Mid-Atlantic UFCW & Participating Employers Pension Fund

Classic Values, Innovative Advice.

2014 Actuarial Valuation Results

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Summary of Principal Results

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) Actuarial Liability		$ 0	$ 15,260,184	
(4) Surplus / (Unfunded) Actuarial Liability [(2) - (3)]		0	235,795	
(5) Funding Ratio [(2) ÷ (3)]		100.0%	101.5%	1.5%
(6) Present Value of Accrued Benefits / PPA Liability		$ 0	$ 15,260,184	
(7) Accrued Benefit Surplus (Unfunded) [(2) - (6)]		0	235,795	
(8) Funding Ratio [(2) ÷ (6)]		100.0%	101.5%	1.5%
(9) Present Value of Vested Benefits for Withdrawal I		$ 0	$ 13,602,346	
(10) Vested Benefit Surplus (Unfunded)		0	915,514	
(11) Funding Ratio [(1) ÷ (9)]		100.0%	106.7%	6.7%
Plan Experience				
Investment Gain/(Loss)		N/A	$ (244,530)	
Liability Gain/(Loss)		N/A	227,824	
Total Gain/(Loss)		N/A	$ (16,706)	
Contributions and Cash Flows				
Employer Contributions (Actual / Estimated)		$ 15,146,312	$ 14,000,000	(7.6%)
ERISA Minimum Required Contribution		15,518,587	14,512,266	(6.5%)
ERISA Credit Balance at Start of Year		0	221,922	
Prior Year Benefit Payouts		N/A	$ 0	
Prior Year Total Investment Return (Net)		N/A	(39,069)	

Summary of Principal Results

- Need contributions in 2014 totaling $13.96 million to avoid minimum funding deficiency
  - Preliminary estimate of $13.48 million in actual contributions by AA
  - Shortfall funding method allows plans to reflect a decline in workforce by adjusting the minimum required contribution accordingly
    - Deadline is 5500 filing due date (October 15, 2015 with extension)

Summary of Principal Results

	Projected for 2014 (based on 2013 Val)		Actual 2014
	Before Addl $0.03	After Addl $0.03	
Active Participants (for valuation purposes)			
Tier 1	1,377	1,377	1,598
Tier 2	19,092	19,092	16,077
Total	20,469	20,469	17,675
1. Credit Balance 12/31/2013	$ 221,922	221,922	$ 221,922
2. Normal Cost	$ 12,932,947	12,932,947	$ 13,660,707
3. Net Amort Charges	$ -	-	$ (1,501)
4. Interest	$ 1,016,882	$ 1,016,882	$ 1,074,983
5. Mnimum required paid EOY (2+3+4-1)	$ 13,727,907	$ 13,727,907	$ 14,512,267
Projected Contributions for 2014	$ 13,210,000	$ 13,870,500	$ 13,483,804
Projected Credit Balance as of 12/31/2014	$ 328	$ 686,740	$ (499,487)

Adequacy of Contribution Rate

- Suggested Annual Review Process
  - Step 1: Project normal cost for 2015
    - Use January 1, 2014 census data
    - Adjust for 2014 experience reported in AMRs
    - Make assumption for population change for 2015
  - Step 2: Project contributions for 2015
  - Step 3: Compare contributions to normal cost
    - If projected contributions are less than normal cost, alert trustees and present alternative rates
- Will conduct analysis for 2015 by early March

Assumptions and Methods/Reliance

The purpose of this presentation is to present the January 1, 2014 actuarial valuation results to the Mid-Atlantic UFCW and Participating Employers Pension Fund Board of Trustees. This presentation is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

The assumptions reflect our understanding of the likely future experience of the Plan and the assumptions taken individually represent our best estimate for the future experience of the Plan. The results of this presentation 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 Plan could vary from our results. For complete details on the assumptions and methods, refer to the final January 1, 2014 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 #23.

To the best of my 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 a credentialed actuary, I 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. I am not an attorney and our firm does not provide any legal services or advice.

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