Mid-Atlantic UFCW & Participating Employers Pension Fund

Actuarial Valuation Report as of January 1, 2014

Produced by Cheiron

December 2014

CHEIRON Classic Values, Innovative Advice

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December 29, 2014

Mid-Atlantic UFCW & Participating Employers 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 Mid-Atlantic UFCW & Participating Employers 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 Mid-Atlantic UFCW & Participating Employers 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.

1750 Tysons Boulevard, Suite 1100, McLean, VA 22102 Tel: 703.893.1456 Fax: 703.893.2006 www.cheiron.us

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

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

Sincerely,
Cheiron

Gene M. Kalwarski, FSA, EA
Principal Consulting Actuary

Kevin Woodrich, FSA, EA
Principal Consulting Actuary

FOREWORD

Cheiron has performed the Actuarial Valuation of the Mid-Atlantic UFCW & Participating Employers 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. There have been no changes to the Fund since the prior valuation.

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
Mid-Atlantic United Food and Commercial Workers and Participating Employers Pension Plan
Summary of Principal Results

	1/1/2013	1/1/2014	Change
Participant Counts			
Actives Tier I	1,752	1,598	(8.8%)
Tier II	18,717	16,077	(14.1%)
Total	20,469	17,675	(13.6%)
Terminated Vesteds	0	624	
In Pay Status	0	0	
Total	20,469	18,299	(10.6%)
Financial Information			
(1) Market Value of Assets (MVA)	$ 0	$ 14,517,860	
(2) Actuarial Value of Assets (AVA)	0	15,495,979	
(3) Total Present Value of Future Benefits	$ 84,351,689	$ 93,482,723	10.8%
(4) Actuarial Liability	$ 0	$ 15,260,184	
(5) Surplus / (Unfunded) Actuarial Liability [(2) - (4)]	0	235,795	
(6) Funding Ratio on AVA Basis [(2) ÷ (4)]	100.0%	101.5%	1.5%
(7) Present Value of Accrued Benefits / PPA Liability	$ 0	$ 15,260,184	
(8) Surplus / (Unfunded) Accrued Benefit [(2) - (7)]	0	235,795	
(9) Funding Ratio on AVA Basis [(2) ÷ (7)]	100.0%	101.5%	1.5%
(10) Present Value of Vested Benefits for Withdrawal Liability	$ 0	$ 13,602,346	
(11) Surplus / (Unfunded) Vested Benefit [(1) - (10)]	0	915,514	
(12) Funding Ratio on MVA Basis [(1) ÷ (10)]	100.0%	106.7%	6.7%
Contributions and Cash Flows			
Employer Contributions (Actual / Estimated)	$ 15,146,312	*$ 14,000,000*	(7.6%)
ERISA Minimum Required Contribution	15,518,587	14,751,942	(4.9%)
ERISA Maximum Deductible Contribution	46,222,604	75,848,367	64.1%
ERISA Credit Balance at Start of Year	0	0	0.0%
Prior Year Benefit Payouts	N/A	$ 0	
Prior Year Administrative Expenses	N/A	589,383	
Prior Year Total Investment Return (Net of Expenses)	N/A	(628,452)	

SECTION I
SUMMARY

General Comments

- The Market Value of Assets returned negative 8.3%, compared to the assumption of 8.0%. In dollars, the total actuarial investment loss (difference between expected and actual returns on a market value basis) was $1.2 million for the plan year ending December 31, 2013.

- For minimum funding purposes we do not use the Market Value of Assets, but rather a smoothed value of assets referred to as the Actuarial Value of Assets. The smoothing method adopted by the Trustees phases in investment gains and losses over five years, which means the $1.2 million loss described above would be phased in at a rate of $0.24 million per year over the next five years. The Actuarial Value of Assets was $15.5 million (107% of market value). On an actuarial value basis, the rate of return was 4.6%, resulting in an actuarial investment loss of $0.24 million.

- In addition, the Fund experienced a liability gain of $0.23 million primarily attributable to the decline in the active population. There was also an assumption change which decreased the Actuarial Liability by $0.03 million. When these two effects are combined with the actuarial investment loss of $0.24 million, the Fund experienced a total net reduction in unfunded liability of gain of $0.02 million.

- The assumption change was made with regard to how the data from AA is treated 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 have 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 Fund's funding ratio (Actuarial Value of Assets as a percentage of Actuarial Liability) was 101.5% as of January 1, 2014. Based on market value of assets, the funding ratio was 95.1%.

- As of December 31, 2013, there is no Unfunded Vested Benefits for Withdrawal Liability.

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, January 1, 2014

				%
Investments				
Mutual Funds		$	11,649,075	80.2%
Temporary			24,059	0.2%
	Subtotal	$	11,673,134	80.4%
Receivables				
Employer Contributions			2,539,922	17.5%
Interest and Dividends			288,142	2.0%
Prepaids and other receivables			38,855	0.3%
	Subtotal	$	2,866,919	19.7%
Total Assets		$	14,540,053	100.2%
Liabilities				
Accounts Payable		$	(22,193)	-0.2%
	Subtotal	$	(22,193)	-0.2%
Market Value of Assets for Statement		**$**	**14,517,860**	100.0%
Expected Withdrawal Liability Payments			0	
Market Value of Assets for Funding		**$**	**14,517,860**	

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. The expected return on market assets is determined using the Fund's actual cash flows and the assumed actuarial rate of return. The Actuarial Value of Assets 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					$	14,517,860
Plan Year		Initial Gain/(Loss)	Percent Recognized	Percent Deferred		Amount Deferred
2013	$	(1,222,649)	20%	80%	$	(978,119)
Total Gain/(Loss) Excluded					$	(978,119)
Preliminary Actuarial Value as of January 1, 2014					$	15,495,979
Corridor for Actuarial Value						
80% of Market Value					$	11,614,288
120% of Market Value					$	17,421,432
Actuarial Value of Assets as of January 1, 2014					$	15,495,979
Actuarial Value as a percent of Market Value of Assets as of January 1, 2014						106.7%

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 Values

Market Value of Assets -- January 1, 2013	$	0
Employer Contributions	$	15,146,312
Investment Return (Gross)		(37,044)
Benefit Payments		0
Administrative Expenses		(589,383)
Investment Expenses		(2,025)
Market Value of Assets -- January 1, 2014	$	14,517,860

Investment Gains / (Losses)

The following table calculates the investment related actuarial gain/loss for the plan year and the return 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	$ 0	$ 0
2013 Employer Contributions	15,146,312	15,146,312
2013 Benefit Payments	0	0
Expected Investment Earnings (8%)	594,197	594,197
Expected Value December 31, 2013	15,740,509	15,740,509
Investment Gain / (Loss)	$ (1,222,649)	$ (244,530)
January 1, 2014 Value	14,517,860	15,495,979
Return	(8.30%)	4.62%

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 ensuring minimum funding standards are met, this liability is determined using an actuarial funding method to apportion the total obligations between past and present. For this Fund, that method is the Unit Credit method. The Actuarial Liability under the Unit Credit method represents the total amount of money needed to fully pay off all future obligations of the Fund, assuming no further accrual of benefits as of the valuation date.

- **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. These liabilities are used for financial disclosures (FASB ASC Topic No. 960). For that purposes, they are referred to as the Present Value of Accumulated Benefits. They can be used to establish comparative benchmarks with other plans. They also use the Unit Credit method.

- **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:** This liability is defined by Internal Revenue Code. It 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, a **net surplus** or 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	$ 84,351,689	$ 93,156,399
Retiree and Inactive Benefits	0	326,324
Total Present Value of Future Benefits	**$ 84,351,689**	**$ 93,482,723**
ACTUARIAL LIABILITY / ACCRUED LIABILITY		
Actuarial Liability / Accrued Liability	**$ 0**	**$ 15,260,184**
Actuarial Value of Assets	0	15,495,979
Net Surplus (Unfunded)	**$ 0**	**$ 235,795**
Assets as a Percentage of Actuarial Liability	100.0%	101.5%
VESTED LIABILITY FOR WITHDRAWAL LIABILITY PURPOSES	**$ 0**	**$ 13,602,346**
Market Value of Assets	0	14,517,860
Net Surplus (Unfunded)	**$ 0**	**$ 915,514**
Assets as a Percentage of Vested Liability	100.0%	106.7%
CURRENT LIABILITY	**$ 0**	**$ 33,172,167**
Market Value of Assets	0	14,517,860
Net Surplus (Unfunded)	**$ 0**	**$ (18,654,307)**

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
Unit Credit Normal Cost	$ 11,304,206	$ 1,515,560	$ 212,856	$ 628,085	$ 13,660,707
Unit Credit Actuarial Liability					
Actives	$ 12,426,953	$ 1,599,952	$ 257,653	$ 649,302	$ 14,933,860
Terminated Vesteds	0	326,324	0	0	326,324
Retirees and Beneficiaries	0	0	0	0	0
Total	$ 12,426,953	$ 1,926,276	$ 257,653	$ 649,302	$ 15,260,184
RPA Current Liability Normal Cost	$ 23,191,729	$ 5,721,452	$ 318,386	$ 1,473,906	$ 30,705,473
RPA Current Liability					
Actives	$ 24,696,468	$ 5,918,122	$ 411,971	$ 1,497,014	$ 32,523,575
Terminated Vesteds	0	648,592	0	0	648,592
Retirees and Beneficiaries	0	0	0	0	0
Total	$ 24,696,468	$ 6,566,714	$ 411,971	$ 1,497,014	$ 33,172,167
Vested RPA Current Liability					
Actives	$ 16,114,570	$ 11,922,298	$ 245,993	$ 1,336,376	$ 29,619,237
Terminated Vesteds	0	648,592	0	0	648,592
Retirees and Beneficiaries	0	0	0	0	0
Total	$ 16,114,570	$ 12,570,890	$ 245,993	$ 1,336,376	$ 30,267,829

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

Table III-3
Changes in Liabilities

	Actuarial Liability
Liabilities 1/1/2013	$ 0
Liabilities 1/1/2014	$ 15,260,184
Liability Increase (Decrease)	15,260,184
Change due to:	
Plan Amendment	0
Funding Method Change	0
Assumption Change	(30,579)
Accrual of Benefits	14,369,062
Passage of Time (Interest less benefits paid)	1,149,525
Other Sources	0
Actuarial (Gain)/Loss	(227,824)

SECTION IV
CONTRIBUTIONS

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

- **Actuarial contributions** and
- **Government Limits** which could affect the above.

Actuarial Contributions

For this Fund, the actuarial contribution is developed using the **Unit Credit Cost** method. The actuarial contribution which can also be considered as the actuarial cost is determined in two parts.

The first part is the Unit Credit Normal Cost. This is the value of the benefits expected to be accrued over the coming year.

The second part is an 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 Plan should hold as determined by the actuarial cost method. The amortization payment is determined using the amortization schedule required by the IRS to determine the minimum required contribution. Because of this the actuarial 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. When the bargained contributions exceed the minimum required contribution, the Fund will build 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 actuarial contribution for 2014 is shown below compared to the Government Limits and the projected contributions.

Table IV-1
Contributions for 2014

Actuarial Contribution		
Unit Credit Normal Cost	$	13,660,707
Amortization Payment		(1,501)
Interest to End of Year		1,092,736
Total	$	14,751,942
Government Limits		
Maximum Deductible Contribution	$	75,848,367
Minimum Contribution (before Credit Balance)		14,751,942
Interest Adjusted Credit Balance		239,676
Minimum Contribution (after Credit Balance)		14,512,266
Estimated Employer Contributions	*$*	*14,000,000*

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 December 31,

	2013	2014
1. Charges For Plan Year		
a. Normal Cost	$ 14,369,062	$ 13,660,707
b. Amortization Charges	0	1,807
c. Interest on a. and b. to Year End	1,149,525	1,093,001
d. Additional Funding Charge	N/A	N/A
e. Interest Charge due to Late Quarterly Contributions	N/A	N/A
f. Total Charges	$ 15,518,587	$ 14,755,515
2. Credits For Plan Year		
a. Prior Year Credit Balance	$ 0	$ 221,922
b. Employer Contributions *(estimate for 2014)*	15,146,312	*14,000,000*
c. Amortization Credits	0	3,308
d. Interest on a., b., and c. to Year End	594,197	567,245
e. Full Funding Limit Credit	0	0
f. Total Credits	$ 15,740,509	$ 14,792,475
3. Credit Balance at End of Year [2. - 1.] *(estimate for 2014)*	$ 221,922	*$ 36,960*

SECTION IV
CONTRIBUTIONS

Table IV-3
Calculation of the Maximum Deductible Contribution
For the Plan Year starting January 1, 2014

1.	"Fresh Start" Method		
a.	Normal Cost	$	13,660,707
b.	Net Charge to Amortize Unfunded Actuarial Liability over 10 years		(32,537)
c.	Interest on a. and b. to Year End		1,090,254
d.	Total	$	14,718,424
e.	Minimum Required Contribution at Year End		14,751,942
f.	Larger of d. and e.		14,751,942
g.	Full Funding Limit		42,878,673
h.	Maximum Deductible Contribution, less of f. and g.	$	14,751,942
2.	140% of Current Liability Calculation		
a.	Current Liability at Start of Year	$	33,172,167
b.	Present Value of Benefits Estimated to Accrue during Year		30,705,473
c.	Expected Benefit Payments		258,731
d.	Net Interest on a., b. and c. at Current Liability Interest Rate (3.64%)		2,320,479
e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]		65,939,388
f.	140% of e.		92,315,143
g.	Actuarial Value of Assets		15,495,979
h.	Net Interest on c. and g. at Valuation Interest Rate (8.00%)		1,229,528
i.	Estimated Value of Assets, [g. – c. + h.]		16,466,776
j.	Unfunded Current Liability at Year End, [f. – i.], not less than $0	$	75,848,367
3.	Maximum Deductible Contribution at Year End, greater of 1h. and 2j.	$	75,848,367

SECTION IV
CONTRIBUTIONS

Table IV-4
Development of Actuarial Gain/(Loss)
For the Plan Year ended December 31, 2013

1. Unfunded Actuarial Liability at Start of Year (not less than zero)	$	0
2. Normal Cost at Start of Year		14,369,062
3. Interest on 1. and 2. to End of Year		1,149,525
4. Employer Contributions for Prior Year		15,146,312
5. Interest on 4. to End of Year		594,197
6. Change in Unfunded Actuarial Liability Due to Changes in Assumptions	$	(30,579)
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/(Surplus) Actuarial Liability at End of Year [1. + 2. + 3. – 4. – 5. + 6. + 7. + 8.]	$	(252,501)
10. Actual Unfunded/(Surplus) Actuarial Liability at End of Year	$	(235,795)
11. Actuarial Gain / (Loss) [9. – 10.]		
a. Investment Gain / (Loss)	$	(244,530)
b. Liability Experience Gain / (Loss)		227,824
c. Total Actuarial Gain / (Loss) [11a. + 11b.]	$	(16,706)
12. Amortization Factor for Actuarial Gain / (Loss)		9.2442
13. Amortization Credit / (Charge) for Actuarial Gain / (Loss) [11c ÷ 12]	$	(1,807)

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. Actuarial Gain	1/1/2014	$ 16,706	15	$ 16,706	15	$ 1,807
TOTAL CHARGES				$ 16,706		$ 1,807
CREDITS						
1. Assumption Change	1/1/2014	$ 30,579	15	$ 30,579	15	$ 3,308
TOTAL CREDITS				$ 30,579		$ 3,308

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	$	(13,873)
5. Credit Balance at Start of Year	$	221,922
6. Unfunded Actuarial Liability at Start of Year from Funding Equation [4. - 3. - 5.]	$	(235,795)
7. Actuarial Liability at Start of Year	$	15,260,184
8. Actuarial Value of Assets at Start of Year	$	15,495,979
9. Unfunded Actuarial Liability at Start of Year from Liability Calculation [7. - 8.]	$	(235,795)

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

SECTION IV
CONTRIBUTIONS

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

		Minimum	Maximum
1. ERISA Actuarial Liability Calculation			
a.	Actuarial Liability	$ 15,260,184	$ 15,260,184
b.	Normal Cost	13,660,707	13,660,707
c.	Lesser of Market Value and Actuarial Value of Assets	14,517,860	14,517,860
d.	Credit Balance at Start of Year	221,922	N/A
e.	Net Interest on a., b., c., and d. at Funding Interest Rate (8.00%)	1,169,996	1,152,242
f.	Actuarial Liability Full Funding Limit, [a. + b. – c. + d.] x 1.08, limited to zero	$ 15,794,949	$ 15,555,273
2. Full Funding Limit Override (RPA 1994)			
a.	RPA 1994 Current Liability at Start of Year	$ 33,172,167	$ 33,172,167
b.	Present Value of Benefits Estimated to Accrue during Year	30,705,473	30,705,473
c.	Expected Benefit Payments	258,731	258,731
d.	Net Interest on a., b. and c. at Current Liability Interest Rate (3.64%)	2,320,479	2,320,479
e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]	65,939,388	65,939,388
f.	90% of e.	59,345,449	59,345,449
g.	Actuarial Value of Assets	15,495,979	15,495,979
h.	Net Interest on c. and g. at Valuation Interest Rate (8.00%)	1,229,528	1,229,528
i.	Estimated Value of Assets, [g. – c. + h.]	16,466,776	16,466,776
j.	RPA 1994 Full Funding Limit Override [f. – i.], limited to zero	$ 42,878,673	$ 42,878,673
3. Full Funding Limitation at End of Year, greater of 1f. and 2j.		$ 42,878,673	$ 42,878,673

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	$	0
Actuarial Value of Assets	$	15,495,979
Retiree UVB	$	0
10 year Amortization Factor		7.2469
Charge for Retirees	$	0
PVVB for Non-Retirees	$	14,045,909
Residual Assets	$	15,495,979
Non-retiree UVB	$	0
25 year Amortization Factor		11.5288
Charge for Non-Retirees	$	0
Vested Benefits Charge	**$**	**0**
Net Charges to Funding Standard Account	**$**	**14,751,942**
Reorganization Index	**$**	**0**

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

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	$	0	0
Terminated Vesteds		326,324	624
Active Participants		13,719,585	11,951
Vested Benefits	$	14,045,909	12,575
2. Non-vested Benefits	$	1,214,275	5,724
3. Accumulated Benefits	$	15,260,184	18,299
4. Market Value of Assets	$	14,517,860	
5. Funded Ratios			
Vested Benefits		103%	
Accumulated Benefits		95%	

Reconciliation of Present Value of Accumulated Benefits

1. Actuarial Present Value at Start of Prior Plan Year	$	0
2. Increase (Decrease) over Prior Year due to:		
Benefit Accruals	$	14,369,062
Benefit Payments		0
Increase for Interest		1,149,525
Experience (Gains)/Losses		(227,824)
Changes in Assumptions		(30,579)
Plan Amendments		0
Total		15,260,184
3. Actuarial Present Value at End of Prior Year	$	15,260,184

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, 2014. Below is a list of assumptions Cheiron made in processing the data this year. These assumptions only affected a de minimis number of participants.

Participant 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 were valued as terminated vesteds if they had at least five years of vesting service; otherwise non-vested terminations.

The census data had no participants in pay status as of December 31, 2013.

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 hours for the 2013 Plan Year. If they do not have hours 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 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
- Participant Reconciliation

FULL-TIME TIER I PARTICIPANTS AS OF JANUARY 1, 2014

	COMPLETED YEARS OF CREDITED SERVICE*										
AGE	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	1	1	1	3	79	9	0	0	94
50-54	0	1	4	3	2	4	126	309	17	0	466
55-59	1	0	0	3	2	3	31	187	187	17	431
60-64	0	1	1	3	0	4	17	56	101	90	273
65-69	0	0	0	0	0	1	6	17	21	42	87
70 & Up	0	0	0	0	0	0	0	2	7	10	19
Total	1	2	6	10	5	15	259	580	333	159	1,370

Average Age = 56.9 Average Service* = 34.3

* *Includes credited service earned under FELRA & UFCW Pension Fund earned prior to January 1, 2013.*

APPENDIX A
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PART-TIME TIER I PARTICIPANTS AS OF JANUARY 1, 2014

	COMPLETED YEARS OF CREDITED SERVICE										
AGE	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	1	0	11	0	0	0	12
50-54	0	1	0	0	0	0	21	43	3	0	68
55-59	0	0	0	0	1	0	13	48	21	2	85
60-64	0	0	0	0	1	1	2	12	24	8	48
65-69	0	0	0	0	0	0	0	3	3	7	13
70 & Up	0	0	0	0	0	0	0	0	0	2	2
Total	0	1	0	0	3	1	47	106	51	19	228

Average Age = 57.1 Average Service* = 33.8

* *Includes credited service earned under FELRA & UFCW Pension Fund earned prior to January 1, 2013.*

APPENDIX A
MEMBERSHIP INFORMATION

FULL-TIME TIER II PARTICIPANTS AS OF JANUARY 1, 2014

	COMPLETED YEARS OF CREDITED SERVICE*										
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	48	17	0	0	0	0	0	0	0	65
25-29	1	54	136	41	0	0	0	0	0	0	232
30-34	1	29	123	190	38	0	0	0	0	0	381
35-39	0	24	76	143	207	28	0	0	0	0	478
40-44	1	25	100	144	182	245	122	0	0	0	819
45-49	1	29	79	153	138	178	385	17	0	0	980
50-54	0	24	87	151	161	150	316	25	1	0	915
55-59	0	14	66	138	111	142	231	19	1	0	722
60-64	1	14	40	83	78	64	128	8	0	0	416
65-69	0	5	10	22	29	28	48	2	0	0	144
70 & Up	0	5	4	13	17	6	20	2	0	0	67
Total	5	271	738	1,078	961	841	1,250	73	2	0	5,219

Average Age = 47.8 Average Service* = 17.2

* *Includes credited service earned under FELRA & UFCW Pension Fund earned prior to January 1, 2013.*

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PART-TIME TIER II PARTICIPANTS AS OF JANUARY 1, 2014

	COMPLETED YEARS OF CREDITED SERVICE										
AGE	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25	535	1,674	195	0	0	0	0	0	0	0	2,404
25-29	71	589	487	50	0	0	0	0	0	0	1,197
30-34	51	327	305	233	13	0	0	0	0	0	929
35-39	37	280	192	154	82	7	0	0	0	0	752
40-44	31	303	227	170	104	91	16	0	0	0	942
45-49	41	301	229	209	85	75	92	4	0	0	1,036
50-54	49	347	285	227	99	99	89	6	0	0	1,201
55-59	37	301	231	205	102	81	66	3	0	0	1,026
60-64	30	212	166	144	69	71	49	0	0	0	741
65-69	25	95	97	95	21	25	24	0	0	0	382
70 & Up	23	85	50	51	19	9	11	0	0	0	248
Total	930	4,514	2,464	1,538	594	458	347	13	0	0	10,858

Average Age = 41.0 Average Service* = 7.4

* *Includes credited service earned under FELRA & UFCW Pension Fund earned prior to January 1, 2013.*

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 Benefit	Number	Monthly Benefit	Number	Monthly Benefit	Number	Monthly Benefit
Under 55	0	$ 0	0	$ 0	0	$ 0	0	$ 0
55-59	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0
80 & Over	0	0	0	0	0	0	0	0
Total	0	**$ 0**	0	**$ 0**	0	**$ 0**	**0**	**$ 0**

DEFERRED VESTED PARTICIPANTS AND SURVIVING SPOUSES ENTITLED TO FUTURE BENEFITS

Age	Number	Monthly Benefit Payable at Normal Retirement Date
Under 45	235	$ 1,811
45-49	59	461
50-54	65	712
55-59	84	1,001
60-64	82	878
65 & Over	99	830
Total	624	$ 5,693

APPENDIX A
MEMBERSHIP INFORMATION

DATA RECONCILIATION FROM THE PRIOR TO CURRENT VALUATION

	Active Participants	Deferred Vested	Disability Retirements	Retirees	Beneficiaries	Total
January 1, 2013	20,469	0	0	0	0	20,469
New Members	1,805	0	0	0	0	1,805
Died or Terminated without a Vested Benefit	(4,004)	0	0	0	0	(4,004)
Vested Termination	(595)	595	0	0	0	0
Rehired Inactives	0	0	0	0	0	0
Disablements	0	0	0	0	0	0
Retirements	0	0	0	0	0	0
Miscellaneous Adjustments	0	29	0	0	0	29
January 1, 2014	17,675	624	0	0	0	18,270

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

This summary reflects all amendments made to the Fund up to and including January 2014. The rates for the majority of participants are set forth in this appendix.

1. **Eligibility**

   Each employee of either Giant or Safeway 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 credited under the FELRA & UFCW Pension Fund as of January 1, 2013 is counted for purposes of determining benefit eligibility.

4. **Future Service**

   On and after January 1, 2013, 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 on the following page:

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

	Tier I		Tier II			
	Full-Time	Part-Time	Full-Time		Part-Time	
Contribution Rate at January 1, 2013	$365.89/month	$135.47/month	$0.30/hour	$0.20/hour	$0.30/hour	$0.20/hour
Benefit Rate Per Year of Credited Service (After December 31, 2012)	$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. Credited service earned in the FELRA & UFCW Pension Fund as of December 31, 2012 is included when determining whether the participant has more than 30 years of credited service.

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.

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.

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

10. Disability Retirement

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

11. Vesting

If an employee who has completed five or more years of "Vesting Service" terminates covered employment other than by death or disability prior to the time he is eligible for an Early (or Normal) Retirement Benefit, he will be entitled to a Deferred Vested Pension beginning on his 60th birthday (65th in the case of employees having an hourly contribution basis), equal to his Accrued Monthly Pension up to the date his covered employment terminates. A former employee may elect to receive his pension payments on the first day of any month on or after his 55th birthday, in which case his pension amount will be reduced by one-half of one percent for each month in the period between the date his pension begins and his 60th birthday (65th in the case of employees having an hourly contribution basis). For this purpose, Vesting Service is equal to (a) the number of years of Vesting Service granted under the FELRA & UFCW Pension Fund as of January 1, 2013, and (b) the number of years of Vesting Service earned after January 1, 2013 whereby 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.

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.

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

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. This benefit will be split between the FELRA & UFCW Pension Fund and this Fund.

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.

15. 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

APPENDIX C
ACTUARIAL ASSUMPTIONS AND METHODS

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.

APPENDIX C
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 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.

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. 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, nor less than 80 percent of market value.

2. Funding Method: Unit Credit Cost Method

The cost method for valuation of liabilities used for this valuation is the unit credit method. This is one of a family of valuation methods known as an accrued benefits method. The chief characteristic of an accrued benefits method is that the funding pattern follows the pattern of benefit accrual. Under the unit credit actuarial cost method, the normal cost is determined as that portion of each Participant's benefit attributable to service expected to be earned in the upcoming plan year. The actuarial liability, which is determined for each Participant as of each valuation date, represents the actuarial present value of the Participant's current accrued benefit as of the valuation date.

One of the significant effects of this funding method is that, depending on the demographics of the population, the unit credit method tends to produce lower costs in the early years. There is a possibility that as the population ages, the annual cost could increase over time.

3. Changes in Actuarial Methods since Last Valuation

None.