

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information										
1a Name of plan <u>QWEST PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>005</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1984</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>84-1339282</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>318-388-9000</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>517000</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>005</u>	1c Effective date of plan <u>01/01/1984</u>		2b Employer Identification Number (EIN) <u>84-1339282</u>		2c Sponsor's telephone number <u>318-388-9000</u>		2d Business code (see instructions) <u>517000</u>	
1b Three-digit plan number (PN) ▶	<u>005</u>										
1c Effective date of plan <u>01/01/1984</u>											
2b Employer Identification Number (EIN) <u>84-1339282</u>											
2c Sponsor's telephone number <u>318-388-9000</u>											
2d Business code (see instructions) <u>517000</u>											
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>QWEST COMMUNICATIONS INTERNATIONAL INC.</u> <u>CENTURYLINK - FINANCE DEPT. 2NE700</u> <u>100 CENTURYLINK DRIVE</u> <u>MONROE, LA 71203</u>											

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/15/2014</u>	<u>LEANNA MCGEE</u>
	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)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address CENTURYLINK EMPLOYEE BENEFITS COMMITTEE C/O CENTURYLINK, INC. 805 BROADWAY STREET, 8TH FLOOR VANCOUVER, WA 98660		3b Administrator's EIN 72-0651161
		3c Administrator's telephone number 360-905-7972
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	81494
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	20010
b Retired or separated participants receiving benefits	6b	36142
c Other retired or separated participants entitled to future benefits.....	6c	18585
d Subtotal. Add lines 6a , 6b , and 6c	6d	74737
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	5243
f Total. Add lines 6d and 6e	6f	79980
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	180
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 1B 1C 1E		
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) ☒ <u>1</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
A Name of plan QWEST PENSION PLAN	B Three-digit plan number (PN) ▶ 005
C Plan sponsor's name as shown on line 2a of Form 5500 QWEST COMMUNICATIONS INTERNATIONAL INC.	D Employer Identification Number (EIN) 84-1339282

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
22-1211670	68241	030339		01/01/2013	12/31/2013

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	156002068

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	
c Additions: (1) Contributions deposited during the year	7c(1)	
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions	7c(6)	0
d Total of balance and additions (add lines 7b and 7c(6))	7d	
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions	7e(5)	0
f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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
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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 <u>QWEST PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>QWEST COMMUNICATIONS INTERNATIONAL INC.</u>	D Employer Identification Number (EIN) <u>84-1339282</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2013</u>	
2 Assets:	
a Market value	2a <u>8367970960</u>
b Actuarial value	2b <u>7998664639</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>41448</u> (1) Number of participants <u>4989278435</u> (2) Funding Target
b For terminated vested participants.....	3b <u>18886</u> <u>547691466</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>87105086</u>
(2) Vested benefits	3c(2) <u>1863916778</u>
(3) Total active.....	3c(3) <u>21160</u> <u>1951021864</u>
d Total.....	3d <u>81494</u> <u>7487991765</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>6.23</u> %
6 Target normal cost	6 <u>50394001</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>10/15/2014</u>
Signature of actuary		Date
<u>CRAIG PEDERSEN</u>		<u>14-07142</u>
Type or print name of actuary		Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>		<u>303-391-1200</u>
Firm name		Telephone number (including area code)
<u>555 17TH STREET SUITE 2050</u> <u>DENVER, CO 80202</u>		
Address of the firm		

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

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

Schedule SB (Form 5500) 2013
v. 130118

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)	7927539	122650204
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	7927539	122650204
10	Interest on line 9 using prior year's actual return of <u>13.31</u> %	1055155	16324742
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 <u>6.92</u> % except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	8982694	138974946

Part III Funding Percentages			
14	Funding target attainment percentage	14	104.84 %
15	Adjusted funding target attainment percentage	15	106.81 %
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	105.85 %
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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 57
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	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	50394001	
b Excess assets, if applicable, but not greater than line 31a	31b	50394001	
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		
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			
36 Additional cash requirement (line 34 minus line 35).....	36		
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37		
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a		
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40		

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	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.	<small>OMB No. 1210-0110</small> <div style="border: 1px solid black; text-align: center; padding: 5px;">2013</div> This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013		
A Name of plan QWEST PENSION PLAN	B Three-digit plan number (PN) ►	005
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 QWEST COMMUNICATIONS INTERNATIONAL INC.	D Employer Identification Number (EIN) 84-1339282	

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)
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a	Name of MTIA, CCT, PSA, or 103-12 IE: CENTURYLINK DB MASTER TRUST
----------	---

b	Name of sponsor of entity listed in (a): QWEST COMMUNICATION INTERNATIONAL
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c EIN-PN 84-0928963-014	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8740459539
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a	Name of MTIA, CCT, PSA, or 103-12 IE: PRIVEST
----------	---

b	Name of sponsor of entity listed in (a): PRUDENTIAL INSURANCE CO.
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c EIN-PN 22-1211670-020	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 156002068
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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b	Name of sponsor of entity listed in (a):
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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)
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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b	Name of sponsor of entity listed in (a):
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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)
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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b	Name of sponsor of entity listed in (a):
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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)
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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b	Name of sponsor of entity listed in (a):
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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)
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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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)
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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 EMBARQ RETIREMENT PENSION PLAN**b** Name of plan sponsor EMBARQ CORPORATION**c** EIN-PN 20-2923630-001**a** Plan name CENTURYLINK RETIREMENT PLAN**b** Name of plan sponsor CENTURYLINK INC.**c** EIN-PN 72-0651161-001**a** Plan name MADISON RIVER COMM CORP EMPLOYEES RETIREMENT PLAN**b** Name of plan sponsor MADISON RIVER COMMUNICATIONS CORP.**c** EIN-PN 20-5689137-003**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**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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013		
A Name of plan QWEST PENSION PLAN	B Three-digit plan number (PN) ▶	005
C Plan sponsor's name as shown on line 2a of Form 5500 QWEST COMMUNICATIONS INTERNATIONAL INC.	D Employer Identification Number (EIN) 84-1339282	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)	78802	132765
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	8776832659	8740459539
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	14662812	14113796

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	8791574273	8754706100

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	8914892	
i Acquisition indebtedness	1i	414688421	473604077
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	423603313	473604077

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	8367970960	8281102023
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)	152049	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		152049
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		561707334
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		561859383

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	620593883	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		620593883
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	4718378	
(2) Contract administrator fees.....	2i(2)	23358480	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	4795400	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		32872258
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		653466141

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-91606758
l Transfers of assets:			
(1) To this plan.....	2l(1)		4737821
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: POSTLETHWAITE & NETTERVILLE

(2) EIN: 72-1202445

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		50000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		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.			

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 V Trust Information (optional)

6a Name of trust	6b Trust's EIN
-------------------------	-----------------------

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>QWEST PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>QWEST COMMUNICATIONS INTERNATIONAL INC.</u>	D Employer Identification Number (EIN) <u>84-1339282</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3581074</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>1496</u>

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
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: 29.0% Investment-Grade Debt: 40.0% High-Yield Debt: 15.0% Real Estate: 5.0% Other: 11.0%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☒ Modified duration ☐ Other (specify):

QWEST PENSION PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

December 31, 2013 and 2012

(With Report of Independent Auditors Therein)



A Professional Accounting Corporation

www.pncpa.com

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
of Qwest Pension Plan

We were engaged to audit the financial accompanying financial statements of the Qwest Pension Plan, which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by Northern Trust, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2013 and 2012, and for the year ended December 31, 2013, that the information provided to the Plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter – Supplemental Schedule

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2013, is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

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

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

Port, LeDuc & Nottville

New Orleans, Louisiana
October 1, 2014

QWEST PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	As of December 31,	
	2013	2012
	(Dollars in thousands)	
Assets		
Investments, at fair value (Notes 4 and 5):		
Plan's interest in CenturyLink, Inc. Defined Benefit Master Trust	\$ 8,740,459	8,762,729
Investments held outside Master Trust	—	14,653
Total investments, at fair value	8,740,459	8,777,382
Dividends and interest receivables	133	78
Total assets	8,740,592	8,777,460
Liabilities		
Securities lending obligation	473,604	414,688
Accrued expenses	—	8,915
Total liabilities	473,604	423,603
Net assets available for benefits	\$ 8,266,988	8,353,857

QWEST PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Years Ended December 31,	
	2013	2012
	(Dollars in thousands)	
Additions (reductions) to net assets attributed to:		
Investment income:		
Dividends	\$ —	195
Interest	—	21
Allocable share of Master Trust investment income (Note 5)	189,297	197,340
Total investment income	189,297	197,556
Allocable share of Master Trust investment expense (Note 5)	(13,669)	(15,966)
Other plan investment expense	(170)	(1,599)
Net investment income	175,458	179,991
Net appreciation in fair value of investments (Notes 4 and 5):		
Allocable share of Master Trust investment activities (Note 5)	372,410	849,793
Other plan identified investment activities	—	3,514
Total net appreciation in fair value of investments	372,410	853,307
Transfers in from other plans	4,738	1,642
Other additions	152	—
Total additions, net	552,758	1,034,940
Deductions from net assets attributed to:		
Benefits paid to participants	620,594	718,146
Allocable share of Master Trust administrative expenses (Note 5)	7,156	4,606
Other plan administrative expenses	11,877	10,996
Total deductions	639,627	733,748
Net (decrease) increase	(86,869)	301,192
Net assets available for benefits:		
Beginning of year	8,353,857	8,052,665
End of year	\$ 8,266,988	8,353,857

The accompanying notes are an integral part of these financial statements.

QWEST PENSION PLAN
Notes to Financial Statements

Note 1. Plan Description

The following description of the Qwest Pension Plan (the "Plan") provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit plan that covers substantially all management and occupational employees of Qwest Communications International Inc. and its subsidiaries (the "Company"). The Plan is subject to the regulations and requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In the regular course of doing business, the Plan is subject to review by various governmental agencies such as the Department of Labor ("DOL") and the Internal Revenue Service ("IRS").

On April 1, 2011 the Company merged with CenturyLink, Inc., a Louisiana corporation. As a result of the merger, the Company became a wholly-owned subsidiary of CenturyLink, Inc. and remains the sponsor of the Plan.

Significant Plan Amendments

The Plan was amended effective January 1, 2010 whereby the Plan no longer provides pension benefit accruals for active management employees, and no new management employees hired after January 1, 2009 are eligible to participate on or after January 1, 2010. This amendment froze final average compensation calculations under the Old Management Formula ("OMF") and Defined Lump Sum ("DLS") formulas. In addition, the Plan no longer includes service after December 31, 2009 in the calculation under the OMF, percentage credits under the DLS formula, nor compensation credits under the Account Balance Formula ("ABF"). Active management employees who participate in the Plan retain their accrued pension benefit earned as of December 31, 2009, and employees under the ABF will continue to earn interest credits on their benefit after December 31, 2009. Employees are eligible to receive their vested accrued benefit when they leave the Company.

The Plan was amended effective March 1, 2010 whereby the Plan eliminated a death benefit for beneficiaries of certain retirees who retired prior to January 1, 2004 and whose deaths occur after February 28, 2010. The effect of this amendment was reflected in the actuarial present value of accumulated benefits in the December 31, 2009 valuation.

Eligibility and Vesting

All employees of the Company, except for nonresident aliens employed outside of the United States, temporary employees of non-U.S. subsidiaries who work within the U.S. for finite periods, persons hired on or after January 1, 2007 to work on U.S. government contracts as defined in the Plan documents, and, as explained above, new management employees hired after January 1, 2009, are eligible to participate upon meeting the eligibility requirements defined by the Plan.

Eligible employees become participants upon completing one year of service. For eligible employees hired before January 1, 2009, 100% vesting of eligible employee pension benefits occurred upon completing five years of service, except for the management participants in the ABF, as defined in the Plan documents, who are immediately vested. For eligible employees hired on or after January 1, 2009, 100% vesting of pension benefits occurs upon completing three years of service.

Plan Benefits

The Plan provides benefits to participants under five separate formulas which are 1) the pension band or pension factor formula for occupational employees, 2) the ABF for occupational employees, 3) the OMF for management employees, 4) the DLS formula for management employees, and 5) the ABF for management employees. Vested participants, upon retirement or termination, may elect any form of annuity option available, a lump sum distribution, or a combination annuity/lump sum.

Occupational employees are defined by the Plan as employees who are members of a collective bargaining unit represented by a union that has agreed to participation in this Plan on behalf of the bargaining unit and non-management non-salaried employees who are not covered by a collective bargaining agreement. The benefits provided under the terms of the Plan

QWEST PENSION PLAN
Notes to Financial Statements

document to occupational employees are subject to the collective bargaining agreements negotiated by the unions and the participating companies.

For occupational employees hired or rehired prior to January 1, 2009, pension benefits are based on either the pension band or pension factor formula. The pension band formula uses a flat dollar amount per year of service in which each job title has been assigned a dollar amount (pension band). The pension factor formula, which covers occupational sales employees, uses a factor based on final average compensation times years of service. All occupational employees hired or rehired on or after January 1, 2009, upon meeting certain requirements, earn a pension under the ABF, which provides a compensation credit equal to 3% of eligible compensation plus an annual interest credit.

Management employees are defined by the Plan as employees who are classified as management salaried. In addition, under the Plan, the term "management employee" includes an employee who is represented by a union for collective bargaining purposes, but for whom it has been agreed that such employee is eligible for management employee benefits determined under the ABF for management employees. Effective January 1, 2010, occupational employees who met the eligibility criteria for determining benefit accruals under the ABF for management employees moved to the ABF for occupational employees prospectively.

For management employees, the OMF is based on final average compensation and years of service; the DLS formula is based on final average compensation and age-related service credits, and the ABF is based on a compensation credit equal to 3% of eligible compensation plus an annual interest credit. Participants who earned their pension under the OMF and DLS formulas were management participants who had completed 20 years of service by December 31, 2000 or who were service pension eligible by December 31, 2003. Employees who did not meet these requirements accrued a pension under the OMF and DLS formulas until December 31, 2000, or earlier based on the Plan's provisions, and then commenced accruing a pension under the ABF beginning on January 1, 2001. The ABF covers management participants hired after December 31, 2000 and management employees who did not have 20 years of service by December 31, 2000 or who did not become service pension eligible by December 31, 2003.

In addition to the benefits described above, the Plan provides survivor and disability benefits to certain participants.

For certain occupational and management participants described above, the Plan provides a service pension, which provides an unreduced annuity for participants at age 55 or at any age for occupational participants with 30 or more years of service. The service pension for management participants with 30 or more years of service is reduced 3% per year when payments begin prior to age 55 or 6% per year for participants with less than 30 years of service. Service pensions for occupational employees with less than 30 years of service are reduced by 6% per year when payments commence prior to age 55. The Plan also offers an enhanced lump sum distribution in lieu of a service pension.

Contributions, Actuarial Method, and Funding Status

The Company's contributions to the Plan are determined by an actuarial cost method known as the "traditional unit credit" cost method in accordance with the provisions of the Pension Protection Act of 2006. The traditional unit credit cost method utilizes the funding target calculation, which is the present value of all benefits that have been accrued or earned under the Plan as of the first day of the plan year and utilizes the target normal cost, which is the present value of all benefits that are expected to accrue or be earned under the Plan during the plan year.

The Company's funding policy for the Plan is to make contributions with the objective of accumulating sufficient assets to pay all qualified pension benefits when due under the terms of the Plan. The Company did not make a cash contribution in 2013 or 2012. Cash funding requirements can be significantly impacted by earnings on investments, the applicable discount rate used to value the benefit obligation, changes in the Plan and funding laws and regulations. As a result, it is difficult to determine future funding requirements with a high level of precision; however, in general, current funding laws and regulations require funding deficits to be paid over a seven year period unless the Plan is fully funded before then.

QWEST PENSION PLAN
Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires Plan's management to make estimates and assumptions that affect reported amounts of assets, liabilities, and changes therein; disclosure of contingent assets and liabilities; and the actuarial present value of accumulated plan benefits at the date of the financial statements and changes therein. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-11, "*Disclosures about Offsetting Assets and Liabilities*" ("ASU 2011-11"), which was subsequently amended in January 2013 when the FASB issued ASU No. 2013-01 "*Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*." Together, these ASUs provide guidance on disclosure of information pertaining to the offsetting (netting) of assets and liabilities in the financial statements. The amendments in these ASUs affect all entities that have financial instruments and derivative instruments that either (1) offset in accordance with either ASC 210-20-45 or ASC 815-10-45 or (2) are subject to an enforceable master netting arrangement or similar agreement. ASU 2011-11 amends the existing disclosure requirements on offsetting in ASC 210-20-50 by requiring disclosures relating to gross amounts of recognized assets and liabilities, the amounts that are offset, net amounts presented in the balance sheet, and amounts subject to an enforceable master netting arrangement or similar agreement. The amendments in these ASUs became effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. Adoption of the provisions of ASU No. 2011-11 did not have a material impact on the Plan's statement of net assets available for benefits and statement of changes in net assets available for benefits.

Income Recognition

The allocable share of net realized and unrealized gains and losses from the CenturyLink, Inc. Defined Benefit Master Trust ("Master Trust") are reflected in the statements of changes in net assets available for benefits as net appreciation or depreciation in fair value of investments. Net realized and unrealized gains and losses are the difference between the fair value at the beginning of the year or date purchased during the year and the selling price or the fair value at the end of the year.

The allocable share of dividend income from the Master Trust is recorded on the ex-dividend date, the date at which a declared dividend belongs to the seller of the security rather than the buyer. Interest income and other income are accrued when earned. Interest income includes gains and losses on interest rate swaps. Other income primarily represents partnership income and securities lending income. Purchases and sales of securities are recorded on a trade date basis.

Administrative and Plan Expenses

Plan expenses are generally paid by the Plan or paid by the Master Trust and allocated to the Plan with the exception of certain expenses incurred by the Company, such as Plan design and corporate functions, which are paid for by the Company. Direct expenses paid by the Plan or paid by the Master Trust and allocated to the Plan include trustee fees, investment management fees, administration fees and certain other expenses.

Payment of Benefits

Benefit payments to participants are recorded upon distribution to the participant.

QWEST PENSION PLAN
Notes to Financial Statements

Note 3. Transfers in from Other Pension Plans Due to Mandatory Portability Agreement

As provided under the Mandatory Portability Agreement and the Plan, eligible covered employees transferring between the Company and the Regional Bell Operating Companies may also transfer their pension benefits and the related assets to provide those benefits. The transfers are shown in the accompanying statements of changes in net assets available for benefits as transfers in from other plans.

Note 4. Fair Value of Financial Instruments

Investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable participants who are willing and able to transact for an asset or liability at the financial statement date. Plan management uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then Plan management ranks the values based on the reliability of the inputs used following the fair value hierarchy set forth by the FASB.

The three levels of the fair value hierarchy are as follows:

Input Level	Description of Input
Level 1	Observable inputs such as quoted market prices in active markets.
Level 2	Inputs other than quoted prices in active markets that are either directly or indirectly observable.
Level 3	Unobservable inputs in which little or no market data exists.

Plan assets are invested in various asset categories utilizing multiple strategies and investment managers. For several of the investments detailed below, the Plan owns units in commingled funds and limited partnerships that invest in various types of assets. Interests in commingled funds are valued using the net asset value (NAV) per unit of each fund. The NAV reported by the fund manager is based on the market value of the underlying investments owned by each fund, minus its liabilities, divided by the number of shares outstanding. All commingled funds held by the Plan that can be redeemed at NAV within a year of the financial statement date are classified as Level 2, otherwise the fund is classified as Level 3. Investments in limited partnerships represent long-term commitments with a fixed maturity date, typically ten years. Valuation inputs for these limited partnership interests are generally based on assumptions and other information not observable in the market and are classified as Level 3 investments. The assumptions and valuation methodologies of the pricing vendors, account managers, fund managers, and general partners are monitored and evaluated for reasonableness. Below is an overview of the asset categories, the underlying strategies, and valuation inputs used to value the assets in the table below:

(a) *Investment grade bonds* - This asset category represents investments in fixed income securities as well as commingled bond funds with characteristics similar to the Barclays Capital U.S. Aggregate Bond Index. This index is comprised of U.S. Treasury securities, agencies, corporate bonds, mortgage-backed securities, asset-backed securities, and commercial mortgage-backed securities. Treasury securities are valued at the bid price reported in the active market in which the security is traded and are classified as Level 1. The valuation inputs of other investment grade bonds primarily utilize observable market information and are based on a spread to U.S. Treasury securities and consider yields available on comparable securities of issuers with similar credit ratings. The primary observable inputs include references to the new issue market for similar securities, the secondary trading markets, and dealer quotes. Option adjusted spread models are utilized to evaluate securities such as asset backed securities that have early redemption features. These securities are classified as Level 2. The commingled funds are valued at NAV based on the market value of the underlying fixed income securities using the same valuation inputs described above. The commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

(b) *High yield bonds* - This asset category represents investments in below investment grade fixed income securities as well as commingled high yield bond funds. The valuation inputs for the securities primarily utilize observable market

QWEST PENSION PLAN
Notes to Financial Statements

information and are based on a spread to U.S. Treasury securities and consider yields available on comparable securities of issuers with similar credit ratings. These securities are classified as Level 2. The commingled funds are valued at NAV based on the market value of the underlying high yield instruments using the same valuation inputs described above. Commingled funds that can be redeemed at NAV within a year of the financial statement date are classified as Level 2. Commingled funds that cannot be redeemed at NAV or that cannot be redeemed at NAV within a year of the financial statement date are classified as Level 3.

(c) *Emerging market bonds* - This asset category represents investments in securities issued by governments and other entities located in developing countries as well as registered mutual funds and commingled emerging market bond funds. The valuation inputs for the securities utilize observable market information and are primarily based on dealer quotes or a spread relative to the local government bonds. These securities are classified as Level 2. The commingled funds are valued at NAV based on the market value of the underlying emerging market bonds using the same valuation inputs described above. The commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2. The registered mutual funds trade at the daily net asset value, as determined by the market value of the underlying investments, and are classified as Level 1.

(d) *Convertible bonds* - This asset category primarily represents investments in corporate debt securities that have features that allow the debt to be converted into equity securities under certain circumstances as well as a commingled convertible bond fund. The valuation inputs for the individual convertible bonds primarily utilize observable market information including a spread to U.S. Treasuries and the value and volatility of the underlying equity security. Convertible bonds are classified as Level 2. The commingled bond fund is valued at NAV based on the market value of the underlying convertible bonds using the same valuation inputs previously described. The commingled funds can be redeemed at NAV within one year from the financial statement date and is classified as Level 2.

(e) *Diversified strategies* - This asset category represents an investment in a commingled fund that primarily has exposures to global government, corporate and inflation linked bonds, global stocks, and commodities. The commingled fund is valued at NAV based on the market value of the underlying investments. The valuation inputs utilize observable market information including published prices for exchange traded securities, bid prices for government bonds, and spreads and yields available for comparable fixed income securities with similar credit ratings. This fund can be redeemed at NAV within a year of the financial statement date and is classified as Level 2.

(f) *U.S. stocks* - This asset category represents investments in stocks of U.S. based companies as well as commingled U.S. stock funds. The valuation inputs for U.S. stocks are based on the last published price reported on the major stock market on which the securities are traded and are classified as Level 1. The commingled funds are valued at NAV based on the market value of the underlying investments using the same valuation inputs described above. These commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

(g) *Non-U.S. stocks* - This asset category represents investments in stocks of companies based in developed countries outside the U.S. as well as commingled funds. The valuation inputs for non-U.S. stocks are based on the last published price reported on the major stock market on which the securities are traded and are classified as Level 1. The commingled funds are valued at NAV based on the market value of the underlying investments using the same valuation inputs described above. These commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

(h) *Emerging market stocks* - This asset category represents investments in a registered mutual fund and commingled funds comprised of stocks of companies located in developing markets. The registered mutual funds held in 2012 trade at the daily net asset value, as determined by the market value of the underlying investments, and are classified as Level 1. The commingled funds are valued at NAV based on the market value of the underlying investments using the same valuation inputs described previously for individual stocks. These commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

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Notes to Financial Statements

(i) *Private equity* - This asset category represents non-public investments in domestic and foreign buy-out and venture capital funds. Private equity funds are structured as limited partnerships and are valued according to the valuation policy of each partnership, subject to prevailing accounting and other regulatory guidelines. The partnerships use valuation methodologies that give consideration to a range of factors, including but not limited to the price at which investments were acquired, the nature of the investments, market conditions, trading values on comparable public securities, current and projected operating performance, and financing transactions subsequent to the acquisition of the investments. These valuation methodologies involve a significant degree of judgment. Private equity investments are classified as Level 3.

(j) *Private debt* - This asset category represents non-public investments in distressed or mezzanine debt funds, as well as certain group annuity contracts. Mezzanine debt instruments are debt instruments that are subordinated to other debt issues and may include embedded equity instruments such as warrants. Private debt funds are structured as limited partnerships and are valued according to the valuation policy of each partnership, subject to prevailing accounting and other regulatory guidelines. The valuation of underlying fund investments are based on factors including the issuer's current and projected credit worthiness, the security's terms, reference to the securities of comparable companies, and other market factors. These valuation methodologies involve a significant degree of judgment. These private debt investments are classified as Level 3.

(k) *Hedge funds. Market neutral hedge funds* - This asset category represents investments in a diversified mix of instruments that are intended in combination to exhibit low correlations to market fluctuations. These investments are typically combined with futures to achieve uncorrelated excess returns over various markets. *Directional hedge funds* - This asset category represents investments that may exhibit somewhat higher correlations to market fluctuations than the market neutral hedge funds. Investments in hedge funds include both direct investments and investments in diversified funds of funds. Hedge Funds are valued at NAV based on the market value of the underlying investments which include publicly traded equity and fixed income securities and privately negotiated debt securities. The hedge funds are valued by third party administrators using the same valuation inputs previously described. Hedge funds that can be redeemed at NAV within a year of the financial statement date are classified as Level 2. Hedge fund investments that cannot be redeemed at NAV or that cannot be redeemed at NAV within a year of the financial statement date are classified as Level 3.

(l) *Real estate* - This asset category represents investments in commingled funds and limited partnerships that invest in a diversified portfolio of real estate properties. These investments are valued at NAV according to the valuation policy of each fund or partnership, subject to prevailing accounting and other regulatory guidelines. The valuation inputs of the underlying properties are generally based on third-party appraisals that use comparable sales or a projection of future cash flows to determine fair value. Real estate investments that can be redeemed at NAV within a year of the financial statement date are classified as Level 2. Real estate investments that cannot be redeemed at NAV or that cannot be redeemed at NAV within a year of the financial statement date are classified as Level 3.

(m) *Derivatives* - This asset category includes the market value of exchange-traded futures contracts which are classified as Level 1, as well as privately negotiated over-the-counter swaps that are valued based on the change in interest rates or a specific market index and classified as Level 2. The market values represent gains or losses that occur due to fluctuations in interest rates, foreign currency exchange rates, security prices, or other factors.

(n) *Cash equivalents and short-term investments* - This asset category represents investments that are used in conjunction with derivatives positions or are used to provide liquidity for the payment of benefits or other purposes. Certain U.S. Treasury Bills held in 2012 were valued at the bid price reported in the active market in which the security was traded and are classified as Level 1. The valuation inputs of other securities are based on a spread to U.S. Treasury Bills, the Federal Funds Rate, or London Interbank Offered Rate and consider yields available on comparable securities of issuers with similar credit ratings and are classified as Level 2. The commingled funds are valued at NAV based on the market value of the underlying investments using the same valuation inputs described above. These commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

QWEST PENSION PLAN
Notes to Financial Statements

(o) *Securities lending obligation and collateral* - This asset category represents securities lending transactions whereby the Master Trust's lending agent lends stock and bond investments of the Master Trust to other third-party investment firms in exchange for collateral. The stock and bond securities are generally loaned for a period of less than one month and can be recalled on a day's notice. Under the terms of its securities lending agreement, the Master Trust typically requires collateral of a value in excess of the fair value of the loaned investments. Collateral received is then invested in a segregated account maintained by the lending agent. Upon the maturity of the agreement, the borrower must return the same, or substantially the same, investments that were borrowed, and the Master Trust returns the collateral. The value of the obligation is a fixed amount based on the collateral received and is classified as Level 2. The collateral received is invested in a segregated account where the lending agent purchases short-term investments, primarily over-night repurchase agreements, the valuations of which are described above, and are classified as Level 2.

The table below presents the Plan's fair value of assets by category and the input levels used to determine these fair values as of December 31, 2012. For the fair values as of December 31, 2012, the following table does not include the Plan's 67.6% interest in the Master Trust which is presented in Note 5—Interest in CenturyLink, Inc. Defined Benefit Master Trust.

The investments held outside of the Master Trust were transferred into the Master Trust on January 29, 2013. The investments included an immaterial amount of income and appreciation (depreciation) on the date of the transfer and have been included in the Master Trust schedules for 2013. There are no investments held outside of the Master Trust as of December 31, 2013.

Fair Value of investments held outside the Master Trust as of December 31, 2012				
	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
Emerging market bonds (c)	\$ —	5,041	—	\$ 5,041
Emerging market stocks (h)	9,393	—	—	9,393
Cash equivalents and short-term investments (n)	—	219	—	219
Total investments, excluding Plan's interest in the Master Trust, at fair value	\$ 9,393	5,260	—	\$ 14,653

QWEST PENSION PLAN
Notes to Financial Statements

Net Appreciation of Investments

The following table presents the Plan's net realized and unrealized appreciation (depreciation) in the fair value or estimated fair value on the investments held outside the Master Trust (including those bought, sold, or held during the year) for the year ended December 31, 2012. For the Plan's interest in the Master Trust's net realized and unrealized appreciation (depreciation) for the year ended December 31, 2012, see Note 5—Interest in CenturyLink, Inc. Defined Benefit Master Trust.

	Year Ended December 31, 2012
	(Dollars in thousands)
Net appreciation (depreciation) in fair value on investments held outside of Master Trust investments:	
Investment grade and high yield bonds	\$ 48
High yield bonds	(137)
Emerging market bonds	620
Convertible bonds	129
Non-U.S. stocks	(1,331)
Emerging market stocks	2,583
Private equity	(13)
Derivatives	1,561
Cash and equivalents	54
Total net appreciation in fair value on investments held outside of Master Trust investments	\$ 3,514

The net appreciation of the Plan's investments whose fair value was determined based upon quoted prices for identical instruments traded in active markets was approximately \$2 million for the year ended December 31, 2012. The net appreciation of investments whose fair value was determined using methods other than quoted prices for identical instruments traded in active markets was approximately \$3 million for the year ended December 31, 2012.

Derivatives

Derivative instruments are used to reduce risk as well as provide return. The Plan uses exchange traded futures to gain exposure to equity and Treasury markets consistent with target asset allocations. Interest rate swaps are used in the Plan to reduce risk relative to measurement of the benefit obligation, which is sensitive to interest rate changes. Foreign exchange forward contracts and total return swaps are used primarily to manage currency exposures. Some derivative instruments subject the Plan to counterparty risk. The external investment managers, along with Plan Management, closely monitor counterparty exposure and mitigate this risk by diversifying the exposure among multiple high credit quality counterparties, requiring collateral, and limiting exposure by periodically settling contracts.

The Plan's total net gain of derivatives held outside the Master Trust for the year ended December 31, 2012:

	Statements of Changes in Net Assets Available For Benefits Location	Total Net Gain For the Year Ended December 31, 2012
		(Dollars in thousands)
Exchanged-traded:		
Foreign exchange forwards	Investments, at fair value	\$ 1,561

QWEST PENSION PLAN
Notes to Financial Statements

Note 5. Interest in CenturyLink, Inc. Defined Benefit Master Trust

The CenturyLink, Inc. Defined Benefit Master Trust was created at the beginning of 2012 for the purpose of collective investment of the assets of participating defined benefit pension plans sponsored by the Company. The assets are allocated among the participating plans by assigning to each plan those transactions that can be specifically identified, and allocating among all plans the net investment income, gains and losses, and expenses of the Master Trust, in proportion to the market value of the assets assigned to each plan. The assets of the Master Trust are managed by CenturyLink Investment Management ("CIM") in its capacity as investment fiduciary for the participating plans. For further information on fair value of financial instruments descriptions, including input levels, see Note 4—Fair Value of Financial Instruments.

The Plan's interest in the net assets of the Master Trust was approximately 66.9% and 67.6% as of December 31, 2013 and 2012, respectively.

It is important to note that the asset allocations do not include market exposures that are gained with derivatives. The fair value of Master Trust investments is presented net of selling costs, such as brokerage commissions, of approximately \$21 million as of December 31, 2013 and 2012 in the tables below.

The following table sets forth by category and input level, within the fair value hierarchy, the Master Trust's net assets available for benefits at fair value as of December 31, 2013:

Fair Value of Master Trust Assets at December 31, 2013				
	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
Investment grade bonds (a)	\$ 813,506	1,505,770	—	\$ 2,319,276
High yield bonds (b)	—	1,265,942	25,707	1,291,649
Emerging market bonds (c)	196,459	367,689	—	564,148
Convertible bonds (d)	—	388,951	—	388,951
Diversified strategies (e)	—	724,030	—	724,030
U.S. stocks (f)	1,409,655	92,018	—	1,501,673
Non-U.S. stocks (g)	1,160,238	299,066	—	1,459,304
Emerging market stocks (h)	—	110,409	—	110,409
Private equity (i)	—	—	731,898	731,898
Private debt (j)	—	—	428,366	428,366
Market neutral hedge funds (k)	—	867,961	99,116	967,077
Directional hedge funds (k)	—	581,131	32,282	613,413
Real estate (l)	—	312,416	260,987	573,403
Derivatives (m)	(7,988)	(35,155)	—	(43,143)
Cash equivalents and short-term investments (n)	—	730,900	—	730,900
Securities lending collateral (o)	—	707,371	—	707,371
Total investments at fair value	3,571,870	7,918,499	1,578,356	13,068,725
Securities lending obligation (o)	—	(707,371)	—	(707,371)
Total investments at fair value, net of securities lending obligation	\$ 3,571,870	7,211,128	1,578,356	12,361,354
Dividends and interest receivable				133
Total net assets available for benefits				\$ 12,361,487

QWEST PENSION PLAN
Notes to Financial Statements

Securities loaned by the Master Trust totaled \$692 million at December 31, 2013. They are included in investment grade bonds, high yield bonds, emerging market bonds, convertible bonds, U.S. stocks, and non-U.S. stocks in the preceding table in the amounts of \$216 million; \$65 million; \$33 million; \$73 million; \$266 million, and \$39 million, respectively.

The following table sets forth by category and input level, within the fair value hierarchy, the Master Trust's net assets at fair value as of December 31, 2012:

Fair Value of Master Trust Assets at December 31, 2012				
	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
Investment grade bonds (a)	\$ 864,621	1,517,301	—	\$ 2,381,922
High yield bonds (b)	—	1,312,642	58,663	1,371,305
Emerging market bonds (c)	198,891	391,222	—	590,113
Convertible bonds (d)	—	379,477	—	379,477
Diversified strategies (e)	—	655,110	—	655,110
U.S. stocks (f)	1,225,317	114,604	—	1,339,921
Non-U.S. stocks (g)	1,213,494	178,100	—	1,391,594
Emerging market stocks (h)	100,734	193,471	—	294,205
Private equity (i)	—	—	733,687	733,687
Private debt (j)	—	—	477,233	477,233
Market neutral hedge funds (k)	—	906,537	—	906,537
Directional hedge funds (k)	—	505,054	28,500	533,554
Real estate (l)	—	223,187	334,269	557,456
Derivatives (m)	(5,009)	(1,395)	—	(6,404)
Cash equivalents and short-term investments (n)	330	751,373	—	751,703
Securities lending collateral (o)	—	613,162	—	613,162
Total investments at fair value	3,598,378	7,739,845	1,632,352	12,970,575
Securities lending obligation (o)	—	(613,162)	—	(613,162)
Total investments, net of securities lending obligation	\$ 3,598,378	7,126,683	1,632,352	12,357,413
Dividends and interest receivable				117
Accrued expenses				(13,217)
Total net assets available for benefits at fair value				\$ 12,344,313

Securities loaned by the Master Trust totaled \$602 million at December 31, 2012. They are included in investment grade bonds, high yield bonds, emerging market bonds, convertible bonds, U.S. stocks, and non-U.S. stocks, in the preceding table in the amounts of \$162 million; \$85 million; \$33 million; \$60 million; \$216 million, and \$46 million, respectively.

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During 2013 and 2012, the Master Trust's investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) as follows:

	Years Ended December 31,	
	2013	2012
	(Dollars in thousands)	
Net appreciation (depreciation) in fair value of Master Trust investments:		
Investment grade bonds	\$ (286,985)	133,935
High yield bonds	66,784	104,320
Emerging market bonds	(61,368)	61,504
Convertible bonds	66,369	39,290
Diversified strategies	(26,011)	100,951
U.S. stocks	439,112	198,590
Non-U.S. stocks	245,021	226,568
Emerging market stocks	(7,520)	30,730
Private equity	97,929	44,576
Private debt	25,042	45,482
Market neutral hedge funds	63,636	41,716
Directional hedge funds	69,306	44,332
Real estate	49,624	22,461
Derivatives	(183,791)	152,281
Cash equivalents and short-term investments	(204)	(84)
Total net appreciation in fair value of Master Trust investments	\$ 556,944	1,246,652

The net appreciation of the Master Trust's investments whose fair value was determined based upon quoted prices for identical instruments traded in active markets was approximately \$293 million and \$577 million for the years ended December 31, 2013 and 2012, respectively. The net appreciation of investments whose fair value was determined using methods other than quoted prices for identical instruments traded in active markets was approximately \$264 million and \$670 million for the years ended December 31, 2013 and 2012, respectively.

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The following table reflects the changes in net assets for the Master Trust for the years ended December 31, 2013 and 2012:

	Years Ended December 31,	
	2013	2012
	(Dollars in thousands)	
Changes in Master Trust Net Assets:		
Investment income:		
Dividends	\$ 62,384	66,692
Interest	146,599	143,429
Other	73,612	81,007
Total investment income	282,595	291,128
Investment expense	(20,544)	(23,588)
Net investment income	262,051	267,540
Net appreciation in fair value of investments	556,944	1,246,652
Net transfers (from) to the Master Trust	(791,086)	10,836,930
Administrative expenses	(10,735)	(6,809)
Net increase	17,174	12,344,313
Net assets available for benefits:		
Beginning of year	12,344,313	—
End of year	\$ 12,361,487	12,344,313

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Changes in Fair Value of Level 3 assets and related Gains and Losses

The following table presents a rollforward of the Master Trust assets valued using Level 3 inputs for the years ended December 31, 2013 and 2012:

Master Trust Assets Valued Using Level 3 Inputs							
	High Yield Bonds	Private Equity	Private Debt	Market Neutral Hedge Funds	Directional Hedge Funds	Real Estate	Total
	(Dollars in thousands)						
Balance at December 31, 2011	\$ —	—	—	—	—	—	\$ —
Net transfers to Master Trust	78,900	820,454	438,922	61,102	29,867	366,058	1,795,303
Net (dispositions) acquisitions	(9,739)	(45,463)	18,307	—	(343)	(6,804)	(44,042)
Net transfers - other	(12,382)	6,560	—	(61,102)	—	(26,485)	(93,409)
Actual return on plan assets:							
Realized gains relating to assets sold during the year	—	2,997	988	—	13	147	4,145
Unrealized (losses) gains relating to assets still held at year-end	1,884	(50,861)	19,016	—	(1,037)	1,353	(29,645)
Balance at December 31, 2012	\$ 58,663	733,687	477,233	—	28,500	334,269	\$ 1,632,352
Net (dispositions) acquisitions	(37,762)	(97,452)	(73,547)	100,000	(868)	(88,781)	(198,410)
Actual return on plan assets:							
Realized gains relating to assets sold during the year	12,247	68,008	18,156	—	129	11,038	109,578
Unrealized (losses) gains relating to assets still held at year-end	(7,441)	27,655	6,524	(884)	4,521	4,461	34,836
Balance at December 31, 2013	\$ 25,707	731,898	428,366	99,116	32,282	260,987	\$ 1,578,356

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Master Trust Investments Valued at NAV

For commingled funds and limited partnerships described above, the Master Trust owns units in funds that invest in various types of assets. Commingled funds give investors the right, subject to predetermined redemption procedures, to redeem their investment at NAV. The tables below present a summary of the fair value, redemption frequency, and redemption notice period of commingled funds as of December 31, 2013 and 2012:

Commingled Funds	Fair Value (Dollars in thousands)	Redemption Frequency	Redemption Notice Period	Redemption Restrictions as of December 31, 2013
Investment grade bonds	\$ 208,575	Daily	Same day or 1 day	None
High yield bonds	897,353	Daily, monthly or quarterly	Same day, 1, 10 or 90 days	None
Emerging market bonds	9,830	Daily	Same day	None
Convertible bonds	24,244	Monthly	10 days	None
Diversified strategies	724,030	Monthly	5 days	None
U.S. stocks	92,018	Daily	Same day	None
Non U.S. stocks	299,029	Daily	Same day, 2 or 10 days	None
Emerging market stocks	110,409	Daily or monthly	Same day, 30 or 60 days	None
Market neutral hedge funds	867,961	Monthly, quarterly or semi-annually	5, 10, 60, 90 or 95 days	See (a) below
Directional hedge funds	581,131	Quarterly, semi-annually or annually	60, 65, 90 or 95 days	None
Real estate	312,416	Quarterly or semi-annually	45, 60 or 90 days	None
Cash equivalents and short-term investments	85,724	Daily	Same day	None
Total commingled funds	<u>\$ 4,212,720</u>			

(a) Approximately \$5.7 million or less than 1% in market neutral hedge funds commingled funds were in liquidation and could not be redeemed as of December 31, 2013.

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Commingled Funds	Fair Value	Redemption Frequency	Redemption Notice Period	Redemption Restrictions as of December 31, 2012
	(Dollars in thousands)			
Investment grade bonds	\$ 392,697	Daily or monthly	Same day, 1, 2 or 30 days	None
High yield bonds	879,425	Daily, monthly or quarterly	Same day, 10, or 90 days	None
Emerging market bonds	20,081	Daily	Same day	None
Diversified strategies	655,110	Monthly	5 days	None
U.S. stocks	99,762	Daily	Same day	None
Non U.S. stocks	171,037	Daily or semi-monthly	Same day or 5 days	None
Emerging market stocks	193,471	Daily or monthly	Same day, 30, or 60 days	None
Market neutral hedge funds	906,537	Weekly, monthly, quarterly or semi-annually	5, 10, to 95 days	See (a) below
Directional hedge funds	505,054	Quarterly, semi-annually or annually	45 to 90 days	None
Real estate	223,186	Quarterly or semi-annually	45 to 60 days	None
Cash equivalents and short-term investments	70,392	Daily	Same day	None
Total commingled funds	<u>\$ 4,116,752</u>			

(a) Approximately \$3.6 million or less than 1% in market neutral hedge funds commingled funds were in liquidation and could not be redeemed as of December 31, 2012.

Unlike commingled funds, limited partnerships do not have redemption features. Investment in limited partnerships represent long term commitments, typically ten years, draw capital for investment in the first several years, and make distributions to investors in the last several years of the life of the partnership (as investments are liquidated). The distributions from the limited partnership portfolios are dependent on market conditions and unpredictable by nature, but some level of distributions can be expected each year. Plan management estimates that the majority of the currently outstanding fair value of the limited partnerships would be distributed over a period of nine to eleven years.

The table below presents a summary of the fair value, redemption frequency, unfunded commitments, and average life of distribution of limited partnerships in the Master Trust as of December 31, 2013:

Limited Partnerships	Fair Value	Redemption Frequency	Unfunded Commitments	Average Life of Distribution
	(Dollars in thousands)		(Dollars in thousands)	
High yield bonds	\$ 25,707	No redemption feature	None	Approximately 5 to 7 years
Private equity	731,898	No redemption feature	\$ 300,656	Approximately 8 to 10 years
Private debt	428,366	No redemption feature	254,491	Approximately 9 to 11 years
Market neutral hedge funds	99,116	No redemption feature	None	Approximately 4 to 5 years
Directional hedge funds	32,282	No redemption feature	None	Approximately 2 years
Real estate	260,987	No redemption feature	49,576	Approximately 7 to 9 years
Total commingled funds	<u>\$ 1,578,356</u>		<u>\$ 604,723</u>	

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The table below presents a summary of the fair value, redemption frequency, unfunded commitments, and average life of distribution of limited partnerships in the Master Trust as of December 31, 2012:

Limited Partnerships	Fair Value (Dollars in thousands)	Redemption Frequency	Unfunded Commitments (Dollars in thousands)	Average Life of Distribution
High yield bonds	\$ 58,663	No redemption feature	None	Approximately 5 to 7 years
Private equity	733,687	No redemption feature	\$ 160,404	Approximately 9 to 11 years
Private debt	477,233	No redemption feature	238,663	Approximately 9 to 11 years
Directional hedge funds	28,500	No redemption feature	None	Approximately 2 years; See (a) below
Real estate	334,269	No redemption feature	50,939	Approximately 9 to 11 years
Total commingled funds	<u>\$ 1,632,352</u>		<u>\$ 450,006</u>	

(a) Approximately \$2 million, or 7%, in directional hedge funds limited partnerships were in liquidation at December 31, 2012.

As detailed above, all of the Master Trust's Level 3 investments consist of limited partnerships, including three group annuity contracts categorized as private debt of \$14 million. The limited partnerships have been valued using NAV as reported in the audited financial statements of the respective investments (adjusted for estimated selling costs), as of December 31, 2013. The value of the group annuity contracts was determined by the respective insurance company using methodologies not readily available. These investments therefore, meet the exceptions to disclosing the quantitative information about significant unobservable inputs used in Level 3 fair value measurements.

Investments that Represent 5% or more of the Master Trust's Net Assets Available for Benefits

The following table presents investments that represent 5% or more of the Master Trust's net assets available for benefits as of December 31, 2013 and 2012:

	As of December 31,	
	2013	2012
	(Dollars and shares in thousands)	
Bridgewater All Weather 12% LLC Series I, 525 and 454 shares, respectively	\$ 724,530	655,540

Derivatives

Derivative instruments are used to reduce risk as well as provide return. The Master Trust uses exchange traded futures to gain exposure to equity and debt markets consistent with target asset allocations. Interest rate swaps are used in the Master Trust to reduce risk relative to measurement of the benefit obligation, which is sensitive to interest rate changes. Foreign exchange forward contracts are used primarily to manage currency exposures. Credit default swaps are used to manage credit exposure and to enhance investment returns. Options are used to provide protection or enhance returns associated with changes in interest rates. Some derivative instruments subject the Master Trust to counterparty risk. The external investment managers, along with CIM, closely monitor counterparty exposure and mitigate this risk by diversifying the exposure among multiple high credit quality counterparties, requiring collateral, and limiting exposure by periodically settling contracts.

Swap contracts held in the Master Trust contain credit-risk-related contingent features. For instance, if the net assets of the Master Trust declined by more than 15% per month or 30% per year, the counterparty of certain contracts could choose to terminate the contract. Other counterparties would require the posting of additional collateral equal to 1% to 2.5% of the notional value in order to maintain the existing contracts if net assets of the Master Trust drop by more than 50% in a year. For

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swap contracts that would require posting of additional collateral, if the feature were triggered on December 31, 2013, the Master Trust would have been required to post additional collateral of approximately \$6 million.

The tables below present derivative instruments held directly by the Master Trust as of December 31, 2013. The tables exclude any derivatives that may be held in the investments in commingled and mutual funds

Statements of Net Assets Available For Benefits Location		Asset Derivatives as of December 31, 2013	
		Notional Amount	Fair Value
(Dollars in thousands)			
Exchanged-traded:			
U.S. equity futures	Investments, at fair value	\$ 95,414	541
U.S. treasury futures	Investments, at fair value	(104,909)	238
Eurodollar futures	Investments, at fair value	959	1
Interest rate swaps	Investments, at fair value	134,772	2,517
Credit default swaps	Investments, at fair value	207,986	4,327
Options	Investments, at fair value	10,700	1,551
Foreign exchange forwards	Investments, at fair value	345,679	7,065
Total		\$ 690,601	16,240

Statements of Net Assets Available For Benefits Location		Liability Derivatives as of December 31, 2013	
		Notional Amount	Fair Value
(Dollars in thousands)			
Exchanged-traded:			
U.S. treasury futures	Investments, at fair value	\$ 2,120,096	(8,700)
Eurodollar futures	Investments, at fair value	353,455	(68)
Interest rate swaps	Investments, at fair value	421,369	(38,915)
Credit default swaps	Investments, at fair value	44,495	(1,039)
Options	Investments, at fair value	(254,357)	(2,266)
Foreign exchange forwards	Investments, at fair value	592,676	(8,395)
Total		\$ 3,277,734	(59,383)

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The tables below present derivative instruments held directly by the Master Trust as of December 31, 2012. The tables exclude any derivatives that may be held in the investments in commingled and mutual funds.

		Asset Derivatives as of	
		December 31, 2012	
		Notional Amount	Fair Value
Statements of Net Assets Available For		(Dollars in thousands)	
Benefits Location			
Exchanged-traded:			
U.S. equity futures	Investments, at fair value	\$ 302,086	5,983
U.S. treasury futures	Investments, at fair value	(54,359)	258
European treasury futures	Investments, at fair value	152,269	29
Interest rate swaps	Investments, at fair value	573,968	12,862
Credit default swaps	Investments, at fair value	295,218	2,844
Options	Investments, at fair value	8,700	693
Foreign exchange forwards	Investments, at fair value	264,262	6,484
Total		<u>\$ 1,542,144</u>	<u>29,153</u>

		Liability Derivatives as of	
		December 31, 2012	
		Notional Amount	Fair Value
Statements of Net Assets Available For		(Dollars in thousands)	
Benefits Location			
Exchanged-traded:			
Non U.S. equity futures	Investments, at fair value	\$ 871	(6)
U.S. equity futures	Investments, at fair value	1,701,682	(11,297)
Interest rate swaps	Investments, at fair value	494,821	(11,899)
Credit default swaps	Investments, at fair value	169,997	(1,669)
Options	Investments, at fair value	(772,900)	(2,522)
Foreign exchange forwards	Investments, at fair value	618,920	(8,187)
Total		<u>\$ 2,213,391</u>	<u>(35,580)</u>

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The following table presents the total net gain (loss) of derivatives for the years ended December 31, 2013 and 2012:

		Years Ended December 31,	
		2013	2012
Statements of Changes in Net Assets Available for Benefits Location		(Dollars in thousands)	
Exchanged-traded:			
	Net appreciation in fair value of investments	\$ 58,922	45,886
U.S. equity futures			
	Net (depreciation) appreciation in fair value of investments	(6,919)	111
Non U.S. equity futures			
	Net (depreciation) appreciation in fair value of investments	(223,320)	86,391
U.S. treasury futures			
	Net (depreciation) appreciation in fair value of investments	(1,734)	2,443
Eurodollar futures			
	Net (depreciation) appreciation in fair value of investments	(36,574)	16,987
Interest rate swaps			
	Net appreciation in fair value of investments	5,082	2,847
Credit default swaps and options			
	Net appreciation in fair value of investments	1,255	55
Options			
	Net appreciation (depreciation) in fair value of investments	19,498	(2,439)
Foreign exchange forwards			
Total		\$ (183,790)	152,281

Master Netting Agreements

The Master Trust is subject to master netting agreements, or netting arrangements, with certain counterparties. These agreements govern the terms of certain transactions and reduce the counterparty risk associated with relevant transactions by specifying offsetting mechanisms and collateral posting arrangements at pre-arranged exposure levels. Since different types of transactions have different mechanics and are sometimes traded out of different legal entities of a particular counterparty organization, each type of transaction may be covered by a different master netting arrangement, possibly resulting in the need for multiple agreements with a single counterparty. Master netting agreements are specific to each different asset type; therefore, they allow the company to close out and net its total exposure to a specified counterparty in the event of a default with respect to any and all the transactions governed under a single agreement with the counterparty.

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The following is a summary by counterparty of the Master Trust's net exposure to derivative assets and liabilities, by financial instrument type, available for offset and net of collateral under Master Agreements at December 31, 2013:

Asset Description	Gross Recognized Assets	Gross Amounts Offset	Net Amounts Presented	Amounts Not Offset: Net Collateral Received	Net Exposure
(Dollars in thousands)					
Exchange cleared interest rate/credit	\$ 1,632	1,632	—	—	—
Exchange traded equities	541	—	541	—	541
Exchange traded interest rate/credit	239	205	34	—	34
OTC foreign exchange	7,064	3,414	3,650	—	3,650
OTC interest rate/credit	6,764	3,747	3,016	1,339	1,677
Total derivatives subject to a MNA	\$ 16,240	8,998	7,241	1,339	5,902
Securities lending	\$ 691,929	—	691,929	691,929	—

Liability Description	Gross Recognized Liabilities	Gross Amounts Offset	Net Amounts Presented	Amounts Not Offset: Net Collateral Received	Net Exposure
(Dollars in thousands)					
Exchange cleared interest rate/credit	\$ 2,615	1,632	983	983	—
Exchange traded interest rate/credit	8,768	205	8,563	8,563	—
OTC foreign exchange	8,395	3,414	4,980	597	4,383
OTC interest rate/credit	39,605	3,747	35,858	35,858	—
Total derivatives subject to a MNA	\$ 59,383	8,998	50,384	46,001	4,383

The following is a summary by counterparty of the Master Trust's net exposure to derivative assets and liabilities, by financial instrument type, available for offset and net of collateral under Master Agreements at December 31, 2012:

Asset Description	Gross Recognized Assets	Gross Amounts Offset	Net Amounts Presented	Amounts Not Offset: Net Collateral Received	Net Exposure
(Dollars in thousands)					
Exchange cleared interest rate/credit	\$ 10,022	9,539	482	123	359
Exchange traded equities	5,983	—	5,983	—	5,983
Exchange traded interest rate/credit	287	270	17	—	17
OTC foreign exchange	6,483	2,678	3,805	—	3,805
OTC interest rate/credit	6,378	2,324	4,054	3,723	331
Total derivatives subject to a MNA	\$ 29,153	14,811	14,341	3,846	10,495
Securities lending	\$ 601,600	—	601,600	601,600	—

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Liability Description	Gross Recognized Liabilities	Gross Amounts Offset	Net Amounts Presented	Amounts Not Offset: Net Collateral Received	Net Exposure
(Dollars in thousands)					
Exchange cleared interest rate/credit	\$ 9,743	9,539	204	204	—
Exchange traded equities	6	—	6	6	—
Exchange traded interest rate/credit	11,297	270	11,028	11,028	—
OTC foreign exchange	8,187	2,678	5,509	210	5,299
OTC interest rate/credit	6,346	2,324	4,022	2,847	1,175
Total derivatives subject to a MNA	\$ 35,579	14,811	20,769	14,295	6,474

Note 6. Securities Lending

The Master Trust participates in securities lending transactions whereby the Master Trust's lending agent lends investments of the Master Trust to other third-party investment companies in exchange for collateral. The securities are generally loaned for a period of less than a month. Under the terms of its securities lending agreement, the Master Trust typically requires collateral of a value equal to 102%, for U.S. securities, or 105%, for foreign securities, of the then fair value of the loaned investments. Collateral is then invested in a segregated account maintained by the lending agent. Upon the maturity of the agreement, the borrower must return the same, or substantially the same, investments that were borrowed, and the Master Trust returns the collateral. The risks to the Master Trust of securities lending transactions are that 1) the borrower may not provide additional collateral when required, 2) the borrower may not return the investments when due, or 3) the earnings on the collateral investments may be negative requiring the Master Trust to assume additional collateral obligations. The Master Trust investments loaned under securities lending transactions totaled \$692 million and \$602 million as of December 31, 2013 and 2012, respectively. The Master Trust recognizes the securities loaned on the statements of net assets available for benefits and records a corresponding asset and liability for the collateral held and for its obligation to return the collateral to the borrower. The Master Trust's financial instruments held as collateral totaled \$707 million and \$613 million as of December 31, 2013 and 2012, respectively. Income from securities lending transactions totaled approximately \$2 million and \$1 million for the years ended December 31, 2013 and 2012, respectively.

As described in Note 5—Interest in CenturyLink, Inc. Defined Benefit Master Trust, in addition to direct investments in stocks and fixed-income securities, the Master Trust invests in commingled funds and mutual funds. Several of these funds may also engage in securities lending.

Note 7. Actuarial Present Value of Accumulated Benefits

The actuarial present value of accumulated plan benefits is the present value of those future periodic payments, including lump sum distributions that are attributable under the Plan's provisions to the service that employees have rendered to the Company. Accumulated plan benefits include benefits expected to be paid to:

- Retired or terminated employees or their beneficiaries;
- Beneficiaries of employees who have died; and
- Present employees or their beneficiaries.

Benefits payable upon retirement, death, or disability are included to the extent they are deemed attributable to employee service rendered through the valuation date. For 2012, the actuarial assumptions for the retirement and withdrawal decrements and the lump sum election rate were updated based on the results of the 2012 experience study. The accumulated plan benefits are based on census data and Plan provisions in effect as of January 1, 2013 and 2012. These calculations have been used to

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disclose accumulated plan benefits as of December 31, 2012 and 2011. The actuarial valuation as of January 1, 2013 and 2012 is not materially different than the valuation would be as of December 31, 2012 and 2011.

The December 31, 2012 assumptions used to calculate the actuarial present value of accumulated plan benefits include:

- Discount rate 7.5%
- Cost of living adjustment None
- Lump sum payment interest rate 4.5% in 2013 and 6.5% thereafter
- Plan compensation increase 3.25% per year

Additional assumptions used were (a) rates of retirement age by age group, (b) percentage of participants electing lump sums upon retirement, and (c) rates of participants presumed married.

The December 31, 2011 assumptions were the same as the December 31, 2012 assumptions, with the exception of a lump sum interest conversion rate of 5.0% for 2012 and 6.50% thereafter. Additionally, the required mortality tables used to calculate the funding target and target cost were updated to include one additional year of projected mortality improvements.

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

If the assumed discount rate for December 31, 2012 and 2011 was 100 basis points lower, the impact would have been to increase the pension obligation by approximately \$1 billion and \$869 million, respectively.

The following table presents the components of the Plan's benefit obligations for the years ended December 31, 2012 and 2011:

	Years Ended December 31,	
	2012	2011
	(Dollars in thousands)	
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving payments	\$ 4,509,854	4,419,112
Other participants	2,196,649	2,380,673
Non vested benefits	40,632	47,036
Total actuarial present value of accumulated plan benefits	<u>\$ 6,747,135</u>	<u>6,846,821</u>

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The following table presents the changes in accumulated plan benefit obligations for the year ended December 31, 2012:

	(Dollars in thousands)
Actuarial present value of accumulated plan benefits as of December 31, 2011	\$ 6,846,821
Increase (decrease) during the year due to:	
Benefits earned	38,518
Decrease in discount period	489,470
Benefits paid	(718,146)
Actuarial gain and other	47,490
Change in actuarial assumptions	42,982
Actuarial present value of accumulated plan benefits as of December 31, 2012	\$ 6,747,135

Note 8. Summary of Information Certified by the Trustees

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the respective trustees have certified the following information included in the accompanying financial statements and supplemental schedule. Additionally, the investment categories, sub categories, and fair value amounts in Notes 3 and 4 were derived from information certified by the trustees. The Plan Administrator has obtained certifications from the trustees that the following information is complete and accurate:

- Statements of Net Assets Available for Benefits:

2013 - Northern Trust - 66.9% interest in Master Trust, all assets, excluding \$14 million of estimated selling costs, and securities lending obligation

2012 - Northern Trust - 67.6% interest in Master Trust, all assets, excluding \$14 million of estimated selling costs, and securities lending obligation

- Statements of Changes in Net Assets Available for Benefits:

2013 - Northern Trust - 66.9% interest in Master Trust, investment income and net appreciation (depreciation) in fair value of investments, excluding \$14 million of estimated selling costs, and securities lending obligation

2012 - Northern Trust - 67.6% interest in Master Trust, investment income and net appreciation (depreciation) in fair value of investments, excluding \$14 million of estimated selling costs, and securities lending obligation

Accordingly, the Plan Administrator instructed the Plan's independent auditor not to perform any auditing procedures with respect to the investment information certified by the Trustees as complete and accurate, except for comparing such information certified by the Trustees to information included in the Plan's financial statements and supplemental schedule.

Note 9. Tax Status

The Plan obtained its latest determination letter on December 23, 1999, in which the IRS stated that the Plan met the requirements of Section 401 (a) of the Internal Revenue Code (IRC) and was exempt from federal income taxes under Section 501 (a) of the IRC. New determination letters were requested on June 30, 2000, January 28, 2008 and January 29, 2013 and all of which are pending with the IRS. The Plan has been amended since submitting for the determination letter. The Plan

QWEST PENSION PLAN
Notes to Financial Statements

Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the Plan Administrator believes that the Plan was qualified, and the trust that holds the plan assets was tax exempt as of December 31, 2013 and 2012.

GAAP requires the Plan's management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. As of December 31, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosures in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, the Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2010.

Note 10. Reconciliation of Financial Statements to Form 5500

Each year, pursuant to ERISA Sections 104 and 4065 and Code Section 6058, the Plan files its Form 5500, which is used to report information concerning employee benefit plans and generally satisfies annual reporting requirements for the IRS and the DOL. As of December 31, 2013 and 2012, certain investments have been adjusted for updated fair values and selling costs in accordance with GAAP, however, they are not being adjusted on Form 5500. As of December 31, 2012, for Form 5500 purposes, amounts allocated to withdrawing participants are recorded for benefit claims that have been processed and approved for payment prior to the respective period end, but not yet paid as of that date. However, in accordance with GAAP, benefit withdrawals are recorded when paid.

The following is a reconciliation of net assets available for benefits as reported on the financial statements to net assets available for benefits as reported on Form 5500 for the years ended December 31, 2013 and 2012:

	Years Ended December 31,	
	2013	2012
	(Dollars in thousands)	
Net assets available for pension benefits as reported on the financial statements	\$ 8,266,988	8,353,857
Adjustment for selling costs required by GAAP	14,114	14,114
Net assets available for benefits as reported on Form 5500 (unaudited)	\$ 8,281,102	8,367,971

The following is a reconciliation of the net (decrease) increase as reported on the financial statements to net (loss) income as reported on Form 5500 for the years ended December 31, 2013 and 2012:

	Years Ended December 31,	
	2013	2012
	(Dollars in thousands)	
Net (decrease) increase as reported on the financial statements	\$ (86,869)	301,192
Adjustment for investment selling costs required by GAAP for 2013 and 2012, respectively	14,114	14,114
Adjustment for investment selling costs required by GAAP for 2012 and 2011, respectively	(14,114)	(17,417)
Amounts allocated to withdrawing participants at December 31, 2012 and 2011, respectively	—	47,546
Transfers in from other plans	(4,738)	—
Net (loss) income as reported on Form 5500 at December 31, 2013 (unaudited)	\$ (91,607)	345,435

QWEST PENSION PLAN
Notes to Financial Statements

Note 11. Plan Termination

Although the Company has not expressed any intention to do so, it has the right to terminate the Plan subject to the provisions of ERISA. However, the Company is required to comply with all relevant provisions of the applicable labor agreements.

In the event of the Plan's termination, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations as defined in the Plan document. All benefits for each group shall be paid or provided for before any benefits are paid for any members of the group having the next lower priority. If the funds are insufficient to pay all of the benefits for any group, the amount available shall be allocated among the members of the group in proportion to their interests.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

Note 12. Related Party, Party-In-Interest and Nonexempt Transactions

The Plan and Master Trust invests in certain commingled funds managed by the Plan's Trustee. In addition, the Master Trust and Plan reimbursed the Company approximately \$2 million for certain qualifying administrative and investment expenses in 2013 and \$3 million in 2012. Direct expenses paid in 2013 and 2012 by the Master Trust for the Plan include trustee fees, investment management fees, administration fees, and certain other expenses. These direct expenses paid by the Master Trust for the years ended December 31, 2013 and 2012 totaled \$43 million and \$32 million, respectively. These transactions, which qualify as related party or party-in-interest transactions, are exempt from the prohibited transaction rules.

As of December 31, 2008, the Plan had investments managed by Westridge Capital Management (Westridge) that represented approximately 1.4% of total Plan assets. The Plan was informed during the first quarter of 2009 that the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) filed a civil complaint against Westridge and others alleging that investor funds had been misappropriated. Criminal securities fraud charges have been filed against some of the principals as well. At the request of the SEC and CFTC, the court issued orders to freeze the assets held by Westridge and affiliated persons and appointed a Receiver who has taken control of Westridge and affiliated entities. An appearance was filed by outside counsel in the SEC/CFTC litigation in order to pursue recovery of the Plan's funds that were being managed by Westridge at the time of the court-ordered asset freeze. In January 2011, the Receiver proposed a plan to distribute the assets of Westridge and affiliated entities. On March 21, 2011, the Court approved the Receiver's plan. Pursuant to that Court-approved distribution plan, the Plan received \$6,407,326 on or about April 21, 2011 and \$314,436 on or about April 23, 2013. A number of other Westridge investors appealed the Receiver's distribution plan, and the United States Court of Appeals denied and rejected those appeals. The Plan's ability to recoup additional funds managed by Westridge remains uncertain and subject to court proceedings. If there are any future recoveries, they are likely to be very modest in amount compared to previous distributions. The receivership proceedings are ongoing.

QWEST PENSION PLAN
Notes to Financial Statements

Note 13. Concentrations, Risks and Uncertainties

As described in Note 4—Fair Value of Financial Instruments and Note 5—Interest in CenturyLink, Inc. Defined Benefit Master Trust, the Plan's assets include various types of investments. Investments, in general, are exposed to various risks, such as significant world events, interest rate, credit, foreign currency, and overall market volatility risk. These risks are managed by broadly diversifying assets across numerous asset classes and strategies with differing expected returns, volatilities, and correlations. Risk is also broadly diversified across numerous market sectors and individual companies. Financial instruments that potentially subject the Plan to concentrations of counterparty risk consist principally of investment contracts with high quality financial institutions. These investment contracts are typically collateralized obligations and/or actively managed, limiting the amount of counterparty exposure to any one financial institution. Although the investments are well diversified, and there are no significant concentrations of risk, the value of Plan assets could change materially depending upon the overall market volatility, which could affect the amounts reported in the statements of net assets available for benefits and the funded status of the Plan.

Required Plan contributions and the actuarial present value of accumulated plan benefits are determined based on certain assumptions including interest rates, inflation rates, and employee demographics, which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Note 14. Subsequent Events

The Plan was amended effective January 24, 2014, which allowed for bulk lump sum offerings to participants of the Plan. On August 20, 2014, the Plan Design Committee approved a resolution to authorize a bulk lump sum offering to certain participants of the Plan. The announcement brochures were mailed to participants on August 22, 2014, which gave the participants from September 1, 2014 to October 30, 2014 to accept the offering. As of the date of this report, the bulk lump sum offering has not been finalized, therefore, the Plan is unable to determine the potential impact of the offering.

QWEST PENSION PLAN
EIN: 72-0651161 PLAN NO: 005
FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2013

Identity of Issue, Borrower or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value	
		(Dollars in thousands)	
CenturyLink Defined Benefit Master Trust *	Investment in Master Trust	\$	8,740,459
Total assets held for investment purposes		\$	8,740,459

* CenturyLink as Plan Sponsor is considered a party in interest.

See accompanying Independent Auditors' Report

SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS

Plan sponsor

Qwest Communications International Inc.

Plan

Qwest Pension Plan

Plan year

The twelve-month period ending December 31, 2013.

Plan Name:	Qwest Pension Plan
EIN / PN:	84-1339282 / 005
Plan Sponsor:	Qwest Communications International Inc.
Valuation Date:	January 1, 2013

SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Section I – For Management Employees

Coverage and participation

Management employees at participating companies with at least one year of service prior to 12/31/2009.

Normal retirement benefit for protected participants

1. Eligibility: Five years of service and Protected. Employees are protected if they had 20 years of eligible service on or before 12/31/2000 or were service pension eligible by 12/31/2003. Service pension eligible is age 65 and 10 years of service or age 60 and 15 years of service or age 55 and 20 years of service or age 50 and 25 years of service or any age and 30 years of service.
2. Benefit Amount: Employees with age plus service at 1/1/1997 of 55 or more are considered Grandfathered and will receive the greater of benefits calculated under formulas A and B below. All other employees will receive the greater of the benefit accrued under Formula A as of 12/31/1996 and the benefit calculated under Formula B.

Note: Formula A produces an annual single life annuity value and Formula B produces a lump sum value. For comparison, one of the values will have to be converted to the other form.

3. Formula A Calculation
 - a. 1.25% times highest consecutive 60 months average earnings out of the last 120 months (HAE) prior to 1/1/2010 up to Social Security Covered Compensation (SSCC).
 - b. 1.5% times HAE in excess of SSCC.
 - c. The sum of (a) and (b) multiplied by service prior to 1/1/2010 up to 35 years.
 - d. (c) plus 1.25% times HAE times service prior to 1/1/2010 in excess of 35 years.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

4. Formula B Calculation

- a. Annual credits are granted based on the following table for service prior to 1/1/2010:

Age	Credits
Under 30	2.0%
30-34	4.0%
35-39	6.0%
40-44	8.0%
45-49	12.0%
50-54	16.0%
55 and over	18.0%

The credits are prorated by month and provided at the highest rate applicable for that month.

- b. Sum of Annual Credits times highest five-year average earnings out of last ten years (HAE) prior to 1/1/2010 up to Social Security Taxable Wage Base.
- c. HAE in excess of 50% of Social Security Taxable Wage Base times Sum of Annual Credits times 25%
- d. Account Balance is the sum of (b) and (c).
- ### 5. Payment of Benefit if Formula A is used:
- a. Immediate Annuity – If service pension eligible, amount payable is Retirement Benefit reduced by 6% per year prior to age 55 (3% if 30 or more years of service).
- b. Deferred Annuity – Retirement Benefit payable at age 65 actuarially reduced for early commencement.
- c. Immediate Lump Sum – If service pension eligible, lump sum is actuarial equivalent of deferred annuity using subsidized factors; otherwise, lump sum is actuarial equivalent.
- ### 6. Payment of Benefit if Formula B is used:
- a. Immediate Annuity – Amount equal to actuarial equivalent of Account Balance.
- b. Deferred Annuity – Amount equal to actuarial equivalent of Account Balance.
- c. Immediate Lump Sum – Amount equal to Account Balance.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Account balance formula benefit for nonprotected participants

1. Eligibility: One year of service and not Protected as defined above in the Normal Retirement Benefit description.
2. Account Balance: At the end of each year prior to 1/1/2010, an amount equal to 3% of eligible compensation is credited to the Account Balance. At the end of the following year, the Account Balance from the previous year is increased with an interest credit based on the Treasury Rate (average of 30-Year Treasury Bond rates during August through December preceding such year).
3. Vesting – Immediate if hired prior to 12/31/2008, three years if hired after 12/31/2008

Frozen benefit

1. Eligibility: One year of service and not Protected as defined above in the Normal Retirement Benefit description.
2. Benefit: Employees that are Grandfathered as defined above receive the larger of Formula A and B from Normal Retirement Benefit description, calculated with service as of December 31, 2000 and HAE as of December 31, 2009.

Employees not Grandfathered receive the larger of Formula A calculated with service and HAE as of December 31, 1996 and Formula B calculated with service as of December 31, 2000 and HAE as of December 31, 2009.

3. Payment of Benefit if Formula A is used:
 - a. Immediate Annuity – If service pension eligible, amount payable is Retirement Benefit reduced by 6% per year prior to age 55 (3% if 30 or more years of service).
 - b. Deferred Annuity – Retirement Benefit payable at age 65 actuarially reduced for early commencement.
 - c. Immediate Lump Sum – If service pension eligible, lump sum is actuarial equivalent of deferred annuity using subsidized factors; otherwise, lump sum is actuarial equivalent.
4. Payment of Benefit if Formula B is used:
 - a. Immediate Annuity – Amount equal to actuarial equivalent of Account Balance.
 - b. Deferred Annuity – Amount equal to actuarial equivalent of Account Balance.
 - c. Immediate Lump Sum – Amount equal to Account Balance.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Benefit at termination due to disability

1. Eligibility: Disablement after vesting.
2. Benefit: The benefit for termination due to disability is the Normal Retirement Benefit adjusted for early commencement as of the date of termination or benefit commencement date.

Pre-retirement survivor benefit

1. Eligibility: Death after vesting.
2. Benefit Payable:

Formula A: If applicable, spouse will receive the greater of the benefit calculated under the 50% joint and survivor annuity option or 45% of the pension accrued to date payable immediately and unreduced.

Formula B: If applicable, spouse or beneficiary will receive entire account balance or an annuity that is equivalent in value to the account balance.

Account Balance Formula: If applicable, spouse or beneficiary will receive entire account balance or an annuity that is equivalent in value to the account balance.

Sickness death benefit

1. Eligibility: Death as an active employee who has a mandatory beneficiary. Must have a Term of Employment date prior to March 1, 1993.
2. Benefit Payable to Beneficiary: Lump sum payment equal to annual pay at earlier of retirement or February 28, 1993.

Normal form of benefit

For married participants, the normal form is a reduced pension annuity with 50% of the reduced amount payable to the surviving spouse upon the death of the employee. If the spouse of a service pensioner dies first, the pension is restored to its unreduced value.

For single participants, the normal form is a pension payable as a single life annuity.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Changes in plan provisions since last actuarial valuation

None.

Section II – For Occupational Employees

Coverage and participation

“Bargained for” employees and other non-management employees at participating companies with at least one year of service.

Normal retirement benefit - Formula if hired prior to 1/1/2009

1. Eligibility: Age 65.
2. Benefit Amount: Sum of the pension band amount assigned to an employee times the months of service and 0.1% times average annual differential amounts in three calendar years prior to year of termination times months of service. The pension band amount depends on the job title for a covered employee.

For certain sales employees the benefit amount is the sum of the pension factor amount assigned to an employee times the months of service and 0.1% times average annual differential amounts in the three calendar years prior to year of termination times months of service. The pension factor depends on the average service compensation level for a covered employee.

3. Vesting – Five years.

Account balance formula benefit

1. Eligible Participants: Hired or rehired after 12/31/2008 or previously covered under the management plan provisions.
2. Account Balance: At the end of each year, an amount equal to 3% of eligible compensation is credited to the Account Balance. At the end of the following year, the Account Balance from the previous year is increased with an interest credit based on the Treasury Rate (average of 30-Year Treasury Bond rates during August through December preceding such year).
3. Vesting – Three years or one year for those hired prior to 1/1/2009.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Service pension

1. Eligibility: Age 65 and 10 years of service or age 60 and 15 years of service or age 55 and 20 years of service or age 50 and 25 years of service or any age with 30 years of service.
2. Pension Benefit: Normal retirement benefit reduced by 6.0% for each year retirement precedes age 55 unless the participant has 30 or more years of service.
3. Account Balance Formula: If applicable, account balance or an annuity that is equivalent in value to the balance.

Deferred vested pension

1. Eligibility: Vested in a pension benefit.
2. Pension Benefit: Normal retirement benefit actuarially reduced for early commencement.
3. Account Balance Formula: If applicable, account balance or an annuity that is equivalent in value to the balance.

Disability pension

1. Eligibility: Disablement after 15 years of service.
2. Pension Benefit: Disabilities on or after January 1, 2002 receive, in addition to their regular pension, a Disability Pension equal to the normal retirement benefit amount payable until the earlier of age 65, death or no longer disabled as defined by the disability plan.
3. Account Balance Formula: If applicable, account balance or an annuity that is equivalent in value to the balance.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Pre-retirement survivor benefit

1. Eligibility: Death after vesting.
2. Benefit Payable to Spouse: Greater of 1) 45% of the pension benefit accrued to date payable immediately and unreduced, or 2) the survivor benefit under a 50% joint and survivor annuity.
3. Benefit Payable to Non-Spouse: The survivor benefit under a 50% joint and survivor annuity.
4. Account Balance Formula: If applicable, spouse or beneficiary will receive entire account balance or an annuity that is equivalent in value to the account balance.

Sickness death benefit and accidental death benefit

1. Eligibility: Death as an active employee who has a mandatory beneficiary. Must have a Term of Employment date prior to March 1, 1993.
2. Benefit Payable to Beneficiary: Lump sum payment equal to annual pay at earlier of retirement or February 28, 1993.

Normal form of benefit

For married participants, the normal form is a reduced pension annuity with 50% of the reduced amount payable to the surviving spouse upon the death of the employee. If the spouse of a service pensioner dies first, the pension is restored to its unreduced value.

For single participants, the normal form is a pension payable as a single life annuity.

Changes in plan provisions since last actuarial valuation

None.

Plan Name:	Qwest Pension Plan
EIN / PN:	84-1339282 / 005
Plan Sponsor:	Qwest Communications International Inc.
Valuation Date:	January 1, 2013

QWEST PENSION PLAN
EIN: 72-0651161 PLAN NO: 005
FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2013

Identity of Issue, Borrower or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value	
		(Dollars in thousands)	
CenturyLink Defined Benefit Master Trust *	Investment in Master Trust	\$	8,740,459
Total assets held for investment purposes		\$	8,740,459

* CenturyLink as Plan Sponsor is considered a party in interest.

See accompanying Independent Auditors' Report

SCHEDULE SB ATTACHMENTS (cont.)

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2013

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	2		87	35,037	6		0		0		0		0		0		0		0	
25 - 29	7		255	46,820	84	50,843	0		0		0		0		0		0		0	
30 - 34	7		344	57,373	384	65,118	362	75,221	18		0		0		0		0		0	
35 - 39	18		385	71,779	834	78,720	1,317	79,354	224	77,767	3		0		0		0		0	
40 - 44	28	80,019	390	80,087	816	91,076	1,563	83,901	380	80,483	134	75,935	6		0		0		0	
45 - 49	17		275	84,411	609	94,560	1,117	85,543	352	82,175	256	83,424	99	78,559	29	69,396	0		0	
50 - 54	11		244	80,725	531	95,211	948	82,966	367	82,608	328	84,709	426	89,172	1,042	76,244	64	71,763	0	
55 - 59	32	68,147	258	80,862	376	86,346	648	83,616	239	80,759	198	83,359	289	90,564	1,199	81,071	783	79,855	66	74,767
60 - 64	31	70,777	224	76,386	273	87,575	294	80,783	134	77,297	111	84,137	106	92,141	310	81,506	525	83,628	293	76,713
65 - 69	9		60	68,677	64	78,745	67	87,129	20	76,812	17		7		27	83,427	42	84,617	59	85,640
70 & Over	0		1		8		13		3		0		1		3		0		1	

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB ATTACHMENTS (cont.)

Schedule SB, Line 26

Schedule of Active Participant Data for Cash Balance Plans as of January 1, 2013

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.
Under 25	2		76	1,952	0		0		0		0		0		0		0		0	
25 – 29	7		211	3,146	2		0		0		0		0		0		0		0	
30 – 34	7		311	4,710	183	13,174	60	17,342	0		0		0		0		0		0	
35 - 39	17		353	7,174	600	19,776	464	22,614	20	16,632	0		0		0		0		0	
40 - 44	27	9,466	359	8,775	627	25,345	673	26,676	99	23,465	30	21,546	0		0		0		0	
45 - 49	15		252	10,459	489	27,410	485	29,179	89	30,828	91	29,734	31	29,229	0		0		0	
50 - 54	11		221	9,497	407	28,816	409	28,971	102	32,442	133	31,636	205	30,385	1		0		0	
55 - 59	28	8,356	234	8,481	233	25,965	275	29,957	74	29,800	89	31,157	140	31,447	6		3		0	
60 - 64	29	6,153	200	8,045	164	27,055	127	28,197	33	31,575	52	30,718	53	33,164	2		2		0	
65 - 69	9		51	7,345	35	23,779	50	30,817	7		12		3		0		0		1	
70 & Over	0		0		1		2		1		0		0		0		0		0	

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

Economic Assumptions

Interest rate basis:

- Applicable month September
- Yield curve basis 3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
● First segment rate	4.94%	1.75%
● Second segment rate	6.15%	4.62%
● Third segment rate	6.76%	5.72%
● Effective interest rate	6.23%	N/A

Annual rates of increase

- Compensation: 3.25%
- Future Social Security wage
bases 3.00%

Assumed cost of living adjustments

None.

Band increases (occupational only)

None.

Plan Name: Qwest Pension Plan
 EIN / PN: 84-1339282 / 005
 Plan Sponsor: Qwest Communications International Inc.
 Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Demographic Assumptions

Inclusion date

The valuation date coincident with or next following the date on which the employee reaches one year of service.

New or rehired employees

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

Mortality

Healthy/Disabled Separate rates for non-annuitants based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2028 using Scale AA and annuitants based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2020 using Scale AA.

Termination rates

Representative ultimate termination rates not due to disability, retirement or mortality

Attained Age	Percentage leaving during the year			
	Management		Occupational	
	Male	Females	Males	Females
20	10.00%	10.00%	6.00%	10.00%
25	10.00%	10.00%	6.00%	10.00%
30	10.00%	10.00%	6.00%	10.00%
35	10.00%	10.00%	6.00%	10.00%
40	8.50%	8.50%	6.00%	8.50%
45	7.00%	7.00%	6.00%	7.00%
50	6.00%	6.00%	6.00%	6.00%
55	6.00%	6.00%	6.00%	6.00%
60	6.00%	6.00%	6.00%	6.00%

Plan Name: Qwest Pension Plan
 EIN / PN: 84-1339282 / 005
 Plan Sponsor: Qwest Communications International Inc.
 Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Disability rates

The rates at which participants become disabled by age and gender are shown below:

Percentage becoming disabled during the year		
Age	Males	Females
20	0.03%	0.11%
25	0.03%	0.11%
30	0.03%	0.11%
35	0.03%	0.14%
40	0.04%	0.21%
45	0.09%	0.36%
50	0.27%	0.62%
55	0.64%	0.92%
60	2.02%	1.25%

Retirement rates

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age and gender are shown below.

Percentage retiring during the year		
Age	Males	Females
50	10.0%	10.0%
55	10.0%	10.0%
60	19.0%	19.0%
65	35.0%	35.0%
70	100.0%	100.0%

Form of payment

Service Pension Eligible Occupational employees are assumed to elect a lump sum 50% of the time and a life annuity 50% of the time. Service Pension Eligible Management employees are assumed to elect a lump sum 70% of the time and a life annuity 30% of the time. All other employees are assumed to elect a lump sum 80% of the time and a life annuity 20% of the time.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Percent married

Percentages of participants assumed married varies by age.

Spouse age

Wife three years younger than husband.

Plan compensation

Plan compensation was frozen for management employees effective 12/31/2009.

Certain occupational sales employees have a compensation based benefit formula. The assumed compensation beginning on the valuation date for these occupational employees is based upon the prior year's rate of pay plus bonuses, commissions, differentials, and overtime.

The ABF plan earnings for the prior year are provided by CenturyLink. This generally includes salary, wages, overtime, commissions and bonuses if included in taxable income plus deferrals for 401(k) and under a cafeteria plan.

Administrative expenses

The amount included this year for plan-related expenses is \$10,300,000. This amount was provided by CenturyLink Investment Management as an estimate of 2013 expenses for non-Trust related services based on 2012 experience and was adjusted for expected PBGC premiums for 2013.

Actuarial Equivalence for Lump Sums

The prescribed actuarial equivalence is used for lump sum payments subject to 417(e). The subsidized lump sum for Service Pension Eligible retirements is the greater of the 417(e) lump sum value and the lump sum value determined using 0.0% between decrement and age 65 with GATT mortality.

Employees

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

Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Methods

Valuation date

First day of plan year.

Funding target

Present value of accrued benefits.

Target normal cost

Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.

Actuarial value of assets

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2012 plan year.)

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Benefits not valued

We believe that we have reflected all significant Plan provisions in this valuation.

Participant data

Data on employees and former employees were supplied by the employer and its vendors to allow Towers Watson to assist with the administration of the Plan. The provided information was combined by Towers Watson during the administrative process and extracted as of the valuation date.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Tax policy

The actuarial valuation performed for the plan year ending December 31, 2013 is used to determine the maximum deductible contribution for the tax year ending December 31, 2013.

PBGC Premium Funding Target

The PBGC Premium Funding Target was determined using the alternative method.

Nature of actuarial calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations. Certain percentages determined in this report, such as the Funding Target Attainment Percentage, are truncated to be consistent with the rounding specified for Schedule SB of the Form 5500.

The assumptions selected for this valuation other than those prescribed by law, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. It is beyond the scope of this actuarial valuation to analyze the potential range of future pension contributions, but we can do so upon request.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Changes in assumptions and methods since last actuarial valuation

- The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.
- The assumed plan-related expenses added to the target normal cost were changed from \$11,000,000 for 2012 to \$10,300,000 for 2013.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

Form 5500 <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB Nos: 1210 - 0110 1210 - 0089</small> <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2013</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning		01/01/2013	and ending	12/31/2013
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A This return/report is for:

☐ a multiemployer plan;	☐ a multiple-employer plan; or
☒ a single-employer plan;	☐ a DFE (specify) _____

B This return/report is:

☐ the first return/report;	☐ the final return/report;
☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here ☒

D Check box if filing under:

☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
☐ special extension (enter description) _____		

Part II Basic Plan Information - enter all requested information

1a Name of plan QWEST PENSION PLAN	<table style="width: 100%;"> <tr> <td style="width: 60%;">1b Three-digit plan number (PN) ►</td> <td style="width: 40%; text-align: center;">005</td> </tr> <tr> <td colspan="2">1c Effective date of plan 01/01/1984</td> </tr> </table>	1b Three-digit plan number (PN) ►	005	1c Effective date of plan 01/01/1984	
1b Three-digit plan number (PN) ►	005				
1c Effective date of plan 01/01/1984					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) QWEST COMMUNICATIONS INTERNATIONAL INC. CENTURYLINK - FINANCE DEPT. 2NE700 100 CENTURYLINK DRIVE MONROE LA 71203	<table style="width: 100%;"> <tr> <td>2b Employer Identification Number (EIN) 84-1339282</td> </tr> <tr> <td>2c Sponsor's telephone number (318) 388-9000</td> </tr> <tr> <td>2d Business code (see instructions) 517000</td> </tr> </table>	2b Employer Identification Number (EIN) 84-1339282	2c Sponsor's telephone number (318) 388-9000	2d Business code (see instructions) 517000	
2b Employer Identification Number (EIN) 84-1339282					
2c Sponsor's telephone number (318) 388-9000					
2d Business code (see instructions) 517000					

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

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

SIGN HERE		10/14/2014	
	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)			Preparer's telephone number (optional)

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

Form 5500 (2013)
v. 130118

**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

Qwest Pension Plan

B Three-digit
plan number (PN) ▶

005

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

Qwest Communications Int'l Inc.

D Employer Identification Number (EIN)

84-1339282

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 1 Day 1 Year 2013**2** Assets:**a** Market value **2a** 8,367,970,960**b** Actuarial value **2b** 7,998,664,639**3** Funding target/participant count breakdown:**a** For retired participants and beneficiaries receiving payment **3a** 41,448 **(1) Number of participants** **(2) Funding Target** 4,989,278,435**b** For terminated vested participants **3b** 18,886 547,691,466**c** For active participants:**(1)** Non-vested benefits **3c(1)** 87,105,086**(2)** Vested benefits **3c(2)** 1,863,916,778**(3)** Total active **3c(3)** 21,160 1,951,021,864**d** Total **3d** 81,494 7,487,991,765**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** 6.23 %**6** Target normal cost **6** 50,394,001**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**

Craig Pedersen

Signature of actuary

Craig Pedersen

Type or print name of actuary

Towers Watson Delaware Inc.

Firm name

555 17th Street Suite 2050

Denver

CO 80202

Address of the firm

9/18/14

Date

14-07142

Most recent enrollment number

(303) 391-1200

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2013
v. 130118

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)	7,927,539	122,650,204
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)	7,927,539	122,650,204
10 Interest on line 9 using prior year's actual return of <u>13.31</u> %	1,055,155	16,324,742
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 <u>6.92</u> % except as otherwise provided (see instructions)		
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)	8,982,694	138,974,946

Part III Funding Percentages

14 Funding target attainment percentage	14	104.84 %
15 Adjusted funding target attainment percentage	15	106.81 %
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	105.85 %
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 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: 4.94 %	2nd segment: 6.15 %	3rd segment: 6.76 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 57
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	50,394,001
b Excess assets, if applicable, but not greater than line 31a		31b	50,394,001
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
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	
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 SB ATTACHMENTS

Statement by Enrolled Actuary

Plan Sponsor	Qwest Communications International Inc.
EIN/PN	84-1339282/005
Plan Name	Qwest Pension Plan
Valuation Date	January 1, 2013
Enrolled Actuary	Craig Pedersen
Enrollment Number	14-07142

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.

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

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

Plan Name:	Qwest Pension Plan
EIN / PN:	84-1339282 / 005
Plan Sponsor:	Qwest Communications International Inc.
Valuation Date:	January 1, 2013

SCHEDULE SB ATTACHMENTS (cont.)

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2013

Plan Sponsor: Qwest Communications International, Inc.

EIN: 84-1339282

Plan Number: 005

Plan Name: Qwest Pension Plan

The average retirement age for Line 22 was calculated by creating a hypothetical life table for a hire between ages 20 and 25 with retirement as the only decrement, and then computing the average retirement age for the table.

x	q_x^r	l_x	${}_{x-50}p_{50} = l_x / l_{50}$	$q_x^r * l_x / l_{50}$	$x * q_x^r * l_x / l_{50}$
50	0.100	1,000,000	1.000000	0.100000	5.000000
51	0.100	900,000	0.900000	0.090000	4.590000
52	0.100	810,000	0.810000	0.081000	4.212000
53	0.100	729,000	0.729000	0.072900	3.863700
54	0.100	656,100	0.656100	0.065610	3.542940
55	0.100	590,490	0.590490	0.059049	3.247695
56	0.110	531,441	0.531441	0.058459	3.273677
57	0.120	472,982	0.472982	0.056758	3.235200
58	0.130	416,225	0.416225	0.054109	3.138333
59	0.150	362,115	0.362115	0.054317	3.204721
60	0.190	307,798	0.307798	0.058482	3.508898
61	0.240	249,316	0.249316	0.059836	3.649993
62	0.275	189,481	0.189481	0.052107	3.230643
63	0.300	137,373	0.137373	0.041212	2.596357
64	0.325	96,161	0.096161	0.031252	2.000156
65	0.350	64,909	0.064909	0.022718	1.476678
66	0.375	42,191	0.042191	0.015822	1.044222
67	0.400	26,369	0.026369	0.010548	0.706696
68	0.425	15,822	0.015822	0.006724	0.457243
69	0.450	9,097	0.009097	0.004094	0.282474
70	1.000	5,004	0.005004	0.005004	0.350250

Average age at retirement 56.611875

Rounded for Schedule B item 22 57

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

Economic Assumptions

Interest rate basis:

- Applicable month **September**
- Yield curve basis **3-Segment Rates**

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
● First segment rate	4.94%	1.75%
● Second segment rate	6.15%	4.62%
● Third segment rate	6.76%	5.72%
● Effective interest rate	6.23%	N/A

Annual rates of increase

- Compensation: **3.25%**
- Future Social Security wage bases **3.00%**

Assumed cost of living adjustments

None.

Band increases (occupational only)

None.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Demographic Assumptions

Inclusion date

The valuation date coincident with or next following the date on which the employee reaches one year of service.

New or rehired employees

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

Mortality

Healthy/Disabled Separate rates for non-annuitants based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2028 using Scale AA and annuitants based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2020 using Scale AA.

Termination rates

Representative ultimate termination rates not due to disability, retirement or mortality

Attained Age	Percentage leaving during the year			
	Management		Occupational	
	Male	Females	Males	Females
20	10.00%	10.00%	6.00%	10.00%
25	10.00%	10.00%	6.00%	10.00%
30	10.00%	10.00%	6.00%	10.00%
35	10.00%	10.00%	6.00%	10.00%
40	8.50%	8.50%	6.00%	8.50%
45	7.00%	7.00%	6.00%	7.00%
50	6.00%	6.00%	6.00%	6.00%
55	6.00%	6.00%	6.00%	6.00%
60	6.00%	6.00%	6.00%	6.00%

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Disability rates

The rates at which participants become disabled by age and gender are shown below:

Percentage becoming disabled during the year		
Age	Males	Females
20	0.03%	0.11%
25	0.03%	0.11%
30	0.03%	0.11%
35	0.03%	0.14%
40	0.04%	0.21%
45	0.09%	0.36%
50	0.27%	0.62%
55	0.64%	0.92%
60	2.02%	1.25%

Retirement rates

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age and gender are shown below.

Percentage retiring during the year		
Age	Males	Females
50	10.0%	10.0%
55	10.0%	10.0%
60	19.0%	19.0%
65	35.0%	35.0%
70	100.0%	100.0%

Form of payment

Service Pension Eligible Occupational employees are assumed to elect a lump sum 50% of the time and a life annuity 50% of the time. Service Pension Eligible Management employees are assumed to elect a lump sum 70% of the time and a life annuity 30% of the time. All other employees are assumed to elect a lump sum 80% of the time and a life annuity 20% of the time.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Percent married

Percentages of participants assumed married varies by age.

Spouse age

Wife three years younger than husband.

Plan compensation

Plan compensation was frozen for management employees effective 12/31/2009.

Certain occupational sales employees have a compensation based benefit formula. The assumed compensation beginning on the valuation date for these occupational employees is based upon the prior year's rate of pay plus bonuses, commissions, differentials, and overtime.

The ABF plan earnings for the prior year are provided by CenturyLink. This generally includes salary, wages, overtime, commissions and bonuses if included in taxable income plus deferrals for 401(k) and under a cafeteria plan.

Administrative expenses

The amount included this year for plan-related expenses is \$10,300,000. This amount was provided by CenturyLink Investment Management as an estimate of 2013 expenses for non-Trust related services based on 2012 experience and was adjusted for expected PBGC premiums for 2013.

Actuarial Equivalence for Lump Sums

The prescribed actuarial equivalence is used for lump sum payments subject to 417(e). The subsidized lump sum for Service Pension Eligible retirements is the greater of the 417(e) lump sum value and the lump sum value determined using 0.0% between decrement and age 65 with GATT mortality.

Employees

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

Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Plan Name: Qwest Pension Plan
EIN / PN: 84-1339282 / 005
Plan Sponsor: Qwest Communications International Inc.
Valuation Date: January 1, 2013

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Methods

Valuation date

First day of plan year.

Funding target

Present value of accrued benefits.

Target normal cost

Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.

Actuarial value of assets

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2012 plan year.)

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Benefits not valued

We believe that we have reflected all significant Plan provisions in this valuation.

Participant data

Data on employees and former employees were supplied by the employer and its vendors to allow Towers Watson to assist with the administration of the Plan. The provided information was combined by Towers Watson during the administrative process and extracted as of the valuation date.

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SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Tax policy

The actuarial valuation performed for the plan year ending December 31, 2013 is used to determine the maximum deductible contribution for the tax year ending December 31, 2013.

PBGC Premium Funding Target

The PBGC Premium Funding Target was determined using the alternative method.

Nature of actuarial calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations. Certain percentages determined in this report, such as the Funding Target Attainment Percentage, are truncated to be consistent with the rounding specified for Schedule SB of the Form 5500.

The assumptions selected for this valuation other than those prescribed by law, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. It is beyond the scope of this actuarial valuation to analyze the potential range of future pension contributions, but we can do so upon request.

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SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS (cont.)

Changes in assumptions and methods since last actuarial valuation

- The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.
- The assumed plan-related expenses added to the target normal cost were changed from \$11,000,000 for 2012 to \$10,300,000 for 2013.

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SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS

Plan sponsor

Qwest Communications International Inc.

Plan

Qwest Pension Plan

Plan year

The twelve-month period ending December 31, 2013.

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SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Section I – For Management Employees

Coverage and participation

Management employees at participating companies with at least one year of service prior to 12/31/2009.

Normal retirement benefit for protected participants

1. Eligibility: Five years of service and Protected. Employees are protected if they had 20 years of eligible service on or before 12/31/2000 or were service pension eligible by 12/31/2003. Service pension eligible is age 65 and 10 years of service or age 60 and 15 years of service or age 55 and 20 years of service or age 50 and 25 years of service or any age and 30 years of service.
2. Benefit Amount: Employees with age plus service at 1/1/1997 of 55 or more are considered Grandfathered and will receive the greater of benefits calculated under formulas A and B below. All other employees will receive the greater of the benefit accrued under Formula A as of 12/31/1996 and the benefit calculated under Formula B.

Note: Formula A produces an annual single life annuity value and Formula B produces a lump sum value. For comparison, one of the values will have to be converted to the other form.

3. Formula A Calculation
 - a. 1.25% times highest consecutive 60 months average earnings out of the last 120 months (HAE) prior to 1/1/2010 up to Social Security Covered Compensation (SSCC).
 - b. 1.5% times HAE in excess of SSCC.
 - c. The sum of (a) and (b) multiplied by service prior to 1/1/2010 up to 35 years.
 - d. (c) plus 1.25% times HAE times service prior to 1/1/2010 in excess of 35 years.

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SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

4. Formula B Calculation

- a. Annual credits are granted based on the following table for service prior to 1/1/2010:

Age	Credits
Under 30	2.0%
30-34	4.0%
35-39	6.0%
40-44	8.0%
45-49	12.0%
50-54	16.0%
55 and over	18.0%

The credits are prorated by month and provided at the highest rate applicable for that month.

- b. Sum of Annual Credits times highest five-year average earnings out of last ten years (HAE) prior to 1/1/2010 up to Social Security Taxable Wage Base.
- c. HAE in excess of 50% of Social Security Taxable Wage Base times Sum of Annual Credits times 25%
- d. Account Balance is the sum of (b) and (c).
- ### 5. Payment of Benefit if Formula A is used:
- a. Immediate Annuity – If service pension eligible, amount payable is Retirement Benefit reduced by 6% per year prior to age 55 (3% if 30 or more years of service).
- b. Deferred Annuity – Retirement Benefit payable at age 65 actuarially reduced for early commencement.
- c. Immediate Lump Sum – If service pension eligible, lump sum is actuarial equivalent of deferred annuity using subsidized factors; otherwise, lump sum is actuarial equivalent.
- ### 6. Payment of Benefit if Formula B is used:
- a. Immediate Annuity – Amount equal to actuarial equivalent of Account Balance.
- b. Deferred Annuity – Amount equal to actuarial equivalent of Account Balance.
- c. Immediate Lump Sum – Amount equal to Account Balance.

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SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Account balance formula benefit for nonprotected participants

1. Eligibility: One year of service and not Protected as defined above in the Normal Retirement Benefit description.
2. Account Balance: At the end of each year prior to 1/1/2010, an amount equal to 3% of eligible compensation is credited to the Account Balance. At the end of the following year, the Account Balance from the previous year is increased with an interest credit based on the Treasury Rate (average of 30-Year Treasury Bond rates during August through December preceding such year).
3. Vesting – Immediate if hired prior to 12/31/2008, three years if hired after 12/31/2008

Frozen benefit

1. Eligibility: One year of service and not Protected as defined above in the Normal Retirement Benefit description.
2. Benefit: Employees that are Grandfathered as defined above receive the larger of Formula A and B from Normal Retirement Benefit description, calculated with service as of December 31, 2000 and HAE as of December 31, 2009.

Employees not Grandfathered receive the larger of Formula A calculated with service and HAE as of December 31, 1996 and Formula B calculated with service as of December 31, 2000 and HAE as of December 31, 2009.

3. Payment of Benefit if Formula A is used:
 - a. Immediate Annuity – If service pension eligible, amount payable is Retirement Benefit reduced by 6% per year prior to age 55 (3% if 30 or more years of service).
 - b. Deferred Annuity – Retirement Benefit payable at age 65 actuarially reduced for early commencement.
 - c. Immediate Lump Sum – If service pension eligible, lump sum is actuarial equivalent of deferred annuity using subsidized factors; otherwise, lump sum is actuarial equivalent.
4. Payment of Benefit if Formula B is used:
 - a. Immediate Annuity – Amount equal to actuarial equivalent of Account Balance.
 - b. Deferred Annuity – Amount equal to actuarial equivalent of Account Balance.
 - c. Immediate Lump Sum – Amount equal to Account Balance.

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SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Benefit at termination due to disability

1. Eligibility: Disablement after vesting.
2. Benefit: The benefit for termination due to disability is the Normal Retirement Benefit adjusted for early commencement as of the date of termination or benefit commencement date.

Pre-retirement survivor benefit

1. Eligibility: Death after vesting.
2. Benefit Payable:

Formula A: If applicable, spouse will receive the greater of the benefit calculated under the 50% joint and survivor annuity option or 45% of the pension accrued to date payable immediately and unreduced.

Formula B: If applicable, spouse or beneficiary will receive entire account balance or an annuity that is equivalent in value to the account balance.

Account Balance Formula: If applicable, spouse or beneficiary will receive entire account balance or an annuity that is equivalent in value to the account balance.

Sickness death benefit

1. Eligibility: Death as an active employee who has a mandatory beneficiary. Must have a Term of Employment date prior to March 1, 1993.
2. Benefit Payable to Beneficiary: Lump sum payment equal to annual pay at earlier of retirement or February 28, 1993.

Normal form of benefit

For married participants, the normal form is a reduced pension annuity with 50% of the reduced amount payable to the surviving spouse upon the death of the employee. If the spouse of a service pensioner dies first, the pension is restored to its unreduced value.

For single participants, the normal form is a pension payable as a single life annuity.

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SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Changes in plan provisions since last actuarial valuation

None.

Section II – For Occupational Employees

Coverage and participation

“Bargained for” employees and other non-management employees at participating companies with at least one year of service.

Normal retirement benefit - Formula if hired prior to 1/1/2009

1. Eligibility: Age 65.
2. Benefit Amount: Sum of the pension band amount assigned to an employee times the months of service and 0.1% times average annual differential amounts in three calendar years prior to year of termination times months of service. The pension band amount depends on the job title for a covered employee.

For certain sales employees the benefit amount is the sum of the pension factor amount assigned to an employee times the months of service and 0.1% times average annual differential amounts in the three calendar years prior to year of termination times months of service. The pension factor depends on the average service compensation level for a covered employee.

3. Vesting – Five years.

Account balance formula benefit

1. Eligible Participants: Hired or rehired after 12/31/2008 or previously covered under the management plan provisions.
2. Account Balance: At the end of each year, an amount equal to 3% of eligible compensation is credited to the Account Balance. At the end of the following year, the Account Balance from the previous year is increased with an interest credit based on the Treasury Rate (average of 30-Year Treasury Bond rates during August through December preceding such year).
3. Vesting – Three years or one year for those hired prior to 1/1/2009.

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SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Service pension

1. Eligibility: Age 65 and 10 years of service or age 60 and 15 years of service or age 55 and 20 years of service or age 50 and 25 years of service or any age with 30 years of service.
2. Pension Benefit: Normal retirement benefit reduced by 6.0% for each year retirement precedes age 55 unless the participant has 30 or more years of service.
3. Account Balance Formula: If applicable, account balance or an annuity that is equivalent in value to the balance.

Deferred vested pension

1. Eligibility: Vested in a pension benefit.
2. Pension Benefit: Normal retirement benefit actuarially reduced for early commencement.
3. Account Balance Formula: If applicable, account balance or an annuity that is equivalent in value to the balance.

Disability pension

1. Eligibility: Disablement after 15 years of service.
2. Pension Benefit: Disabilities on or after January 1, 2002 receive, in addition to their regular pension, a Disability Pension equal to the normal retirement benefit amount payable until the earlier of age 65, death or no longer disabled as defined by the disability plan.
3. Account Balance Formula: If applicable, account balance or an annuity that is equivalent in value to the balance.

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SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS (cont.)

Pre-retirement survivor benefit

1. Eligibility: Death after vesting.
2. Benefit Payable to Spouse: Greater of 1) 45% of the pension benefit accrued to date payable immediately and unreduced, or 2) the survivor benefit under a 50% joint and survivor annuity.
3. Benefit Payable to Non-Spouse: The survivor benefit under a 50% joint and survivor annuity.
4. Account Balance Formula: If applicable, spouse or beneficiary will receive entire account balance or an annuity that is equivalent in value to the account balance.

Sickness death benefit and accidental death benefit

1. Eligibility: Death as an active employee who has a mandatory beneficiary. Must have a Term of Employment date prior to March 1, 1993.
2. Benefit Payable to Beneficiary: Lump sum payment equal to annual pay at earlier of retirement or February 28, 1993.

Normal form of benefit

For married participants, the normal form is a reduced pension annuity with 50% of the reduced amount payable to the surviving spouse upon the death of the employee. If the spouse of a service pensioner dies first, the pension is restored to its unreduced value.

For single participants, the normal form is a pension payable as a single life annuity.

Changes in plan provisions since last actuarial valuation

None.

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SCHEDULE SB ATTACHMENTS (cont.)

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2013

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	2		87	35,037	6		0		0		0		0		0		0		0	
25 - 29	7		255	46,820	84	50,843	0		0		0		0		0		0		0	
30 - 34	7		344	57,373	384	65,118	362	75,221	18		0		0		0		0		0	
35 - 39	18		385	71,779	834	78,720	1,317	79,354	224	77,767	3		0		0		0		0	
40 - 44	28	80,019	390	80,087	816	91,076	1,563	83,901	380	80,483	134	75,935	6		0		0		0	
45 - 49	17		275	84,411	609	94,560	1,117	85,543	352	82,175	256	83,424	99	78,559	29	69,396	0		0	
50 - 54	11		244	80,725	531	95,211	948	82,966	367	82,608	328	84,709	426	89,172	1,042	76,244	64	71,763	0	
55 - 59	32	68,147	258	80,862	376	86,346	648	83,616	239	80,759	198	83,359	289	90,564	1,199	81,071	783	79,855	66	74,767
60 - 64	31	70,777	224	76,386	273	87,575	294	80,783	134	77,297	111	84,137	106	92,141	310	81,506	525	83,628	293	76,713
65 - 69	9		60	68,677	64	78,745	67	87,129	20	76,812	17		7		27	83,427	42	84,617	59	85,640
70 & Over	0		1		8		13		3		0		1		3		0		1	

Plan Name: Qwest Pension Plan
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Valuation Date: January 1, 2013

SCHEDULE SB ATTACHMENTS (cont.)

Schedule SB, Line 26

Schedule of Active Participant Data for Cash Balance Plans as of January 1, 2013

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.	No.	Avg. Bal.
Under 25	2		76	1,952	0		0		0		0		0		0		0		0	
25 – 29	7		211	3,146	2		0		0		0		0		0		0		0	
30 – 34	7		311	4,710	183	13,174	60	17,342	0		0		0		0		0		0	
35 - 39	17		353	7,174	600	19,776	464	22,614	20	16,632	0		0		0		0		0	
40 - 44	27	9,466	359	8,775	627	25,345	673	26,676	99	23,465	30	21,546	0		0		0		0	
45 - 49	15		252	10,459	489	27,410	485	29,179	89	30,828	91	29,734	31	29,229	0		0		0	
50 - 54	11		221	9,497	407	28,816	409	28,971	102	32,442	133	31,636	205	30,385	1		0		0	
55 - 59	28	8,356	234	8,481	233	25,965	275	29,957	74	29,800	89	31,157	140	31,447	6		3		0	
60 - 64	29	6,153	200	8,045	164	27,055	127	28,197	33	31,575	52	30,718	53	33,164	2		2		0	
65 - 69	9		51	7,345	35	23,779	50	30,817	7		12		3		0		0		1	
70 & Over	0		0		1		2		1		0		0		0		0		0	

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