United Food and Commercial Workers Unions
and Participating Employers
Pension Fund

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DRAFT

**MINUTES OF THE REHABILITATION COMMITTEE MEETING
OF THE BOARD OF TRUSTEES OF THE
UFCW UNIONS AND PARTICIPATING EMPLOYERS
PENSION FUND
SEPTEMBER 12, 2016
LANDOVER, MARYLAND**

The following Committee Members were present:

UNION COMMITTEE MEMBERS	EMPLOYER COMMITTEE MEMBERS
G. Murphy, Jr. – Secretary	D. Gwin – Chairperson
M. Federici	W. Seehafer

Also present were:

D. Blitzstein – D. Blitzstein Consulting
H. Burton - Morgan, Lewis, & Bockius LLP
J. Chorpenning – UFCW Local 27
D. Clutts – Associated Administrators, LLC
P. Hardcastle - Cheiron
C. Hoffmann – UFCW Local 400
T. Hipkins – UFCW Local 27
J. Ianniello - Associated Administrators, LLC
W. Jensen - Associated Administrators, LLC
R. Murray - Cheiron
B. Slevin - Slevin & Hart, P.C.

I. CALL TO ORDER

A quorum being present, Ms. Gwin called the Rehabilitation Plan Committee meeting to order.

II. CONSULTANT’S REPORT

The Committee Members welcomed Mr. Peter Hardcastle and Mr. Robert Murray of Cheiron to the meeting.

Mr. Hardcastle and Mr. Murray reviewed the RP based on the current assumptions and indicated the Fund would not emerge from critical status within the current statutory period absent changes to the contribution rates under the RP schedules. Mr. Hardcastle also advised that Cheiron was likely to update the mortality assumptions, which could increase the liability of the Fund.

The Committee Members discussed alternatives including using different assumptions and taking all reasonable measures. Mr. Seehafer asked for a review of increasing contributions and a review of offering a variable benefit plan. The Committee Members also discussed the potential for freezing the plan and having future service earned in the UFCW National Pension Fund. Mr. Seehafer also raised alternatives such as a defined contribution plan, and further reducing future service benefit levels. The Union Committee Members stated that they had no interest in the defined contribution alternative.

After discussions, the Committee Members asked Cheiron to produce projections that included the following scenario's: a updated mortality and interest assumption of 7% with a cost of providing future service in the current Fund; freeze the plan and the cost of future service in the UFCW National Pension Fund; the cost if service under the plan is frozen at the current level of benefits, with future service in a variable plan, the lump sum necessary to put the Fund into the green zone; and the benefit levels of an all reasonable measures RP with a $0.05 or $.10 cent per year increase in contribution rates. The Committee Members discussed a potential merger with the UFCW National Fund. After discussion,

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

RESOLVED to contact the UFCW National Pension Fund regarding a possible transfer of liabilities, merger, or future service arrangement.

Mr. Seehafer asked Cheiron to review the number of orphan participants, the cost of early retirement benefits and the potential for a floor benefit accrual of $16.75 in a variable plan.

The Committee Members asked Counsel to prepare a memorandum describing the Fund's options going forward.

III. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected October 21, 2016 in Landover, Maryland as their next meeting date and location.

IV. ADJOURNMENT

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

Respectfully submitted
George Murphy, Jr., Secretary