

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2017</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2017 or fiscal plan year beginning <u>09/01/2017</u> and ending <u>12/31/2017</u>
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☒ the first return/report ☐ the final return/report ☐ an amended return/report ☒ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. ▶	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information		
1a Name of plan <u>THE KROGER CONSOLIDATED RETIREMENT BENEFIT PLAN SPIN OFF</u>	1b Three-digit plan number (PN) ▶	<u>011</u>	
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>THE KROGER CO.</u> <div style="display: flex; justify-content: space-between;"> <div>1014 VINE ST CINCINNATI, OH 45202-1141</div> <div>1014 VINE ST CINCINNATI, OH 45202-1141</div> </div>	1c Effective date of plan <u>09/01/2017</u>	2b Employer Identification Number (EIN) <u>31-0345740</u>	
		2c Plan Sponsor's telephone number <u>877-373-3397</u>	
		2d Business code (see instructions) <u>445110</u>	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2018	THERESA MONTI
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2018	THERESA MONTI
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2017)
v. 170203

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 25718
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 10712
a(2) Total number of active participants at the end of the plan year	6a(2) 8667
b Retired or separated participants receiving benefits	6b 3795
c Other retired or separated participants entitled to future benefits	6c 7079
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 19541
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 330
f Total. Add lines 6d and 6e	6f 19871
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 0
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 1D 1C

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 12/31/2017

▶ **Round off amounts to nearest dollar.**
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>THE KROGER CONSOLIDATED RETIREMENT BENEFIT PLAN SPIN OFF</u>	B Three-digit plan number (PN) ▶ <u>011</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>THE KROGER CO.</u>	D Employer Identification Number (EIN) <u>31-0345740</u>

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
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Part I Basic Information

1 Enter the valuation date: Month <u>09</u> Day <u>01</u> Year <u>2017</u>			
2 Assets:			
a Market value	2a	<u>2604300639</u>	
b Actuarial value	2b	<u>2604300639</u>	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	<u>3645</u>	<u>916067846</u>	<u>916067846</u>
b For terminated vested participants	<u>11565</u>	<u>250637076</u>	<u>250637076</u>
c For active participants	<u>11534</u>	<u>924537745</u>	<u>957346277</u>
d Total	<u>26744</u>	<u>2091242667</u>	<u>2124051199</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	<u>5.88 %</u>	
6 Target normal cost	6	<u>14971773</u>	

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>10/09/2018</u>
Signature of actuary		Date
<u>DAREN L. ANDERSON</u>		<u>17-06530</u>
Type or print name of actuary		Most recent enrollment number
<u>MERCER</u>		<u>612-642-8600</u>
Firm name		Telephone number (including area code)
<u>333 SOUTH 7TH STREET, SUITE 1400</u> <u>MINNEAPOLIS, MN 55402-2427</u>		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	73881698
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	73881698
10 Interest on line 9 using prior year's actual return of <u>6.78</u> %	0	5009179
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		771139739
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.04</u> %		46576840
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		817716579
d Portion of (c) to be added to prefunding balance		684824029
12 Other reductions in balances due to elections or deemed elections	0	283465466
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	480249440

Part III Funding Percentages

14 Funding target attainment percentage	14	100.00%
15 Adjusted funding target attainment percentage	15	122.61%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	100.00%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/14/2018	148500000	0			
Totals ▶			18(b)	148500000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	134743795

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):		
a Target normal cost (line 6)	31a	14971773
b Excess assets, if applicable, but not greater than line 31a	31b	0
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	14971773
	Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement		0
36 Additional cash requirement (line 34 minus line 35)	36	14971773
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	134743795
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	119772022
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:		
a Schedule elected	☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment	42	
43 Excess installment acceleration amount to be carried over to future plan years	43	

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection.
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For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 12/31/2017

A Name of plan <u>THE KROGER CONSOLIDATED RETIREMENT BENEFIT PLAN SPIN OFF</u>	B Three-digit plan number (PN) ► <u>011</u>	
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>THE KROGER CO.</u>	D Employer Identification Number (EIN) <u>31-0345740</u>
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: THE KROGER CO. MASTER RETIREMENT TR

b Name of sponsor of entity listed in (a): THE KROGER CO.

c EIN-PN <u>31-0345740-008</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2476408000</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning <u>09/01/2017</u> and ending <u>12/31/2017</u>		
A Name of plan <u>THE KROGER CONSOLIDATED RETIREMENT BENEFIT PLAN SPIN OFF</u>	B Three-digit plan number (PN) ►	<u>011</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE KROGER CO.</u>	D Employer Identification Number (EIN) <u>31-0345740</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		148500000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		2476408000
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1)	
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	0 2624908000
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	1649000
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	0 1649000
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	0 2623259000

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	148500000
	(B) Participants	2a(1)(B)	
	(C) Others (including rollovers)	2a(1)(C)	
(2)	Noncash contributions	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	148500000
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans	2b(1)(E)	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	0
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	0
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		61978000
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		210478000

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)		
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		0
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	4634000	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		4634000
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4634000

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		205844000
l Transfers of assets:			
(1) To this plan.....	2l(1)		2417415000
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name:

(2) EIN:

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☒ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
4e	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4131393. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 12/31/2017		
A Name of plan THE KROGER CONSOLIDATED RETIREMENT BENEFIT PLAN SPIN OFF		B Three-digit plan number (PN) ▶ 011
C Plan sponsor's name as shown on line 2a of Form 5500 THE KROGER CO.		D Employer Identification Number (EIN) 31-0345740
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 31-0345740		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3 4581
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?		☐ Yes ☒ No ☐ N/A
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?		☐ Yes ☐ No ☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?		☐ Yes ☐ No ☒ N/A
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.		☐ Increase ☐ Decrease ☐ Both ☒ No
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?		☐ Yes ☐ No
11 a Does the ESOP hold any preferred stock?		☐ Yes ☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)		☐ Yes ☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?		☐ Yes ☐ No
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		Schedule R (Form 5500) 2017 v. 170203

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 6.5% Investment-Grade Debt: 46.4% High-Yield Debt: 3.3% Real Estate: 2.9% Other: 40.9%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☒ Modified duration ☐ Other (specify):

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2017 This Form Is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 12/31/2017

► Round off amounts to nearest dollar.

► Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan The Kroger Consolidated Retirement Benefit Plan Spin Off	B Three-digit plan number (PN)	<u>011</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF The Kroger Co.	D Employer Identification Number (EIN) 31-0345740	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>			
2 Assets:			
a Market value.....	2a	2,604,300,639	
b Actuarial value	2b	2,604,300,639	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	3,645	916,067,846	916,067,846
b For terminated vested participants	11,565	250,637,076	250,637,076
c For active participants	11,534	924,537,745	957,346,277
d Total	26,744	2,091,242,667	2,124,051,199
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	5.88%	
6 Target normal cost	6	14,971,773	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<div style="text-align: center;"> Signature of actuary </div>	<div style="text-align: center;"> <u>10/09/2018</u> Date 1706530 Most recent enrollment number 612-642-8600 Telephone number (including area code) </div>
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> DAREN L. ANDERSON Type or print name of actuary MERCER Firm name 333 SOUTH 7TH STREET, SUITE 1400 MINNEAPOLIS MN 55402-2427 Address of the firm </div> <div style="width: 35%;"></div> </div>		

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	73,881,698
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	0	73,881,698
10 Interest on line 9 using prior year's actual return of <u>6.78%</u>	0	5,009,179
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		771,139,739
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.04%</u>		46,576,840
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		817,716,579
d Portion of (c) to be added to prefunding balance.....		684,824,029
12 Other reductions in balances due to elections or deemed elections.....	0	283,465,466
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....	0	480,249,440

Part III Funding Percentages

14 Funding target attainment percentage	14	100.00%
15 Adjusted funding target attainment percentage.....	15	122.61%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	100.00%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/14/2018	148,500,000	0			
Totals ▶			18(b)	148,500,000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	134,743,795

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21 Discount rate:****a Segment rates:**1st segment:
4.16 %2nd segment:
5.72 %3rd segment:
6.48 %☐ N/A, full yield curve used**b Applicable month (enter code)****21b**

0

22 Weighted average retirement age**22**

62

23 Mortality table(s) (see instructions)

Prescribed - combined



Prescribed - separate



Substitute

Part VI Miscellaneous Items**24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.**

Yes



No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.

Yes



No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.

Yes



No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28 Unpaid minimum required contributions for all prior years****28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)**29**

0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)**30**

0

Part VIII Minimum Required Contribution For Current Year**31 Target normal cost and excess assets (see instructions):****a Target normal cost (line 6)****31a**

14,971,773

b Excess assets, if applicable, but not greater than line 31a**31b**

0

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

0

0

b Waiver amortization installment

0

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33****34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)****34**

14,971,773

Carryover balance

Prefunding balance

Total balance

35 Balances elected for use to offset funding requirement

0

36 Additional cash requirement (line 34 minus line 35)**36**

14,971,773

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)**37**

134,743,795

38 Present value of excess contributions for current year (see instructions)**a Total (excess, if any, of line 37 over line 36)****38a**

119,772,022

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances**38b**

0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)**39**

0

40 Unpaid minimum required contributions for all years**40**

0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**41 If an election was made to use PRA 2010 funding relief for this plan:****a Schedule elected**

2 plus 7 years



15 years

b Eligible plan year(s) for which the election in line 41a was made

2008



2009



2010



2011

42 Amount of acceleration adjustment**42****43 Excess installment acceleration amount to be carried over to future plan years****43**

Schedule SB, Line 26 — Schedule of Active Participant Data

DISTRIBUTION OF ACTIVE PARTICIPANTS AS OF JANUARY 1, 2017

ATTAINED AGE	YEARS OF CREDITED SERVICE										TOTAL
	UNDER 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	
Under 25											
25-29			2								2
30-34		6	24	254	66						350
			41,932	46,045	52,359						46,871
35-39	2	8	36	264	338	41					689
			51,059	53,869	48,743	43,717					50,407
40-44	1	2	29	199	325	153	43				752
			56,029	48,467	54,180	52,894	47,077				52,017
45-49	1	4	25	219	407	166	194	35			1,051
			51,482	47,522	52,046	58,074	54,223	49,253			52,233
50-54	1	7	37	235	443	163	259	552	286		1,983
			51,021	49,960	44,668	52,421	66,323	78,932	91,589		65,141
55-59	2	6	43	287	577	399	494	516	682	250	3,256
			53,753	46,670	46,712	62,096	68,604	83,223	88,965	100,398	70,772
60-64	4	5	28	266	470	297	325	277	359	433	2,464
			62,051	49,363	54,226	58,257	59,283	77,795	83,788	92,205	68,488
65-69			12	116	220	76	98	69	75	91	757
				43,387	49,535	56,669	65,672	64,895	77,365	87,434	59,892
70 & up		1	4	52	91	20	14	21	8	19	230
				37,072	32,528	33,958	45,043	49,984			39,049
Total	11	39	240	1,892	2,937	1,315	1,427	1,470	1,410	793	11,534
		38,002	51,201	48,200	49,304	57,137	63,031	78,445	87,331	93,589	63,109

Schedule SB, Line 26 — Schedule of Active Participant Data

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2016 limited to \$265,000. Average pay is not shown for cells with fewer than 20 participants.

*Schedule SB, Line 26 — Schedule of Active Participant Data*DISTRIBUTION OF ACTIVE PARTICIPANTS WITH CASH BALANCE
AS OF JANUARY 1, 2017

ATTAINED AGE	YEARS OF CREDITED SERVICE										
	UNDER 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	TOTAL
Under 25											
25-29			2								2
30-34		1	24	253	54						332
			4,015	3,482	6,205						3,953
35-39			35	264	316	35					650
			3,047	5,162	10,516	9,668					7,893
40-44		1	28	190	311	126	28				684
			4,294	5,941	13,491	17,783	12,663				11,761
45-49			21	194	377	144	163	22			921
			3,569	5,242	12,619	19,203	18,851	16,277			13,078
50-54			29	203	379	136	129	52	22		950
			5,887	5,630	11,923	18,543	19,680	16,731	22,242		12,897
55-59			37	253	515	112	112	43	78	27	1,177
			6,903	5,086	12,737	19,861	21,020	25,382	24,617	32,564	14,079
60-64			22	239	433	90	67	43	45	63	1,002
			10,089	6,533	15,760	17,570	23,878	43,336	39,821	62,927	19,370
65-69			12	107	210	37	34	18	22	27	467
				5,030	16,246	21,077	28,245	25,463	78,309	69,586	21,032
70 & up			4	45	84	11	5	11	1	7	168
				4,288	9,285						13,010
Total		2	214	1,748	2,679	691	538	189	168	124	6,353
			5,419	5,213	12,954	18,276	20,566	27,159	35,417	56,715	13,661

Schedule SB, Line 26 — Schedule of Active Participant Data

In each cell, the top number is the count of active participants with cash balance for each age/service combination and the bottom number is average cash balance as of December 31, 2016. Average pay is not shown for cells with fewer than 20 participants.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods
ACTUARIAL ASSUMPTIONS FOR JANUARY 1, 2017 FUNDING VALUATION

DISCOUNT RATE SPONSOR ELECTIONS			
• Segment rates or full yield curve	Segment		
• Look-back months	0		
	<u>Stabilized</u>	<u>Nonstabilized</u>	
• First 5 years	4.16%	1.57%	
• Next 15 years	5.72%	3.77%	
• Over 20 years	6.48%	4.73%	
MORTALITY SPONSOR ELECTIONS			
• Healthy and disabled participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.		
CASH BALANCE PLANS			
• Interest accumulation rate	Graded assumption		
	<u>Year</u>		<u>Rate</u>
	2016		3.03%
	2017		2.86%
	2018		3.15%
	2019		3.50%
	2020		3.85%
	2021+		4.20%
• Whipsaw calculations	No		
• Annuity conversion	Not Applicable – all cash balance participants are assumed to elect a lump sum		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

OTHER ECONOMIC ASSUMPTIONS			
• Salary increases	See table of sample rates. These rates apply to the prior year base earnings and then the target bonus percentage is added to determine the valuation pay. If no target bonus percentage is provided then the salary increase rates are applied to the prior year plan compensation.		
• Social Security wage base	3.00% per year		
• Inflation	2.20% per year		
• Grandfathered profit sharing balance interest credit	7.50% per year		
• Expected investment return	7.42% per year for 2015 and for 2016 and 7.04% per year for 2017		
• Expenses	\$5,639,000 added to current year normal cost		
DEMOGRAPHIC ASSUMPTIONS			
• Withdrawal	Percentage		
	Attained Age	Hourly	Salaried
	25	16.40%	7.10%
	30	11.60%	5.80%
	35	8.60%	4.80%
	40	7.00%	3.90%
	45	6.30%	3.40%
	50	6.10%	3.40%
	55	6.10%	4.00%
• Disability incidence	See table of sample rates		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

• Retirement age	Percentage		
	Attained Age	Hourly	Salaried
	55	8%	5%
	56	8%	5%
	57	8%	6%
	58	8%	6%
	59	8%	8%
	60	8%	9%
	61	13%	10%
	62	18%	19%
	63	16%	15%
	64	16%	15%
	65	25%	22%
	66	20%	22%
	67	20%	22%
	68	20%	22%
	69	20%	22%
	70+	100%	100%
• Benefit commencement age for			
— Annuity Benefits			
– Future vested deferred	65		
– Current vested deferred	65, or attained age if later		
— Cash Balance Lump Sums			
– Future vested deferred	60% take immediate lump sum upon termination		
– Current vested deferred	60% take lump sum within one year of termination, 10% of remaining take a lump sum each year until age 65.		
• Spouse assumptions	<u>MALE PARTICIPANTS</u>	<u>FEMALE PARTICIPANTS</u>	
— Percentage Married	80%	70%	
— Spouse Age difference	3 years younger	3 years older	

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

FORM OF PAYMENT	<u>LUMP SUM</u>	<u>SINGLE LIFE</u>	<u>50% J&S</u>	<u>100% J&S</u>
• Grandfathered actives expected to retire	0%	65%	20%	15%
• Cash balance actives expected to retire	100%	0%	0%	0%
• Grandfathered future vested deferred	0%	65%	20%	15%
• Cash balance future vested deferred	100%	0%	0%	0%
• Grandfathered future disabilities	0%	65%	20%	15%
• Cash balance future disabilities	100%	0%	0%	0%
• Grandfathered current vested deferred	0%	65%	20%	15%
• Cash balance current vested deferred	100%	0%	0%	0%
UNPREDICTABLE CONTINGENT EVENT ASSUMPTIONS	Not Applicable			

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***Table of Sample Rates**

ATTAINED AGE	PERCENTAGE		
	DISABILITY INCIDENCE		SALARY INCREASES
	MALE	FEMALE	
20	0.112%	0.112%	10.52%
25	0.112%	0.112%	9.12%
30	0.138%	0.138%	7.63%
35	0.164%	0.164%	6.38%
40	0.227%	0.227%	5.33%
45	0.290%	0.290%	4.46%
50	0.600%	0.600%	3.73%
55	0.910%	0.910%	3.12%
60	1.220%	1.220%	2.61%
65	0.000%	0.000%	2.50%

RATIONALE FOR ECONOMIC ASSUMPTIONS

- **Funding discount rate** – These are IRS prescribed rates. The plan sponsor elected this methodology (segment rates with no look-back months) from alternative IRS prescribed options.
- **Cash balance crediting rate** – The interest crediting rate for a plan year is based on the 30-year Treasury Rate for the month of November of the prior plan year. This assumption is set as a long term assumption with reference to the 30-year treasury assumption periodically published by Mercer Investment Consulting in their Capital Markets Outlook, and evaluated periodically for reasonability.
- **Salary increase** – This assumption is based on an experience study performed in 2010. Assumption is applied to base earnings or, if target bonus is not provided, is applied to prior year plan compensation.
- **Inflation** – This assumption is made with reference to the inflation assumption periodically published by Mercer Investment Consulting in the Capital Markets Outlook.
- **Expected investment return (funding)** – The expected rate of return on plan assets is based on the median simulated investment return using capital market assumptions published in Mercer Investment Consulting's Capital Markets Outlook for the plan's target asset mix, net of an adjustment of 20 basis points for expenses assumed to be paid from plan assets.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- **Funding Expense load** – Expected 2017 expenses based on expected 2017 PBGC premium plus estimated administrative expenses as provided by The Kroger Co., rounded to the nearest hundred thousand.

RATIONALE FOR SIGNIFICANT DEMOGRAPHIC ASSUMPTIONS

- **Funding mortality** – Prescribed by the IRS and based on The Kroger Co.'s election.
- **Withdrawal incidence** – The withdrawal rates are based on an experience analysis completed in 2013 covering the period January 1, 2007 to January 1, 2012 and the expectation that future withdrawal patterns and circumstances of the employer will not differ significantly from the period studied.
- **Retirement incidence** – The retirement rates are based on an experience analysis completed in 2013 covering the period January 1, 2007 to January 1, 2012 and the expectation that future retirement patterns and circumstances of the employer will not differ significantly from the period studied.
- **Benefit commencement age** – The benefit commencement age for cash balance participants is based on an experience study completed in 2013 covering the period January 1, 2007 to January 1, 2012 which showed about 60% of terminating participants elected an immediate lump sum upon termination.
- **Form of payment** – The form of payment assumption is based on an experience study completed in 2013 covering the period January 1, 2007 to January 1, 2012. 100% of cash balance participants are assumed to elect a lump sum of their cash balance account based on the analysis that shows less than 1% of participants elect an annuity.
- **Spouse assumptions** – The assumptions regarding percent married/spouse age difference at death or benefit commencement are based on the actuary's experience with many plans. This assumption does not impact participants covered under the cash balance provisions as lump sums are assumed to be paid upon termination, retirement, or death.

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***ACTUARIAL METHODS FOR FUNDING****Asset Methods**

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant Methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for active not accruing participants.

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual are the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Schedule SB, Part V — Summary of Plan Provisions

SUMMARY OF MAJOR PLAN PROVISIONS

Effective date and plan year	Original plan: December 27, 1968 Restated plan: September 1, 2017 (spin off date) Plan year: January 1 – December 31
Most recent amendment	Amendment Number Two effective September 1, 2017
Status of the plan	The Plan is frozen for cash balance participants with respect to pay credits; interest credits continue to accrue. All grandfathered participants continue to accrue benefits under the final average salary plan. Certain union groups continue to accrue cash balance pay credits or benefits under the final average salary plan.
Significant events	Effective as of August 31, 2017, all participants other than 1) active participants with a cash balance benefit who are not subject to a collective bargaining agreement and 2) retirees, surviving spouses, beneficiaries, and alternate payees who were in pay status as of September 1, 2017 and whose monthly payment is less than \$1,000 per month, were spun off into a new plan – The Kroger Consolidated Retirement Benefit Plan Spin Off (CRBP Spin Off). All other participants remained in the original CRBP which was terminated effective September 1, 2017.
Sponsoring employer	The Kroger Co.

Schedule SB, Part V — Summary of Plan Provisions

Following is a summary of the major plan provisions for cash balance employees of the Retirement Benefit Plan used to determine the plan's financial position. It should not be used in determining plan benefits.

• Participating employees	All employees, excluding leased employees, employees covered by a collective bargaining agreement that excludes participation, independent contractors, and employees covered by a separate defined benefit pension plan maintained by Kroger or any affiliate employer.
• Type of plan	Cash Balance
• Employers included	The Kroger Co. and any affiliate that elects to adopt the plan.
• Eligibility	The first date on which an employee has both completed 1,000 Hours of Service in a twelve-month period and attained age 21.
• Cash Balance Formula	<p>Pay Credit: Five percent of annual earnings during the plan year.</p> <p>Interest Credit: Annual rate of interest on 30 year Treasury Bonds for the month of November of the preceding year. Interest will be credited annually on the beginning of year account balance.</p> <p>Effective January 1, 2007, the cash balance formula is frozen with respect to future pay credits. Interest credits will continue to be credited to the account balance. Certain Dillon and Delaware union employees will continue to earn pay credits.</p> <p>For participants on April 1, 1999, who were covered under the prior Ralph's Grocery Company Retirement Plan, an additional 7% of the opening pay credit account balance under the prior Fred Meyer Plan is added each year.</p>
• Accrued Benefit	Greater of the Benefit Account converted to a monthly annuity or the participant's predecessor plan benefit plus a life annuity actuarial equivalent of the Pay Credit Account. Actuarial equivalent conversions use the current 417(e) mortality table and an interest rate equal to the average rate of return for 30-year Treasury securities for the month of November immediately preceding the Plan Year in which the Annuity Starting Date occurs.
• Participant contributions	None

Schedule SB, Part V — Summary of Plan Provisions

• Service considered	Credited Service: One year after each year of continuous service following the later of 1,000 Hours of Service or attainment of age 21. Vested Service: One year for each year of continuous service following the later of employment or attainment of age 18.
• Vesting Percentage	20% after one year of Vested Service, 40% after two years, and 100% after three or more years.
• Annual Compensation Considered	Base pay, overtime, bonuses, including amounts subject to a salary reduction agreement pursuant to IRC Section 125 or 401(k), paid to employee during a calendar year for personal services rendered to any employer.
• Normal Retirement Age	First of month coinciding with or next following the attainment of age 65 with five years of participation service.
• Normal Retirement Benefit	Monthly pension benefit determined as of actual retirement date payable as a lump sum.
• Late Retirement Benefit	Monthly pension benefit determined as of actual retirement date payable as a lump sum.
• Deferred Vested Benefit	Lump sum value of the monthly accrued benefit, or a deferred monthly annuity, multiplied by the Vested Percentage.
• Disability Benefit	Lump sum value of the monthly accrued benefit, or a deferred monthly annuity, multiplied by the Vested Percentage.
• Death Benefit	Lump sum value of the monthly accrued benefit, or a monthly annuity.
• Optional Forms of Retirement Benefits	Lump sum, life annuity, qualified joint and survivor annuity and for those retiring after age 55, 50%, 75% or 100% contingent annuity.
• Actuarial equivalence	1984 Unisex Pension Mortality Table with a one year age set forward for Participants and a four year age setback for Beneficiaries and a 9% per annum compound interest rate assumption.
• Cost of Living Increase	None
• Benefits Not Included In The Valuation	None

Schedule SB, Part V — Summary of Plan Provisions

• Significant Events	None
• Maximum Compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2017, the limit is \$270,000.
• Maximum Benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2017, the limit is \$215,000.
• Other Plan Provisions	The above outline of the basic benefit structure of the Plan is not intended to provide sufficient information to determine individual benefits. The outline should be used simply as an overview of benefit structure and an aid in understanding and interpreting the remaining sections of the report.

Schedule SB, Part V — Summary of Plan Provisions

Following is a summary of the major plan provisions for grandfathered employees of the Retirement Benefit Plan used to determine the plan's financial position. It should not be used in determining plan benefits.

• Participating Employees	Generally, an employee was grandfathered if, as of December 31, 2000, the employee was vested and either age 39½ or had a combined age plus service of 50. Grandfathering only applied to participants in the prior Kroger Retirement Benefit Plan, Dillon Minimum Benefit Plan, or Jay C Retirement Plan.
• Type of Plan	Final average pay
• Employers Included	The Kroger Co. and any affiliate that elects to adopt the plan.
• Participant Contributions	None
• Service Considered	One year for each year of continuous service following the latter of employment or attainment of age 21.
• Compensation Considered	Regular cash compensation received during the year, including overtime pay and bonuses.
• Average Annual Compensation	The average of the highest five years of earnings during the last 10 years before termination.
• Accrued Benefit	The greater of: <ul style="list-style-type: none"> a. 1½% of average annual compensation less 1¼% of the participant primary Social Security benefit multiplied by the number of years of credited service. b. 1% of average annual compensation multiplied by the number of years of credited service. c. Minimum benefit.
• Normal Retirement Age	Age 65, with 5 years of vesting service.
• Early Retirement Age	Retirement before Normal Retirement Age and on or after attaining age 55, with 5 years of vesting service.
• Normal Retirement Benefit	Monthly accrued benefit determined as of Normal Retirement Date.
• Late Retirement Benefit	Monthly accrued benefit using pay and service to actual retirement date.

Schedule SB, Part V — Summary of Plan Provisions

• Early Retirement Benefit	Monthly accrued benefit determined as of early retirement date, reduced 4% for each year before age 62 to age 60, then 6% for each year to age 55.
• Deferred Vested Benefit	Monthly accrued benefit determined as of terminating date and payable at participant's Normal Retirement Date, or payable at an age not earlier than age 55 with a reduced benefit.
• Death Benefit	The amount that would have been payable if the participant terminated on the date of death, elected payment at the earliest eligibility for early retirement in the form of a qualified joint and survivor annuity, and died before the first payment.
• Disability Benefit	Monthly pension benefit determined as of the disability retirement date without reduction for early commencement and payable on the disability retirement date.
• Optional Forms of Retirement Benefits	Life annuity, 50%, 66-2/3%, 75% or 100% contingent annuity with or without restoration, life annuity with guaranteed payments, level income.

Schedule SB, Part V — Summary of Plan Provisions

• Optional form conversion factors	Contingent Optional Benefit Forms Reduction Factors			
	<u>Near age of Employee</u>	<u>100%</u> <u>J&S</u>	<u>66 – 2/3%</u> <u>J&S</u>	<u>50%</u> <u>J&S</u>
	55	.850	.900	.920
	56	.850	.900	.920
	57	.840	.890	.910
	58	.840	.890	.910
	59	.830	.880	.910
	60	.830	.880	.910
	61	.820	.870	.900
	62	.820	.870	.900
	63	.810	.860	.900
	64	.810	.860	.900
	65	.800	.850	.890
	Increase (decrease) for each year contingent annuitant is older (younger) than employee	.008	.006	.005
	Maximum Factor	.950	.970	.980
	Minimum Factor	.700	.750	.800
	Additional Reduction for Restoration Option	.960	.970	.980
	Other Optional Benefit Forms Reduction Factors			
	10 year Certain and Life Annuity	.95		
	15 year Certain and Life Annuity	.90		
	Level Income Option	Reduction is .006 times number of months between near age and 62		

Schedule SB, Part V — Summary of Plan Provisions

• Cost of Living Increases	None
• Benefits Not Included in the Valuation	None
• Significant Events	None
• Maximum Compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2017, the limit is \$270,000.
• Maximum Benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2017, the limit is \$215,000.
• Other Plan Provisions	The above outline of the basic benefit structure of the Plan is not intended to provide sufficient information to determine individual benefits. The outline should be used simply as an overview of benefit structure and an aid in understanding and interpreting the remaining sections of the report.

Schedule SB, Part V — Summary of Plan Provisions

Following is a summary of the major plan provisions for grandfathered employees of the Minimum Benefit Plan used to determine the plan's financial position. It should not be used in determining plan benefits.

• Participating Employees	Generally, an employee was grandfathered if, as of December 31, 2000, the employee was vested and either age 39½ or had a combined age plus service of 50. Grandfathering only applied to participants in the prior Kroger Retirement Benefit Plan, Dillon Minimum Benefit Plan, or Jay C Retirement Plan.
• Type of Plan	Final average pay
• Employers Included	The Kroger Co. and any affiliate that elects to adopt the plan.
• Service Considered	<p>Vesting Service: One year for each 1,000-hour calendar year of employment by the Central Division.</p> <p>Benefit service: Completed years of service as a covered employee. There is a maximum of 25 years of service for employees of Fry's of Arizona and Fry's of California which only applies to the accrued benefit calculation under Formula 1.</p>
• Compensation Considered	Base pay, overtime, and bonuses (including amounts subject to salary reduction agreements made pursuant to the Dillon Companies, Inc. Employees' Stock Ownership and Savings Plan) paid to the employees during a calendar year for personal services rendered.
• Average Annual Compensation	Under the accrued benefit definition, Formula 1, it is the average of the highest three consecutive calendar years of pensionable pay during the 10 year period ending on the earlier of the participant's termination date or retirement date. Under the accrued benefit definition, Formula 2, it is the average of the highest five calendar years of pensionable pay during the 10 year period ending on the earlier of the participant's termination date or retirement date. Under Formula 3, it is the average of the 60 consecutive months of pensionable pay preceding the date of separation.

Schedule SB, Part V — Summary of Plan Provisions

• Accrued Benefit	<p>The greater of:</p> <p>Formula 1: 1% of average earnings multiplied by the number of years of benefit service. Applies only to an employee participating on or before January 1, 1995.</p> <p>Formula 2: 1 ½% of average earnings less 1 ¼% of the participant's primary Social Security Benefit; multiplied by the number of years of benefit service, with a maximum of 40 years considered. This benefit is then multiplied by a conversion factor, based on 7% interest and the 1983 Unisex Group Annuity Mortality Table, to convert a life annuity benefit payable to life with 120 months.</p> <p>Formula 3: \$10 times years of service, plus 1% of monthly average earnings in excess of \$650 times years of service converted to a benefit payable for life with 120 months guaranteed as described in Formula 2. Applies only to Turkey Hill Dairy participants hired before January 1, 1996.</p>
• Profit Sharing Benefit	<p>The annuity provided by the Dillon Companies, Inc. Profit-Sharing Plan computed in accordance with the 1983 Unisex Group Annuity Mortality Table and an interest rate of 7% per year. In computing the profit-sharing benefit in the event of termination before early retirement age, deferred annuity rates are used. Immediate annuity rates are used in the event of early, normal, or delayed retirement. The immediate or deferred annuity that is calculated is a life annuity with 120 months of payments guaranteed.</p>
• Social Security Benefit	<p>The projected amount of the participant's primary Social Security benefit payable at age 65 according to the law in effect at the date of termination of employment, assuming no wages to be earned after termination</p>
• Normal Retirement Age	<p>Age 65</p>
• Early Retirement Age	<p>Retirement before Normal Retirement Age and on or after attaining age 55 and ten years of vesting service.</p>
• Normal Retirement Benefit	<p>The excess of the participants accrued benefit over the profit sharing benefit.</p>
• Late Retirement Benefit	<p>Monthly pension benefit determined as of actual retirement date.</p>

Schedule SB, Part V — Summary of Plan Provisions

<ul style="list-style-type: none"> • Early Retirement Benefit 	<p>The excess of the larger of the benefit formulas below over the profit sharing benefit:</p> <ol style="list-style-type: none"> 1) The accrued benefit under Formula 1 at the Early Retirement Date, reduced 3% for each year of payment before NRD to age 60, then 6% for each year to 55. 2) The accrued benefit under Formula 2 at the Early Retirement Date, reduced 4% for each year of payment before age 62 to age 60, then 6% for each year to 55. The benefit is reduced for early retirement before it is converted from a life annuity to a life annuity with 120 months guaranteed. 3) The accrued benefit under Formula 3 at the Early Retirement Date, reduced 7.2% for each year of payment before NRD to age 60, then 4.8% for each year to 55.
<ul style="list-style-type: none"> • Deferred Vested Benefit 	<p>Monthly accrued benefit determined as of termination date and payable at participant's Normal Retirement Date, or payable at an age not earlier than age 55 with a reduced benefit.</p>
<ul style="list-style-type: none"> • Disability Benefit 	<p>Monthly pension benefit determined as of the termination date and payable at the participants NRD, or payable at an early retirement date, reduced to an actuarially equivalent of the benefit that would otherwise have been received at the NRD, based on the 1983 Group Annuity Mortality Table and an interest of 7% per year.</p>
<ul style="list-style-type: none"> • Death Benefit 	<p>50% of the monthly pension benefit as of the date of death reduced or the 50% joint and survivor election, which is actuarially equivalent to the life annuity with 120 months of payments guaranteed payable to a single participant, and reduced for payment as early as the participant's 55th birthday.</p>

Schedule SB, Part V — Summary of Plan Provisions

• Optional Forms of Retirement Benefits	Preretirement spouse benefits are payable for the lifetime of the surviving spouse. The normal form of payment for single participants is a life annuity with 120 months of payments guaranteed. The normal form for married participants is the actuarial equivalent of the single participants' normal form, payable as a qualified joint and survivor annuity. Optional forms are a straight life annuity for the life of the participant and a 50% or 100% joint and survivor annuity (which is actuarially equivalent to the straight-life annuity for the life of the participant).
• Actuarial Equivalence	1983 Unisex Pension Mortality Table and a 7% per annum compound interest rate assumption.
• Cost of Living Increases	None
• Benefits Not Included in the Valuation	None
• Significant Events	None
• Maximum Compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2017, the limit is \$270,000.
• Maximum Benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2017, the limit is \$215,000.
• Other Plan Provisions	The above outline of the basic benefit structure of the Plan is not intended to provide sufficient information to determine individual benefits. The outline should be used simply as an overview of benefit structure and an aid in understanding and interpreting the remaining sections of the report.

Schedule SB, Part V — Summary of Plan Provisions

Following is a summary of the major plan provisions for grandfathered employees of the Jay C Plan used to determine the plan's financial position. It should not be used in determining plan benefits.

• Participating Employees	Generally, an employee was grandfathered if, as of December 31, 2000, the employee was vested and either age 39½ or had a combined age plus service of 50. Grandfathering only applied to participants in the prior Kroger Retirement Benefit Plan, Dillon Minimum Benefit Plan, or Jay C Retirement Plan.
• Type of Plan	Final average pay
• Employers Included	The Kroger Co. and any affiliate that elects to adopt the plan.
• Participant Contributions	None
• Service Considered	One year for each year of continuous service following the latter of employment or attainment of age 21.
• Compensation Considered	Regular cash compensation received during the year, including overtime pay and bonuses.
• Average Annual Compensation	The average of the highest five consecutive years of earnings during the last 10 years before termination.
• Accrued Benefit	The greater of: a. 30% of average annual compensation reduced proportionately for years of service less than 25 at the normal retirement date multiplied by the ratio of service to date over service at the normal retirement date. b. \$120 multiplied by years of service (up to a maximum of 10 years).
• Normal Retirement Age	Age 65
• Early Retirement Age	Retirement before Normal Retirement Age and on or after attaining age 55, with 5 years of vesting service.
• Normal Retirement Benefit	Monthly accrued benefit determined as of Normal Retirement Date.
• Late Retirement Benefit	Greater of monthly accrued benefit using pay and service to actual retirement date or the actuarial equivalent of the normal retirement benefit.

Schedule SB, Part V — Summary of Plan Provisions

• Early Retirement Benefit	Monthly accrued benefit determined as of early retirement date, reduced 1/180th for each month before age 65 to age 60, then 1/360th for each month to age 55.
• Deferred Vested Benefit	Monthly accrued benefit determined as of the termination date and payable at participant's Normal Retirement Date, or payable at an age not earlier than age 55 with a reduced benefit.
• Death Benefit	The amount that would have been payable if the participant terminated on the date of death, elected payment at the earliest eligibility for early retirement in the form of a qualified joint and survivor annuity, and died before first payment.
• Optional Forms of Retirement Benefits	Life annuity, 50%, 66-2/3%, 75% or 100% contingent annuity, life annuity with guaranteed payments, guaranteed payments only, lump sum.
• Optional form conversion factors	1984 Unisex Pension Mortality Table with a one year age set forward for Participants and a four year age setback for Beneficiaries and a 9% per annum compound interest rate assumption.
• Cost of Living Increases	None
• Benefits Not Included in the Valuation	None
• Significant Events	None
• Maximum Compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2017, the limit is \$270,000.
• Maximum Benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2017, the limit is \$215,000.
• Other Plan Provisions	The above outline of the basic benefit structure of the Plan is not intended to provide sufficient information to determine individual benefits. The outline should be used simply as an overview of benefit structure and an aid in understanding and interpreting the remaining sections of the report.

*Schedule SB, Part V — Summary of Plan Provisions***Benefits Included or Excluded**

Unless noted below, all benefits provided by the plan, as adopted and effective as of September 1, 2017, are included in this valuation.

- **Most recent plan amendments included:** Amendment Number Two effective September 1, 2017
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Active grandfathered and all cash balance participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement. These participants continue to earn additional annuity benefits or cash balance interest credits. Late retirement actuarial increases are not reflected in this valuation.
 - *Active with frozen annuities and deferred vested participants:* Valued including the late retirement actuarial increase, except for deferred vested participants over age 70.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

PLAN PROVISIONS SPECIFIC TO FUNDING**Additional Benefits Included or Excluded**

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Schedule SB, Part V — Summary of Plan Provisions

PLAN PROVISION CHANGES SINCE PRIOR VALUATION

None since there is no prior valuation for this new spin off plan.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

Hourly Plan				
(A)	(B)	(C)	(D)	(E)
Retirement age	Retirement Percent	Lx	Number of employees expected to retire (B) x (C)	(A) x (D)
55	8.0%	10,000.00	800.00	44,000.00
56	8.0%	9,200.00	736.00	41,216.00
57	8.0%	8,464.00	677.12	38,595.84
58	8.0%	7,786.88	622.95	36,131.12
59	8.0%	7,163.93	573.11	33,813.75
60	8.0%	6,590.82	527.27	31,635.91
61	13.0%	6,063.55	788.26	48,083.95
62	18.0%	5,275.29	949.55	58,872.22
63	16.0%	4,325.74	692.12	43,603.42
64	16.0%	3,633.62	581.38	37,208.26
65	25.0%	3,052.24	763.06	49,598.90
66	20.0%	2,289.18	457.84	30,217.17
67	20.0%	1,831.34	366.27	24,540.01
68	20.0%	1,465.08	293.02	19,925.02
69	20.0%	1,172.06	234.41	16,174.43
70	100.0%	937.65	937.65	65,635.36
Total			10,000.00	619,251
Average				61.92

The weighted average retirement age shown on the schedule SB form is the average retirement age for salaried participants and Hourly participants, weighted by the number of actives in each group.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.

Salaried Plan				
(A)	(B)	(C)	(D)	(E)
Retirement age	Retirement Percent	Lx	Number of employees expected to retire (B) x (C)	(A) x (D)
55	5.0%	10,000.00	500.00	27,500.00
56	5.0%	9,500.00	475.00	26,600.00
57	6.0%	9,025.00	541.50	30,865.50
58	6.0%	8,483.50	509.01	29,522.58
59	8.0%	7,974.49	637.96	37,639.59
60	9.0%	7,336.53	660.29	39,617.27
61	10.0%	6,676.24	667.62	40,725.08
62	19.0%	6,008.62	1,141.64	70,781.53
63	15.0%	4,866.68	730.05	45,992.97
64	15.0%	4,136.93	620.54	39,714.57
65	22.0%	3,516.39	773.61	50,284.43
66	22.0%	2,742.79	603.41	39,825.27
67	22.0%	2,139.37	470.66	31,534.37
68	22.0%	1,668.71	367.12	24,963.93
69	22.0%	1,301.60	286.35	19,758.21
70	100.0%	1,015.24	1,015.24	71,067.10
Total			10,000.00	626,392
Average				62.63

The weighted average retirement age shown on the schedule SB form is the average retirement age for salaried participants and Hourly participants, weighted by the number of actives in each group.

Schedule SB, Line 25 — Change in Method

Effective August 31, 2017, the assets and liabilities associated with certain participants were spun off from the Kroger Consolidated Retirement Benefit Plan (EIN 31-0345740 / PN 006) ("Original Plan") to the newly created separate Kroger Consolidated Retirement Benefit Plan Spin Off (EIN 31-0345740/ PN 011) ("Spin Off Plan") also sponsored by The Kroger Co. Said spin off is considered a change in funding method. A request for IRS approval for the change in funding method was submitted on or before March 15, 2018. A copy of the IRS acknowledgement of receipt is included as part of this attachment. To date, a formal IRS approval has not been received. The change in funding method request included the following:

- The method used to determine the 2017 minimum required contribution for the Kroger Consolidated Retirement Benefit Spin Off Plan, ("Spin Off Plan"), taking into account the August 31, 2017 spin off from the Kroger Consolidated Retirement Benefit Plan ("Original Plan"). The full year valuation was completed for the Original Plan without regard to the spin off, and then the results for the portion of the year following the August 31, 2017 spin off were allocated between the resulting plans.
- The method used to determine the Spin Off Plan's contribution requirement for the 2018 plan year.

Since there is no funding shortfall for the 2017 plan year, the minimum required contribution for the Spin Off Plan's short plan year beginning September 1, 2017 and ending December 31, 2017 is equal to the Spin Off Plan's target normal cost which is equal to the sum of the benefit normal cost plus expenses expected to be paid from plan assets during the 2017 plan year. The results for the portion of the year following the August 31, 2017 spin off were allocated to the Spin Off Plan for the four month period beginning September 1, 2017.

- The method used to determine the Spin Off Plan's 2017 adjusted funding target attainment percentage (AFTAP) following the spinoff and the presumed AFTAP that applies from the start of the 2017 plan year until the 2018 AFTAP certification is issued later during 2018.

The January 1, 2017 funding target for the Spin Off Plan was determined based on the plan participants in the Spin Off Plan as of January 1, 2017. The Original Plan's 2017 AFTAP was certified to be 126.58% on September 29, 2017. A range certification for the Spin Off Plan of 80% or higher was also certified on September 29, 2017 and the 2017 AFTAP for the Spin Off Plan was certified to be 122.61% on December 21, 2017. Therefore, the Spin Off Plan's AFTAP for the short plan year beginning September 1,

Schedule SB, Line 25 — Change in Method

2017 following the spin off and presumed AFTAP during the period from January 1, 2018 until the 2018 AFTAP will be certified on or before September 30, 2018 is 122.61%.

- The method used to determine that the Spin Off Plan is not at risk for the 2017 or 2018 plan year and the method used to determine that the Spin Off Plan's sponsor may apply carryover balance and prefunding balance toward the Spin Off Plan's minimum required contribution for the 2017 and 2018 plan years.

The table below summarizes the FTAPs for the 2016 and 2017 plan years that have implications for the Spin Off Plan's 2017 and 2018 plan years.

2016 FTAPs	Original Plan	Spin Off Plan
At-risk prong 1 test	100.00%	N/A
At-risk prong 2 test	N/A	NA
Use of credit balances	100.00%	N/A
2017 FTAPs		
At-risk prong 1 test	100.00%	100.00%
At-risk prong 2 test	N/A	N/A
Use of credit balances	100.00%	100.00%

Because the Original Plan's 2016 not-at-risk FTAP exceeded 80%, we propose to treat the Spin Off Plan as not at risk for the 2017 plan year. Similarly, because the Spin Off Plan's 2017 not-at-risk FTAP exceeded 80% and the 2017 not-at-risk FTAP for the Original Plan also exceeded 80%, we propose to treat the Spin Off Plan as not at risk for the 2018 plan year.

The plan sponsor has not yet elected to use credit balance toward minimum funding requirements for the 2017 plan year for the Spin Off Plan. Because the Original Plan's 2016 FTAP for use of credit balances exceeded 80% and the 2017 FTAP for the Spin Off Plan also exceeded 80%, we propose that the plan sponsor be allowed to elect to apply carryover and prefunding balance toward the Spin Off Plan's 2017 and 2018 minimum required contribution, if desired.

Schedule SB, Line 25 — Change in Method

- The method used to determine the average value of assets at the Spin Off Plan's January 1, 2017 valuation date and January 1, 2018 valuation date. Before the spin off, the Original Plan determined the value of assets as the average of the fair market value of assets on the valuation date and the adjusted fair market value of assets for each of the two preceding valuation dates.

The January 1, 2017 actuarial value of assets for the Spin Off Plan was set equal to the January 1, 2017 market value of assets for the Original Plan times the same proportion as the August 31, 2017 assets allocated in accordance with ERISA §4044 to the Spin Off Plan as of the August 31, 2017 spin off date.

Following the spin off, the Spin Off Plan will determine the value of assets as the average of the fair market value of assets on the valuation date and the adjusted fair market value of assets for each of the two preceding valuation dates. However, the January 1, 2018 average will only include the January 1, 2018 and the January 1, 2017 valuation dates since the plan has no valuation dates prior to January 1, 2017.



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Mr. Daren L. Anderson
Mercer
333 South Seventh Street, Suite 1400
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Contact Person: Qian Magee
Telephone Number: (202) 317-8704
Manager: David M. Ziegler
Telephone Number: (202) 317-8629
Refer reply to: SE:T:EP:RA:T:A2
Date: April 18, 2018

Case Name: Kroger Consolidated Retirement Benefit
Spin Off Plan Funding Method Change
Control Number: 911751477
Control Date: March 15, 2018

We have received your request for a private letter ruling. We will review your submission and will process it as soon as possible. However, we must process cases in the order that we receive them, and we now have a large inventory of cases that are in various stages of completion. For this reason, we cannot immediately review your request for a ruling. If you wish to inquire about the status of your case, please contact the person identified above.

We know your case is important and we will make every effort to process it as expeditiously as possible. Thank you for your patience and cooperation.

Sincerely,

A handwritten signature in black ink, appearing to be "Q. Magee", written over a horizontal line.

Qian Magee, Actuary
Employee Plans Actuarial Group 2

Schedule SB, Line 7 — Explanation of Discrepancy in the Prior Year Funding Standard Carryover Balance or Prefunding Balance Change in Method

Effective August 31, 2017, the assets and liabilities associated with certain participants were spun off from the Kroger Consolidated Retirement Benefit Plan (EIN 31-0345740 / PN 006) ("CRBP") to the newly created separate Kroger Consolidated Retirement Benefit Plan Spin Off (EIN 31-0345740/ PN 011) ("CRBP Spin Off") also sponsored by The Kroger Co. The amount shown on line 7 is equal to the amount shown on line 13 of the 2016 Form 5500 SB for the pre-spinoff CRBP, which was subsequently allocated between the CRBP and the CRBP Spin Off in conjunction with the spinoff. The development of the balance at the beginning of the current year (January 1, 2017) for the pre-spinoff CRBP, and the allocation between the CRBP and the CRBP Spin Offs is shown in this attachment.

	Carryover balance		Prefunding balance	
Balance as of January 1, 2016	\$	0	\$	73,881,698
Portion applied in prior year		(0)		0
Interest at prior year investment return of 6.78%		0		5,009,179
Amount remaining as of January 1, 2017	\$	0	\$	78,890,877
Prior year excess contributions				
Discounted contributions allocated toward minimum required			\$	833,539,562
Minimum funding requirement (after applied credits)				(62,399,824)
Interest-adjusted excess contributions = discounted contributions minus minimum funding requirement (after applied credits)			\$	771,139,738
Interest to end of plan year on excess contributions not attributed to credit balance use at prior year effective interest rate of 6.04%				46,576,840
Interest to end of plan year on excess contributions attributed to credit balance use at prior year investment return of 6.78%				0
Total available to add to prefunding balance			\$	817,716,578
Portion added to prefunding balance				684,824,029
Reduction in balances due to election or deemed election effective January 1, 2017				
	\$	(0)	\$	(0)
Balance as of January 1, 2017	\$	0	\$	763,714,906
Credit balance available to offset minimum	\$	0	\$	763,714,906

*Schedule SB, Line 7 — Explanation of Discrepancy in the Prior Year Funding Standard Carryover Balance or Prefunding Balance Change in Method***CREDIT BALANCE ALLOCATION**

The Total Plan has exactly enough prefunding balance to result in \$0 unfunded stabilized funding target (net assets equals non-stabilized funding target). The prefunding balance as of the January 1, 2017 valuation date was allocated between the CRBP and the CRBP Spin Off such that each plan also has exactly enough prefunding balance to result in \$0 unfunded stabilized funding target.

	CRBP (pre spin off)	CRBP (post spin off)	CRBP Spin Off
Stabilized funding target as of January 1, 2017	\$ 2,872,517,271	\$ 748,466,072	\$ 2,124,051,199
Actuarial value of assets as of January 1, 2017	3,636,232,177	1,031,931,538	2,604,300,639
Prefunding balance as of January 1, 2017	763,714,906	283,465,466	480,249,440
Net assets as of January 1, 2017	\$ 2,872,517,271	\$ 748,466,072	\$ 2,124,051,199