

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☒ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); 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>UPMC BASIC RETIREMENT 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>333</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1974</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>333</u>	1c Effective date of plan <u>01/01/1974</u>	
1b Three-digit plan number (PN) ▶	<u>333</u>				
1c Effective date of plan <u>01/01/1974</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>UPMC</u> <u>USS TOWER, 56TH FLOOR, 600 GRANT ST</u> <u>PITTSBURGH, PA 15219</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>25-1423657</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>412-647-7905</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>622000</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>25-1423657</u>	2c Plan Sponsor's telephone number <u>412-647-7905</u>	2d Business code (see instructions) <u>622000</u>	
2b Employer Identification Number (EIN) <u>25-1423657</u>					
2c Plan Sponsor's telephone number <u>412-647-7905</u>					
2d Business code (see instructions) <u>622000</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.	10/08/2015	MICHAEL P. HURLEY
	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		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:		4b EIN	
a Sponsor's name		4c PN	
5 Total number of participants at the beginning of the plan year		5	60956
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	46906
a(2) Total number of active participants at the end of the plan year		6a(2)	45474
b Retired or separated participants receiving benefits		6b	5326
c Other retired or separated participants entitled to future benefits.....		6c	10629
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	61429
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	405
f Total. Add lines 6d and 6e		6f	61834
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	1435
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 1C			
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)		9b Plan benefit arrangement (check all that apply)	
(1)	☐	(1)	☐
Insurance		Insurance	
(2)	☐	(2)	☐
Code section 412(e)(3) insurance contracts		Code section 412(e)(3) insurance contracts	
(3)	☒	(3)	☒
Trust		Trust	
(4)	☐	(4)	☐
General assets of the sponsor		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		b General Schedules	
(1)	☒ R (Retirement Plan Information)	(1)	☒ H (Financial Information)
(2)	☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2)	☐ I (Financial Information – Small Plan)
(3)	☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3)	☐ A (Insurance Information)
		(4)	☒ C (Service Provider Information)
		(5)	☒ D (DFE/Participating Plan Information)
		(6)	☐ G (Financial Transaction Schedules)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ **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>UPMC BASIC RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>333</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>UPMC</u>	D Employer Identification Number (EIN) <u>25-1423657</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>2014</u>	
2 Assets:	
a Market value	2a <u>1333464297</u>
b Actuarial value	2b <u>1262399111</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants <u>4532</u> (2) Vested Funding Target <u>180636932</u> (3) Total Funding Target <u>180636932</u>
b For terminated vested participants.....	<u>9518</u> <u>164516329</u> <u>164516329</u>
c For active participants.....	<u>46906</u> <u>740179333</u> <u>763477988</u>
d Total.....	<u>60956</u> <u>1085332594</u> <u>1108631249</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>6.41</u> %
6 Target normal cost	6 <u>84944508</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>09/30/2015</u>
Signature of actuary		Date
<u>JASON M. BRAVO</u>		<u>14-05569</u>
Type or print name of actuary		Most recent enrollment number
<u>HEWITT ASSOCIATES LLC</u>		<u>216-573-9700</u>
Firm name		Telephone number (including area code)
<u>5005 ROCKSIDE ROAD, SUITE 1000</u> <u>INDEPENDENCE, OH 44131-6828</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) 2014
v. 140124

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)	6722695	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	6722695	0
10 Interest on line 9 using prior year's actual return of <u>14.56</u> %	978824	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		61786392
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.24</u> %		3855471
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		65641863
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	7701519	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	113.17 %
15 Adjusted funding target attainment percentage	15	113.87 %
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	111.67 %
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
09/15/2015	89000000				
			Totals ▶	18(b)	89000000
				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	80058780
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: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....		31a	84944508
b Excess assets, if applicable, but not greater than line 31a		31b	84944508
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment.....		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..		34	0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	80058780
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	80058780
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

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

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years		43	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan UPMC BASIC RETIREMENT PLAN	B Three-digit plan number (PN) ▶	333
C Plan sponsor's name as shown on line 2a of Form 5500 UPMC	D Employer Identification Number (EIN) 25-1423657	

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
HEWITT FINANCIAL SERVICES LLC

36-3943169

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

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

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

HEWITT ASSOCIATES LLC

36-2235791

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15	RECORDKEEPER	2527356	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BANK OF NEW YORK MELLON, N.A.

25-0659306

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	TRUSTEE	127089	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

ERNST & YOUNG, LLP

34-6565596

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITOR	84830	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

UPMC

25-1423657

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
14	PLAN ADMINISTRATOR	84203	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BUCHANAN INGERSOLL & ROONEY

25-1698000

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	LEGAL	35715	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

TOWER WATSON

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
70	CONSULTANT	20001	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE 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.	OMB No. 1210-0110 <hr/> 2014 <hr/> This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>UPMC BASIC RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>333</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>UPMC</u>	D Employer Identification Number (EIN) <u>25-1423657</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
---------------	--

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

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

c EIN-PN <u>25-1423657-999</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1542218709</u>
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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)
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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):

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**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> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>UPMC BASIC RETIREMENT PLAN</u>		B Three-digit plan number (PN) ▶ <u>333</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>UPMC</u>		D Employer Identification Number (EIN) <u>25-1423657</u>

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	68500000	89000000
	(2) Participant contributions.....	1b(2)		
	(3) Other.....	1b(3)	588924	
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)	1269918440	1542218709
	(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)		

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	1339007364	1631218709

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	797258	1331811
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	797258	1331811

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1338210106	1629886898
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	89000000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		89000000

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)		0

(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)		0

(3) Rents	2b(3)		
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(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)		0

(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)		0

		(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)		72802902
(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		161802902

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	90521341	
(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)		90521341
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)	325784	
(2) Contract administrator fees.....	2i(2)	2469208	
(3) Investment advisory and management fees.....	2i(3)	5033729	
(4) Other.....	2i(4)	2921303	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		10750024
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		101271365

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		60531537
l Transfers of assets:			
(1) To this plan.....	2l(1)		231145255
(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: ERNST & YOUNG, LLP

(2) EIN: 34-6565596

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	
4c			
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	
4d			
e Was this plan covered by a fidelity bond?	X		5000000
4e			
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	
4f			
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	
4g			
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	
4h			
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	
4i			
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	
4j			
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	
4k			
l Has the plan failed to provide any benefit when due under the plan?		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>UPMC BASIC RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>333</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>UPMC</u>	D Employer Identification Number (EIN) <u>25-1423657</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>25-1926855</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>3502</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
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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
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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.
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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: 38% Investment-Grade Debt: 10% High-Yield Debt: 1% Real Estate: 2% Other: 49%

- 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):

FINANCIAL STATEMENTS

UPMC Basic Retirement Plan
Years Ended December 31, 2014 and 2013
With Report of Independent Auditors

Ernst & Young LLP



Building a better
working world

UPMC Basic Retirement Plan

Financial Statements

Years Ended December 31, 2014 and 2013

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Report of Independent Auditors

The Plan Sponsor
UPMC Basic Retirement Plan
Pittsburgh, Pennsylvania

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the UPMC Basic Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, 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 conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified investment information described in Note 4, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the entity that certified the investment information meets the requirements of 29 CFR 2520.103-8. The plan administrator has obtained certifications as of December 31, 2014 and 2013, and for the years then ended, stating that the investment information provided to the plan administrator is complete and accurate.

Disclaimer of Opinion on Financial Statements

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.

Report on Compliance of Form and Content With Department of Labor's Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the certified investment information, have been audited by us in accordance with auditing standards generally accepted in the United States 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.

Ernst & Young LLP

October 7, 2015

UPMC Basic Retirement Plan

Statements of Net Assets Available for Benefits

	December 31	
	2014	2013
Assets		
Investments, at fair value:		
Interest in Master Trust	<u>\$ 1,542,218,709</u>	<u>\$ 1,269,918,440</u>
	1,542,218,709	1,269,918,440
Employer contribution receivable	89,000,000	68,500,000
Receivable	—	588,924
Total assets	<u>1,631,218,709</u>	<u>1,339,007,364</u>
Liabilities		
Accrued administrative expenses	1,331,811	797,258
Net assets available for benefits	<u>\$ 1,629,886,898</u>	<u>\$ 1,338,210,106</u>

See accompanying notes.

UPMC Basic Retirement Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2014	2013
Additions		
Investment income:		
Net appreciation in fair value and interest and dividend income from interest in Master Trust	\$ 72,802,902	\$ 162,186,416
Contributions:		
Employer contributions	89,000,000	68,500,000
Total additions	<u>161,802,902</u>	<u>230,686,416</u>
Deductions		
Benefits paid	90,521,341	81,862,073
Administrative expenses	10,750,024	10,180,408
Total deductions	<u>101,271,365</u>	<u>92,042,481</u>
Net increase	60,531,537	138,643,935
Transfers:		
Transfer from other qualified plan	<u>231,145,255</u>	—
Net assets available for benefits at:		
Beginning of year	1,338,210,106	1,199,566,171
End of year	<u>\$ 1,629,886,898</u>	<u>\$ 1,338,210,106</u>

See accompanying notes.

UPMC Basic Retirement Plan

Notes to Financial Statements

December 31, 2014 and 2013

1. Description of the Plan

General

The UPMC Basic Retirement Plan (the Plan) is a noncontributory defined benefit plan covering eligible active employees of UPMC (Plan Sponsor) and its subsidiary corporations and affiliates under the Urban and Community Plan Designs, as outlined in the plan document. All active employees may participate after meeting eligibility requirements as outlined in the plan document.

Periodically, defined benefit plans of UPMC's subsidiary corporations merge with and into the Plan, and the pension plan assets of the subsidiary's defined benefit pension plans are transferred into the Plan.

Benefits

The benefit formula (Cash Balance Formula) is based on age, years of benefit service, annual salary, and certain other factors.

- The Urban Plan Design annual retirement credits range from 2.5% to 5.0% of eligible pay based on age and benefit service.
- The Community Plan Design annual retirement credits range from 3.5% to 6.0% of eligible pay based on age and benefit service.

When a UPMC subsidiary corporation or affiliate adopts the Plan, each active participant's accrued benefit, if any, is converted to a lump-sum present value representing a notional opening balance that will accrue daily interest based on the 30-year treasury bond rate which is compounded on a quarterly basis plus retirement credits as discussed above. Certain transition credits were granted to active participants who met specific age and service criteria. The transition credits offered, if any, were dependent upon the entity's prior defined benefit plan in effect at the time of the conversion date. The age and service points used to determine eligibility for transition credits is measured as of December 31 or, in some instances, the day which precedes the Cash Balance Formula conversion date. The Cash Balance Formula will provide annual retirement credits based on each eligible participant's age and years of benefit service for all participating employers. Under either scenario, the Cash Balance Formula age and service (if applicable) "points" are determined as of December 31 of the preceding calendar year.

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

The accrued benefit is the benefit produced by the Cash Balance accumulation, but no less than the accrued benefit earned under any prior plan in effect prior to the introduction of the Cash Balance Plan.

Funding

For the plan year ended December 31, 2014, there was an Employee Retirement Income Security Act of 1974 (ERISA) minimum funding requirement due in the amount of \$0; however, UPMC elected to make a total contribution of \$89,000,000 for the plan year ended December 31, 2014, exceeding the ERISA minimum funding requirement, to maintain the Plan at the appropriate level to avoid paying Pension Benefit Guaranty Corporation variable rate premiums.

For the plan year ended December 31, 2013, there was an Employee Retirement Income Security Act of 1974 (ERISA) minimum funding requirement due in the amount of \$0; however, UPMC elected to make a total contribution of \$68,500,000 for the plan year ended December 31, 2013, exceeding the ERISA minimum funding requirement, to maintain the Plan at the appropriate level to avoid paying Pension Benefit Guaranty Corporation variable rate premiums.

Plan Termination

Should the Plan terminate at some future time, its net assets will generally not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC) at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guarantee, while other benefits may not be provided for at all.

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Plan Merger

Effective December 31, 2014, the Retirement Plan for Employees of Altoona Regional Health System was merged into the Plan. The net assets transferred to the Plan are reflected on the statement of changes in net assets available for benefits as a transfer from other qualified plan.

The above brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan Document for complete information about the Plan, the vesting and benefit provisions, the allocation of the Plan's assets in the event the Plan terminates, and the PBGC's benefit guarantee. Summary information is contained in the Summary Plan Descriptions that are available from the UPMC Retirement Line or online through UPMC's internal website.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Plan reports its financial statements on the accrual method of accounting.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Administrative Expenses

All administrative expenses are paid by the Plan, which includes trustee's fees, actuary's fees, and other pension plan related fees.

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

Management evaluated subsequent events for the Plan through October 7, 2015, the date the financial statements were available to be issued.

Investment Valuation and Income Recognition

The Plan's investments, which are held in the UPMC Master Trust (Master Trust), are stated 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 market participants at the measurement date (an exit price). See Note 5 for further discussion of fair value measurements.

The interest in Master Trust includes investments in partnership interests, representing investments in hedge funds approximating \$243,306,028 and \$209,466,286 and venture capital funds approximating \$401,900,603 and \$388,271,755 as of December 31, 2014 and 2013, respectively. As of December 31, 2014, UPMC has outstanding commitments to invest up to \$154,993,526 in private capital funds from the Master Trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

New Accounting Pronouncements

In May 2015, the FASB issued Accounting Standards Update 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent)*, (ASU 2015-07). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, *Fair Value Measurement*. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value practical expedient. ASU 2015-07 is effective for entities (other than public business entities) for fiscal years beginning after December 15, 2016, with retrospective application to all periods presented. Early application is permitted. Management is currently evaluating the effect that the provisions of ASU 2015-07 will have on the Plan's financial statements.

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of the ASU eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III of the ASU allows a plan with a fiscal year end that doesn't coincide with the end of a calendar month to measure its investments and investment-related accounts using the month end closest to its fiscal year end. The ASU is effective for fiscal years beginning after December 15, 2015. Parts I and II are to be applied retrospectively. Part III is to be applied prospectively. Plans can early adopt any of the ASU's three parts without early adopting the other parts. Management is currently evaluating the effect that the provisions of Part II of ASU 2015-12 will have on the Plan's financial statements. Part I and Part III are not applicable to the Plan.

3. Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to services rendered by the participants to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated participants or their beneficiaries, (b) beneficiaries of employees who have died, and (c) active participants or their beneficiaries. Benefits for retired or terminated participants or beneficiaries are based on plan provisions in effect at the time when the participants terminated service. The accumulated plan benefits for active participants are based on their compensation and credited service for the period preceding the valuation date. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included in the calculation of the accumulated plan benefits to the extent they are deemed attributable to employee service rendered to the valuation date.

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

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

The accumulated plan benefit information is determined by the Plan's actuary as of the beginning of the plan year. The actuarial present value of accumulated plan benefits as of the end of the previous plan year is as follows:

	December 31, 2013
Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving payments	\$ 170,858,536
Vested benefits for other participants	747,927,377
Total vested benefits	918,785,913
Nonvested benefits	23,993,499
Total actuarial present value of accumulated plan benefits	<u>\$ 942,779,412</u>

The change in the actuarial present value of accumulated plan benefits is as follows:

Actuarial present value of accumulated plan benefits as of beginning of year January 1, 2013	\$ 895,548,826
Increase (decrease) during the year attributed to:	
Interest accumulation	68,027,159
Benefits accumulated	42,519,631
Assumption change	18,545,869
Benefits paid	(81,862,073)
Net increase	47,230,586
Actuarial present value of accumulated plan benefits as of end of year December 31, 2013	<u>\$ 942,779,412</u>

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

Significant assumptions underlying the actuarial computations are:

Assumed rate of return on investment	8%
Mortality basis	Healthy: RP-2014 Generational table projected with scale MP-2014 for healthy lives Disabled: RP-2014 Generational table projected with scale MP-2014 for disabled lives
Retirement rate	Retirement at varying percentages for the ages of 55 through 69 with 100% of participants assumed to retire by age 70

The Society of Actuaries issued new mortality tables and a new mortality improvement scale in October 2014 that reflect the fact that people are living longer than previous tables had predicted. The mortality tables used by the Plan were changed accordingly.

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The actuary estimated the accumulated plan benefits as of January 1, 2014. There were no significant changes to the Plan that would have changed the valuation had it been performed as of December 31, 2013. The accumulated plan benefits information presented herein does not include the effects of the merger of the Retirement Plan for Employees of Altoona Regional Health System into the Plan (see Note 1) subsequent to January 1, 2014. The actuarial present value of accumulated plan benefits for the Retirement Plan for Employees of Altoona Regional Health System at July 1, 2014 (most current valuation available) was approximately \$205,000,000.

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

4. Investments

All investment information, other than the fair value of the limited partnership interests and related net appreciation, disclosed in the accompanying financial statements, including investments held at December 31, 2014 and 2013, and net appreciation in fair value and interest and dividend income from interest in the Master Trust for the years ended December 31, 2014 and 2013, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the trustee, The Bank of New York Mellon/BNY Mellon, N.A. The Plan Sponsor recorded the fair value of the partnership interests using valuations obtained directly from the partnerships through December 31, 2014 and 2013, in the accompanying financial statements.

The Plan's investments are held in the Master Trust, which was established for the investment of assets of the Plan and another UPMC-sponsored retirement plan. Each participating retirement plan has an undivided interest in the Master Trust. The Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified and by allocating among all plans, in proportion to each plan's beneficial interest in the Master Trust, income and expenses resulting from the collective investment of the assets of the Master Trust. At December 31, 2014 and 2013, the Plan's interest in the net assets of the Master Trust was approximately 96% for each year.

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

4. Investments (continued)

The following table presents the net assets, including investments, of the Master Trust:

	December 31	
	2014	2013
Master Trust investments, at fair value:		
(Certified by trustee):		
Cash	\$ 11,298,551	\$ 2,097,016
U.S. government securities	11,608,452	3,965,483
Asset and mortgage-backed securities	10,284,507	6,250,942
Corporate debt instruments	15,338,563	13,212,082
Corporate stocks	133,767,345	108,361,736
Interest in common/collective trust funds	74,018,262	58,967,210
Interest in registered investment companies	578,493,443	471,472,785
Exchange-traded funds (ETFs)	35,061,162	18,652,547
Managed accounts:		
Asset and mortgage-backed securities	35,411,193	20,817,309
Common/collective trust fund	50,498,723	15,614,178
Money market	26	3,820,019
	955,780,227	723,231,307
(Not certified by trustee):		
Limited partnerships	645,206,631	597,738,041
	1,600,986,858	1,320,969,348
Net receivables (payables)	1,564,231	301,122
	\$ 1,602,551,089	\$ 1,321,270,470

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

4. Investments (continued)

Following is a summary of appreciation (depreciation) and interest and dividend income of the Master Trust's investments (including investments bought, sold, and held during the year):

	Year Ended December 31	
	2014	2013
Net appreciation (depreciation) in fair value of investments:		
(Certified by trustee):		
Cash	\$ (3,478)	\$ (5,496)
U.S. government securities	24,051	(57,424)
Asset and mortgage-backed securities	76,034	(79,461)
Corporate debt instruments	208,024	(434,828)
Corporate stocks	2,300,249	24,975,092
Interest in common/collective trust funds	(588,007)	(2,090,042)
Interest in registered investment companies	5,025,335	42,324,992
Exchange-traded funds (ETFs)	38,600	847,039
Managed accounts	(2,253,417)	(1,580,211)
	<u>4,827,391</u>	<u>63,899,661</u>
(Not certified by trustee):		
Limited partnerships	<u>49,641,952</u>	<u>85,877,401</u>
Net appreciation (depreciation) in fair value of Master Trust investments	54,469,343	149,777,062
Master Trust interest and dividend income	<u>28,735,211</u>	<u>19,133,482</u>
Total net appreciation (depreciation) in fair value and interest and dividend income	<u>\$ 83,204,554</u>	<u>\$ 168,910,544</u>

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

5. Fair Value Measurements

Fair value is defined under ASC 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.
- Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
 - Quoted prices for similar assets and liabilities in active markets
 - Quoted prices for identical or similar assets or liabilities in markets that are not active
 - Observable inputs other than quoted prices that are used in the valuation of the assets or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means
- Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

5. Fair Value Measurements (continued)

Following is a description of the valuation techniques and inputs used for each major class of assets in the Master Trust measured at fair value:

Cash is valued at amortized cost which approximates fair value.

Corporate stocks and ETFs are valued at the closing price reported on the active market on which the individual securities are traded.

Registered investment companies are valued based on quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year-end. The NAV is a quoted price in an active market.

U.S. government securities are valued at fair value using quoted market prices. The quoted market price is available in an active market.

Asset and mortgage-backed securities, money market and corporate debt instruments are valued at fair value, which is estimated using quoted prices of securities with similar characteristics. The quoted market prices for the specific securities are not available in an active market.

Common/collective trust funds (funds) are valued at estimated fair values, which have been determined based on the unit values of the funds. Unit values are determined by the issuer sponsoring such funds by dividing the fund's net assets at fair value by its units outstanding at the valuation dates.

Limited partnerships are valued using NAV, which approximates fair value. NAV is based on the unit values of the interests. Unit values are determined by the issuer sponsoring such interests by dividing the fund's net assets at fair value by its units outstanding at the valuation dates. The Plan Sponsor has an appointed Investment Committee that is responsible for determining the Plan's asset allocation and oversight of the investments held by the Plan. The Investment Committee meets quarterly and monitors all investment activity by reviewing fund performance of existing funds. All new limited partnership investments are authorized by the Investment Committee. The Plan Sponsor is responsible for determining the Plan's valuation policies and analyzing information that is used to determine the fair value of the limited partnerships held by the Plan. The Plan Sponsor monitors all limited partnership activity by reviewing fund performance of existing funds and performing due diligence for potential future investments. The Plan Sponsor also collects and reviews the audited financial statements of the limited partnerships and reconciles the audited values to internal accounting records annually.

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

5. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2014.

	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 223,511	\$ —	\$ —	\$ 223,511
Corporate stocks:				
U.S. Small Cap	22,506,995	—	—	22,506,995
U.S. Mid Cap	18,913,184	—	—	18,913,184
U.S. Large Cap	14,378,717	—	—	14,378,717
International Developed	42,787,996	—	—	42,787,996
International Emerging Market	12,985,800	—	—	12,985,800
U.S. REITS	22,194,653	—	—	22,194,653
Total corporate stocks	133,767,345	—	—	133,767,345
Corporate debt instruments	—	15,338,563	—	15,338,563
Asset and mortgage-backed securities	—	10,284,507	—	10,284,507
U.S. government securities – U.S. treasuries	11,608,452	—	—	11,608,452
Registered investment companies:				
Domestic index funds	160,180,713	—	—	160,180,713
Domestic fixed income funds	136,055,532	—	—	136,055,532
International developed equity fund	18,797,347	—	—	18,797,347
International equity index fund	51,986,947	—	—	51,986,947
International emerging market funds	211,472,904	—	—	211,472,904
Total registered investment companies	578,493,443	—	—	578,493,443
Common/collective trust funds ^(a)		74,018,262		74,018,262
Private equity and hedge investments:				
Limited partnerships:				
Private Real Estate ^(b)	—	—	58,100,080	58,100,080
Private Natural Resources ^(c)	—	—	41,238,509	41,238,509
Absolute Return (Hedge Funds) ^(d)	—	—	107,281,246	107,281,246
Long/Short Equity (Hedge Funds) ^(e)	—	—	136,024,781	136,024,781
Private Equity ^(f)	—	—	302,562,015	302,562,015
Total limited partnerships	—	—	645,206,631	645,206,631
Absolute Return (Managed Accounts):				
Asset and mortgage-backed securities	—	35,411,193	—	35,411,193
Common/collective trust ^(a)	—	1,842,374	—	1,842,374
Long/Short Equity (Managed Accounts):				
Money market fund	—	26	—	26
Common/collective trust ^(a)	—	48,656,349	—	48,656,349
Total Long/Short Equity (Managed Accounts)	—	48,656,375	—	48,656,375
Long/Short Equity (Cash)	11,075,040	—	—	11,075,040
Long/Short Equity (ETFs)	35,061,162	—	—	35,061,162
Total private equity and hedge investments	46,136,202	85,909,942	645,206,631	777,252,775
Total assets at fair value	\$ 770,228,953	\$ 185,551,274	\$ 645,206,631	\$ 1,600,986,858

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

5. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2013.

	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 2,097,016	\$ —	\$ —	\$ 2,097,016
Corporate stocks:				
U.S. Small Cap	34,903,542	—	—	34,903,542
U.S. Mid Cap	5,023,953	—	—	5,023,953
U.S. Large Cap	9,083,988	—	—	9,083,988
Emerging Market	2,767,669	—	—	2,767,669
International Developed	38,733,083	—	—	38,733,083
International Emerging Market	44,715	—	—	44,715
U.S. REITS	17,804,786	—	—	17,804,786
Total corporate stocks	108,361,736	—	—	108,361,736
Corporate debt instruments	—	13,212,082	—	13,212,082
Asset and mortgage-backed securities	—	6,250,942	—	6,250,942
U.S. government securities – U.S. treasuries	3,965,483	—	—	3,965,483
Registered investment companies:				
Domestic index funds	151,273,285	—	—	151,273,285
Domestic fixed income funds	94,599,277	—	—	94,599,277
International developed equity fund	38,240,353	—	—	38,240,353
International equity index fund	41,681,251	—	—	41,681,251
International emerging market funds	145,678,619	—	—	145,678,619
Total registered investment companies	471,472,785	—	—	471,472,785
Common/collective trust funds ^(a)	—	58,967,210	—	58,967,210
Private equity and hedge investments:				
Limited partnerships:				
Private Real Estate ^(b)	—	—	59,156,935	59,156,935
Private Natural Resources ^(c)	—	—	41,488,566	41,488,566
Absolute Return (Hedge Funds) ^(d)	—	—	86,189,334	86,189,334
Long/Short Equity (Hedge Funds) ^(e)	—	—	123,276,953	123,276,953
Private Equity ^(f)	—	—	301,739,913	287,626,253
Total limited partnerships	—	—	597,738,041	597,738,041
Absolute Return (Managed Accounts):				
Asset and mortgage-backed securities	—	20,817,309	—	20,817,309
Long/Short Equity (Managed Accounts):				
Money market fund	—	3,820,019	—	3,820,019
Common/collective trust ^(a)	—	15,614,178	—	15,614,178
Total Long/Short Equity (Managed Accounts)	—	19,434,197	—	19,434,197
Long/Short Equity (ETFs)	18,652,547	—	—	18,652,547
Total private equity and hedge investments	18,652,547	40,251,506	597,738,041	656,642,094
Total assets at fair value	\$ 604,549,567	\$ 118,681,740	\$ 597,738,041	\$ 1,320,969,348

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

5. Fair Value Measurements (continued)

- (a) The investment objective for these funds is to achieve long-term capital growth. One fund also seeks to achieve total return in excess of the Morgan Stanley Capital International Inc. Emerging Markets Index through investing in emerging stock markets. Liquidity provisions vary per fund, with redemptions being permitted on the valuation date with written notification at least one month prior to redemption. The valuation date varies per fund, but ranges mainly from weekly to monthly.
- (b) The investment objective of these limited partnerships is to invest in commercial real estate properties and real estate related assets. On an individual basis, these partnerships have a finite life. At December 31, 2014, it is estimated that the underlying assets of these partnerships will be liquidated over an average of eight years and there is no ability for the Plan Sponsor to redeem prior to the conclusion of the partnerships. Some of these partnerships may elect to extend their term at their discretion. The outstanding commitment to invest in these funds is up to \$23,712,562.
- (c) The investment objective of these limited partnerships is to acquire energy assets such as oil and natural gas production, oilfield services, power generation, and other natural resources-related industries that have the potential for meaningful capital appreciation. On an individual basis, these partnerships have a finite life. At December 31, 2014, it is estimated that the underlying assets of these partnerships will be liquidated over an average of nine years and there is no ability for the Plan Sponsor to redeem prior to the conclusion of the partnerships. Some of these partnerships may elect to extend their term at their discretion. The outstanding commitment to invest in these funds is up to \$25,225,311.
- (d) The investment objective for these limited partnerships is to invest with the goal of generating a positive real return without correlation to general markets. While specific liquidity provisions vary by fund, redemptions are generally permitted on a monthly or quarterly basis. While fund managers reserve the right to suspend redemptions under certain market conditions, no such conditions exist as of December 31, 2014 and through the date these financial statements were available to be issued.
- (e) The investment objective for these limited partnerships is to invest with the goal of generating a return similar to equity markets with less volatility. While specific liquidity provisions vary by fund, redemptions are generally permitted on a monthly, quarterly, or annual basis. While fund managers reserve the right to suspend redemptions under certain market conditions, no such conditions exist as of December 31, 2014 and through the date these financial statements were available to be issued.

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

5. Fair Value Measurements (continued)

- ^(f) The investment objective of these limited partnerships is to achieve long-term capital appreciation through a diversified portfolio of leveraged buyout, growth equity, venture capital, structured equity and distressed debt investment opportunities throughout the globe. On an individual basis, these partnerships have a finite life. At December 31, 2014, it is estimated that the underlying assets of these partnerships will be liquidated over an average of seven years and there is no ability for the Plan Sponsor to redeem prior to the conclusion of the partnerships. Some of these partnerships may elect to extend their term at their discretion. The outstanding commitment to invest in these funds is up to \$106,055,653.

The table below sets forth a summary of changes in the fair value of the Master Trust's Level 3 assets.

	Private Equity and Hedge Investments	
	Year Ended December 31	
	2014	2013
Balance, beginning of year	\$ 597,738,041	\$ 520,635,108
Realized gains	34,433,018	27,429,074
Unrealized gains relating to instruments still held at the reporting date	15,208,934	58,448,327
Purchases	90,315,134	83,452,661
Settlements	(92,488,496)	(92,227,129)
Balance, end of year	<u>\$ 645,206,631</u>	<u>\$ 597,738,041</u>

6. Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated May 1, 2014, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was restated and amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related Master Trust is tax-exempt.

UPMC Basic Retirement Plan

Notes to Financial Statements (continued)

6. Tax Status (continued)

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

7. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

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

8. Related-Party Transactions

Certain of the Plan's assets are invested in funds managed by the trustee of the Plan. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

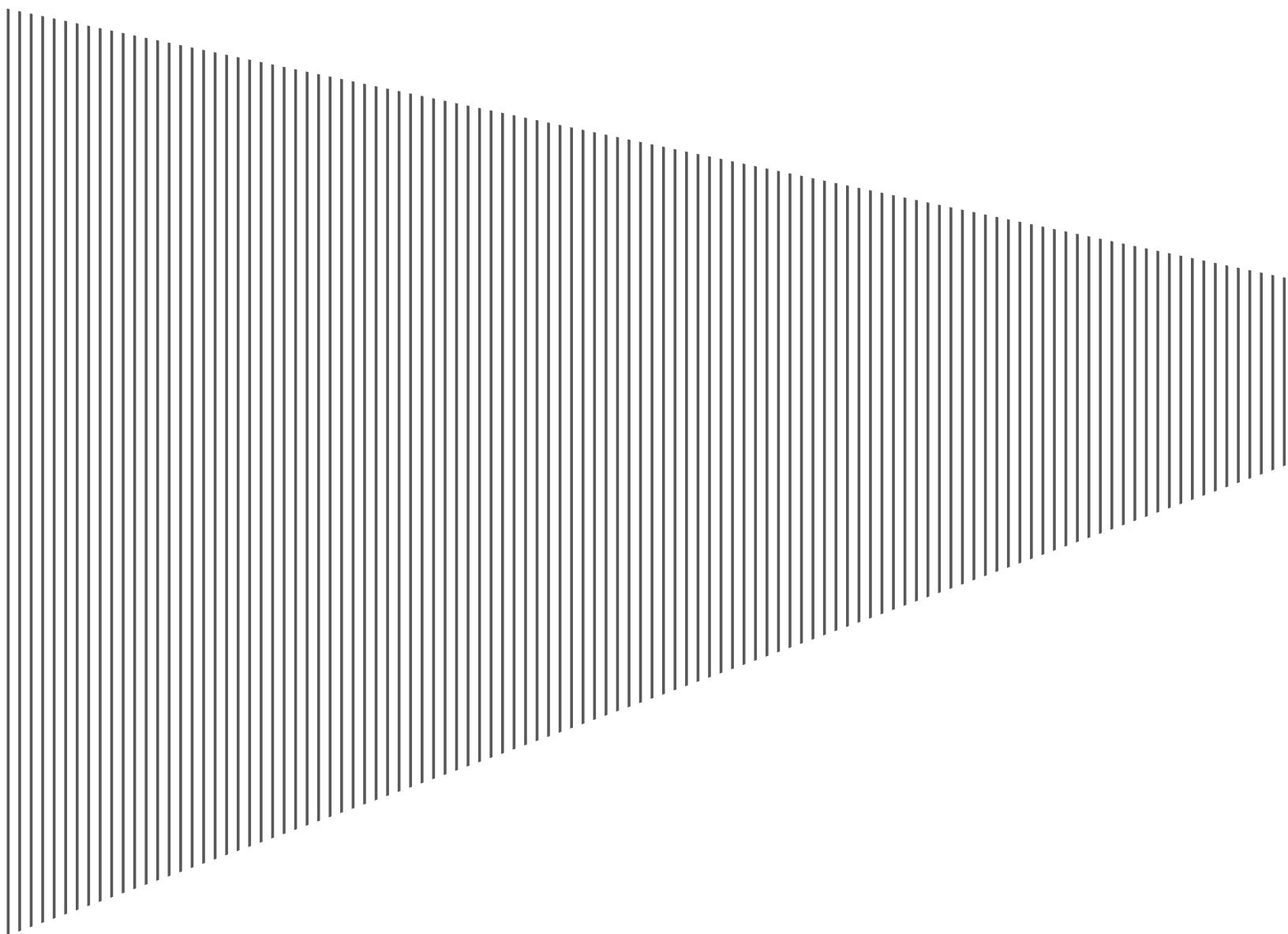
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SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer 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 <div style="border: 1px solid black; padding: 5px; display: inline-block;"> 2014 </div> This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

► **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>UPMC Basic Retirement Plan</u>	B Three-digit plan number (PN) ► <div style="border: 1px solid black; width: 100px; text-align: center; margin: 0 auto;">333</div>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>UPMC</u>	D Employer Identification Number (EIN) <u>25-1423657</u>
E Type of plan: ☐ Single ☐ Multiple-A ☒ Multiple-B	
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2014</u>			
2 Assets:			
a Market value	2a	1,333,464,297	
b Actuarial value	2b	1,262,399,111	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	4,532	180,636,932	180,636,932
b For terminated vested participants.....	9,518	164,516,329	164,516,329
c For active participants.....	46,906	740,179,333	763,477,988
d Total.....	60,956	1,085,332,594	1,108,631,249
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	6.41 %	
6 Target normal cost	6	84,944,508	

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	<div style="text-align: center;"> <u>Jason Bravo</u> Signature of actuary </div>	<div style="text-align: center;"> <u>09/30/2015</u> Date <u>14-05569</u> Most recent enrollment number <u>(216) 573-9700</u> Telephone number (including area code) </div>
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <u>Jason M. Bravo</u> Type or print name of actuary <u>Hewitt Associates LLC</u> Firm name <u>5005 Rockside Road, Suite 1000</u> Independence, OH 44131-6828 Address of the firm </div> <div style="width: 35%; text-align: right;"> 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 ☐ </div> </div>		

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)	6,722,695	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	6,722,695	0
10	Interest on line 9 using prior year's actual return of <u>14.56%</u>	978824	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		61786392
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.24%</u>		3855471
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		65641863
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	7,701,519	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	113.17 %
15	Adjusted funding target attainment percentage	15	113.87 %
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	111.67 %
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
09/15/2015	89,000,000				
Totals ▶			18(b)	89,000,000	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 80,058,780
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: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....		☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....		☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....		27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years.....	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....		31a	84,944,508
b Excess assets, if applicable, but not greater than line 31a		31b	84,944,508
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment.....	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.....		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...		34	0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	80,058,780
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	80,058,780
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

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

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years.....		43	

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
EIN: 25-1423657 PN: 333

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2014

Date	Amount	Days to Discount to 1/1/2014 at 6.41%	Interest Adjusted Contribution
September 15, 2015	\$ 89,000,000	622	\$ 80,058,780
Total Contribution	\$ 89,000,000		\$ 80,058,780

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
EIN: 25-1423657 PN: 333

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

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at beginning of year.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
55	7.50%	1.0000	4.13
56	5.00%	0.9250	2.59
57	5.00%	0.8788	2.50
58	5.00%	0.8348	2.42
59	6.00%	0.7931	2.81
60	7.00%	0.7455	3.13
61	10.00%	0.6933	4.23
62	12.00%	0.6240	4.64
63	12.00%	0.5491	4.15
64	15.00%	0.4832	4.64
65	20.00%	0.4107	5.34
66	20.00%	0.3286	4.34
67	20.00%	0.2629	3.52
68	20.00%	0.2103	2.86
69	20.00%	0.1682	2.32
70	100.00%	0.1346	9.42
Weighted Average			63.04

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
EIN: 25-1423657 PN: 333

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2013), each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA
1st Segment Rate	4.99%
2nd Segment Rate	6.32%
3rd Segment Rate	6.99%
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of September 2013), without regard to interest rate stabilization
1st Segment Rate	1.37%
2nd Segment Rate	4.05%
3rd Segment Rate	5.06%
Salary Increases	
Minimum Funding Target Normal Cost	See Table 1
Maximum Tax Expected Benefit Increase	See Table 1
Cash Balance Interest Crediting Rate	4.60% (4.00% for Lee pre-07/01/1993 design)
Cash Balance Annuity Conversion Rate	4.60%
COLA Increases	4.50% per year for eligible Lee retirees and terminated vested participants
Optional Payment Form Election Percentage	100% of retirees elect a lump sum. 50% of new terminated vested participants elect a lump sum, and 50% receive a deferred annuity.
Retirement Age	
Active Participants	See Table 2
Terminated Vested Participants	Age 62
Mortality Rates	
Healthy and Disabled	2014 static mortality table for annuitants and non- annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	See Table 3
Disability Rates	See Table 4
Decrement Timing	Beginning of year decrements

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
EIN: 25-1423657 PN: 333

Surviving Spouse Benefit	It is assumed that 85% of males and 85% of females have an eligible spouse, and that males are four years older than their spouses.
Valuation Compensation	2013 Pensionable earnings rolled forward one year with the salary increase assumption
Benefit and Compensation Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$210,000 and the IRC section 401(a)(17) compensation limit of \$260,000.
Valuation of Plan Assets	<p>Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.</p> <p>A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).</p>
Expected Return on Assets	
2012 Plan Year	8.00%, limited to 7.52%
2013 Plan Year	8.00%, limited to 6.76%
Trust Expenses Included in Target Normal Cost	\$10,300,000 based on the prior year's actual plan administrative expenses, rounded to the nearest \$100,000
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2014

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
EIN: 25-1423657 PN: 333

Table 1

Salary Merit Increase Rates

Age	Rate	Age	Rate
15	5.00%	45	4.00%
16	5.00%	46	4.00%
17	5.00%	47	4.00%
18	5.00%	48	4.00%
19	5.00%	49	4.00%
20	5.00%	50	3.50%
21	5.00%	51	3.50%
22	5.00%	52	3.50%
23	5.00%	53	3.50%
24	5.00%	54	3.50%
25	5.00%	55	3.50%
26	5.00%	56	3.50%
27	5.00%	57	3.50%
28	5.00%	58	3.50%
29	5.00%	59	3.50%
30	4.50%	60+	3.00%
31	4.50%		
32	4.50%		
33	4.50%		
34	4.50%		
35	4.50%		
36	4.50%		
37	4.50%		
38	4.50%		
39	4.50%		
40	4.00%		
41	4.00%		
42	4.00%		
43	4.00%		
44	4.00%		

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
EIN: 25-1423657 PN: 333

Table 2

Retirement Rates

<u>Age</u>	<u>Rate</u>
55	7.50%
56	5.00%
57	5.00%
58	5.00%
59	6.00%
60	7.00%
61	10.00%
62	12.00%
63	12.00%
64	15.00%
65	20.00%
66	20.00%
67	20.00%
68	20.00%
69	20.00%
70+	100.00%

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
EIN: 25-1423657 PN: 333

Table 3—Page 1 of 2

Withdrawal Rates

Age	Years of Service			
	0	1	2	3+
15	41.16%	38.07%	32.93%	20.58%
16	41.16%	38.07%	32.93%	20.58%
17	41.16%	38.07%	32.93%	20.58%
18	41.16%	38.07%	32.93%	20.58%
19	41.16%	38.07%	32.93%	20.58%
20	41.16%	38.07%	32.93%	20.58%
21	41.16%	38.07%	32.93%	20.58%
22	39.60%	36.63%	31.68%	19.80%
23	38.10%	35.24%	30.48%	19.05%
24	36.66%	33.91%	29.33%	18.33%
25	35.26%	32.62%	28.21%	17.63%
26	33.94%	31.39%	27.15%	16.97%
27	32.64%	30.19%	26.11%	16.32%
28	31.42%	29.06%	25.14%	15.71%
29	30.22%	27.95%	24.18%	15.11%
30	29.08%	26.90%	23.26%	14.54%
31	27.98%	25.88%	22.38%	13.99%
32	26.92%	24.90%	21.54%	13.46%
33	25.90%	23.96%	20.72%	12.95%
34	24.92%	23.05%	19.94%	12.46%
35	23.98%	22.18%	19.18%	11.99%
36	23.06%	21.33%	18.45%	11.53%
37	22.18%	20.52%	17.74%	11.09%
38	21.34%	19.74%	17.07%	10.67%
39	20.54%	19.00%	16.43%	10.27%
40	19.76%	18.28%	15.81%	9.88%
41	19.02%	17.59%	15.22%	9.51%
42	18.30%	16.93%	14.64%	9.15%
43	17.60%	16.28%	14.08%	8.80%
44	16.94%	15.67%	13.55%	8.47%

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
EIN: 25-1423657 PN: 333

Table 3—Page 2 of 2

Withdrawal Rates

Age	Years of Service			
	0	1	2	3+
45	16.30%	15.08%	13.04%	8.15%
46	15.68%	14.50%	12.54%	7.84%
47	15.08%	13.95%	12.06%	7.54%
48	14.50%	13.41%	11.60%	7.25%
49	13.96%	12.91%	11.17%	6.98%
50	13.44%	12.43%	10.75%	6.72%
51	12.92%	11.95%	10.34%	6.46%
52	12.44%	11.51%	9.95%	6.22%
53	11.96%	11.06%	9.57%	5.98%
54	11.50%	10.64%	9.20%	5.75%
55+	0.00%	0.00%	0.00%	0.00%

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
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Table 4

Disability Rates

Age	Male	Female	Age	Male	Female
15	0.03%	0.03%	45	0.16%	0.24%
16	0.03%	0.03%	46	0.18%	0.27%
17	0.03%	0.03%	47	0.21%	0.30%
18	0.03%	0.03%	48	0.25%	0.33%
19	0.03%	0.03%	49	0.28%	0.36%
20	0.03%	0.03%	50	0.33%	0.40%
21	0.03%	0.03%	51	0.39%	0.44%
22	0.03%	0.03%	52	0.46%	0.49%
23	0.03%	0.03%	53	0.53%	0.54%
24	0.03%	0.03%	54	0.61%	0.59%
25	0.03%	0.03%	55	0.69%	0.64%
26	0.03%	0.03%	56	0.77%	0.69%
27	0.03%	0.03%	57	0.86%	0.74%
28	0.03%	0.04%	58	0.95%	0.80%
29	0.03%	0.04%	59	1.05%	0.85%
30	0.03%	0.04%	60	1.15%	0.90%
31	0.03%	0.05%	61	1.26%	0.96%
32	0.03%	0.05%	62	1.38%	1.01%
33	0.03%	0.06%	63	1.51%	1.05%
34	0.03%	0.06%	64	1.64%	1.09%
35	0.04%	0.07%	65+	0.00%	0.00%
36	0.04%	0.08%			
37	0.05%	0.09%			
38	0.06%	0.10%			
39	0.07%	0.12%			
40	0.08%	0.13%			
41	0.09%	0.15%			
42	0.10%	0.17%			
43	0.12%	0.19%			
44	0.14%	0.22%			

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Schedule SB, Part V—Summary of Plan Provisions

UPMC—Cash Balance Groups

Eligibility

Attainment of age 21 and completion of 1,000 hours of service.

Accrued benefit

Benefits are determined through the accumulation of an account balance. The account accrues interest based on the 30-year Treasury rate, updated quarterly. Contributions are credited based on a percentage of compensation. This percentage is determined based on the following tables:

Urban Design Formula

Points (Age Plus Service at 12/31 of Prior Year)	Percentage
Less than 36	2.5%
36–49	3.0%
50–69	4.0%
70 or greater	5.0%

Community Design Formula

Points (Age Plus Service at 12/31 of Prior Year)	Percentage
Less than 36	3.5%
36–49	4.0%
50–69	5.0%
70 or greater	6.0%

Prior to July 1, 2003, contributions for University of Pittsburgh Physicians (UPP) Faculty were based on the following table:

**UPP Faculty Design Formula
(prior to July 1, 2003)**

Attained Age	Percentage
Less than 35	6.0%
35–44	7.0%
45 or greater	9.0%

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The opening account balance on the cash balance conversion date was the lump sum equivalent of the accrued benefit, if any, under any of the eligible defined benefit plans sponsored by UPMC.

Some participants are also eligible to receive additional annual contributions during a transition period beginning with cash balance conversion date.

Normal retirement benefit
Normal retirement date

Age 65.

Benefit

Determined from the cash balance account developed under the normal retirement formula as of the normal retirement date. The benefit will not be less than the value of any grandfathered benefits, if applicable.

Disability benefit
Eligibility

Total and permanent disability and qualify for Social Security disability benefits.

Benefit

Determined from the cash balance account developed under the normal retirement formula as of the date of disability. The benefit will not be less than the value of any grandfathered benefits, if applicable.

Vested termination benefit
Eligibility

Three years of service (five years of service prior to January 1, 2008).

Benefit

Determined from the cash balance account developed under the normal retirement formula as of the termination date. The benefit will not be less than the value of any grandfathered benefits, if applicable.

Preretirement surviving spouse benefit
Eligibility

All active participants and deferred vested participants.

Benefit

A monthly benefit equal to the actuarial equivalent of 100% of the participant's cash balance account, payable as an annuity for the life of the spouse. The benefit will not be less than the value of any grandfathered benefits, if applicable.

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Late retirement

Eligibility

Retirement after age 65.

Benefit

Determined from the cash balance account developed under the normal retirement formula as of the late retirement date. The benefit will not be less than the value of any grandfathered benefits, if applicable.

Form of payment

Life annuity for single participants. Actuarial equivalent 50% joint and survivor annuity for married participants. Participant may also elect several optional forms of payment, including receipt of the cash balance account as a single lump sum, 50%, 66-2/3%, 75%, and 100% contingent annuitant options; 36-, 60-, 120-, 180-, and 240-month certain and continuous options; an age 62 Social Security adjustment option, an immediate single life annuity, a full cash refund annuity, and a 10-year certain only annuity.

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WPIC Beaver Valley Mental Health Services

Eligibility	Age 21 and six months of service.
Average monthly earnings	Basic wages inclusive of overtime, bonuses, commissions, etc. Monthly compensation averaged over the most recent 10-year period prior to August 1, 1997.
Accrued benefit	The greater of the sum of (a) and (b) or (c) below: (a) The participant's frozen accrued benefit as of July 31, 1997; and (b) The participant's accrued benefit determined under the provisions of the Addendum for Beaver Valley/Aliquippa Union Retirement Income Plan after August 1, 1997, not to exceed 35 years of service, and excluding years of service earned during the period covered by the participant's frozen accrued benefit. (c) The participant's accrued benefit determined under the provisions of the Addendum for Beaver Valley/Aliquippa Union Retirement Income Plan, not to exceed 35 years of service.
Normal retirement benefit	
Normal retirement date	Age 65.
Benefit	Accrued benefit payable immediately.
Early retirement	
Eligibility	Age 55 and 10 years of service.
Benefit	Accrued benefit at date of actual retirement payable at normal retirement. Benefit may be elected immediately, reduced by .555% for each month prior to age 65 up to 60 months and .277% for each additional month prior to age 65.

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Disability benefit

Eligibility

Later of age 55 and 10 years of service and either deemed permanently disabled by the employer, or qualified for Social Security disability.

Benefit

Accrued benefit at date of disablement, reduced by .555% for each month prior to age 65 up to 60 months and .277% for each of the next 60 months.

Vested termination benefit

Eligibility

Five years of service.

Benefit

Accrued benefit at date of termination payable at Normal Retirement. If a participant has 10 years of service at termination, a reduced benefit may be paid as early as age 55, based on Early Retirement reduction factors.

Preretirement surviving spouse benefit

Eligibility

Five years of service.

Benefit

A monthly benefit equal to 50% of the joint and survivor benefit payable to the participant assuming retirement or termination the day before death.

Late retirement

Eligibility

Retirement after age 65.

Benefit

Greater of: (1) Benefit accrued to late retirement date or (2) actuarially increased normal retirement benefit.

Form of payment

Life annuity for single participants. Actuarial equivalent 50% joint and survivor annuity for married participants. Participant may also elect several optional forms of payment, including 50%, 66-2/3%, 75%, and 100% contingent annuitant options; and 60- and 120-month certain and continuous options.

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UPMC—Non Cash Balance Groups

Eligibility

Age 21 and 1,000 hours of service, and not covered by TSA program. Only certain employees of Local Union No. 95 are eligible for this benefit.

Accrued benefit

Monthly benefit equals one-twelfth of 2.1% of the lesser of gross salary or the Social Security Wage Base for each year of service.

Benefit accruals were frozen at October 1, 2000 for participants who are represented by, and members of, Local Union No. 95.

Normal retirement benefit

Normal retirement date

Age 65 and five years of plan participation.

Benefit

Accrued benefit payable immediately.

Early retirement

Eligibility

Age 55 and five years of service.

Benefit

Accrued benefit deferred to age 65, or reduced by 7.2% per year prior to normal retirement from age 60 to age 65 and 3.6% per year prior to age 60.

Disability benefit

Eligibility

Disability incurred on or after November 1, 1989.

Benefit

Accrued benefit deferred to 65. Benefit may commence as early as age 55 reduced as for Early Retirement.

Vested termination benefit

Eligibility

Five years of service.

Benefit

Accrued benefit deferred to 65. Benefit may commence as early as age 55 reduced as for Early Retirement.

Preretirement surviving spouse benefit

Eligibility

Five years of service.

Benefit

50% of accrued benefit, actuarially reduced for early retirement, payable no earlier than early retirement age.

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Late retirement

Eligibility

Retirement after Normal Retirement Date.

Benefit

Accrued benefit determined as of late retirement date.

Form of payment

Life annuity for single participants. Actuarial equivalent 50% joint and survivor annuity for married participants. Participant may also elect 50%, 66-2/3%, 75%, and 100% joint and survivor options.

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Canterbury Place (Non-Union Pre-01/01/2008; Former Union Pre-01/01/2009)

Participation	Employees participate when they have completed one year of service.
Normal retirement benefit	
Normal retirement date	Age 65.
Benefit	0.9% times Average Monthly Compensation times Years of Service at Normal Retirement Age (maximum of 25 years).
Vested termination benefit	
Eligibility	Five years of service.
Benefit	Accrued benefit as of date of termination, payment beginning at age 65.
Form of payment	Life annuity for single participants. Actuarial equivalent 50% joint and survivor annuity for married participants. Participant may also elect several optional forms of payment, including a single lump sum, 50%, 75%, and 100% contingent annuitant options; and 60-, 120-, and 180-month certain and continuous options.
Definitions	
Average monthly compensation	The monthly total compensation of a Participant averaged over the three consecutive plan years which produces the highest monthly average within the last 10 completed years of participation.
Service	1,000 hours or more in a plan year constitutes a year of service.
Accrued benefit	Normal Retirement Benefit multiplied by: $\frac{\text{Years of Service at Date of Determination}}{\text{Years of Service at Normal Retirement Date}}$

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UPMC Lee Regional

Eligibility for participation

Attainment of age 21 and completion of 1,000 hours of service.

Normal retirement

Eligibility

Age 65 (for terminations prior to July 1, 2003, age 65 with 5 years of participation).

Monthly benefit

The greater of (1) and (2):

(1) The monthly benefit derived for the cash balance account, including Pay Credits and Interest Credits.

(2) The monthly benefit based on the sum of (a) and (b):

(a) 1.0% of Frozen Average Monthly Compensation times Service as of June 30, 2003.

(b) 0.45% of Frozen Average Monthly Compensation in excess of \$575 times Service as of June 30, 2003.

Benefit accruals for all participants, except Walnut Management, are frozen effective July 31, 2005. Benefit accruals for Walnut Management participants are frozen effective December 31, 2005.

Early retirement

Eligibility

For benefits accrued prior to July 1, 2003, attainment of one of the following:

(1) Age 60

(2) 20 years of Service

(3) Age 55 and 15 years of Service

Monthly benefit

Normal Retirement benefit, reduced 3% per year prior to age 65 until age 56, and actuarially reduced prior to age 56. For participants who terminate after June 30, 2003 whose benefit is based on the cash balance account, the early retirement benefit is the actuarial equivalent monthly benefit.

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Disability retirement

Eligibility

Total and permanent disability and qualify for Social Security disability benefits.

Benefit

Determined from the cash balance developed under the normal retirement formula as of the date of disability.

Preretirement survivor benefit

Eligibility

All active participants and deferred vested participants.

Benefit

A monthly benefit equal to the actuarial equivalent of 100% of the participant's cash balance account, payable as an annuity for the life of the spouse. (For terminations prior to July 1, 2003, 50% of a participant's accrued benefit, reduced for early retirement and the 50% joint and survivor option, payable to a beneficiary commencing on the later of the date the participant would have attained age 55 and the date of death.)

Vested termination benefits

Eligibility

Five years of Service.

Benefit

Accrued benefit payable at Normal Retirement age, or payable at Early Retirement age with reductions as for early retirement. Pay credits are not granted after termination, but interest credits continue until benefit commencement. For terminations after June 30, 2003, a lump-sum benefit is available at termination.

Cost-of-living adjustment

Retirees and terminated vested participants as of June 30, 1984 are eligible for future cost-of-living adjustments on their pension benefits. The adjustment will begin on August 31 after the benefit has been in pay status for a full plan year and continue each August 31 thereafter. The amount of the adjustment is the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers, Revised Series (U.S. City Average—all items) as published by the Bureau of Labor Statistics.

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Form of payment	Life annuity for single participants. Actuarial equivalent 50% joint and survivor annuity for married participants. Participants with benefit accruals after July 1, 2003 may also elect several optional forms of payment, including 50%, 66-2/3%, 75%, and 100% contingent annuitant options; 36-, 60-, 120-, 180-, and 240-month certain and continuous options; an age 62 Social Security adjustment option; an immediate single life annuity; a full cash refund annuity; and a 10-year certain only option. Other participants may elect 50%, 66-2/3%, 75%, and 100% joint and survivor options.
Lump sum optional form	A lump sum form of payment is available after July 1, 2003. The amount of the lump sum is limited to the account balance. If the present value of the accrued benefit is greater than the account balance, the excess benefit is paid in the normal form or any available optional form.
Definitions	
Service	A year of service is credited for each calendar year during which a participant is paid for at least 1,000 hours.
Compensation	Total compensation, plus elective contributions and deferrals, less long-term bonuses, taxable fringe benefits, and severance or change in control payments.
Average monthly compensation	The average of the highest 5 consecutive calendar years out of the last 10 calendar years preceding the date of determination.
Frozen average monthly compensation	Average Monthly Compensation as of June 30, 2003.

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Pay credits

Prior to July 1, 2003, based on Service and the following table:

Service	Percent of Pay Allocation
1 to 5	4.0%
6 to 10	5.0%
11 to 19	6.0%
20+	8.0%

Beginning July 1, 2003, based on the sum of age and Service, as of December 31 of the prior year, and the following table:

Age + Service	Percent of Pay Allocation
Less than 36	3.5%
36 to 49	4.0%
50 to 69	5.0%
70+	6.0%

Eligible participants also received an additional 2% Pay Credit per year through 2005.

Interest credits

The account balance accrued prior to July 1, 2003 increases each year based on the 3-month Treasury bill rate as of each July 1, plus 1%. The minimum interest crediting rate is 4%.

Effective July 1, 2003, the account balance increases based on the 30-year Treasury bond rate, updated each quarter. The rate for each quarter is determined based on the rate in effect two months prior to the beginning of each quarter.

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Cash Balance Conversion Dates—Page 1 of 2

Employer	Cash Balance Introduction Date	Retirement Credit Schedule
University of Pittsburgh Physicians (Staff Only)	January 1, 1999	Urban Design
University of Pittsburgh Physicians (Physicians Only)	January 1, 1999	UPP Faculty
Central Imaging Services, Inc.	July 1, 1999	Urban Design
Central Laboratory Services, Inc.	July 1, 1999	Urban Design
UPMC Presbyterian (not applicable to those collectively bargained employees who have not adopted the Plan)	July 1, 1999	Urban Design
UPMC Shadyside	July 1, 1999	Urban Design
Community Care Behavioral Health Organization	July 1, 2000	Urban Design
LSC Consulting	July 1, 2000	Urban Design
Medical Archival Systems, Inc.	July 1, 2000	Urban Design
Monroeville Specialty Clinic, Inc.	July 1, 2000	Urban Design
Presbyterian Health Resource Management, Inc.	July 1, 2000	Urban Design
Shadyside Medical Associates, PC (Staff Only) ¹	July 1, 2000	Urban Design
Specialty Practice Services, PC (Staff Only) ¹	July 1, 2000	Urban Design
University Family Practice Associates, Inc. (Staff Only) ¹	July 1, 2000	Urban Design
UPMC Beaver Valley (not applicable to those collectively bargained employees who have not adopted the Plan)	July 1, 2000	Community Design
UPMC Braddock (not applicable to those collectively bargained employees who have not adopted the Plan)	July 1, 2000	Community Design
UPMC Health Plan	July 1, 2000	Urban Design
UPMC Diversified Services, Inc.	July 1, 2000	Urban Design
UPMC Home Care Services, Inc.	July 1, 2000	Urban Design
UPMC McKeesport (not applicable to those collectively bargained employees who have not adopted the Plan)	July 1, 2000	Community Design
UPMC Overseas, Inc.	July 1, 2000	Urban Design
UPMC Rehabilitation Hospital	July 1, 2000	Urban Design
UPMC St. Margaret	July 1, 2000	Community Design
UPMC Services Organization, Inc. (Staff Only) ¹	July 1, 2000	Urban Design
UPMC South Side	July 1, 2000	Community Design
UPMC Work Partners	July 1, 2000	Urban Design
UPMC Community Medicine, Inc. and Affiliates (Staff Only) ¹	July 1, 2000	Urban Design
UPMCS Occupational Medicine, Inc. (Staff Only)	July 1, 2000	Urban Design
UPMCS Physical Rehabilitation, Inc. (Staff Only)	July 1, 2000	Urban Design
Shadyside Medical Associates, PC (Physicians Only)	January 1, 2001	Urban Design
UPMC Horizon	January 1, 2001	Community Design
UPMC Services Organization, Inc. (Physicians Only) ¹	January 1, 2001	Urban Design

¹ Effective January 1, 2001, these entities were combined with and into UPMC Community Medicine, Inc. (fka University Family Practice Associates, Inc.), a Code section 501(c)(3) not for profit organization. Employees of these entities were transferred to and became employed by UPMC Community Medicine, Inc.

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Cash Balance Conversion Dates—Page 2 of 2

Employer	Cash Balance Introduction Date	Retirement Credit Schedule
UPMC South Hills Health System Home Health L.P.	January 1, 2001	Urban Design
Allegheny Radiology Oncology Group	January 1, 2001	Urban Design
UPMCS Emergency Medicine, Inc.	February 1, 2001	Urban Design
UPMC Senior Living Corporation	April 1, 2001	Community Design
UPMC Bedford	July 1, 2001	Urban Design
WPIC Physician Practice Corporation	January 1, 2002	Urban Design
UPMC Cancer Centers (Staff Only)	January 27, 2002	Urban Design
UPMC McKeesport Physicians	February 1, 2002	Community Design
Chartwell	March 1, 2002	Urban Design
UPMC Cancer Centers (Physicians)	March 1, 2002	Urban Design
UPMC Cancer Centers (Executives)	April 1, 2002	Urban Design
Askesis Development Group, Inc.	May 1, 2002	Urban Design
UPMC Braddock (Teamsters)	July 1, 2002	Community Design
Shadyside Family Health Center (Physicians)	July 1, 2002	Urban Design
Cranberry Place	October 1, 2002	Community Design
UPMC Emergency Medicine, Inc.	October 1, 2002	Urban Design
UPMC Passavant-Cranberry	October 1, 2002	Community Design
UPMC Passavant	July 1, 2003	Community Design
Sherwood Oaks (Non-Union)	October 1, 2003	Community Design
Magee-Womens Hospital	July 1, 2004	Urban Design
Magee-Womens MSO	July 1, 2004	Urban Design
Oncology—Hematology Associates	January 1, 2005	Urban Design
UPMC Northwest	July 1, 2005	Urban Design
Sugarcreek Station	July 1, 2005	Urban Design
Visiting Nurses Association of Venango County	July 1, 2005	Urban Design
Children's Hospital of Pittsburgh	July 1, 2006	Urban Design
Canterbury Place (Non-Union)	January 1, 2008	Community Design
UPMC Mercy	January 1, 2008	Urban Design
Canterbury Place (Former Union)	January 1, 2009	Community Design
Sherwood Oaks (Union)	January 1, 2009	Community Design
Center for Emergency Medicine	July 1, 2009	Urban Design
VIA Oncology, LLC	August 1, 2009	Urban Design
UPMC Hamot	January 1, 2012	Urban Design
Home Nursing Agency	January 1, 2014	Urban Design
Lexington Two, Inc. dba HHR	January 1, 2014	Urban Design

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Plan Changes Since the Prior Year

The funding valuation reflects the following plan changes:

- A change in the mortality basis for lump sum payments from the 2013 plan year IRC section 417(e)(3) mortality table to the 2014 plan year IRC section 417(e)(3) mortality table.
- An increase in the annual pay limit under IRC section 401(a)(17) from \$255,000 in 2013 to \$260,000 in 2014.
- An increase in the annual maximum benefit limit under IRC section 415 from \$205,000 in 2013 to \$210,000 in 2014.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2014 Plan Year
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Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2014

Number of Participants, Average Compensation and Average Cash Balance Account

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25	89	2,308	67							
	\$13,140	\$32,492	\$33,998							
	\$0	\$750	\$2,181							
25-29	61	4,176	1,581	34						
	\$16,069	\$40,931	\$46,126	\$39,847						
	\$0	\$1,609	\$5,298	\$6,724						
30-34	51	2,352	2,232	735	34					
	\$16,616	\$50,141	\$58,601	\$52,830	\$50,534					
	\$0	\$1,871	\$7,176	\$11,692	\$13,320					
35-39	32	1,622	1,651	1,079	352	11				
	\$16,728	\$59,242	\$71,262	\$65,856	\$58,719					
	\$0	\$2,633	\$9,765	\$15,368	\$18,963					
40-44	46	1,424	1,414	1,039	625	308	42			
	\$14,604	\$56,765	\$76,191	\$75,535	\$69,206	\$60,063	\$57,810			
	\$0	\$2,759	\$12,226	\$20,347	\$24,494	\$25,604	\$31,819			
45-49	35	1,254	1,231	1,003	675	612	553	32	1	
	\$14,934	\$55,259	\$68,588	\$76,327	\$77,876	\$70,011	\$68,248	\$57,777		
	\$63	\$2,931	\$12,840	\$23,041	\$29,695	\$32,183	\$36,537	\$35,809		
50-54	23	1,165	1,270	1,045	720	659	683	507	114	
	\$17,473	\$52,782	\$61,084	\$71,455	\$82,003	\$77,630	\$73,816	\$66,654	\$49,213	
	\$827	\$3,513	\$13,187	\$24,422	\$33,603	\$39,856	\$45,867	\$46,840	\$39,924	
55-59	28	892	1,080	1,050	691	625	687	595	598	54
	\$12,840	\$51,228	\$63,370	\$65,217	\$73,597	\$73,390	\$74,461	\$70,821	\$66,271	\$51,356
	\$0	\$3,461	\$14,812	\$24,355	\$35,163	\$42,398	\$51,103	\$60,861	\$64,926	\$78,395
60-64	23	405	655	680	458	421	497	364	308	244
	\$14,679	\$53,475	\$59,350	\$63,117	\$72,343	\$63,355	\$73,235	\$85,603	\$73,801	\$60,693
	\$4	\$3,891	\$14,483	\$27,064	\$39,837	\$40,493	\$59,108	\$79,848	\$89,998	\$103,275
65-69	6	98	173	220	144	133	127	99	105	79
		\$55,121	\$56,691	\$65,050	\$82,629	\$68,508	\$73,612	\$79,453	\$84,534	\$53,099
		\$3,888	\$17,122	\$29,858	\$41,902	\$48,862	\$59,084	\$79,253	\$105,668	\$91,304
70+	18	59	53	65	45	36	44	29	32	39
		\$38,703	\$42,918	\$46,012	\$35,946	\$42,771	\$62,545	\$53,361	\$82,258	\$73,077
		\$3,657	\$14,416	\$24,591	\$21,165	\$38,436	\$62,336	\$57,012	\$99,236	\$82,602

N-46,906

Schedule SB Attachment (Form 5500)—2014 Plan Year
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Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2014

Date	Amount	Days to Discount to 1/1/2014 at 6.41%	Interest Adjusted Contribution
September 15, 2015	\$ 89,000,000	622	\$ 80,058,780
Total Contribution	\$ 89,000,000		\$ 80,058,780

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

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at beginning of year.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
55	7.50%	1.0000	4.13
56	5.00%	0.9250	2.59
57	5.00%	0.8788	2.50
58	5.00%	0.8348	2.42
59	6.00%	0.7931	2.81
60	7.00%	0.7455	3.13
61	10.00%	0.6933	4.23
62	12.00%	0.6240	4.64
63	12.00%	0.5491	4.15
64	15.00%	0.4832	4.64
65	20.00%	0.4107	5.34
66	20.00%	0.3286	4.34
67	20.00%	0.2629	3.52
68	20.00%	0.2103	2.86
69	20.00%	0.1682	2.32
70	100.00%	0.1346	9.42
Weighted Average			63.04

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
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Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2014

Attained Age	Number of Participants, Average Compensation and Average Cash Balance Account									
	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25	89	2,308	67							
	\$13,140	\$32,492	\$33,998							
	\$0	\$750	\$2,181							
25-29	61	4,176	1,581	34						
	\$16,069	\$40,931	\$46,126	\$39,847						
	\$0	\$1,609	\$5,298	\$6,724						
30-34	51	2,352	2,232	735	34					
	\$16,616	\$50,141	\$58,601	\$52,830	\$50,534					
	\$0	\$1,871	\$7,176	\$11,692	\$13,320					
35-39	32	1,622	1,651	1,079	352	11				
	\$16,728	\$59,242	\$71,262	\$65,856	\$58,719					
	\$0	\$2,633	\$9,765	\$15,368	\$18,963					
40-44	46	1,424	1,414	1,039	625	308	42			
	\$14,604	\$56,765	\$76,191	\$75,535	\$69,206	\$60,063	\$57,810			
	\$0	\$2,759	\$12,226	\$20,347	\$24,494	\$25,604	\$31,819			
45-49	35	1,254	1,231	1,003	675	612	553	32	1	
	\$14,934	\$55,259	\$68,588	\$76,327	\$77,876	\$70,011	\$68,248	\$57,777		
	\$63	\$2,931	\$12,840	\$23,041	\$29,695	\$32,183	\$36,537	\$35,809		
50-54	23	1,165	1,270	1,045	720	659	683	507	114	
	\$17,473	\$52,782	\$61,084	\$71,455	\$82,003	\$77,630	\$73,816	\$66,654	\$49,213	
	\$827	\$3,513	\$13,187	\$24,422	\$33,603	\$39,856	\$45,867	\$46,840	\$39,924	
55-59	28	892	1,080	1,050	691	625	687	595	598	54
	\$12,840	\$51,228	\$63,370	\$65,217	\$73,597	\$73,390	\$74,461	\$70,821	\$66,271	\$51,356
	\$0	\$3,461	\$14,812	\$24,355	\$35,163	\$42,398	\$51,103	\$60,861	\$64,926	\$78,395
60-64	23	405	655	680	458	421	497	364	308	244
	\$14,679	\$53,475	\$59,350	\$63,117	\$72,343	\$63,355	\$73,235	\$85,603	\$73,801	\$60,693
	\$4	\$3,891	\$14,483	\$27,064	\$39,837	\$40,493	\$59,108	\$79,848	\$89,998	\$103,275
65-69	6	98	173	220	144	133	127	99	105	79
		\$55,121	\$56,691	\$65,050	\$82,629	\$68,508	\$73,612	\$79,453	\$84,534	\$53,099
		\$3,888	\$17,122	\$29,858	\$41,902	\$48,862	\$59,084	\$79,253	\$105,668	\$91,304
70+	18	59	53	65	45	36	44	29	32	39
		\$38,703	\$42,918	\$46,012	\$35,946	\$42,771	\$62,545	\$53,361	\$82,258	\$73,077
		\$3,657	\$14,416	\$24,591	\$21,165	\$38,436	\$62,336	\$57,012	\$99,236	\$82,602

N-46,906

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Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2013), each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA
1st Segment Rate	4.99%
2nd Segment Rate	6.32%
3rd Segment Rate	6.99%
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of September 2013), without regard to interest rate stabilization
1st Segment Rate	1.37%
2nd Segment Rate	4.05%
3rd Segment Rate	5.06%
Salary Increases	
Minimum Funding Target Normal Cost	See Table 1
Maximum Tax Expected Benefit Increase	See Table 1
Cash Balance Interest Crediting Rate	4.60% (4.00% for Lee pre-07/01/1993 design)
Cash Balance Annuity Conversion Rate	4.60%
COLA Increases	4.50% per year for eligible Lee retirees and terminated vested participants
Optional Payment Form Election Percentage	100% of retirees elect a lump sum. 50% of new terminated vested participants elect a lump sum, and 50% receive a deferred annuity.
Retirement Age	
Active Participants	See Table 2
Terminated Vested Participants	Age 62
Mortality Rates	
Healthy and Disabled	2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	See Table 3
Disability Rates	See Table 4
Decrement Timing	Beginning of year decrements

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Surviving Spouse Benefit	It is assumed that 85% of males and 85% of females have an eligible spouse, and that males are four years older than their spouses.
Valuation Compensation	2013 Pensionable earnings rolled forward one year with the salary increase assumption
Benefit and Compensation Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$210,000 and the IRC section 401(a)(17) compensation limit of \$260,000.
Valuation of Plan Assets	<p>Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.</p> <p>A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).</p>
Expected Return on Assets	
2012 Plan Year	8.00%, limited to 7.52%
2013 Plan Year	8.00%, limited to 6.76%
Trust Expenses Included in Target Normal Cost	\$10,300,000 based on the prior year's actual plan administrative expenses, rounded to the nearest \$100,000
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2014

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Table 1

Salary Merit Increase Rates

Age	Rate	Age	Rate
15	5.00%	45	4.00%
16	5.00%	46	4.00%
17	5.00%	47	4.00%
18	5.00%	48	4.00%
19	5.00%	49	4.00%
20	5.00%	50	3.50%
21	5.00%	51	3.50%
22	5.00%	52	3.50%
23	5.00%	53	3.50%
24	5.00%	54	3.50%
25	5.00%	55	3.50%
26	5.00%	56	3.50%
27	5.00%	57	3.50%
28	5.00%	58	3.50%
29	5.00%	59	3.50%
30	4.50%	60+	3.00%
31	4.50%		
32	4.50%		
33	4.50%		
34	4.50%		
35	4.50%		
36	4.50%		
37	4.50%		
38	4.50%		
39	4.50%		
40	4.00%		
41	4.00%		
42	4.00%		
43	4.00%		
44	4.00%		

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Table 2

Retirement Rates

Age	Rate
55	7.50%
56	5.00%
57	5.00%
58	5.00%
59	6.00%
60	7.00%
61	10.00%
62	12.00%
63	12.00%
64	15.00%
65	20.00%
66	20.00%
67	20.00%
68	20.00%
69	20.00%
70+	100.00%

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Table 3—Page 1 of 2

Withdrawal Rates

Age	Years of Service			
	0	1	2	3+
15	41.16%	38.07%	32.93%	20.58%
16	41.16%	38.07%	32.93%	20.58%
17	41.16%	38.07%	32.93%	20.58%
18	41.16%	38.07%	32.93%	20.58%
19	41.16%	38.07%	32.93%	20.58%
20	41.16%	38.07%	32.93%	20.58%
21	41.16%	38.07%	32.93%	20.58%
22	39.60%	36.63%	31.68%	19.80%
23	38.10%	35.24%	30.48%	19.05%
24	36.66%	33.91%	29.33%	18.33%
25	35.26%	32.62%	28.21%	17.63%
26	33.94%	31.39%	27.15%	16.97%
27	32.64%	30.19%	26.11%	16.32%
28	31.42%	29.06%	25.14%	15.71%
29	30.22%	27.95%	24.18%	15.11%
30	29.08%	26.90%	23.26%	14.54%
31	27.98%	25.88%	22.38%	13.99%
32	26.92%	24.90%	21.54%	13.46%
33	25.90%	23.96%	20.72%	12.95%
34	24.92%	23.05%	19.94%	12.46%
35	23.98%	22.18%	19.18%	11.99%
36	23.06%	21.33%	18.45%	11.53%
37	22.18%	20.52%	17.74%	11.09%
38	21.34%	19.74%	17.07%	10.67%
39	20.54%	19.00%	16.43%	10.27%
40	19.76%	18.28%	15.81%	9.88%
41	19.02%	17.59%	15.22%	9.51%
42	18.30%	16.93%	14.64%	9.15%
43	17.60%	16.28%	14.08%	8.80%
44	16.94%	15.67%	13.55%	8.47%

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Withdrawal Rates

Age	Years of Service			
	0	1	2	3+
45	16.30%	15.08%	13.04%	8.15%
46	15.68%	14.50%	12.54%	7.84%
47	15.08%	13.95%	12.06%	7.54%
48	14.50%	13.41%	11.60%	7.25%
49	13.96%	12.91%	11.17%	6.98%
50	13.44%	12.43%	10.75%	6.72%
51	12.92%	11.95%	10.34%	6.46%
52	12.44%	11.51%	9.95%	6.22%
53	11.96%	11.06%	9.57%	5.98%
54	11.50%	10.64%	9.20%	5.75%
55+	0.00%	0.00%	0.00%	0.00%

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Table 4

Disability Rates

Age	Male	Female	Age	Male	Female
15	0.03%	0.03%	45	0.16%	0.24%
16	0.03%	0.03%	46	0.18%	0.27%
17	0.03%	0.03%	47	0.21%	0.30%
18	0.03%	0.03%	48	0.25%	0.33%
19	0.03%	0.03%	49	0.28%	0.36%
20	0.03%	0.03%	50	0.33%	0.40%
21	0.03%	0.03%	51	0.39%	0.44%
22	0.03%	0.03%	52	0.46%	0.49%
23	0.03%	0.03%	53	0.53%	0.54%
24	0.03%	0.03%	54	0.61%	0.59%
25	0.03%	0.03%	55	0.69%	0.64%
26	0.03%	0.03%	56	0.77%	0.69%
27	0.03%	0.03%	57	0.86%	0.74%
28	0.03%	0.04%	58	0.95%	0.80%
29	0.03%	0.04%	59	1.05%	0.85%
30	0.03%	0.04%	60	1.15%	0.90%
31	0.03%	0.05%	61	1.26%	0.96%
32	0.03%	0.05%	62	1.38%	1.01%
33	0.03%	0.06%	63	1.51%	1.05%
34	0.03%	0.06%	64	1.64%	1.09%
35	0.04%	0.07%	65+	0.00%	0.00%
36	0.04%	0.08%			
37	0.05%	0.09%			
38	0.06%	0.10%			
39	0.07%	0.12%			
40	0.08%	0.13%			
41	0.09%	0.15%			
42	0.10%	0.17%			
43	0.12%	0.19%			
44	0.14%	0.22%			

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Schedule SB, Part V—Summary of Plan Provisions

UPMC—Cash Balance Groups

Eligibility Attainment of age 21 and completion of 1,000 hours of service.

Accrued benefit Benefits are determined through the accumulation of an account balance. The account accrues interest based on the 30-year Treasury rate, updated quarterly. Contributions are credited based on a percentage of compensation. This percentage is determined based on the following tables:

Urban Design Formula

Points (Age Plus Service at 12/31 of Prior Year)	Percentage
Less than 36	2.5%
36–49	3.0%
50–69	4.0%
70 or greater	5.0%

Community Design Formula

Points (Age Plus Service at 12/31 of Prior Year)	Percentage
Less than 36	3.5%
36–49	4.0%
50–69	5.0%
70 or greater	6.0%

Prior to July 1, 2003, contributions for University of Pittsburgh Physicians (UPP) Faculty were based on the following table:

**UPP Faculty Design Formula
(prior to July 1, 2003)**

Attained Age	Percentage
Less than 35	6.0%
35–44	7.0%
45 or greater	9.0%

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The opening account balance on the cash balance conversion date was the lump sum equivalent of the accrued benefit, if any, under any of the eligible defined benefit plans sponsored by UPMC.

Some participants are also eligible to receive additional annual contributions during a transition period beginning with cash balance conversion date.

Normal retirement benefit
Normal retirement date

Age 65.

Benefit

Determined from the cash balance account developed under the normal retirement formula as of the normal retirement date. The benefit will not be less than the value of any grandfathered benefits, if applicable.

Disability benefit
Eligibility

Total and permanent disability and qualify for Social Security disability benefits.

Benefit

Determined from the cash balance account developed under the normal retirement formula as of the date of disability. The benefit will not be less than the value of any grandfathered benefits, if applicable.

Vested termination benefit
Eligibility

Three years of service (five years of service prior to January 1, 2008).

Benefit

Determined from the cash balance account developed under the normal retirement formula as of the termination date. The benefit will not be less than the value of any grandfathered benefits, if applicable.

Preretirement surviving spouse benefit
Eligibility

All active participants and deferred vested participants.

Benefit

A monthly benefit equal to the actuarial equivalent of 100% of the participant's cash balance account, payable as an annuity for the life of the spouse. The benefit will not be less than the value of any grandfathered benefits, if applicable.

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Late retirement
Eligibility

Retirement after age 65.

Benefit

Determined from the cash balance account developed under the normal retirement formula as of the late retirement date. The benefit will not be less than the value of any grandfathered benefits, if applicable.

Form of payment

Life annuity for single participants. Actuarial equivalent 50% joint and survivor annuity for married participants. Participant may also elect several optional forms of payment, including receipt of the cash balance account as a single lump sum, 50%, 66-2/3%, 75%, and 100% contingent annuitant options; 36-, 60-, 120-, 180-, and 240-month certain and continuous options; an age 62 Social Security adjustment option, an immediate single life annuity, a full cash refund annuity, and a 10-year certain only annuity.

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WPIC Beaver Valley Mental Health Services

Eligibility	Age 21 and six months of service.
Average monthly earnings	Basic wages inclusive of overtime, bonuses, commissions, etc. Monthly compensation averaged over the most recent 10-year period prior to August 1, 1997.
Accrued benefit	The greater of the sum of (a) and (b) or (c) below: (a) The participant's frozen accrued benefit as of July 31, 1997; and (b) The participant's accrued benefit determined under the provisions of the Addendum for Beaver Valley/Aliquippa Union Retirement Income Plan after August 1, 1997, not to exceed 35 years of service, and excluding years of service earned during the period covered by the participant's frozen accrued benefit. (c) The participant's accrued benefit determined under the provisions of the Addendum for Beaver Valley/Aliquippa Union Retirement Income Plan, not to exceed 35 years of service.
Normal retirement benefit	
Normal retirement date	Age 65.
Benefit	Accrued benefit payable immediately.
Early retirement	
Eligibility	Age 55 and 10 years of service.
Benefit	Accrued benefit at date of actual retirement payable at normal retirement. Benefit may be elected immediately, reduced by .555% for each month prior to age 65 up to 60 months and .277% for each additional month prior to age 65.

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Disability benefit
Eligibility

Later of age 55 and 10 years of service and either deemed permanently disabled by the employer, or qualified for Social Security disability.

Benefit

Accrued benefit at date of disablement, reduced by .555% for each month prior to age 65 up to 60 months and .277% for each of the next 60 months.

Vested termination benefit
Eligibility

Five years of service.

Benefit

Accrued benefit at date of termination payable at Normal Retirement. If a participant has 10 years of service at termination, a reduced benefit may be paid as early as age 55, based on Early Retirement reduction factors.

Preretirement surviving spouse benefit
Eligibility

Five years of service.

Benefit

A monthly benefit equal to 50% of the joint and survivor benefit payable to the participant assuming retirement or termination the day before death.

Late retirement
Eligibility

Retirement after age 65.

Benefit

Greater of: (1) Benefit accrued to late retirement date or (2) actuarially increased normal retirement benefit.

Form of payment

Life annuity for single participants. Actuarial equivalent 50% joint and survivor annuity for married participants. Participant may also elect several optional forms of payment, including 50%, 66-2/3%, 75%, and 100% contingent annuitant options; and 60- and 120-month certain and continuous options.

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UPMC—Non Cash Balance Groups

Eligibility	Age 21 and 1,000 hours of service, and not covered by TSA program. Only certain employees of Local Union No. 95 are eligible for this benefit.
Accrued benefit	Monthly benefit equals one-twelfth of 2.1% of the lesser of gross salary or the Social Security Wage Base for each year of service. Benefit accruals were frozen at October 1, 2000 for participants who are represented by, and members of, Local Union No. 95.
Normal retirement benefit	
Normal retirement date	Age 65 and five years of plan participation.
Benefit	Accrued benefit payable immediately.
Early retirement	
Eligibility	Age 55 and five years of service.
Benefit	Accrued benefit deferred to age 65, or reduced by 7.2% per year prior to normal retirement from age 60 to age 65 and 3.6% per year prior to age 60.
Disability benefit	
Eligibility	Disability incurred on or after November 1, 1989.
Benefit	Accrued benefit deferred to 65. Benefit may commence as early as age 55 reduced as for Early Retirement.
Vested termination benefit	
Eligibility	Five years of service.
Benefit	Accrued benefit deferred to 65. Benefit may commence as early as age 55 reduced as for Early Retirement.
Preretirement surviving spouse benefit	
Eligibility	Five years of service.
Benefit	50% of accrued benefit, actuarially reduced for early retirement, payable no earlier than early retirement age.

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Late retirement
Eligibility

Retirement after Normal Retirement Date.

Benefit

Accrued benefit determined as of late retirement date.

Form of payment

Life annuity for single participants. Actuarial equivalent 50% joint and survivor annuity for married participants. Participant may also elect 50%, 66-2/3%, 75%, and 100% joint and survivor options.

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Canterbury Place (Non-Union Pre-01/01/2008; Former Union Pre-01/01/2009)

Participation	Employees participate when they have completed one year of service.
Normal retirement benefit	
Normal retirement date	Age 65.
Benefit	0.9% times Average Monthly Compensation times Years of Service at Normal Retirement Age (maximum of 25 years).
Vested termination benefit	
Eligibility	Five years of service.
Benefit	Accrued benefit as of date of termination, payment beginning at age 65.
Form of payment	Life annuity for single participants. Actuarial equivalent 50% joint and survivor annuity for married participants. Participant may also elect several optional forms of payment, including a single lump sum, 50%, 75%, and 100% contingent annuitant options; and 60-, 120-, and 180-month certain and continuous options.
Definitions	
Average monthly compensation	The monthly total compensation of a Participant averaged over the three consecutive plan years which produces the highest monthly average within the last 10 completed years of participation.
Service	1,000 hours or more in a plan year constitutes a year of service.
Accrued benefit	Normal Retirement Benefit multiplied by: $\frac{\text{Years of Service at Date of Determination}}{\text{Years of Service at Normal Retirement Date}}$

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UPMC Lee Regional

Eligibility for participation	Attainment of age 21 and completion of 1,000 hours of service.
Normal retirement Eligibility	Age 65 (for terminations prior to July 1, 2003, age 65 with 5 years of participation).
Monthly benefit	<p>The greater of (1) and (2):</p> <p>(1) The monthly benefit derived for the cash balance account, including Pay Credits and Interest Credits.</p> <p>(2) The monthly benefit based on the sum of (a) and (b):</p> <p>(a) 1.0% of Frozen Average Monthly Compensation times Service as of June 30, 2003.</p> <p>(b) 0.45% of Frozen Average Monthly Compensation in excess of \$575 times Service as of June 30, 2003.</p> <p>Benefit accruals for all participants, except Walnut Management, are frozen effective July 31, 2005. Benefit accruals for Walnut Management participants are frozen effective December 31, 2005.</p>
Early retirement Eligibility	<p>For benefits accrued prior to July 1, 2003, attainment of one of the following:</p> <p>(1) Age 60</p> <p>(2) 20 years of Service</p> <p>(3) Age 55 and 15 years of Service</p>
Monthly benefit	Normal Retirement benefit, reduced 3% per year prior to age 65 until age 56, and actuarially reduced prior to age 56. For participants who terminate after June 30, 2003 whose benefit is based on the cash balance account, the early retirement benefit is the actuarial equivalent monthly benefit.

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Disability retirement
Eligibility

Total and permanent disability and qualify for Social Security disability benefits.

Benefit

Determined from the cash balance developed under the normal retirement formula as of the date of disability.

Preretirement survivor benefit
Eligibility

All active participants and deferred vested participants.

Benefit

A monthly benefit equal to the actuarial equivalent of 100% of the participant's cash balance account, payable as an annuity for the life of the spouse. (For terminations prior to July 1, 2003, 50% of a participant's accrued benefit, reduced for early retirement and the 50% joint and survivor option, payable to a beneficiary commencing on the later of the date the participant would have attained age 55 and the date of death.)

Vested termination benefits
Eligibility

Five years of Service.

Benefit

Accrued benefit payable at Normal Retirement age, or payable at Early Retirement age with reductions as for early retirement. Pay credits are not granted after termination, but interest credits continue until benefit commencement. For terminations after June 30, 2003, a lump-sum benefit is available at termination.

Cost-of-living adjustment

Retirees and terminated vested participants as of June 30, 1984 are eligible for future cost-of-living adjustments on their pension benefits. The adjustment will begin on August 31 after the benefit has been in pay status for a full plan year and continue each August 31 thereafter. The amount of the adjustment is the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers, Revised Series (U.S. City Average—all items) as published by the Bureau of Labor Statistics.

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Form of payment	Life annuity for single participants. Actuarial equivalent 50% joint and survivor annuity for married participants. Participants with benefit accruals after July 1, 2003 may also elect several optional forms of payment, including 50%, 66-2/3%, 75%, and 100% contingent annuitant options; 36-, 60-, 120-, 180-, and 240-month certain and continuous options; an age 62 Social Security adjustment option; an immediate single life annuity; a full cash refund annuity; and a 10-year certain only option. Other participants may elect 50%, 66-2/3%, 75%, and 100% joint and survivor options.
Lump sum optional form	A lump sum form of payment is available after July 1, 2003. The amount of the lump sum is limited to the account balance. If the present value of the accrued benefit is greater than the account balance, the excess benefit is paid in the normal form or any available optional form.
Definitions	
Service	A year of service is credited for each calendar year during which a participant is paid for at least 1,000 hours.
Compensation	Total compensation, plus elective contributions and deferrals, less long-term bonuses, taxable fringe benefits, and severance or change in control payments.
Average monthly compensation	The average of the highest 5 consecutive calendar years out of the last 10 calendar years preceding the date of determination.
Frozen average monthly compensation	Average Monthly Compensation as of June 30, 2003.

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Pay credits

Prior to July 1, 2003, based on Service and the following table:

Service	Percent of Pay Allocation
1 to 5	4.0%
6 to 10	5.0%
11 to 19	6.0%
20+	8.0%

Beginning July 1, 2003, based on the sum of age and Service, as of December 31 of the prior year, and the following table:

Age + Service	Percent of Pay Allocation
Less than 36	3.5%
36 to 49	4.0%
50 to 69	5.0%
70+	6.0%

Eligible participants also received an additional 2% Pay Credit per year through 2005.

Interest credits

The account balance accrued prior to July 1, 2003 increases each year based on the 3-month Treasury bill rate as of each July 1, plus 1%. The minimum interest crediting rate is 4%.

Effective July 1, 2003, the account balance increases based on the 30-year Treasury bond rate, updated each quarter. The rate for each quarter is determined based on the rate in effect two months prior to the beginning of each quarter.

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Cash Balance Conversion Dates—Page 1 of 2

Employer	Cash Balance Introduction Date	Retirement Credit Schedule
University of Pittsburgh Physicians (Staff Only)	January 1, 1999	Urban Design
University of Pittsburgh Physicians (Physicians Only)	January 1, 1999	UPP Faculty
Central Imaging Services, Inc.	July 1, 1999	Urban Design
Central Laboratory Services, Inc.	July 1, 1999	Urban Design
UPMC Presbyterian (not applicable to those collectively bargained employees who have not adopted the Plan)	July 1, 1999	Urban Design
UPMC Shadyside	July 1, 1999	Urban Design
Community Care Behavioral Health Organization	July 1, 2000	Urban Design
LSC Consulting	July 1, 2000	Urban Design
Medical Archival Systems, Inc.	July 1, 2000	Urban Design
Monroeville Specialty Clinic, Inc.	July 1, 2000	Urban Design
Presbyterian Health Resource Management, Inc.	July 1, 2000	Urban Design
Shadyside Medical Associates, PC (Staff Only) ¹	July 1, 2000	Urban Design
Specialty Practice Services, PC (Staff Only) ¹	July 1, 2000	Urban Design
University Family Practice Associates, Inc. (Staff Only) ¹	July 1, 2000	Urban Design
UPMC Beaver Valley (not applicable to those collectively bargained employees who have not adopted the Plan)	July 1, 2000	Community Design
UPMC Braddock (not applicable to those collectively bargained employees who have not adopted the Plan)	July 1, 2000	Community Design
UPMC Health Plan	July 1, 2000	Urban Design
UPMC Diversified Services, Inc.	July 1, 2000	Urban Design
UPMC Home Care Services, Inc.	July 1, 2000	Urban Design
UPMC McKeesport (not applicable to those collectively bargained employees who have not adopted the Plan)	July 1, 2000	Community Design
UPMC Overseas, Inc.	July 1, 2000	Urban Design
UPMC Rehabilitation Hospital	July 1, 2000	Urban Design
UPMC St. Margaret	July 1, 2000	Community Design
UPMC Services Organization, Inc. (Staff Only) ¹	July 1, 2000	Urban Design
UPMC South Side	July 1, 2000	Community Design
UPMC Work Partners	July 1, 2000	Urban Design
UPMC Community Medicine, Inc. and Affiliates (Staff Only) ¹	July 1, 2000	Urban Design
UPMCS Occupational Medicine, Inc. (Staff Only)	July 1, 2000	Urban Design
UPMCS Physical Rehabilitation, Inc. (Staff Only)	July 1, 2000	Urban Design
Shadyside Medical Associates, PC (Physicians Only)	January 1, 2001	Urban Design
UPMC Horizon	January 1, 2001	Community Design
UPMC Services Organization, Inc. (Physicians Only) ¹	January 1, 2001	Urban Design

¹ Effective January 1, 2001, these entities were combined with and into UPMC Community Medicine, Inc. (fka University Family Practice Associates, Inc.), a Code section 501(c)(3) not for profit organization. Employees of these entities were transferred to and became employed by UPMC Community Medicine, Inc.

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
EIN: 25-1423657 PN: 333

Cash Balance Conversion Dates—Page 2 of 2

Employer	Cash Balance Introduction Date	Retirement Credit Schedule
UPMC South Hills Health System Home Health L.P.	January 1, 2001	Urban Design
Allegheny Radiology Oncology Group	January 1, 2001	Urban Design
UPMCS Emergency Medicine, Inc.	February 1, 2001	Urban Design
UPMC Senior Living Corporation	April 1, 2001	Community Design
UPMC Bedford	July 1, 2001	Urban Design
WPIC Physician Practice Corporation	January 1, 2002	Urban Design
UPMC Cancer Centers (Staff Only)	January 27, 2002	Urban Design
UPMC McKeesport Physicians	February 1, 2002	Community Design
Chartwell	March 1, 2002	Urban Design
UPMC Cancer Centers (Physicians)	March 1, 2002	Urban Design
UPMC Cancer Centers (Executives)	April 1, 2002	Urban Design
Askesis Development Group, Inc.	May 1, 2002	Urban Design
UPMC Braddock (Teamsters)	July 1, 2002	Community Design
Shadyside Family Health Center (Physicians)	July 1, 2002	Urban Design
Cranberry Place	October 1, 2002	Community Design
UPMC Emergency Medicine, Inc.	October 1, 2002	Urban Design
UPMC Passavant-Cranberry	October 1, 2002	Community Design
UPMC Passavant	July 1, 2003	Community Design
Sherwood Oaks (Non-Union)	October 1, 2003	Community Design
Magee-Womens Hospital	July 1, 2004	Urban Design
Magee-Womens MSO	July 1, 2004	Urban Design
Oncology–Hematology Associates	January 1, 2005	Urban Design
UPMC Northwest	July 1, 2005	Urban Design
Sugarcreek Station	July 1, 2005	Urban Design
Visiting Nurses Association of Venango County	July 1, 2005	Urban Design
Children's Hospital of Pittsburgh	July 1, 2006	Urban Design
Canterbury Place (Non-Union)	January 1, 2008	Community Design
UPMC Mercy	January 1, 2008	Urban Design
Canterbury Place (Former Union)	January 1, 2009	Community Design
Sherwood Oaks (Union)	January 1, 2009	Community Design
Center for Emergency Medicine	July 1, 2009	Urban Design
VIA Oncology, LLC	August 1, 2009	Urban Design
UPMC Hamot	January 1, 2012	Urban Design
Home Nursing Agency	January 1, 2014	Urban Design
Lexington Two, Inc. dba HHR	January 1, 2014	Urban Design

Schedule SB Attachment (Form 5500)—2014 Plan Year
UPMC Basic Retirement Plan
EIN: 25-1423657 PN: 333

Plan Changes Since the Prior Year

The funding valuation reflects the following plan changes:

- A change in the mortality basis for lump sum payments from the 2013 plan year IRC section 417(e)(3) mortality table to the 2014 plan year IRC section 417(e)(3) mortality table.
- An increase in the annual pay limit under IRC section 401(a)(17) from \$255,000 in 2013 to \$260,000 in 2014.
- An increase in the annual maximum benefit limit under IRC section 415 from \$205,000 in 2013 to \$210,000 in 2014.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Plan Name: UPMC Basic Retirement Plan

EIN: 25-1423657

Plan Sponsor: UPMC

Plan Number: 333

Page 2 - Multiple Employer List (continued)

Name of Participating Employer	EIN	Percent of Total Contributions
RX Partners, Inc.	25-1801966	0.05
Via Oncology, LLC	37-1754667	0.05
Monroeville Specialty Clinic	25-1666087	0.05
EBenefit Solutions, LLC	75-3202760	0.04
Strategic Business Initiatives	14-1940264	0.03
UPMC Complete Care, Inc.	46-3605753	0.03
Clinical Connect HIE	27-4585032	0.03
Bayside Development	25-1401386	0.02
SBI Qualifying Solutions	22-3913336	0.02
ProTech Compliance, Inc.	26-1379461	0.02
UPMC Holding Company, Inc.	25-1777713	0.02
UPMCS Neurosurgical Grp.2, Inc.	25-1458655	0.01
UPMC Northwest Foundation	25-1483624	0.01

Attachment to 2014 Form 5500
Form 5500 Multiple Employer Plan Participating Employer Information

Plan Name UPMC Basic Retirement Plan
Plan Sponsor's Name UPMC

EIN: 25-1423657
PN: 333

Name of participating employer	EIN	Percent of Total Contributions
UPMC Presbyterian Shadyside	25-0965480	26.04
University of Pittsburgh Physicians	23-2919472	21.59
UPMC Community Medicine Inc.	25-1727721	4.65
Children's Hospital of Pittsburgh	25-0402510	4.57
UPMC Visiting Nurses Assoc.	25-1222033	4.06
UPMC Mercy	25-0965429	3.92
UPMC Passavant	25-0965451	3.90
UPMC Health Plan, Inc.	23-2813536	3.86
Magee-Women's Hospital of UPMC	25-0965420	3.69
UPMC Hamot	25-0965387	3.20
UPMC St. Margaret	23-2875070	2.61
Regional Health Services, Inc.	25-1403958	1.85
UPMC Horizon	25-0523970	1.64
UPMC Emergency Medicine, Inc.	25-1787601	1.49
UPCI Cancer Services	25-1899326	1.38
Community Care Behavioral Health	25-1799823	1.20
UPMC McKeesport	25-0965423	1.02
UPMC East	27-4814831	1.02
UPMC Northwest	25-0489010	0.90
Home Nursing Agency & VNA	25-1188570	0.80
Oncology-Hematology Assoc.	25-1762980	0.79
Center for Emergency Medicine	25-1443759	0.73
UPMC Community Provider Service	25-1804746	0.65
UPMC Bedford	23-1396795	0.47
Chartwell	25-1729714	0.34
Seneca Place	72-1562844	0.33
UPMC Senior Communities, Inc.	25-1574736	0.29
Cranberry Place	04-3709885	0.29
Renaissance Family Practice	26-2942406	0.29
Sherwood Oaks	25-1335247	0.26
Home Nursing Agency Community Services	25-1517533	0.24
Erie Physicians Network-UPMC	45-3012506	0.21
The Heritage Shadyside	02-0614185	0.20
Hematology Oncology Assoc.	42-1648357	0.20
Canterbury Place	25-0965334	0.19
Sugarcreek Station	25-1472178	0.14
RX Partners Long Term Care	25-1855593	0.12
Askesis Development Group, Inc.	54-1625585	0.09
UPMC Center for Health Security	04-3770052	0.09
Biotronics, Inc.	25-1843500	0.08
Washington Senior Care Corp	25-1849365	0.06
H.C. Pharmacy Central, Inc.	25-1364192	0.06
Donohue & Allen Cardiology	46-0901441	0.06
Lexington Two, Inc. dba HHR	25-1555689	0.05
See attachment for continuing list		0.00