



The Fund Office of the Future



UFCW

# Consolidated Pension

Fund  
FALL 2018

## Baby Boomers & Retirement



The first of the baby boomer generation has reached a milestone for the “Required Minimum Distribution” age or RMD. They have begun receiving their retirement benefit here at the UFCW Consolidated Pension Fund under the RMD rules. Although the average retirement age is 65, more people are working longer and waiting to begin their retirement, and that includes the baby boomer generation. You may be wondering what the required minimum distribution is. In order to comply with federal law,

the UFCW Consolidated Pension Fund requires that you begin receiving your pension benefits no later than April 1st following the calendar year in which you attain age 70 ½, even if you are still working.

If you commence the required minimum distribution while you continue employment in a covered position with the UFCW Consolidated Pension Fund, you will receive an adjustment in your benefit every April 1st for your prior year of service. If you do not apply for your benefit by your age 70 ½, your pension benefit payment will be paid to you automatically, but it will be paid in the form of a 50% joint and survivor annuity with the assumption that you are married and your spouse is five years younger than you. It is essential that you apply for your benefits as you approach age 70 ½ so that your benefit can be paid in the form of your choosing. You will be required to pay a federal tax penalty if your benefits do not begin on or before your RMD date, so if you are age 70 ½ and have not yet started receiving benefits from the UFCW Consolidated Pension Fund, you should contact the Fund Office for more information.

*By: Sherry Morrison Pension Manager*

## “Retiree Spotlight”

Billy Ray Shurley  
Enjoying Retirement!



Billy Ray Shurley “sure-ly” grew up in Monroe, Louisiana, and moved to Texas in 1968 to help his aunt. He has worked (43) forty-three years for Kroger and retired in February 2013. Billy Ray says, “Kroger and UFCW Consolidated Pension Fund provided him with a comfortable retirement and benefits.”

His Kroger employment began with a Kroger-owned store known as Bi-Lo as a Sacker in 1970, and after three months he moved to the produce department. In 1972, he moved to Kroger store #264 in Pearland, Texas, in Produce and his manager at the time was Roy Sanchez. In the early eighties, Billy was relocated to the League City, Texas, store as Produce Manager. While the Pearland store was being built, Billy helped close out the League City store. After a year and a half, Billy returned to store #264 in Pearland in the Produce department and remained there until his retirement. Billy looks forward to bowling, bible reading, walking and going to unique places around town with family and friends.

Billy also would like to share how easy the retirement process was with the UFCW Consolidated Pension Fund. Simply call the Fund Office request an application. Complete the application and mail back to the Fund Office. It is important to start the retirement process at least 3 months before your retirement date.

*Courtesy of Billy Shurley*



### Lisa Carter -Director

Living people rarely like to talk about dying. This is one reason many of us pass from this earth without a Will. We must consider it an act of love to prepare in advance for our family and friends. A Will allows us to make an advance assignment of all property we own at the time of death to our beneficiaries. This way, there is no confusion about our wishes. When it comes to who needs a Will, your status is irrelevant. You could be married, single, divorced, have minor aged children and even not own very much. You should STILL have a Will to control the disposition of your assets. In Georgia, any competent person aged 14 or older can have a Will prepared.

Your Will can specify what assets your beneficiaries will receive, how the assets will be distributed, who will manage the assets if necessary and even set

## “YES, I WILL”

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dates for them to receive the assets. The personal representative you assign is responsible for making sure things are done according to your wishes. The great thing about your Will is that you are in control as long as you have one properly prepared.

Preparing in advance is not just about our Will. Having a power of attorney document covers your business matters. Having an Advance Directive document covers your health care wishes. Addressing ownership interests in land, bank accounts or stock can also be addressed in advance of our death. We can take steps to make sure there are beneficiaries named on our life insurance policies, IRAs, pensions and other investments. All of these steps help guide our families during a time of anxiety and grief. Preparing in advance is

one of the best ways to communicate our love for them.

Each state has its own requirements for the drafting of a proper Will and other documents. You should always seek the advice of an Attorney in the state where you reside. Participants who are eligible or covered by the Atlanta Legal Fund should contact the Legal Fund Office for further information about how we can assist you in planning for your future at 678.714.3526.

*By Lisa Carter  
Director of Legal Fund*

## How Do I?

### APPLY FOR PENSION

Complete an application and return by mail/fax/email to: UFCW Consolidated Pension Fund, 1800 Phoenix Blvd, Suite 310, Atlanta, Ga. 30349 – Fax: 770.997.9897 or Email: [pensiondepartment@ufcwemprfund.org](mailto:pensiondepartment@ufcwemprfund.org)

### CHANGE MY ADDRESS

Complete Form 3.08 or mail/fax/email to: UFCW Consolidated Pension Fund, 1800 Phoenix Blvd, Suite 310, Atlanta, Ga. 30349 – Fax: 770.997.9897 or Email: [pensiondepartment@ufcwemprfund.org](mailto:pensiondepartment@ufcwemprfund.org)

### CHANGE MY DIRECT DEPOSIT INFORMATION

Complete New Direct Deposit Authorization and return completed signed form by mail/fax/email to: UFCW Consolidated Pension Fund, 1800 Phoenix Blvd, Suite 310, Atlanta, Ga. 30349 – Fax: 770.997.9897 or Email: [pensiondepartment@ufcwemprfund.org](mailto:pensiondepartment@ufcwemprfund.org)

# Well Balanced Retirement Plan

The first thing that surfaces when one begins to think about retirement is the financials...how much do I need, will I have enough, will Social Security be able to supplement any available savings? Looking past the financial facet of retirement planning, let's explore the other four legged parts to a well-balanced retirement.



**Being Healthy** - Coupled with monetary stability, retirement should also be about the health aspect, in other words, it should not only be about what monetary benefits you will have at retirement, but how are you going to sustain an energetic lifestyle that involves keeping one's mind and body active in an effort to be healthier and thus, having a longer lifespan within your retirement years.

**Lifestyle** - Consideration should be given to one's lifestyle. Individuals tend not to include lifestyle as a part of their retirement planning as much as the financials. Mental preparation, truly discerning what it is you want to do while retired, your goals, having backup plans in case your original goal/s fall short is fundamental in having a well-balanced retirement.

**Partnership** - Making time for your partner is our third piece of the four legged part to a well-balanced retirement. Prior to retirement, one may have not been so focused on the needs of your partner, and we can all blame "life happens", however, retirement gives you a chance to be more involved with each other as now you have the time to find and plan things that you can do together.

Just as we try to balance our life, time spent with your partner can become overwhelming as some may find it difficult to spend every waking minute

of the day together; thus, while spending time together is important, it is also advisable to create your own activities.

**Social Network** - Within this technological era there are numerous ways individuals can find and

stay connected; Facebook, twitter, snap chat, and messenger just to name a few. Tools that we tend to have right in front of us are often overlooked, and the phrase "you don't appreciate the things you have until it's gone" becomes your reality. More often than not, individuals tend not to see, or take for granted the value of friends, co-workers, family, acquaintances, etc. similarly, they fail to correlate how intricate and the importance of the roles these individuals play in our daily lives. Getting back to the basics and appreciating our "people pool" will allow you to decipher what it truly means to you to enjoy the little things in life, thus having a social network can contribute to making your retirement enjoyable.

While experts suggest planning for a well-balanced retirement should start early, it is never too late, the caveat is that the realization occurs and you will do something about it. Change the retirement thought process from a one sided financial to the total package; being healthy, smart lifestyle choices, making time for your partner, and social networking. We are almost sure you will be on the road to a more fulfilling, happier, rewarding, and deserving retirement without guilt retirement.

*Source: LLC Pension Staff*



## What is ERISA?

The Employee Retirement Income Security Act of 1974, or ERISA, protects the assets of millions of Americans so that funds placed in retirement plans during their working lives will be there when they retire.

ERISA is a federal law that sets minimum standards for retirement plans in private industry. For example, if your employer maintains a retirement plan; ERISA specifies when you are allowed to become a participant, how long you have to work before you have a non-forfeitable interest in your benefit, how long you can be away from your job before it might affect your benefit, and whether your spouse has a right to part of your benefit in the event of your death. Most of the provisions of ERISA have been in effect since 1975.

ERISA does not require any employer to establish a retirement plan. It only requires that those who establish plans must meet certain minimum standards. The law generally does not specify how much money a participant must be paid as a benefit.

### ERISA does the following:

- Requires plans to provide participants with information about the plan including important information about plan features and funding. The plan must furnish some information regularly and automatically. Some is available free of charge, some is not.
- Sets minimum standards for participation, vesting, benefit accrual and funding. The law defines how long a person may be required to work before becoming eligible to participate in a plan, to accumulate benefits, and to have a non-forfeitable right to those benefits. The law also establishes detailed funding rules that require plan sponsors to provide adequate funding for your plan.
- Requires accountability of plan fiduciaries. ERISA generally defines a fiduciary as anyone who exercises discretionary authority or control over a plan's management or assets, including anyone who provides investment advice to the plan for a fee. Fiduciaries who do not follow the principles of conduct may be held responsible for restoring losses to the plan.
- Gives participants the right to sue for benefits and breaches of fiduciary duty.
- Guarantees payment of certain benefits if a defined benefit plan is terminated, through a federally chartered corporation, known as the Pension Benefit Guaranty Corporation.

# The Most Frequently Asked Questions for Participants

## HOW LONG DO I HAVE TO WAIT TO BECOME A PARTICIPANT OF THE UFCW CONSOLIDATED PENSION FUND?

If you are an employee of an employer who has been approved by the Board of Trustees that has agreed to make contributions to the Consolidated Pension Fund on your behalf and you have reached the age of twenty-one (21), you will become a Participant once you have completed one (1) year of Eligibility Service. Once you reach five (5) years of Eligibility Service, you become vested. If you began Covered Employment before the age of twenty-one (21), your Eligibility Service completed prior to your twenty-first (21<sup>st</sup>) birthday will be taken into account.

## WHAT DOES VESTED MEAN?

When you are vested, you have earned a non-forfeitable right to a benefit under the UFCW Consolidated Pension Fund that cannot be taken away from you. Being vested means that you are entitled to a future retirement benefit.

## HOW DO I KNOW IF I AM VESTED?

Becoming vested is based on your Eligibility Service. You earn one (1) year of Eligibility Service for each calendar year in which you have at least 400 hours of service. To become vested in the UFCW Consolidated Pension Fund, you must earn at least five (5) years of vesting with a participating employer. Once you have earned at least five (5) vested years, then you are eligible for a retirement benefit at your normal retirement age.

## The following are the dates that the Eligibility Service changed to 400 hours for Prior Plans:

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United Food and Commercial Workers and Employers Pension Fund - Atlanta Georgia	01/01/12 - Prior 400 hours
UFCW Unions and Employers Benefit Plan of Central Ohio	01/01/12 - Prior 520 hours
Central Ohio UFCW Unions and Retail Employers Pension Plan	01/01/15 - Prior 455 hours
Indiana UFCW Pension Fund	01/01/12 - Prior 450 hours
Northwest Ohio UFCW Union and Employer Joint Pension	01/01/12 - Prior 500 hours
UFCW Unions and Participating Employers Pension Fund	01/01/16 - Prior 200 hours (PT)
United Food and Commercial Workers Unions and Employers Midwest Pension Plan	07/01/16 - Prior 400 hours

## WHO PAYS FOR MY BENEFITS?

Most defined benefit plans are paid for or funded in full by employers and the employees pay for this Plan. Plans must be funded ahead of time with contributions placed in a trust.

## CAN I BORROW FROM MY PLAN?

No. While there are Federal laws in place that allows for borrowing based on the type of Fund, it is extremely rare. Most defined benefit plans do not allow you to borrow money from your plan.

## DOES MY PLAN HAVE ENOUGH MONEY TO PAY MY BENEFITS?

Your plan is required to send you an annual funding notice. If you do not receive this notice, ask The Fund Office for more information on how your plan is funded and its funded status. Since early 2012, this plan has been fully funded or nearly fully funded. The MOU between Kroger and the UFCW Locals requires that Kroger make sufficient contributions for the plan to stay well funded.

# The Role of the Actuary

The Trustees of the Plan and the Fund Office work with actuaries and consultants from Horizon Actuarial Services on various aspects of the Plan's day-to-day operations. This article will give you a better understanding of how the Trustees and Fund Office partner with actuaries, and the work those actuaries do for your pension plan.

## First of All. . .What is an Actuary?

An actuary is a person whose job it is to analyze and quantify risk. Exciting, right? Typically, an actuary will have a background in statistics or finance and spends five to ten years taking exams for their certification in the field. Actuaries work in many fields and industries, including pensions, health care, investments, and insurance.

For a pension plan, the actuary's most important job is to make assumptions about the future. These assumptions are developed from years of participant data received from the Fund Office and include:

1. At what age participants retire and what form of benefit they select
2. How long participants will live and collect pension benefits
3. At what age and frequency will participants leave the industry

## Why does the actuary make these assumptions?

The actuary uses assumptions to estimate the future pension payments that will be made from the Fund to participants. The current value of all of those future pension payments is known as the Plan's liability. Based on the Plan's liability, the actuary determines how well funded the Plan is today, as well as what contributions are necessary to keep the Plan funded in the future.

Your Spring 2018 newsletter included the chart below. The "Value of Liabilities" in that chart represents the current value of future pension payments based on your benefits earned to date.

Funded Percentages (Beginning of Year)			
Plan Year	2017	2016	2015
Valuation Date	January 1, 2017	January 1, 2016	January 1, 2015
Funded Percentage	90.8%	97.8%	99.2%
Value of Assets	\$4,178,660,671	\$4,211,167,173	\$4,150,731,651
Value of Liabilities	\$4,598,657,844	\$4,301,557,569	\$4,182,649,343

**Calculated by the Plan's Actuary!**

## What else does the actuary do for the Fund?

### Funding Projections:

It is important that the Plan Trustees know how well the Plan is funded today, but it is also very important for the Trustees to know how well the Plan will be funded in the future. The actuary projects the Plan's funded percentage taking into account sensitivity to:

1. Investment Returns
2. Annual Contributions
3. Work Levels

These projections and sensitivity tests help the Trustees understand the risks associated with the Plan and allow the Trustees to plan ahead to make sure your pension benefits are secure now and in the future.

### Zone Status Certifications:

Each year, the actuary makes a certification to the Internal Revenue Service regarding the Zone Status of your Plan. Your Plan is in the "Green Zone" and has been each year since 2012. Plans that aren't as well funded as your Plan may be in Endangered Status ("Yellow Zone") or Critical Status ("Red Zone"). More information about these certifications are included in your Spring 2018 newsletter.

### Benefit Calculations:

The actuary also helps the Fund Office with certain benefit calculations. If you choose a Level Income form of benefit, if you choose a non-spouse beneficiary, or if you have a qualified domestic relations order, then it is very likely that an actuary assisted the Fund Office in the calculation of your benefit.

### Other Projects:

In addition, the actuary helps the Trustees and Fund Office with:

1. Drafting participant communications
2. The Plan's annual filings with government agencies
3. Reviewing any mergers or transfers from other plans
4. Interpreting and applying Plan provisions
5. Compliance with legal and regulatory requirements

***Horizon Actuarial Services is proud to be of service to the UFCW, Kroger, and all participants in the Consolidated Pension Plan!***

UFCW Consolidated Pension Fund  
1800 Phoenix Boulevard, Suite 310  
Atlanta, Georgia 30349

### Employer Trustees

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**Cindy Holmes**  
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**Kevin Garvey**  
UFCW Local Union 75



**Need help with anything! Please contact the Fund Office  
at 770-997-9910 or 1-800-241-7701.**

### FOR MORE INFORMATION

The Board of Trustees of the UFCW Consolidated Pension Fund is committed to providing retirement security for the participants.

**For questions or more information, please contact the  
Fund Office at:**

### UFCW CONSOLIDATED PENSION FUND

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