



October 7, 2020

The Board of Trustees:

Lithographers & Photoengravers Local 285 Welfare Fund

Re: Administrative Services Contract Renewal

Dear Trustees:

The administrative services contract between Associated Administrators, LLC (“Associated”) and the Lithographers & Photoengravers Local 285 Welfare Fund (“Fund”) expires November 30, 2020. We hope that the Trustees will consider favorably our request for a three-year agreement at the rates attached in Exhibit A, which represents a 3% increase each year, designed to cover increased costs of doing business.

Services Recap

Brief recap of some of the services provided by Associated over the last three years:

- Implemented new Cyber Liability Policy
- Implemented new Deductible Health Maintenance Organization (DHMO) benefit plan
- Revised the Summary Plan Description booklet
- Worked diligently to provide data to various vendors for special projects including the waiver of contribution study and request for proposals for an Investment Consultant
- Implemented changes related to COVID-19 and prepared analysis of the reserve impact

Associated works hard to control its operating costs, but some are increasing.

Employee Benefits

Associated’s bargaining unit employees participate in a multiemployer Health & Welfare Fund. Medical costs generally increase every year. Our unit employees are covered under a multiemployer Pension Plan. Those rates are scheduled to increase every year for nine years in accord with the Fund’s Rehabilitation Plan.

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. Failure to comply can result in fines and fees for the Trustees.

Information Technology

Associated's highest cost increases and deliberate reinvestment have been in Information Technology. We paid over \$700,000 in 2019 for system enhancements and support that allow us to better serve our clients and participants and maintain security (including software upgrades and new servers).

Postage

Associated pays all regular postage on behalf of the Fund, excluding mass mailings. The United States Postal Service implemented a 2.1% rate hike in 2018 and a 10% rate hike in 2019 for first class mail.

Associated has assigned to the Fund an Account Executive and an Account Manager with over 28 years of benefits fund administrative experience. Supporting the account management team are nine employees, which includes staff from our accounting, eligibility, communications, mailroom, appeals, participant services and IT departments. We are all dedicated to providing superior services.

Associated appreciates the opportunity to serve the Plan participants and the Trustees, and welcomes all questions concerning our proposal.

Sincerely,



Alicia Cochran
Account Executive
Associated Administrators, LLC

EXHIBIT A

Current Fee Per Month	12/01/2020 Through 11/30/2021	12/01/2021 Through 11/30/2022	12/01/2022 Through 11/30/2023
\$9,021	\$9,292	\$9,571	\$9,857
Monthly fee increase	\$271	\$279	\$287

12/01/2020 through 11/30/2023 Hourly Rates for New Regulatory Changes and
Implementation of New Vendors:

\$100/Hour – IT/Management

\$60/Hour – Supervisor

\$30/Hour – Regular Employee