

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 6047(e), 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;">2012</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ 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>PENSION PLAN FOR EATON EMPLOYEES IN PUERTO RICO</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/01/2010</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>12/01/2010</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>12/01/2010</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>CUTLER-HAMMER ELECTRICAL COMPANY</u> <u>50 JESUS T. PINEIRO</u> <u>LAS PIEDRAS, PR 00771-3123</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>98-0474648</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>787-656-7791</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>335900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>98-0474648</u>	2c Sponsor's telephone number <u>787-656-7791</u>	2d Business code (see instructions) <u>335900</u>	
2b Employer Identification Number (EIN) <u>98-0474648</u>					
2c Sponsor's telephone number <u>787-656-7791</u>					
2d Business code (see instructions) <u>335900</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. Signature of plan administrator	<u>10/10/2013</u> Date	<u>GORDON HARMAN</u> Enter name of individual signing as plan administrator
SIGN HERE	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
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) <u>MEADEN & MOORE, LTD.</u> <u>1100 SUPERIOR AVENUE, STE 1100</u> <u>CLEVELAND, OH 44114</u>			Preparer's telephone number (optional) <u>216-241-3272</u>

3a Plan administrator's name and address ☒ 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
5 Total number of participants at the beginning of the plan year		5 3233
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a 1626	
b Retired or separated participants receiving benefits.....	6b 685	
c Other retired or separated participants entitled to future benefits.....	6c 1000	
d Subtotal. Add lines 6a , 6b , and 6c	6d 3311	
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 44	
f Total. Add lines 6d and 6e	6f 3355	
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 15	
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 1G 3C 3H		
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
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)

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 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **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>PENSION PLAN FOR EATON EMPLOYEES IN PUERTO RICO</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>CUTLER-HAMMER ELECTRICAL COMPANY</u>	D Employer Identification Number (EIN) <u>98-0474648</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>01</u> Day <u>01</u> Year <u>2012</u>	
2 Assets:	
a Market value	2a <u>40761832</u>
b Actuarial value	2b <u>41641774</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>656</u> <u>14356826</u>
b For terminated vested participants.....	3b <u>1036</u> <u>10472710</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>1425453</u>
(2) Vested benefits.....	3c(2) <u>20159768</u>
(3) Total active	3c(3) <u>1541</u> <u>21585221</u>
d Total	3d <u>3233</u> <u>46414757</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 <u>45415491</u>
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 <u>50411822</u>
5 Effective interest rate	5 <u>7.15 %</u>
6 Target normal cost.....	6 <u>2057938</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>10/08/2013</u>
Signature of actuary		Date
<u>GILLIAN NICOLETTA</u>		<u>11-06831</u>
Type or print name of actuary		Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC</u>		
Firm name		Telephone number (including area code)
<u>CORPORATE CENTER 4 AT INTL PLAZA</u> <u>4301 W BOY SCOUT BLVD SUITE 570</u> <u>TAMPA, FL 33607</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 ☐

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

Schedule SB (Form 5500) 2012
v. 120126

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	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>1.31</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		539
b	Interest on (a) using prior year's effective interest rate of <u>6.39</u> % except as otherwise provided (see instructions)		34
c	Total available at beginning of current plan year to add to prefunding balance		573
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		0
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	91.69 %
15	Adjusted funding target attainment percentage	15	75.11 %
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	76.57 %
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	1028613				
07/12/2012	1028613				
10/12/2012	244110				
01/15/2013	767112				
09/13/2013	497179				
			Totals ►	18(b)	3565627 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	
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	3387891
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
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 65
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	
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	2057938	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	4772983	1351446	
b Waiver amortization installment			
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	3409384	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			
36 Additional cash requirement (line 34 minus line 35)	36	3409384	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	3387891	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	21493	
40 Unpaid minimum required contributions for all years.....	40	21493	

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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan PENSION PLAN FOR EATON EMPLOYEES IN PUERTO RICO	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 CUTLER-HAMMER ELECTRICAL COMPANY	D Employer Identification Number (EIN) 98-0474648

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
KEEFE BRUYETTE AND WOODS INC DTC 787 SEVENTH AVENUE
NEW YORK, NY 10019

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON DELAWARE INC.

4301 W. BOY SCOUT BLVD., SUITE 570
TAMPA, FL 33607

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11		156493	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

FIDELITY MANAGEMENT TRUST COMPANY

04-3523427

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 49		58076	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

MEADEN & MOORE, LTD.

34-1818258

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10		10800	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

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.	<small>OMB No. 1210-0110</small> 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan PENSION PLAN FOR EATON EMPLOYEES IN PUERTO RICO	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 CUTLER-HAMMER ELECTRICAL COMPANY	D Employer Identification Number (EIN) 98-0474648	

Part I	Asset and Liability Statement				
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)	1546219		1264291
	(2) Participant contributions	1b(2)			
	(3) Other	1b(3)	653		2564
c	General investments:				
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	3929292		6043557
	(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)			
	(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)	35313744		40129688
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)			
	(15) Other	1c(15)			

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	40789908	47440100

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	147124	31990
k Total liabilities (add all amounts in lines 1g through 1j)	1k	147124	31990

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	40642784	47408110
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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.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	3565627	
(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)		3565627
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)	8769	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		8769
(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)	1129984	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1129984
(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)		
(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)		

		(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)		
(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)		4240025
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		8944405

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1846068	
(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)		1846068
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)	33733	
(2) Contract administrator fees	2i(2)	58076	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	241202	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		333011
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2179079

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		6765326
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(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: MEADEN & MOORE, LTD

(2) EIN: 34-1818258

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	
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	
e Was this plan covered by a fidelity bond?	X		25000000
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	
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	
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	
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		
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	
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	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
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.			

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

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)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 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 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>PENSION PLAN FOR EATON EMPLOYEES IN PUERTO RICO</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CUTLER-HAMMER ELECTRICAL COMPANY</u>	D Employer Identification Number (EIN) <u>98-0474648</u>

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): <u>04-3275867</u>	
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 <u>15</u>

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	<u>0</u>	
b Enter the amount contributed by the employer to the plan for this plan year	6b	<u>0</u>	
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

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	0

- 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: 60.0% Investment-Grade Debt: 30.0% High-Yield Debt: _____% Real Estate: _____% Other: 10.0%

- 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): _____

PENSION PLAN FOR EATON EMPLOYEES IN PUERTO RICO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

December 31, 2012

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Independent Auditor's Report

Pension Administration Committee of the
Pension Plan for Eaton Employees in Puerto Rico
Beachwood, OH

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Pension Plan for Eaton Employees in Puerto Rico, which comprise the statement of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by Banco Popular de Puerto Rico, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

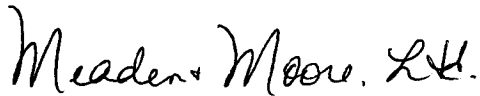
Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The schedule of assets held for investment purposes at end of year as of and for the year ended December 31, 2012 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in cursive script that reads "Meaden & Moore, Ltd.".

Meaden & Moore, Ltd.
Cleveland, Ohio
October 9, 2013

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

Pension Plan for Eaton Employees in Puerto Rico

	December 31	
	<u>2012</u>	<u>2011</u>
ASSETS		
Cash	\$ 6,043,557	\$ 3,929,292
Receivable - Employer contributions	1,264,291	1,546,219
Receivable - Other	<u>2,564</u>	<u>653</u>
Total Receivables	1,266,855	1,546,872
Investments (at Fair Value):		
Vanguard Long Term Corporate Bond Fund	10,506,664	8,942,238
iShares S & P 500 Index Fund	8,305,985	8,006,899
iShares MSCI EAFE Index Fund	9,473,615	7,526,529
iShares MSCI Emerging Markets Index	4,793,437	3,773,171
Vanguard Long-Term Government Bond Fund	3,503,634	3,018,370
iShares Russell 2000 Index Fund	1,804,232	2,034,836
iShares S&P Mid Cap 400 Index Fund	<u>1,742,121</u>	<u>2,011,701</u>
Total Investments	40,129,688	35,313,744
Total Assets	47,440,100	40,789,908
LIABILITIES		
Accrued - Administrative Expenses	<u>31,990</u>	<u>147,124</u>
Net Assets Available for Benefits	<u>\$ 47,408,110</u>	<u>\$ 40,642,784</u>

See accompanying notes.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Pension Plan for Eaton Employees in Puerto Rico

	Year Ended December 31	
	<u>2012</u>	<u>2011</u>
Additions to Net Assets Attributed to:		
Contributions:		
Employer	\$ 3,565,627	\$ 4,323,475
Transfer of plan assets due to spinoff	-	29,811
Investment Income /(Loss):		
Interest and dividend income	1,138,753	1,013,771
Net unrealized/realized appreciation/(depreciation)	<u>4,240,025</u>	<u>(522,754)</u>
Total Additions	8,944,405	4,844,303
Deductions from Net Assets Attributed to:		
Benefits paid to participants	1,846,068	1,484,952
Administrative expenses	<u>333,011</u>	<u>816,877</u>
Total Deductions	<u>2,179,079</u>	<u>2,301,829</u>
Net Increase	6,765,326	2,542,474
Net Assets Available for Benefits:		
Beginning of Year	<u>40,642,784</u>	<u>38,100,310</u>
End of Year	<u>\$ 47,408,110</u>	<u>\$ 40,642,784</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

Pension Plan for Eaton Employees in Puerto Rico

1 Description of Plan

The following description of The Pension Plan for Eaton Employees in Puerto Rico provides only general information. Participants should refer to the Summary Plan Description, which is available from the Pension Administration Committee, for a complete description of the Plan's provisions.

General:

The Pension Plan for Eaton Employees in Puerto Rico, which began December 1, 2010, is a noncontributory defined benefit plan that covers substantially all hourly and salary employees of Cutler-Hammer Electrical Company (the Company or the Plan Sponsor), a wholly owned subsidiary of Eaton Corporation plc ("Eaton"). The Plan provides for retirement and death benefits. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Company elected to use the transitional relief provision of Revenue Ruling 2008-40. The Sponsoring Employer established the Pension Plan for Eaton Employees in Puerto Rico ("the Plan") effective December 1, 2010. All assets and liabilities were assumed by the Plan as of December 1, 2010, in accordance with Section 414(l) of the Code. As of December 1, 2010, Plan Participants will accrue benefits solely under the Pension Plan for Eaton Employees in Puerto Rico. The Plan covers substantially all hourly and salary non-exempt employees of Cutler-Hammer Electrical Company. Prior to December 1, 2010, the Plan's participants accrued benefits under prior plans, all credited service earned under prior plans was carried over to the new Plan.

Funding Policy:

The Company makes contributions in amounts sufficient to maintain the Plan on a sound actuarial basis. The Company's policy is to fund at least the ERISA minimum funding requirement for the year. In 2012, due to an administrative error, the Company did not contribute the full amount of the ERISA minimum funding requirement by the funding deadline and has subsequently corrected under the appropriate guidelines. In 2011, the Plan met the ERISA minimum funding requirements. The Company has the right to amend and/or terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Pension Benefits:

Participants are vested in their benefits earned under various methods defined in the Plan. Normal retirement age is 65. Participants may be entitled to early retirement payments based on the Plan Document. Forms of payment include lump sum options, and various annuity options depending if they have a spouse and what type of joint survivor option the participant chooses.

Cash Balance:

The Plan also offers a cash balance feature to certain plan participants. Certain plan participants receive a pay credit and interest rate credit based on plan provisions.

NOTES TO FINANCIAL STATEMENTS

Pension Plan for Eaton Employees in Puerto Rico

2 Summary of Significant Accounting Policies

Basis of Accounting:

The Plan's transactions are reported on the accrual basis of accounting.

Investment Valuation:

Plan investments are reported at fair value. Fixed income and index mutual funds are traded on a national securities exchange and are valued at the closing price on the last business day of the Plan year. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Actuarial Present Value of Accumulated Plan Benefits:

Accumulated Plan benefits are those future periodic payments and mandatory cash-out distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated Plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Accumulated Plan benefits for active, retired or terminated employees or their beneficiaries are based on the greater of career pensionable compensation multiplied by a predetermined percentage or years of credited service multiplied by a monthly factor.

The benefits for salaried employees in the traditional plan are based on final average pay multiplied by a predetermined percentage and the employees' years of credited service. The benefits for employees in cash balance plans are based on the current value of the account balance.

Benefits payable under all circumstances-retirement, death, disability and termination of employment are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from Plan assets are excluded from accumulated Plan benefits.

NOTES TO FINANCIAL STATEMENTS

Pension Plan for Eaton Employees in Puerto Rico

2 Summary of Significant Accounting Policies, Continued

Administrative Fees:

The Company elected to pay certain administrative costs during 2012 and 2011, on behalf of the Plan. The amount of administrative costs paid by the Plan are accounted for in setting the assumed rate of return on investments.

Payment of Benefits:

Benefit payments to participants are recorded upon distribution.

Plan Termination:

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC). In the event that the Plan terminates, the net assets of the Plan shall be allocated among the participants and beneficiaries in accordance with the priorities mandated by ERISA. Whether a particular participant's accumulated Plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guarantee, while other benefits may not be provided for at all. A full description of the defined benefit plan termination priorities is available in the Plan Document.

Risks and Uncertainties:

The Plan's investments include investments in registered investment companies with varying degrees of risk, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for Plan benefits.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENTS

Pension Plan for Eaton Employees in Puerto Rico

2 Summary of Significant Accounting Policies, Continued

Subsequent Events:

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements.

The Pension Plan has been amended to exclude certain employees that are classified on and after April 1, 2013 as new hires, rehires and/or certain transfer from participation in the Pension Plan.

Subsequent events have been evaluated through October 9, 2013, which is the date the financial statements were available to be issued.

3 Investments

Investments which constitute more than 5% of the Plan's net assets are:

	2012	2011
iShares MSCI EAFE Index Fund	\$ 9,473,615	\$ 7,526,529
iShares MSCI Emerging Markets Index	\$ 4,793,437	\$ 3,773,171
iShares Russell 2000 Index Fund	N/A	\$ 2,034,836
iShares S & P 500 Index Fund	\$ 8,305,985	\$ 8,006,899
Vanguard Long Term Corporate Bond Fund	\$ 10,506,664	\$ 8,942,238
Vanguard Long-Term Government Bond Fund	\$ 3,503,634	\$ 3,018,370

4 Tax Status

Prior to establishment of the Plan, Eaton maintained the Pension Plan for Eaton Corporation covering certain employees in Puerto Rico and Cutler-Hammer Electrical Company maintained the Eaton Electrical de Puerto Rico Inc. Pension Plan for Employees in Puerto Rico (each a "Prior Plan"), plans which were dual qualified under the Internal Revenue Code of 1986 and the Puerto Rico Internal Revenue Code of 1994 ("PRIRC '94"). Hacienda most recently issued favorable opinion letters on each of the Prior Plans dated February 3, 2009 and May 6, 2003, respectively. Cutler-Hammer Electrical Company determined to create the Plan (as a new plan) effective December 1, 2010 and to accept transfer of certain assets of the Prior Plans to the Plan pursuant to Rev. Rul. 2008-40 published by the United States Internal Revenue Service. Subsequently, the Plan has been restated effective January 1, 2011, to reflect the provisions of the Puerto Rico Internal Revenue Code of 2011 ("PRIRC '11 ") and for other purposes.

The Plan applied for a determination letter with the Hacienda on December 21, 2011. The plan was established on December 1, 2010, and is intended to be qualified in Puerto Rico only.

NOTES TO FINANCIAL STATEMENTS

Pension Plan for Eaton Employees in Puerto Rico

4 Tax Status, Continued

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken uncertain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. The Plan administrator has analyzed tax positions taken by the Plan and has concluded that, as of December 31, 2012, there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or that would require disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. However, currently no audits for any tax periods are in progress. The Plan administrator believes that the Plan is no longer subject to income tax examinations for the years prior to December 31, 2009.

5 Accumulated Plan Benefits

The Plan's actuary estimates the actuarial present value of accumulated Plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The accumulated Plan benefit information as of the beginning of the Plan year is as follows:

	<u>2012</u>
Actuarial present value of accumulated Plan benefits:	
Vested benefits:	
Participants currently receiving payments	\$ 12,853,525
Other participants	24,895,150
	<u>37,748,675</u>
Non-vested benefits	1,108,809
Total	<u>\$ 38,857,484</u>

The changes in actuarial present value of accumulated Plan benefits are as follows:

	<u>2012</u>
Beginning of the year - January 1, 2011	\$ 34,748,303
Benefits accumulated	1,305,741
Interest	3,001,376
Benefits paid	(1,487,470)
Actuarial (gain)/loss	99,634
Assumption Changes	1,189,900
End of the year - January 1, 2012	<u>\$ 38,857,484</u>

NOTES TO FINANCIAL STATEMENTS

Pension Plan for Eaton Employees in Puerto Rico

5 Accumulated Plan Benefits, Continued

Significant assumptions underlying the actuarial computations are:

Assumed rate of return	8.25% (2012) and 8.5% (2011)
Salary Scale	3.5% (hourly employees beginning 2011 and thereafter, salaried employees beginning 2012 and thereafter) 3.0% (salaried employees in 2011)
Mortality Basis	RP - 2000 Combined Healthy Mortality for males and females projected to 2015 using Scale AA for all participants (2012 and 2011).
Employee Turnover	For Salaried participants, sex-distinct select and ultimate withdrawal tables. For Hourly participants, 97% of the SOA's Pension Turnover Study - Basic Service Table (2012 and 2011).
Actuarial cost method	Projected unit credit (2012 and 2011).
Retirement	For Salaried participants, a graduated scale is used for ages 55-70. For Hourly participants, the retirement rates are based on Eaton experience between ages 60 - 70.(2012 and 2011).
Proportion Married	80% of all participants are assumed to be married

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

6 Transfers from Other Plans

During 2011, assets totaling \$29,811 were transferred by the Plan to Banco Popular Trust in accordance with the establishment of the Pension Plan for Eaton Employees in Puerto Rico, effective December 1, 2010 (see Note 1).

7 Party-in-Interest Transactions

During 2012 and 2011, internal costs attributed to certain accounting and legal services and external fees for certain professional services were paid by the Company on behalf of the Plan, while the Plan paid fees for PBGC premiums, trustee, actuarial, investment management and other professional services.

NOTES TO FINANCIAL STATEMENTS

Pension Plan for Eaton Employees in Puerto Rico

8 Fair Value Measurements

ASC 820, which applies to financial assets and liabilities, establishes a framework for measuring fair value, establishes a fair value hierarchy based on inputs used to measure fair value, and expands disclosure about fair value measurements. Adopting this statement has not had an effect on the Plan's net assets available for benefits or changes in those net assets.

In accordance with ASC 820, the Plan categorized our financial instruments, based on the degree of subjectivity inherent in the valuation technique, into a fair value hierarchy of three levels, as follows:

- Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Registered investment companies : Valued at the net asset value (NAV) of shares held by the Plan at year end.

NOTES TO FINANCIAL STATEMENTS

Pension Plan for Eaton Employees in Puerto Rico

8 Fair Value Measurements, Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012:

	Level 1 Fair Value	Level 2 Fair Value	Level 3 Fair Value	Totals
Registered Investment Companies				
Index Funds	\$ 26,119,390	\$ -	\$ -	\$ 26,119,390
Fixed Income Funds	<u>14,010,298</u>	<u>-</u>	<u>-</u>	<u>14,010,298</u>
Totals	<u>\$ 40,129,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,129,688</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011:

	Level 1 Fair Value	Level 2 Fair Value	Level 3 Fair Value	Totals
Registered Investment Companies				
Index Funds	\$ 23,353,136	\$ -	\$ -	\$ 23,353,136
Fixed Income Funds	<u>11,960,608</u>	<u>-</u>	<u>-</u>	<u>11,960,608</u>
Totals	<u>\$ 35,313,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,313,744</u>

9 Information Prepared and Certified by Trustee

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified as complete and accurate by the Trustee:

	2012	2011
Investments and cash	\$ 46,173,245	\$ 39,243,036
Interest and dividend income	\$ 1,138,753	\$ 1,013,771
Net unrealized/realized appreciation/(depreciation)	\$ 4,240,025	\$ (522,754)

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
Form 5500, Schedule H, Part IV, Line 4i

Eaton Corporation
Pension Plan for Eaton Employees in Puerto Rico

EIN 98-0474648
Plan Number 003

December 31, 2012

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Vanguard Long Term Corporate Bond Fund	Registered Investment Companies	\$ 9,125,406	\$ 10,506,664
	iShares S & P 500 Index Fund	Registered Investment Companies	7,095,254	8,305,985
	iShares MSCI EAFE Index Fund	Registered Investment Companies	9,083,017	9,473,615
	iShares MSCI Emerging Markets Index	Registered Investment Companies	4,825,570	4,793,437
	Vanguard Long-Term Government Bond Fund	Registered Investment Companies	2,980,859	3,503,634
	iShares Russell 2000 Index Fund	Registered Investment Companies	1,589,781	1,804,232
	iShares S&P Mid Cap 400 Index Fund	Registered Investment Companies	1,491,910	1,742,121
			<u>\$ 36,191,797</u>	<u>\$ 40,129,688</u>

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Effective Date

December 1, 2010

Plan Year

The twelve-month period ending December 31st.

Outline of principal plan provisions applicable to employees covered under Appendix B of the Plan

Eligibility

All employees covered under Appendix B who have attained age 21.

Employee Contributions

No employee contributions are currently required or permitted.

Normal Retirement

Normal Retirement Date: Age 65.

Benefit Formula: Greater of (a) and (b):

- a) The sum of:
 - (i) The supplementary portion of pre-January 1, 1976 accrued benefits; plus
 - (ii) 0.5% of Average Final Annual Compensation times service to January 1, 1976; plus
 - (iii) 1% of Average Final Annual Compensation plus 0.5% of the excess of Average Final Annual Compensation over the average Social Security limit times service after January 1, 1976.
- b) The sum of:
 - (i) The supplementary portion of pre-January 1, 1976 accrued benefits; plus
 - (ii) An annual benefit equal to \$120 plus 0.6% of Average Final Annual Compensation in excess of \$10,000, to a maximum of \$2,160 times service.

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

For purposes of the above formula, service is counted from the participation date specified in the Plan. Benefits for periods prior to the specified participation date, if any, are determined with formulas specified in the Plan.

Annual Compensation is limited in accordance with IRC §401(a)(17).

Early Retirement Benefit

Eligibility:

- a) Age 55 with completion of ten (10) years of eligibility service
- b) Age 55 with completion of twenty-five (25) years of eligibility service

Benefit: The accrued normal retirement benefit.

Commencement: Between retirement and age 65 at participant's election. Benefits are reduced for early commencement as follows:

- a) For retirement under (a), 3% per year for each year that commencement precedes age 65.
- b) For retirement under (b), no reduction for commencement after age 62, 6.7% at age 61, 13.3% at age 60, 18% at age 59 and 3% additional for each year below age 59.

Vested Benefits upon Termination of Service

Vesting: 100% of the accrued benefit is vested after completion of five (5) years of eligibility service.

Termination Benefit: The accrued normal retirement benefit.

Commencement: If hired prior to January 1, 2001, same as for early retirement. If hired on or after January 1, 2001, reduction is 0.5% for each month commencement precedes age 65.

Disability Retirement Benefit

Eligibility: Eligibility under Company LTD plan

Benefit: Computed as for normal retirement, except that service is projected to normal retirement date.

Commencement: Age 65.

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Death Benefits

Eligibility: 5 years of vesting service

Benefit: 50% of the accrued early retirement benefit reduced as for a 50% survivor option.

Commencement: Immediate upon participant's death.

Optional Forms of Retirement Income in Lieu of Normal Form

50% joint and contingent form is automatic for eligible employees, unless participant elects another form. Other forms available include: lump sum (automatic if benefit amount is \$1,000 or less); 5 and 10 years certain and life annuity; joint and survivor annuities with 50%, 75% or 100% to the survivor; or a Social Security level income annuity. All forms are actuarially equivalent and are paid on a modified cash refund basis.

Outline of principal plan provisions applicable to employees covered under Appendix CB of the Plan (EPPA)

Eligibility

Immediate participation for salaried participants hired or rehired on January 1, 2002 and later. Also, eligible are those salaried participants who elected to participate in the EPPA as of January 1, 2003 through a pension choice process from Appendix B.

Employee Contributions

The Company pays the full cost of the plan. No contributions are required from employees.

Pay-Based Credits

The basic cash balance account is accumulated with interest credits and pay credits. The pay-based credits are equal to a percent of earnings during each month. The percent of a participant's pay that the plan will credit to the cash balance account is based upon the number of age/service points accumulated up to that point. The percentage is based on the following table:

Pay Credits	
Age/Service Points	Percent of Pay to be Credited to the Account
Less than 50	5.00%
50 – 59	6.00%
60 – 69	7.00%
70 or more	8.00%

Plan Name: Pension Plan for Eaton Employees in Puerto Rico
EIN / PN: 98-0474648 / 003
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Interest Credits

The Interest Credit interest rate applicable for January through June will be based on the monthly 30-year average Treasury bond rate of the November of the preceding calendar year. The Interest Credit interest rate applicable for July through December will be based on the monthly 30-year average Treasury bond rate of the May of the current calendar year.

Index Credits

Index Credits are applicable for active participants who were former Appendix B participants who elected the EPPA during the choice process. The Index Credit rate applicable for January through June will be based on the rate of increase experienced in the Consumer Price Index from November 1 of the second preceding calendar year to October 21 of the immediately preceding calendar year. The Index Credit rate applicable for July through December will be based on the rate of increase experienced in the Consumer Price Index from May 1 of the immediately preceding calendar year to April 30 of the current calendar year. Index credits apply only to opening balances and during active employment.

Normal Retirement Benefit

Normal Retirement Date: The first day of the month coincident with or next following the participant's attainment of age 65.

Benefit: The monthly retirement benefit payable to a participant at any retirement date is equal to the actuarial equivalent of his account as of such date.

Normal Form of Benefit: For non-married employees, a single life annuity paid monthly. For married participants, a joint and 50% surviving spouse annuity.

Vested Benefits upon Termination of Service

Vesting: 100% of the accrued benefit is vested after completion of three (3) years of eligibility service.

Termination Benefit: The benefit is the full account payable at termination.

Disability Retirement Benefit

If a participant becomes totally and permanently disabled and received disability benefits under Eaton Corporation's Long Term Disability (LTD) Plan, his account will continue to earn pay-based and interest credits. The pay-based credits are calculated based on the following pay formula; base pay in effect at the date of disability; plus a three-year average of the executive incentive compensation; plus a three-year average of the variable pay. During the disability, the participant will also continue to earn Service for purposes of vesting. When the participant reaches age 65 or the LTD benefits end – whichever comes later – the participant will begin receiving benefits under any of the payment options offered by the plan.

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Death Benefits

Upon the participant's death, the vested portion of the account will be payable to the beneficiary. If the participant is married, the spouse will be automatically designated to be the beneficiary. If the participant is single, the participant may name anyone as beneficiary to receive the death benefit payable.

Optional Forms of Retirement Income in Lieu of Normal Form

The participant, depending on marital status, may elect to receive the plan benefit under one of the following payment options: lump sum (automatic if benefit amount is \$1,000 or less); 10 years certain and life annuity; joint and survivor annuities with 50%, 75% or 100% to the survivor; or a Social Security level income annuity.

Outline of principal plan provisions applicable to employees covered under Appendix PR of the Plan

Eligibility

Immediate participation on date of hire for hourly employees hired after February 1, 1994, unless they belong to Welco or any other division acquired after that date.

Service

One year of service is credited for benefit purposes for each elapsed year in which the employee works for the plan sponsor. One year of service is credited for eligibility purposes for each elapsed year in which the employee works for the plan sponsor. Service under the provisions of the Challenger Caribbean Pension Plan for Salaried Employees (the "Prior Plan") and under Westinghouse Pension Plan for Operations in Puerto Rico for participants who were members of that plan prior to February 1, 1994 is included for purposes of eligibility under the Eaton Electrical de Puerto Rico, Inc. Pension Plan.

Employee Contributions

None. Note that there were employee contributions under the predecessor Westinghouse Pension Plan for Operations in Puerto Rico.

Normal Retirement Benefit

Normal Retirement Date: The first day of the month coincident with or next following the later of the participant's attainment of age 65 or the fifth anniversary of participation in the plan.

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Benefit Formula: The annual benefit is the greater of 1. and 2., plus 3., below:

1. 1.2% of total compensation for each year of Credited Service under the Eaton Electrical de Puerto Rico, Inc. Pension Plan,
2. \$96.00 per year of Credited Service,
3. The accrued benefit as of January 31, 1994 under the Challenger Caribbean Pension Plan for Salaried Employees.

Normal Form of Benefit: The normal form of benefit payment under the Eaton Electrical de Puerto Rico, Inc. Pension Plan is a life annuity with sixty (60) monthly payments guaranteed. The normal form of payment under the Challenger Caribbean Pension Plan for Salaried Employees is a life annuity.

Late Retirement Benefit

The benefit accrued up to the late retirement date, considering compensation and credited service up to that date. Benefits are increased actuarially if payment is not deferred after age 70½.

Early Retirement Benefit

Early Retirement Date: Age 60 and completion of ten (10) years of eligibility service.

Benefit:

1. The monthly benefit accrued at the early retirement date reduced by 1/3 of 1.0% for each month by which the Early Retirement Date precedes the Normal Retirement Date; plus
2. A supplemental benefit payable for the period from the Early Retirement Date to the first day of the month coincident with or next following attainment of age 62, equal to the greater of (a) and (b):
 - a. \$4.00 per month per year of Credited Service, or
 - b. \$50.00 plus \$1.00 per month per year of Credited Service in excess of ten (10) years.

If eligibility service under Westinghouse as of February 1, 1994 was at least equal to ten (10) years, Westinghouse will be responsible for the payment of the minimum supplemental amount shown in item 2.b. in respect of service up to February 1, 1994. The Eaton Electrical de Puerto Rico, Inc. Pension Plan will pay the balance of \$1.00 per year of service after February 1, 1994.

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Vested Benefits upon Termination of Service

Vesting: 100% of the accrued benefit is vested after completion of five (5) years of eligibility service.

Termination Benefit: The vested deferred benefit is the vested portion of the accrued benefit determined as of the termination date. Payment may commence prior to age 65 if the participant had completed ten (10) years of eligibility service, in which case it is reduced by $\frac{1}{2}$ of 1.0% for each month by which the benefit commencement date precedes Normal Retirement Date.

Death Benefits

Upon the death of a participant who has been married for at least one (1) year and who is eligible for early retirement, an immediate pension is payable to the participant's spouse. The monthly benefit is equal to 55% of the accrued benefit as of the date of death reduced for commencement prior to age 65 and by the applicable joint and survivor reduction factors.

Upon the death of a vested participant who has been married for at least one (1) year and who is not eligible for early retirement, a deferred pension is payable to the participant's spouse. The monthly benefit is equal to 55% of the actuarial equivalent of the accrued benefit on the date of death on a joint and 55% survivor basis. Payment can begin on the earliest date the participant could have retired; however, if payment begins before age 65, the early retirement reduction factor will apply.

Optional Forms of Retirement Income in Lieu of Normal Form

The plan provides the following optional forms of Retirement Income: Joint and survivor annuities with 50%, 55%, 75% or 100% to the survivor.

Benefit Limitations

In no event will the annual funded pension benefit exceed the limitation of IRC §415.

Substantive Commitments

No substantive commitments other than the above plan provisions have been included in this valuation.

Changes in Plan Provisions since Last Actuarial Valuation

None.

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS

Statement by Enrolled Actuary

Plan Sponsor	Cutler-Hammer Electrical Company
EIN/PN	98-0474648 / 003
Plan Name	Pension Plan for Eaton Employees in Puerto Rico
Valuation Date	January 1, 2012
Enrolled Actuary	Gillian Nicoletta
Enrollment Number	11-06831

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions / Methods

Discount Rates

PPA Interest Rate Basis:

- Applicable month September
- Interest rate basis 3-Segment Rates
- MAP-21 applied for funding Yes
- MAP-21 applied for benefit restrictions No

PPA Interest Rates:	Reflecting MAP-21 Corridors	Not Reflecting MAP-21 Corridors
■ First segment rate (0-5 years)	5.54%	2.06%
■ Second segment rate (6-20 years)	6.85%	5.25%
■ Third segment rate (> 20 years)	7.52%	6.32%
■ Effective interest rate	7.15%	5.76%

Prior plan year PPA effective interest rate: 6.39%

Cash Balance Interest Credits

With respect to interest credits, account balances are assumed to increase by 5.00% per year.

Cash Balance Index Credits

Opening account balances subject to indexing are assumed to increase by 2.50% per year (in addition to interest credits) during active employment.

Assumed Cost of Living Adjustments

Not applicable.

Plan Name: Pension Plan for Eaton Employees in Puerto Rico
EIN / PN: 98-0474648 / 003
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Plan-related Expenses

The amount included this year for plan-related expenses is \$260,000.

Mortality

For all participants: The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

Retirement

For purposes of determining the Funding Target (disregarding at-risk assumptions), the rates at which participants are assumed to retire by age are shown below.

Salaried Cash Balance Participants	
Attained Age	% Retiring
Prior to 55	0.00%
55	3.50%
56	6.00%
57	7.00%
58	8.00%
59	7.00%
60 – 61	15.00%
62	28.00%
63	25.00%
64	27.00%
65	40.67%
66 – 67	36.67%
68	48.33%
69	49.67%
70	100.00%

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Salaried Non-Cash Balance Participants

Attained Age	% Retiring
Prior to 55	0.00%
55	3.50%
56	6.00%
57	7.00%
58	8.00%
59	10.33%
60	15.00%
61	21.67%
62	29.33%
63	28.33%
64	29.00%
65 – 67	50.00%
68 – 69	58.33%
70	100.00%

Hourly Participants

Attained Age	% Retiring
Prior to 60	0.00%
60	20.00%
61	5.00%
62	30.00%
63	15.00%
64	5.00%
65	10.00%
66 – 69	5.00%
70	100.00%

Plan Name: Pension Plan for Eaton Employees in Puerto Rico
EIN / PN: 98-0474648 / 003
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Disability Rates

Sample rates at which participants are assumed to become disabled by age and gender are shown below:

Salaried Participants		
Age	Males & Females	
25	0.09%	
30	0.10%	
35	0.13%	
40	0.20%	
45	0.33%	
50	0.58%	
55	1.02%	
60	1.60%	

Hourly Participants		
The 1985 Pension Disability tables by the Watson Wyatt Company – Class II		
Age	Males	Females
25	0.09%	0.10%
30	0.13%	0.17%
35	0.20%	0.25%
40	0.31%	0.36%
45	0.51%	0.52%
50	0.83%	0.85%
55	1.50%	1.49%
60	2.27%	1.79%

Compensation Increases

Compensation is assumed to increase by 3.50% per annum.

Future Increases in Social Security

Social Security Taxable Wage Base is assumed to increase in the future due to increases in the National Average Wage index of 3.00% per year, compounded annually.

Plan Name: Pension Plan for Eaton Employees in Puerto Rico
EIN / PN: 98-0474648 / 003
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Representative Termination Rates (not due to disability, retirement or mortality)

Sample rates at which participants are assumed to leave the company by age, gender, and years of service are shown below:

Salaried Participants (Less than 5 years of Vesting Service)		
Years of Service	Males	Females
Less than 1	22.23%	23.87%
1	18.53%	19.77%
2	15.37%	16.53%
3	12.73%	14.03%
4	10.40%	12.17%

Salaried Participants (5+ years of Vesting Service)		
Age	Males	Females
25	11.91%	17.08%
30	10.35%	13.47%
35	8.77%	10.17%
40	7.18%	7.37%
45	5.54%	5.09%
50	3.76%	3.10%

Hourly Participants 97% of the 2003 SOA Pension Turnover Study – Basic Service Table	
Years of Service	Males & Females
5	8.09%
10	4.76%
15	3.55%
20	2.73%
25	2.06%
30	1.47%
35	0.39%

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Form of Payment

Salaried cash balance participants: 18% of participants are assumed to elect a single life annuity, 1% are assumed to elect a joint and 50% survivor annuity, 1% are assumed to elect a joint and 100% survivor annuity, and 80% are assumed to elect the lump sum optional form of payment. It is assumed that terminated participants commence their benefits at age 62.

Salaried non-cash balance participants: 30% of participants are assumed to elect a single life annuity, 5% are assumed to elect a joint and 50% survivor annuity, 5% are assumed to elect a joint and 100% survivor annuity, and 60% are assumed to elect the lump sum optional form of payment. It is assumed that terminated participants commence their benefits at age 62.

Hourly participants: 100% of participants are assumed to elect the normal form of payment, which is a life annuity with five years guaranteed. It is assumed that terminated participants commence their benefits at age 65.

Challenger Caribbean frozen benefits are valued with the normal form of payment for these benefits, which is a single life annuity. It is assumed that terminated participants commence their benefits at age 65. (There are 79 participants with frozen Challenger benefits.)

Calculation of Lump Sum

Lump sums were valued using the substitution of annuity form under IRS Regulation 1.430(d)-1(f)(4) and current year 417(e)(3) applicable mortality without projection.

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, which is the life annuity form of payment for hourly participants and the lump sum form of payment for salaried participants.

Marriage

For purposes of valuing the pre-retirement surviving spouse's benefit, 80% of all participants are assumed to be married, and male spouses are assumed to be three (3) years older than female spouses.

Employees

It was assumed there will be no new or rehired employees.

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Plan Compensation

Salaried participants: Plan compensation is the expected base pay rate for the valuation year plus a three-year average of executive incentive compensation (EIC) plus a three-year average of variable non-EIC bonus compensation.

Hourly participants: Plan compensation is actual gross earnings during the prior year, provided by the employer.

Smoothed Asset Method

Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date.

The assumed rate of return on plan assets for the prior plan year (pursuant to IRS Notice 2009-22) was 6.57%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.00%, and the applicable limitation for the plan year, equal to 6.57%. The assumed rate of return on plan assets for the second prior plan year (pursuant to IRS Notice 2009-22) was 6.82%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.00%, and the applicable limitation for the plan year, equal to 6.82%.

Participant Data

Participant data as of the valuation date was supplied by the employer.

Benefits not Included in Valuation

Actual early retirement supplements for Hourly participants have not been valued. The total amount of early retirement supplements that has been paid to actual retirees over the last several years has been deemed immaterial.

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2012

Type of Base		Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2012	(4,334,007)	7.000	(4,334,007)	(735,587)
2	Shortfall	01/01/2011	1,019,308	6.000	875,412	167,706
3	Shortfall	12/01/2010	4,217,234	5.917	3,591,401	695,996
4	Shortfall	01/01/2010	2,387,057	5.000	1,808,525	401,723
5	Shortfall	01/01/2009	3,272,325	4.000	2,146,116	580,670
6	Shortfall	01/01/2008	1,458,134	3.000	685,536	240,938
Total					4,772,983	1,351,446

Plan Name: Pension Plan for Eaton Employees in Puerto Rico
EIN / PN: 98-0474648 / 003
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2012

Alternative B, Scatter 1

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	29	11,826	13		0		0		0		0		0		0		0		0	
25 - 29	47	14,559	49	30,343	31	30,100	2		0		0		0		0		0		0	
30 - 34	33	16,784	33	33,851	65	33,950	38	32,272	1		0		0		0		0		0	
35 - 39	23	20,758	16		43	37,323	88	30,807	61	31,631	0		0		0		0		0	
40 - 44	23	20,184	22	36,678	34	38,083	60	35,429	103	34,518	1		0		0		0		0	
45 - 49	23	17,515	21	39,144	35	30,887	33	34,321	113	35,609	6		1		0		0		0	
50 - 54	14		11		25	39,716	36	33,603	124	30,359	1		0		0		0		0	
55 - 59	4		6		14		26	31,200	128	34,285	0		1		1		2		0	
60 - 64	0		2		4		7		72	35,933	0		0		0		1		0	
65 - 69	0		0		0		0		13		0		0		0		0		0	
70 & Over	0		0		0		0		4		0		0		0		0		0	

Plan Name: Pension Plan for Eaton Employees in Puerto Rico
 EIN / PN: 98-0474648 / 003
 Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS (cont.)

Alternative B, Scatter 2

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.
Under 25	0		2		0		0		0		0		0		0		0		0	
25 - 29	3		11		1		1		0		0		0		0		0		0	
30 - 34	1		4		12		3		0		0		0		0		0		0	
35 - 39	1		5		8		6		4		0		0		0		0		0	
40 - 44	4		7		6		7		10		1		0		0		0		0	
45 - 49	2		3		5		3		10		6		1		0		0		0	
50 - 54	3		3		6		5		4		1		0		0		0		0	
55 - 59	2		1		3		4		3		0		1		1		2		0	
60 - 64	0		2		1		0		2		0		0		0		1		0	
65 - 69	0		0		0		0		0		0		0		0		0		0	
70 & Over	0		0		0		0		0		0		0		0		0		0	

Plan Name: Pension Plan for Eaton Employees in Puerto Rico
 EIN / PN: 98-0474648 / 003
 Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24 Change in Actuarial Assumptions

Other than the prescribed changes in interest rate and mortality, the following changes in assumptions were made as part of this valuation:

- The cash balance index credit assumption for salaried participants covered under Appendix CB of the Plan was changed from 3.00% to 2.50%.
- The sex-distinct select & ultimate withdrawal assumption for salaried participants was changed from rates ranging from 0.39% to 25.73% to rates ranging from 0.69% to 23.87%. There was no change in the withdrawal assumption for hourly participants.
- The retirement assumption for salaried participants was changed from rates ranging from 3.50% to 66.67% to rates ranging from 3.50% to 58.33%. There was no change in the retirement assumption for hourly participants.
- The plan compensation for salaried cash balance employees was changed to match the definition for salaried non-cash balance employees, which is the expected base pay rate for the valuation year plus a three-year average of executive incentive compensation (EIC) plus a three-year average of variable non-EIC bonus compensation.
- The plan-related expense assumption changed from \$188,000 in 2011 to \$260,000 in 2012.

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2012

See Statement of Actuarial Assumptions and Methods for retirement rates. The average retirement age of 65 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.

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 4 Additional Information for Plans in At-Risk Status

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, which is the life annuity form of payment for hourly participants and the lump sum form of payment for salaried participants.

Plan Name:	Pension Plan for Eaton Employees in Puerto Rico
EIN / PN:	98-0474648 / 003
Valuation Date:	January 1, 2012

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
Form 5500, Schedule H, Part IV, Line 4i

Eaton Corporation
Pension Plan for Eaton Employees in Puerto Rico

EIN 98-0474648
Plan Number 003

December 31, 2012

(a) Identity of Issue, Borrower, Lessor, or Similar Party	(b) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(c) (d) Cost	(e) Current Value
Vanguard Long Term Corporate Bond Fund	Registered Investment Companies	\$ 9,125,406	\$ 10,506,664
iShares S & P 500 Index Fund	Registered Investment Companies	7,095,254	8,305,985
iShares MSCI EAFE Index Fund	Registered Investment Companies	9,083,017	9,473,615
iShares MSCI Emerging Markets Index	Registered Investment Companies	4,825,570	4,793,437
Vanguard Long-Term Government Bond Fund	Registered Investment Companies	2,980,859	3,503,634
iShares Russell 2000 Index Fund	Registered Investment Companies	1,589,781	1,804,232
iShares S&P Mid Cap 400 Index Fund	Registered Investment Companies	1,491,910	1,742,121
		<u>\$ 36,191,797</u>	<u>\$ 40,129,688</u>

SCHEDULE SB (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>	Single-Employer Defined Benefit Plan Actuarial Information <p>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).</p> <p>► File as an attachment to Form 5500 or 5500-SF.</p>	<small>OMB No. 1210-0110</small> 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

- **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>Pension Plan for Eaton Employees in Puerto Rico</u>	B Three-digit plan number (PN) ► <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>Cutler-Hammer Electrical Company</u>	D Employer Identification Number (EIN) <u>98-0474648</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>1</u> Day <u>1</u> Year <u>2012</u>		
2	Assets:		
	a Market value	2a	40,761,832
	b Actuarial value	2b	41,641,774
3	Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment.....	3a	14,356,826
	b For terminated vested participants.....	3b	10,472,710
	c For active participants:		
	(1) Non-vested benefits	3c(1)	1,425,453
	(2) Vested benefits	3c(2)	20,159,768
	(3) Total active.....	3c(3)	21,585,221
	d Total.....	3d	46,414,757
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	45,415,491
	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	50,411,822
5	Effective interest rate	5	7.15 %
6	Target normal cost	6	2,057,938

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>Gillian Nicoletta</u> Signature of actuary	<u>10/08/2013</u> Date
	<u>Gillian Nicoletta</u> Type or print name of actuary	<u>11-06831</u> Most recent enrollment number
	<u>Towers Watson Delaware Inc.</u> Firm name	<u>(813) 287-7342</u> Telephone number (including area code)
	<u>Corporate Center 4 at Int'l Plaza</u> <u>4301 W. Boy Scout Blvd, Suite 570</u> <u>Tampa FL 33607</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 ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF. Schedule SB (Form 5500) 2012 v. 120126

Part II Beginning of Year Carryover Prefunding Balances

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	0
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	0
10	Interest on line 9 using prior year's actual return of <u>1.31</u> %		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		539
	b Interest on (a) using prior year's effective interest rate of <u>6.39</u> % except as otherwise provided (see instructions)		34
	c Total available at beginning of current plan year to add to prefunding balance		573
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III	Funding Percentages
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Part III	Funding Percentages		
14	Funding target attainment percentage.....	14	91.69 %
15	Adjusted funding target attainment percentage	15	75.11 %
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	76.57 %
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	1,028,613						
07/12/2012	1,028,613						
10/12/2012	244,110						
01/15/2013	767,112						
09/13/2013	497,179						
			Totals ►	18(b)	3,565,627	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	3,387,891

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
0	0	0	0

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

21 Discount rate:			
a Segment rates:	1st segment: 5.54 %	2nd segment: 6.85 %	3rd segment: 7.52 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 65
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	2,057,938	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	4,772,983	1,351,446	
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	3,409,384	
	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	3,409,384	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	3,387,891	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
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	21,493	
40 Unpaid minimum required contributions for all years	40	21,493	

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	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

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 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 <div style="font-size: 1.5em; font-weight: bold; text-align: center;">2012</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☒ a single-employer plan; ☐ a multiple-employer plan; or ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ an amended return/report; ☐ the final 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 PENSION PLAN FOR EATON EMPLOYEES IN PUERTO RICO	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">1b Three-digit plan number (PN) ►</td> <td style="width: 40%; text-align: center;">003</td> </tr> <tr> <td colspan="2">1c Effective date of plan 12/01/2010</td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) 98-0474648</td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number 787-656-7791</td> </tr> <tr> <td colspan="2">2d Business code (see instructions) 335900</td> </tr> </table>	1b Three-digit plan number (PN) ►	003	1c Effective date of plan 12/01/2010		2b Employer Identification Number (EIN) 98-0474648		2c Sponsor's telephone number 787-656-7791		2d Business code (see instructions) 335900	
1b Three-digit plan number (PN) ►	003										
1c Effective date of plan 12/01/2010											
2b Employer Identification Number (EIN) 98-0474648											
2c Sponsor's telephone number 787-656-7791											
2d Business code (see instructions) 335900											
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) CUTLER-HAMMER ELECTRICAL COMPANY 50 JESUS T. PINEIRO LAS PIEDRAS PR 00771-3123											

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		10/10/13	Gordon Harman
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10/10/13	Gordon Harman
	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
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) Meaden & Moore, Ltd. 1100 SUPERIOR AVENUE, STE 1100 CLEVELAND OH 44114			Preparer's telephone number (optional) 216-241-3272

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

Form 5500 (2012)
v. 120126

3a Plan administrator's name and address ☒ 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
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5 Total number of participants at the beginning of the plan year	5	3233
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a, 6b, 6c, and 6d).		
a Active participants	6a	1626
b Retired or separated participants receiving benefits	6b	685
c Other retired or separated participants entitled to future benefits	6c	1000
d Subtotal. Add lines 6a, 6b, and 6c	6d	3311
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	44
f Total. Add lines 6d and 6e.	6f	3355
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 that terminated employment during the plan year with accrued benefits that were less than 100% vested.	6h	15
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 Characteristic Codes in the instructions:

1A 1G 3C 3H

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

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

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)