

Via Electronic Mail

February 25, 2022

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: 2022 Fees for Actuarial Services for the FELRA & UFCW Pension Fund

Dear Trustees:

This letter represents our proposed fees for the year 2022, 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, 2022 increase from \$102,000 (\$8,500 per month) to \$107,508 (\$8,959 per month). This represents an increase of approximately 5.4% based on the increase in the CPI-U from September 2020 to September 2021.

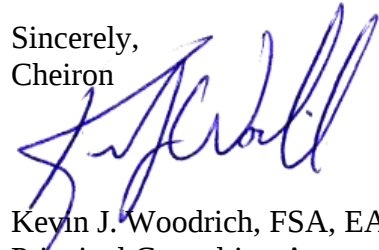
Similar to prior years, the retainer fee covers the following services for the FELRA Pension Fund:

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.

B) Non-Retainer – With respect to special consulting projects, Cheiron’s hourly billing rates for our actuarial analysts and consultants will range between \$152 and \$515 per hour for 2022.

We look forward to working with you and the Trustees during 2022.

Sincerely,
Cheiron



Kevin J. Woodrich, FSA, EA
Principal Consulting Actuary

cc: Gene M. Kalwarski, FSA, EA

Accepted and Agreed To:

Signature

Date