# UFCW-Giant Variable Annuity Fund

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# Updated 2022 Valuation Results

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# Overview

- Updated 2022 Valuation Results
- Contribution Schedule

# Updated 2022 Valuation Results

- After the March 17, 2023, meeting, a group of participants, “RSP,” were identified that should be included in the Fund since the plan inception.
- After reviewing the plan document and with advice from co-counsel, it was determined:
  - RSP employees would first become participants in the plan effective January 1, 2022, if they met the eligibility requirements stated in the plan document (hired on or before January 1, 2021, and worked 1,000 hours during 2021), and
  - Will require a plan amendment to include these participants retro-actively to January 1, 2021, based on any reciprocal service.

# Updated 2022 Valuation Results

The impact for the actuarial valuations include the following:

- **2022 Valuation**
  - Increase to active count by 154 for a total of 9,713
  - Funded status remained at 98.59%
  - This increased normal cost (and minimum required contribution) for the plan year by approximately $50,000
- **2023 Valuation:**
  - If the plan is amended to grant benefits earned in 2021 for the RSP group, anticipate minimal liability increase similar to change in 2022 normal cost of $50,000 (approximately 0.2% of estimated total liabilities)

## Updated 2022 Actuarial Valuation Results

| Summary of Principal Results | 1/1/2021 | 1/1/2022 |
|---|---|---|
| **Liabilities** | | |
| Funding Target Liability (FTL) | $ 0 | $ 11,989,395 |
| Target Normal Cost (TNC) | 12,114,212 | 12,453,254 |
| Funding Shortfall | 0 | 168,852 |
| Shortfall Amortization Charge | 0 | 15,604 |
| Effective Interest Rate | 5.83% | 5.62% |
| **Assets** | | |
| Market Value of Assets (MVA) | $ 0 | $ 11,820,543 [1] |
| Actuarial Value of Assets (AVA) | 0 | 11,820,543 |
| **Funded Ratios** | | |
| Funded Percentage (AVA/FTL) | 100.00% | 98.59% |
| Adjusted Funding Target Attainment Percentage | 100.00% | 98.59% |
| Funding Target Attainment Percentage | 100.00% | 98.59% |
| Minimum Required Contribution (MRC) | $ 12,114,212 | $ 12,468,858 |
| Bargaining Contribution Obligation[2] | $ 12,114,212 | $ 12,468,858 |
| Quarterly Contribution | 0 | 0 |

[1] Reflects contribution receivables discounted to January 1, 2022.

[2] Based on our understanding that plan sponsor is to contribute the cost of benefits.

# 2022 Plan Year Contribution

## Summary of Contributions

**If contribute on last possible day…..**

| Minimum Required Contribution (MRC) - 2022 Plan Year | | | |
|---|---|---|---|
| | Date | | Amount |
| Minimum Required Contribution | 01/01/2022 | $ | 12,468,858 |
| Contribution During 2022 Plan Year to MRC* | 08/29/2022 | $ | 33,101 |
| | | | |
| Remaining Contribution Due if Paid on | **09/15/2023** | $ | 13,651,460 |
| | | | |
| **Maximum Deductible Contribution** | | | |
| Maximum Deductible Contribution Limit | | $ | 18,723,673 |
| Stabilization Reserve Contribution | | | 6,000,000 |
| Contribution Made during 2022 towards MRC | | | 33,101 |
| Maximum Deductible Contribution Limit Remaining | | $ | 12,690,572 |
| | | | |
| Amount of Remaining Contribution that is deductible for 2022 | | $ | 12,690,572 |
| Amount of Remaining Contribution that should be allocated to 2023 | | | 960,888 |
| Total Amount of Remaining Contribution | | $ | 13,651,460 |

* Excludes $6 million made for Stabilization Reserve

# 2023 Quarterly Contributions

## Summary of Contributions

- Quarterly contributions required in 2023 since Plan was less than 100% funded as of January 1, 2022.  No quarterlies anticipated for 2024+.
- Results have been updated to reflect the 1st quarterly contribution of $3.3 million paid April 14, 2023, and the final 2022 valuation results.

# 2023 Quarterly Contributions

## Summary of Contributions

- The schedule on the following page outlines the IRS minimum approach which is based on the prior year results
- Quarterly contributions are based on the lesser of:
  1) 100% of the prior year's required contribution
  2) 90% of the current year's required contribution (if available)

# 2023 Quarterly Contributions

## Summary of Contributions

| IRS Minimum Approach - 4 Quarterlies Plus True-up by 9/15/2024 | | | | |
|---|---|---|---|---|
| | Date | Contribution Amount | | Amount Discounted to Valuation Date |
| Minimum Required Contribution (estimated) | 01/01/2023 | | | $ 12,450,000 |
| 1st Quarterly Contribution | 04/14/2023 | 3,300,000 | | $ 3,251,038 |
| 2nd Quarterly Contribution | 07/14/2023 | 2,934,430 | | $ 2,852,964 |
| 3rd Quarterly Contribution | 10/13/2023 | 3,117,215 | * | $ 2,990,912 |
| 4th Quarterly Contribution | 01/15/2024 | 3,117,215 | * | $ 2,950,387 |
| Remaining Amount Payable for the 2023 Plan Year after Quarterly Contributions | | | | $ 404,699 |
| Remaining Contribution Due if Paid on | **09/15/2024** | $ 442,995 | * | $ 404,699 |

* Will be adjusted based on actual 2023 MRC.

# Summary of Contributions

| Table V-5 Schedule of Required Contributions | | | |
|---|---|---|---|
| Payment Due Date | Plan Year Ending | | |
| | December 31, 2021 | December 31, 2022 | December 31, 2023 |
| 2/28/2022 | | $ 6,000,000 [1] | |
| 8/29/2022 | $ 13,309,217 | $ 33,101 | |
| 1/15/2023 | | | |
| 4/14/2023 | | | $ 3,300,000 [2] |
| 7/14/2023 | | | $ 2,934,430 [2] |
| 9/15/2023 | | $ 13,651,460 | |
| 10/13/2023 | | | $ 3,117,215 [2] |
| 1/15/2024 | | | $ 3,117,215 [2] |
| 9/15/2024 | | | TBD |
| Discount to BOY | $ (1,195,005) | $ (1,267,608) | N/A |
| Total | $ 12,114,212 | $ 18,416,953 | TBD |

[1] Stabilization Reserve contribution; ignored for funding policy contribution determination.

[2] The final contribution for the 2023 plan year, due no later than September 15, 2024, has not yet been determined.

# Reliance

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This analysis was based on the current assumptions and methods and membership data used in performing the preliminary January 1, 2022 Actuarial Valuation and estimated financial data through December 31, 2022, except as otherwise noted. Assumptions, methods, and participant valuation data will be outlined in the January 1, 2022 Actuarial Valuation Report. Actual results can be expected to differ to the extent that future experience differs from the actuarial assumptions used.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

The results of this presentation rely on future Plan experience conforming to the underlying assumptions and methods outlined in this presentation. To the extent that the actual Plan experience deviates from the underlying assumptions and methods, or there are any changes in Plan provisions or applicable laws, the results would vary accordingly.

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