FOR PLAN YEAR COMMENCING JANUARY 1, 2019

ANNUAL CERTIFICATION OF PLAN STATUS UNDER SECTION 432(b) OF THE INTERNAL REVENUE CODE, (SEC. 305(b) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974)

FOR

UFCW Unions and Participating Employers Pension Fund

EIN: 52-6117495
PN: 002

Plan Year 1/1/2019

Fund Contact Information
Mr. William Jensen
Associated Administrators, LLC
(301) 429-8960

March 29, 2019

CHEIRON

UFCW Unions & Participating Employers Pension Fund
c/o Mr. William Jensen
Associated Administrators, LLC
8400 Corporate Drive, Suite 430
Landover, Maryland 20785

March 29, 2019
EIN: 52-6117495
PN: 002
Phone: (301) 429-8960

Re: Annual Certification of Plan Status under Internal Revenue Code §432(b) and Employee Retirement Income Security Act of 1974 §305(b) for UFCW Unions and Participating Employers Pension Fund

Dear Board of Trustees:

CERTIFICATION

As required by Section 432(b)(3) of the Internal Revenue Code ("Code") and Section 305(b)(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), we certify, for the plan year beginning January 1, 2019, that the Fund is classified as being in Critical status as this term is defined in Section 432(b) of the Code and Section 305(b) of ERISA as amended by the Multiemployer Pension Reform Act of 2014.

The Fund's Board of Trustees have determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the Fund cannot be reasonably expected to emerge from Critical status within the ten year Rehabilitation Period prescribed by law. Under the terms of the Rehabilitation Plan amended and adopted in 2017, the bargaining parties agreed to the increases in contribution rates that will forestall possible insolvency and eventually emerge from Critical status. Projections made on the assumptions set out herein show that the Fund is expected to emerge from Critical status in 2042. As such, we certify that the Fund continues to make scheduled progress.

This certification and its content is complete and has been prepared in accordance with the requirements of Section 432 of the Code, Section 305 of ERISA, and generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this certification. This certification does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This certification was prepared exclusively for the Trustees of the Pension Fund and the Secretary of Treasury. It only certifies the condition of the Fund under Code Section 432 as added by the Pension Protection Act of 2006 and should be used only for that purpose. Other users of this certification are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

In preparing this certification, we have relied on information (some oral and some written) supplied by Associated Administrators and the Fund's investment consultant, Investment Performance Services, Inc. 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.

The attached appendices show the results for the statutory tests and describe the methodologies and assumptions used to perform the tests. Please contact the undersigned with any questions.

Sincerely,
Cheiron

PR Hardcastle | Samuel D. Harris

Peter Hardcastle, FSA, EA (17-5197) | *Samuel Harris, FSA, EA (17-3452)*

Attachments: Appendix I: Tests of Fund Status
Appendix II: Detail for Actuarial Certification
Appendix III: Scheduled Progress
Appendix IV: Methodology and Assumptions

cc: Secretary of the Treasury

APPENDIX I – TESTS OF FUND STATUS

	Condition Met?
Critical Status – The Fund which has a 431(d) five-year automatic extension, was certified as Critical last year and will remain Critical unless it passes the two emergence tests:	
1 The Fund is not projected to have an accumulated funding deficiency for the current plan year or the next nine plan years.	NO
2 The Fund is not projected to become insolvent within 30 years.	Not Tested

Critical and Declining Status – The Fund will be certified as Critical and Declining if it meets test 3.

3 The Fund is Critical and projected to become insolvent within the current or the next 14 (19 if the Fund's number of inactives is more than twice the number of actives or if the funding level is below 80%) plan years.	NO

The Fund is certified to be in Critical status for 2019.

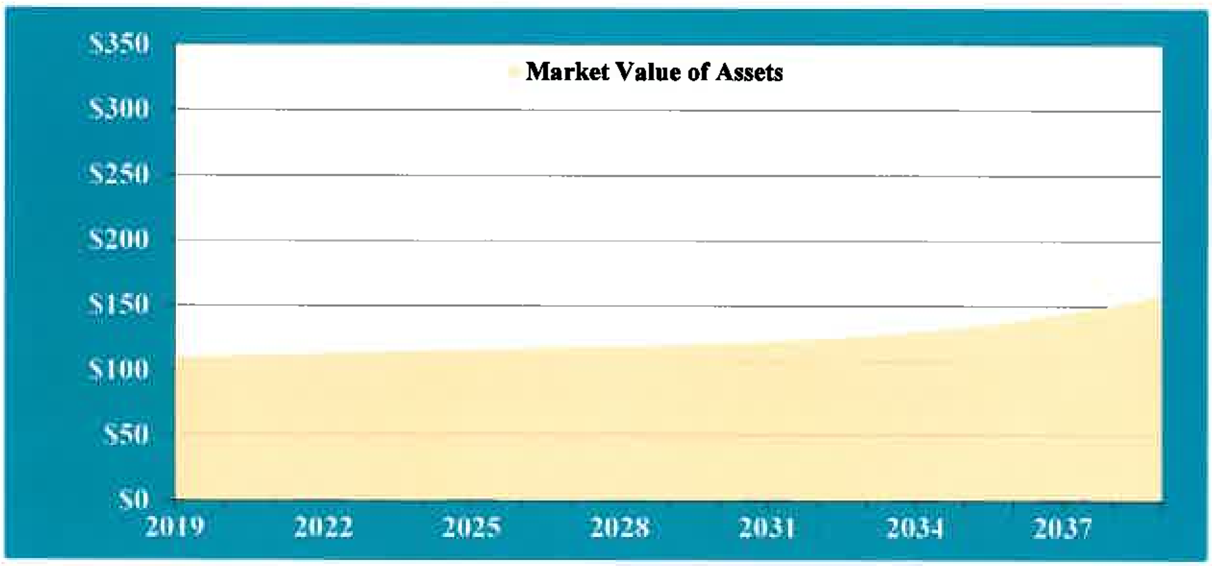
APPENDIX II - DETAIL FOR ACTUARIAL CERTIFICATION

A. Funding Standard Account Credit Balance (used for Test 1)
(takes into account 431(d)(1) amortization extensions.)

Date	Credit Balance	adjusted with interest to end of year Charges	Credits	Contributions
1/1/2019	-8,054,613	17,354,940	1,505,136	8,236,770
1/1/2020	-16,291,880			

The projection of the funding standard account uses the methods and assumptions set out in Appendix III. In addition, the projection of future contributions is based on the Trustees' expectation that future industry activity will remain stable.

B. Solvency Projection (used for Test 3)

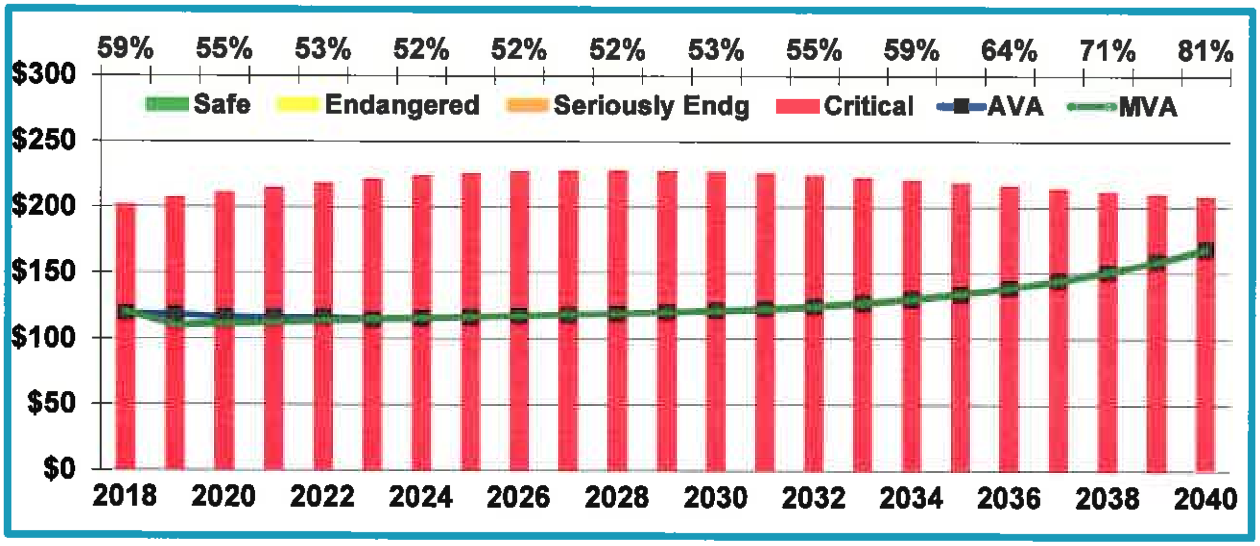


The projection of plan assets assumes contribution increases continue to be bargained in the amounts specified in the 2017 Rehabilitation Plan and that industry activity remains stable. Future asset returns are assumed to equal the actuarial assumption, 7.75% per year net of investment expenses.

APPENDIX III – SCHEDULED PROGRESS

IRC §432(e)(3)(A)(i) and (ii) require that a Critical plan adopt a Rehabilitation Plan that causes it to emerge from Critical status by the end of its Rehabilitation Period, or that such plan take "all reasonable measures" which enable it to emerge at a later date or which forestalls its possible insolvency. In order to emerge from Critical Status, the Fund must be projected to avoid an Accumulated Funding Deficiency (including 431(d) extensions) in a plan year, and for the nine succeeding plan years and be projected to remain solvent for the next 30 years.

According to the 2017 Rehabilitation Plan, contribution increases were set in place that result in the Fund expecting to emerge from Critical Status during the 2042 Plan Year, a date later than the end of its Rehabilitation Period. On this basis and also considering lack of guidance from the Internal Revenue Service, we believe that during the past year the Fund has made scheduled progress in meeting the requirements of its Rehabilitation Plan.



APPENDIX IV – METHODOLOGY AND ASSUMPTIONS

A. Actuarial Assumptions

1. Rates of Investment Return

Funding and disclosure purposes:

7.75% compounded annually net of investment expenses

2. Rates of Mortality

Funding and disclosure purposes:

Actives:	RP-2000 Healthy mortality table (2014 base year – fully generational)
Healthy Inactives:	RP-2000 Healthy mortality table (2014 base year – fully generational).
Disableds:	RP-2000 Disabled Annuitant without projection for ages prior to 65.

An experience study was conducted to establish the current mortality and a projection to the current table has been incorporated to allow for future mortality improvements.

3. Rates of Retirement

A. Former Meat and Poultry Participants

100% at the later of age 62 and five years of service.

B. All Other Participants

Number Expected to Retire Annually Per 1,000			
Age	Number	Age	Number
55	50	62	100
56	50	63	100
57	50	64	100
58	50	65	500
59	50	66	500
60	100	67+	1,000
61	100		

Employees who terminate employment with entitlement to deferred vested pensions are assumed to commence receiving benefits when first eligible for unreduced benefits.

4. Rates of Turnover

Termination of employment for reasons other than death, disability, or retirement is assumed to be in accordance with annual rates as shown below.

Number Expected to Terminate Annually Per 1,000			
Service	Number	Service	Number
0	500	15	70
1	330	16	70
2	250	17	70
3	200	18	70
4	150	19	70
5	125	20	70
6	120	21	70
7	110	22	70
8	100	23	70
9	80	24	60
10	80	25	50
11	80	26	40
12	70	27	30
13	70	28	20
14	70	29	10

5. Disability

Disability incidence rates are assumed to be equal to 150 percent of the Group Long-Term Disability Insurance Crude Rates of Disablement (Male Experience Only) published in Transactions, Society of Actuaries, 1979 Reports. Rates were capped at 1% (10 participants per 1,000). The following table shows the Illustrative rates of disablement.

Age	Disablements Per 1,000 Participants
25	0.4
30	0.6
35	1.0
40	1.6
45	2.6
50	4.5
55	8.5

6. Pre-Retirement Spouse's Benefit

A. Former Meat and Poultry Participants

It was assumed that all active employees would be married at the time of death and, assuming service and age requirements were met, would therefore be eligible for the pre-retirement spouse's benefit. It was assumed that surviving spouses would begin to receive the benefits when first eligible.

B. Former Consolidated Participants

85% of male participants and 65% of female participants are assumed to be married. Husbands are assumed to be 3 years older than their wives. It was assumed that surviving spouses would begin to receive the benefits when first eligible.

C. All Other Participants

It was assumed that 80 percent of the male employees and 60 percent of the female employees would be married at the time of death and, assuming service and age requirements were met, would therefore be eligible for the pre-retirement spouse's benefit. It was assumed that surviving spouses would begin to receive benefits when first eligible.

7. Percent Electing Joint and Survivor Form of Pension

A. Former Meat and Poultry Participants

100% of participants are assumed to elect the QJSA form of payment.

B. Former Consolidated Participants

Married participants are assumed to elect the 50% Joint and Survivor form of payment. Single participants are assumed to elect Single Life Annuity. 85% of male participants and 65% of female participants are assumed to be married.

C. All Other Participants

It was assumed that 56 percent would retire with the joint and survivor option in effect with the balance of the retiring employees receiving their benefits under the single life form.

8. Spouse's Age

A. Former Meat and Poultry Participants

100% of participants are assumed to be married. Males are assumed to be four years older than females.

B. Former Consolidated Participants

85% of male participants and 65% of female participants are assumed to be married. Husbands are assumed to be 3 years older than their wives.

C. All Other Participants

It was assumed that husbands are three years older than their spouses.

9. Administrative Expenses

$1,800,000 as of the beginning of the year added to the normal cost.

B. Actuarial Methods

1. Asset Valuation Method

The actuarial value is equal to the market value of assets less unrecognized gains (or plus unrecognized losses) in each of the last five years. An unrecognized return is equal to the difference between the actual return on the market value and the expected return on the market value and is recognized over a five-year period (20% in the year incurred, and an additional 20% in each subsequent year until fully recognized). The actuarial value is further adjusted so that in no event will it lie outside a range of 80%-120% 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 accrued benefit methods. The chief characteristic of accrued benefit methods is that the funding pattern follows the pattern of benefit accrual. 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 portion of each participant's benefit attributable to service earned prior to the valuation date.

3. Changes in Methods Since Last Valuation

None.