UFCW Unions & Participating Employers Pension Fund

CHEIRON
Classic Values, Innovative Advice

2024 Preliminary Actuarial Valuation Results

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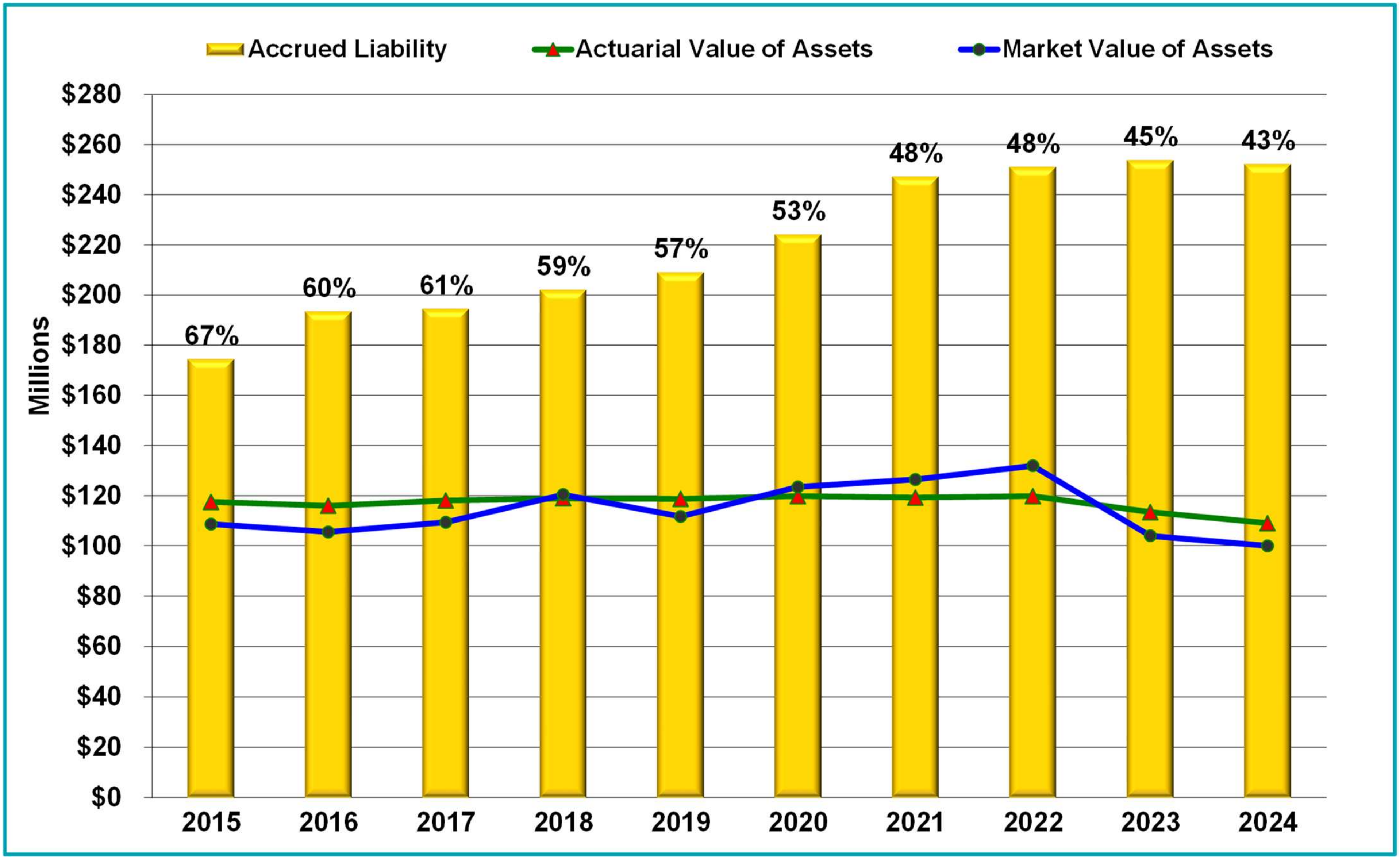
Topics for Discussion

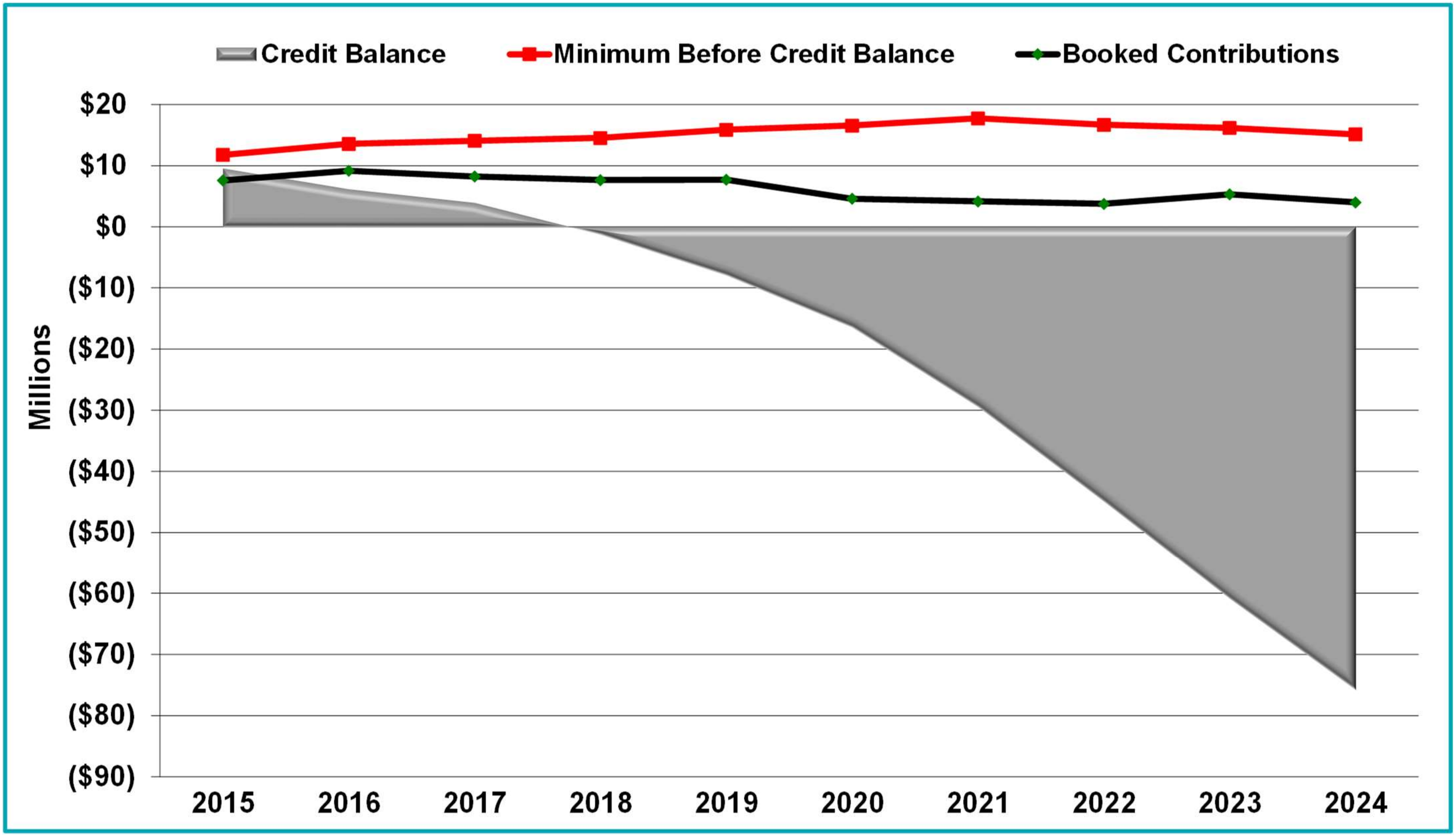
- 2024 Preliminary Actuarial Valuation
  - Historical Review
  - Preliminary Results
- SFA
  - UNFI Hours
  - CBU assumption

Historical Review: Assets & Liabilities

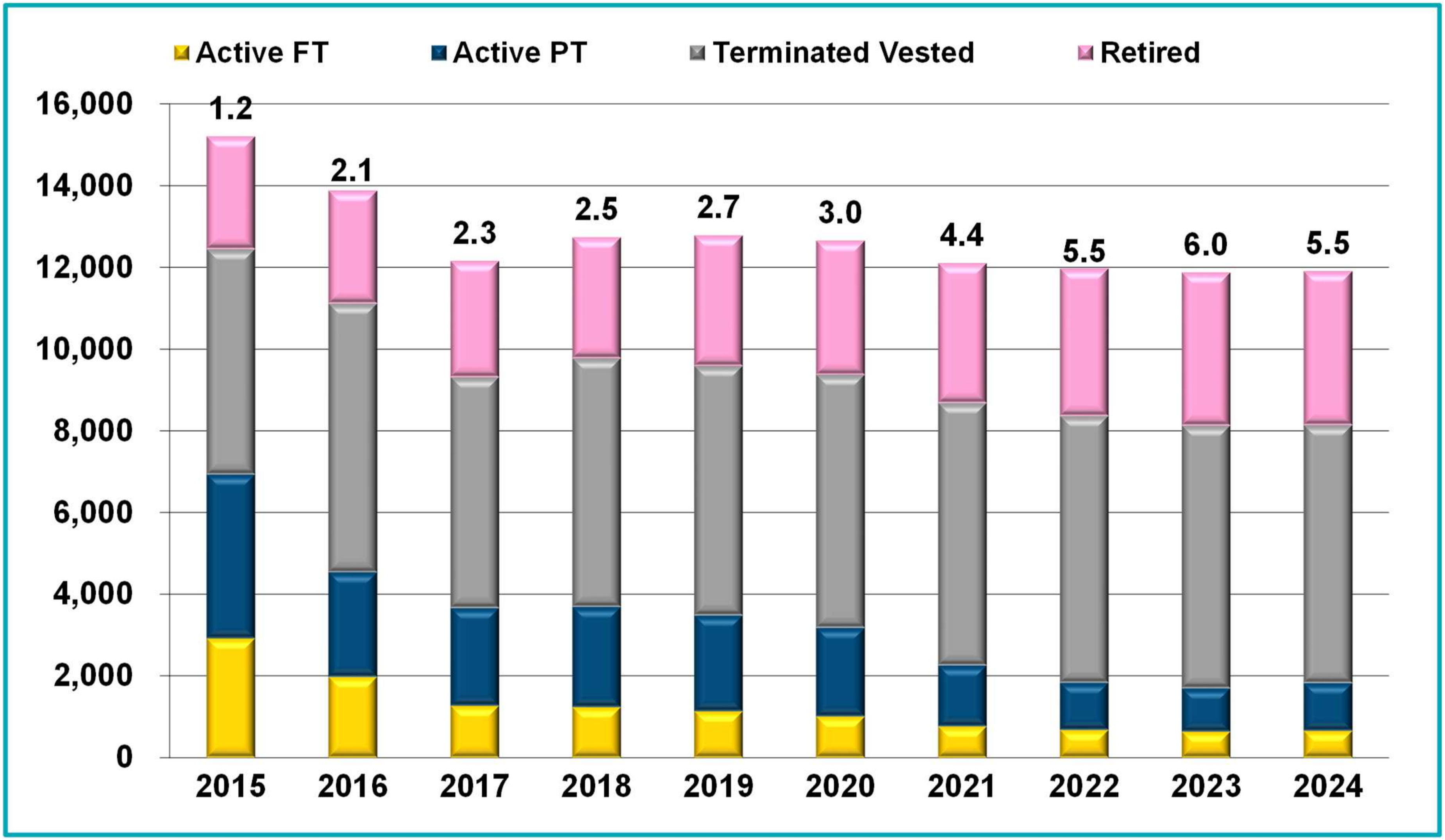


* Percentages = Actuarial Value of Assets / Actuarial Liability

Historical Review: Minimum Funding

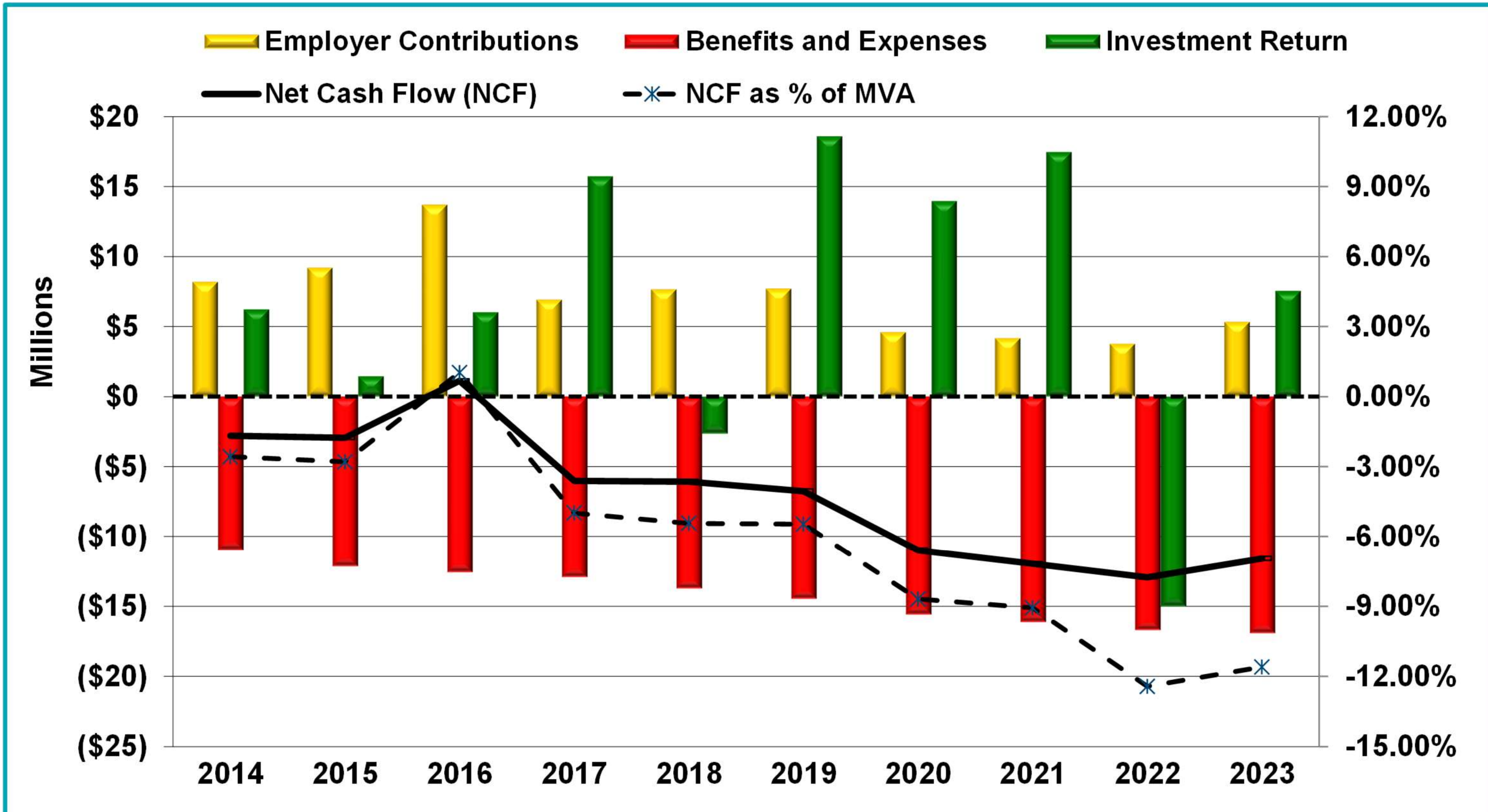


Historical Review: Participation



* Support Ratio = (Retired + Terminated Vesteds) ÷ (Active FT + Active PT)

Historical Review: Net Cash Flow



2024 Preliminary Actuarial Valuation: Results

	2023	2024	% Chg
Liabilities			
Accrued Liability (UC for PPA and ASC 960)	$ 253,765,788	$ 252,157,597	-0.6%
Vested Liability	$ 253,394,919	$ 251,820,075	-0.6%
PPA Funding Ratio	44.7%	43.2%	N/A
Assets			
Market	$ 103,999,880	$ 99,956,010	-3.9%
Market Return on Assets	-11.98%	7.69%	N/A
Actuarial	$ 113,456,215	$ 109,029,387	-3.9%
Actuarial Return on Assets	5.72%	6.65%	N/A
Minimim Funding			
Funding Deficiency at Beginning of Year	$ (60,870,813)	$ (75,800,678)	24.5%
Minimum Funding Requirement before Funding Deficiency	16,183,376	15,133,173	-6.5%
Employer Contributions*	5,331,038	*4,700,000*	-11.8%
Funding Deficiency at End of Year	$ (75,800,678)	$ (91,378,181)	20.6%
Participants			
Active	1,698	1,828	7.7%
Deferred Vested	6,438	6,317	-1.9%
Retired	3,745	3,767	0.6%

* *2024 contributions are estimated.*

2024 Preliminary Actuarial Valuation: Experience

Item	Assets	Liability	Unfunded
Actual Value 1/1/2023	$113.5	$(253.8)	$(140.3)
Benefit Accruals	N/A	(1.0)	(1.0)
Employer Contributions	5.3	N/A	5.3
Withdrawal Liability Contributions	0.1	N/A	0.1
Benefit Payments	(15.3)	15.3	N/A
Expenses	(1.6)	N/A	(1.6)
Assumption Change	N/A	N/A	N/A
Interest	7.3	(17.3)	(10.0)
Expected Value 1/1/2024	109.3	(256.8)	(147.5)
Actual Value 1/1/2024	109.0	(252.2)	(143.2)
Gain / (Loss)	**$(0.3)**	**$4.6**	**$4.3**

Values are in millions and rounded to the nearest hundred thousand. Due to this, rows and columns may not total.

Special Financial Assistance

Consideration of Base Unit Assumption

SFA CBUs 1/1/23 Measurement Date

ARPA / PBGC rules

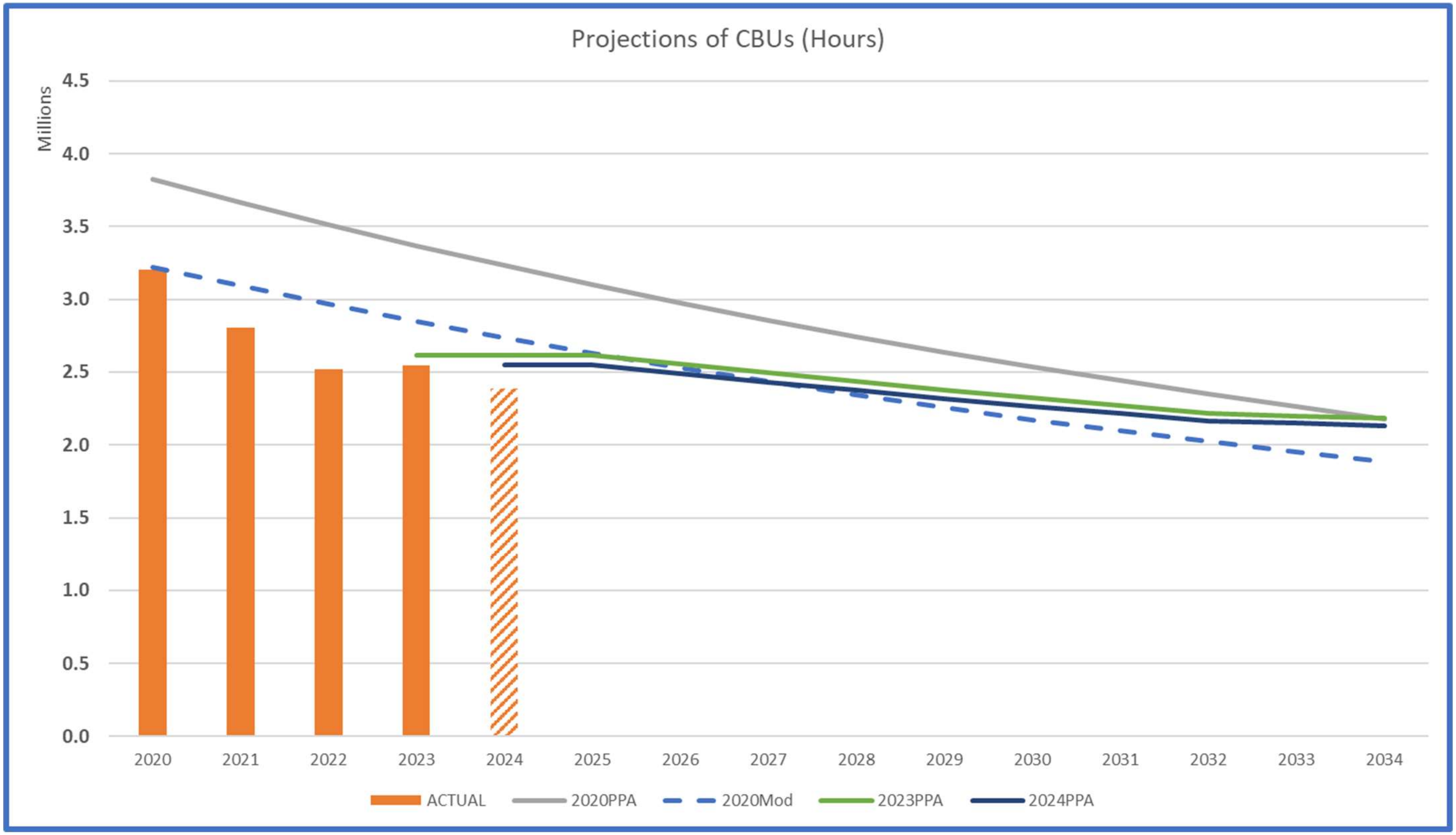
- Use 2020 certification unless unreasonable
  - Certification used declining UNFI hours with a steep haircut to Shoppers CBUs in the first year
- 2020 assumption unreasonable
  - Haircut should have included Metro and Shoppers
- By 1/1/23 measurement date, continued decline unreasonable
  - UNFI no longer closing stores: actually re-opening some locations
  - For 2023 PPA certification, assumed 5% increase in 2023, flat in 2024-2025, and then gradual decline thereafter
- During 2024, flat in 2024-2025 became unreasonable
  - Re-opened stores closing again

Not exactly sure what PBGC's position will be with CBU assumption

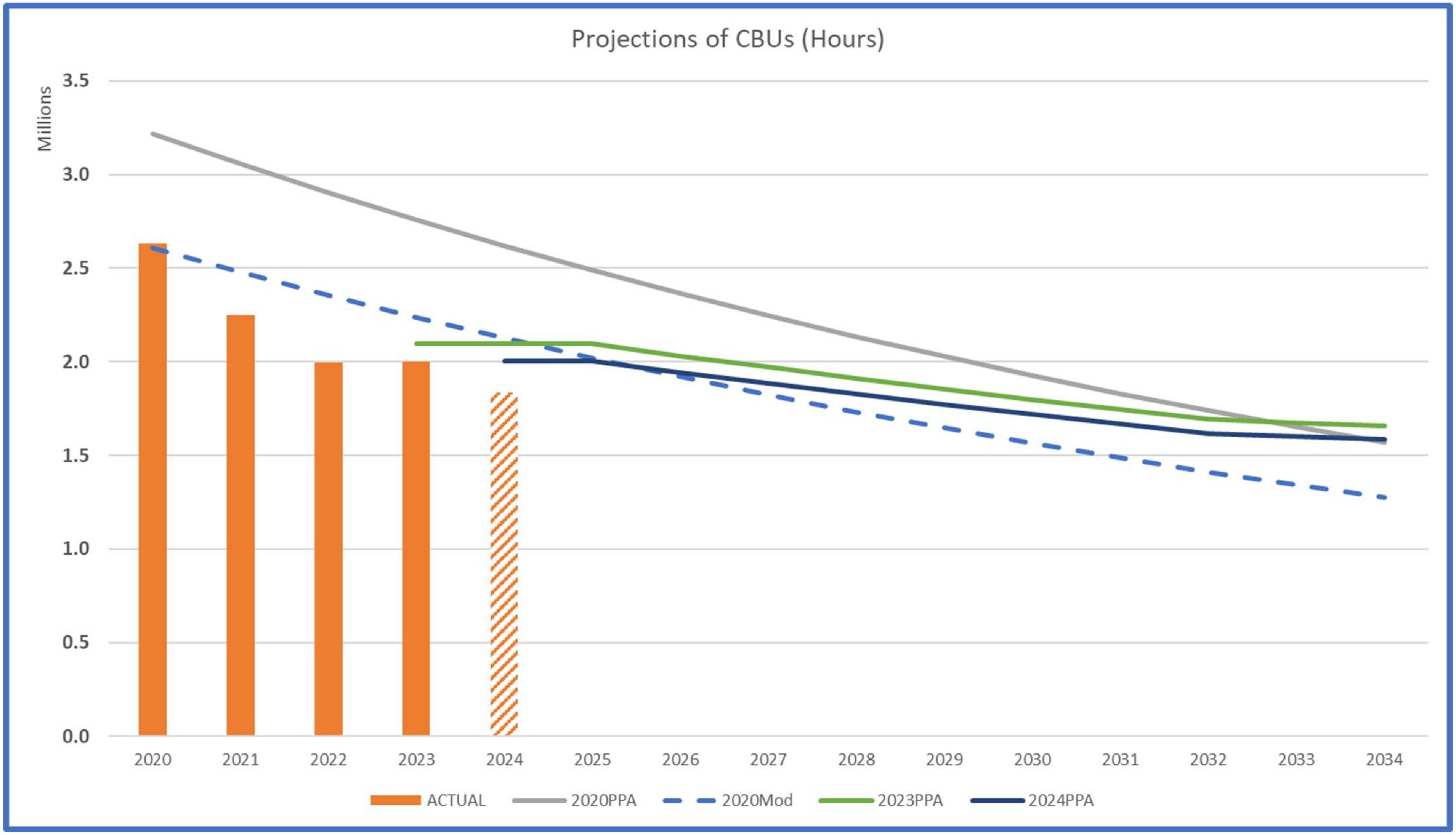
UNFI Hours: Comparison 2024 vs. 2023

	UNFI Hours 2023		2024	
Month	Hours	Weeks	Hours	Weeks
January	154,563	4	153,005	4
February	150,571	4	149,774	4
March	150,015	4	184,164	5
April	185,480	5	141,894	4
May	147,488	4	137,784	4
June	156,400	4	172,957	5
July	198,727	5	*138,100*	4
August	154,999	4	*172,600*	5
September	195,958	5	*138,100*	4
October	154,702	4	*138,100*	4
November	159,596	4	*172,600*	5
December	193,935	5	*138,100*	4
Year To Date	944,516	25	939,577	26
Change (adjusted for pay periods)			-4.35%	
Actual / *Projected*	2,002,432	52	1,837,177	52
Change (adjusted for pay periods)			-8.25%	

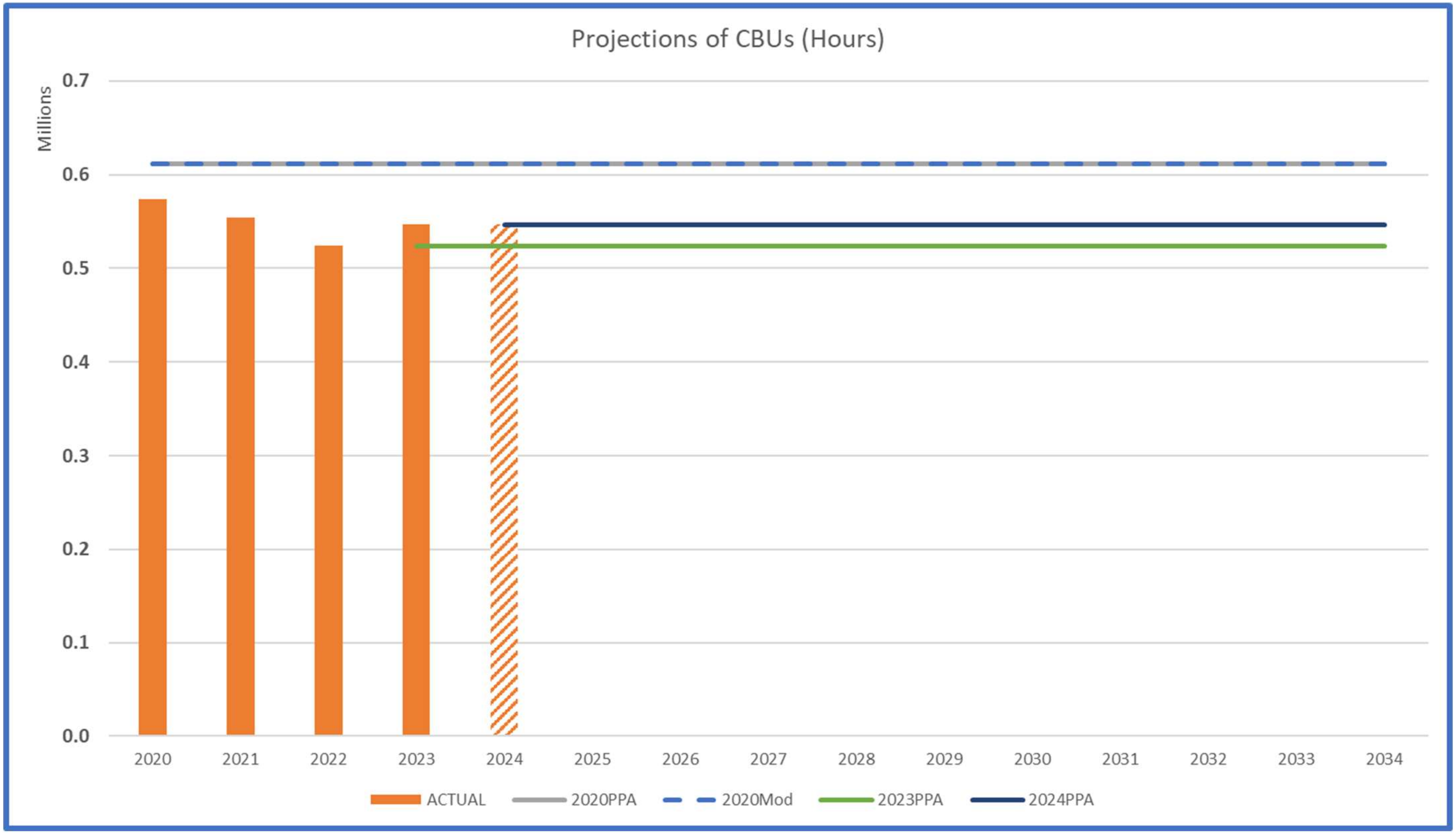
Hours Projections – Whole Fund



Hours Projections – UNFI



Hours Projections – Not UNFI



Amounts of SFA

CBU Assumption	Approximate SFA
2020 PPA Projection unmodified	$162.6M
2020 PPA Projection modified for Metro reduction	$170.6M
2023 PPA Projection	$164.6M
2024 PPA Projection	$166.0M

Required Disclosures

The purpose of this presentation is to present the preliminary January 1, 2024 Actuarial Valuation results for the UFCW Unions and Participating Employers Pension Fund to the Trustees. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other user.

In preparing this presentation, we relied on information (some oral and some written) supplied by the Fund Office and Auditor, Withum. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standards of Practice No. 23.

This analysis was based on financial data through December 31, 2023 and the January 1, 2024 membership data. Unless otherwise noted, the assumptions and methods are outlined in the January 1, 2023 actuarial valuation report. Future results may differ significantly from this presentation due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law.

This presentation and its contents were 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.

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