UFCW Unions and Participating Employers Pension Fund

Actuarial Valuation Report as of January 1, 2018

Produced by Cheiron

February 2019

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February 21, 2018

UFCW Unions and Participating
Employers Pension Fund
c/o Mr. William Jensen
Associated Administrators, LLC
8400 Corporate Drive Suite 430
Landover, Maryland 20785-2361

Dear Board of Trustees:

At your request, we have performed the January 1, 2018 Actuarial Valuation of the UFCW Unions and Participating Employers Pension Fund.

This report contains information on the Fund's assets and liabilities and discloses contribution levels, including the minimum required amount as mandated by Federal law.

Your attention is called to the foreword section 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 and accurate to the best of our knowledge and belief. The results of this report are only applicable to the 2018 Plan Year and rely on future fund experience conforming to the underlying assumptions. To the extent that actual fund experience deviates from the underlying assumptions, the results would vary accordingly.

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 that 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 Actuarial Valuation Report was prepared for the UFCW Unions and Participating Employers Pension Fund for the purposes described herein and for use by the plan auditor in completing an audit related to the matters herein. Other users of this document are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Sincerely,
Cheiron

P R Hardcastle

Peter Hardcastle, CFA, FIA, FSA, MAAA, EA
Principal Consulting Actuary

Robert Murray

Robert Murray, ASA, MAAA
Associate Actuary

FOREWORD

Cheiron has performed the actuarial valuation of the UFCW Unions and Participating Employers Pension Fund as of January 1, 2018. The purpose of this report is to:

1) **Measure and disclose**, as of the valuation date, the current and projected financial status 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 withdrawal liability information.

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, there have been no changes in the benefit provisions or assumptions.

In preparing our report, we relied on information (some oral and some written) supplied by Associated Administrators, LLC, PNC Bank, and Bond Beebe. This information includes, but is not limited to, the plan provisions, participant 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 actuarial assumptions, when analyzed individually, reflect our understanding of the likely future experience of the Fund. The results of this report are dependent upon future experience conforming to these assumptions. Future experience may differ significantly from the current assumptions presented in this report 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.

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
UFCW Unions and Participating Employers Pension Fund
Summary of Principal Results

	1/1/2017	1/1/2018		Change
Participant Counts				
Actives	3,665	3,687		0.6%
Terminated Vesteds	5,651	6,096		7.9%
In Pay Status	2,847	2,956		3.8%
Total	12,163	12,739		4.7%
Financial Information				
Market Value of Assets(MVA)	$ 109,381,243	$ 120,413,338		10.1%
Actuarial Value of Assets(AVA)	118,036,150	118,931,463		0.8%
Actuarial Liability	$ 194,523,879	$ 202,075,314		3.9%
Surplus (Unfunded Actuarial Liability-AVA basis)	(76,487,729)	(83,143,851)		8.0%
Present Value of Accrued Benefits/Accrued Liability	$ 194,523,879	$ 202,075,314		3.9%
Accrued Benefit Surplus (Unfunded-AVA basis)	(76,487,729)	(83,143,851)		8.0%
Accrued Benefit Funding Ratio	60.7%	58.9%		N/A
Present Value of Vested Benefits (for ASC 960)	$ 193,438,032	$ 201,051,271		3.9%
Vested Benefit Surplus (Unfunded-MVA basis)	(84,056,789)	(80,637,933)		4.1%
Vested Benefit Funding Ratio	56.5%	59.9%		N/A
Present Value of Vested Benefits (for Withdrawal)	$ 249,063,174	$ 261,056,427		4.8%
Vested Benefit Surplus (Unfunded-MVA basis)	(139,681,931)	(140,643,089)		-0.7%
Vested Benefit Funding Ratio	43.9%	46.1%		N/A
Contributions and Cash Flows				
ERISA Credit Balance (Beginning of Year)	$ 3,936,115	$ (1,276,843)		-132.4%
Employer Contributions	8,238,128	7,400,000	*	-10.2%
ERISA Minimum Required Contribution (End of Year)	14,069,405	14,543,972	**	3.4%
Prior Year Benefit Payouts	$ 10,828,068	$ 11,366,805		5.0%
Prior Year Administrative Expenses	1,747,918	1,560,768		-10.7%
Prior Year Total Investment Income (Net)	7,294,387	15,721,540		N/A

* Contributions are estimated.
** Minimum Required Contribution for the 2018 Plan Year includes an expense assumption of $1,800,000.

SECTION I – SUMMARY

General Comments

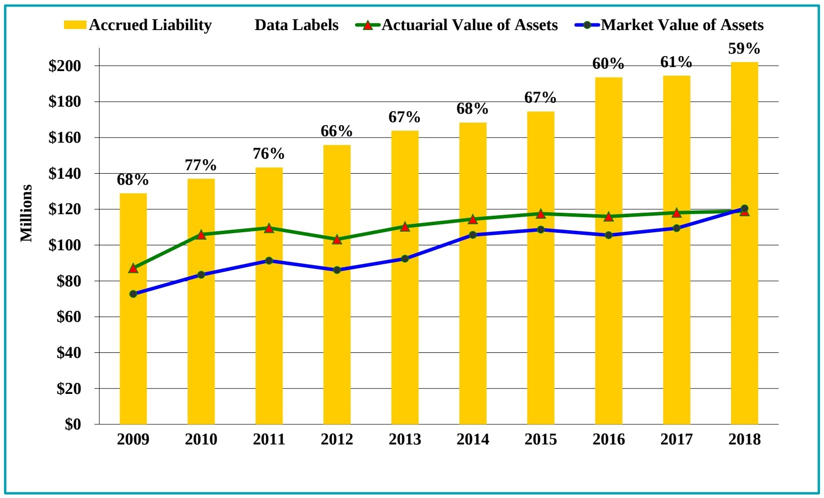
- The market value of assets returned 14.69%, compared to the 2017 assumed return of 7.75%.
- For determining minimum required contributions, the Fund uses a smoothed actuarial value of assets. The rate of return on an actuarial value basis was 5.04%, resulting in an actuarial investment loss of $3.1 million for minimum funding purposes.
- The Fund experienced a liability loss of $2.2 million.
- When the liability loss is combined with the actuarial investment loss, the Fund experienced a total net actuarial loss of $5.3 million. For determining the minimum required contribution this net loss will be amortized over 15 years increasing it $564 thousand for 15 years.
- Fund administration expenses have averaged approximately $1.7 million per year over the past three years, principally due to increases in PBGC premiums. Using an expense assumption for the 2018 Plan Year of $1.8 still seems appropriate.
- The ERISA minimum required contribution increased by 3.4% since last year to $14,543,972.
- The Fund's funding ratio (actuarial value of assets as a percentage of accrued liability) decreased from 60.7% as of January 1, 2017 to 58.9% as of January 1, 2018. Based on the market value of assets, the funding ratio increased from 56.2% to 59.6%.
- The unfunded vested benefits used in calculating withdrawal liability (vested benefits on a funding basis and market value of assets) increased from $139.7 million in the previous year to $140.6 million, an increase of less than 1%.
- The Fund's actuarial certification under the Pension Protection Act was filed on March 30, 2018. The Fund was certified to remain in Critical status.

SECTION I – SUMMARY

Historical Review

The graph below shows the assets and liabilities of the Fund over the last ten years. The gold bars show the value of accrued liability used for testing the Fund's PPA status. The green line shows the actuarial value of assets (AVA) and the blue line shows the market value of assets (MVA).

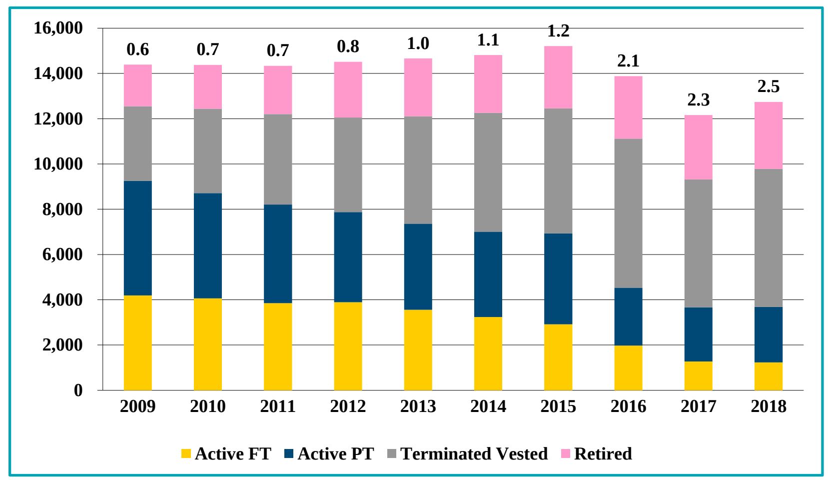
The Fund's funding ratio (actuarial assets as a percent of accrued liabilities shown along the top) has decreased over the period to its current level of 59%. The increase in accrued liability between 2015 and 2016 is due to the change in discount rate assumption, from 8.00% to 7.75%.



The graph that follows shows the participants of the Fund at successive valuations. The numbers above the bars on the graph indicate the ratio of inactive participants to active full-time and part-time participants (FT and PT). The higher the ratio, the greater the burden that additional costs have on actives to meet the cost of benefits.

The increase in this value over the last decade means there is an increasing population of non-active participants relative to the active participants covered by the Fund. The increase from 1.2 in 2015 to 2.1 in 2016 is due to Kroger withdrawing from the Fund at the end of 2015.

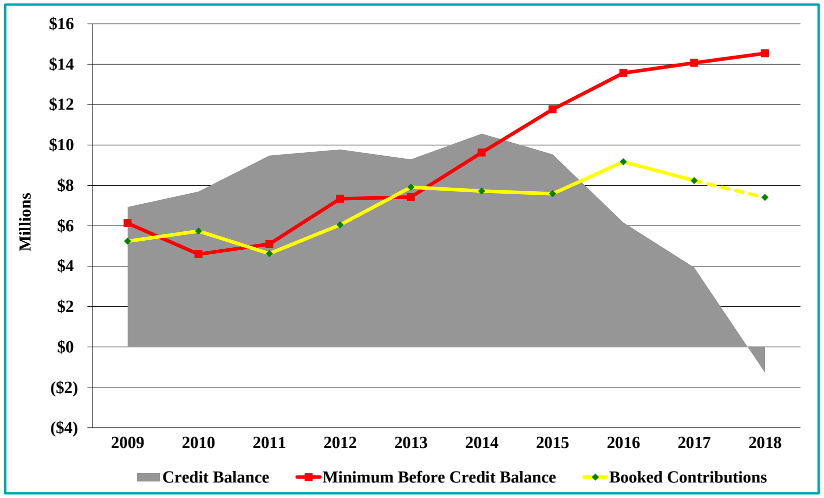
The overall reduction in the number of terminated vesteds from 2016 to 2017 is due to the transfer of Kroger liabilities to the Consolidated Fund. The reduction in actives from 2016 to 2017 is due to the withdrawal of Boars Head.



SECTION I – SUMMARY

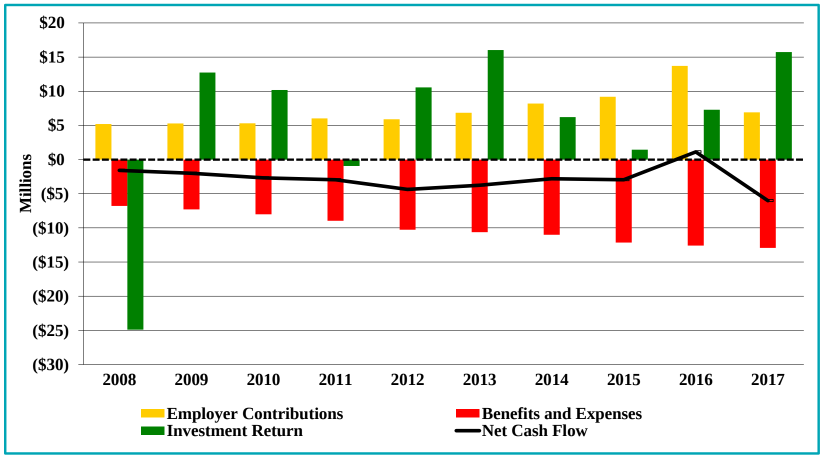
The next graph shows the contributions paid to the Fund (yellow line), the minimum required contribution before the credit balance (red line), and the credit balance (gray area).

Recently there has been a significant increase in the minimum required contribution and the Fund now has a deficiency in its funding standard account. Prior to PPA, a funding deficiency led to IRS imposed excise taxes. However, these taxes are not payable while the Fund is certified to be making scheduled progress with its Rehabilitation Plan.



The next graph shows the Fund's net cash flow (black line) as contributions (yellow bars) less benefit payments and expenses (red bars). This is a critical measure. Negative net cash flow means the Fund will need to use investments to meet benefit payments. Positive cash flow enables the Fund to absorb the impact of market fluctuations which helps support a long-term investment strategy.

The Fund's net cash flow has been negative for the majority of the period shown. For 2016, the Employer Contribution included lump sum withdrawal liability payments of $7.4 million. The negative cash flow is approximately 4.5% of the market value of assets.



SECTION II – ASSETS

Assets at Market Value

Market values are "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, December 31,

	2016	2017
Invested Assets		
Corporate Stocks	$ 19,294,917	$ 27,793,734
Corporate Obligations	7,693,667	7,896,259
U.S. Government Obligations	1,871,943	1,860,030
Temporary Cash Investments	3,077,768	649,314
Common/Collective Trusts	35,715,764	32,020,188
Real Estate Funds	11,839,493	12,662,627
Hedge Funds	8,927,847	11,898,115
Pooled Separate Account	11,128,980	22,737,628
Total Investments:	$ 99,550,379	$ 117,517,895
Other Assets		
Cash or Cash Equivalents	$ 936,468	$ 960,945
Accrued Interest and Dividends	125,753	116,851
Due from Broker	8,363,777	1,360,642
Contributions Receivable	3,925,037	2,098,944
Other Receivables	8,973	10,013
Accounts Payable	(225,698)	(216,514)
Due to Broker	0	0
Net Receivable:	$ 13,134,310	$ 4,330,881
Assets per audit	$112,684,689	$ 121,848,776
Receivable contribution adjustment	$ (3,303,446)	$ (1,435,438)
Net Assets for Valuation	$109,381,243	$ 120,413,338

Changes in Market Value

The components of asset change are:

- Contributions
- Benefit payments
- Expenses
- Investment income (realized and unrealized)

The specific changes during 2017 are presented below.

Table II - 2
Changes in Market Values

Value of Assets - January 1, 2017	$ 109,381,243
Employer Contributions	$ 8,238,128
Investment Return (Gross)	16,348,982
Benefit Payments	(11,366,805)
Administrative Expenses	(1,560,768)
Investment Expenses	(627,442)
Value of Assets January 1, 2018	$ 120,413,338

SECTION II – ASSETS

Assets at Actuarial Value

The actuarial value of assets is calculated under a smoothed market value method that phases in asset gains and losses over five years. Details on the method used for determining the actuarial value of assets are provided in Appendix C.

Table II - 3 Actuarial Value of Assets				
Market Value of Assets at January 1, 2018				$120,413,338
Plan Year	Investment Gains / (Losses)	Percent Recognized	Percent Deferred	Amount Deferred
12/31/2014	(3,366,267)	80%	20%	(673,253)
12/31/2015	(6,735,124)	60%	40%	(2,694,050)
12/31/2016	(1,815,128)	40%	60%	(1,089,077)
12/31/2017	7,422,819	20%	80%	5,938,255
Total				$ 1,481,875
Preliminary Actuarial value of assets January 1, 2018				$118,931,463
120% of MV, upper limit for actuarial value				$144,496,005
80% of MV, lower limit for actuarial value				$ 96,330,670
Actuarial value of assets January 1, 2018				$118,931,463

Impact of Investment Performance

The following table calculates the investment related actuarial gain/(loss) and the return for the prior 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 assumption. The actuarial gain/(loss) on the actuarial value basis is one component of the Fund's experience gain/(loss) recognized in minimum funding and incorporates a significant level of smoothing.

Table II - 4 Item	Market Value	Actuarial Value
January 1, 2017 Value	$ 109,381,243	$ 118,036,150
Employer Contributions	8,238,128	8,238,128
Benefit Payments	(11,366,805)	(11,366,805)
Administrative Expense	(1,560,768)	(1,800,000)
Expected Investment Earnings (7.75%)	8,298,721	8,889,327
Expected Value December 31, 2017	$ 112,990,519	$ 121,996,800
Investment Gain/(Loss)	7,422,819	(3,065,337)
January 1, 2018 Value	$ 120,413,338	$ 118,931,463
Return	14.69%	5.04%

SECTION III – LIABILITIES

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

- **Disclosure** of fund liabilities at January 1, 2017 and January 1, 2018; 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 purpose for which they are being used.

- **Actuarial Liabilities:** Used for ensuring minimum funding standards are met, this liability is determined using an actuarial funding method to apportion the Present Value of Future Benefits between the past and the future. For this Fund, that method is Unit Credit. The actuarial liability under the Unit Credit Cost Method is the total amount of money needed to fully pay off all future obligations of the Fund, assuming no further accrual of benefits.

- **Accrued Liabilities/Present Value of Accrued Benefits:** These liabilities are used for determining funded status under PPA. The law requires them to be compared to the actuarial value of assets to measure funded status. They can also be used to establish comparative benchmarks with other plans.

  The accrued liabilities are also included in the Fund's financial statements for accounting disclosure purposes (FASB ASC Topic No. 960). However, the accounting disclosure must also include the present value of future administrative expenses. This sum is called the Present Value of Accumulated Benefits.

  These benefit liabilities are also determined using the Unit Credit Cost Method and therefore, the accrued liabilities equal the actuarial liabilities.

- **Vested Liabilities:** Used for administrative purposes in determining employer withdrawal liability. This liability is that portion of the accrued liabilities which are vested. These are developed using withdrawal liability assumptions which are different than the funding assumptions.

- **Current Liabilities:** The calculation of this liability is defined by the Internal Revenue Code. It is used to determine the maximum allowable tax deductible contributions.

The table on the following page 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 fund assets yields, for each respective type, a net surplus or an unfunded liability.

SECTION III – LIABILITIES

Table III - 1
Liabilities/Net Surplus (Unfunded)

	1/1/2017	1/1/2018
ACTUARIAL & ACCRUED LIABILITY		
Active Participant Benefits	$ 55,070,430	$ 57,435,508
Terminated Vested Participant Benefits	49,556,668	49,687,159
Retiree Benefits	89,896,781	94,952,647
Actuarial & Accrued Liability	**$ 194,523,879**	**$ 202,075,314**
Actuarial Value of Assets	118,036,150	118,931,463
Net Surplus (Unfunded)	**$ (76,487,729)**	**$ (83,143,851)**
VESTED LIABILITY		
Accrued Liability	$ 194,523,879	$ 202,075,314
Less Present Value of Non-Vested Benefits	1,085,847	1,024,043
Vested Liability	**$ 193,438,032**	**$ 201,051,271**
Actuarial Value of Assets	118,036,150	118,931,463
Net Surplus (Unfunded)	**$ (75,401,882)**	**$ (82,119,808)**
CURRENT LIABILITY (RPA 1994)	**$ 366,202,699**	**$ 374,012,806**
Actuarial Value of Assets	118,036,150	118,931,463
Net Surplus (Unfunded)	**$ (248,166,549)**	**$ (255,081,343)**

SECTION III – LIABILITIES

Allocation of Liabilities by Type

The fund participants may qualify for a benefit upon death, termination, and disability as well as upon retirement. The value of the liabilities arising from each of these sources is shown in the following table. These liabilities are as of the valuation date of January 1, 2018.

Table III - 2

Benefit Type	Retirement	Termination	Death	Disability	Total
Unit Credit Normal Cost	$ 1,428,023	$ 280,416	$ 26,579	$ 136,621	$ 1,871,639
Unit Credit Actuarial Liability					
Actives	$ 47,720,791	$ 5,101,692	$ 772,423	$ 3,840,602	$ 57,435,508
Terminated Vesteds	$ 0	$ 49,687,159	$ 0	$ 0	$ 49,687,159
Retirees and Beneficiaries	$ 84,908,524	$ 0	$ 4,729,089	$ 5,315,034	$ 94,952,647
Total	$ 132,629,315	$ 54,788,851	$ 5,501,512	$ 9,155,636	$ 202,075,314
Current Liability Normal Cost	$ 3,194,888	$ 882,908	$ 28,616	$ 344,195	$ 4,450,607
Current Liability					
Actives	$ 97,030,886	$ 13,849,118	$ 751,539	$ 8,928,024	$ 120,559,567
Terminated Vesteds	$ 0	$ 116,183,321	$ 0	$ 0	$ 116,183,321
Retirees and Beneficiaries	$ 120,776,324	$ 0	$ 7,002,121	$ 9,491,473	$ 137,269,918
Total	$ 217,807,210	$ 130,032,439	$ 7,753,660	$ 18,419,497	$ 374,012,806
Vested Current Liability					
Actives	$ 62,143,029	$ 46,451,371	$ 755,566	$ 8,779,293	$ 118,129,259
Terminated Vesteds	$ 0	$ 116,183,321	$ 0	$ 0	$ 116,183,321
Retirees and Beneficiaries	$ 120,776,324	$ 0	$ 7,002,121	$ 9,491,473	$ 137,269,918
Total	$ 182,919,353	$ 162,634,692	$ 7,757,687	$ 18,270,766	$ 371,582,498

SECTION III – LIABILITIES

Changes in Liabilities

Each of the liabilities shown in the prior table 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 liabilities
- Benefits paid to retirees
- Participants leaving employment at rates different than expected
- Changes in actuarial assumptions
- Changes in actuarial methods
- Corrections to participant data records.

Table III - 3

	Actuarial / Accrued Liability
Liabilities 1/1/2017	$ 194,523,879
Liabilities 1/1/2018	202,075,314
Liability Increase (Decrease)	7,551,435
Change due to:	
Plan Amendment	$ 0
Assumption Change	0
Accrual of Benefits	1,915,586
Benefit Payments	(11,366,805)
Passage of Time	14,791,813
Actuarial (Gain)/Loss	2,210,840
Total Change	7,551,435

SECTION IV – CONTRIBUTIONS

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

- **Actuarially determined contributions** and
- **Government Limitations**, which could affect the above.

Actuarially Determined Contribution

For this Fund, the actuarial cost method used for developing the actuarially determined contribution is the Unit Credit Cost Method. This amount, 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 cost to the Fund of providing the benefit expected to be earned in the current year for each active participant. It also includes an estimated administrative expense assumption.

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 Fund should hold as determined by the actuarial cost method. The amortization amount is determined by the amortization schedule established by the IRS minimum funding rules. Consequently, the actuarially determined contribution and cost are the same as the minimum required contribution.

Government Limitations

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 contribution requirements 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 in future years to make up any difference between the minimum required contribution and employer contributions.

The actuarially determined contribution for 2018, which can also be considered the actuarial cost for 2018, is shown on the next page. This is compared to the various Government Limitations and estimated employer contributions. The table also shows the per capita actuarial cost and employer contribution.

Note that the per capita cost is based on the current year's amortization payment. This cost will fluctuate from year to year as amortization charges and credits are added and fully paid off.

SECTION IV – CONTRIBUTIONS

Table IV - 1
Contributions for 2018

	1/1/2018
Actuarially Determined Contribution	
Unit Credit Normal Cost with Expenses	$ 3,671,637
Amortization Payment	9,826,249
Interest to End of Year	1,046,086
Total	$ 14,543,972
Government Limitations	
Maximum Deductible Contribution	$ 413,665,990
Minimum Required Contribution (before Credit Balance)	$ 14,543,972
Credit Balance (End of Year)	$ (1,375,798)
Minimum Required Contribution (after Credit Balance)	$ 15,919,770
Estimated Employer Contributions with Interest	$ 7,424,360
Count of Active Participants	3,687
Per Capita Actuarial Cost	$ 3,945
Per Capita Contribution	$ 2,014

The tables on the following pages show the IRS funding standard account as well as the development of the minimum and maximum contributions for 2018 and other supporting information.

SECTION IV – CONTRIBUTIONS

Table IV - 2
Funding Standard Account for 2017 and 2018 Plan Years

	2017	2018
1. Charges For Plan Year		
a. Prior Year Funding Deficiency, if any	$ 0	$ 1,276,843
b. Normal Cost with expenses	3,715,586	3,671,637
c. Amortization Charges	11,685,677	12,170,060
d. Interest on a., b., and c. to Year End	1,193,598	1,326,687
e. Total Charges	$ 16,594,861	$ 18,445,227
2. Credits For Plan Year		
a. Prior Year Credit Balance, if any	$ 3,936,115	$ 0
b. Employer Contributions	8,238,128	*7,400,000*
c. Amortization Credits	2,343,810	2,343,810
d. Interest on a., b., and c. to Year End	799,965	*463,045*
e. Full Funding Limit Credit	0	0
f. Total Credits	$ 15,318,018	$ 10,206,855
3. Credit Balance at End of Year [2.f. - 1.g., limited to zero]	$ 0	*$ 0*
4. Funding Deficiency at End of Year [1.g. - 2.f., limited to zero]	$ 1,276,843	*$ 8,238,371*

SECTION IV – CONTRIBUTIONS

Table IV - 3
Calculation of the Maximum Deductible Contribution
for the Plan Year Starting January 1, 2018

1. "Fresh Start" Method		
a. Normal Cost	$	3,671,637
b. Net Charge to Amortize Unfunded Actuarial Liability over 10 years		11,370,325
c. Interest on a. and b.		1,165,752
d. Total		16,207,714
e. Full Funding Limitation as of Year End		226,251,551
f. Maximum Deductible Contribution	$	16,207,714
2. 140% of Current Liability Calculation		
a. RPA 1994 Current Liability at Start of Year	$	374,012,806
b. Present Value of Benefits Estimated to Accrue during Year		4,450,607
c. Expected Benefit Payments		14,695,391
d. Net Interest on a., b. and c. at Current Liability Interest Rate		11,060,856
e. Expected Current Liability at End of Year, [a. + b. – c. + d.]		374,828,878
f. 140% of e.		524,760,429
g. Actuarial Value of Assets		118,931,463
h. Expected Expenses		1,800,000
i. Net Interest on c. and g. at Valuation Interest Rate		8,658,367
j. Estimated Value of Assets, [g. – c. – h. + i.]		111,094,439
k. Unfunded Current Liability at Year End	$	413,665,990
3. Maximum Deductible Contribution at Year End, greater of 1.f. and 2.k.	$	413,665,990

SECTION IV – CONTRIBUTIONS

Table IV - 4
Development of Actuarial Gain/(Loss)
for the Year Ended December 31, 2017

1.	Unfunded Actuarial Liability at Start of Year		$ 76,487,729
2.	Normal Cost at Start of Year		3,715,586
3.	Interest on 1. and 2. to End of Year		6,215,757
4.	Employer Contributions for Year		8,238,128
5.	Interest on 4. to End of Year		313,271
6.	Increase in Unfunded Actuarial Liability Due to Changes in Assumptions		0
7.	Increase in Unfunded Actuarial Liability Due to Changes in Plan Design		0
8.	Increase in Unfunded Actuarial Liability Due to Changes in Funding Method		0
9.	Increase in Unfunded Actuarial Liability Due to transfers		0
10.	Expected Unfunded Actuarial Liability at End of Year [1. + 2. + 3. – 4. – 5. + 6. + 7. + 8.]		$ 77,867,673
11.	Actual Unfunded Actuarial Liability at End of Year, not less than zero		$ 83,143,851
12.	Actuarial Gain / (Loss) [10. – 11.]		$ (5,276,178)
	a. Loss on Investments	$ (3,065,337)	
	b. Loss on Liabilities	$ (2,210,840)	
13.	Amortization Factor for Actuarial Gain / (Loss)		9.3653
14.	Amortization Credit / (Charge) for Actuarial Gain / (Loss)		$ (563,375)

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SECTION IV – CONTRIBUTIONS

Table IV - 5
Schedule of Amortizations Required for Minimum Required Contribution (Not including Former Meat and Poultry)
as of January 1, 2018

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2018 Outstanding Balance*	Remaining Amortization Years	Beginning of Year Amortization Amount
Charges						
1. Change Assumptions	1/1/1987	$ 380,100	30	$ 74,292	4	$ 20,701
2. Plan Amendment	1/1/1988	2,309,700	30	569,956	5	131,610
3. Plan Amendment	1/1/1989	2,557,800	30	759,710	6	151,362
4. Plan Amendment	1/1/1990	892,000	30	308,408	7	54,507
5. Change Method	1/1/1991	3,490,000	25	540,245	3	193,678
6. Plan Amendment	1/1/1991	688,000	30	270,163	8	43,218
7. Plan Amendment	7/1/1991	1,130,000	30	468,879	8.5	71,787
8. Plan Amendment	1/1/1992	4,000	30	1,751	9	257
9. Plan Amendment	7/1/1992	1,361,000	30	623,189	9.5	88,249
10. Plan Amendment	1/1/1993	211,550	30	101,244	10	13,846
11. Plan Amendment	7/1/1993	98,000	30	48,861	10.5	6,468
12. Plan Amendment	1/1/1994	53,197	30	27,561	11	3,540
13. Plan Amendment	1/1/1995	430,616	30	239,244	12	29,083
14. Plan Amendment	1/1/1996	837,866	30	495,038	13	57,331
15. Plan Amendment	1/1/1997	2,234,865	30	1,394,504	14	154,711
16. Plan Amendment	1/1/1998	1,191,987	30	780,876	15	83,380
17. Plan Amendment	1/1/1999	685,993	30	468,630	16	48,354
18. Experience Loss	1/1/1999	1,249,379	15	75,909	1	75,909
19. Plan Amendment	1/1/2000	985,433	30	698,962	17	69,934
20. Plan Amendment	1/1/2001	2,224,285	30	1,631,904	18	158,811
21. Experience Loss	1/1/2002	4,967,848	15	1,319,492	4	367,673
22. Plan Change	1/1/2002	2,873,064	30	2,173,149	19	206,247
23. Experience Loss	1/1/2003	9,695,188	15	3,235,289	5	747,069
24. Plan Change	1/1/2003	2,278,455	30	1,771,562	20	164,356
25. Experience Loss	1/1/2004	3,571,616	15	1,427,771	6	284,464
26. Plan Change	1/1/2004	335,951	30	267,823	21	24,340
27. Experience Loss	1/1/2005	1,343,748	15	622,446	7	110,009
28. Plan Change	1/1/2005	409,909	30	334,277	22	29,814

* Charge bases established on or before January 1, 2009 have been extended five years as of January 1, 2009 as approved under Section 431(d)(1)(A).

SECTION IV – CONTRIBUTIONS

Table IV - 5
Schedule of Amortizations Required for Minimum Required Contribution (Not including Former Meat and Poultry)
as of January 1, 2018

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2018 Outstanding Balance*	Remaining Amortization Years	Beginning of Year Amortization Amount
29. Experience Loss	1/1/2006	1,269,068	15	664,696	8	106,331
30. Experience Loss	1/1/2007	1,473,846	15	856,636	9	125,947
31. Experience Loss	1/1/2007	3,114,762	30	2,642,241	24	228,069
32. Experience Loss	1/1/2009	27,801,544	15	19,091,659	11	2,451,921
33. Experience Loss	1/1/2011	2,333,087	15	1,479,091	8	236,610
34. Experience Loss	1/1/2012	17,209,195	15	11,860,385	9	1,743,774
35. Experience Loss	1/1/2014	1,069,525	15	842,457	11	108,196
36. Experience Loss	1/1/2015	3,705,749	15	3,081,530	12	374,592
37. Change Assumptions	1/1/2016	10,874,036	15	9,484,042	13	1,098,367
38. Experience Loss	1/1/2016	8,617,416	15	7,515,879	13	870,430
39. Experience Loss	1/1/2017	3,583,448	15	3,448,882	14	382,630
40. Consolidated Fund Transfer (Combined)	1/1/2017	812,079	13	773,678	12	94,049
41. Experience Loss	1/1/2018	5,276,178	15	5,276,178	15	563,375
TOTAL CHARGES				$ 87,748,489		$ 11,774,995

* Charge bases established on or before January 1, 2009 have been extended five years as of January 1, 2009 as approved under Section 431(d)(1)(A).

SECTION IV – CONTRIBUTIONS

Table IV - 6
Schedule of Amortizations Required for Minimum Required Contribution (Not including Former Meat and Poultry) as of January 1, 2018

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2018 Outstanding Balance	Remaining Amortization Years	Beginning of Year Amortization Amount
Credits						
1. Change Assumptions	1/1/1991	$ 2,355,000	30	501,815	3	$ 179,901
2. Change Assumptions	1/1/1998	2,717,390	30	1,529,580	10	209,177
3. Actuarial Gain	1/1/2008	3,546,007	15	1,561,650	5	360,605
4. Funding Method	1/1/2009	7,270,216	10	946,933	1	946,933
5. Experience Gain	1/1/2010	4,291,587	15	2,464,781	7	435,616
6. Experience Gain	1/1/2013	543,298	15	402,219	10	55,005
TOTAL CREDITS				$ 7,406,978		$ 2,187,238
NET WITHOUT MEAT AND POULTRY				$ 80,341,511		$ 9,587,757

SECTION IV – CONTRIBUTIONS

Table IV - 7
Former Meat and Poultry Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2018

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2018 Outstanding Balance*	Remaining Amortization Years	Beginning of Year Amortization Amount
Charges						
1. Initial Unfunded Actuarial Liability	1/1/1986	$ 839,074	30	$ 119,817	3	$ 42,954
2. Plan & Assumption Change	1/1/1986	255,338	30	36,462	3	13,072
3. Plan & Assumption Change	1/1/1986	530,054	30	75,689	3	27,135
4. Plan Change	1/1/1989	248,266	30	73,294	6	14,603
5. Plan Change, AVA Change, & Assumption Change	1/1/1989	697,792	30	206,004	6	41,044
6. Plan Change	1/1/1990	167,457	30	57,444	7	10,152
7. Plan Change	1/1/1991	143,740	30	55,905	8	8,943
8. Plan Change	1/1/1993	411,140	30	195,015	10	26,669
9. Plan Change	1/1/1994	338,908	30	174,116	11	22,362
10. Plan Change	1/1/1997	618,819	30	382,844	14	42,474
11. Plan Change	1/1/1998	234,877	30	152,476	15	16,281
12. Plan Change	1/1/2000	164,070	30	115,590	17	11,565
13. Experience Loss	1/1/2001	158,332	15	30,785	3	11,036
14. Experience Loss	1/1/2002	261,394	15	68,868	4	19,190
15. Experience Loss	1/1/2003	487,511	15	161,648	5	37,327
16. Experience Loss	1/1/2004	331,260	15	131,799	6	26,259
17. Experience Loss	1/1/2005	208,941	15	96,488	7	17,053
18. Experience Loss	1/1/2007	81,286	15	47,244	9	6,946
TOTAL CHARGES				$ 2,181,488		$ 395,065

* Charge bases established on or before January 1, 2009 have been extended five years as of January 1, 2009 as approved under Section 431(d)(1)(A).

SECTION IV – CONTRIBUTIONS

Table IV - 8
Former Meat and Poultry Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2018

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2018 Outstanding Balance	Remaining Amortization Years	Beginning of Year Amortization Amount
Credits						
1. Assumption Change	1/1/1996	$ 491,468	30	$ 234,165	8	$ 37,459
2. Actuarial Gain	1/1/2006	64,491	15	19,698	3	7,062
3. Assumption Change	1/1/2007	1,100,793	15	402,128	4	112,052
TOTAL CREDITS				$ 655,991		$ 156,573
NET MEAT AND POULTRY				$ 1,525,497		$ 238,492

Table IV - 9
Combined Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2018

	1/1/2018 Outstanding Balance	Beginning of Year Amortization Amount
Charges - Without Meat and Poultry	$ 87,748,489	$ 11,774,995
Charges - Former Meat and Poultry	2,181,488	395,065
Total Charges	89,929,977	12,170,060
Credits - Without Meat and Poultry	$ 7,406,978	$ 2,187,238
Credits - Former Meat and Poultry	655,991	156,573
Total Credits	8,062,969	2,343,810
Net	81,867,008	9,826,249

SECTION IV – CONTRIBUTIONS

Table IV - 10 Accumulated Reconciliation Account and Balance Test as of January 1, 2018	
1. Amount due to Additional Interest Charges in prior years	$ 0
2. Amount due to Additional Funding Charges in prior years	0
3. Reconciliation Account at Start of Year [1. + 2.]	$ 0
4. Net Outstanding Amortization Bases	81,867,008
5. Credit Balance at Start of Year	(1,276,843)
6. Unfunded Actuarial Liability at Start of Year from Funding Equation [4. – 3. – 5.]	$ 83,143,851
7. Actuarial Liability at Start of Year	$ 202,075,314
8. Actuarial Value of Assets at Start of Year	118,931,463
9. Unfunded Actuarial Liability at Start of Year from Liability Calculation [7. – 8.]	$ 83,143,851
The Fund passes the Balance Test because line 6. equals line 9.	

SECTION IV – CONTRIBUTIONS

Table IV - 11
Development of Full Funding Limitation
for the Year Starting January 1, 2018

	Minimum	Maximum
1. Old Law Full Funding Limitation		
a. Actuarial Liability	$ 202,075,314	$ 202,075,314
b. Normal Cost	1,871,637	1,871,637
c. Lesser of Market Value and Actuarial Value of Assets	118,931,463	118,931,463
d. Credit Balance at Start of Year	(1,276,843)	N/A
e. Actuarial Liability Full Funding Limit [a. + b. - c. + d.] x 1.0775	$ 90,228,390	$ 91,604,189
2. Full Funding Limit Override (RPA '94)		
a. RPA 1994 Current Liability at Start of Year	$ 374,012,806	$ 374,012,806
b. Present Value of Benefits Estimated to Accrue during Year	4,450,607	4,450,607
c. Expected Benefit Payments	14,695,391	14,695,391
d. Net Interest on a., b. and c. at Current Liability Interest Rate	11,060,856	11,060,856
e. Expected Current Liability at End of Year, [a. + b. – c. + d.]	374,828,878	374,828,878
f. 90% of e.	337,345,990	337,345,990
g. Actuarial Value of Assets at Start of Year	118,931,463	118,931,463
h. Expected Expenses	1,800,000	1,800,000
i. Net Interest on c. and g. at Valuation Interest Rate	8,658,367	8,658,367
j. Estimated Value of Assets, [g. + i. - c. - h.]	111,094,439	111,094,439
k. RPA 1994 Full Funding Limit Override	$ 226,251,551	$ 226,251,551
3. Full Funding Limitation at End of Year, greater of 1.e. and 2.k.	$ 226,251,551	$ 226,251,551

SECTION V – WITHDRAWAL LIABILITY

The Multi-Employer Pension Plan Amendments Act of 1980 (MPPAA) provides that a contributing employer who withdraws from a multi-employer pension plan, either partially or totally, will be liable to the Fund for a proportionate share of the Fund's total Unfunded Vested Benefits (UVB) that exist as of the end of the plan year prior to the year in which the withdrawal occurs.

The present value of vested benefits for this purpose is a blend of the liability determined using the rate in effect as of December 31, 2017 used by the Pension Benefit Guaranty Corporation (2.34% for 20 years and 2.63% thereafter) and the liability determined using the Fund's funding investment return of 7.75%. The blended liability used is based upon the percentage of PBGC liability amounts covered by the market value of assets. Calculation of the Fund's total UVB is shown below.

Table V-1
Calculation of the Unfunded Present Value of Vested Benefit for Withdrawal Liability Purposes for Plan Year Starting January 1, 2018

1. Present value of vested benefits at funding investment return rate		
Retired	$ 94,952,647	
Terminated Vested	49,687,159	
Active	56,411,465	
		$ 201,051,271
2. Present value of vested benefits at PBGC interest rate		
Retired	$ 144,006,671	
Terminated Vested	128,849,901	
Active	127,904,331	
		$ 400,760,903
3. Assets at market value*		$ 120,413,338
4. Weighting factor: (3)/(2), not greater than 1.0		0.300462
5. Present value of vested benefits for withdrawal liability purposes: [(2) x (4) + (1.000000 - (4)) x (1)]		$ 261,056,427
6. Unfunded present value of vested benefits for withdrawal liability purposes: [(5) - (3)]		$ 140,643,089

* Net assets available for benefits minus withdrawal liability receivables from audited financial statements.

SECTION VI – FASB ASC TOPIC NO. 960 DISCLOSURES

Table VI - 1
Present Value of Accumulated Benefits as of January 1, 2018
in Accordance with FASB ASC Topic No. 960

	Amounts	Counts
1. Actuarial Present Value of Benefits		
For Retirees and Beneficiaries	$ 94,952,647	2,956
Terminated Vesteds	49,687,159	6,096
Active Participants	56,411,465	2,465
Vested Benefits	$ 201,051,271	11,517
2. Non-vested Benefits	$ 1,024,043	1,222
3. Accumulated Benefits	$ 202,075,314	12,739
4. Expected Administrative Expenses*	$ 33,384,516	
5. Market Value of Assets per audit	$ 121,848,776	
6. Funded Ratios		
Vested Benefits (incl. expenses)	60.6% (52.0%)	
Accumulated Benefits (incl. expenses)	60.3% (51.7%)	

* *The expected administrative expenses associated with the Accumulated Benefits is 16.52% of the liabilities. This load represents the present value of expected administrative expenses (per capita) for the closed group as of the valuation date divided by the total present value of vested and non-vested benefits.*

SECTION VI – FASB ASC TOPIC NO. 960 DISCLOSURES

Table VI - 2

Present Value of Accumulated Benefits as of January 1, 2018
Reconciliation of Present Value of Accumulated Benefits

1. Actuarial Present Value at Start of Prior Year	$	194,523,879
2. Increase (decrease) over Prior Year due to:		
Plan Amendments	$	0
Changes in assumptions		0
Benefit Accruals		1,915,586
Benefit Payments		(11,366,805)
Increase for Interest		14,791,813
Experience (Gains)/Losses		2,210,840
3. Actuarial Present Value at End of Prior Year (w/o expenses)	$	202,075,314
4. Expected Administrative Expenses	$	33,384,516
5. Actuarial Present Value at End of Prior Year (with expenses)	$	235,459,831

APPENDIX A – MEMBERSHIP INFORMATION

The data for this valuation was provided electronically by Associated Administrators, LLC (AA). Cheiron did not audit any of the data. The data is as of January 1, 2018. Below is a list of assumptions Cheiron made in using the data this year. We continue to work closely with AA to work out all of the intricate data details and expect to require fewer assumptions in future years.

Date of Birth for Active Employees

For active participants with bad or missing dates of birth, we have imputed a date of birth based on the assumption that they entered the Fund at the average hire age of the participants in their group. These average hire ages are as follows:

Full-Time/ Part-Time	Sex	Average Hire Age
Full-Time	Male	33
Full-Time	Female	34
Part-Time	Male	40
Part-Time	Female	35

Full-Time/Part-Time Status

Full-time versus part-time status is not included in the data provided to Cheiron. Participants are assigned full-time versus part-time status based on whether the majority of their service worked since date of hire was full-time or part-time as reported in the valuation data supplied by Associated Administrators.

The following is a list of data graphs contained in this section:

- Status Reconciliation
- Age/Service Distribution for Full-Time Active Participants
- Age/Service Distribution for 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 Terminated Vested Participants

APPENDIX A – MEMBERSHIP INFORMATION

Table A - 1
Full-Time Participants as of January 1, 2018

		Actives	Deferred Vested	Disabled	Retired	Beneficiary	Total
Participants - January 1, 2017 Valuation		3,668	5,652	99	2,471	249	12,139
Additions							
a.	New entrants	624					624
b.	Rehires	15	(15)				
c.	QDRO						
d.	New beneficiary						
e.	Data corrections		62	9	47		118
f.	Total	639	47	9	47		742
Reductions							
a.	Terminated - not vested	(437)					(437)
b.	Deaths	(8)	(31)		(100)	12	(127)
c.	Benefit suspended						
d.	Data corrections		(9)		(48)	(18)	(75)
e.	Total	(445)	(40)		(148)	(6)	(639)
Changes in status							
a.	Terminated with vested benefit	(131)	131				
b.	Retired	(40)	(144)	(11)	195		
c.	Disabled	(4)	(15)	19			
d.	QDRO						
e.	Data Corrections		465	(5)	11	26	497
h.	Total	(175)	437	3	206	26	497
Participants - January 1, 2018 Valuation		3,687	6,096	111	2,576	269	12,739

APPENDIX A – MEMBERSHIP INFORMATION

Table A - 2
Full-Time Participants as of January 1, 2018
Completed years of credited service as of January 1, 2018

AGE	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total
Under 25	14	0	0	0	0	0	0	14
25-29	28	4	3	0	0	0	0	35
30-34	28	15	14	5	0	0	0	62
35-39	17	11	16	18	8	0	0	70
40-44	11	14	13	17	39	8	0	102
45-49	13	13	15	17	75	48	7	188
50-54	28	11	21	15	45	63	33	216
55-59	15	17	15	34	57	59	68	265
60-64	13	13	13	24	29	34	51	177
65 & Up	9	9	11	15	21	25	16	106
Total	176	107	121	145	274	237	175	1,235

Average Age = 51.9 Average Service = 19.0

Part-Time Participants as of January 1, 2018
Completed years of credited service as of January 1, 2018

AGE	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total
Under 25	392	11	0	0	0	0	0	403
25-29	170	75	28	0	0	0	0	273
30-34	160	33	84	13	0	0	0	290
35-39	90	27	34	44	4	0	0	199
40-44	65	14	40	32	21	0	0	172
45-49	50	22	37	43	38	14	2	206
50-54	51	27	52	53	36	17	8	244
55-59	65	37	56	46	26	23	9	262
60-64	31	21	35	63	37	14	7	208
65 & Up	26	15	49	50	25	18	12	195
Total	1,100	282	415	344	187	86	38	2,452

Average Age = 42.7 Average Service = 9.1

APPENDIX A – MEMBERSHIP INFORMATION

AGE DISTRIBUTION OF INACTIVE PARTICIPANTS

Table A - 3
Pensioners and Beneficiaries Receiving Benefits as of January 1, 2018

	Normal, Early Deferred Vested Retirements		Surviving Spouses and Beneficiaries Receiving Benefits		Disability Retirements		Total	
Age	Number	Average Monthly Benefit	Number	Average Monthly Benefit	Number	Average Monthly Benefit	Number	Average Monthly Benefit
Under 55	1	$ 351	11	$ 107	25	$ 337	37	$ 269
55-59	59	325	15	241	35	404	109	338
60-64	276	361	35	223	44	444	355	357
65-69	704	326	50	181	4	180	758	315
70-74	672	307	49	207	0	0	721	300
75-79	463	292	50	140	0	0	513	277
80 & Over	401	246	59	157	3	567	463	237
Total	2,576	$ 306	269	$ 179	111	$ 401	2,956	$ 298

Table A - 4
Deferred Vested Participants and Surviving Spouses Entitled to Future Benefits

Age	Number	Monthly Benefit Payable at Normal Retirement Date
Under 45	1,838	$ 185,463
45-49	919	149,935
50-54	1,143	203,304
55-59	1,119	210,747
60-64	773	126,145
65 & Over	304	36,346
Total	6,096	$ 911,940

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

A. Former Meat and Poultry Participants

1. Eligibility

All employees formerly covered by a collective bargaining agreement requiring contributions by employers (including the Local Union) to the Amalgamated Meat Cutters and Allied Workers of North America Local Union No. 593 and Washington Wholesalers Pension Fund participate in the plan. As of January 1, 2007, the Fund was merged with the UFCW Unions and Participating Employers Pension Fund.

2. Credited Service

Credited service consists of the total past and future service as defined below.

a. Past Service

Past credited service is based on completed years and months of continuous employment with a participating employer prior to the employer's participation date (January 1, 1966 for employers participating under the Amalgamated Meat Cutters agreement and April 1, 1975 for employers participating under the Poultry Workers agreement).

b. Future Service

Future credited service is expressed in terms of years (and fractional years) of employment on or after January 1, 1966 during which an employer is required to make contributions to the Fund. The following schedule is applicable for determining future credited service:

Hours		Future
At Least	But Less Than	Service Credit
400	600	0.3
600	800	0.4
800	1,000	0.5
1,000	1,200	0.6
1,200	1,400	0.7
1,400	1,600	0.8
1,600	1,800	0.9
1,800 and over		1.0

Contributions are made and credit given for the Meat Cutters for 173 hours in any month a participant works 134 or more hours. No employee will be credited with more than one year of future credited service in one calendar year.

Credited service for calculating benefit amounts may not exceed 40 years.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

3. Vesting Service

Vesting service for Meat Cutters is the total of past and future credited service.

Vesting service for Poultry Workers is future credited service.

In all cases, one year of vesting service is granted for each year of future credited service in which the participant works at least 1,000 hours.

4. Loss of Credited Service

A participant who has fewer than five years of vesting credit will lose all of his previously accumulated credited service if, before qualifying for and making an application for benefits, he suffers at least three consecutive breaks in service (works less than 500 hours). An exception is made for service in the armed forces in time of war, national emergency or pursuant to a national conscription, provided he returns to active service as an employee within 90 days after release or within such longer period as is prescribed by law. A participant who has lost all of his credited service is considered a new participant at such time as subsequent contributions are made to the pension trust on his behalf.

5. Reinstatement of Service Credits

A former participant who ceases to participate after January 1, 1976 and again becomes a participant may reinstate his prior service and benefit accruals. Reinstatement of prior benefit accruals will be as of the last day of the 12-month period following completion of 1,000 hours with the employer in:

a. the 12-month period commencing with the date of his return, or

b. the 12-month period in the plan year following the date of his return, or

c. any subsequent plan year, provided that (i) the number of consecutive years between the last break in service and the beginning of the plan year in which he fulfills the 1,000-hour requirement was less than his prior vesting service, or (ii) the participant accumulates at least five years of future service following resumption of participation.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

6. Normal Retirement Benefit

Eligibility: A participant is eligible for a normal retirement benefit upon satisfying all of the following conditions:

Age:	60
Credited Service:	5
Future Credited Service:	1

Benefit: The monthly benefit at normal retirement is a dollar amount multiplied by credited service. The dollar amount varies by employer as follows:

Employer	Monthly Benefit Per year of Service
Boar's Head	$ 6.25
All Others	$ 38.00

7. Late Retirement

Eligibility: A participant who remains in employment beyond his normal retirement date is eligible to receive a late retirement benefit commencing on the first day of the month following or coinciding with his actual retirement date.

Benefit: The benefit is determined in accordance with the normal retirement formula based on credited service to the participant's actual date of retirement.

8. Early Retirement Benefit

Eligibility: A participant is eligible for an early retirement benefit upon satisfying all of the following conditions:

Age:	50
Credited Service:	10
Future Credited Service:	1

Benefit: The monthly retirement benefit is the amount determined in accordance with the normal retirement pension formula based on credited service to the date the participant terminates employment, reduced by 1/2 of 1% for each month that the actual benefit commencement date precedes the normal retirement date.

9. Vesting

Eligibility: A participant who terminates employment after completing five or more years of vesting service, including one year of future credited service, is eligible to receive a deferred vested pension commencing at his normal retirement date.

Benefit: The monthly deferred vested pension is the benefit determined in accordance with the normal retirement pension formula based on credited service to the date the participant terminates employment. Individuals who terminated prior to January 1, 1981

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

have their benefit calculated according to the former plan provisions.

In lieu of benefits commencing at normal retirement, a participant who has completed ten years of credited service (including one year of future credited service) upon reaching age 50 may elect to have a reduced pension commencing immediately. The reduction is calculated in the same manner as the early retirement reduction.

10. Total and Permanent Disability

Eligibility: Each participant who becomes totally and permanently disabled after completing ten or more years of credited service (including one or more years of future credited service) and who qualifies for and receives disability benefits under the federal Social Security law then in effect is eligible for total and permanent disability benefits under the Fund.

Benefit: The monthly total and permanent disability benefit is determined in accordance with the normal retirement pension formula based on credited service at the date of disability.

Disability benefits commence after meeting all of the eligibility requirements noted in the eligibility section above with no reduction if prior to the participant's normal retirement date.

11. Surviving Spouse Benefit

Eligibility: The spouse of an active participant, terminated vested participant, or retired participant who has not yet started to receive benefits, who dies after completing five or more years of credited service (including one or more years of future credited service), is eligible for a survivor's benefit provided the spouse has been legally married to the participant for at least one year prior to the death of the participant.

Benefit: The monthly benefit payable to the spouse is the greater of:

a. 40% of the pension the participant would have received if the participant retired the day immediately preceding his death and elected an immediate payment of benefits, or

b. 50% of the pension the participant would have received if the participant retired the day immediately preceding his death and elected the joint and one-half survivor's benefit option.

Payment commences at the time the participant would have been eligible to receive benefits in the amount specified in b. above if death occurs prior to eligibility for an immediate benefit.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

12. Post-Retirement Spouse Benefit

Eligibility: Unless an alternative optional form of benefit is elected, the spouse of a retired participant who is receiving a pension at his death is eligible for a survivor's benefit provided the spouse had been legally married to the retiree for at least one year prior to death.

Benefit: The survivor's benefit is equal to 20% of the monthly benefit being paid to the participant. The survivor's benefit is payable monthly to the surviving spouse for life.

13. Post-Retirement Lump Sum Death Benefit

Eligibility: The post-retirement lump sum death benefit is payable at the death of any retiree who was receiving a monthly pension from the Plan at the time of death.

Benefit: The lump sum post-retirement death benefit is $2,500.

14. Forms of Pension Benefits

The normal form of pension is a monthly benefit for life, with 50% of the pension continued to the surviving spouse after the participant's death (provided the spouse was legally married to the participant for at least one year prior to death). The pension commences the first day of the next calendar month after conditions for retirement are satisfied and an application is filed.

Optional benefits, actuarially equivalent in value to the normal form of benefit, are available for election within 60 days of retirement.

a. A reduced "joint and survivor" benefit: wherein, at the death of pensioner, the full amount of the reduced pension continues for the lifetime of the spouse. (For a participant and spouse of equal age, this option provides a reduced pension equal to 80% of the regular pension. Where the spouse is one year younger, the percentage is 79%, etc.)

b. A reduced "joint and 2/3 survivor" benefit: wherein, at the death of pensioner, 2/3 of the reduced pension continues for the lifetime of the spouse. (For a participant and spouse of equal age, this option provides a reduced pension equal to 90% of the regular pension. Where the spouse is one year younger, the percentage drops to 89%, etc.)

c. A reduced "joint and ½ survivor" benefit wherein, at the death of the pensioner, ½ of the reduced pension continues for the lifetime of the spouse. (For a participant and spouse of equal age, this option provides a reduced pension equal to 95% of the regular pension. Where the spouse is one year younger, the percentage drops to 94%, etc.)

15. Changes Since Last Valuation

None

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

B. Former Consolidated Participants

1. Eligibility

Employees hired prior to June 30, 2016 who satisfied the eligibility requirements of the Consolidated Fund prior to June 30, 2016.

2. Credited Service

Credited service is determined under the provisions of the plan prior to the transfer.

3. Normal Retirement Benefit

The benefit accrued prior to June 30, 2016 was accrued in accordance with the plan provisions of the plan prior to transfer.

Benefits accrue after June 30, 2016 at the rate of $46.45 per month per year of service.

4. Early Retirement Benefit

Employees may receive benefits on retirement before the Normal Retirement Date under the provision of the prior plan.

5. Vesting

All participants were fully vested at the time of transfer.

6. Total and Permanent Disability

Disability retirement can occur upon the employee becoming totally and permanently disabled (according to Social Security criteria) after he has completed at least ten years of credited service. The accrued normal retirement pension will be payable without actuarial reduction as soon as the disability has been established to the satisfaction of the Trustees.

7. Pre-Retirement Spouse's Pension

Each employee who is vested under the Fund will be provided 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 begin on the first of the month following the later of the employee's death or the earliest date he could have elected to retire under the Fund based upon his credited service at death. The amount of such pension will be one-half of that which would have been payable to the employee if he had retired on the date the spouse's pension is to begin and elected a joint and 50 percent survivor option.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

8. Forms of Pension Benefits

The normal form payable to an unmarried participant is a single life annuity. The normal form of pension payable to a married employee will be an actuarially reduced pension on the joint and 50 percent survivor basis unless the employee elects otherwise with the written consent of the spouse. In addition, married participants can elect an actuarially reduced Joint and Survivor pension with a 75% or 100% continuation.

9. Changes Since Last Valuation

None

C. All Other Participants

1. Eligibility

All employees within bargaining units represented by Local 400 and Local 27 where the collective bargaining agreement calls for contributions to this Fund on behalf of such employees as well as Local 400 staff.

2. Normal Retirement Date

At the employee's option, on the last day of the month in which his 65th birthday occurs, but not prior to his completing at least five years of credited service.

3. Credited Service

For each participant under either of the prior pension plans, credited service under this Fund at January 1, 1982 shall be equal to the credited service accrued under the prior Fund as of December 31, 1981; for each other person, credited service prior to January 1, 1982 (or date of joining the Fund, if later), shall be continuous service with his then employer to the nearest month. On and after January 1, 1982, one-fourth of a year of future service is granted to each full-time employee for each 400 hours worked in each calendar year up to 1,600 hours. For part-time employees, 200 hours per quarter and 800 hours per year are required.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

4. Normal Retirement Benefit

The benefit is determined according to the contribution rate recognized for benefit accrual purposes. This may be less than the bargained contribution rate. The recognized contribution and benefit schedule is as follows:

Recognized Contribution Rate	Pension Benefit Per Month Per Year of Credited Service: Full-Time Benefit Rate	Part-Time Benefit Rate
$.05	$ 7.13	$ 3.56
.08	11.25	5.62
.12	16.75	8.37
.15	20.13	10.06
.18	22.25	11.12
.21	24.00	12.00
.24	26.13	13.06
.27	28.13	14.06
.30	30.13	15.06
.33	32.13	16.06
.40	36.80	18.40

Note: Though substantially all participants are subject to the contribution and benefit rates above, there are exceptions. More detailed information on such exceptions can be found in the appendix to the plan document.

5. Early Retirement

At the employee's option after he has both attained age 55 and completed at least 15 years of credited service. His accrued normal retirement pension is reduced by one-half of one percent for each month by which his retirement precedes his 60th birthday.

6. Disability Retirement

Disability retirement can occur upon the employee becoming totally and permanently disabled (according to Social Security criteria) after he has completed at least ten years of credited service. His accrued normal retirement pension will be payable without actuarial reduction as soon as the disability has been established to the satisfaction of the Trustees.

7. Deferred Vested Pension Benefit

If an employee ceases to work within a bargaining unit covered by the Fund after he has completed five years of Vesting Service, he will be entitled to his normal retirement pension accrued at the date he stopped work, payable starting on his Normal Retirement Date. Vesting service equals the sum of (a) credited service under each of the prior plans as of December 31, 1981, plus (b) his service after January 1, 1982, in which a year of vesting service is granted for each plan year in which he is credited with at least 750 regular time hours.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

8. Pre-Retirement Spouse's Pension

Each employee who is vested under the Fund will be provided 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 begin on the first of the month following the later of the employee's death or the earliest date he could have elected to retire under the Fund based upon his credited service at death. The amount of such pension will be one-half of that which would have been payable to the employee if he had retired on the date the spouse's pension is to begin and elected a joint and 50 percent survivor option.

9. Normal Form of Pension

The normal form of pension payable to a married employee will be an actuarially reduced pension on the joint and 50 percent survivor basis unless the employee elects otherwise with the written consent of the spouse. If the employee receives his pension on a single life basis, then a death benefit equal to the excess, if any, of a. over b. will be payable to the employee's designated beneficiary where a. and b. equal.

a. 60 times the monthly pension amount

b. the total amount of payments made prior to the employee's death.

10. Post-Retirement Death Benefit

Upon the death of an employee receiving pension benefits under the Plan, a single sum death benefit will be paid to his designated beneficiary. The amount of the death benefit will be $2,500 if the majority of his credited service was as a full-time employee and $1,500 if the majority of such service was as a part-time employee.

11. Changes to Plan Provisions Since Last Valuation

None

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.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. Rates of Investment Return and Discounting

Funding and disclosure purposes:
7.75% compounded annually. This assumption is consistent with the investment consultant's outlook for the investment allocation policy.

Current Liability under RPA 1994:
2.98% compounded annually

Withdrawal liability purposes:
The Fund uses current PBGC interest rates (2.34% for 20 years and 2.63% thereafter) to determine the portion of the vested liabilities funded by the market value of Fund assets. The liabilities for the unfunded portion are based on the funding investment return of 7.75%.

2. Rates of Mortality

Funding and disclosure purposes:

Actives:	RP-2000 Healthy Annuitant mortality table (2014 base year – fully generational).
Healthy Inactives:	RP-2000 Healthy Annuitant mortality table (2014 base year – fully generational).
Disableds:	RP-2000 Disabled Annuitant without projection for ages prior to 65.
Current Liability:	2018 Static Mortality as prescribed by IRS regulations.

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 improvement.

3. Other Demographic Assumptions

The demographic assumptions other than mortality are held over from prior valuations due to the changes in population that have occurred since the valuation. There have been no significant gains or losses from the Fund's liabilities which indicates that these assumptions are still appropriate.

a. Rates of Retirement

A. *Former Meat and Poultry Participants*

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

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

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.

b. 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.

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

c. 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

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

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

d. 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.

e. 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.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

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.

f. 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.

4. Administrative Expenses

$1,800,000 ($141.30 per participant) as of the beginning of the year added to the normal cost.

For financial disclosure under FASB Topic ASC 960 the present value of future administrative expense is based on future beginning of the year cash flows of $141.30 per participant that increase 3% per year for inflation.

5. Changes in Assumptions Since Last Valuation

The RPA '94 current liability interest rate was changed from 3.05% to 2.98% to comply with appropriate guidance. The mortality table for current liability was also updated to the 2018 Static Mortality tables for annuitants and non-annuitants.

The PBGC interest rates used to determine the funded portion of the vested liabilities was changed from 1.98% for 20 years and 2.67% thereafter to 2.34% for 20 years and 2.63% thereafter.

The per participant cash flows used to estimate the present value of future administrative expense for financial disclosure under FASB Topic ASC 960 changed to $141.30 per participant. Last year $147.99 was used.

B. Actuarial Methods

1. Asset Valuation Method

The method used to value plan assets for funding purposes (i.e., for minimum funding purposes under IRS Code Section 412 and for deductibility under IRS Code Section 404) is that described under Approval #15 of Revenue Procedure 2000-40.

At 1/1/07, the actuarial value is set equal to market value. Going forward the actuarial value is taken to be the market value of assets less unrecognized returns (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

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