UFCW Unions & Participating Employers Pension Fund

CHEIRON
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2021 Preliminary Actuarial Valuation Results

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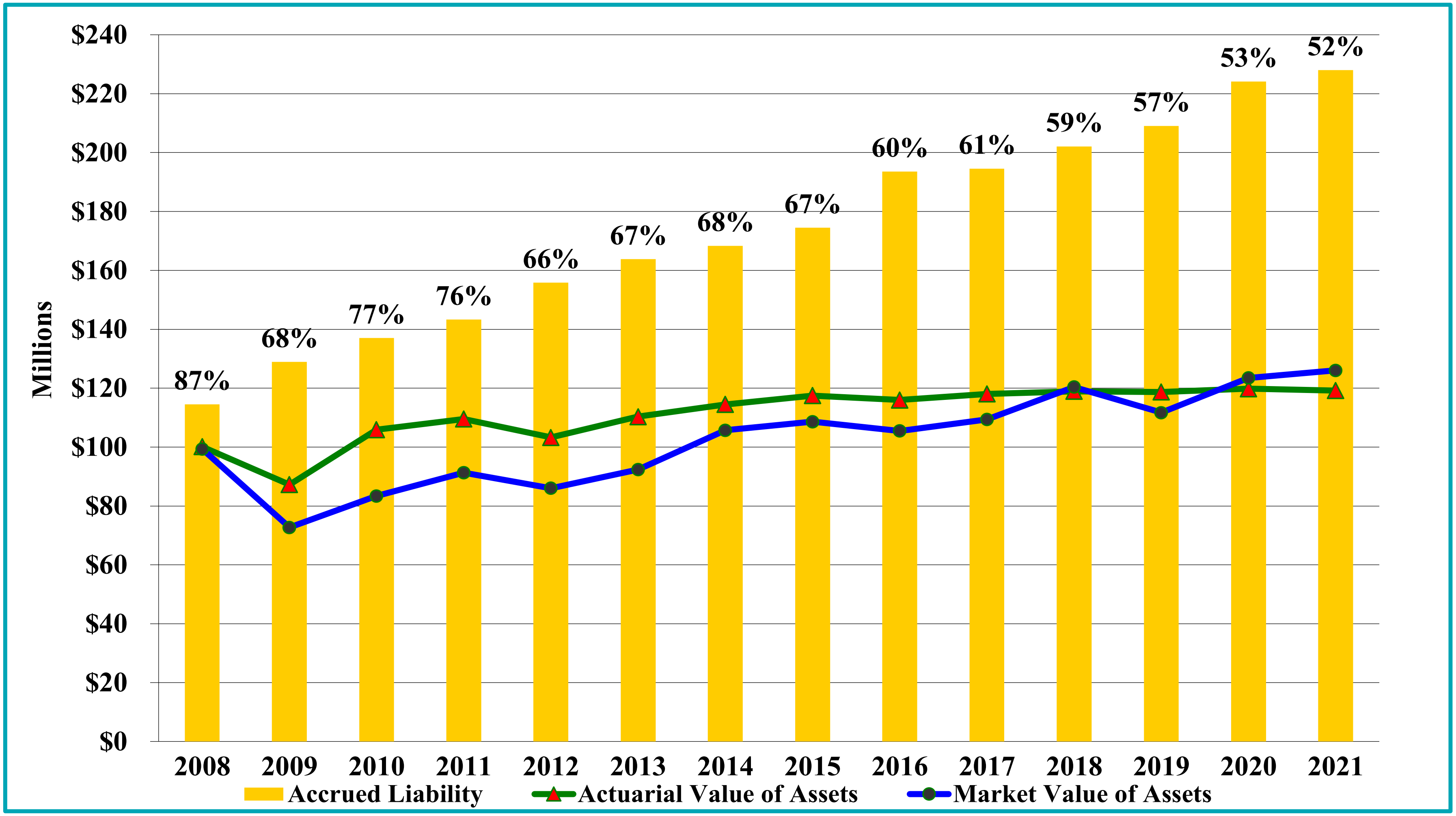
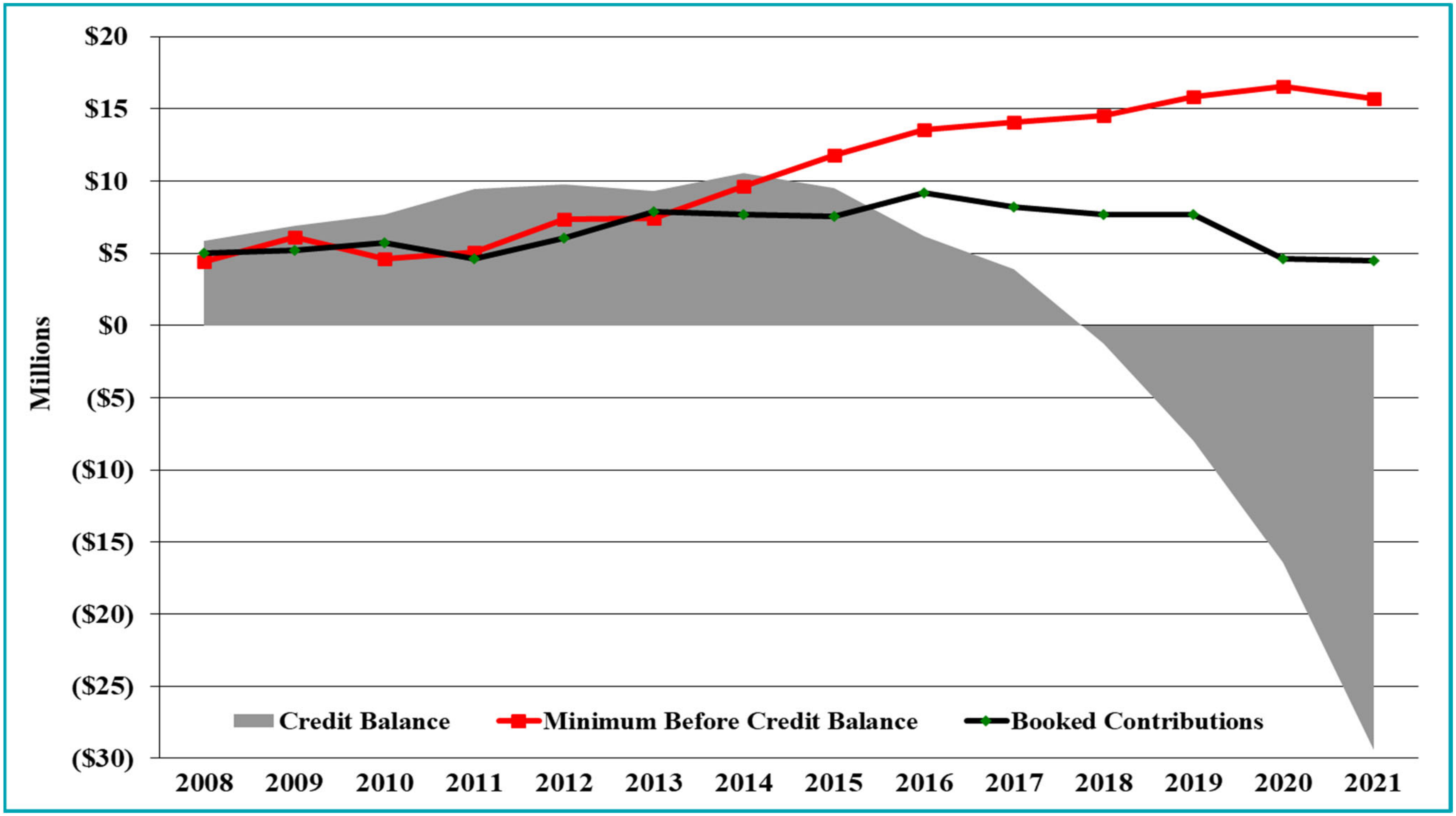
Topics for Discussion

- 2021 Preliminary Actuarial Valuation
  - Historical Review
  - Preliminary Results
- Rehabilitation Plan

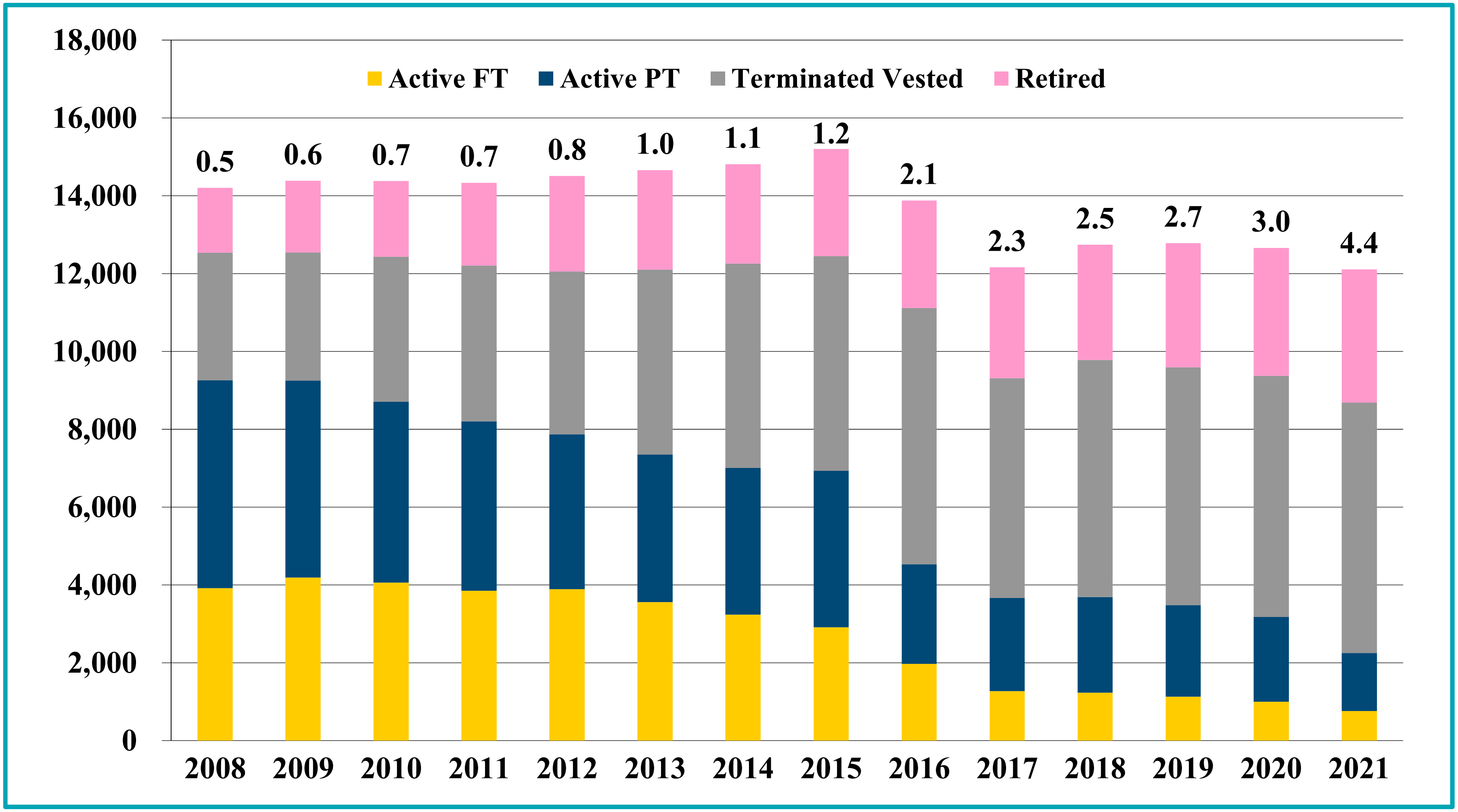
Historical Review: Assets & Liabilities



Historical Review: Minimum Funding

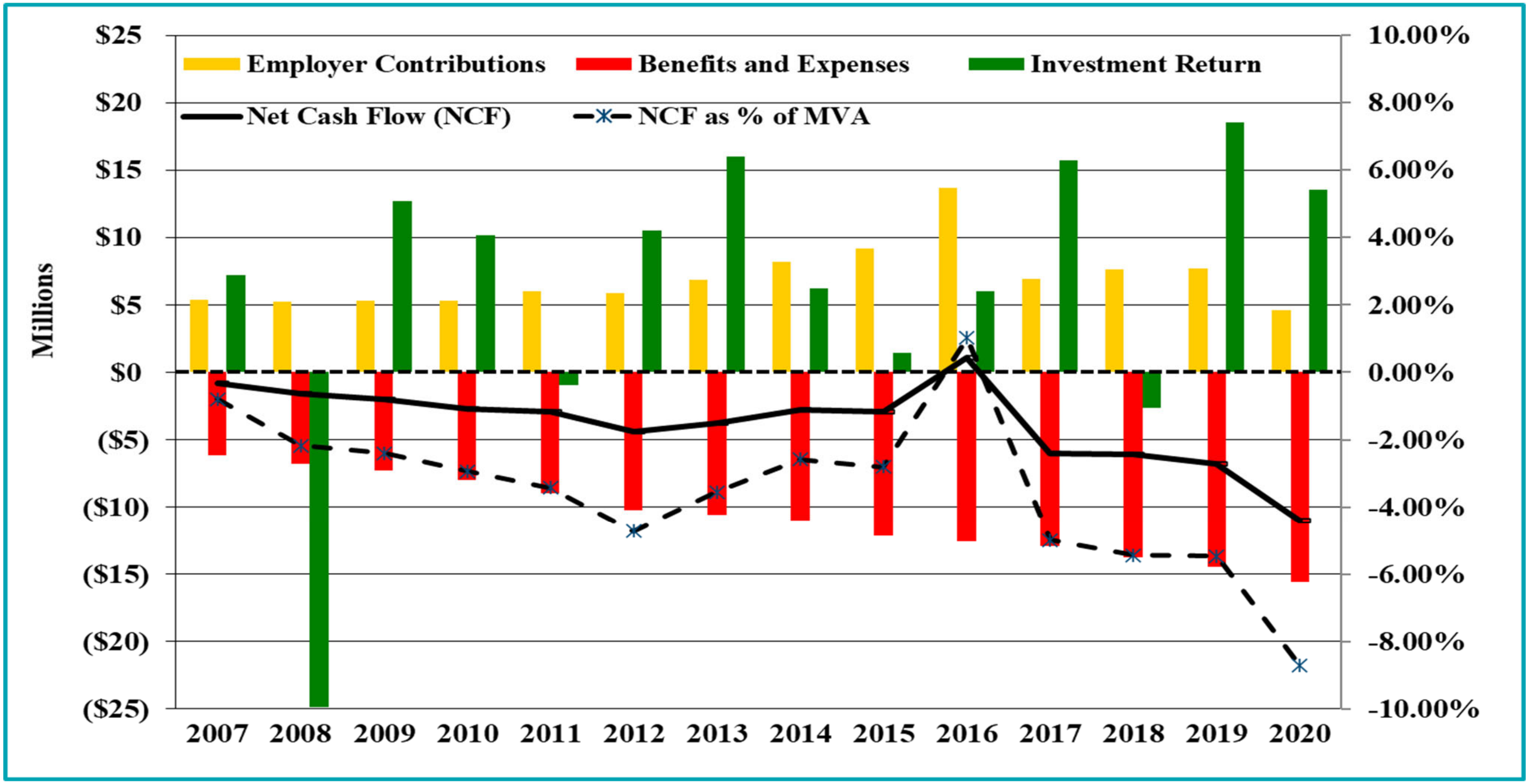


Historical Review: Participation



Numbers above the bars represent the number of inactive to active participants.

Historical Review: Net Cash Flow



2021 Preliminary Actuarial Valuation: Results

	2020	2021	% Chg
Liabilities			
Accrued Liability (UC for PPA and ASC 960)	$ 224,117,752	$ 227,993,800	1.7%
Vested Liability	$ 223,192,366	$ 227,310,514	1.8%
PPA Funding Ratio	53.5%	52.3%	-2.2%
Assets			
Market	$ 123,497,826	$ 126,026,445	2.0%
Market Return on Assets	17.15%	11.46%	N/A
Actuarial	$ 119,808,370	$ 119,175,509	-0.5%
Actuarial Return on Assets	7.21%	9.24%	N/A
Minimim Funding			
Funding Deficiency at Beginning of Year	$ (16,459,313)	$ (29,452,477)	78.9%
Minimum Funding Requirement before Funding Deficiency	16,566,581	15,734,137	-5.0%
Minimum Funding Contribution*	4,602,786	*4,500,000*	-2.2%
Funding Deficiency at End of Year	$ (29,452,477)	$ (42,661,648)	44.8%
Participants			
Active	3,177	2,256	-29.0%
Deferred Vested	6,200	6,430	3.7%
Retired	3,285	3,423	4.2%

2021 Preliminary Actuarial Valuation: Experience

Item	Assets	Liability	Unfunded
Actual Value 1/1/2020	$119.8	$(224.1)	$(104.3)
Benefit Accruals	N/A	(1.7)	(1.7)
Employer Contributions	4.5	N/A	4.5
Withdrawal Liability Contributions	0.1	N/A	0.1
Benefit Payments	(14.2)	14.2	N/A
Expenses	(1.6)	N/A	(1.6)
Assumption Change	N/A	N/A	N/A
Interest	8.3	(15.9)	(7.6)
Expected Value 1/1/2021	116.9	(227.5)	(110.6)
Actual Value 1/1/2021	119.2	(228.0)	(108.8)
Gain / (Loss)	**$2.3**	**($0.5)**	**$1.8**

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

Rehabilitation Plan

- Requirement to consider RP annually
- Current RP is operating under reasonable measures to emerge from critical status *eventually*
- 2021 PPA Certification certified as Critical & Declining
  - Failure to make scheduled progress in 2021 (2nd consecutive failure)

Required Disclosures

The purpose of this presentation is to present the preliminary January 1, 2021 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, 2020, and the January 1, 2021, membership data. Unless otherwise noted, the assumptions and methods are outlined in the January 1, 2020 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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