Section 1: 8-K (8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: **December 13, 2017**
(Date of earliest event reported)

THE KROGER CO.
(Exact name of registrant as specified in its charter)

Ohio	**No. 1-303**	**31-0345740**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1014 Vine Street
Cincinnati, OH 45202
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(513) 762-4000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure.

The Kroger Co. issued a press release announcing the ratification of a new labor agreement that provides for Kroger's withdrawal from the Central States Pension Fund. Kroger will make payments to Central States to fulfill its withdrawal liability obligations over time. The Company expects to record a one-time non-cash charge of approximately $410 million in the fourth quarter relating to the Company's liability associated with withdrawal from this fund. The actual amount of the charge could vary based on final benefit calculations.

This charge does not change our expected 2017 adjusted net earnings per diluted share of $2.00 to $2.05, including the 53rd week and excluding charges related to both the first quarter and fourth quarter withdrawal liabilities for certain multi-employer pension funds and a voluntary retirement offering. We expect net earnings to be $1.44 to $1.49 per diluted share for 2017, which includes an estimated $.09 for the 53rd week. The net earnings per diluted share and adjusted net earnings per diluted share guidance does not include one-time expenses expected to be recognized upon settlement of Company-sponsored defined benefit pension plans later this year.

Attached hereto as Exhibit 99.1, and filed herewith, is a copy of that release.

Forward Looking Statements

This Current Report contains certain statements that constitute "forward-looking statements" about the future performance of The Kroger Co. These statements are based on management's assumptions and beliefs in light of the information currently available to it. Such statements are indicated by words such as "guidance," "could," and "expect." Various uncertainties and other factors could cause actual results to differ materially from those contained in the forward-looking statements. These include the specific risk factors identified in "Risk Factors" and "Outlook" in our annual report on Form 10-K for our last fiscal year and any subsequent filings, as well as the following:

- The extent to which our sources of liquidity are sufficient to meet our requirements may be affected by the state of the financial markets and the effect that such condition has on our ability to issue commercial paper at acceptable rates. Our ability to borrow under our committed lines of credit, including our bank credit facilities, could be impaired if one or more of our lenders under those lines is unwilling or unable to honor its contractual obligation to lend to us, or in the event that natural disasters or weather conditions interfere with the ability of our lenders to lend to us. Our ability to refinance maturing debt may be affected by the state of the financial markets.

- Our ability to achieve sales, earnings and cash flow goals may be affected by: labor negotiations or disputes; changes in the types and numbers of businesses that compete with us; pricing and promotional activities of existing and new competitors, including non-traditional competitors, and the aggressiveness of that competition; our response to these actions; the state of the economy, including interest rates, the inflationary and deflationary trends in certain commodities, and the unemployment rate; the effect that fuel costs have on consumer spending; volatility of fuel margins; changes in government-funded benefit programs; manufacturing commodity costs; diesel fuel costs related to our logistics operations; trends in consumer spending; the extent to which our customers exercise caution in their purchasing in response to economic conditions; the inconsistent pace of the economic recovery; changes in inflation or deflation in product and operating costs; stock repurchases; our ability to retain pharmacy sales from third party payors; consolidation in the healthcare industry, including pharmacy benefit managers; our ability to negotiate modifications to multi-employer pension plans; natural disasters or adverse weather conditions; the potential costs and risks associated with potential cyber-attacks or data security breaches; the success of our future growth plans; and the successful integration of Harris Teeter and Roundy's. Our ability to achieve sales and earnings goals may also be affected by our ability to manage the factors identified above. Our ability to execute our financial strategy may be affected by our ability to generate cash flow.

- Our effective tax rate may differ from the expected rate due to changes in laws, the status of pending items with various taxing authorities, and the deductibility of certain expenses.

- Changes in our product mix may negatively affect certain financial indicators. For example, we continue to add supermarket fuel centers to our store base. Since fuel generates lower profit margins than our supermarket sales, we expect to see our FIFO gross margins decline as fuel sales increase.

Forward-looking statements contained herein speak only as of the date made. The Company undertakes no duty to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Item 9.01 Financial Statement and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated December 13, 2017

Exhibit Index

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99.1	Press Release dated December 13, 2017

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE KROGER CO.

December 13, 2017

By: */s/ Christine S. Wheatley*
Christine S. Wheatley
Group Vice President, Secretary and General Counsel

(Back To Top)

Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1

Kroger and International Brotherhood of Teamsters Protect Pensions

Associates Approve Kroger Withdrawal from Central States Pension Fund

December 13, 2017 — The Kroger Co. and International Brotherhood of Teamsters announced today the ratification of a new labor agreement that provides for Kroger's withdrawal from the Central States Pension Fund. The new labor agreement covers associates represented by the IBT at three distribution centers and two dairy manufacturing facilities operated by Kroger.

Kroger and IBT have been working together for several years on a plan to protect the pensions of Kroger associates at these facilities, who are participants in the Central States Pension Fund. The Central States Pension Fund projects it will go insolvent in 2025.

Kroger and IBT have established a new fund, called the International Brotherhood of Teamsters Consolidated Pension Fund that is designed to provide Kroger associates with a secure pension.

Included in this agreement are current Kroger associates/IBT members working at facilities in Hutchinson and Goddard, KS; Houston, TX; Memphis, TN; Indianapolis, IN; and Livonia, MI. The total number of active associates covered is about 1,800. In February, Roundy's associates working at a distribution center in Oconomowoc, WI ratified the same agreement.

Kroger's withdrawal from Central States Pension Fund is effective December 10, 2017. Kroger's withdrawal does not require the approval of Central States. Kroger will make payments to Central States to fulfill its withdrawal liability obligation.

Under the ratified agreement, the benefits current associates have earned as participants of Central States will be protected. Here's how —

- The new IBT pension fund will make-up benefits that are reduced by Central States as a result of Kroger's withdrawal.
- Should Central States become insolvent and benefits are reduced, the IBT Consolidated Pension Fund will restore benefit reductions above the level guaranteed by the Pension Benefit Guaranty Corporation (PBGC).

Moving forward, current associates also will begin earning a new pension benefit through a formula negotiated by Kroger and the IBT and ratified by members.

"Given the uncertain future of Central States and the potential adverse impact on our members, the National Committee felt the move to the IBT Consolidated Plan will ensure they have a stable and reliable retirement benefit in the future," said Steve Vairma, International Brotherhood of Teamsters Vice President."

"This is a good agreement for our current associates and our company. It provides our current associates security for their future retirement and the company financial certainty regarding this important investment in our associates," said Mike Schlotman, Kroger's Executive Vice President and Chief Financial Officer.

In 2015, the Company and the IBT negotiated, and members ratified, an agreement that would have transferred Kroger associates and retirees from Central States to the new IBT fund. This transfer required the approval of Central States. The Central States Trustees have not agreed to the transfer. This led Kroger and the IBT to negotiate an agreement providing for Kroger's withdrawal from Central States, while preserving the possibility of a transfer.

About IBT

Founded in 1903, the International Brotherhood of Teamsters represents 1.4 million hardworking men and women throughout the United States, Canada and Puerto Rico. Visit www.teamster.org for more information.

About Kroger

At The Kroger Co., we are dedicated to our purpose: to **Feed the Human Spirit**™**.** We are 453,000 associates who serve nearly nine million customers daily in 2,793 retail food stores under a variety of local banner names in 35 states and the District of Columbia. Our Family of Companies operates an expanding ClickList offering — a personalized order online service — in addition to 2,258 pharmacies, 783 convenience stores, 307 fine jewelry stores, 222 retail health clinics, 1,472 supermarket fuel centers and 38 food production plants in the United States. Our Company has been recognized as one of America's most generous companies for our support of more than 100 Feeding America food bank partners, breast cancer research and awareness, the military and their families, and more than 145,000 community organizations including schools. As a leader in supplier diversity, we are a proud member of the *Billion Dollar Roundtable*. ###

(Back To Top)