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

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 09/30/2012

A This return/report is for: [X] a single-employer plan [ ] a multiple-employer plan (not multiemployer) [ ] a one-participant plan

B This return/report is: [ ] the first return/report [X] the final return/report
[ ] an amended return/report [X] 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
PEABODY ENGINEERING CORPORATION RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 03/01/1992

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)
HAMWORTHY PEABODY COMBUSTION INC. C/O KOCH BUSINESS SOLUTIONS, LP

55 PARK PLACE, 5TH FLOOR
ATLANTA, GA 30303

2b Employer Identification Number (EIN) 13-1154870

2c Sponsor's telephone number 404-652-2109

2d Business code (see instructions) 333200

3a Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

3b Administrator's EIN

3c Administrator's telephone number

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.
a Sponsor's name

4b EIN

4c PN

5a Total number of participants at the beginning of the plan year	**5a**	63
b Total number of participants at the end of the plan year	**5b**	0
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.) [X] 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.) [X] Yes [ ] No

If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

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.	04/29/2013	CASEY CHAMBERS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	04/29/2013	CASEY CHAMBERS
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

Preparer's name (including firm name, if applicable) and address; include room or suite number (optional)

Preparer's telephone number (optional)

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	1644582	0
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	1644582	0
8 Income, Expenses, and Transfers for this Plan Year		**(a) Amount**	**(b) Total**
a Contributions received or receivable from: (1) Employers	8a(1)	211000	
(2) Participants	8a(2)	0	
(3) Others (including rollovers)	8a(3)	0	
b Other income (loss)	8b	136828	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		347828
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	54525	
e Certain deemed and/or corrective distributions (see instructions)	8e	0	
f Administrative service providers (salaries, fees, commissions)	8f	10331	
g Other expenses	8g	0	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		64856
i Net income (loss) (subtract line 8h from line 8c)	8i		282972
j Transfers to (from) the plan (see instructions)	8j	-1927554	

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 1I 3H

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

10 During the plan year:		Yes	No	Amount
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)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		500000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		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.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X	
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	10i			

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) and line 11a below) — [X] Yes [ ] No

11a Enter the amount from Schedule SB line 39 — **11a** 0

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 [X] No

(If "Yes," complete line 12a or lines 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?		☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?		☒ Yes ☐ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year	**13a**	0
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒ Yes ☐ No

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)
KOCH INDUSTRIES EMPLOYEES' PENSION PLAN	48-0484227	001

Part VIII Trust Information (optional)

14a Name of trust	**14b** Trust's EIN

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

2012

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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 09/30/2012

▶ **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
PEABODY ENGINEERING CORPORATION RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
HAMWORTHY PEABODY COMBUSTION INC. C/O KOCH BUSINESS SOLUTIONS, LP

D Employer Identification Number (EIN)
13-1154870

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2012

2	Assets:			
	a Market value		**2a**	1791835
	b Actuarial value		**2b**	1791835
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	12	650528
	b For terminated vested participants	**3b**	41	1002963
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		0
	(2) Vested benefits	**3c(2)**		545892
	(3) Total active	**3c(3)**	10	545892
	d Total	**3d**	63	2199383
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**	5.16 %
6	Target normal cost		**6**	3750

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

Signature of actuary

04/23/2013
Date

MICHAEL R. MACE
Type or print name of actuary

11-06591
Most recent enrollment number

TOWERS WATSON PENNSYLVANIA INC
Firm name

314-719-5900
Telephone number (including area code)

101 SOUTH HANLEY
ST. LOUIS, MO 63105-4311
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 Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	127644
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	63983
9	Amount remaining (line 7 minus line 8)	0	63661
10	Interest on line 9 using prior year's actual return of -2.80%		-1783
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		151261
	b Interest on (a) using prior year's effective interest rate of 6.02% except as otherwise provided (see instructions)		4221
	c Total available at beginning of current plan year to add to prefunding balance		155482
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	61878
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	81.46 %
15	Adjusted funding target attainment percentage	15	81.46 %
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	90.07 %
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
04/12/2012	16000				
06/22/2012	16000				
09/28/2012	1600				
10/01/2012	14400				
01/14/2013	45000				
			Totals ► 18(b)	93000	18(c)

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	89529

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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:	2nd segment:	3rd segment:	
2.01%	5.16%	6.28 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	2
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**	3750
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	407548	75698
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**	79448

	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**	79448
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	89529

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	10081
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**	

Attachment to Schedule SB, Line 22 –
Description of Weighted Average Retirement Age
Peabody Engineering Corporation Retirement Plan
EIN: 13-1154870
Plan Number: 001

See Schedule SB, Part V - Statement of Actuarial Assumptions/Methods for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

Assumed retirement age is 62 for all non-annuitants.

Appendix A – Statement of Actuarial Assumptions and Methods

Actuarial Assumptions and Methods – Contributions

Economic Assumptions

Interest rate basis:

▸ Applicable month	November 2011
▸ Yield curve basis	Segment rates
▸ MAP-21 applied for benefit restrictions	No

Interest rates:

▸ First segment rate	2.01%
▸ Second segment rate	5.16%
▸ Third segment rate	6.28%
▸ Effective interest rate	5.16%

Demographic Assumptions

New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality	Single blended table of rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2027 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2019 using Scale AA).
Termination	None assumed.
Disability	None assumed.
Retirement	Age 62.

Benefit commencement date:

▸ Deferred vested benefit	Age 62.

Form of payment	100% of participants are assumed to elect a life annuity.
Percent married	80%
Spouse age	Wife three years younger than husband.
At-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit under the plan.

Methods

Valuation date	First day of plan year.
Funding target	Present value of accrued benefits.
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.
Actuarial value of assets	Fair market value of assets on the valuation date including discounted contributions receivable (discounted using the effective interest rate for the 2011 plan year).
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Hamworthy and, based on that review, is not aware of any significant benefits required to be valued that were not.
Change in assumptions and methods since prior valuation	The funding interest rate was updated from November 2010 applicable month IRS-prescribed 24-month average segment rates to November 2011 applicable month IRS-prescribed 24-month average segment rates. The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements. The retirement assumptions were changed from age 65 to age 62.

Appendix B – Summary of Plan Provisions

Plan Name	Peabody Engineering Corporation Retirement Plan	Plan Effective	03/01/1992
		Last Change Effective	03/31/2004
Type of Plan	Frozen Final Average		
Normal Form	Life Annuity		
Plan Eligibility	No new participants after 3/31/2004		
Credited Service	From Date of Hire, frozen 3/31/2004, max 40 years		
Pension Earnings	W-2 frozen 3/31/2004		
EE Contributions	None		
Accumulated Benefit	1% of final average earnings up to covered compensation and 1.35% of final average earnings in excess of covered compensation multiplied by credited service; frozen at 3/31/2004.		

Benefit	Age	Cont Svc	Age + Memb Svc	Description
Normal Retirement	65	--	--	AB, payable immediately
Early	55	5	--	AB, payable at ERD per schedule below
Vesting	--	5	--	AB, payable at NRD
Disability	--	--	--	AB, payable at NRD with future accruals, frozen 3/31/2004
Pre Ret Death	--	5	--	50% of early retirement benefit, reduced for J&S, payable for life of spouse

Early Retirement Schedule	Payable at age	<10 years	10-29.99 Years	≥ 30 years
	55	37.2%	60%	72%
	56	40.8%	64%	76%
	57	44.7%	68%	80%
	58	49.1%	72%	84%
	59	54.0%	76%	88%
	60	59.5%	80%	92%
	61	65.7%	84%	96%
	62	72.7%	88%	100%
	63	89.7%	92%	100%
	64	89.7%	96%	100%
	65	100%	100%	100%

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Attachment to Schedule SB, Line 24 – Change in Actuarial Assumptions
Peabody Engineering Corporation Retirement Plan
EIN: 13-1154870
Plan Number: 001

Aspect of Valuation	Old	New
Expenses	Assumed plan-related expenses added to normal cost were $0 for 2011	Assumed plan-related expenses added to normal cost were $3,750 in 2012
Assumed Retirement Age	65	62

Attachment to Schedule SB, Line 25 – Change in Method
Peabody Engineering Corporation Retirement Plan
EIN: 13-1154870
Plan Number: 001

The valuation software used to produce the actuarial information submitted on this schedule is different than used for the previous valuation due to a change in both the enrolled actuary for the plan and the business organization providing actuarial services to the plan, and such change in software may be considered to be a method change. The new method is substantially the same as the method used by the prior enrolled actuary and is consistent with the description of the method contained in the prior actuarial valuation report and Schedule SB of Form 5500 (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations). The funding target and target normal cost (without regard to any adjustments for employee contributions and plan-related expenses), as determined for the prior plan year by the new enrolled actuary (using the actuarial assumptions of the prior enrolled actuary and disregarding the effects of any changes that are automatically approved under final IRC 430 regulations) are both within 5% of those values as determined by the prior enrolled actuary. Therefore the change in funding method receives automatic approval under IRS Announcement 2010-3.

Attachment to Schedule SB - Line 26 - Schedule of Active Participant Data
Peabody Engineering Corporation Retirement Plan
EIN: 13-1154870
Plan Number: 001

Average Age: 54.4
Service: 16.7

Schedule of Active Participant Data

Attained Age		Completed Years of Service									
		0 to 4	**5 to 9**	**10 to 14**	**15 to 19**	**20 to 24**	**25 to 29**	**30 to 34**	**35 to 39**	**40 & up**	**Totals**
15 to 24	Count	0	0	0	0	0	0	0	0	0	0
25 to 29	Count	0	0	0	0	0	0	0	0	0	0
30 to 34	Count	0	0	0	0	0	0	0	0	0	0
35 to 39	Count	0	0	1	0	0	0	0	0	0	1
40 to 44	Count	0	0	0	0	0	0	0	0	0	0
45 to 49	Count	0	1	0	0	0	0	0	0	0	1
50 to 54	Count	0	0	2	0	0	1	0	0	0	3
55 to 59	Count	0	0	1	1	0	0	1	0	0	3
60 to 64	Count	0	0	0	1	1	0	0	0	0	2
65 to 69	Count	0	0	0	0	0	0	0	0	0	0
Over 69	Count	0	0	0	0	0	0	0	0	0	0
TOTAL	Count	0	1	4	2	1	1	1	0	0	10

Attachment to Schedule SB, Line 32 – Schedule of Amortization Bases
Peabody Engineering Corporation Retirement Plan
EIN: 13-1154870
Plan Number: 001

Amortization Record for the Prior Plan Year

Plan Year period: 1/1/2012 through 09/30/2012
Effective Interest Rate: 5.16%

	Date of Base Creation	Initial Amount	Amortization Installment	Remaining Period	PV of Future Installments
Shortfall Amortization Bases					
2008 Shortfall	1/1/2008	420,928	70,786	3	208,201
2009 Shortfall	1/1/2009	117,852	19,847	4	77,072
2010 Shortfall	1/1/2010	(286,389)	(39,978)	5	(192,166)
2011 Shortfall	1/1/2011	28,952	4,720	6	26,358
2012 Shortfall	1/1/2012	288,083	45,555	7	288,083
Total Shortfall Amortization Installments			100,930		407,548
Waiver Amortization Bases					
Total Waiver Amortization Installments			0		0
Total Amortization Installments for 12 months			100,930		407,548
Total Amortization Installments reflecting minimum of 0 on Total Shortfall Installments			100,930		
Total Amortization Installments for Short Plan Year			75,698		

SCHEDULE SB (Form 5500)

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Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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OMB No. 1210-0110

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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 09/30/2012

▶ **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

PEABODY ENGINEERING CORPORATION RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

HAMWORTHY PEABODY COMBUSTION INC.

D Employer Identification Number (EIN)

13-1154870

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2012

2 Assets:

a Market value	2a	1,791,835
b Actuarial value	2b	1,791,835

3 Funding target/participant count breakdown:

		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	12	650,528
b For terminated vested participants	3b	41	1,002,963
c For active participants:			
(1) Non-vested benefits	3c(1)		0
(2) Vested benefits	3c(2)		545,892
(3) Total active	3c(3)	10	545,892
d Total	3d	63	2,199,383

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	5.16
6 Target normal cost	6	3,750

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

MRM Signature of actuary — APRIL 23, 2013 Date

MICHAEL R. MACE — Type or print name of actuary

11-06591 — Most recent enrollment number

TOWERS WATSON PENNSYLVANIA INC — Firm name

(314) 719-5900 — Telephone number (including area code)

101 SOUTH HANLEY

ST. LOUIS MO 63105-4311 — 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 Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	127,644
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	63,983
9	Amount remaining (line 7 minus line 8)	0	63,661
10	Interest on line 9 using prior year's actual return of (2.80) %		(1,783)
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		151,261
	b Interest on (a) using prior year's effective interest rate of 6.02 % except as otherwise provided (see instructions)		4,221
	c Total available at beginning of current plan year to add to prefunding balance		155,482
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	61,878
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	81.46 %
15	Adjusted funding target attainment percentage	15	81.46 %
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	90.07 %
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
04/12/2012	16,000				
06/22/2012	16,000				
09/28/2012	1,600				
10/01/2012	14,400				
01/14/2013	45,000				
			Totals ► 18(b)	93,000	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	89,529

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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:	2nd segment:	3rd segment:	
2.01 %	5.16 %	6.28 %	☐ N/A, full yield curve used

b Applicable month (enter code)	21b	2
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	3,750
b Excess assets, if applicable, but not greater than line 31a	31b	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	407,548	75,698
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	79,448

	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	79,448
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	89,529
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	10,081
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	