Present Value of Future Benefits	$ 1,653,321,531	$ 1,685,046,739	1.92%
(4) Actuarial Liability	$ 1,652,793,158	$ 1,684,598,995	1.92%
(5) Unfunded Actuarial Liability [(2) - (4)]	(869,316,352)	(924,452,266)	N/A
(6) Funding Ratio on AVA Basis [(2) ÷ (4)]	47.4%	45.1%	N/A
(7) Present Value of Accrued Benefits / PPA Liability	$ 1,650,999,249	$ 1,682,971,393	1.94%
(8) Unfunded Accrued Benefit [(2) - (7)]	(867,522,443)	(922,824,664)	N/A
(9) Funding Ratio on AVA Basis [(2) ÷ (7)]	47.5%	45.2%	N/A
(10) Present Value of Vested Benefits for Withdrawal Liability	$ 1,600,460,445	$ 1,654,732,660	3.39%
(11) Market Value of Assets for Withdrawal Liability	626,429,530	615,770,596	(1.70%)
(12) Unfunded Vested Benefits for Withdrawal Liability [(10)-(11)]	$ 974,030,915	$ 1,038,962,064	6.67%
Contributions and Cash Flows			
Employer Contributions (Actual / *Estimated*)	$ 53,364,355	*$ 57,000,000*	6.81%
ERISA Minimum Required Contribution	0	0	0.00%
ERISA Maximum Deductible Contribution	3,005,976,334	3,153,204,727	4.90%
ERISA Credit Balance at Start of Year	183,622,984	141,101,772	(23.16%)
Prior Year Benefit Payouts	$ 138,082,930	$ 139,810,162	1.25%
Prior Year Administrative Expenses	4,514,755	4,246,748	(5.94%)
Prior Year Total Investment Return (Net of Expenses)	63,714,857	75,313,686	N/A

* Effective January 1, 2013, benefit accruals were ceased for active participants employed by Giant and Safeway.

SECTION I
SUMMARY

General Comments

- The Market Value of Assets returned 12.7%, compared to the assumption of 8.0%. In dollars, the total actuarial investment gain (difference between expected and actual returns on a market value basis) was $28.0 million for the plan year ending December 31, 2013.
- 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 $28.0 million gain described above would be phased in at a rate of $5.6 million per year over the next five years. The Actuarial Value of Assets, or smoothed asset value, is $760.1 million (118.4% of market value). The rate of return on an actuarial basis was 8.8%, resulting in an actuarial investment gain of $5.4 million.
- The Fund experienced a liability gain of $4.9 million. There were also two assumption changes which increased the Actuarial Liability by $49.7 million. When these two effects are combined with the investment gain of $5.4 million, the Fund experienced a total net increase in unfunded liability of $39.4 million.
  - The first assumption change was made with regards to how the data from AA is used in determining which participants are included as actives. In prior years, we relied solely on the status field in making this determination. Effective with this valuation, only those records that had both an active status field and whose last month worked is after August of the prior year were considered active for purposes of the actuarial valuation.
  - The second assumption change was made with regards to estimating the accrued benefit valued for terminated vesteds. This year we calculated an amount based on the amount of benefit service reported and the monthly accrual levels for Tier I or Tier II participation. In previous valuations, the accrued benefit was taken directly from a field within the census data provided by AA.
- The Fund's funding ratio (Actuarial Value of Assets as a percentage of Actuarial Liability) decreased from 47.4% as of January 1, 2013 to 45.1% as of January 1, 2014. Based on Market Value of Assets, the funding ratio decreased from 39.5% to 38.1%.
- The Unfunded Vested Benefits used in calculating Withdrawal Liability increased from $974.0 million the previous year to $1,039.0 million.
- The Fund's seventh actuarial certification under the Pension Protection Act (PPA) was filed on March 31, 2014. The Fund was certified to be in **Critical status**. 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 PPA 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.

Table II-1
Statement of Assets at Market Value as of January 1, 2014

Investments			
U.S. Government and Agencies	$	11,752,254	1.8%
Corporate Obligations		36,616,646	5.7%
Common Stocks		145,254,510	22.5%
Common/Collective Trusts		196,100,755	30.3%
Pooled Separate Accounts		0	0.0%
Limited Partnerships		111,747,738	17.3%
Mutual Funds		85,192,657	13.2%
Short-Term Investment Funds		5,891,321	0.9%
Subtotal	$	592,555,881	91.7%
Receivables			
Employer Contributions		35,897,967	5.6%
Interest and Dividends		768,556	0.1%
Due from Broker for Investments Sold		1,374,595	0.2%
Employer Withdrawal Liability		4,602,899	0.7%
Holdback - Meridian investments		0	0.0%
Prepaids and other receivables		123,760	0.0%
Subtotal	$	42,767,777	6.6%
Cash		12,907,945	2.0%
Total Assets	$	648,231,603	100.3%
Liabilities			
Accounts Payable	$	(1,081,830)	-0.2%
Due from Broker for Investments Purchased	$	(781,657)	-0.1%
Subtotal	$	(1,863,487)	-0.3%
Market Value of Assets for Statement	**$**	**646,368,116**	100.0%
Expected Withdrawal Liability Payments		4,602,899	
Market Value of Assets for Funding	**$**	**641,765,217**	

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.

Table II-2
Development of Actuarial Value of Assets as of January 1, 2014

Market Value of Assets as of December 31, 2013					$ 641,765,217
Plan Year		Initial Gain/(Loss)	Percent Recognized	Percent Deferred	Amount Deferred
2008	$	(333,600,618)	60%	40%	(133,440,247)
2010		29,521,840	80%	20%	5,904,368
2011		(55,798,262)	60%	40%	(22,319,305)
2012		15,076,093	40%	60%	9,045,656
2013		28,035,020	20%	80%	22,428,016
Total Gain/(Loss) Excluded					$ (118,381,512)
Preliminary Actuarial Value as of January 1, 2014					$ 760,146,729
Corridor for Actuarial Value					
80% of Market Value					$ 513,412,174
120% of Market Value					$ 770,118,260
Actuarial Value of Assets as of January 1, 2014					$ 760,146,729
Actuarial Value as a percent of Market Value of Assets as of January 1, 2014					118.4%

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 2013 are presented below:

Table II-3
Changes in Market Value

Value of Assets -- January 1, 2013*	$	657,747,341
Employer Contributions	$	53,364,355
Investment Return (Gross)		83,888,130
Benefit Payments		(139,810,162)
Administrative Expenses		(4,246,748)
Investment Expenses		(4,327,696)
Change in Future Withdrawal Liability Payments		(247,104)
Value of Assets -- January 1, 2014*	$	646,368,116

* Includes withdrawal liability payments receivable

Investment Gains / (Losses)

The following table calculates the investment related actuarial gain/loss and the return for the plan year on both a market value and actuarial value basis. The market value return 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.

Table II-4
Investment Gains / (Losses)

Item	Market Value	Actuarial Value
January 1, 2013 Value	$ 652,897,338	$ 783,476,806
2013 Employer Contributions	53,364,355	53,364,355
2013 Benefit Payments	(139,810,162)	(139,810,162)
Expected Investment Earnings (8%)	47,278,666	57,725,023
Expected Value December 31, 2013	613,730,197	754,756,022
Investment Gain / (Loss)	$ 28,035,020	$ 5,390,707
January 1, 2014 Value	641,765,217	760,146,729
Return	12.73%	8.75%

SECTION III
LIABILITIES

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

- **Disclosure** of Fund liabilities at January 1, 2013, and January 1, 2014; 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.

- **Present Value of Future Benefits:** 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 of the Fund, assuming participants continue to accrue benefits.

- **Actuarial Liabilities:** Used for minimum funding standards, this liability is calculated by subtracting from the Present Value of Future Benefits above the present value of future Normal Costs under an acceptable funding method. For this Fund that method is the **Entry Age Normal Cost Method**.

- **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 can be used to establish comparative benchmarks with other plans.

- **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 to determine 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

Table III-1
Liabilities/Net Surplus (Unfunded)

		1/1/2013		1/1/2014
PRESENT VALUE OF FUTURE BENEFITS				
Active Participant Benefits	$	353,561,267	$	325,962,787
Retiree and Inactive Benefits		1,299,760,264		1,359,083,952
Total Present Value of Future Benefits	**$**	**1,653,321,531**	**$**	**1,685,046,739**
ACTUARIAL LIABILITY				
Total Present Value of Future Benefits	$	1,653,321,531	$	1,685,046,739
Less Present Value of Future Entry Age Normal Costs		528,373		447,744
Actuarial Liability	**$**	**1,652,793,158**	**$**	**1,684,598,995**
Actuarial Value of Assets		783,476,806		760,146,729
Net Surplus (Unfunded)	**$**	**(869,316,352)**	**$**	**(924,452,266)**
Assets as a Percentage of Actuarial Liability		47.4%		45.1%
ACCRUED LIABILITY / PPA LIABILITY				
Total Present Value of Future Benefits	$	1,653,321,531	$	1,685,046,739
Less Present Value of Future Benefit Accruals		2,322,282		2,075,346
Accrued Liability / PPA Liability	**$**	**1,650,999,249**	**$**	**1,682,971,393**
Actuarial Value of Assets		783,476,806		760,146,729
Net Surplus (Unfunded)	**$**	**(867,522,443)**	**$**	**(922,824,664)**
LIABILITY FOR WITHDRAWAL LIABILITY	**$**	**1,600,460,445**	**$**	**1,654,732,660**
Market Value of Assets for Withdrawal Liability		626,429,530		615,770,596
Net Surplus (Unfunded)	**$**	**(974,030,915)**	**$**	**(1,038,962,064)**
Assets as a Percentage of Vested Liability		39.1%		37.2%
CURRENT LIABILITY	**$**	**2,688,515,639**	**$**	**2,777,375,440**
Market Value of Assets		652,897,338		641,765,217
Net Surplus (Unfunded)	**$**	**(2,035,618,301)**	**$**	**(2,135,610,223)**

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.

Table III-2
Allocation of Liabilities by Type

Benefit Type	Retirement	Termination	Death	Disability	Total
Entry Age Normal Cost	$ 51,204	$ 37,076	$ 2,444	$ 5,107	$ 95,831
Entry Age Actuarial Liability					
Actives	$ 294,251,934	$ 14,036,318	$ 5,012,421	$ 12,214,370	$ 325,515,043
Terminated Vesteds	0	227,449,912	0	0	227,449,912
Retirees and Beneficiaries	1,040,401,281	0	63,104,642	28,128,117	1,131,634,040
Total	$ 1,334,653,215	$ 241,486,230	$ 68,117,063	$ 40,342,487	$ 1,684,598,995
RPA Current Liability Normal Cost	$ 686,820	$ 126,547	$ 6,018	$ 36,098	$ 855,483
RPA Current Liability					
Actives	$ 556,756,409	$ 49,684,958	$ 7,258,403	$ 26,335,093	$ 640,034,863
Terminated Vesteds	0	458,466,909	0	0	458,466,909
Retirees and Beneficiaries	1,539,275,253	0	91,735,499	47,862,916	1,678,873,668
Total	$ 2,096,031,662	$ 508,151,867	$ 98,993,902	$ 74,198,009	$ 2,777,375,440
Vested RPA Current Liability					
Actives	$ 429,652,743	$ 171,137,629	$ 6,518,792	$ 25,809,043	$ 633,118,207
Terminated Vesteds	0	458,466,909	0	0	458,466,909
Retirees and Beneficiaries	1,539,275,253	0	91,735,499	47,862,916	1,678,873,668
Total	$ 1,968,927,996	$ 629,604,538	$ 98,254,291	$ 73,671,959	$ 2,770,458,784

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

There were two assumption changes which are described in Appendix C.

Table III-3
Change in Liabilities

	Actuarial Liability	Accrued Liability
Liabilities 1/1/2013	$ 1,652,793,158	$ 1,650,999,249
Liabilities 1/1/2014	$ 1,684,598,995	$ 1,682,971,393
Liability Increase (Decrease)	31,805,837	31,972,144
Change due to:		
Plan Amendment	0	0
Funding Method Change	0	0
Assumption Change	49,675,132	49,739,220
Accrual of Benefits	114,286	429,211
Passage of Time (Interest less benefits paid)	(13,062,387)	(13,180,706)
Other Sources	0	0
Actuarial (Gain)/Loss	(4,921,194)	(5,015,581)

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 Cost Method**; and
- **Government Limits** 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 amortization payment is determined by the amortization schedule established by the IRS minimum funding rules. Consequently, the actuarially determined contribution and the minimum required contribution are the same.

Government Limits

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 which can also be considered the actuarial cost for 2014 is shown below compared to the Government Limits and the employer contributions. The table also shows the per capita actuarial cost and contribution.

Table IV-1
Contributions for 2014

Actuarially determined contribution		
Entry Age Normal Cost	$	95,831
Amortization Payment		140,939,144
Interest to End of Year		11,282,798
Total	$	152,317,773
Government Limits		
Maximum Deductible Contribution	$	3,153,204,727
Minimum Contribution (before Credit Balance)	$	152,317,773
Interest Adjusted Credit Balance	$	152,389,914
Minimum Contribution (after Credit Balance)	$	0
Estimated Employer Contributions	$	57,000,000
Count of Active Participants		18,513
Per Capita Actuarial Cost	$	8,228
Per Capita Contribution	$	3,079

SECTION IV
CONTRIBUTIONS

The tables on the following pages show the development of the minimum and maximum contributions for 2014.

Table IV-2
Funding Standard Account for Plan Years Ending

	2013	2014
1. Charges For Plan Year		
a. Normal Cost	$ 114,286	$ 95,831
b. Amortization Charges	164,929,730	170,303,363
c. Interest on a. and b. to Year End	13,203,521	13,631,936
d. Additional Funding Charge	N/A	N/A
e. Interest Charge due to Late Quarterly Contributions	N/A	N/A
f. Total Charges	$ 178,247,537	$ 184,031,130
2. Credits For Plan Year		
a. Prior Year Credit Balance	$ 183,622,984	$ 141,101,772
b. Employer Contributions *(estimate for 2014)*	53,364,355	*57,000,000*
c. Amortization Credits	62,167,067	29,364,219
d. Interest on a., b., and c. to Year End	20,194,903	14,222,123
e. Full Funding Limit Credit	0	0
f. Total Credits	$ 319,349,309	$ 241,688,114
3. Credit Balance at End of Year [2. - 1.] *(estimate for 2014)*	$ 141,101,772	$ 57,656,984

SECTION IV
CONTRIBUTIONS

Table IV-3
Calculation of the Maximum Deductible Contribution

1.	Regular Maximum Contribution		
a.	Normal Cost	$	95,831
b.	Net Charge to Amortize Unfunded Actuarial Liability over 10 years		127,565,415
c.	Interest on a. and b. to Year End		10,212,900
d.	Total	$	137,874,146
e.	Minimum Required Contribution at Year End		0
f.	Larger of d. and e.		137,874,146
g.	Full Funding Limit		1,788,606,421
h.	Maximum Deductible Contribution, less of f. and g.	$	137,874,146
2.	140% of Current Liability Calculation		
a.	Current Liability at Start of Year	$	2,777,375,440
b.	Present Value of Benefits Estimated to Accrue during Year		855,483
c.	Expected Benefit Payments		147,501,386
d.	Net Interest on a., b. and c. at Current Liability Interest Rate (3.64%)		98,467,075
e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]		2,729,196,612
f.	140% of e.		3,820,875,257
g.	Actuarial Value of Assets		760,146,729
h.	Net Interest on c. and g. at Valuation Interest Rate (8.00%)		55,025,187
i.	Estimated Value of Assets, [g. – c. + h.]		667,670,530
j.	Unfunded Current Liability at Year End, [f. – i.], not less than $0	$	3,153,204,727
3.	Maximum Deductible Contribution at Year End, greater of 1f. and 2j.	$	3,153,204,727

SECTION IV
CONTRIBUTIONS

Table IV-4
Development of Actuarial Gain / (Loss)

1. Unfunded Actuarial Liability at Start of Year (not less than zero)	$	869,316,352
2. Normal Cost at Start of Year		114,286
3. Interest on 1. and 2. to End of Year		69,554,451
4. Employer Contributions for Prior Year		53,364,355
5. Interest on 4. to End of Year		531,699
6. Change in Unfunded Actuarial Liability Due to Changes in Assumptions		49,675,132
7. Change in Unfunded Actuarial Liability Due to Changes in Plan Design		0
8. Change 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.]	$	934,764,167
10. Actual Unfunded Actuarial Liability at End of Year (not less than zero)		924,452,266
11. Actuarial Gain / (Loss) [9. – 10.]		
a. Actuarial Liability Gain / (Loss)	$	4,921,194
b. Actuarial Value of Assets Gain / (Loss)		5,390,707
c. Total Actuarial Gain / (Loss) [9. – 10.]	$	10,311,901
12. Amortization Factor for Actuarial Gain / (Loss)		9.2442
13. Amortization Credit / (Charge) for Actuarial Gain / (Loss) [11c ÷ 12]	$	1,115,495

SECTION IV
CONTRIBUTIONS

Table IV-5
Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2014

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2014 Outstanding Balance	Remaining Amortization Years	Beginning of Year Amortization Amount
CHARGES						
1. Combined Charges	1/1/1985	$ 270,785,105	29	$ 61,684,312	5	$ 14,304,847
2. Assumption Change	1/1/1986	12,855,910	30	4,262,499	7	758,063
3. Plan Amendment	1/1/1987	6,109,000	30	2,335,179	8	376,255
4. Plan Amendment	1/1/1988	17,915,000	30	7,718,334	9	1,144,026
5. Plan Amendment	1/1/1989	7,929,000	30	3,783,010	10	522,019
6. Change Method	1/1/1989	133,216,000	29	58,007,635	9	8,598,005
7. Assumption Change	1/1/1990	39,781,000	30	20,726,207	11	2,688,196
8. Plan Amendment	1/1/1990	39,435,000	30	20,545,938	11	2,664,815
9. Plan Amendment	1/1/1991	2,876,000	30	1,617,761	12	198,767
10. Plan Amendment	1/1/1992	6,032,000	30	3,629,006	13	425,137
11. Assumption Change	1/1/1992	52,269,000	30	31,446,403	13	3,683,941
12. Plan Amendment	1/1/1993	94,753,000	30	60,493,443	14	6,794,134
13. Assumption Change	1/1/1994	56,054,000	30	37,660,177	15	4,073,909
14. Actuarial Loss	1/1/1995	107,611,616	15	3,987,208	1	3,987,208
15. Assumption Change	1/1/1996	18,104,924	30	13,256,249	17	1,345,625
16. Plan Amendment	7/1/1996	128,160,593	30	100,165,815	18	10,027,508
17. Plan Amendment	1/1/1997	1,109,834	30	842,733	18	83,260
18. Actuarial Loss	1/1/1997	64,079,186	15	10,229,248	3	3,675,269
19. Plan Amendment	1/1/1998	563,954	30	442,480	19	42,662
20. Plan Amendment	1/1/1999	62,490,169	30	50,500,155	20	4,762,548
21. Actuarial Loss	1/1/2001	128,020,114	15	56,616,789	7	10,069,003
22. Actuarial Loss	1/1/2002	147,313,065	15	74,941,282	8	12,074,897
23. Actuarial Loss	1/1/2003	234,893,247	15	134,390,138	9	19,919,569
24. Actuarial Loss	1/1/2004	30,409,963	15	19,227,425	10	2,653,197
25. Actuarial Loss	1/1/2005	11,178,830	15	7,702,946	11	999,074

SECTION IV
CONTRIBUTIONS

Table IV-5
Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2014

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2014 Outstanding Balance	Remaining Amortization Years	Beginning of Year Amortization Amount
CHARGES (CONTINUED)						
26. Actuarial Loss	1/1/2006	27,723,307	15	22,292,735	12	2,739,014
27. Assumption Change	1/1/2007	39,448,609	30	37,292,120	28	3,124,559
28. Assumption Change	1/1/2008	31,841,997	15	26,737,528	14	3,002,942
29. Actuarial Loss	1/1/2009	189,464,345	20	165,175,358	15	17,867,928
30. Actuarial Loss	1/1/2010	45,333,520	15	37,810,058	11	4,903,976
31. Funding Method Change	1/1/2011	56,656,549	10	43,959,968	7	7,818,053
31. Actuarial Loss	1/1/2011	4,061,037	15	3,575,485	12	439,305
32. Actuarial Loss	1/1/2012	84,695,879	15	78,207,713	13	9,162,020
32. Assumption Change	1/1/2014	49,675,132	15	49,675,132	15	5,373,632
TOTAL CHARGES				$ 1,250,938,469		$ 170,303,363

SECTION IV
CONTRIBUTIONS

Table IV-5
Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2014

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2014 Outstanding Balance	Remaining Amortization Years	Beginning of Year Amortization Amount
CREDITS						
1. Actuarial Gain	1/1/2007	$ 14,663,533	15	$ 9,844,763	8	$ 1,586,235
2. Actuarial Gain	1/1/2008	25,687,200	15	18,747,059	9	2,778,726
3. Funding Method Change	1/1/2009	71,927,744	10	42,799,274	5	9,925,328
4. Funding Method Change	1/1/2010	38,172,608	10	26,298,843	6	5,267,449
5. Actuarial Gain	1/1/2013	18,356,328	15	17,680,273	14	1,985,705
6. Plan Amendment	1/1/2013	61,985,205	15	59,702,318	14	6,705,281
7. Actuarial Gain	1/1/2014	10,311,901	15	10,311,901	15	1,115,495
TOTAL CREDITS				$ 185,384,431		$ 29,364,219
NET CHARGE				$ 1,065,554,038		$ 140,939,144
Less Credit Balance				141,101,772		
Expected Unfunded Actuarial Liability				$ 924,452,266		
Actuarial Accrued Liability				$ 1,684,598,995		
Actuarial Value of Assets				760,146,729		
Unfunded Actuarial Liability				$ 924,452,266		

SECTION IV
CONTRIBUTIONS

Table IV-6
Accumulated Reconciliation Account and Balance Test as of January 1, 2014

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	$ 1,065,554,038
5. Credit Balance at Start of Year	$ 141,101,772
6. Unfunded Actuarial Liability at Start of Year from Funding Equation [4. - 3. - 5.]	$ 924,452,266
7. Actuarial Liability at Start of Year	$ 1,684,598,995
8. Actuarial Value of Assets at Start of Year	$ 760,146,729
9. Unfunded Actuarial Liability at Start of Year from Liability Calculation [7. - 8.]	$ 924,452,266

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

SECTION IV
CONTRIBUTIONS

Table IV-7
Development of the Full Funding Limitation for the Plan Year Beginning January 1, 2014

		Minimum	Maximum
1.	ERISA Actuarial Liability Calculation		
a.	Actuarial Liability	$ 1,684,598,995	$ 1,684,598,995
b.	Normal Cost	95,831	95,831
c.	Lesser of Market Value and Actuarial Value of Assets	641,765,217	641,765,217
d.	Credit Balance at Start of Year	141,101,772	N/A
e.	Net Interest on a., b., c., and d. at Funding Interest Rate (8.00%)	94,722,510	83,434,369
f.	Actuarial Liability Full Funding Limit, [a. + b. – c. + d.] x 1.08, limited to zero	$ 1,278,753,891	$ 1,126,363,978
2.	Full Funding Limit Override (RPA 1994)		
a.	RPA 1994 Current Liability at Start of Year	$ 2,777,375,440	$ 2,777,375,440
b.	Present Value of Benefits Estimated to Accrue during Year	855,483	855,483
c.	Expected Benefit Payments	147,501,386	147,501,386
d.	Net Interest on a., b. and c. at Current Liability Interest Rate (3.64%)	98,467,075	98,467,075
e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]	2,729,196,612	2,729,196,612
f.	90% of e.	2,456,276,951	2,456,276,951
g.	Actuarial Value of Assets	760,146,729	760,146,729
h.	Net Interest on c. and g. at Valuation Interest Rate (8.00%)	55,025,187	55,025,187
i.	Estimated Value of Assets, [g. – c. + h.]	667,670,530	667,670,530
j.	RPA 1994 Full Funding Limit Override [f. – i.], limited to zero	$ 1,788,606,421	$ 1,788,606,421
3.	Full Funding Limitation at End of Year, greater of 1f. and 2j.	$ 1,788,606,421	$ 1,788,606,421

SECTION V
REORGANIZATION STATUS

Table V-1
Demonstration that the Fund is Not in Reorganization for the Plan Year Beginning January 1, 2014

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 2014 based on 1/1/2014 Valuation:

Present Value of Vested Benefits for Retirees	$	812,951,369
Actuarial Value of Assets	$	760,146,729
Retiree UVB	$	52,804,640
10 year Amortization Factor		7.2469
Charge for Retirees	$	7,286,526
PVVB for Non-Retirees	$	861,549,142
Residual Assets	$	-
Non-retiree UVB	$	861,549,142
25 year Amortization Factor		11.5288
Charge for Non-Retirees	$	74,730,437
Vested Benefits Charge	**$**	**82,016,963**
Net Charges to Funding Standard Account[1]	**$**	**144,882,159**
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

Table VI-1
Present Value of Accumulated Benefits as of January 1, 2014
in Accordance with FASB ASC Topic No. 960

		Amounts	Vested Counts
1. Actuarial Present Value of Benefits			
For Retirees and Beneficiaries	$	1,131,634,041	17,698
Terminated Vesteds		227,449,912	13,190
Active Participants		315,416,558	12,060
Vested Benefits	$	1,674,500,511	42,948
2. Non-vested Benefits	$	8,470,882	6,453
3. Accumulated Benefits	$	1,682,971,393	49,401
4. Market Value of Assets	$	641,765,217	
5. Funded Ratios			
Vested Benefits		38%	
Accumulated Benefits		38%	

Reconciliation of Present Value of Accumulated Benefits

1. Actuarial Present Value at Start of Prior Plan Year	$	1,650,999,249
2. Increase (Decrease) over Prior Year due to:		
Benefit Accruals	$	429,211
Benefit Payments		(139,810,162)
Increase for Interest		126,629,456
Experience (Gains)/Losses		(5,015,581)
Changes in Assumptions		49,739,220
Plan Amendments		0
Total		31,972,144
3. Actuarial Present Value at End of Prior Year	$	1,682,971,393

APPENDIX A
MEMBERSHIP INFORMATION

The data for this valuation was provided by Associated Administrators LLC (AA). Cheiron did not audit any of the data. The data is as of January 1, 2014. Below is a list of assumptions Cheiron made in processing the data this year.

Active Status for Valuation Purposes

Only those participants who had an active status (A or AV) and last month worked after August were considered active employees for valuation purposes. The remaining participants with an A or AV status were valued as terminated vesteds if they had at least 5 years of vesting service; otherwise non-vested terminations.

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 estimated based on the amount of benefit service reported 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 2013 plan year. If they do not have service in the 2013 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 Active Participants earning future benefit accruals
- Age/Service Distribution for Active Participants not earning future benefit accruals (Giant and Safeway employees)
- 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

ACTIVE PARTICIPANTS AS OF JANUARY 1, 2014 EARNING FUTURE BENEFIT ACCRUALS

	COMPLETED YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2014										
AGE	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25	17	54	10	0	0	0	0	0	0	0	81
25-29	4	11	17	2	0	0	0	0	0	0	34
30-34	1	9	9	8	2	0	0	0	0	0	29
35-39	1	9	4	5	5	0	0	0	0	0	24
40-44	0	7	3	2	6	9	2	0	0	0	29
45-49	0	6	3	3	4	4	18	0	0	0	38
50-54	1	16	11	4	4	5	16	19	3	0	79
55-59	2	8	6	4	1	9	9	7	12	1	59
60-64	0	5	4	2	2	1	6	5	0	2	27
65-69	0	3	4	2	0	2	2	1	3	1	18
70 & Up	0	1	4	1	0	1	2	1	0	0	10
Total	26	129	75	33	24	31	55	33	18	4	**428**

Average Age = 43.4 Average Service = 13.5

APPENDIX A
MEMBERSHIP INFORMATION

ACTIVE PARTICIPANTS AS OF JANUARY 1, 2014 NOT EARNING FUTURE BENEFIT ACCRUALS

	COMPLETED YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2014										
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
AGE											
Under 25	769	1,687	167	0	0	0	0	0	0	0	2,623
25-29	134	711	646	57	0	0	0	0	0	0	1,548
30-34	78	383	451	446	24	0	0	0	0	0	1,382
35-39	61	302	270	332	277	23	0	0	0	0	1,265
40-44	50	324	328	313	304	329	80	0	0	0	1,728
45-49	61	325	307	353	221	294	495	35	0	0	2,091
50-54	61	371	390	397	239	278	509	367	35	0	2,647
55-59	40	304	312	371	216	263	333	246	235	20	2,340
60-64	25	193	216	247	156	159	174	78	138	113	1,499
65-69	11	75	125	123	53	77	79	26	27	51	647
70 & Up	4	47	64	73	38	29	31	4	8	17	315
Total	1,294	4,722	3,276	2,712	1,528	1,452	1,701	756	443	201	**18,085**

Average Age = 43.7 Average Service = 12.3

APPENDIX A
MEMBERSHIP INFORMATION

PENSIONERS AND BENEFICIARIES RECEIVING BENEFITS AS OF JANUARY 1, 2014

	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	107	$ 47,421	184	$ 195,238	104	$ 45,894	395	$ 288,553
55-59	140	80,301	847	884,978	96	43,517	1,083	1,008,796
60-64	167	103,952	2,313	1,858,283	207	79,745	2,687	2,041,980
65-69	3	1,718	3,490	2,431,649	259	106,472	3,752	2,539,839
70-74	0	0	3,515	2,329,663	360	134,663	3,875	2,464,326
75-79	0	0	2,570	1,541,277	293	106,700	2,863	1,647,977
80 & Over	0	0	2,587	1,235,280	456	137,417	3,043	1,372,697
Total	417	$ 233,392	15,506	$ 10,476,368	1,775	$ 654,408	**17,698**	**$ 11,364,168**

DEFERRED VESTED PARTICIPANTS AND SURVIVING SPOUSES ENTITLED TO FUTURE BENEFITS

Age	Number	Monthly Benefit Payable at Normal Retirement Date
Under 45	4,252	$ 668,126
45-49	2,028	520,222
50-54	2,433	842,877
55-59	2,317	896,531
60-64	1,499	546,420
65 & Over	661	207,300
Total	13,190	$ 3,681,476

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

This summary reflects all amendments made to the Fund up to and including January 2014. 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 65^{th} 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	
	Full-Time	**Full-Time**	**Full-Time**	**Part-Time**
Contribution Rate[1]	$1,156.63/month	$428.23/month	$1.71/hour	$1.71/hour
Benefit Rate Per Year of Credited Service (Effective April 1, 2000)	$47	$32	$25	$15

[1] *Rates for Acme employees as seen in the census data*

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, 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.

14. Changes in Plan Provisions

None.

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:
3.64% 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 2014 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 3.78% to 3.64% and the mortality table was updated to the 2014 Static Mortality Tables for annuitants and non-annuitants (per IRS Notice 2008-85).

The method for determining whether a participant is still actively employed for valuation purposes was changed. Prior to this change, we relied solely on the status provided by AA in making this determination.

The accrued benefit valued for terminated vested was estimated based the amount of benefit service reported and the monthly accrual levels for Tier I or Tier II participation. In prior years, the accrued benefit for each terminated vested was taken directly from the data supplied by AA.

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.

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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.

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.