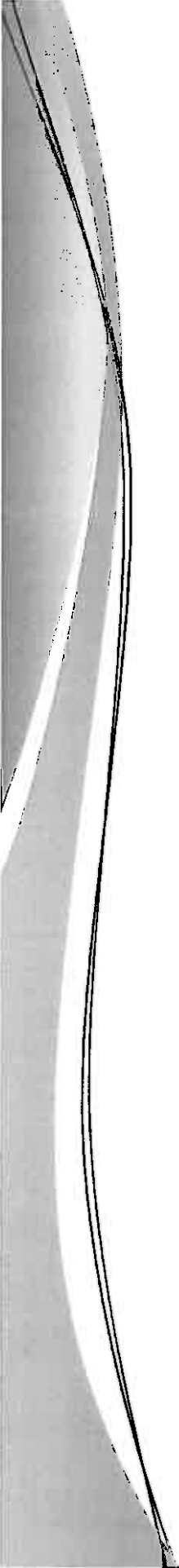


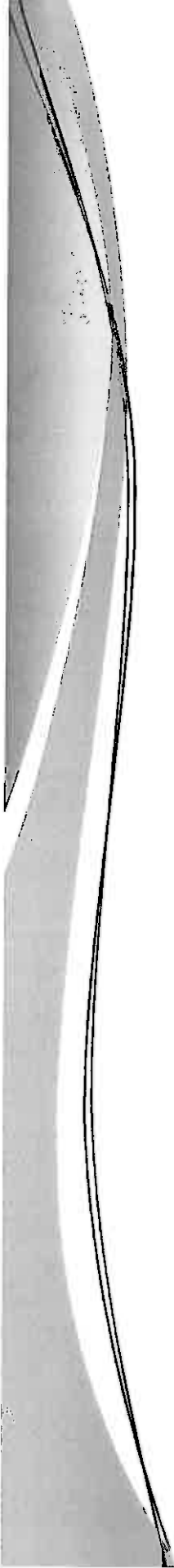
UFCW & FELRA SEVERANCE PLAN PROCESSING REVIEW

February 13, 2018



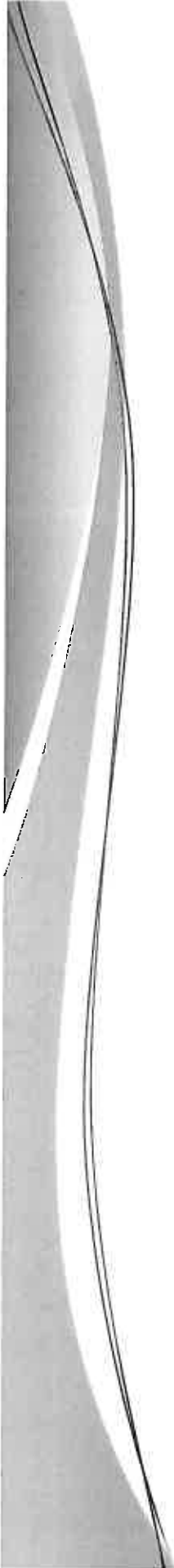
Severance Plan Definitions

- Severance from Service Date, per pages 12-13 SPD
- **Severance from Service Date.** Effective July 17, 2015, Your Severance from Service Date is the earlier of:
- (a) The date your employment with all Employers terminates; or



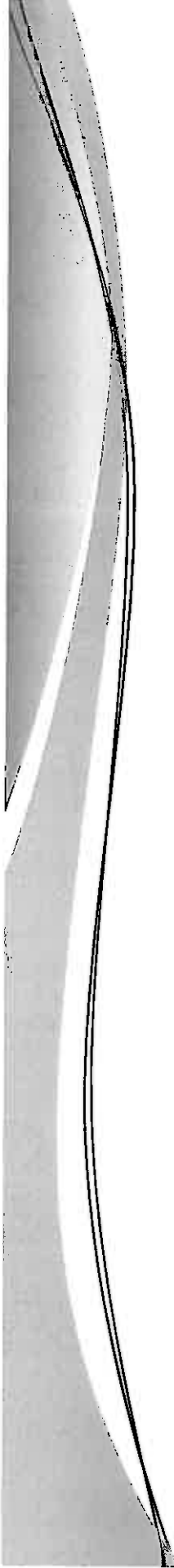
Severance from Service Date

- (b) If you are covered by a Collective Bargaining Agreement between your Employer and the Union, the earlier of: (i) the three-year anniversary of your approved leave of absence from employment because of: sickness; accident; pregnancy; or military reserve or National Guard training; or (ii) the expiration of your leave of absence under the Collective Bargaining Agreement applicable to you; or



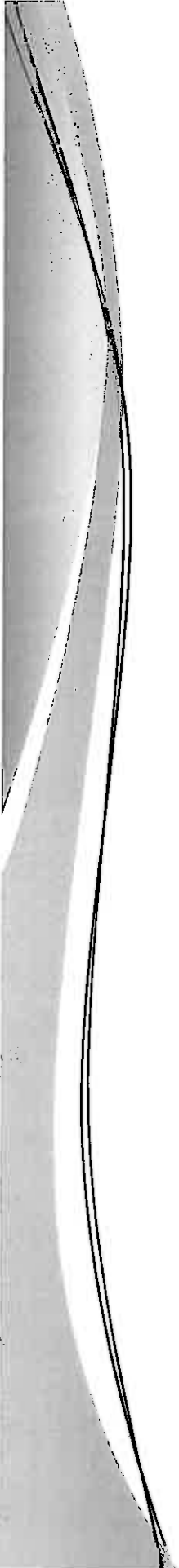
Severance from Service Date

- (c) If you are not covered by a Collective Bargaining Agreement between your Employer and the Union, the six month anniversary of your leave of absence (unless you have a right to reemployment with an Employer under law or contract, in which case your Severance From Service Date will be the last date of your leave of absence if you do not immediately return to employment for an Employer).



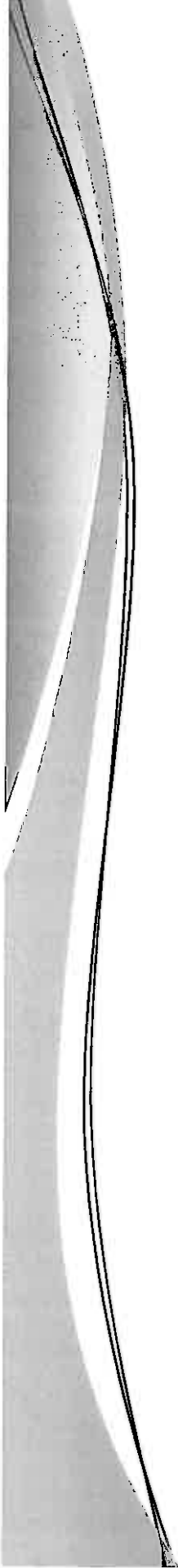
Severance from Service Date

- Whether you have experienced a termination of employment for purposes of determining your Severance from Service Date will be based on whether the facts and circumstances indicate that you and/or your Employer reasonably expected that you would perform no further services for the Employer. If you file a formal grievance relating to your termination, your Severance From Service Date will not occur until the earlier of: (i) the completion of the grievance process, provided the grievance process upholds your termination; (ii) the date you withdraw your grievance; or (iii) six months after your termination date that is the subject of the grievance, unless you provide written evidence to the Fund that arbitration has been filed relating to the grievance, in which case the applicable date will be the date the arbitration is concluded (by settlement or a decision of the arbitrator).



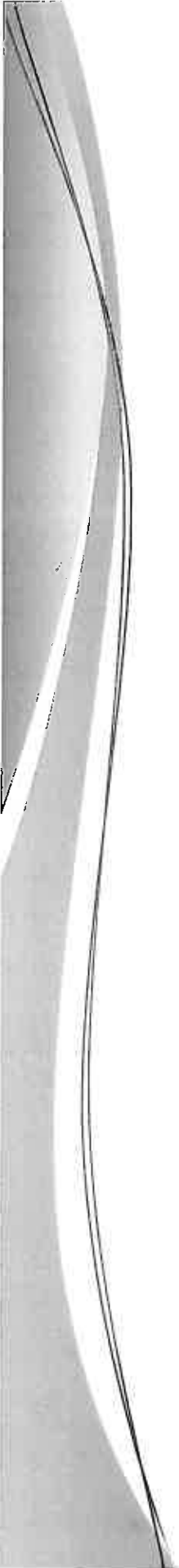
Severance from Service Date

- Termination Example
- LOA Example
- Transfer Outside of CBA Example



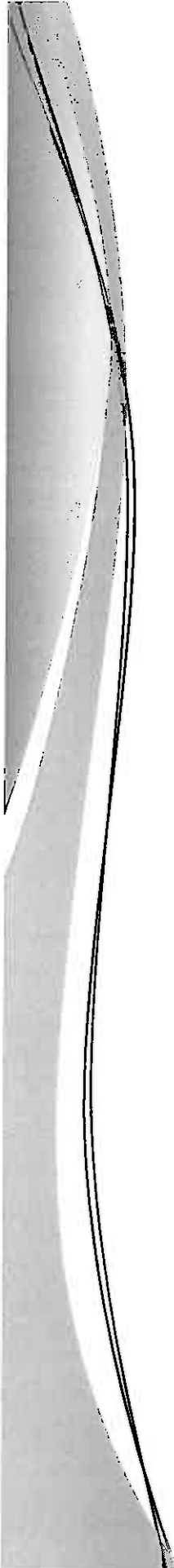
Termination example

- Denise is terminated September 9, 2017.
- Her severance from service date is that date, provided there is no expectation that she will immediately return to employment with any contributing employer (e.g. terminate with Giant and return to work with Safeway).
- Her earliest period of receipt of a severance check is 4 months from that date, and the latest she could receive a check is December 31, 2018.



LOA Example

- Priscilla is placed on medical LOA as of July 8, 2016.
- She subsequently was terminated by her employer, as of February 8, 2017.
- The earliest she can receive her severance benefit is June 8, 2017 (4 months after termination) as the termination occurred earlier than the date that would have been the three-year anniversary of the leave of absence.



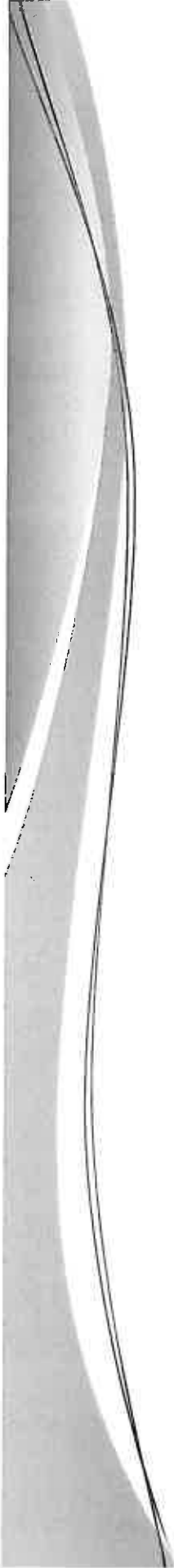
Transfer From CBA Position

- Michael transfers out of a CBA position as of July 31, 2016.
- 6 months after such transfer is January 31, 2017.
- The earliest he could receive his severance check is May 31, 2017. The latest he could receive his check is December 31, 2017.



SEVERANCE ESTIMATES

- On average, we receive 45 Requests for Estimates per month
- Requests for estimates received via:
 - Pension process
 - Phone calls
 - Benefit Service Request forms
 - Outreach by Fund office, such as notices sent upon COBRA eligibility
- Verification of deadline for collection
- Service/Hours verified with Employer
- Estimate Letter mailed to participant with reminder about deadline for collection
- Estimates increase during periods of buyouts or potential buyouts



SEVERANCE APPLICATIONS

- On average, we receive 26 Severance Applications per month, absent a buyout process, (which increases the application volume substantially)
- Verification of deadline for collection
- Hours/Service verified with employer
- Severance calculation is verified
- Tax withholding verified
 - Severance subject to Federal income tax, FICA/FUTA
- Salary must be verified, as severance payment cannot be greater than double annual salary



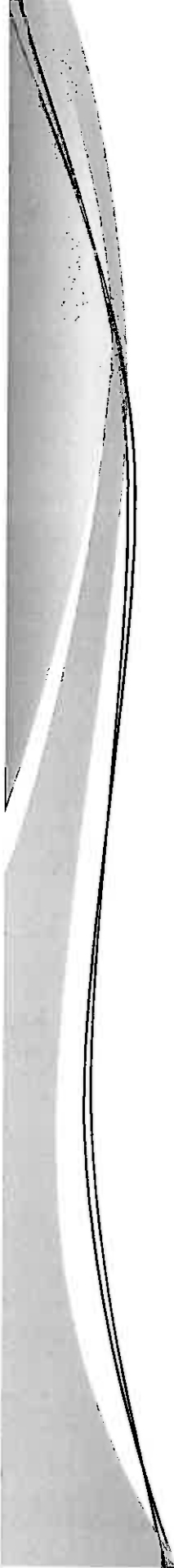
Severance Payment Deadlines

- You will receive your benefit no earlier than four months after your Severance from Service Date, and your benefit must be paid no later than the latest of:
 - 1) The last day of the calendar year in which the four-month waiting period expires; or
 - 2) The 15th day of the third calendar month following the expiration of the four-month waiting period.

Severance Payment Deadlines

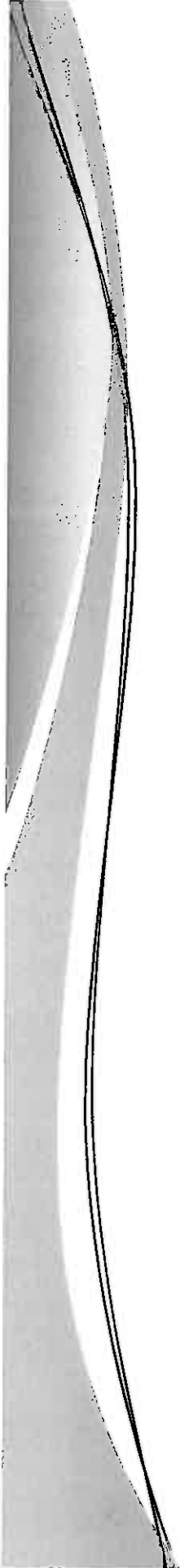
- Here are some examples of how it works:

Severance from Service Date:	You Can Receive Your Benefit on or After:	You <i>Must</i> Receive Your Benefit by this Date or it Is Forfeited:
January 15, 2018	May 15, 2018	December 31, 2018
April 1, 2018	August 1, 2018	December 31, 2018
June 22, 2018	October 22, 2018	January 15, 2019
July 10, 2018	November 10, 2018	February 15, 2019
August 13, 2018	December 13, 2018	March 15, 2019
October 20, 2018	February 20, 2019	December 31, 2019



Severance Appeals

- Current Severance Appeals Pending Committee Review



Exhibits

- Copies of Severance application and standard correspondence