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June 20, 2025

Board of Trustees
UFCW Local 400
8400 Corporate Drive, Suite 200
Landover, MD 20785

Re: United Food and Commercial Workers (UFCW) Unions and Participating Employers Health and Welfare Fund - Maintenance of Benefits (MOB) Rates - Effective July 1, 2025

Dear Trustees:

Per the Memorandum of Agreement effective July 14, 2024 (current MOA), Segal has updated the calculation of the maintenance of benefit (MOB) rates for the Shopper's plans for the period July 1, 2025 through June 30, 2026 with updated data through March 31, 2025.

This letter and the attached exhibits illustrate the calculations of the proposed MOB rates utilizing Segal's methodology. The calculations are based on a 2-year weighting of historical expenses provided by the Administrative Manager's Reports (AMRs), trending experience from the midpoint of the experience period to the midpoint of the projection period, and setting lives back three months for the lag between paid claims and incurred claims.

These calculations exclude the retiree expenses.

For purposes of these calculations, we have determined the rates for each plan individually and calculated the rates to achieve the same total cost using an average increase across all plans. The average increase calculated across all plans using this method is 3.1%. We have also determined the maximum rates in accordance with the current MOA, with a maximum increase of 8.0%. The calculated rates are set to equal total costs and do not include any adjustment to build or adjust reserves.

A brief summary of each exhibit is as follows:

- Exhibit 1: Aggregate Expenses for the 24-month period ending March 31, 2025
- Exhibit 2: Per Capita Expenses for the 24-month period ending March 31, 2025
- Exhibit 3: Trend Assumptions
- Exhibit 4: Trended Per Capita Expenses for the 12 months ending June 30, 2026
- Exhibit 5: Historical Enrollment by Plan based on the AMRs

The following chart illustrates the current and proposed rates calculated on an individual and average basis:

Proposed MOB Contribution Rates for the Shopper's Plans
Effective July 1, 2025

	Assumed Lives	Current Rates	Projected Rates by Plan Cost	% Change	Proposed Rates	% Change	MOA Max Rates	% Change
Plan JSS-2	185	$1,601.87	$1,636.09	2.1%	$1,652.04	3.1%	$1,730.02	8.0%
Plan Y Full-Time	152	$1,288.26	$1,658.34	28.7%	$1,328.61	3.1%	$1,391.32	8.0%
Plan Y Part-Time Individual	186	$649.78	$730.07	12.4%	$670.13	3.1%	$701.76	8.0%
Plan Y Part-Time Family	58	$1,842.26	$1,526.65	-17.1%	$1,899.96	3.1%	$1,989.64	8.0%
Plan Y20 Full-Time	13	$736.02	$772.13	4.9%	$759.07	3.1%	$794.90	8.0%
Plan Y20 Part-Time	30	$350.42	$729.52	108.2%	$361.40	3.1%	$378.45	8.0%
Plan Y30 Full-Time	39	$680.81	$188.01	-72.4%	$702.13	3.1%	$735.27	8.0%
Plan Y30 Part-Time	165	$328.69	$161.25	-50.9%	$338.99	3.1%	$354.99	8.0%
Plan Y40 Part-Time	247	$45.48	$52.97	16.5%	$46.90	3.1%	$49.12	8.0%
Total / Composite	**1,075**	**$773.93**	**$798.17**	**3.1%**	**$798.17**	**3.1%**	**$835.84**	**8.0%**

Please let me know if you have any questions or require additional information.

Sincerely,

Josh Timm
Senior Vice President

cc: Mr. Chris Heppner
Mr. Jeff Ianniello
Ms. Lauren Fratzke
Ms. Elizabeth Pierce

Attachments (6500349)

The projections in this report are estimates of future costs and are based on information available to Segal at the time the projections were made. Segal has not audited the information provided. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, changes in medical innovation/FDA approvals, trend rates, and claims volatility. The accuracy and reliability of projections decrease as the projection period increases.

Exhibit 1

United Food and Commercial Workers (UFCW) Unions and Participating Employers Health and Welfare Fund

Aggregate Expenses by Plan for the 24-Month Period April 1, 2023 through March 31, 2025

Based on the Administrative Manager's Reports (AMRs)

	Plan JSS-2	Plan Y Full-Time	Plan Y Part-Time Individual	Plan Y Part-Time Family	Plan Y20 Full-Time	Plan Y20 Part-Time	Plan Y30 Full-Time	Plan Y30 Part-Time	Plan Y40 Part-Time	Grand Total
Prior Period: April 1, 2023 through March 31, 2024										
Benefit Expenses										
Medical	$1,898,525	$1,533,022	$979,336	$1,023,574	$29,753	$359,452	$2,995	$104,626	$0	$5,931,283
HMO	0	0	13,814	0	0	0	0	0	0	13,814
Life and AD&D	9,827	9,196	5,756	1,816	664	1,227	933	1,261	541	31,221
Disability	131,190	99,440	72,696	23,542	5,718	5,183	1,774	7,118	2,339	349,000
Dental	92,462	56,181	57,717	25,735	796	2,779	980	2,757	1,209	240,616
Optical	10,793	5,760	7,142	2,296	424	1,550	562	1,544	710	30,781
Drug	946,851	764,571	171,431	105,135	81,260	(11,921)	(8,971)	(12,990)	0	2,035,366
Medical Administration	38,130	29,588	36,231	11,743	2,252	7,888	3,449	7,891	0	137,172
Mental Health Manager	17,455	11,828	38,283	8,710	340	1,257	526	1,248	0	79,647
EAP	0	1,279	1,576	510	0	0	0	0	0	3,365
PPO	18,535	14,333	17,727	5,712	1,057	3,896	1,535	3,843	0	66,638
UM/DM	40,554	31,420	38,673	12,522	2,329	8,502	3,604	8,376	0	145,980
Sub-Total	**$3,204,322**	**$2,556,618**	**$1,440,382**	**$1,221,295**	**$124,593**	**$379,813**	**$7,387**	**$125,674**	**$4,799**	**$9,064,883**
Operating Expenses										
Administration Fee	$35,066	$28,356	$35,849	$10,758	$2,572	$6,573	$8,151	$18,668	$36,930	$182,923
Miscellaneous	84,313	68,356	86,561	25,914	6,149	15,903	19,058	43,823	87,339	437,416
Administration HIPAA	859	694	881	262	63	160	200	458	906	4,483
Sub-Total	**$120,238**	**$97,406**	**$123,291**	**$36,934**	**$8,784**	**$22,636**	**$27,409**	**$62,949**	**$125,175**	**$624,822**
Grand Total	**$3,324,560**	**$2,654,024**	**$1,563,673**	**$1,258,229**	**$133,377**	**$402,449**	**$34,796**	**$188,623**	**$129,974**	**$9,689,705**
Current Period: April 1, 2024 through March 31, 2025										
Benefit Expenses										
Medical	$1,433,445	$1,695,526	$1,057,967	$517,567	$23,841	$162,004	$42,017	$105,651	$0	$5,038,018
HMO	0	0	15,695	0	0	0	0	0	0	15,695
Life and AD&D	9,229	8,845	5,073	1,716	655	1,030	1,339	1,287	835	30,009
Disability	115,840	133,391	47,093	14,750	5,765	632	3,370	3,862	0	324,703
Dental	87,752	54,253	51,548	24,203	778	2,307	1,607	2,785	1,901	227,134
Optical	10,129	5,534	6,352	2,146	397	1,268	803	1,584	1,106	29,319
Drug	1,425,732	716,209	121,070	201,147	55,807	4,364	33,524	13,489	0	2,571,342
Medical Administration	36,807	29,233	33,003	11,299	2,089	6,695	4,870	8,811	0	132,807
Mental Health Manager	8,227	12,655	10,134	4,145	402	1,296	2,661	2,133	0	41,653
EAP	0	1,343	1,528	523	0	0	0	0	0	3,394
PPO	18,735	14,856	16,848	5,776	1,075	3,443	2,427	4,354	0	67,514
UM/DM	46,607	36,887	41,896	14,412	2,651	8,503	5,987	11,060	0	168,003
Sub-Total	**$3,192,503**	**$2,708,732**	**$1,408,207**	**$797,684**	**$93,460**	**$191,542**	**$98,605**	**$155,016**	**$3,842**	**$8,649,591**
Operating Expenses										
Administration Fee	$34,604	$28,337	$34,292	$10,918	$2,579	$5,802	$7,495	$28,783	$46,378	$199,188
Miscellaneous	66,337	54,327	65,962	20,877	4,914	11,050	14,092	55,752	88,545	381,856
Administration HIPAA	845	693	840	268	61	142	184	704	1,134	4,871
Sub-Total	**$101,786**	**$83,357**	**$101,094**	**$32,063**	**$7,554**	**$16,994**	**$21,771**	**$85,239**	**$136,057**	**$585,915**
Grand Total	**$3,294,289**	**$2,792,089**	**$1,509,301**	**$829,747**	**$101,014**	**$208,536**	**$120,376**	**$240,255**	**$139,899**	**$9,235,506**

Exhibit 2
United Food and Commercial Workers (UFCW) Unions and Participating Employers Health and Welfare Fund
Per Capita Expenses by Plan for the 24-Month Period April 1, 2023 through March 31, 2025
Based on the Administrative Manager's Reports (AMRs)

	Plan JSS-2	Plan Y Full-Time	Plan Y Part-Time Individual	Plan Y Part-Time Family	Plan Y20 Full-Time	Plan Y20 Part-Time	Plan Y30 Full-Time	Plan Y30 Part-Time	Plan Y40 Part-Time	Grand Total
Prior Period: April 1, 2023 through March 31, 2024										
Benefit Expenses										
Medical	$778.40	$768.43	$383.15	$1,343.27	$177.10	$758.34	$6.40	$93.75	$0.00	$480.93
HMO	$0.00	$0.00	$5.40	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1.12
Life and AD&D	$4.03	$4.61	$2.25	$2.38	$3.95	$2.59	$1.99	$1.13	$0.23	$2.53
Disability	$53.79	$49.84	$28.44	$30.90	$34.04	$10.93	$3.79	$6.38	$0.99	$28.30
Dental	$37.91	$28.16	$22.58	$33.77	$4.74	$5.86	$2.09	$2.47	$0.51	$19.51
Optical	$4.43	$2.89	$2.79	$3.01	$2.52	$3.27	$1.20	$1.38	$0.30	$2.50
Drug	$388.21	$383.24	$67.07	$137.97	$483.69	($25.15)	($19.17)	($11.64)	$0.00	$165.03
Medical Administration	$15.63	$14.83	$14.17	$15.41	$13.40	$16.64	$7.37	$7.07	$0.00	$11.12
Mental Health Manager	$7.16	$5.93	$14.98	$11.43	$2.02	$2.65	$1.12	$1.12	$0.00	$6.46
EAP	$0.00	$0.64	$0.62	$0.67	$0.00	$0.00	$0.00	$0.00	$0.00	$0.27
PPO	$7.60	$7.18	$6.94	$7.50	$6.29	$8.22	$3.28	$3.44	$0.00	$5.40
UM/DM	$16.63	$15.75	$15.13	$16.43	$13.86	$17.94	$7.70	$7.51	$0.00	$11.84
Sub-Total	**$1,313.79**	**$1,281.51**	**$563.53**	**$1,602.75**	**$741.63**	**$801.29**	**$15.78**	**$112.61**	**$2.04**	**$735.01**
Operating Expenses										
Administration Fee	$14.38	$14.21	$14.03	$14.12	$15.31	$13.87	$17.42	$16.73	$15.68	$14.83
Miscellaneous	$34.57	$34.26	$33.87	$34.01	$36.60	$33.55	$40.72	$39.27	$37.09	$35.47
Administration HIPAA	$0.35	$0.35	$0.34	$0.34	$0.38	$0.34	$0.43	$0.41	$0.38	$0.36
Sub-Total	**$49.30**	**$48.83**	**$48.24**	**$48.47**	**$52.29**	**$47.76**	**$58.57**	**$56.41**	**$53.15**	**$50.66**
Grand Total Expenses	**$1,363.08**	**$1,330.34**	**$611.77**	**$1,651.22**	**$793.91**	**$849.05**	**$74.35**	**$169.02**	**$55.19**	**$785.67**
Current Rates	**$1,601.87**	**$1,288.26**	**$649.78**	**$1,842.26**	**$736.02**	**$350.42**	**$680.81**	**$328.69**	**$45.48**	**$861.43**
Loss-Ratio (Expenses / Rates)	**85.1%**	**103.3%**	**94.1%**	**89.6%**	**107.9%**	**242.3%**	**10.9%**	**51.4%**	**121.4%**	**91.2%**
Average/Historical Lives (Lagged)	**203**	**166**	**213**	**64**	**14**	**40**	**39**	**93**	**196**	**1,028**
Current Period: April 1, 2024 through March 31, 2025										
Benefit Expenses										
Medical	$625.41	$913.05	$468.33	$721.85	$134.69	$415.39	$77.38	$59.09	$0.00	$387.66
HMO	$0.00	$0.00	$6.95	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1.21
Life and AD&D	$4.03	$4.76	$2.25	$2.39	$3.70	$2.64	$2.47	$0.72	$0.28	$2.31
Disability	$50.54	$71.83	$20.85	$20.57	$32.57	$1.62	$6.21	$2.16	$0.00	$24.98
Dental	$38.29	$29.22	$22.82	$33.76	$4.40	$5.92	$2.96	$1.56	$0.64	$17.48
Optical	$4.42	$2.98	$2.81	$2.99	$2.24	$3.25	$1.48	$0.89	$0.37	$2.26
Drug	$622.05	$385.68	$53.59	$280.54	$315.29	$11.19	$61.74	$7.54	$0.00	$197.86
Medical Administration	$16.06	$15.74	$14.61	$15.76	$11.80	$17.17	$8.97	$4.93	$0.00	$10.22
Mental Health Manager	$3.59	$6.81	$4.49	$5.78	$2.27	$3.32	$4.90	$1.19	$0.00	$3.21
EAP	$0.00	$0.72	$0.68	$0.73	$0.00	$0.00	$0.00	$0.00	$0.00	$0.26
PPO	$8.17	$8.00	$7.46	$8.06	$6.07	$8.83	$4.47	$2.44	$0.00	$5.19
UM/DM	$20.33	$19.86	$18.55	$20.10	$14.98	$21.80	$11.03	$6.19	$0.00	$12.93
Sub-Total	**$1,392.89**	**$1,458.66**	**$623.38**	**$1,112.53**	**$528.02**	**$491.13**	**$181.59**	**$86.70**	**$1.29**	**$665.56**
Operating Expenses										
Administration Fee	$15.10	$15.26	$15.18	$15.23	$14.57	$14.88	$13.80	$16.10	$15.60	$15.33
Miscellaneous	$28.94	$29.26	$29.20	$29.12	$27.76	$28.33	$25.95	$31.18	$29.78	$29.38
Administration HIPAA	$0.37	$0.37	$0.37	$0.37	$0.34	$0.36	$0.34	$0.39	$0.38	$0.37
Sub-Total	**$44.41**	**$44.89**	**$44.75**	**$44.72**	**$42.68**	**$43.57**	**$40.09**	**$47.67**	**$45.76**	**$45.08**
Grand Total Expenses	**$1,437.30**	**$1,503.55**	**$668.13**	**$1,157.25**	**$570.70**	**$534.71**	**$221.69**	**$134.37**	**$47.06**	**$710.64**
Current Rates	**$1,601.87**	**$1,288.26**	**$649.78**	**$1,842.26**	**$736.02**	**$350.42**	**$680.81**	**$328.69**	**$45.48**	**$785.79**
Loss-Ratio (Expenses / Rates)	**89.7%**	**116.7%**	**102.8%**	**62.8%**	**77.5%**	**152.6%**	**32.6%**	**40.9%**	**103.5%**	**90.4%**
Average/Historical Lives (Lagged)	**191**	**155**	**188**	**60**	**15**	**33**	**45**	**149**	**248**	**1,083**

Exhibit 3
United Food and Commercial Workers (UFCW) Unions and Participating Employers Health and Welfare Fund
Assumed Trend Rates

Aggregate	Annual Trend
Benefit Expenses	
Medical	7.0%
HMO	7.0%
Life and AD&D	46.7%
Disability	0.0%
Dental[1]	3.7%
Optical	0.0%
Drug	12.0%
Retirees	0.0%
Medical Administration	3.0%
Mental Health Manager	7.0%
EAP	0.0%
PPO	3.0%
UM/DM	3.0%
Operating Expenses	
Administration Fee	3.0%
Miscellaneous	3.0%
Administration HIPAA	2.6%

[1] Using known rates through December 31, 2025.

Exhibit 4

United Food and Commercial Workers (UFCW) Unions and Participating Employers Health and Welfare Fund

Trended Per Capita Expenses by Plan for the 12-Month Period July 1, 2025 through June 30, 2026

	Plan JSS-2	Plan Y Full-Time	Plan Y Part-Time Individual	Plan Y Part-Time Family	Plan Y20 Full-Time	Plan Y20 Part-Time	Plan Y30 Full-Time	Plan Y30 Part-Time	Plan Y40 Part-Time	Grand Total
Benefit Expenses										
Medical	$772.59	$975.39	$495.75	$1,076.11	$170.31	$613.18	$58.32	$81.37	$0.00	$448.49
HMO	0.00	0.00	7.24	0.00	0.00	0.00	0.00	0.00	0.00	1.25
Life and AD&D	8.33	9.71	4.65	4.94	7.88	5.42	4.67	1.86	0.53	4.70
Disability	51.68	64.14	23.50	24.18	33.08	4.88	5.36	3.64	0.35	24.70
Dental	39.84	30.13	23.74	35.25	4.71	6.16	2.78	1.95	0.62	17.90
Optical	4.42	2.95	2.81	3.00	2.34	3.26	1.38	1.06	0.35	2.24
Drug	659.63	475.21	72.45	280.25	467.66	(3.06)	38.66	0.40	0.00	215.40
Medical Administration	16.80	16.29	15.27	16.51	13.07	17.94	8.87	6.01	0.00	10.63
Mental Health Manager	5.55	7.36	9.44	8.90	2.47	3.49	3.99	1.32	0.00	4.58
EAP	0.00	0.69	0.66	0.71	0.00	0.00	0.00	0.00	0.00	0.25
PPO	8.42	8.14	7.68	8.30	6.50	9.10	4.27	2.95	0.00	5.32
UM/DM	20.08	19.43	18.30	19.85	15.40	21.57	10.39	7.03	0.00	12.69
Sub-Total	**$1,587.34**	**$1,609.44**	**$681.49**	**$1,478.00**	**$723.43**	**$681.92**	**$138.70**	**$107.61**	**$1.85**	**$748.15**
Operating Expenses										
Administration Fee	$15.68	$15.72	$15.60	$15.67	$15.67	$15.33	$15.94	$17.24	$16.51	$16.10
Miscellaneous	32.69	32.79	32.60	32.60	32.66	31.89	32.98	35.98	34.21	33.53
Administration HIPAA	0.38	0.38	0.38	0.38	0.37	0.37	0.39	0.42	0.40	0.39
Sub-Total	**$48.75**	**$48.90**	**$48.58**	**$48.65**	**$48.70**	**$47.60**	**$49.31**	**$53.64**	**$51.12**	**$50.02**
Projected Cost by Plan	**$1,636.09**	**$1,658.34**	**$730.07**	**$1,526.65**	**$772.13**	**$729.52**	**$188.01**	**$161.25**	**$52.97**	**$798.17**
Current Rates	**$1,601.87**	**$1,288.26**	**$649.78**	**$1,842.26**	**$736.02**	**$350.42**	**$680.81**	**$328.69**	**$45.48**	**$773.93**
Increase / (Decrease)	**2.1%**	**28.7%**	**12.4%**	**-17.1%**	**4.9%**	**108.2%**	**-72.4%**	**-50.9%**	**16.5%**	**3.1%**
Calculated Rates (Calculated in Total)	**$1,652.04**	**$1,328.61**	**$670.13**	**$1,899.96**	**$759.07**	**$361.40**	**$702.13**	**$338.99**	**$46.90**	**$798.17**
Current Rates	**$1,601.87**	**$1,288.26**	**$649.78**	**$1,842.26**	**$736.02**	**$350.42**	**$680.81**	**$328.69**	**$45.48**	**$773.93**
Increase / (Decrease)	**3.1%**	**3.1%**	**3.1%**	**3.1%**	**3.1%**	**3.1%**	**3.1%**	**3.1%**	**3.1%**	**3.1%**
MOA Maximum	**$1,730.02**	**$1,391.32**	**$701.76**	**$1,989.64**	**$794.90**	**$378.45**	**$735.27**	**$354.99**	**$49.12**	**$835.84**
Current Rates	**$1,601.87**	**$1,288.26**	**$649.78**	**$1,842.26**	**$736.02**	**$350.42**	**$680.81**	**$328.69**	**$45.48**	**$773.93**
Increase / (Decrease)	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**
Current/Projected Lives	**185**	**152**	**186**	**58**	**13**	**30**	**39**	**165**	**247**	**1,075**

Exhibit 5

United Food and Commercial Workers (UFCW) Unions and Participating Employers Health and Welfare Fund

Enrollment by Plan

Based on the Administrative Manager's Reports (AMRs)

Quarter Ending	Plan JSS-2	Plan Y Full-Time	Plan Y Part-Time Individual	Plan Y Part-Time Family	Plan Y20 Full-Time	Plan Y20 Part-Time	Plan Y30 Full-Time	Plan Y30 Part-Time	Plan Y40 Part-Time	Total Actives
December-18	455	368	615	173	28	209	17	136	367	2,368
March-19	444	353	600	170	29	190	19	144	346	2,295
June-19	438	345	588	165	29	172	17	140	386	2,280
September-19	428	325	564	158	26	156	15	118	408	2,198
December-19	413	312	558	155	22	146	15	109	407	2,137
March-20	359	280	486	138	19	126	11	87	355	1,861
June-20	453	326	607	167	21	146	12	149	273	2,154
September-20	257	224	336	98	11	86	8	69	244	1,333
December-20	260	227	325	97	11	82	12	65	235	1,314
March-21	247	213	305	94	11	77	13	58	232	1,250
June-21	247	208	301	92	12	76	15	58	255	1,264
September-21	239	203	292	91	13	72	16	53	275	1,254
December-21	228	197	281	84	14	66	16	49	255	1,190
March-22	210	185	265	73	13	65	16	67	203	1,097
June-22	208	177	244	71	13	56	15	93	157	1,034
September-22	207	175	234	69	12	50	15	89	175	1,026
December-22	208	174	230	69	12	44	19	82	168	1,006
March-23	206	170	224	67	13	41	26	81	168	996
June-23	204	170	219	64	14	41	32	80	174	998
September-23	201	164	208	63	14	40	41	105	214	1,050
December-23	202	161	201	60	15	36	57	106	229	1,067
March-24	198	156	195	60	16	34	57	137	231	1,084
June-24	192	157	184	62	15	34	49	144	268	1,105
September-24	188	153	186	59	14	31	37	153	250	1,071
December-24	186	153	188	58	14	31	38	162	242	1,072
March-25	185	152	186	58	13	30	39	165	247	1,075