Mid-Atlantic UFCW & Participating Employers Pension Fund

Classic Values, Innovative Advice

2017 Preliminary Actuarial Valuation Results

January 10, 2018

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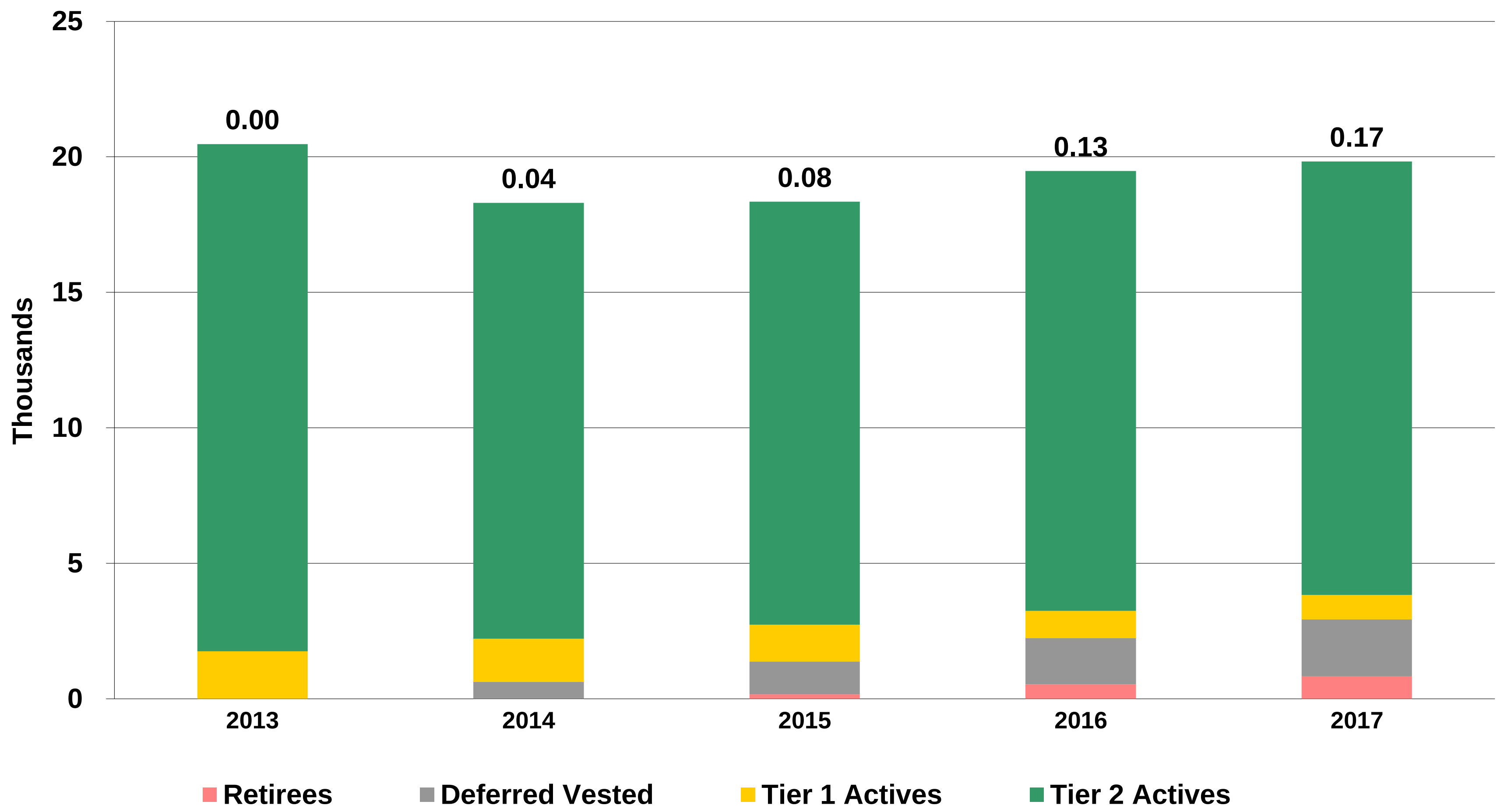
Historical Results - Participants

DRAFT – Subject to Review



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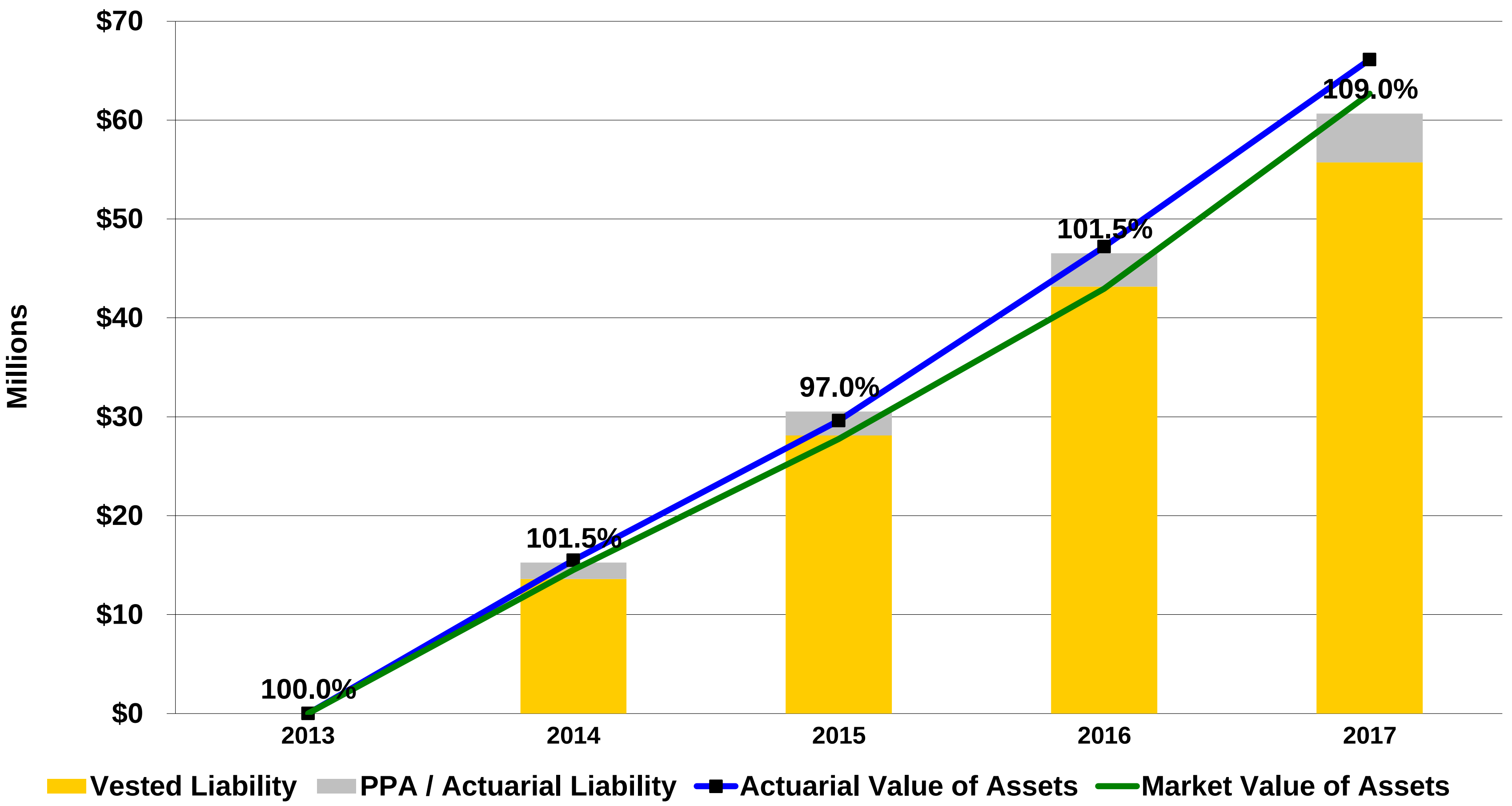
Historical Results - Assets vs Liabilities

DRAFT – Subject to Review



Historical Results - Minimum Funding

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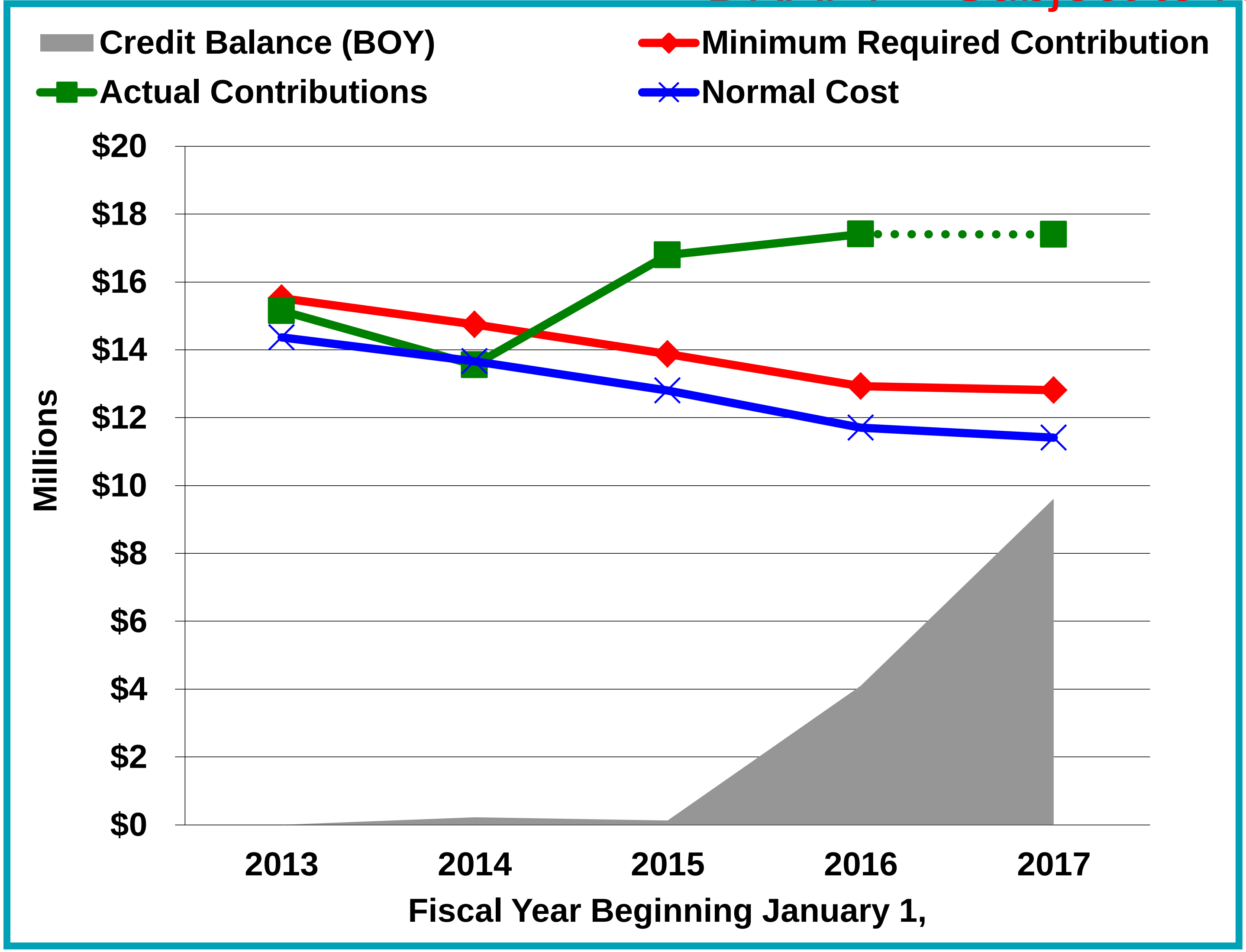

Summary of Principal Results

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Table I-1
Summary of Principal Results

	January 1, 2016	January 1, 2017	Change
Participant Counts			
Actives Tier I	1,012	904	(10.7%)
Tier II	16,228	15,997	(1.4%)
Total	17,240	16,901	(2.0%)
Terminated Vesteds	1,696	2,095	23.5%
In Pay Status	539	831	54.2%
Total	19,475	19,827	1.8%
Financial Information			
(1) Market Value of Assets (MVA)	$ 42,964,141	$ 62,675,364	45.9%
(2) Actuarial Value of Assets (AVA)	47,212,109	66,126,587	40.1%
(3) Total Present Value of Future Benefits	$ 116,927,390	$ 129,050,288	10.4%
(4) Actuarial Liability	$ 46,524,240	$ 60,656,739	30.4%
(5) Surplus / (Unfunded) Actuarial Liability [(2) - (4)]	687,869	5,469,848	
(6) Funding Ratio on AVA Basis [(2) ÷ (4)]	101.5%	109.0%	7.5%
(7) Accrued Liability / PPA Liability	$ 46,524,240	$ 60,656,739	30.4%
(8) Surplus / (Unfunded) Accrued Benefit [(2) - (7)]	687,869	5,469,848	
(9) Funding Ratio on AVA Basis [(2) ÷ (7)]	101.5%	109.0%	7.5%
(10) Funding Ratio on MVA Basis [(1) ÷ (7)]	92.3%	103.3%	11.0%
(11) Present Value of Vested Benefits for Withdrawal Liability	$ 43,160,366	$ 55,716,456	29.1%
Contributions and Cash Flows			
Employer Contributions (Actual / Estimated)	$ 17,411,385	*$ 17,400,000*	(0.1%)
ERISA Minimum Required Contribution	12,929,859	12,811,807	(0.9%)
ERISA Maximum Deductible Contribution	142,002,222	175,470,722	23.6%
ERISA Credit Balance at Start of Year	4,096,021	9,610,956	
Prior Year Benefit Payouts	$ 781,164	$ 1,201,005	
Prior Year Administrative Expenses	989,766	1,193,245	
Prior Year Total Investment Return (Net of Expenses)	(796,478)	3,500,843	

Summary of Principal Results

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Table II-4
Investment Gains/(Losses)

Item	Market Value	Actuarial Value
January 1, 2016 Value	$ 42,964,141	$ 47,212,109
2016 Employer Contributions	17,411,385	17,411,385
2016 Benefit Payments	(1,201,005)	(1,201,005)
Expected Investment Earnings (8%)	4,073,072	4,412,910
Expected Value December 31, 2016	$ 63,247,593	$ 67,835,399
Investment Gain / (Loss)	$ (572,229)	$ (1,708,812)
January 1, 2017 Value	62,675,364	66,126,587
Return	6.86%	4.89%

Table III-3
Changes in Actuarial Liabilities

Liabilities as of January 1, 2016	$ 46,524,240
Liabilities as of January 1, 2017	$ 60,656,739
Liability Increase (Decrease)	14,132,499
Change due to:	
Benefit Accruals	$ 11,707,736
Benefit Payments	(1,201,005)
Increase for Interest	4,611,443
Experience (Gains)/Losses	(985,675)
Changes in Assumptions	0
Plan Amendments	0
Total	$ 14,132,499

Summary of Principal Results

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Table IV-2
Funding Standard Account for Plan Years Ending December 31,

	2016 Without Shortfall	2016 With Shortfall	2016 Shortfall (Loss)	2017 Without Shortfall
1. Charges For Plan Year				
a. Normal Cost	$ 11,707,736	$ 11,687,210	$ (20,526)	$ 11,414,290
b. Amortization Charges	267,662	267,193	(469)	451,802
c. Interest on a. and b. to Year End	958,032	956,352	(1,680)	949,287
d. Total Charges	$ 12,933,430	$ 12,910,755	$ (22,675)	$ 12,815,379
2. Credits For Plan Year				
a. Prior Year Credit Balance	$ 4,096,021	$ 4,096,021		$ 9,610,956
b. Employer Contributions *(estimate for 2017)*	17,411,385	17,411,385		*17,400,000*
c. Amortization Credits	3,308	3,302	$ (6)	3,308
d. Interest on a., b., and c. to Year End	1,011,003	1,011,003	0	1,451,752
e. Total Credits	$ 22,521,717	$ 22,521,711	$ (6)	$ 28,466,016
3. Credit Balance at End of Year [2. - 1.] *(est for 2017)*	$ 9,588,287	$ 9,610,956	$ (22,669)	*$ 15,650,637*

Assumptions and Methods/Reliance

The purpose of this presentation is to present the January 1, 2017 Actuarial Valuation results to the Mid-Atlantic UFCW & Participating Employers Pension Fund Board of Trustees. Other users of this valuation report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any such other users.

The assumptions reflect our understanding of the likely future experience of the Fund and the assumptions taken individually represent our best estimate for the future experience of the Fund. The results of this presentation are dependent upon future experience conforming to these assumptions. Future valuation reports may differ significantly from the current results presented in this presentation due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law. For complete details on the assumptions and methods, refer to the January 1, 2016 Actuarial Valuation Report.

In preparing our presentation, we relied on information (some oral and some written) supplied by the auditor and Fund Office. 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 No. 23.

To the best of our knowledge, this presentation 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 herein. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

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