

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed 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). ► Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 <div style="border: 1px solid black; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">2011</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2011 or fiscal plan year beginning <u>04/01/2011</u> and ending <u>03/31/2012</u>			
A	This return/report is for:	☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) ☐ a one-participant plan	
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	Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)	

Part II Basic Plan Information —enter all requested information			
1a	Name of plan <u>BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN RETIREMENT PLAN</u>	1b	Three-digit plan number (PN) ► <u>004</u>
		1c	Effective date of plan <u>01/01/1989</u>
2a	Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN</u> <u>1370 ONTARIO STREET</u> <u>CLEVELAND, OH 44113-1702</u>	2b	Employer Identification Number (EIN) <u>34-6000349</u>
		2c	Sponsor's telephone number <u>216-241-2630</u>
		2d	Business code (see instructions) <u>488210</u>
3a	Plan administrator's name and address (if same as plan sponsor, enter "Same") <u>BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN</u> <u>1370 ONTARIO STREET</u> <u>CLEVELAND, OH 44113-1702</u>	3b	Administrator's EIN <u>34-6000349</u>
		3c	Administrator's telephone number <u>216-241-2630</u>
4	If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report.	4b	EIN
a	Sponsor's name	4c	PN
5a	Total number of participants at the beginning of the plan year	5a	<u>71</u>
b	Total number of participants at the end of the plan year.....	5b	<u>82</u>
c	Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item).....	5c	
6a	Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ☒ Yes ☐ No		
b	Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)..... ☒ Yes ☐ No		
If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.			

Part III Financial Information				
7	Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a	Total plan assets	7a	<u>4231718</u>	<u>5213987</u>
b	Total plan liabilities	7b		
c	Net plan assets (subtract line 7b from line 7a).....	7c	<u>4231718</u>	<u>5213987</u>
8	Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a	Contributions received or receivable from:			
(1)	Employers	8a(1)	<u>856000</u>	
(2)	Participants	8a(2)		
(3)	Others (including rollovers).....	8a(3)		
b	Other income (loss)	8b	<u>254259</u>	
c	Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		<u>1110259</u>
d	Benefits paid (including direct rollovers and insurance premiums to provide benefits).....	8d	<u>410203</u>	
e	Certain deemed and/or corrective distributions (see instructions)....	8e		
f	Administrative service providers (salaries, fees, commissions)	8f		
g	Other expenses.....	8g	<u>39069</u>	
h	Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		<u>449272</u>
i	Net income (loss) (subtract line 8h from line 8c).....	8i		<u>660987</u>
j	Transfers to (from) the plan (see instructions)	8j	<u>321282</u>	

Part IV Plan Characteristics**9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**Part V Compliance Questions**

	Yes	No	Amount
10 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? (See instructions and DOL's Voluntary Fiduciary Correction Program)		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)		X	
c Was the plan covered by a fidelity bond?	X		1300000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)		X	
f Has the plan failed to provide any benefit when due under the plan?		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500)). ☒ Yes ☐ No

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? .. ☐ Yes ☒ No
(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year	12b	
c Enter the amount contributed by the employer to the plan for this plan year	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	

e Will the minimum funding amount reported on line 12d be met by the funding deadline?

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year **13a**

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	01/14/2013	WILLIAM WALPERT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	01/14/2013	EDGAR PRUITT
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

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 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 04/01/2011 and ending 03/31/2012

▶ **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>BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN</u>	D Employer Identification Number (EIN) <u>34-6000349</u>
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>04</u> Day <u>01</u> Year <u>2011</u>
2	Assets:
a	Market value 2a <u>4677583</u>
b	Actuarial value 2b <u>4677583</u>
3	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>18</u> <u>1030723</u>
b	For terminated vested participants 3b <u>16</u> <u>891909</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>184886</u>
(2)	Vested benefits 3c(2) <u>3050068</u>
(3)	Total active 3c(3) <u>49</u> <u>3234954</u>
d	Total 3d <u>83</u> <u>5157586</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>6.06 %</u>
6	Target normal cost 6 <u>378443</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>01/10/2013</u>
Signature of actuary <u>JEFFREY A. SCHAPPEL, EA, MAAA</u>	Date <u>11-07786</u>
Type or print name of actuary <u>CBIZ BENEFITS & INSURANCE, INC.</u>	Most recent enrollment number <u>216-447-9000</u>
Firm name <u>6050 OAK TREE BLVD.</u> <u>SUITE 500</u> <u>CLEVELAND, OH 44131</u>	Telephone number (including area code)
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 ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

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)	75171	79442
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	24158	
9	Amount remaining (line 7 minus line 8)	51013	79442
10	Interest on line 9 using prior year's actual return of <u>5.34</u> %	2724	4242
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of <u>6.54</u> % except as otherwise provided (see instructions)		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections	53737	83684
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III		Funding percentages	
14	Funding target attainment percentage	14	90.69 %
15	Adjusted funding target attainment percentage	15	90.69 %
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	83.00 %
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	
07/15/2011	126000		
10/06/2011	155000		
01/10/2012	155000		
04/25/2012	155000		
07/02/2012	140000		
Totals ▶		18(b)	731000
		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
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 698035
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 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
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 3.14%	2nd segment: 5.90%	3rd segment: 6.45 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 1
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 eligible for (and is using) 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	
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	378443	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	480003	112524	
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	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	490967	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	490967	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	698035	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	207068	
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 a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
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 19 –
Discounted Employer Contributions**

<u>Date Paid</u>	<u>Contribution Amount</u>	<u>Contribution Due Date</u>	<u>Discounted to 04/01/2011</u>
7/5/2011	\$126,000	7/15/2011	\$124,085
10/6/2011	\$126,000	10/15/2011	\$122,239
10/6/2011	\$29,000	1/15/2012	\$28,134
1/10/2012	\$97,000	1/15/2012	\$92,660
1/10/2012	\$58,000	4/15/2012	\$55,405
4/25/2012	\$68,000	4/15/2012	\$63,776
4/25/2012	\$87,000	12/15/2012	\$81,699
7/2/2012	\$140,000	12/15/2012	\$130,037
	<u>\$731,000</u>		<u>\$698,035</u>

Effective Rate for Discounting: 6.06%

Late Quarterly interest rate: 11.06%

**Schedule SB, line 22 –
Description of Weighted Average Retirement Age**

<u>Age</u>	<u>Rate</u>
60	10%
61	10%
62	30%
63	30%
64	40%
65	100%

Average retirement age = 62

**Schedule SB, line 26 –
Schedule of Active Participant Data**

	< 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	> 35	Total
Attained Age										
Under 25	0	0	0	0	0	0	0	0	0	0
25 to 29	0	1	0	0	0	0	0	0	0	1
30 to 34	0	2	1	1	0	0	0	0	0	4
35 to 39	0	0	1	2	1	0	0	0	0	4
40 to 44	0	1	0	0	0	0	0	0	0	1
45 to 49	0	1	1	0	2	0	0	0	0	4
50 to 54	1	4	1	1	1	0	1	0	0	9
55 to 59	0	5	1	2	0	2	1	0	0	11
60 to 64	2	2	1	3	0	1	0	0	0	9
65 to 69	0	0	0	0	1	0	0	0	0	1
70 & up	0	0	0	0	0	0	0	0	0	0
Total	3	16	6	9	5	3	2	0	0	44

**Schedule SB, Part V –
Summary of Plan Provisions**

1. Anniversary Date April 1
2. Commencement of Participation All salaried employees or an officer who participates during his term(s) in office.
3. Final Average Compensation The monthly average of an employee's earnings (excluding overtime and bonuses) during the five consecutive years within the last 10 years of employment which produce the highest average.
4. Eligibility for Benefits
 - a) Normal Retirement Age 65.
 - b) Early Retirement Age 55 with 10 Years of Credited Service or age 62.
 - c) Deferred Vested Five years of vesting service.
 - d) Spouse's Pension Available upon death of participant.
 - e) Disability Ten years of vesting service.
5. Benefit Amounts
 - a) Normal Retirement For retirement or termination after April 1, 1992, the greater of (1) and (2):
 1. 1.25% of Final Average Compensation for each year of Credited Service.
 2. Credited Service multiplied by \$6.

For participants of the Officer's Plan, the monthly amount cannot exceed \$1,500, indexed annually every January 1 beginning in 2008 by the cost of living adjustments applicable to Tier 1 Railroad Retirement Benefits.

**Schedule SB, Part V –
Summary of Plan Provisions**

- | | |
|---------------------|--|
| b) Early Retirement | The Accrued Benefit is unreduced for commencement at age 65 or 62, or an actuarially equivalent benefit payable before age 65. |
| c) Deferred Vested | The vested accrued benefit deferred to normal or early retirement age. |
| d) Spouse's Pension | 50% of the participant's Accrued Benefit reduced for both the 50% J & S form and early receipt and payable at earliest retirement age. |

The normal form of payment for single participants is a monthly life annuity with a 10-year period certain. The automatic form of payment for married participants is an actuarially reduced 50% J & S form with a 50% continuation after the participant's death to his or her spouse, if surviving.

A participant may elect one of the following forms of payment of equivalent value:

- Life Annuity
- Joint and 50%, 66-2/3%, 75% or 100% to contingent annuitant option.
- A lump sum

6. Credited Service

Before April 1, 1976, a year was credited for each plan year in accordance with the applicable Employees or Officers Plan. Credits for plan years after April 1, 1976 are earned if the employee works 1,000 hours. Credit for the plan year in which retirement occurs is earned if 173 hours are worked.

**Schedule SB, line 32 –
Schedule of Amortization Bases**

Type of Base	Date Established	Remaining Balance	Payment	Years Remaining At Val Date
Shortfall	4/1/2008	\$444,178	116,246	6
Shortfall	4/1/2009	(419,526)	(89,172)	6
Shortfall	4/1/2010	\$608,284	109,375	6
Shortfall	4/1/2011	(152,933)	(23,925)	7
Total		\$480,003	\$ 112,524	

**Schedule SB, Part V –
Statement of Actuarial Assumptions/Methods**

Interest Rate	Segment Rates utilizing the Map 21 rates for 2012 valuations				
	5.54% 1 st Segment Rate				
	6.85% 2 nd Segment Rate				
	7.52% 3 rd Segment Rate				
Mortality Rates	2012 Combined Mortality for healthy lives Disability Mortality per IRS Rev. Ruling 96-7 for Disabled				
Retirement Rates	Age	Rate			
	60	10%			
	61	10%			
	62	30%			
	63	30%			
	64	40%			
	65	100%			
Withdrawal Rates:	Age	Completed Years of Service			
		0	1	2	3+
	25	33.2%	23.0%	13.4%	12.0%
	30	28.6%	19.7%	11.5%	8.0%
	35	24.0%	16.5%	9.5%	6.5%
	40	19.3%	13.2%	7.5%	5.0%
	45	14.7%	9.9%	5.5%	3.5%
	50	10.1%	6.6%	3.6%	2.0%
	55	5.5%	3.3%	1.6%	1.3%
Disability Rates:	75% of the Table S-110 of the 11 th Railroad Retirement Board Valuation (modified).				
Compensation Rates:	4.50% per annum				
Form of payment	10% Normal Form 90% Lump Sum				
Employees excluded	Those not eligible to participate.				

**Schedule SB, Part V –
Statement of Actuarial Assumptions/Methods**

Marriage	85% of males and 85% of females are assumed to be married. Wives are assumed to be three years younger than their husbands.
Actuarial Value of Assets	The Actuarial Value of Assets (AVA) is equal to the Market Value of Assets.
Administrative Expenses	Last Year's actual expenses paid of \$35,841 was included this year.
Changes since prior year	The mortality table and interest rates were changed to comply with the Pension Protection Act of 2006 for a 2012 valuation.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment 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

2011**This Form is Open to Public
Inspection**For calendar plan year 2011 or fiscal plan year beginning 04/01/2011 and ending 03/31/2012▶ **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.

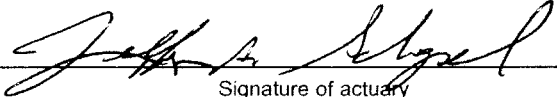
A Name of plan Brotherhood of Locomotive Engineers and Trainmen Retirement Plan	B Three-digit plan number (PN) ▶ 004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Brotherhood of Locomotive Engineers and Trainmen	D Employer Identification Number (EIN) 34-6000349
E Type of plan: ☒ Single ☐ 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>4</u> Day <u>1</u> Year <u>2011</u>		
2 Assets:		
a Market value	2a	4,677,583
b Actuarial value	2b	4,677,583
3 Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 18	1,030,723
b For terminated vested participants	3b 16	891,909
c For active participants:		
(1) Non-vested benefits.....	3c(1)	184,886
(2) Vested benefits	3c(2)	3,050,068
(3) Total active.....	3c(3) 49	3,234,954
d Total.....	3d 83	5,157,586
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	6.06 %
6 Target normal cost	6	378,443

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>1-11-2013</u>
	Signature of actuary	Date
Jeffrey A. Schapel, EA, MAAA	Type or print name of actuary	11-07786
		Most recent enrollment number
CBIZ Benefits & Insurance, Inc.	Firm name	(216) 447-9000
6050 Oak Tree Blvd.		Telephone number (including area code)
Suite 500		
Cleveland	OH 44131	
	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 ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

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).....	75,171	79,442
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	24,158	
9 Amount remaining (line 7 minus line 8).....	51,013	79,442
10 Interest on line 9 using prior year's actual return of <u>5.34</u> %.....	2,724	4,242
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		0
b Interest on (a) using prior year's effective rate of <u>6.54</u> % except as otherwise provided (see instructions).....		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance.....		
12 Other reductions in balances due to elections or deemed elections.....	53,737	83,684
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	90.69 %
15 Adjusted funding target attainment percentage	15	90.69 %
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	83.00 %
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
07/15/2011	126,000				
10/06/2011	155,000				
01/10/2012	155,000				
04/25/2012	155,000				
07/02/2012	140,000				
Totals •			18(b)	731,000	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	
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	698,035

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If 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
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:			
a Segment rates:	1st segment: 3.14 %	2nd segment: 5.90 %	3rd segment: 6.45 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....	21b		1
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 eligible for (and is using) 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	
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	378,443	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	480,003	112,524	
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	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	490,967	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	490,967	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	698,035	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	207,068	
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 a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
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, Part V –
Summary of Plan Provisions**

1. Anniversary Date April 1
2. Commencement of Participation All salaried employees or an officer who participates during his term(s) in office.
3. Final Average Compensation The monthly average of an employee's earnings (excluding overtime and bonuses) during the five consecutive years within the last 10 years of employment which produce the highest average.
4. Eligibility for Benefits
 - a) Normal Retirement Age 65.
 - b) Early Retirement Age 55 with 10 Years of Credited Service or age 62.
 - c) Deferred Vested Five years of vesting service.
 - d) Spouse's Pension Available upon death of participant.
 - e) Disability Ten years of vesting service.
5. Benefit Amounts
 - a) Normal Retirement For retirement or termination after April 1, 1992, the greater of (1) and (2):
 1. 1.25% of Final Average Compensation for each year of Credited Service.
 2. Credited Service multiplied by \$6.

For participants of the Officer's Plan, the monthly amount cannot exceed \$1,500, indexed annually every January 1 beginning in 2008 by the cost of living adjustments applicable to Tier 1 Railroad Retirement Benefits.

**Schedule SB, Part V –
Summary of Plan Provisions**

- | | |
|---------------------|--|
| b) Early Retirement | The Accrued Benefit is unreduced for commencement at age 65 or 62, or an actuarially equivalent benefit payable before age 65. |
| c) Deferred Vested | The vested accrued benefit deferred to normal or early retirement age. |
| d) Spouse's Pension | 50% of the participant's Accrued Benefit reduced for both the 50% J & S form and early receipt and payable at earliest retirement age. |

The normal form of payment for single participants is a monthly life annuity with a 10-year period certain. The automatic form of payment for married participants is an actuarially reduced 50% J & S form with a 50% continuation after the participant's death to his or her spouse, if surviving.

A participant may elect one of the following forms of payment of equivalent value:

- Life Annuity
- Joint and 50%, 66-2/3%, 75% or 100% to contingent annuitant option.
- A lump sum

6. Credited Service

Before April 1, 1976, a year was credited for each plan year in accordance with the applicable Employees or Officers Plan. Credits for plan years after April 1, 1976 are earned if the employee works 1,000 hours. Credit for the plan year in which retirement occurs is earned if 173 hours are worked.

**Schedule SB, Part V –
Statement of Actuarial Assumptions/Methods**

Interest Rate	Segment Rates utilizing the Map 21 rates for 2012 valuations				
	5.54% 1 st Segment Rate				
	6.85% 2 nd Segment Rate				
	7.52% 3 rd Segment Rate				
Mortality Rates	2012 Combined Mortality for healthy lives Disability Mortality per IRS Rev. Ruling 96-7 for Disabled				
Retirement Rates	Age	Rate			
	60	10%			
	61	10%			
	62	30%			
	63	30%			
	64	40%			
	65	100%			
Withdrawal Rates:	Age	Completed Years of Service			
		0	1	2	3+
	25	33.2%	23.0%	13.4%	12.0%
	30	28.6%	19.7%	11.5%	8.0%
	35	24.0%	16.5%	9.5%	6.5%
	40	19.3%	13.2%	7.5%	5.0%
	45	14.7%	9.9%	5.5%	3.5%
	50	10.1%	6.6%	3.6%	2.0%
	55	5.5%	3.3%	1.6%	1.3%
Disability Rates:	75% of the Table S-110 of the 11 th Railroad Retirement Board Valuation (modified).				
Compensation Rates:	4.50% per annum				
Form of payment	10% Normal Form 90% Lump Sum				
Employees excluded	Those not eligible to participate.				

**Schedule SB, Part V –
Statement of Actuarial Assumptions/Methods**

Marriage	85% of males and 85% of females are assumed to be married. Wives are assumed to be three years younger than their husbands.
Actuarial Value of Assets	The Actuarial Value of Assets (AVA) is equal to the Market Value of Assets.
Administrative Expenses	Last Year's actual expenses paid of \$35,841 was included this year.
Changes since prior year	The mortality table and interest rates were changed to comply with the Pension Protection Act of 2006 for a 2012 valuation.

**Schedule SB, line 26 –
Schedule of Active Participant Data**

	< 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	> 35	Total
Attained Age										
Under 25	0	0	0	0	0	0	0	0	0	0
25 to 29	0	1	0	0	0	0	0	0	0	1
30 to 34	0	2	1	1	0	0	0	0	0	4
35 to 39	0	0	1	2	1	0	0	0	0	4
40 to 44	0	1	0	0	0	0	0	0	0	1
45 to 49	0	1	1	0	2	0	0	0	0	4
50 to 54	1	4	1	1	1	0	1	0	0	9
55 to 59	0	5	1	2	0	2	1	0	0	11
60 to 64	2	2	1	3	0	1	0	0	0	9
65 to 69	0	0	0	0	1	0	0	0	0	1
70 & up	0	0	0	0	0	0	0	0	0	0
Total	3	16	6	9	5	3	2	0	0	44

**Schedule SB, line 32 –
Schedule of Amortization Bases**

Type of Base	Date Established	Remaining Balance	Payment	Years Remaining At Val Date
Shortfall	4/1/2008	\$444,178	116,246	6
Shortfall	4/1/2009	(419,526)	(89,172)	6
Shortfall	4/1/2010	\$608,284	109,375	6
Shortfall	4/1/2011	(152,933)	(23,925)	7
Total		\$480,003	\$ 112,524	

**Schedule SB, line 22 –
Description of Weighted Average Retirement Age**

<u>Age</u>	<u>Rate</u>
60	10%
61	10%
62	30%
63	30%
64	40%
65	100%

.
Average retirement age = 62

**Schedule SB, line 19 –
Discounted Employer Contributions**

<u>Date Paid</u>	<u>Contribution Amount</u>	<u>Contribution Due Date</u>	<u>Discounted to 04/01/2011</u>
7/5/2011	\$126,000	7/15/2011	\$124,085
10/6/2011	\$126,000	10/15/2011	\$122,239
10/6/2011	\$29,000	1/15/2012	\$28,134
1/10/2012	\$97,000	1/15/2012	\$92,660
1/10/2012	\$58,000	4/15/2012	\$55,405
4/25/2012	\$68,000	4/15/2012	\$63,776
4/25/2012	\$87,000	12/15/2012	\$81,699
7/2/2012	\$140,000	12/15/2012	\$130,037
	<u>\$731,000</u>		<u>\$698,035</u>

Effective Rate for Discounting: 6.06%

Late Quarterly interest rate: 11.06%