Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2014

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
HAWAIIAN TELCOM MANAGEMENT PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 05/02/2005

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

1177 BISHOP STREET
HONOLULU, HI 96813

2b Employer Identification Number (EIN) 16-1710376

2c Plan Sponsor's telephone number 808-546-1726

2d Business code (see instructions) 517000

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2015	JOHN KOMEIJI
	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 [X] 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**	603
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)**	311
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	315
b	Retired or separated participants receiving benefits	**6b**	68
c	Other retired or separated participants entitled to future benefits	**6c**	223
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	606
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	2
f	Total. Add lines **6d** and **6e**.	**6f**	608
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**	0
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 1I 3H

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

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

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1) [X] **R** (Retirement Plan Information)

(2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) [X] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1) [X] **H** (Financial Information)

(2) [ ] **I** (Financial Information – Small Plan)

(3) [ ] ___ **A** (Insurance Information)

(4) [ ] **C** (Service Provider Information)

(5) [X] **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

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
HAWAIIAN TELCOM MANAGEMENT PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
HAWAIIAN TELCOM COMMUNICATIONS, INC

D Employer Identification Number (EIN)
16-1710376

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2014

2 Assets:

a Market value	**2a**	8336166
b Actuarial value	**2b**	7792367

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	60	2406073	2406073
b For terminated vested participants	215	1724405	1724405
c For active participants	333	6493455	6692822
d Total	608	10623933	10823300

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

a Funding target disregarding prescribed at-risk assumptions	**4a**	9110436
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**	10033283
5 Effective interest rate	**5**	6.60%
6 Target normal cost	**6**	140000

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

10/02/2015
Date

LEONARD E SMOTHERMON
Type or print name of actuary

14-04893
Most recent enrollment number

TOWERS WATSON DELAWARE INC.
Firm name

808-535-0500
Telephone number (including area code)

737 BISHOP STREET, SUITE 2700
HONOLULU, HI 96813
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 17.65%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	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 6.74 %		0
	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		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	85.53 %
15	Adjusted funding target attainment percentage	15	85.53 %
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	69.59 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2014	310496	0			
07/15/2014	310496	0			
10/15/2014	169451	0			
01/15/2015	263481	0			
07/15/2015	176814	0			
			Totals ► 18(b)	1230738	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	1172724

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.99 %	6.32 %	6.99 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	61

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	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**	140000
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	3030933	1031026
b Waiver amortization installment		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**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	1171026

	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**	1171026
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	1172724

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

a Total (excess, if any, of line 37 over line 36)	**38a**	1698
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**	0
43 Excess installment acceleration amount to be carried over to future plan years	**43**	0

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

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
HAWAIIAN TELCOM MANAGEMENT PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
HAWAIIAN TELCOM COMMUNICATIONS, INC

D Employer Identification Number (EIN)
16-1710376

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: HAWAIIAN TELCOM MASTER RET. TRUST

b Name of sponsor of entity listed in (a): HAWAIIAN TELCOM COMMUNICATIONS, INC

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)
20-3108031-001	M	9411350

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.**

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
HAWAIIAN TELCOM MANAGEMENT PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HAWAIIAN TELCOM COMMUNICATIONS, INC

D Employer Identification Number (EIN)
16-1710376

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	406840	440295
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
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)	7936072	9411350
(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)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(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	8342912	9851645
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	2834	2949
k Total liabilities (add all amounts in lines 1g through1j)	1k	2834	2949
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	8340078	9848696

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	1230738	
(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)		1230738
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)		
(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)		561342
(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		1792080
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	283462	
(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)		283462
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)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		283462
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1508618
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: KMH LLP **(2)** EIN: 42-1539623

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:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of 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.)	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.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
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
NORTHERN TRUST COMPANY

6b Trust's EIN
361561860

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.

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

A Name of plan
HAWAIIAN TELCOM MANAGEMENT PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HAWAIIAN TELCOM COMMUNICATIONS, INC

D Employer Identification Number (EIN)
16-1710376

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** 0

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): 36-3046063

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 2

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Hawaiian Telcom Management Pension Plan
Index to Financial Statements

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Independent Auditor's Report

To the Administrative Committee of the
Hawaiian Telcom Management Pension Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Hawaiian Telcom Management Pension Plan (the Plan), which comprise the statements of net assets available for benefits and of accumulated plan benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits and of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified or provided by Northern Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2014 and 2013, and for the years then ended, that the information provided to the Plan Administrator by the trustee is complete and accurate.

1003 Bishop Street ■ Suite 2400 ■ Honolulu, HI 96813 ■ Telephone: 808-526-2255 ■ Fax: 808-536-5817 ■ www.kmhllp.com

Disclaimer of Opinion

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

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

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

KMH LLP

KMH LLP

Honolulu, Hawaii
September 28, 2015

Hawaiian Telcom Management Pension Plan
Statements of Net Assets Available for Benefits
December 31, 2014 and 2013

	2014	2013
Assets		
Plan interest in the Hawaiian Telcom Master Retirement Trust	$ 9,411,350	$ 7,936,072
Employer contribution receivable	440,295	406,840
Total assets	9,851,645	8,342,912
Liabilities		
Accounts payable	2,949	2,834
Total liabilities	2,949	2,834
Net assets available for benefits	$ 9,848,696	$ 8,340,078

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

Hawaiian Telcom Management Pension Plan
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2014 and 2013

	2014	2013
Additions		
Employer contribution	$ 1,230,738	$ 1,223,449
Investment income -- net appreciation in fair value of investments from Hawaiian Telcom Master Retirement Trust	731,963	1,145,181
Total	1,962,701	2,368,630
Deductions		
Benefits paid to participants	283,462	176,050
Administrative expenses	170,621	128,599
Total	454,083	304,649
Net increase in net assets available for benefits	1,508,618	2,063,981
Net assets available for benefits:		
Beginning of year	8,340,078	6,276,097
End of year	$ 9,848,696	$ 8,340,078

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

Hawaiian Telcom Management Pension Plan
Statements of Accumulated Plan Benefits
December 31, 2014 and 2013

	2014	2013
Actuarial present value of accumulated plan benefits		
Vested benefits:		
Participants currently receiving payments	$ 2,366,275	$ 2,109,938
Other participants	7,324,737	6,838,360
	9,691,012	8,948,298
Nonvested benefits	112,302	610,659
Total actuarial present value of accumulated plan benefits	$ 9,803,314	$ 9,558,957

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

Hawaiian Telcom Management Pension Plan
Statements of Changes in Accumulated Plan Benefits
For the Years Ended December 31, 2014 and 2013

	2014	2013
Actuarial present value of accumulated plan benefits at beginning of year	$ 9,558,957	$ 7,442,787
Increase (decrease) during the period attributable to:		
Increase for interest due to the decrease in the discount period	682,749	569,994
Actuarial (gain)/loss	(255,793)	1,458,621
Assumption modification	100,863	263,605
Benefits paid	(283,462)	(176,050)
Net increase	244,357	2,116,170
Actuarial present value of accumulated plan benefits at end of year	$ 9,803,314	$ 9,558,957

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

1. Description of Plan

The Hawaiian Telcom Management Pension Plan (the "Plan") is a noncontributory cash balance plan covering management employees of Hawaiian Telcom Holdco, Inc. and subsidiaries (the "Company"). Participants with 10 years of net credited service as of January 1, 2002 are also eligible for a defined pension benefit. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

Effective April 1, 2007, the Plan was frozen whereby participants will continue to be eligible for benefits earned through that date but will not earn additional benefits.

Cash Balance – Regular Benefit
Under the cash balance formula, each participant has a hypothetical cash balance account in the Plan. Pay credits and interest credits were added to the cash balance formula on a monthly basis as long as a participant was an eligible employee. Interest credits continue to be credited every month until the benefit is paid to the participant.

Pay credits were a dollar amount determined as a percentage of eligible earnings based on total points. Points used for determining pay credits were the total of the employee's age and net credited service. The pay credits were determined each January 1 and remained the same for the entire year. The pay credit percentages were: fewer than 35 points (4%), 35 to 49 points (5%), 50 to 64 points (6%) and 65 or more points (7%).

Interest credits are added to the cash balance plan account on a monthly basis. The annual interest credit rate is the average annual yield of U.S. Treasury Securities with a constant maturity of one year, plus 1%.

Effective April 1, 2007, all participants are fully vested in the cash balance benefit. Participants are eligible to receive benefits upon leaving the Company. Benefits are generally payable immediately as a lump sum, immediately as a monthly annuity, or at a later date up to the participant's normal retirement age of 65.

Cash Balance – Death Benefit
If a participant dies before the commencement of benefits, the beneficiary will receive a death benefit in an amount equal to the cash balance.

Cash Balance – Disability Benefit
If a participant is disabled by an accident while working for the Company, they may be eligible to receive a benefit equal to 66-2/3% of the average final salary less any amount paid by workers' compensation.

Pension – Regular Benefit
Participating employees that had at least 10 years of credited service with Verizon Communications, Inc. ("Verizon"), the Company's predecessor owner, as of January 1, 2002 are eligible for the higher of the benefit under the cash balance formula and the pension benefit using the highest average pay formula. The highest average pay formula provides for the participant to receive the greater of the following as limited by the Plan freeze effective April 1, 2007.

- The benefit determined as: (1) 1.65% of average final pay, as defined, to December 31, 2007 multiplied by total service with the Company and Verizon to December 31, 2007 less the accrued normal retirement benefit from Verizon as of May 1, 2005, plus (2) 1.65% of average final pay at termination/retirement multiplied by the years of services with the Company beginning on January 1, 2008.

- The benefit determined as 1.65% average final pay at termination/retirement multiplied by service with the Company beginning May 2, 2005.

Participants are eligible to receive benefits upon leaving the Company. Benefits are generally payable immediately as a lump sum, immediately as a monthly annuity, or at a later date up to the participant's normal retirement age of 65. The single life annuity may be reduced if the benefit begins prior to the participant reaching age 60.

The Pension Protection Act of 2006 prohibits companies in certain circumstances from accelerating pension payments if the plan is not fully funded. Based on the funding level of the Plan, lump sum payments were limited to 50% of the participant's accrued benefit through September 30, 2014. Beginning October 1, 2014 through March 31, 2015, there was no restriction on the payment of lump sum distributions. Lump sum payments were limited again on April 1, 2015 through September 30, 2015. Effective October 1, 2015, there is no restriction on the payment of lump sum distributions.

Pension -- Death Benefit
If a participant dies before the commencement of benefits, the beneficiary will receive a death benefit. The death benefit is the greater of: (1) the cash balance or (2) the value of the 50% survivor benefit determined based on the highest average pay formula benefit.

Pension -- Disability Benefit
If a participant is disabled by an accident while working for the Company, they may be eligible to receive a benefit equal to 66-2/3% of the average final salary less any amount paid by workers' compensation.

Administrative Expenses
Administrative expenses of the Plan are paid by the Plan as provided in the Plan document.

2. Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Plan:

Basis of Accounting
The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties
The Plan utilizes various investment securities including U.S. government securities, corporate debt instruments, mutual funds, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits 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 estimations and assumptions process, it

is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Master Trust Arrangement

The assets of the Plan have been commingled with the assets of the Hawaiian Telcom Hourly Employees Pension Plan (collectively referred to as the "Plans") in the Hawaiian Telcom Master Retirement Trust (the "Master Trust") for investment and administrative purposes. The Plans do not own specific Master Trust assets but rather maintain an undivided beneficial interest in such assets. Each plan's interest in the Master Trust is credited or charged for contributions, transfers and distributions. Although assets of both plans are commingled in the Master Trust, the Trustee maintains supporting records for the purpose of allocating the net gain or loss of the investment account to the participating plans. Investment income is allocated to the Plans based on each plan's beneficial interest in the net assets of the Master Trust.

Master Trust Investment Valuation and Income Recognition

The Plan's investment in the Master Trust is presented at fair value, which has been determined based on the fair value of the underlying investments of the Master Trust. The underlying investments include common stocks, equity funds and fixed income funds which are generally valued based on quoted market prices. Fair value is 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. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the plan's gains and losses on investments bought and sold as well as held during the year.

Accumulated Plan Benefits

Accumulated plan benefits are those future benefit payments attributable under the Plan's provisions for service that employees have rendered as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died and (3) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits has been determined by an independent actuary and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits 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 benefit information date and the expected payment dates. The effect of Plan amendments on accumulated plan benefits is recognized during the year in which such amendments become effective.

The significant actuarial assumptions used in determining accumulated plan benefits as of December 31, 2014 and 2013 are as follows:

Investment return: 7.25% at December 31, 2014 and 2013

Mortality: RP-2014 at December 31, 2014 and IRS PPA Static Mortality at December 31, 2013

Retirement: The rates at which participants retire range by age and years of service from a probability at age 30 at 0.0160 to age 70 at 1.0000.

The actuarial assumption as to the percentage of retirees selecting lump-sum benefits at retirement is 95%.

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

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Recently Adopted Accounting Pronouncement
In July 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965) – I. Fully Benefit Responsive Investment Contracts; II. Plan Investment Disclosures, and III. Measurement Date Practical Expedient.* The ASU reduces complexity in employee benefit plan accounting by 1) requiring fully benefit-responsive investment contracts to be measured at contract value; 2) modifying plan investment disclosures; and 3) permitting plans to measure investments as of a month-end date that is closest to the plan's fiscal year end. ASU No. 2015-12 is effective for plans with fiscal years beginning after December 15, 2015. The amendments in Parts I and II should be applied retrospectively. The amendments in Part III should be applied prospectively. Earlier application is permitted for all parts and the Plan adopted this ASU for the years ended December 31, 2014 and 2013. The adoption of this ASU resulted in changes to the investment and fair value disclosures in 2014 and 2013.

Subsequent Events
The Plan evaluated and gave recognition, if appropriate, to subsequent events which occurred after the financial statement date of December 31, 2014 through September 28, 2015, the date on which the financial statements were available to be issued.

3. Funding Policy

The Company's funding policy is to contribute funds to the trust for the Plan as necessary to provide for current service and for any unfunded projected benefit obligation over a reasonable period of time. To the extent that these requirements are covered by assets in the trust, the Company may elect not to make any contribution in a particular year. Company contributions to the Plan amounted to $1,230,738 and $1,223,449 for the years ended December 31, 2014 and 2013, respectively. The Plan met the minimum funding requirements of ERISA as of December 31, 2014 and 2013.

4. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and terminate the Plan subject to the provisions set forth in ERISA.

Benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC"). In the event that the Plan terminates, the net assets of the Plan shall be allocated among the participants and beneficiaries in accordance with the priorities mandated by ERISA. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

5. Master Trust Financial Information

At December 31, 2014 and 2013, the Plan's interest in the net assets of the Master Trust was approximately 5% and 4%, respectively. The investments in the Master Trust as of December 31, 2014 and 2013 were as follows.

	2014		2013	
	Fair Value	Cost	Fair Value	Cost
Investments at fair value:				
Equity funds:				
Blackrock Europe, Australia and Far East Equity Index Fund	$ 22,566,312	$ 15,983,591	$ 23,556,786	$ 15,871,569
Blackrock Equity Index Fund A	85,622,572	40,875,251	76,922,964	41,707,795
Common stocks	18,722,360	15,751,452	18,636,078	14,716,550
Fixed income funds:				
Western Asset US Core Plus LLC	69,677,213	48,874,189	60,354,233	44,496,589
Blackrock Global Investors US Treasury Inflation-Protected Securities	8,825,534	6,678,989	7,888,244	6,032,188
Short term investment funds	865,497	865,497	1,007,832	1,007,832
Total investments	206,279,488	129,028,969	188,366,137	123,832,523
Accrued income	29,634	29,634	20,277	20,277
Total assets	$ 206,309,122	$ 129,058,603	$ 188,386,414	$ 123,852,800
Plan's interest in the Master Trust	$ 9,411,350	$ 6,773,105	$ 7,936,072	$ 5,885,722

The following are the changes in net assets and related investment activity for the Master Trust for the years ended December 31, 2014 and 2013.

	2014	2013
Net appreciation in fair value of investments	$ 16,299,862	$ 29,523,892
Interest income	289,042	754,224
Investment income of Hawaiian Telcom Master Retirement Trust	16,588,904	30,278,116
Net transfers	1,333,804	(6,263,518)
Increase in net assets	17,922,708	24,014,598
Net assets beginning of year	188,386,414	164,371,816
Net assets end of year	$ 206,309,122	$ 188,386,414
Plan's interest in the net investment income from the Master Trust	$ 731,963	$ 1,145,181

Fair Value Measurements

In accordance with accounting standards for fair value measurements, the Plan classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. There were no Level 3 investments as of December 31, 2014 and 2013. The following table sets forth by level within the fair value hierarchy a summary of the Master Trust's investments measured at fair value on a recurring basis.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
December 31, 2014			
Common stocks	$ 18,722,360	$ -	$ 18,722,360
Equity funds	-	108,188,884	108,188,884
Fixed income funds	-	78,502,747	78,502,747
Short term investment funds	-	865,497	865,497
	$ 18,722,360	$ 187,557,128	$ 206,279,488
December 31, 2013			
Common stocks	$ 18,636,078	$ -	$ 18,636,078
Equity funds	-	100,479,750	100,479,750
Fixed income funds	-	68,242,477	68,242,477
Short term investment funds	-	1,007,832	1,007,832
	$ 18,636,078	$ 169,730,059	$ 188,366,137

6. Information Certified by the Plan's Trustee (Unaudited)

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information as of December 31, 2014 and 2013 and for the years ended December 31, 2014 and 2013, certified by Northern Trust Company as complete and accurate.

	2014	2013
Plan interest in Master Trust (and related Master Trust investment portfolio)	$ 9,411,350	$ 7,936,072
Interest in Master Trust net investment income (and related Master Trust investment activity)	$ 731,963	$ 1,145,181
Note 5 -- all investment balances and investment information excluding the classification of investments by level		

7. Federal Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated May 10, 2013 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. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

Management is required to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. 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 that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

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

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
Hawaiian Telcom Management Pension Plan

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
Hawaiian Telcom Communications, Inc.

D Employer Identification Number (EIN)
16-1710376

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2014

2 Assets:

a Market value	**2a**	8336166
b Actuarial value	**2b**	7792367

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	60	2406073	2406073
b For terminated vested participants	215	1724405	1724405
c For active participants	333	6493455	6692822
d Total	608	10623933	10823300

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

a Funding target disregarding prescribed at-risk assumptions	**4a**	9110436
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**	10033283
5 Effective interest rate	**5**	6.60%
6 Target normal cost	**6**	140000

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 Leonard E. Smothermon 10/02/2015

Signature of actuary — Date

Leonard E Smothermon — 1404893

Type or print name of actuary — Most recent enrollment number

Towers Watson Delaware Inc. — 808-535-0500

Firm name — Telephone number (including area code)

737 Bishop Street, Suite 2700

Honolulu HI 96813

Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 17.65%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	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 6.74%		0
	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		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	85.53%
15	Adjusted funding target attainment percentage	15	85.53%
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	69.59%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2014	310496	0			
07/15/2014	310496	0			
10/15/2014	169451	0			
01/15/2015	263481	0			
07/15/2015	176814	0			
		Totals ► 18(b)		1230738	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	1172724

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.99%	6.32%	6.99%	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	61

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**	140000
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	3030933	1031026
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**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	1171026

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0

36 Additional cash requirement (line 34 minus line 35)	**36**	1171026
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	1172724
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	1698
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**	0
43 Excess installment acceleration amount to be carried over to future plan years	**43**	0

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Hawaiian Telcom
EIN/PN	16-1710376/002
Plan Name	Hawaiian Telcom Management Pension Plan
Valuation Date	January 1, 2014
Enrolled Actuary	Leonard Smothermon
Enrollment Number	14-04893

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

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

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 4
Additional Information for Plans in At-risk Status
Description of At-risk Assumption for Assumed Form of Payment

The assumed form of payment is a lump-sum distribution of 100% of the benefit.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2014

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

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

Applicable month	September
Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
First segment rate	4.99%	1.37%
Second segment rate	6.32%	4.05%
Third segment rate	6.99%	5.06%
Effective interest rate	6.60%	

Annual rates of increase

Compensation:	N/A
Future Social Security wage bases	N/A
Statutory limits on compensation	N/A
Cash balance interest crediting rate	2.62%

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date

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

New or rehired employees

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

Mortality

Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2029 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2021 using Scale AA).

Termination

Rates varying by age

Representative Termination Rates

Attained Age	Percentage leaving during the year
20	8.00%
25	8.00%
30	5.80%
35	4.00%
40	2.60%
45	1.60%
50	0.70%
55	0.30%
60	0.00%

SCHEDULE SB ATTACHMENTS

Retirement Rates varying by age and service.

Percentage retiring during the year		
Age	Less than 25 years	25 or more years
30 – 34	1.6%	1.6%
35 – 39	1.2%	1.2%
40 – 44	0.8%	0.8%
45 – 49	0.5%	0.5%
50 – 54	0.2%	0.2%
55	1.9%	6.0%
56	2.1%	10.0%
57	2.2%	14.0%
58	2.5%	20.0%
59	2.8%	25.0%
60	30.0%	30.0%
61	25.0%	25.0%
62	40.0%	40.0%
63	30.0%	30.0%
64	35.0%	35.0%
65	90.0%	90.0%
66 – 69	20.0%	20.0%
70	100.0%	100.0%

Benefit commencement date:

- Preretirement death benefit — The date of death of the active participant
- Deferred vested benefit — The later of age 55 or termination of employment
- Retirement benefit — Upon termination of employment

Form of payment Calculation of Lump Sum: 95% of participants are assumed to elect a lump sum form of payment under the plan when eligible. Lump sums were valued using the substitution of annuity form under IRS Regulation 1.430(d)-1(f)(4) without application of generational mortality.

SCHEDULE SB ATTACHMENTS

Percent married	90% of males; 50% of females. Used to value pre-retirement surviving spouse benefits.
Spouse age	Wife three years younger than husband.
Covered pay	N/A
Administrative expenses	$140,000
At-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit under the plan, which is usually the lump sum form of payment. The at-risk funding target was loaded 4% of the funding target calculated disregarding at-risk assumptions, plus $700 per participant. The at-risk target normal cost was loaded 4% of the target normal cost calculated disregarding at-risk assumptions.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

SCHEDULE SB ATTACHMENTS

Methods	
Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets	Average of the fair market value of assets on the valuation date and 12 and 24 months preceding the valuation date, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2013 plan year.) The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Hawaiian Telcom and, based on that review, is not aware of any significant benefits required to be valued that were not.

SCHEDULE SB ATTACHMENTS

Change in assumptions and methods since prior valuation

The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2013 to September 2014. The MAP-21 corridors were adjusted to reflect HATFA.

The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

The assumed plan-related expenses added to the target normal cost were changed from $156,000 for 2013 to $140,000 for 2014.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Summary of Plan Provisions

Plan Sponsor

Hawaiian Telcom

Plan

Hawaiian Telcom Management Pension Plan

Effective Date and Most Recent Amendment

The plan was originally effective May 2, 2005. The last amendment reflected herein is effective January 19, 2009.

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

Employed in a non-union salaried position other than an individual employed in a division or unit designated by the company to be a nonparticipating division or unit. Due to the plan freeze effective March 31, 2007, no new employees are eligible to participate after that date.

Credited Service

Used for eligibility and vesting purposes. Elapsed time method from May 2, 2005 to date of separation, excluding any period of severance exceeding 12 months. If employee transferred directly from Verizon Hawaii, then service earned under Verizon Management Plan as of May 1, 2005 included for vesting purposes.

Final Average Compensation/Salary

Average monthly compensation of the highest 60 consecutive months or the five highest consecutive calendar years out of the last ten years of service. Due to the plan freeze effective March 31, 2007, the Final Average Earnings is frozen as of March 31, 2007.

SCHEDULE SB ATTACHMENTS

Normal Retirement Benefit

Normal Retirement Date: Later of age 65 and 5 years of vesting service.

Benefit Formula: Less than 10 years of service at January 1, 2002 (when at Verizon):
Cash Balance Formula.

10 years or more of service at January 1, 2002 (when at Verizon):
Greater of:
Cash Balance Formula or the Pension Formula

Pension Formula: Greater of:

- 1.65% of Final Average Earnings to March 31, 2007 multiplied by total Credited Service (with Verizon and Hawaiian Telcom) to March 31, 2007 less the accrued benefit at Verizon.
- 1.65% of Final Average Earnings at retirement multiplied by Credited Service with Hawaiian Telcom starting as of May 2, 2005 and ending as of March 31, 2007, and using pay which includes pay while a Verizon employee.

Cash Balance Formula: Pay Credits plus Interest Credits as follows:

Pay Credit

Points = Age plus service	Pay Credit Percentage
Less than 35	4%
At least 35, but no more than 49	5%
At least 50, but no more than 64	6%
65 or more	7%

Points for any given month will be the sum of Participant's age in years and completed months and Participant's net credited service as of January 1 in such a year. Pay Credit Percentage is multiplied by monthly Compensation.

Interest Credit

Interest Credit is determined based on interest credit percentage for the month times the account balance of the Participant's cash balance account at the end of the prior month. Interest credit percentage is determined as 1/12 of the average annual yield on Treasury debt securities with a constant maturity of one year for the second month of the previous calendar quarter. 1/12 of one percentage point will be added to the interest credit rate, with the total limited to 1/12 of the average annual yield on 30-year Treasury bonds.

The plan was frozen effective March 31, 2007 so no pay credits are applied after that date. Interest credits will continue to apply until benefits commence or the cash balance account is distributed.

Normal Form of Benefit: If not married: Life Annuity
If married: 50% Joint and Survivor Annuity actuarially equivalent to the Life Annuity.

Late Retirement

The greater of the accrued benefit calculated at termination and the accrued benefit determined as if the participant had terminated at Normal Retirement then actuarially increased to date of commencement.

Early Retirement Benefit

Eligibility: 15 years of Credited Service or retirement on or after age 60.

Benefit: Pension Formula:

- Unreduced at age 55 and 25 years of service or age 60
- Reduced 3% per year from age 60 if age 55 and 15 years of service, otherwise reduced 5% from age 60 to 46, then reduced actuarially from age 46.

Cash Balance Formula:
Account as of payment date

Death Benefits for Participants in Active Service

Eligibility: Death of vested Participant before commencing retirement benefit.

Benefit: Cash Balance Account or if eligible, “Pension” formula. If Participant was eligible for “Pension” formula, the benefits are compared. If “Pension” formula is greater, the 50% Joint and Survivor benefit would be payable to the spouse as if the Participant had terminated employment on the date of death, elected a 50% Joint and Survivor annuity and died on the same day. Early Retirement reductions apply to the benefit only if Participant dies after termination of employment.

Optional Forms of Retirement Income in Lieu of Normal Form

Single life benefit
Joint and Survivor Annuity (50%, 66-2/3%, 75%, 100%)
Period Certain and Life Annuity (5-Year or 10-Year)
Lump sum benefit

Plan Name:	Hawaiian Telcom Management Pension Plan
EIN / PN:	16-1710376 / 002
Plan Sponsor:	Hawaiian Telcom
VRS:	Mgmt 1-1-2014 Funding v3 - Funding Stabilization - 2014 Schedule SB
Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS

Pension Increases

None.

Plan Participants' Contributions

None.

Changes in Plan Provisions since Last Actuarial Valuation

None.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24
Change in Actuarial Assumptions
as of January 1, 2014

Other than the prescribed changes in the discount rate and mortality, the following other changes in assumptions were made as part of this valuation.

- The assumed plan-related expenses added to the target normal cost were changed from $156,000 for 2013 to $140,000 for 2014.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26
Schedule of Active Participant Data for Frozen Plans as of January 1, 2014

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 - 29	0		0		0		0		0		0		0		0		0		0	
30 - 34	2		8		0		0		0		0		0		0		0		0	
35 - 39	2		12		19		1		0		0		0		0		0		0	
40 - 44	2		18		6		13		8		0		0		0		0		0	
45 - 49	3		14		3		6		22		4		0		0		0		0	
50 - 54	2		19		6		4		13		11		11		0		0		0	
55 - 59	1		16		5		1		8		8		38		14		0		0	
60 - 64	1		11		2		0		3		1		3		3		2		0	
65 - 69	0		4		0		1		0		0		1		0		1		0	
70 & Over	0		0		0		0		0		0		0		0		0		0	

Plan Name: Hawaiian Telcom Management Pension Plan
EIN / PN: 16-1710376 / 002
Plan Sponsor: Hawaiian Telcom
VRS: Mgmt 1-1-2014 Funding v3 - Funding Stabilization - 2014 Schedule SB
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2014

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2014	141,736	7	141,736	23,721
2	Shortfall	01/01/2013	288,118	6	256,176	48,492
3	Shortfall	01/01/2012	576,411	5	444,815	97,831
4	Shortfall	01/01/2011	1,862,766	4	1,141,258	306,480
5	Shortfall	01/01/2010	351,845	3	169,330	59,213
6	Shortfall	01/01/2009	2,262,104	2	783,737	401,408
7	Shortfall	01/01/2008	559,136	1	93,881	93,881
Total					3,030,933	1,031,026

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Hawaiian Telcom
EIN/PN	16-1710376/002
Plan Name	Hawaiian Telcom Management Pension Plan
Valuation Date	January 1, 2014
Enrolled Actuary	Leonard Smothermon
Enrollment Number	14-04893

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

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

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 4
Additional Information for Plans in At-risk Status
Description of At-risk Assumption for Assumed Form of Payment

The assumed form of payment is a lump-sum distribution of 100% of the benefit.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2014

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

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

Applicable month	September
Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
First segment rate	4.99%	1.37%
Second segment rate	6.32%	4.05%
Third segment rate	6.99%	5.06%
Effective interest rate	6.60%	

Annual rates of increase

Compensation:	N/A
Future Social Security wage bases	N/A
Statutory limits on compensation	N/A
Cash balance interest crediting rate	2.62%

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date

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

New or rehired employees

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

Mortality

Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2029 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2021 using Scale AA).

Termination

Rates varying by age

Representative Termination Rates

Attained Age	Percentage leaving during the year
20	8.00%
25	8.00%
30	5.80%
35	4.00%
40	2.60%
45	1.60%
50	0.70%
55	0.30%
60	0.00%

SCHEDULE SB ATTACHMENTS

Retirement Rates varying by age and service.

Percentage retiring during the year		
Age	Less than 25 years	25 or more years
30 – 34	1.6%	1.6%
35 – 39	1.2%	1.2%
40 – 44	0.8%	0.8%
45 – 49	0.5%	0.5%
50 – 54	0.2%	0.2%
55	1.9%	6.0%
56	2.1%	10.0%
57	2.2%	14.0%
58	2.5%	20.0%
59	2.8%	25.0%
60	30.0%	30.0%
61	25.0%	25.0%
62	40.0%	40.0%
63	30.0%	30.0%
64	35.0%	35.0%
65	90.0%	90.0%
66 – 69	20.0%	20.0%
70	100.0%	100.0%

Benefit commencement date:

- Preretirement death benefit — The date of death of the active participant
- Deferred vested benefit — The later of age 55 or termination of employment
- Retirement benefit — Upon termination of employment

Form of payment Calculation of Lump Sum: 95% of participants are assumed to elect a lump sum form of payment under the plan when eligible. Lump sums were valued using the substitution of annuity form under IRS Regulation 1.430(d)-1(f)(4) without application of generational mortality.

SCHEDULE SB ATTACHMENTS

Percent married	90% of males; 50% of females. Used to value pre-retirement surviving spouse benefits.
Spouse age	Wife three years younger than husband.
Covered pay	N/A
Administrative expenses	$140,000
At-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit under the plan, which is usually the lump sum form of payment. The at-risk funding target was loaded 4% of the funding target calculated disregarding at-risk assumptions, plus $700 per participant. The at-risk target normal cost was loaded 4% of the target normal cost calculated disregarding at-risk assumptions.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

SCHEDULE SB ATTACHMENTS

Methods	
Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets	Average of the fair market value of assets on the valuation date and 12 and 24 months preceding the valuation date, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2013 plan year.) The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Hawaiian Telcom and, based on that review, is not aware of any significant benefits required to be valued that were not.

SCHEDULE SB ATTACHMENTS

Change in assumptions and methods since prior valuation

The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2013 to September 2014. The MAP-21 corridors were adjusted to reflect HATFA.

The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

The assumed plan-related expenses added to the target normal cost were changed from $156,000 for 2013 to $140,000 for 2014.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Summary of Plan Provisions

Plan Sponsor

Hawaiian Telcom

Plan

Hawaiian Telcom Management Pension Plan

Effective Date and Most Recent Amendment

The plan was originally effective May 2, 2005. The last amendment reflected herein is effective January 19, 2009.

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

Employed in a non-union salaried position other than an individual employed in a division or unit designated by the company to be a nonparticipating division or unit. Due to the plan freeze effective March 31, 2007, no new employees are eligible to participate after that date.

Credited Service

Used for eligibility and vesting purposes. Elapsed time method from May 2, 2005 to date of separation, excluding any period of severance exceeding 12 months. If employee transferred directly from Verizon Hawaii, then service earned under Verizon Management Plan as of May 1, 2005 included for vesting purposes.

Final Average Compensation/Salary

Average monthly compensation of the highest 60 consecutive months or the five highest consecutive calendar years out of the last ten years of service. Due to the plan freeze effective March 31, 2007, the Final Average Earnings is frozen as of March 31, 2007.

SCHEDULE SB ATTACHMENTS

Normal Retirement Benefit

Normal Retirement Date: Later of age 65 and 5 years of vesting service.

Benefit Formula: Less than 10 years of service at January 1, 2002 (when at Verizon):
Cash Balance Formula.

10 years or more of service at January 1, 2002 (when at Verizon):
Greater of:
Cash Balance Formula or the Pension Formula

Pension Formula: Greater of:

- 1.65% of Final Average Earnings to March 31, 2007 multiplied by total Credited Service (with Verizon and Hawaiian Telcom) to March 31, 2007 less the accrued benefit at Verizon.
- 1.65% of Final Average Earnings at retirement multiplied by Credited Service with Hawaiian Telcom starting as of May 2, 2005 and ending as of March 31, 2007, and using pay which includes pay while a Verizon employee.

Cash Balance Formula: Pay Credits plus Interest Credits as follows:

Pay Credit

Points = Age plus service	Pay Credit Percentage
Less than 35	4%
At least 35, but no more than 49	5%
At least 50, but no more than 64	6%
65 or more	7%

Points for any given month will be the sum of Participant's age in years and completed months and Participant's net credited service as of January 1 in such a year. Pay Credit Percentage is multiplied by monthly Compensation.

Interest Credit

Interest Credit is determined based on interest credit percentage for the month times the account balance of the Participant's cash balance account at the end of the prior month. Interest credit percentage is determined as 1/12 of the average annual yield on Treasury debt securities with a constant maturity of one year for the second month of the previous calendar quarter. 1/12 of one percentage point will be added to the interest credit rate, with the total limited to 1/12 of the average annual yield on 30-year Treasury bonds.

The plan was frozen effective March 31, 2007 so no pay credits are applied after that date. Interest credits will continue to apply until benefits commence or the cash balance account is distributed.

Normal Form of Benefit: If not married: Life Annuity
If married: 50% Joint and Survivor Annuity actuarially equivalent to the Life Annuity.

Late Retirement

The greater of the accrued benefit calculated at termination and the accrued benefit determined as if the participant had terminated at Normal Retirement then actuarially increased to date of commencement.

Early Retirement Benefit

Eligibility: 15 years of Credited Service or retirement on or after age 60.

Benefit: Pension Formula:

- Unreduced at age 55 and 25 years of service or age 60
- Reduced 3% per year from age 60 if age 55 and 15 years of service, otherwise reduced 5% from age 60 to 46, then reduced actuarially from age 46.

Cash Balance Formula:
Account as of payment date

Death Benefits for Participants in Active Service

Eligibility: Death of vested Participant before commencing retirement benefit.

Benefit: Cash Balance Account or if eligible, “Pension” formula. If Participant was eligible for “Pension” formula, the benefits are compared. If “Pension” formula is greater, the 50% Joint and Survivor benefit would be payable to the spouse as if the Participant had terminated employment on the date of death, elected a 50% Joint and Survivor annuity and died on the same day. Early Retirement reductions apply to the benefit only if Participant dies after termination of employment.

Optional Forms of Retirement Income in Lieu of Normal Form

Single life benefit
Joint and Survivor Annuity (50%, 66-2/3%, 75%, 100%)
Period Certain and Life Annuity (5-Year or 10-Year)
Lump sum benefit

Plan Name:	Hawaiian Telcom Management Pension Plan
EIN / PN:	16-1710376 / 002
Plan Sponsor:	Hawaiian Telcom
VRS:	Mgmt 1-1-2014 Funding v3 - Funding Stabilization - 2014 Schedule SB
Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS

Pension Increases

None.

Plan Participants' Contributions

None.

Changes in Plan Provisions since Last Actuarial Valuation

None.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24
Change in Actuarial Assumptions
as of January 1, 2014

Other than the prescribed changes in the discount rate and mortality, the following other changes in assumptions were made as part of this valuation.

- The assumed plan-related expenses added to the target normal cost were changed from $156,000 for 2013 to $140,000 for 2014.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26
Schedule of Active Participant Data for Frozen Plans as of January 1, 2014

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 - 29	0		0		0		0		0		0		0		0		0		0	
30 - 34	2		8		0		0		0		0		0		0		0		0	
35 - 39	2		12		19		1		0		0		0		0		0		0	
40 - 44	2		18		6		13		8		0		0		0		0		0	
45 - 49	3		14		3		6		22		4		0		0		0		0	
50 - 54	2		19		6		4		13		11		11		0		0		0	
55 - 59	1		16		5		1		8		8		38		14		0		0	
60 - 64	1		11		2		0		3		1		3		3		2		0	
65 - 69	0		4		0		1		0		0		1		0		1		0	
70 & Over	0		0		0		0		0		0		0		0		0		0	

Plan Name: Hawaiian Telcom Management Pension Plan
EIN / PN: 16-1710376 / 002
Plan Sponsor: Hawaiian Telcom
VRS: Mgmt 1-1-2014 Funding v3 - Funding Stabilization - 2014 Schedule SB
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2014

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2014	141,736	7	141,736	23,721
2	Shortfall	01/01/2013	288,118	6	256,176	48,492
3	Shortfall	01/01/2012	576,411	5	444,815	97,831
4	Shortfall	01/01/2011	1,862,766	4	1,141,258	306,480
5	Shortfall	01/01/2010	351,845	3	169,330	59,213
6	Shortfall	01/01/2009	2,262,104	2	783,737	401,408
7	Shortfall	01/01/2008	559,136	1	93,881	93,881
Total					3,030,933	1,031,026

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2014

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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
Hawaiian Telcom Management Pension Plan

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 05/02/2005

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

1177 Bishop Street

Honolulu HI 96813

2b Employer Identification Number (EIN) 16-1710376

2c Plan Sponsor's telephone number (808) 546-1726

2d Business code (see instructions) 517000

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

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

SIGN HERE	**Signature of plan administrator**	Date 10/14/15	Enter name of individual signing as plan administrator: John Komeiji
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**	603
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)**	311
a(2) Total number of active participants at the end of the plan year	**6a(2)**	315
b Retired or separated participants receiving benefits	**6b**	68
c Other retired or separated participants entitled to future benefits	**6c**	223
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	606
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	2
f Total. Add lines **6d** and **6e**.	**6f**	608
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**	0
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 1I 3H

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

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

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1) ☒ **R** (Retirement Plan Information)

(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1) ☒ **H** (Financial Information)

(2) ☐ **I** (Financial Information – Small Plan)

(3) ☐ **A** (Insurance Information)

(4) ☐ **C** (Service Provider Information)

(5) ☒ **D** (DFE/Participating Plan Information)

(6) ☐ **G** (Financial Transaction Schedules)