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

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] 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. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [X] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
KT&S PENSION PLAN FOR BARGAINING UNIT EMPLOYEES

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 01/01/1951

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

KAHULUI TRUCKING & STORAGE, INC.

140 HOBRON LANE
KAHULUI, HI 96732-2100

140 HOBRON AVENUE
KAHULUI, HI 96732-2100

2b Employer Identification Number (EIN)
99-0141397

2c Sponsor's telephone number
808-525-8495

2d Business code (see instructions)
484110

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/10/2014	BETTY GAMUNDOY
	Signature of plan administrator	Date	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)
JESSICA S.E. ENOS

KMH LLP

1003 BISHOP STREET, SUITE 2400
HONOLULU, HI 96813

Preparer's telephone number (optional)
808-526-2255

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address

ALEXANDER & BALDWIN, INC.

822 BISHOP STREET
HONOLULU, HI 96813-3924

3b Administrator's EIN
45-4849780

3c Administrator's telephone number
808-525-8495

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**	79
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**	9
b	Retired or separated participants receiving benefits	**6b**	46
c	Other retired or separated participants entitled to future benefits	**6c**	18
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	73
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	
f	Total. Add lines **6d** and **6e**.	**6f**	73
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**	
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 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

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **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
KT&S PENSION PLAN FOR BARGAINING UNIT EMPLOYEES

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
KAHULUI TRUCKING & STORAGE, INC.

D Employer Identification Number (EIN)
99-0141397

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2013

2 Assets:

a Market value	**2a**	6996786
b Actuarial value	**2b**	6864065

3 Funding target/participant count breakdown:

		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	**3a**	49	2841508
b For terminated vested participants	**3b**	20	353670
c For active participants:			
(1) Non-vested benefits	**3c(1)**		65995
(2) Vested benefits	**3c(2)**		1472976
(3) Total active	**3c(3)**	10	1538971
d Total	**3d**	79	4734149

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	6.29 %
6 Target normal cost	**6**	121222

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary	09/30/2014 Date
JENNIFER S.J. LUM-OTA, FSA,EA,MAAA Type or print name of actuary	14-04070 Most recent enrollment number
BUCK CONSULTANTS, LLC Firm name	808-533-6002 Telephone number (including area code)
700 BISHOP ST., SUITE 1200 HONOLULU, HI 96813 Address of the firm	

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	1486836	
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	
9	Amount remaining (line 7 minus line 8)	1486836	
10	Interest on line 9 using prior year's actual return of 15.69 %	233285	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		
	b Interest on (a) using prior year's effective interest rate of 5.46 % except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	1720121	0

Part III Funding Percentages

14	Funding target attainment percentage	14	108.65 %
15	Adjusted funding target attainment percentage	15	144.99 %
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	138.43 %
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
			Totals ► 18(b)		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	

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.94%	6.15%	6.78 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	63

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**	121222
b Excess assets, if applicable, but not greater than line 31a	**31b**	121222

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment		
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**	0

	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**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0

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**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

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

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
KT&S PENSION PLAN FOR BARGAINING UNIT EMPLOYEES

B Three-digit plan number (PN) ▶ 003

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
KAHULUI TRUCKING & STORAGE, INC.

D Employer Identification Number (EIN)
99-0141397

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: A&B RETIREMENT AND PENSION TRUST

b Name of sponsor of entity listed in (a): FIRST HAWAIIAN BANK

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
99-0268171-003	M	7590543

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

SCHEDULE I (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information—Small Plan

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
KT&S PENSION PLAN FOR BARGAINING UNIT EMPLOYEES

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
KAHULUI TRUCKING & STORAGE, INC.

D Employer Identification Number (EIN)
99-0141397

Complete Schedule I if the plan covered fewer than 100 participants as of the beginning of the plan year. You may also complete Schedule I if you are filing as a small plan under the 80-120 participant rule (see instructions). Complete Schedule H if reporting as a large plan or DFE.

Part I Small Plan Financial Information

Report below the current value of assets and liabilities, income, expenses, transfers and changes in net assets during the plan year. Combine the value of plan assets held in more than one trust. Do not enter the value of the portion of an insurance contract that guarantees during this plan year to pay a specific dollar benefit at a future date. 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.**

			(a) Beginning of Year	**(b)** End of Year
1	**Plan Assets and Liabilities:**			
a	Total plan assets	1a	6996786	7590543
b	Total plan liabilities	1b		
c	Net plan assets (subtract line 1b from line 1a)	1c	6996786	7590543
2	**Income, Expenses, and Transfers for this Plan Year:**		**(a)** Amount	**(b)** Total
a	Contributions received or receivable:			
	(1) Employers	2a(1)		
	(2) Participants	2a(2)		
	(3) Others (including rollovers)	2a(3)		
b	Noncash contributions	2b		
c	Other income	2c	1148294	
d	Total income (add lines 2a(1), 2a(2), 2a(3), 2b, and 2c)	2d		1148294
e	Benefits paid (including direct rollovers)	2e	482194	
f	Corrective distributions (see instructions)	2f		
g	Certain deemed distributions of participant loans (see instructions)	2g		
h	Administrative service providers (salaries, fees, and commissions)	2h	72343	
i	Other expenses	2i		
j	Total expenses (add lines 2e, 2f, 2g, 2h, and 2i)	2j		554537
k	Net income (loss) (subtract line 2j from line 2d)	2k		593757
l	Transfers to (from) the plan (see instructions)	2l		

3 **Specific Assets:** If the plan held assets at anytime during the plan year in any of the following categories, check "Yes" and enter the current value of any assets remaining in the plan as of the end of the plan year. Allocate the value of the plan's interest in a commingled trust containing the assets of more than one plan on a line-by-line basis unless the trust meets one of the specific exceptions described in the instructions.

			Yes	No	Amount
a	Partnership/joint venture interests	3a		X	
b	Employer real property	3b		X	
c	Real estate (other than employer real property)	3c		X	
d	Employer securities	3d		X	
e	Participant loans	3e		X	

		Yes	No	Amount
3f Loans (other than to participants)	3f		X	
g Tangible personal property	3g		X	

Part II Compliance Questions

4 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of plan year or classified during the year as uncollectible? Disregard participant loans secured by the participant's account balance.	4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible?	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a.)	4d		X	
e Was the plan covered by a fidelity bond?	4e	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan at any time hold 20% or more of its assets in any single security, debt, mortgage, parcel of real estate, or partnership/joint venture interest?	4i		X	
j Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4j		X	
k Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? If "No," attach an IQPA's report or 2520.104-50 statement. (See instructions on waiver eligibility and conditions.)	4k	X		
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	4n		X	

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part III 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

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
KT&S PENSION PLAN FOR BARGAINING UNIT EMPLOYEES

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
KAHULUI TRUCKING & STORAGE, INC.

D Employer Identification Number (EIN)
99-0141397

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): 99-0034327 01-0233346

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** 2

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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):

KT&S Pension Plan for Bargaining Unit Employees:

Data Code Number		Covered Groups
28		KT&S H'rly BU General Agreement
34		KT&S H'rly BU Bulk Sugar
28 & 34	-	KT&S BU

Changes Since Last Valuation: Minimum benefit level was increased from $15 to $19 for KT&S Hourly BU General Agreement members who terminate employment on or after April 1, 2012. This negotiated benefit change was ratified during 2012.

KT&S H'rly BU General Agreement Members

Eligibility

All employees who are covered under the applicable collective bargaining agreement and who have completed one year of service. Effective June 1, 1995, all newly hired KT&S H'rly BU General Agreement employees will not be eligible to participate in the plan.

Normal Retirement Benefit

a) Eligibility: Age 65.

b) Amount of Benefit: The monthly benefit is the greater of (1) or (2):

(1) Basic Benefit: 1% of the average monthly compensation for each year of Credited Benefit Service.

(2) Minimum Benefit: $19.00 times years of Credited Benefit Service.

Credited Benefit Service - One-twelfth of a year of Credited Benefit Service for each calendar month during which an eligible employee is credited with 1 hour of service as a member, but excluding those months in which the eligible employee did not receive credit for 1 hour of service.

Early Retirement Benefit

a) Eligibility: Age 55.

b) Amount of Benefit: The Normal Retirement Benefit for service to the Early Retirement Date multiplied by the following early retirement factor:

Age	Factor
55	.4539
56	.4862
57	.5217
58	.5610
59	.6046
60	.6530
61	.7071
62	.7676
63	.8357
64	.9127

Deferred Retirement Benefit

a) Eligibility: Employed beyond age 65.

b) Amount of Benefit: Benefit is calculated based on compensation and credited benefit service to Deferred Retirement Date. Benefits commencing after the April 1 following the calendar year in which the member attains age 70½ are actuarially increased as required by law.

Disability Retirement Benefit

a) Eligibility: Age 45, 10 years of service, and has a disability under which he is permanently and continuously unable to engage in any occupation or employment offered by the employer.

b) Amount of Benefit: Normal Retirement Benefit.

Vested Benefit

a) Eligibility: 5 years of service.

b) Amount of benefit: Commencing at age 65, the amount of Normal Retirement Benefit credited for service to the date of termination. Member may elect a reduced Early Retirement Benefit after age 55.

Pre-Retirement Spouse Benefit

a) Eligibility: Married at least 1 year, with 5 years of service or eligible for retirement.

b) Amount of Benefit: The benefit commences on what would have been the member's normal retirement date (or, at the spouse's election, any time after the date the member would have reached age 55). The spouse receives 1/2 of the reduced 50% Joint & Survivor retirement benefit that would have been in effect had the member terminated on the date of death, survived to the date payments commence, and retired on that date.

Employee Contributions None.

Forms of Payment

a) Automatic Form:

(1) Single life annuity for unmarried member.
(2) Reduced 50% Qualified Joint & Survivor annuity for married member.
(3) Lump sum of not more than $5,000.

b) Optional Form:

(1) Single life annuity.
(2) 75% Joint & Survivor annuity with spouse.

c) Conversion of Payment Forms

The member's single life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

The lump sum form of payment is calculated as (1) for members not yet eligible for retirement, the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later) and (2) for members eligible for early retirement, the present value of the immediate early retirement benefit. In both cases, the present value is calculated using the Internal Revenue Code §417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year.

KT&S H'rly BU Bulk Sugar Members

Eligibility

All regular employees who are covered under the KT&S Bulk Sugar and Tugboat collective bargaining agreements and who have completed one year of service.

Normal Retirement Benefit

a) Eligibility: Age 62.

b) Amount of Benefit: The monthly benefit is the greater of (1) or (2):

(1) Basic Benefit:

1% of the average monthly compensation for each year of Credited Benefit Service earned after January 1, 1968 and before July 1, 2003.

(2) Minimum Benefit:

For a member who retires after June 30, 2008:

	For Each Year of Credited Benefit Service (max 35 years)	Maximum Monthly Benefit
From July 1, 2008	$150.00	$5,250.00
From July 1, 2010	$160.00	$5,600.00
From July 1, 2011	$165.00	$5,775.00
From July 1, 2012	$170.00	$5,950.00
On or after July 1, 2013	$180.00	$6,300.00

Credited Benefit Service - One-twelfth of a year of Credited Benefit Service for each calendar month during which an eligible employee is credited with 1 hour of service as a member, but excluding those months in which the eligible employee did not receive credit for 1 hour of service.

Early Retirement Benefit

a) Eligibility: Age 55 and 3 years of service.

b) Amount of Benefit:

(1) If age 60 or 5 years of service, accrued Normal Retirement Benefit reduced 5% per year before age 62.

(2) Otherwise, accrued Basic Benefit reduced 5% per year before age 62.

Early Retirement Window (August 1, 2012 – January 31, 2013)

a) Eligibility: Retired from active employment and attained age 59-1/2 but not yet attained age 62 during the window period.

b) Amount of Benefit: Minimum Benefit without any reduction for early commencement of such benefit.

Deferred Retirement Benefit

a) Eligibility: Employed beyond age 62.

b) Amount of Benefit: Benefit is calculated based on compensation and credited benefit service to Deferred Retirement Date. Benefits commencing after the April 1 following the calendar year in which the member attains age 70½ are actuarially increased as required by law.

Disability

a) Eligibility: After 6 months of permanent disability, and not receiving any income continuance, sick leave or LTD.

b) Amount of Benefit:

(1) If the member is less than age 55 with less than 3 years of service, $125.00 per month.

(2) If the member is at least age 55 (but less than age 60) or has at least 3 (but less than 5) years of service, the greater of (a) $125.00 per month or (b) Basic Benefit for service to date of disablement.

(3) If the member is at least age 60 or has at least 5 years of service, the greatest of (a) $125.00, (b) Basic Benefit for service to date of disablement, or (c) Minimum Benefit for service to date of disablement.

Supplemental Retirement Benefit (Bridge Benefit)

a) Eligibility: Retirement from active employment at or after age 55 but before attainment of Social Security Full Retirement Age.

b) Amount of Benefit (payable until member's Social Security Full Retirement Age or date of death, if earlier):

(1) If age 62 or over, $300 per month.

(2) If under age 62, $300 per month actuarially reduced for early retirement. Bridge benefits commencing prior to attainment of age 62 are actuarially reduced for early retirement using

the 1971 Group Annuity Mortality Table set back one year and an interest rate of 6% per year.

If member has at least 25 years of credited benefit and dies prior to attainment of Social Security Full Retirement Age, the benefit will continue to an eligible survivor and will cease at deceased member's Social Security Full Retirement Age.

Pre-Retirement Spouse Benefit

a) Eligibility: Married at least 1 year, with a vested benefit or eligible for retirement.

b) Amount of Benefit: The greatest of (1), (2), (3) or (4):

(1) If active, age 59 with 25 years of Credited Benefit Service, 60% of Normal Retirement Benefit.

(2) (a) If active, age 59 with under 25 years of Credited Benefit Service, or

(b) if active, with at least 5 years of service, age 55 regardless of the number of years of Credited Benefit Service, or

(c) if active, with at least 5 years of service, under age 55 with 25 years of Credited Benefit Service,

but not eligible for above benefits, 60% of Normal Retirement Benefit, reduced 5% per year for each year before age 62, subject to a maximum 35% reduction.

(3) If active, with less than 5 years of service, age 55 but not eligible for above benefits, 1/2 of Basic Retirement Income, reduced 5% per year for each year before age 62. For deaths on or after July 1, 2011, 60% of Basic Retirement Income, reduced 5% per year for each year before age 62.

(4) (a) If active, under age 55 with at least 3 years of service, with under 25 years of Credited Benefit Service, or

(b) if a terminated vested member,

1/2 of the reduced 50% Joint & Survivor retirement benefit that would have been in effect had the member terminated on the date of death, survived to the date payments commence (if under age 55, survived to age 55) and retired on that date.

Vested Benefit

a) Eligibility: 3 years of service.

b) Amount of Benefit:

(1) If 5 years of service, accrued Normal Retirement Benefit commencing at age 62.

(2) If at least 3 but less than 5 years of service, accrued Basic Benefit commencing at age 62.

Member may elect an Early Retirement Benefit after age 55 (benefit reduced 5/9% per month for the first 60 months by which early retirement precedes age 62 and 5/18% per month for months over 60).

Retiree Increases

Each KT&S Bulk Sugar retired member who retired from active employment as an eligible employee prior to July 1, 1999, received an increase in his monthly benefit equal to $125 per month effective July 1, 2008. Each KT&S Bulk Sugar retired member who retired from active employment as an eligible employee after June 30, 1999 but before July 1, 2008 will receive an increase in his monthly benefit equal to $20 per month effective July 1, 2011, an additional $20 per month effective July 1, 2012, and an additional $25 per month effective July 1, 2013. A surviving contingent annuitant of a deceased retired member who retired from active employment as an eligible employee and would have been eligible for the either of the above retiree benefit increases receives a monthly benefit increase equal to 50% to 100% (whichever is applicable under the form of payment elected by the retired member) of the applicable monthly retiree benefit increase.

Forms of Payment

a) Automatic Form:

   (1) Single life annuity for unmarried member.

   (2) For a married member who terminates employment prior to 7/1/2011 after meeting the requirements for early retirement, an unreduced 50% Qualified Joint & Survivor annuity. For a married member who terminates employment on or after 7/1/2011 after meeting the requirements for early retirement, an unreduced 60% Qualified Joint & Survivor annuity. For all other married members who terminate employment, a reduced 50% Qualified Joint & Survivor annuity.

   (3) Lump sum of not more than $5,000.

b) Optional Forms:

   (1) Single life annuity.
   (2) 50%, 75% or 100% Joint & Survivor annuity.
   (3) Repatriation benefit for employees hired prior to 1/1/1950.
   (4) Lump sum payment for disability retirement.
   (5) Lump sum payment for a member who is laid off due to a reduction in work force and who does not accept employment with another Stevedore employer in the State of Hawaii.

c) Conversion of Payment Forms

   The member's single life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

   The lump sum form of payment is calculated as (1) for members not yet eligible for retirement, the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later) and (2) for members eligible for early retirement, the present value of the immediate early retirement benefit. In both cases, the present value is calculated using the Internal Revenue Code §417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year. For disability retirement lump sums, present value factor applied to the monthly benefit shall not be less than 90.

Employee Contributions None.

Schedule SB, line 26 Schedule of Active Participant Data

Distribution of Active Participants by Completed Age and Credited Service as of January 1, 2013

Plan: KT&S Pension Plan for Bargaining Unit Employees
EIN: 99-0141397
PN: 003

Schedule SB, Line 26 - Schedule of Active Participant Data											
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 & up	Total
Under 25											**0**
25 to 29											**0**
30 to 34											**0**
35 to 39			1		1						**2**
40 to 44											**0**
45 to 49			1		1						**2**
50 to 54					1	1					**2**
55 to 59	1					1					**2**
60 to 64					2						**2**
65 to 69											**0**
70 & up											**0**
Total	**1**	**0**	**2**	**0**	**5**	**2**	**0**	**0**	**0**	**0**	**10**

KT&S Pension Plan for Bargaining Unit Employees:

Data Code Number		Covered Groups
28		KT&S H'rly BU General Agreement
34		KT&S H'rly BU Bulk Sugar
28 & 34	-	KT&S BU

The Plan Sponsor elected to use the segment rates determined under section 430(h)(2) of the Internal Revenue Code, as amended by MAP-21 but before amendment by HATFA, for purposes of determining both the minimum funding requirements in accordance with ERISA and the plan's Adjusted Funding Target Attainment Percentage (AFTAP) for the 2013 plan year.

Prescribed Funding Assumptions and Methods

Funding Interest Rates: Segment Rates with four-month lookback as constrained by MAP-21:

First Segment Rate	4.94%
Second Segment Rate	6.15%
Third Segment Rate	6.76%

In accordance with MAP-21, the first, second and third Segment Rates above have been constrained to an 85%-115% corridor around the average Segment Rates for the 25-year period ending September 30, 2012 for minimum funding and benefit restrictions but not for maximum tax-deductible purposes. Prior to the application of the MAP-21 corridor, the Segment Rates were 1.75%, 4.62% and 5.72%, respectively.

Effective Interest Rate 6.29%

Funding Mortality: Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial Cost Method: The Funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected administrative expenses to be paid from plan assets during the year.

Non-Prescribed Funding Assumptions and Methods

Salary Increase: 3.00%

Expenses: Expected plan administrative expenses equal to prior year's non-investment administrative expenses paid from plan assets ($32,374) are added to Target Normal Cost.

Non-Prescribed Funding Assumptions and Methods (continued)

Frequency of Optional Payment Forms:

For KT&S H'rly BU General Agreement members, 70% of members are assumed to elect a Single Life Annuity. 30% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse.

For KT&S H'rly BU Bulk Sugar members, married active members are assumed to elect an unreduced 60% Joint and Survivor Annuity with spouse and single active members are assumed to elect a Single Life Annuity. Inactive members are assumed to elect a Single Life Annuity.

Marital Percentage:

For KT&S H'rly BU General Agreement members, 80% of the members are assumed to be married, and males are assumed to be two years older than their spouses.

For KT&S H'rly BU Bulk Sugar members, 85% of the members are assumed to be married, and males are assumed to be two years older than their spouses.

Mortality:

The mortality table is applied on a static basis. Separate annuitant and non-annuitant tables were used.

Turnover Rates:

Representative annual rates of turnover are:

	Rates	
Age	KT&S H'rly BU General Agreement	KT&S H'rly BU Bulk Sugar
20	.1000	.0100
25	.1000	.0100
30	.0800	.0100
35	.0800	.0100
40	.0500	.0000
45	.0400	.0000
50	.0300	.0000
55	.0000	.0000

Disability Rates:

Representative annual rates of disability rates are:

	Rates	
Age	KT&S H'rly BU General Agreement	KT&S H'rly BU Bulk Sugar
20	.0000	.0042
25	.0000	.0045
30	.0000	.0048
35	.0000	.0051
40	.0000	.0059
45	.0000	.0079
50	.0000	.0143
55	.0000	.0272
60	.0000	.0552

Non-Prescribed Funding Assumptions and Methods (continued)

Retirement Rates: Annual rates of retirement for active members eligible to retire are:

	Rates	
Age	KT&S H'rly BU General Agreement	KT&S H'rly BU Bulk Sugar
55	.00	.00
56	.02	.00
57	.03	.00
58	.03	.00
59	.04	.00
60	.06	.00
61	.06	.00
62	.40	1.00
63	.30	1.00
64	.20	1.00
65	.30	1.00
66	.40	1.00
67	.50	1.00
68	.10	1.00
69	.20	1.00
70	.20	1.00
71 & over	1.00	1.00

In addition, for purposes of determining At-Risk Funding Target and At-Risk Target Normal Cost, employees eligible to retire and receive a benefit in the next 11 years are assumed to retire when first eligible (but not before the end of the current plan year) and elect to receive the form of benefit producing the highest present value.

Retirement age for inactive members with deferred benefits:

KT&S H'rly BU General Agreement	Age 60
KT&S H'rly BU Bulk Sugar/Tugboat	Age 62

Asset Valuation Method: Actuarial Value of Assets is market value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the gain/(loss) in each of the prior 2 years, respectively. The gain/(loss) for each period is determined as the actual return on market value during the period less the expected return on market value based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value, including discounted receivable contributions.

The expected return on plan assets for the applicable measurement periods was 8.25% per annum, limited by PPA to the applicable third segment rate as follows:

2012 measurement period: 6.32%
2011 measurement period: 6.57%

Summary of Changes from the January 1, 2012 Valuation

- The 3-segment interest rates with four-month lookback used for minimum funding, benefit restrictions, and maximum tax-deductible purposes were updated to the current valuation date. The 2013 rates are constrained in accordance with MAP-21, except for maximum tax-deductible purposes. 2012 valuation used 3-segment interest rates (with four-month lookback without MAP-21 constraints) of 2.06% (first segment rate), 5.25% (second segment rate) and 6.32% (third segment rate).

- The mortality tables used for funding purposes were updated with projections specified by IRS Regulation 1.430(h)(3)-1.

- 2012 valuation assumed future salary increase of 4.00% per year.

- The amount of expenses added to the Target Normal Cost was updated to the current valuation date. 2012 valuation used non-investment administrative expenses (paid from plan assets) of $29,467.

Changes in assumptions were either made in accordance with applicable law and regulations or to better reflect the actuary's best estimate of anticipated experience under the plan.

KT&S PENSION PLAN FOR
BARGAINING UNIT EMPLOYEES

EIN: 99-0141397; PN: 003

Schedule SB, line 24 – Change in Actuarial Assumptions

- Changed future salary increase assumption from 4.00% per year for 2012 valuation to 3.00% per year for 2013 valuation.

The above changes were made to better reflect the actuary's best estimate of anticipated experience under the Plan.

KT&S PENSION PLAN FOR
BARGAINING UNIT EMPLOYEES

EIN: 99-0141397; PN: 003

Schedule SB, line 22 - Description of Weighted Average Retirement Age

The weighted average retirement age for the plan is calculated below, based on all active participants of the plan:

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
56	4.59	0.016	0.07	4.19
57	5.47	0.020	0.11	6.26
58	5.28	0.020	0.11	6.17
59	6.09	0.023	0.14	8.09
60	5.80	0.034	0.20	11.82
61	6.45	0.029	0.18	11.25
62	7.01	0.668	4.69	290.55
63	2.31	0.300	0.69	43.71
64	1.61	0.200	0.32	20.59
65	1.28	0.300	0.38	24.95
66	0.89	0.400	0.36	23.47
67	0.53	0.500	0.26	17.70
68	0.26	0.100	0.03	1.78
69	0.23	0.200	0.05	3.22
70	0.19	0.200	0.04	2.59
71	0.15	1.000	0.15	10.43
Total			**7.77**	**486.78**
Average				**62.63**
Rounded Average				**63**

Note: The table presents values rounded to fewer significant digits than used in the calculations.

To determine the Weighted Average Retirement Age (WARA) for all participants, the sum of Weighted Ages (5) is divided by the sum of Expected Retirements (4) for all ages and rounded. For each age, the Expected Active Headcount (2) reflects the probability of surviving to that age reflecting all decrements.

Note to columns 2 and 3: Column 2's Expected Active Headcount includes members who are not yet eligible for retirement at a given age. The rates in Column 3 are therefore adjusted to reflect 0% probability for those not eligible to retire and the retirement rate percentages from the Attachment to Part V for those members who have attained eligibility requirements.

The rates shown above also reflect a combination of the rates shown in the tables in the Part V attachment based on actual eligibilities.

KT&S PENSION PLAN FOR
BARGAINING UNIT EMPLOYEES

EIN: 99-0141397; PN: 003

Schedule SB Notes for 2013 Plan Year

In preparing this Schedule SB, the actuary relied on the following information which was provided by other parties:

(a) Contribution information, as provided by the employer.

(b) Asset information, as provided by the trustee and insurance companies.

(c) Data on people covered by the Plan, as provided by employer. While not verifying the data at the source, the actuary performed tests for consistency and reasonability. Compensation information also provided by the employer.

(d) Plan provisions summarized in the attachment that fairly reflect the most recent restated plan document adopted June 29, 2012 and amended on September 11, 2012.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, Buck performed no analysis of the potential range of such future differences.

SB Actuary Signature

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.	2013 This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **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	B Three-digit plan number (PN) ▶
KT&S PENSION PLAN FOR BARGAINING UNIT EMPLOYEES	003

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	D Employer Identification Number (EIN)
KAHULUI TRUCKING & STORAGE, INC.	99-0141397

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2013

2	Assets:			
	a Market value		2a	6996786
	b Actuarial value		2b	6864065
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	49	2841508
	b For terminated vested participants	3b	20	353670
	c For active participants:			
	(1) Non-vested benefits	3c(1)		65995
	(2) Vested benefits	3c(2)		1472976
	(3) Total active	3c(3)	10	1538971
	d Total	3d	79	4734149
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5	Effective interest rate		5	6.29%
6	Target normal cost		6	121222

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	Jennifer S.J. Lum-Ota	09/30/2014
	Signature of actuary	Date
JENNIFER S.J. LUM-OTA, FSA,EA,MAAA		1404070
Type or print name of actuary		Most recent enrollment number
BUCK CONSULTANTS, LLC		808-533-6002
Firm name		Telephone number (including area code)

700 BISHOP ST., SUITE 1200

HONOLULU HI 96813

Address of the firm

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

Part II Beginning of Year Carryover Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	1486836	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)	1486836	0
10	Interest on line 9 using prior year's actual return of 15.69%	233285	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b Interest on (a) using prior year's effective interest rate of 5.46% except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		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)	1720121	0

Part III Funding Percentages

14	Funding target attainment percentage	14	108.65 %
15	Adjusted funding target attainment percentage	15	144.99 %
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	138.43 %
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
			Totals ► 18(b)	0	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	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.94%	6.15%	6.76%	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	63

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**	121222
b Excess assets, if applicable, but not greater than line 31a	**31b**	121222

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	0

	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**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0

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**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

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

KT&S PENSION PLAN FOR
BARGAINING UNIT EMPLOYEES

EIN: 99-0141397; PN: 003

Schedule SB Notes for 2013 Plan Year

In preparing this Schedule SB, the actuary relied on the following information which was provided by other parties:

(a) Contribution information, as provided by the employer.

(b) Asset information, as provided by the trustee and insurance companies.

(c) Data on people covered by the Plan, as provided by employer. While not verifying the data at the source, the actuary performed tests for consistency and reasonability. Compensation information also provided by the employer.

(d) Plan provisions summarized in the attachment that fairly reflect the most recent restated plan document adopted June 29, 2012 and amended on September 11, 2012.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, Buck performed no analysis of the potential range of such future differences.

KT&S Pension Plan for Bargaining Unit Employees:

Data Code Number		Covered Groups
28		KT&S H'rly BU General Agreement
34		KT&S H'rly BU Bulk Sugar
28 & 34	-	KT&S BU

Changes Since Last Valuation: Minimum benefit level was increased from $15 to $19 for KT&S Hourly BU General Agreement members who terminate employment on or after April 1, 2012. This negotiated benefit change was ratified during 2012.

KT&S H'rly BU General Agreement Members

Eligibility

All employees who are covered under the applicable collective bargaining agreement and who have completed one year of service. Effective June 1, 1995, all newly hired KT&S H'rly BU General Agreement employees will not be eligible to participate in the plan.

Normal Retirement Benefit

a) Eligibility: Age 65.

b) Amount of Benefit: The monthly benefit is the greater of (1) or (2):

(1) Basic Benefit: 1% of the average monthly compensation for each year of Credited Benefit Service.

(2) Minimum Benefit: $19.00 times years of Credited Benefit Service.

Credited Benefit Service - One-twelfth of a year of Credited Benefit Service for each calendar month during which an eligible employee is credited with 1 hour of service as a member, but excluding those months in which the eligible employee did not receive credit for 1 hour of service.

Early Retirement Benefit

a) Eligibility: Age 55.

b) Amount of Benefit: The Normal Retirement Benefit for service to the Early Retirement Date multiplied by the following early retirement factor:

Age	Factor
55	.4539
56	.4862
57	.5217
58	.5610
59	.6046
60	.6530
61	.7071
62	.7676
63	.8357
64	.9127

Deferred Retirement Benefit

a) Eligibility: Employed beyond age 65.

b) Amount of Benefit: Benefit is calculated based on compensation and credited benefit service to Deferred Retirement Date. Benefits commencing after the April 1 following the calendar year in which the member attains age 70½ are actuarially increased as required by law.

Disability Retirement Benefit

a) Eligibility: Age 45, 10 years of service, and has a disability under which he is permanently and continuously unable to engage in any occupation or employment offered by the employer.

b) Amount of Benefit: Normal Retirement Benefit.

Vested Benefit

a) Eligibility: 5 years of service.

b) Amount of benefit: Commencing at age 65, the amount of Normal Retirement Benefit credited for service to the date of termination. Member may elect a reduced Early Retirement Benefit after age 55.

Pre-Retirement Spouse Benefit

a) Eligibility: Married at least 1 year, with 5 years of service or eligible for retirement.

b) Amount of Benefit: The benefit commences on what would have been the member's normal retirement date (or, at the spouse's election, any time after the date the member would have reached age 55). The spouse receives 1/2 of the reduced 50% Joint & Survivor retirement benefit that would have been in effect had the member terminated on the date of death, survived to the date payments commence, and retired on that date.

Employee Contributions None.

Forms of Payment

a) Automatic Form:

(1) Single life annuity for unmarried member.
(2) Reduced 50% Qualified Joint & Survivor annuity for married member.
(3) Lump sum of not more than $5,000.

b) Optional Form:

(1) Single life annuity.
(2) 75% Joint & Survivor annuity with spouse.

c) Conversion of Payment Forms

The member's single life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

The lump sum form of payment is calculated as (1) for members not yet eligible for retirement, the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later) and (2) for members eligible for early retirement, the present value of the immediate early retirement benefit. In both cases, the present value is calculated using the Internal Revenue Code §417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year.

KT&S H'rly BU Bulk Sugar Members

Eligibility

All regular employees who are covered under the KT&S Bulk Sugar and Tugboat collective bargaining agreements and who have completed one year of service.

Normal Retirement Benefit

a) Eligibility: Age 62.

b) Amount of Benefit: The monthly benefit is the greater of (1) or (2):

(1) Basic Benefit:

1% of the average monthly compensation for each year of Credited Benefit Service earned after January 1, 1968 and before July 1, 2003.

(2) Minimum Benefit:

For a member who retires after June 30, 2008:

	For Each Year of Credited Benefit Service (max 35 years)	Maximum Monthly Benefit
From July 1, 2008	$150.00	$5,250.00
From July 1, 2010	$160.00	$5,600.00
From July 1, 2011	$165.00	$5,775.00
From July 1, 2012	$170.00	$5,950.00
On or after July 1, 2013	$180.00	$6,300.00

Credited Benefit Service - One-twelfth of a year of Credited Benefit Service for each calendar month during which an eligible employee is credited with 1 hour of service as a member, but excluding those months in which the eligible employee did not receive credit for 1 hour of service.

Early Retirement Benefit

a) Eligibility: Age 55 and 3 years of service.

b) Amount of Benefit:

(1) If age 60 or 5 years of service, accrued Normal Retirement Benefit reduced 5% per year before age 62.

(2) Otherwise, accrued Basic Benefit reduced 5% per year before age 62.

Early Retirement Window (August 1, 2012 – January 31, 2013)

a) Eligibility: Retired from active employment and attained age 59-1/2 but not yet attained age 62 during the window period.

b) Amount of Benefit: Minimum Benefit without any reduction for early commencement of such benefit.

Deferred Retirement Benefit

a) Eligibility: Employed beyond age 62.

b) Amount of Benefit: Benefit is calculated based on compensation and credited benefit service to Deferred Retirement Date. Benefits commencing after the April 1 following the calendar year in which the member attains age 70½ are actuarially increased as required by law.

Disability

a) Eligibility: After 6 months of permanent disability, and not receiving any income continuance, sick leave or LTD.

b) Amount of Benefit:

(1) If the member is less than age 55 with less than 3 years of service, $125.00 per month.

(2) If the member is at least age 55 (but less than age 60) or has at least 3 (but less than 5) years of service, the greater of (a) $125.00 per month or (b) Basic Benefit for service to date of disablement.

(3) If the member is at least age 60 or has at least 5 years of service, the greatest of (a) $125.00, (b) Basic Benefit for service to date of disablement, or (c) Minimum Benefit for service to date of disablement.

Supplemental Retirement Benefit (Bridge Benefit)

a) Eligibility: Retirement from active employment at or after age 55 but before attainment of Social Security Full Retirement Age.

b) Amount of Benefit (payable until member's Social Security Full Retirement Age or date of death, if earlier):

(1) If age 62 or over, $300 per month.

(2) If under age 62, $300 per month actuarially reduced for early retirement. Bridge benefits commencing prior to attainment of age 62 are actuarially reduced for early retirement using

the 1971 Group Annuity Mortality Table set back one year and an interest rate of 6% per year.

If member has at least 25 years of credited benefit and dies prior to attainment of Social Security Full Retirement Age, the benefit will continue to an eligible survivor and will cease at deceased member's Social Security Full Retirement Age.

Pre-Retirement Spouse Benefit

a) Eligibility: Married at least 1 year, with a vested benefit or eligible for retirement.

b) Amount of Benefit: The greatest of (1), (2), (3) or (4):

(1) If active, age 59 with 25 years of Credited Benefit Service, 60% of Normal Retirement Benefit.

(2) (a) If active, age 59 with under 25 years of Credited Benefit Service, or

(b) if active, with at least 5 years of service, age 55 regardless of the number of years of Credited Benefit Service, or

(c) if active, with at least 5 years of service, under age 55 with 25 years of Credited Benefit Service,

but not eligible for above benefits, 60% of Normal Retirement Benefit, reduced 5% per year for each year before age 62, subject to a maximum 35% reduction.

(3) If active, with less than 5 years of service, age 55 but not eligible for above benefits, 1/2 of Basic Retirement Income, reduced 5% per year for each year before age 62. For deaths on or after July 1, 2011, 60% of Basic Retirement Income, reduced 5% per year for each year before age 62.

(4) (a) If active, under age 55 with at least 3 years of service, with under 25 years of Credited Benefit Service, or

(b) if a terminated vested member,

1/2 of the reduced 50% Joint & Survivor retirement benefit that would have been in effect had the member terminated on the date of death, survived to the date payments commence (if under age 55, survived to age 55) and retired on that date.

Vested Benefit

a) Eligibility: 3 years of service.

b) Amount of Benefit:

(1) If 5 years of service, accrued Normal Retirement Benefit commencing at age 62.

(2) If at least 3 but less than 5 years of service, accrued Basic Benefit commencing at age 62.

Member may elect an Early Retirement Benefit after age 55 (benefit reduced 5/9% per month for the first 60 months by which early retirement precedes age 62 and 5/18% per month for months over 60).

Retiree Increases

Each KT&S Bulk Sugar retired member who retired from active employment as an eligible employee prior to July 1, 1999, received an increase in his monthly benefit equal to $125 per month effective July 1, 2008. Each KT&S Bulk Sugar retired member who retired from active employment as an eligible employee after June 30, 1999 but before July 1, 2008 will receive an increase in his monthly benefit equal to $20 per month effective July 1, 2011, an additional $20 per month effective July 1, 2012, and an additional $25 per month effective July 1, 2013. A surviving contingent annuitant of a deceased retired member who retired from active employment as an eligible employee and would have been eligible for the either of the above retiree benefit increases receives a monthly benefit increase equal to 50% to 100% (whichever is applicable under the form of payment elected by the retired member) of the applicable monthly retiree benefit increase.

Forms of Payment

a) Automatic Form:

   (1) Single life annuity for unmarried member.

   (2) For a married member who terminates employment prior to 7/1/2011 after meeting the requirements for early retirement, an unreduced 50% Qualified Joint & Survivor annuity. For a married member who terminates employment on or after 7/1/2011 after meeting the requirements for early retirement, an unreduced 60% Qualified Joint & Survivor annuity. For all other married members who terminate employment, a reduced 50% Qualified Joint & Survivor annuity.

   (3) Lump sum of not more than $5,000.

b) Optional Forms:

   (1) Single life annuity.
   (2) 50%, 75% or 100% Joint & Survivor annuity.
   (3) Repatriation benefit for employees hired prior to 1/1/1950.
   (4) Lump sum payment for disability retirement.
   (5) Lump sum payment for a member who is laid off due to a reduction in work force and who does not accept employment with another Stevedore employer in the State of Hawaii.

c) Conversion of Payment Forms

   The member's single life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

   The lump sum form of payment is calculated as (1) for members not yet eligible for retirement, the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later) and (2) for members eligible for early retirement, the present value of the immediate early retirement benefit. In both cases, the present value is calculated using the Internal Revenue Code §417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year. For disability retirement lump sums, present value factor applied to the monthly benefit shall not be less than 90.

Employee Contributions None.

KT&S Pension Plan for Bargaining Unit Employees:

Data Code Number		Covered Groups
28		KT&S H'rly BU General Agreement
34		KT&S H'rly BU Bulk Sugar
28 & 34	-	KT&S BU

The Plan Sponsor elected to use the segment rates determined under section 430(h)(2) of the Internal Revenue Code, as amended by MAP-21 but before amendment by HATFA, for purposes of determining both the minimum funding requirements in accordance with ERISA and the plan's Adjusted Funding Target Attainment Percentage (AFTAP) for the 2013 plan year.

Prescribed Funding Assumptions and Methods

Funding Interest Rates: Segment Rates with four-month lookback as constrained by MAP-21:

First Segment Rate	4.94%
Second Segment Rate	6.15%
Third Segment Rate	6.76%

In accordance with MAP-21, the first, second and third Segment Rates above have been constrained to an 85%-115% corridor around the average Segment Rates for the 25-year period ending September 30, 2012 for minimum funding and benefit restrictions but not for maximum tax-deductible purposes. Prior to the application of the MAP-21 corridor, the Segment Rates were 1.75%, 4.62% and 5.72%, respectively.

Effective Interest Rate 6.29%

Funding Mortality: Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial Cost Method: The Funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected administrative expenses to be paid from plan assets during the year.

Non-Prescribed Funding Assumptions and Methods

Salary Increase: 3.00%

Expenses: Expected plan administrative expenses equal to prior year's non-investment administrative expenses paid from plan assets ($32,374) are added to Target Normal Cost.

Non-Prescribed Funding Assumptions and Methods (continued)

Frequency of Optional Payment Forms:

For KT&S H'rly BU General Agreement members, 70% of members are assumed to elect a Single Life Annuity. 30% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse.

For KT&S H'rly BU Bulk Sugar members, married active members are assumed to elect an unreduced 60% Joint and Survivor Annuity with spouse and single active members are assumed to elect a Single Life Annuity. Inactive members are assumed to elect a Single Life Annuity.

Marital Percentage:

For KT&S H'rly BU General Agreement members, 80% of the members are assumed to be married, and males are assumed to be two years older than their spouses.

For KT&S H'rly BU Bulk Sugar members, 85% of the members are assumed to be married, and males are assumed to be two years older than their spouses.

Mortality:

The mortality table is applied on a static basis. Separate annuitant and non-annuitant tables were used.

Turnover Rates:

Representative annual rates of turnover are:

	Rates	
Age	KT&S H'rly BU General Agreement	KT&S H'rly BU Bulk Sugar
20	.1000	.0100
25	.1000	.0100
30	.0800	.0100
35	.0800	.0100
40	.0500	.0000
45	.0400	.0000
50	.0300	.0000
55	.0000	.0000

Disability Rates:

Representative annual rates of disability rates are:

	Rates	
Age	KT&S H'rly BU General Agreement	KT&S H'rly BU Bulk Sugar
20	.0000	.0042
25	.0000	.0045
30	.0000	.0048
35	.0000	.0051
40	.0000	.0059
45	.0000	.0079
50	.0000	.0143
55	.0000	.0272
60	.0000	.0552

Non-Prescribed Funding Assumptions and Methods (continued)

Retirement Rates: Annual rates of retirement for active members eligible to retire are:

	Rates	
Age	KT&S H'rly BU General Agreement	KT&S H'rly BU Bulk Sugar
55	.00	.00
56	.02	.00
57	.03	.00
58	.03	.00
59	.04	.00
60	.06	.00
61	.06	.00
62	.40	1.00
63	.30	1.00
64	.20	1.00
65	.30	1.00
66	.40	1.00
67	.50	1.00
68	.10	1.00
69	.20	1.00
70	.20	1.00
71 & over	1.00	1.00

In addition, for purposes of determining At-Risk Funding Target and At-Risk Target Normal Cost, employees eligible to retire and receive a benefit in the next 11 years are assumed to retire when first eligible (but not before the end of the current plan year) and elect to receive the form of benefit producing the highest present value.

Retirement age for inactive members with deferred benefits:

KT&S H'rly BU General Agreement	Age 60
KT&S H'rly BU Bulk Sugar/Tugboat	Age 62

Asset Valuation Method: Actuarial Value of Assets is market value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the gain/(loss) in each of the prior 2 years, respectively. The gain/(loss) for each period is determined as the actual return on market value during the period less the expected return on market value based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value, including discounted receivable contributions.

The expected return on plan assets for the applicable measurement periods was 8.25% per annum, limited by PPA to the applicable third segment rate as follows:

2012 measurement period: 6.32%
2011 measurement period: 6.57%

Summary of Changes from the January 1, 2012 Valuation

- The 3-segment interest rates with four-month lookback used for minimum funding, benefit restrictions, and maximum tax-deductible purposes were updated to the current valuation date. The 2013 rates are constrained in accordance with MAP-21, except for maximum tax-deductible purposes. 2012 valuation used 3-segment interest rates (with four-month lookback without MAP-21 constraints) of 2.06% (first segment rate), 5.25% (second segment rate) and 6.32% (third segment rate).

- The mortality tables used for funding purposes were updated with projections specified by IRS Regulation 1.430(h)(3)-1.

- 2012 valuation assumed future salary increase of 4.00% per year.

- The amount of expenses added to the Target Normal Cost was updated to the current valuation date. 2012 valuation used non-investment administrative expenses (paid from plan assets) of $29,467.

Changes in assumptions were either made in accordance with applicable law and regulations or to better reflect the actuary's best estimate of anticipated experience under the plan.

KT&S PENSION PLAN FOR
BARGAINING UNIT EMPLOYEES

EIN: 99-0141397; PN: 003

Schedule SB, line 22 - Description of Weighted Average Retirement Age

The weighted average retirement age for the plan is calculated below, based on all active participants of the plan:

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
56	4.59	0.016	0.07	4.19
57	5.47	0.020	0.11	6.26
58	5.28	0.020	0.11	6.17
59	6.09	0.023	0.14	8.09
60	5.80	0.034	0.20	11.82
61	6.45	0.029	0.18	11.25
62	7.01	0.668	4.69	290.55
63	2.31	0.300	0.69	43.71
64	1.61	0.200	0.32	20.59
65	1.28	0.300	0.38	24.95
66	0.89	0.400	0.36	23.47
67	0.53	0.500	0.26	17.70
68	0.26	0.100	0.03	1.78
69	0.23	0.200	0.05	3.22
70	0.19	0.200	0.04	2.59
71	0.15	1.000	0.15	10.43
Total			**7.77**	**486.78**
Average				**62.63**
Rounded Average				**63**

Note: The table presents values rounded to fewer significant digits than used in the calculations.

To determine the Weighted Average Retirement Age (WARA) for all participants, the sum of Weighted Ages (5) is divided by the sum of Expected Retirements (4) for all ages and rounded. For each age, the Expected Active Headcount (2) reflects the probability of surviving to that age reflecting all decrements.

Note to columns 2 and 3: Column 2's Expected Active Headcount includes members who are not yet eligible for retirement at a given age. The rates in Column 3 are therefore adjusted to reflect 0% probability for those not eligible to retire and the retirement rate percentages from the Attachment to Part V for those members who have attained eligibility requirements.

The rates shown above also reflect a combination of the rates shown in the tables in the Part V attachment based on actual eligibilities.

KT&S PENSION PLAN FOR
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Schedule SB, line 24 – Change in Actuarial Assumptions

- Changed future salary increase assumption from 4.00% per year for 2012 valuation to 3.00% per year for 2013 valuation.

The above changes were made to better reflect the actuary's best estimate of anticipated experience under the Plan.

Schedule SB, line 26 Schedule of Active Participant Data

Distribution of Active Participants by Completed Age and Credited Service as of January 1, 2013

Plan: KT&S Pension Plan for Bargaining Unit Employees
EIN: 99-0141397
PN: 003

Schedule SB, Line 26 - Schedule of Active Participant Data											
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 & up	Total
Under 25											**0**
25 to 29											**0**
30 to 34											**0**
35 to 39			1		1						**2**
40 to 44											**0**
45 to 49			1		1						**2**
50 to 54					1	1					**2**
55 to 59	1					1					**2**
60 to 64					2						**2**
65 to 69											**0**
70 & up											**0**
Total	**1**	**0**	**2**	**0**	**5**	**2**	**0**	**0**	**0**	**0**	**10**