

Via Electronic Mail

May 31, 2023

Board of Trustees of the FELRA & UFCW Pension Fund
c/o Ms. Anne-Marie Sims
Associated Administrators, LLC
911 Ridgebrook Road
Sparks, Maryland 21152

Re: 2023 Fees for Actuarial Services for the FELRA & UFCW Pension Fund

Dear Trustees:

This letter represents our proposed fees for the year 2023, pursuant to Section 2 of the Consulting Agreement between Cheiron and the Food Employees Labor Relations Association & United Food and Commercial Workers Pension Fund.

A) Retainer – We propose that our annual fee for retainer services effective January 1, 2023 increase from \$107,508 (\$8,959 per month) to \$113,316 (\$9,443 per month). Historically our fee increases have been set with reference to the September CPI-U. The most recent increase, from September 2021 to September 2022, was 8.20%. Recognizing the stress of such an increase, we have limited our requested 2023 fee increase to 5.4% (the same as last year). Similar to prior years, the retainer fee covers the following services for the FELRA Pension Fund:

1. Conduct an annual solvency valuation of the Pension Fund including all standard required exhibits and disclosures as well as a detailed review and summary discussion of the Fund's assets and liabilities, funded status, historical trends, and future projections. This will result in a formal written report.
2. Attend one annual Board of Trustees meeting for the purpose of presenting the annual valuation report. The presentation will include historical trend analysis and deterministic and stochastic forecast projections using Cheiron's proprietary *P-Scan* interactive modeling tool.
3. Attend up to three additional Trustee/Policy Committee meetings per year.
4. Respond to the annual disclosure request of the Fund auditor.
5. Provide other Fund professionals any additional information required from the Fund auditor. Ad-hoc brief discussions with other Fund professionals that do not require follow-up work or communications.

Board of Trustees

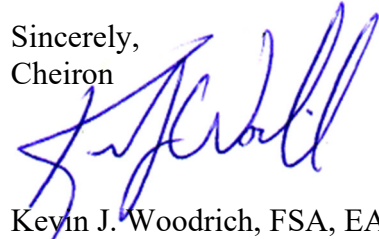
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B) Non-Retainer – With respect to special consulting projects, Cheiron’s hourly billing rates for our actuarial analysts and consultants will range between \$160 and \$525 per hour for 2023.

We look forward to working with you and the Trustees during 2023.

Sincerely,
Cheiron



Kevin J. Woodrich, FSA, EA, MAAA
Principal Consulting Actuary

cc: Gene M. Kalwarski, Cheiron

Accepted and Agreed To:

Signature

Date