United Food and Commercial Workers Unions
And Contributing Employers
Legal Benefits Fund

911 Ridgebrook Road
Sparks, MD 21152-9451
Telephone: (410) 683-6500
Toll Free: (866) 662-2537
www.associated-admin.com

8400 Corporate Drive, Suite 430
Landover, MD 20785-2361
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AGENDA

APRIL 25, 2019

I. CALL TO ORDER

II. MINUTES OF APRIL 11, 2018 (pg. 1 – 5)

III. FINANCIAL REPORT (pg. 6)
   A. PNC REPORT
   B. AUDITOR'S REPORT

IV. ATTORNEY'S REPORT

V. ADMINISTRATIVE MANAGER'S REPORT - (1Q18 – 4Q18) (pg. 7 – 39)
   A. ADMINISTRATIVE MANAGER'S CONTRACT RENEWAL

VI. INVOICES (40 – 41)

VII. LEGAL PROVIDER REPORT
   A. 2018 ANNUAL REPORT

VIII. OTHER FUND BUSINESS

IX. NEXT MEETING DATE AND LOCATION

X. ADJOURNMENT

MINUTES

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS AND CONTRIBUTING EMPLOYERS LEGAL BENEFITS FUND APRIL 11, 2018 IN LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
A. Hanson
T. Hipkins

EMPLOYER TRUSTEES
D. Gwin - Chairperson

Also present were:

H. Burton – Morgan, Lewis & Bockius, LLP
J. Chorpenning - UFCW Local 27
D. Clutts - Associated Administrators, LLC
M. Federici - UFCW Local 400
N. Jacobs - UFCW Local 400
W. Jensen - Associated Administrators, LLC
S. Sanchez - Slevin & Hart, P.C.
B. Slevin - Slevin & Hart, P.C.
L. Walsh - Associated Administrators, LLC
M. Wilson - UFCW Local 400

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on April 19, 2017, which were previously circulated and,

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the minutes of the last regular meeting held on April 19, 2017 are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Ms. Clutts reviewed the PNC Summary of Activity report for the period January 1, 2018 through March 31, 2018, which had been previously circulated. Such report indicated a beginning market value of $113,473, earnings of $326, receipts of $114,242, and disbursements of $113,973, producing an ending market balance of $114,068 as of March 31, 2018.

IV. AKMAN & ASSOCIATES, P.C.

The Trustees welcomed Mr. Matt Akman from Akman & Associates, P.C. ("Akman & Associates") to the meeting.

A. Annual Review

Mr. Akman reviewed the "UFCW and Contributing Employers Legal Benefits Fund Annual Report" for the period January 1, 2017 through December 31, 2017. Mr. Akman noted that 597 cases were opened during the period, generating 3,378.35 attorney hours and 2,409.10 paralegal hours. Consumer law represented the highest number of cases opened, followed by family law.

B. Legal Services Provider Proposal

Mr. Akman presented a three-year fee increase request, beginning April 1, 2018, to the Trustees for consideration.

Mr. Akman said that Akman & Associates' last increase was a cost of living adjustment on January 1, 2013, and he noted that the Fund began paying a lower rate in 2014 for participants hired after January 1, 2014. Mr. Akman reported that participant service requests have increased because Akman & Associates also has been providing services to participants represented by UFCW Local 400 since April 2016. Mr. Akman said his firm continues to provide high quality legal benefits with a strong utilization rate by Plan participants. The increase would be used to compensate his staff and pay for increasing operating costs, including the rising cost of health insurance.

The Trustees thanked Mr. Akman and excused him from the meeting. After discussion, the Trustees directed Associated to contact Mr. Akman for clarification regarding the terms of the proposal.

V. ATTORNEY'S REPORT

Fund Counsel had no legal matters to report.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Fourth Quarter 2017

Ms. Clutts reviewed the Administrative Manager's report for the fourth quarter 2017, which was previously circulated. Such report indicated employer contributions of $114,518 and interest and dividend income of $240, producing a total income of $114,758 for the period. Expenses included $102,029 of benefit related expenses and $11,987 in operating expenses, producing a total expense of $114,016. This resulted in a net deficit of $742 for the quarter. Ms. Clutts noted that contributions were made on behalf of 1,824 participants for the quarter. The Fund reserves as of December 31, 2017 were $113,378.

Ms. Clutts reported that there were no delinquencies for the fourth quarter.

B. Administrative Manager's Contract Renewal

Mr. Jensen stated that Associated Administrators' contract will expire December 31, 2018. He presented a request for a three-year extension of the contract and reviewed justification for a fee increase, including new legislation that has significantly affected benefits administration, implementation of the new eligibility rule changes and regulatory changes, and ongoing information technology investment for mandated security and compliance.

The representatives from Associated Administrators, LLC were excused from the meeting.

The Trustees discussed the contract renewal and tabled same pending further discussion.

The Trustees invited the representatives from Associated to rejoin the meeting and they were advised of the Trustees' decision.

VII. INVOICES

Ms. Clutts presented a list of invoices dated April 11, 2018. She said there were no additions, deletions, or changes to the list, and all invoices represented proper Fund expenses.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the invoices on the list dated April 11, 2018 are approved for payment.**

VIII. FIDUCIARY INSURANCE

Mr. Jensen reported that the Fund's fiduciary insurance policy was renewed for the period April 30, 2018 through April 29, 2019.

IX. NEXT MEETING DATE AND LOCATION

The Trustees will meet again in April 2019, with the date and location to be established prior to year-end 2018.

X. ADJOURNMENT

There being no further business to come before the Trustees, the meeting was adjourned.

Respectfully submitted,

Donna Gwin - Chairperson

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FINANCIAL REPORT

UFCW & Contributing Employers Legal Benefits Fund
SUMMARY OF ACTIVITY
JANUARY 01, 2019 to MARCH 31, 2019

Item	Amount
Market Value 01/01/19	$72,797
Earnings	449
Receipts	89,799
Disbursements	(66,182)
Market Value 3/31/19	96,863

ADMINISTRATIVE MANAGER'S REPORT

UFCW UNIONS AND CONTRIBUTING

EMPLOYERS LEGAL BENEFITS FUND

FIRST QUARTER 2018

ADMINISTRATIVE MANAGER'S REPORT

FIRST QUARTER 2018
CONTRIBUTIONS

COMPANY	RATE	CONTRACT	PARTICIPANTS	CONTRIBUTIONS
SHOPPERS	$22.08	MOB	1,577	$104,483
SHOPPERS[1]	11.04	MOB	181	5,994
UFCW LOCAL 400	22.08	MOB	51	3,356
TOTAL			1,809	$113,833

AVERAGE MONTHLY CONTRIBUTION $20.98

[1]EMPLOYEES HIRED ON OR AFTER MAY 1, 2015

FIRST QUARTER 2018
EXPENSES

PROVIDER

	AMOUNT		AVERAGE MONTHLY COST		PERCENTAGE
AKMAN & ASSOCIATES	$99,206		$18.280		88.30%
SUBTOTAL	$99,206		$18.280		88.30%

OPERATING EXPENSES

	AMOUNT		AVERAGE MONTHLY COST		PERCENTAGE
ADMINISTRATION	$8,086		$1.490		7.197%
BONDING & INSURANCE	4,361		0.804		3.882%
INVESTMENT MGMNT	63		0.012		0.056%
LEGAL	164		0.030		0.146%
POSTAGE	70		0.013		0.062%
PRINTING	400		0.074		0.356%
SUBTOTAL	$13,144		$2.423		11.70%
TOTAL	$112,350		$20.703		100.00%

FIRST QUARTER 2018
QUARTERLY RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
EMPLOYER CONTRIB	$113,833				$113,833
EMPLOYEE CONTRIB	0				0
INTEREST/DIVIDENDS	294				294
TOTAL INCOME	$114,127	$0	$0	$0	$114,127
EXPENSES					
PROVIDERS	$99,206				$99,206
OPERATING	13,144				13,144
TOTAL EXPENSES	$112,350	$0	$0	$0	$112,350
TOTAL INCOME	$114,127	$0	$0	$0	$114,127
TOTAL EXPENSES	$112,350	$0	$0	$0	$112,350
SURPLUS (DEFICIT)	$1,777	$0	$0	$0	$1,777
AVERAGE INCOME	$21.03	$0.00	$0.00	$0.00	$21.03
AVERAGE EXPENSES	$20.70	$0.00	$0.00	$0.00	$20.70
SURPLUS (DEFICIT)	$0.33	$0.00	$0.00	$0.00	$0.33
PARTICIPANTS	1,809				1,809
FUND RESERVE	$113,941				

2017
QUARTERLY RECAP

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
EMPLOYER CONTRIB	$119,540	$117,398	$115,821	$114,518	$467,277
EMPLOYEE CONTRIB	0	0	0	0	0
INTEREST/DIVIDENDS	110	166	240	240	756
TOTAL INCOME	$119,650	$117,564	$116,061	$114,758	$468,033
EXPENSES					
PROVIDERS	$105,969	$103,316	$103,541	$102,029	$414,855
OPERATING	10,571	14,819	18,826	11,987	56,203
TOTAL EXPENSES	$116,540	$118,135	$122,367	$114,016	$471,058
TOTAL INCOME	$119,650	$117,564	$116,061	$114,758	$468,033
TOTAL EXPENSES	$116,540	$118,135	$122,367	$114,016	$471,058
SURPLUS (DEFICIT)	$3,110	($571)	($6,306)	$742	($3,025)
AVERAGE INCOME	$21.55	$21.45	$21.37	$21.18	$21.39
AVERAGE EXPENSES	$20.99	$21.55	$22.54	$21.04	$21.53
SURPLUS (DEFICIT)	$0.56	($0.10)	($1.17)	$0.14	($0.14)
PARTICIPANTS	1,851	1,827	1,810	1,806	1,824
FUND RESERVE	$120,832	$119,362	$113,467	$113,378	

FIRST QUARTER 2018
UTILIZATION

AKMAN & ASSOCIATES

CODE	TYPE	CASES* OPENED	ATTORNEY HOURS	PARALEGAL HOURS	SURCHG.
01	FAMILY	20	207.70	169.50	
02	PROBATE	5	21.75	30.30	
03	WILL	27	64.05	55.05	
04	NEGLIGENCE	6	19.60	27.90	
05	REAL ESTATE	14	38.45	28.45	
06	CONSUMER	45	239.60	184.15	
07	CRIMINAL	6	44.00	8.05	
08	TRAFFIC	11	73.55	10.20	
09	LANDLORD/TENANT	8	38.95	22.55	
10	ADMINISTRATIVE	6	21.20	10.90	
11	IMMIGRATION	0	0.00	0.00	
12	MISCELLANEOUS	0	0.00	0.00	
13	WORKER'S COMP.	0	0.00	0.00	
14	JUVENILE	3	18.70	2.55	
15	CIVIL LITIGATION	0	0.00	0.00	
16	T CASES	0	0.00	0.00	
TOTAL		151	787.55	549.60	$0

ALL HOURS	1,337.15
ADJUSTED HOURS	1,062.35
PAYMENT	$99,206
COST PER HOUR	$93.38

* CASES OPENED DURING QUARTER. HOURS REFLECT NEWLY OPENED CASES AND PRIOR CASES

FIRST QUARTER 2018
DELINQUENCIES

None

UFCW UNIONS AND CONTRIBUTING

EMPLOYERS LEGAL BENEFITS FUND

SECOND QUARTER 2018

ADMINISTRATIVE MANAGER'S REPORT

SECOND QUARTER 2018 CONTRIBUTIONS

COMPANY	RATE	CONTRACT	PARTICIPANTS	CONTRIBUTIONS
SHOPPERS	$22.08	MOB	1,521	$100,751
SHOPPERS[1]	11.04	MOB	197	6,513
UFCW LOCAL 400	22.08	MOB	50	3,312
TOTAL			1,768	$110,576

AVERAGE MONTHLY CONTRIBUTION $20.85

[1]EMPLOYEES HIRED ON OR AFTER MAY 1, 2015

SECOND QUARTER 2018
EXPENSES

PROVIDER

	AMOUNT		AVERAGE MONTHLY COST		PERCENTAGE
AKMAN & ASSOCIATES	$96,290		$18.154		89.44%
SUBTOTAL	$96,290		$18.154		89.44%

OPERATING EXPENSES

	AMOUNT		AVERAGE MONTHLY COST		PERCENTAGE
ADMINISTRATION	$7,902		$1.490		7.340%
BONDING & INSURANCE	654		0.123		0.608%
INVESTMENT MGMNT	63		0.012		0.059%
LEGAL	2,558		0.482		2.376%
MEETING	167		0.031		0.155%
POSTAGE	19		0.004		0.018%
SUBTOTAL	$11,363		$2.142		10.56%
TOTAL	$107,653		$20.296		100.00%

SECOND QUARTER 2018
QUARTERLY RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
EMPLOYER CONTRIB	$113,833	$110,576			$224,409
EMPLOYEE CONTRIB	0	0			0
INTEREST/DIVIDENDS	294	406			700
TOTAL INCOME	$114,127	$110,982	$0	$0	$225,109

EXPENSES

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
PROVIDERS	$99,206	$96,290			$195,496
OPERATING	13,144	11,363			24,507
TOTAL EXPENSES	$112,350	$107,653	$0	$0	$220,003

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
TOTAL INCOME	$114,127	$110,982	$0	$0	$225,109
TOTAL EXPENSES	$112,350	$107,653	$0	$0	$220,003
SURPLUS (DEFICIT)	$1.777	$3,329	$0	$0	$5,106

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
AVERAGE INCOME	$21.03	$20.92	$0.00	$0.00	$20.98
AVERAGE EXPENSES	$20.70	$20.30	$0.00	$0.00	$20.50
SURPLUS (DEFICIT)	$0.33	$0.62	$0.00	$0.00	$0.48

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
PARTICIPANTS	1,809	1,768			1,789

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018
FUND RESERVE	$113,941	$117,126		

2017
QUARTERLY RECAP

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
EMPLOYER CONTRIB	$119,540	$117,398	$115,821	$114,518	$467,277
EMPLOYEE CONTRIB	0	0	0	0	0
INTEREST/DIVIDENDS	110	166	240	240	756
TOTAL INCOME	$119,650	$117,564	$116,061	$114,758	$468,033

EXPENSES

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
PROVIDERS	$105,969	$103,316	$103,541	$102,029	$414,855
OPERATING	10,571	14,819	18,826	11,987	56,203
TOTAL EXPENSES	$116,540	$118,135	$122,367	$114,016	$471,058

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
TOTAL INCOME	$119,650	$117,564	$116,061	$114,758	$468,033
TOTAL EXPENSES	$116,540	$118,135	$122,367	$114,016	$471,058
SURPLUS (DEFICIT)	$3,110	($571)	($6,306)	$742	($3,025)

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
AVERAGE INCOME	$21.55	$21.45	$21.37	$21.18	$21.39
AVERAGE EXPENSES	$20.99	$21.55	$22.54	$21.04	$21.53
SURPLUS (DEFICIT)	$0.56	($0.10)	($1.17)	$0.14	($0.14)

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
PARTICIPANTS	1,851	1,827	1,810	1,806	1,824

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017
FUND RESERVE	$120,832	$119,362	$113,467	$113,378

SECOND QUARTER 2018
UTILIZATION

AKMAN & ASSOCIATES

CODE	TYPE	CASES* OPENED	ATTORNEY HOURS	PARALEGAL HOURS	SURCHG.
01	FAMILY	15	212.40	177.50	
02	PROBATE	4	15.05	22.35	
03	WILL	17	46.30	38.90	
04	NEGLIGENCE	7	17.75	30.05	
05	REAL ESTATE	18	52.20	35.00	
06	CONSUMER	36	210.65	198.10	
07	CRIMINAL	8	59.75	10.40	
08	TRAFFIC	13	81.65	9.85	
09	LANDLORD/TENANT	12	46.50	28.80	
10	ADMINISTRATIVE	7	23.80	14.20	
11	IMMIGRATION	0	0.00	0.00	
12	MISCELLANEOUS	0	0.00	0.00	
13	WORKER'S COMP.	0	0.00	0.00	
14	JUVENILE	2	13.00	1.75	
15	CIVIL LITIGATION	0	0.00	0.00	
16	T CASES	0	0.00	0.00	
TOTAL		139	779.05	566.90	$0

ALL HOURS	1,345.95
ADJUSTED HOURS	1,062.50
PAYMENT	$96,290
COST PER HOUR	$90.63

* CASES OPENED DURING QUARTER. HOURS REFLECT NEWLY OPENED CASES AND PRIOR CASES

SECOND QUARTER 2018
DELINQUENCIES

<u>None</u>

UFCW UNIONS AND CONTRIBUTING

EMPLOYERS LEGAL BENEFITS FUND

THIRD QUARTER 2018

ADMINISTRATIVE MANAGER'S REPORT

THIRD QUARTER 2018
CONTRIBUTIONS

COMPANY	RATE	CONTRACT	PARTICIPANTS	CONTRIBUTIONS
SHOPPERS	$22.08	MOB	1,240	$82,138
SHOPPERS[1]	11.04	MOB	196	6,492
UFCW LOCAL 400	22.08	MOB	51	3,312
TOTAL			1,487	$91,942

AVERAGE MONTHLY CONTRIBUTION $20.61

[1]EMPLOYEES HIRED ON OR AFTER MAY 1, 2015

THIRD QUARTER 2018
EXPENSES

PROVIDER

	AMOUNT	AVERAGE MONTHLY COST	PERCENTAGE
AKMAN & ASSOCIATES	$82,218	$18.430	81.00%
SUBTOTAL	$82,218	$18.430	81.00%

OPERATING EXPENSES

	AMOUNT	AVERAGE MONTHLY COST	PERCENTAGE
ADMINISTRATION	$6,649	$1.490	6.55%
ACCOUNTING	10,000	2.242	9.85%
INVESTMENT MGMNT	63	0.014	0.06%
LEGAL	2,344	0.525	2.31%
POSTAGE	182	0.041	0.18%
PRINTING	53	0.012	0.05%
SUBTOTAL	$19,291	$4.324	19.00%
TOTAL	$101,509	$22.754	100.00%

THIRD QUARTER 2018
QUARTERLY RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
EMPLOYER CONTRIB	$113,833	$110,576	$91,942		$316,351
EMPLOYEE CONTRIB	0	0	0		0
INTEREST/DIVIDENDS	294	406	476		1,176
TOTAL INCOME	$114.127	$110,982	$92,418	$0	$317,527

EXPENSES

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
PROVIDERS	$99,206	$96,290	$82,218		$277,714
OPERATING	13,144	11,363	19,291		43,798
TOTAL EXPENSES	$112,350	$107,653	$101,509	$0	$321,512
TOTAL INCOME	$114,127	$110,982	$92,418	$0	$317,527
TOTAL EXPENSES	$112,350	$107,653	$101,509	$0	$321,512
SURPLUS (DEFICIT)	$1.777	$3,329	($9,091)	$0	($3,985)
AVERAGE INCOME	$21.03	$20.92	$20.72	$0.00	$20.89
AVERAGE EXPENSES	$20.70	$20.30	$22.75	$0.00	$21.25
SURPLUS (DEFICIT)	$0.33	$0.62	($2.03)	$0.00	($0.36)
PARTICIPANTS	1,809	1,768	1,487		1,688
FUND RESERVE	$113,941	$117,126	$104,420		

2017
QUARTERLY RECAP

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
EMPLOYER CONTRIB	$119,540	$117,398	$115,821	$114,518	$467,277
EMPLOYEE CONTRIB	0	0	0	0	0
INTEREST/DIVIDENDS	110	166	240	240	756
TOTAL INCOME	$119,650	$117,564	$116,061	$114,758	$468,033
EXPENSES					
PROVIDERS	$105,969	$103,316	$103,541	$102,029	$414,855
OPERATING	10,571	14,819	18,826	11,987	56,203
TOTAL EXPENSES	$116,540	$118,135	$122,367	$114,016	$471.058
TOTAL INCOME	$119,650	$117,564	$116,061	$114,758	$468,033
TOTAL EXPENSES	$116,540	$118,135	$122,367	$114,016	$471,058
SURPLUS (DEFICIT)	$3,110	($571)	($6,306)	$742	($3,025)
AVERAGE INCOME	$21.55	$21.45	$21.37	$21.18	$21.39
AVERAGE EXPENSES	$20.99	$21.55	$22.54	$21.04	$21.53
SURPLUS (DEFICIT)	$0.56	($0.10)	($1.17)	$0.14	($0.14)
PARTICIPANTS	1,851	1,827	1,810	1,806	1,824
FUND RESERVE	$120,832	$119,362	$113,467	$113,378	

THIRD QUARTER 2018
UTILIZATION

AKMAN & ASSOCIATES

CODE	TYPE	CASES* OPENED	ATTORNEY HOURS	PARALEGAL HOURS	SURCHG
01	FAMILY	19	183.95	146.55	
02	PROBATE	2	7.85	13.10	
03	WILL	13	31.35	29.60	
04	NEGLIGENCE	4	12.25	21.85	
05	REAL ESTATE	12	36.30	22.95	
06	CONSUMER	29	162.00	141.70	
07	CRIMINAL	12	73.70	15.50	
08	TRAFFIC	9	69.60	11.70	
09	LANDLORD/TENANT	9	29.55	19.75	
10	ADMINISTRATIVE	8	27.40	14.60	
11	IMMIGRATION	0	0.00	0.00	
12	MISCELLANEOUS	0	0.00	0.00	
13	WORKER'S COMP.	0	0.00	0.00	
14	JUVENILE	2	10.15	2.60	
15	CIVIL LITIGATION	0	0.00	0.00	
16	T CASES	0	0.00	0.00	
TOTAL		119	644.10	439.90	$0

ALL HOURS	1,084.00
ADJUSTED HOURS	864.05
PAYMENT	$82,218
COST PER HOUR	$95.15

* CASES OPENED DURING QUARTER. HOURS REFLECT NEWLY OPENED CASES AND PRIOR CASES

THIRD QUARTER 2018
DELINQUENCIES

None

UFCW UNIONS AND CONTRIBUTING

EMPLOYERS LEGAL BENEFITS FUND

FOURTH QUARTER 2018

ADMINISTRATIVE MANAGER'S REPORT

FOURTH QUARTER 2018
CONTRIBUTIONS

COMPANY	RATE	CONTRACT	PARTICIPANTS	CONTRIBUTIONS
SHOPPERS	$22.08	MOB	1,215	$80,482
SHOPPERS[1]	11.04	MOB	223	7,396
UFCW LOCAL 400	22.08	MOB	49	3,268
TOTAL			1,487	$91,146

AVERAGE MONTHLY CONTRIBUTION $20.43

[1]EMPLOYEES HIRED ON OR AFTER MAY 1, 2015

FOURTH QUARTER 2018
EXPENSES

PROVIDER

	AMOUNT	AVERAGE MONTHLY COST	PERCENTAGE
AKMAN & ASSOCIATES	$82,734	$18.546	84.55%
SUBTOTAL	$82,734	$18.546	84.55%

OPERATING EXPENSES

	AMOUNT	AVERAGE MONTHLY COST	PERCENTAGE
ADMINISTRATION	$6,651	$1.491	6.80%
ACCOUNTING	3,301	0.740	3.37%
INVESTMENT MGMNT	63	0.014	0.06%
LEGAL	4,624	1.037	4.73%
POSTAGE	123	0.028	0.13%
PRINTING	352	0.079	0.36%
SUBTOTAL	$15,114	$3.389	15.45%
TOTAL	$97,848	$21.935	100.00%

FOURTH QUARTER 2018
QUARTERLY RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
EMPLOYER CONTRIB	$113,833	$110,576	$91,942	$91,146	$407,497
EMPLOYEE CONTRIB	0	0	0	0	0
INTEREST/DIVIDENDS	294	406	476	362	1,538
TOTAL INCOME	$114,127	$110,982	$92,418	$91,508	$409,035
EXPENSES					
PROVIDERS	$99,206	$96,290	$82,218	$82,734	$360,448
OPERATING	13,144	11,363	19,291	15,114	58,912
TOTAL EXPENSES	$112,350	$107,653	$101,509	$97,848	$419,360
TOTAL INCOME	$114,127	$110,982	$92,418	$91,508	$409,035
TOTAL EXPENSES	$112,350	$107,653	$101,509	$97,848	$419,360
SURPLUS (DEFICIT)	$1,777	$3,329	($9,091)	($6,340)	($10,325)
AVERAGE INCOME	$21.03	$20.92	$20.72	$20.51	$20.80
AVERAGE EXPENSES	$20.70	$20.30	$22.75	$21.93	$21.42
SURPLUS (DEFICIT)	$0.33	$0.62	($2.03)	($1.42)	($0.62)
PARTICIPANTS	1,809	1,768	1,487	1,487	1,638
FUND RESERVE	$113,941	$117,126	$104,420	$97,667	

2017
QUARTERLY RECAP

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
EMPLOYER CONTRIB	$119,540	$117,398	$115,821	$114,518	$467,277
EMPLOYEE CONTRIB	0	0	0	0	0
INTEREST/DIVIDENDS	110	166	240	240	756
TOTAL INCOME	$119,650	$117,564	$116,061	$114,758	$468,033
EXPENSES					
PROVIDERS	$105,969	$103,316	$103,541	$102,029	$414,855
OPERATING	10,571	14,819	18,826	11,987	56,203
TOTAL EXPENSES	$116,540	$118,135	$122,367	$114,016	$471,058
TOTAL INCOME	$119,650	$117,564	$116,061	$114,758	$468,033
TOTAL EXPENSES	$116,540	$118,135	$122,367	$114,016	$471,058
SURPLUS (DEFICIT)	$3,110	($571)	($6,306)	$742	($3,025)
AVERAGE INCOME	$21.55	$21.45	$21.37	$21.18	$21.39
AVERAGE EXPENSES	$20.99	$21.55	$22.54	$21.04	$21.53
SURPLUS (DEFICIT)	$0.56	($0.10)	($1.17)	$0.14	($0.14)
PARTICIPANTS	1,851	1,827	1,810	1,806	1,824
FUND RESERVE	$120,832	$119,362	$113,467	$113,378	

FOURTH QUARTER 2018
UTILIZATION

AKMAN & ASSOCIATES

CODE	TYPE	CASES* OPENED	ATTORNEY HOURS	PARALEGAL HOURS	SURCHG.
01	FAMILY	17	191.35	154.00	
02	PROBATE	3	12.45	17.20	
03	WILL	15	39.95	36.85	
04	NEGLIGENCE	3	10.30	20.30	
05	REAL ESTATE	9	23.05	18.15	
06	CONSUMER	27	175.20	144.60	
07	CRIMINAL	9	71.25	10.95	
08	TRAFFIC	7	47.30	9.45	
09	LANDLORD/TENANT	6	32.35	22.70	
10	ADMINISTRATIVE	9	30.10	17.25	
11	IMMIGRATION	0	0.00	0.00	
12	MISCELLANEOUS	0	0.00	0.00	
13	WORKER'S COMP.	0	0.00	0.00	
14	JUVENILE	3	14.95	3.30	
15	CIVIL LITIGATION	0	0.00	0.00	
16	T CASES	0	0.00	0.00	
TOTAL		108	648.25	454.75	$0

ALL HOURS	1,103.00
ADJUSTED HOURS	875.63
PAYMENT	$82,734
COST PER HOUR	$94.49

* CASES OPENED DURING QUARTER. HOURS REFLECT NEWLY OPENED CASES AND PRIOR CASES

FOURTH QUARTER 2018
DELINQUENCIES

None

ASSOCIATED
ADMINISTRATORS

April 11, 2018

Board of Trustees of the:
UFCW Unions and Participating Employers Pension Fund
UFCW Unions and Participating Employers Health and Welfare Fund
UFCW Unions and Contributing Employers Legal Benefits Fund

Re: Administrative Services Contract Renewal

Trustees and Counsel:

The contracts between Associated and the UFCW Unions and Participating Employers Pension Fund and the UFCW Unions and Participating Employers Health and Welfare Fund expire May 31, 2018, and the UFCW Unions and Contributing Employers Legal Benefits Fund expires December 31, 2018. We hope the Trustees will consider favorably our request for a new three-year agreement.

Several pieces of legislation, especially PPACA, Michelle's Law, Mental Health Parity, and HIPAA Hi-Tech, have affected benefit processing. In order to abide by the new regulations, it has been necessary for Associated to add resources to its workforce, training, and systems. This trend is likely to continue as PPACA regulations continue to change, and benefits processing continues to be impacted. Components of Health Care Reform--such as the expansion of dependent eligibility to age 26, elimination of annual maximums, establishment of specific coverage for preventive care, and calculation and payment of research and reinsurance fees--require careful execution in order to ensure compliance for the Fund. During this same time period, Associated has implemented benefit plan changes stemming from IRS regulation Section 125 related to the tax deductibility of contributions.

In addition, open enrollments utilize ongoing measurement and stability periods, although the data from the participating employers at times requires clarification. As well, recently negotiated contracts require ongoing recalculation and implementation of contribution rates based on Fund reserve levels. Associated plays a key role in the pre-Medicare retiree stipends which require ongoing communication materials and coordination with the Fund's broker. We are supporting the Shoppers voluntary separation processes, which caused a spike in the information requests for pension, severance, and retiree health benefits. We are presently working with Fund counsel to implement the new disability regulations for the Pension Fund and the Health and Welfare Fund.

911 Ridgebrook Road, Sparks, MD 21152-9451 (410) 683-6500
8400 Corporate Drive, Suite 430, Landover, MD 20785-2361 (301) 459-3020

Operating Expenses

Associated makes every effort to control its operating costs, but some are increasing.

- **Employee Benefits**
  Associated's bargaining unit employees are in the FELRA and UFCW Health and Welfare Fund so we have experienced the same rate increases as the other participating employers. Our unit employees are covered in the UFCW Unions and Participating Employers Pension Fund. Those contribution rates will increase every year for the next three years in accord with the Rehabilitation Plan. The current recommendation pending would generate approximately 10% annual contribution increases for Associated's unit staff.

  Our non-union (management and other exempt) medical benefits through CIGNA increased by 8.5% in September 2017, due in part to PPACA and despite increased co-payments assessed to our staff. Future increases are anticipated.

- **Postage**
  Associated pays all regular postage on behalf of the Funds, excluding mass mailings. The United States Postal Service implemented a rate hike in 2017 of 4.25% for first class mail, and on January 21, 2018 an increase of 2.1% in the cost of first class mail.

New Work and Ongoing Increased Work

- **Eligibility Rule Changes**
  The recently bargained Memorandum of Agreement includes multi-tiered eligibility rules which impact the timing and complexity of benefit implementation. Eligibility is no longer driven solely by employer contributions. This change has resulted in additional programming of the eligibility rules in our system. The participating employers do not have the same new-hire rules or contribution rates, causing further complexity.

- **Benefit Changes**
  Associated has managed benefit changes for the Health & Welfare Plan and implemented the new composite contribution rates. We have worked with Counsel and the consultant to produce SBC's and SMM's for all health plans. New SPDs have been drafted and distributed.

- **Multiple Consulting Firms**
  Associated will continue to work with the Health and Welfare Fund's three consulting firms in 2018: Cheiron (SOP/retiree liability projections), Segal (general consulting) and Heritage Rx (PBM negotiations), supplying all three vendors with data, and coordinating among them as needed.

- **Regulatory Changes**
  Over the last several years, regulations continue to affect benefits administration. Associated has increased its workforce, training, and systems to abide by these regulations.

- **Pension Protection Act of 2006 (PPA)/ Multiemployer Pension Reform Act of 2014 (MPRA)**
  The PPA and MPRA contain requirements for reporting which must be provided for participants, beneficiaries, unions, and participating employers. The Acts also require coordination with the Fund actuary, auditor and Counsel for the actuarial certification and distributions of the Annual Funding Notice, Notice of Critical Status and Multiemployer Plan Summary Report. Associated has consistently produced and mailed these notices and filed with the appropriate reporting entities, including the Department of Labor, EBSA, PBGC, the unions and the participating employers.

- **PPACA Information Reporting on Health Coverage**
  Associated annually produces and mails 1095-B forms to the Health & Welfare Plan participants detailing the months they (and their enrolled dependents) were offered health insurance coverage by the Plan. Associated produces Form 1094-C reporting to the IRS summary information for each Plan participant and transmits the 1095-C forms to the IRS.

- **Patient Centered Outcomes Research Institute ("PCORI") Fee**
  Associated produces the data and processes the premiums for the PCORI fees mandated by ACA, paid via IRS Form 720.

- **Transitional Reinsurance Fee ("TRF")**
  Associated produced the data and processed the TRF payments through Plan Year ending December 31, 2016.

- **Class Actions**
  Associated continues to work to ensure the Fund participates to its fullest extent and receives settlement checks whenever possible.

- **HIPAA and HITECH Act**
  This Act requires breach reporting regarding protected health information. Associated conducts ongoing in–house training of all our employees on the requirements of the Act and has established procedures for breach notification and reporting on behalf of the Fund.

- **Compliance Monitoring**
  Associated continues to provide a compliance monitoring program to help each of our client funds track regulatory reporting requirements, vendor contracts, and required documentation.

- **Information Technology Developments**
  Associated's highest cost increases and deliberate reinvestment have been in Information Technology. We paid over $767,000 in 2017. System enhancements allow us to better serve our clients and participants, and to maintain proper computer security.

- **Medicare Reporting**
  Monthly reporting to CMS on other coverage available to Medicare-eligible participants is required. Associated also diligently pursues all Retiree Drug Subsidies available to the Health & Welfare Fund, coordinating data submission with the PBM.

- **Other Compliance**
  New procedures were added to address Mental Health Parity and have already been added to address Michelle's Law. Since the Fund continued student coverage for dependents not covered by age 26 rules, Michele's Law did not simplify dependent coverage as it did in other funds. Annual production of SBCs are required for each plan of benefits and must be included in every enrollment package. Associated's communications department sends compliance notices such as Women's Health Care Rights Act, Notice of Creditable Coverage, SMMs, and SARs in the quarterly For Your Benefit newsletter, and also sent a total piece count of 48,283 other mass mailings to participants in 2017.

- **Fraud Protection**
  Associated implemented fraud protection processes with PNC bank requiring daily file transmittal and monitoring. Associated does not charge for its role in this process, but does the majority of work.

- **Government Agency Interaction**
  Unlike some of the professionals working for the Funds, Associated does not charge an hourly rate for the increasing interaction with the Department of Labor, Internal Revenue Service, and the Pension Benefit Guaranty Corporation. Given the Pension Fund's Critical Status, we anticipate increased recordkeeping, reporting and correspondence with various governmental agencies and participants will be required, involving additional work by our accounting, IT, communications and pension benefit departments.

  <u>Department of Labor ("DOL")</u>
  The DOL continues to send correspondence to Deferred Vested participants, encouraging participants to respond to the DOL. In turn, the DOL requires responses from the Fund office. Most of these participants have already received a prior estimate, but are not close to retirement age.

  In addition, we continue to support the UFCW Unions and Participating Employers Pension Fund regarding DOL investigations and the location efforts by the Fund office for deferred vested participants.

Associated has assigned three Account Executives and an Account Manager with over 50 years of health and pension fund administration experience to work on the Non Food Funds. Supporting the account team is a staff of over 99 employees, including accounting, communications, eligibility, medical claims, accident and sickness, participant services, pension and IT. They are dedicated to providing superior service. Our experienced staff and our IT investments allow us to efficiently manage the Funds through many complicated plan design changes. We strive for accuracy in processing. A recent audit of medical claims on another UFCW Fund revealed a remarkably low error ratio of 0.004%.

Here is a quick snapshot of processing in 2017: 90,854 medical claims, 454 accident and sickness claims, 158 appeals, 258 pension applications, 11 pre-retirement pension applications, 332 pension estimates, 44,968 incoming calls, and 77,113 pieces of incoming mail. We anticipate that the Funds will continue to experience large service demands.

We are proposing new rates effective June 1, 2018 for the Health and Welfare Fund and the Pension Fund, and January 1, 2019 for the Legal Benefits Fund, for ongoing work. We propose a three-year contract term with 3% annual rate increases. Please see Exhibit A for a full outline of the proposed rates for the Health and Welfare Fund and the Pension Fund through March 31, 2021 and Exhibit B for the Legal Benefits Fund through December 31, 2021. Please note, Associated's *overall* gross income will not increase by those rates. Our rates are based on the number of eligible Plan participants. Our income will be reduced by the impact of store closures and the voluntary separation process that is ongoing. Despite the reduction in income, our service level to the Funds will not be reduced, as we are facing increased service demands, especially in the areas of pension, retiree health, and COBRA processing.

Associated Administrators, LLC truly appreciates the opportunity to continue to serve the Funds and welcomes all questions concerning our proposal.

Sincerely,

Bill

William R. Jensen
President
Associated Administrators, LLC

NFFEELTR04-11-2018

UFCW AND PARTICIPATING EMPLOYERS

LEGAL BENEFITS FUND

EXHIBIT B

	Current Fee PPPM	01/01/19 -12/31/19 PPPM	01/01/20 -12/31/20 PPPM	01/01/21 –12/31/21 PPPM
Legal Fund	$1.49	$1.53	$1.58	$1.63

January 1, 2019 through December 31, 2021 Hourly Rates for New Regulatory Changes and Implementation of New Vendors:

$100/Hour - IT/Management
$ 60/Hour - Supervisor
$ 30/Hour - Regular Employees

INVOICES

UFCW UNIONS AND CONTRIBUTING EMPLOYERS LEGAL BENEFITS FUND

INVOICES

APRIL 25, 2019

1. ASSOCIATED ADMINISTRATORS, LLC

04/11/18	Meeting Expenses	$	107.10

2. SEGAL SELECT INSURANCE

04/17/18	Renewal of Fidelity Bond through Chubb for the period 04/26/18 – 04/26/19	$	654.00
03/11/19	Renewal of Fidelity Bond through Chubb for the period 04/26/19 – 04/26/20	$	654.00
04/16/19	Renewal of Fiduciary Insurance through Chubb for the period 04/30/19 – 04/30/20	$	3,688.00

3. SLEVIN & HART, P.C.

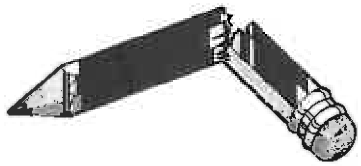
05/11/18	For Professional Services rendered through April 30, 2018	$	2,557.50
06/20/18	For Professional Services rendered through May 31, 2018	$	815.00
07/31/18	For Professional Services rendered through June 30,2018	$	1,468.50
08/22/18	For Professional Services rendered through July 31, 2018	$	875.50
09/26/16	For Professional Services rendered through August 31, 2018	$	1,550.12
10/22/18	For Professional Services rendered through September 30, 2018	$	1,408.50
11/30/18	For Professional Services rendered through October 31, 2018	$	849.50
12/31/18	For Professional Services rendered through November 30, 2018	$	620.50

4. **TRUSTEE EXPENSES**

04/27/18	D. Gwin – Reimbursement of expenses incurred at the April 11, 2018 Board of Trustees Meeting	$	59.53

5. **WITHUM (FORMERLY BOND BEEBE)**

11/04/18	A final billing for December 31, 2017 audit services and out-of-pocket expenses	$	2,220.00
08/05/18	First progress billing for services rendered in connection with the audit of the financial statements for the year ended December 31, 2017	$	10,000.00
12/02/18	For Professional services rendered through December 2, 2018 in connection with the compliance audit of Shoppers Food Warehouse	$	3,300.78



MEETING NOTES