

Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

- A** This return/report is for:
- a single-employer plan a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions)
- a one-participant plan a foreign plan
- 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** Check box if filing under:
- Form 5558 automatic extension DFVC program
- special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan NAES CORPORATION RETIREMENT PLAN FOR SENECA LOCAL 459 EMPLOYEEES		1b Three-digit plan number (PN) ▶ 022
		1c Effective date of plan 02/12/2014
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) NAES CORPORATION 1180 NW MAPLE STREET, SUITE 200 ISSAQUAH, WA 98027		2b Employer Identification Number (EIN) 91-1111672
		2c Sponsor's telephone number 425-961-4700
		2d Business code (see instructions) 221100
3a Plan administrator's name and address <input checked="" type="checkbox"/> 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
5a Total number of participants at the beginning of the plan year.....		5a 8
b Total number of participants at the end of the plan year		5b 10
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)		5c
d(1) Total number of active participants at the beginning of the plan year		5d(1) 8
d(2) Total number of active participants at the end of the plan year.....		5d(2) 10
e Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		5e 0

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	08/01/2016	NORM ESCOVER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/01/2016	NORM ESCOVER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

Preparer's name (including firm name, if applicable) and address (include room or suite number)	Preparer's telephone number

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) Yes No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) Yes No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? Yes No Not determined

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets.....	7a	298555	330769
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	298555	330769
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	33050	
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	-836	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		32214
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d		
e Certain deemed and/or corrective distributions (see instructions)....	8e		
f Administrative service providers (salaries, fees, commissions).....	8f		
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g).....	8h		0
i Net income (loss) (subtract line 8h from line 8c)	8i		32214
j Transfers to (from) the plan (see instructions).....	8j		

Part IV Plan Characteristics

- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 11
- B** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 During the plan year:		Yes	No	N/A	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? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X		
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X		
c Was the plan covered by a fidelity bond?.....	10c	X			200000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X		
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.).....	10e		X		
f Has the plan failed to provide any benefit when due under the plan?	10f		X		
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g		X		
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h				
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.....	10i				
j Did the plan trust incur unrelated business taxable income?	10j		X		

Part VI Pension Funding Compliance

- 11** Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)..... Yes No
- 11a** Enter the unpaid minimum required contribution for all years from Schedule SB (Form 5500) line 40..... **11a** 0
- 12** Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA?... Yes No

(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)

a 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 letter ruling granting the waiver. Month Day Year

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year 12b
c Enter the amount contributed by the employer to the plan for this plan year 12c
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) 12d
e Will the minimum funding amount reported on line 12d be met by the funding deadline? Yes No N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? Yes No
13a If "Yes," enter the amount of any plan assets that reverted to the employer this year 13a
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? Yes No
c 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.)
13c(1) Name of plan(s): 13c(2) EIN(s) 13c(3) PN(s)

Part VIII Trust Information

14a Name of trust 14b Trust's EIN
14c Name of trustee or custodian 14d Trustee's or custodian's telephone number

Part IX IRS Compliance Questions

15a Is the plan a 401(k) plan? Yes No
15b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)? Design-based safe harbor method ADP/ACP test
15c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii)? Yes No
16a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b): Ratio percentage test Average benefit test
16b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No
17a Has the plan been timely amended for all required tax law changes? Yes No N/A
17b Date the last plan amendment/restatement for the required tax law changes was adopted / / . Enter the applicable code (See instructions for tax law changes and codes).
17c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter / / and the letter's serial number .
17d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter / / .
18 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)? Yes No
19 Were in-service distributions made during the plan year? Yes No
If "Yes," enter amount 19
20 Were required minimum distributions made to 5% owners who have attained age 70 1/2 (regardless of whether or not retired), as required under section 401(a)(9)? Yes No N/A

**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

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>NAES CORPORATION RETIREMENT PLAN FOR SENECA LOCAL 459 EMPLOYEES</u>		B Three-digit plan number (PN) ▶ <u>022</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NAES CORPORATION</u>		D Employer Identification Number (EIN) <u>91-1111672</u>
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2015</u>			
2 Assets:			
a Market value	2a	<u>298266</u>	
b Actuarial value	2b	<u>298266</u>	
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	<u>0</u>	<u>0</u>	<u>0</u>
b For terminated vested participants	<u>0</u>	<u>0</u>	<u>0</u>
c For active participants	<u>8</u>	<u>39676</u>	<u>155743</u>
d Total	<u>8</u>	<u>39676</u>	<u>155743</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	<input type="checkbox"/>		
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	<u>6.49%</u>	
6 Target normal cost	6	<u>19517</u>	

Statement by Enrolled Actuary

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

SIGN HERE		<u>07/22/2016</u>
	Signature of actuary	Date
<u>SCOTT F. PORTER, FSA</u>	Type or print name of actuary	<u>14-05894</u>
		Most recent enrollment number
<u>MILLIMAN, INC.</u>	Firm name	<u>610-975-8070</u>
		Telephone number (including area code)
<u>1550 LIBERTY RIDGE DRIVE, SUITE 200 WAYNE, PA 19087</u>	Address of the firm	

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

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 <u>1.96%</u>	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		226838
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.70%</u>		15198
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		242036
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	191.51 %
15	Adjusted funding target attainment percentage	15	191.51 %
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	0.00 %
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
05/15/2015	33050				
			Totals ▶	18(b)	18(c)
				33050	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 32296
20	Quarterly contributions and liquidity shortfalls:	
a	Did the plan have a "funding shortfall" for the prior year?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b	If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 60
23 Mortality table(s) (see instructions)	<input checked="" type="checkbox"/> Prescribed - combined	<input type="checkbox"/> Prescribed - separate	<input type="checkbox"/> 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.....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> 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	19517	
b Excess assets, if applicable, but not greater than line 31a	31b	19517	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	32296	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	32296	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

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

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

2015 Schedule SB, line 22 - Description of Weighted Average Retirement Age
 NAES Corporation Retirement Plan for Seneca Local 459 Employees
 EIN/PN: 91-1111672/022

<u>Age</u>	<u>g_v^(r)</u>	<u>p_v^(r)</u>	<u>l_v^(r)</u>	Weighted Average
55	10%	90%	100%	5.50
56	10%	90%	90%	5.04
57	10%	90%	81%	4.62
58	10%	90%	73%	4.23
59	10%	90%	66%	3.87
60	20%	80%	59%	7.09
61	20%	80%	47%	5.76
62	50%	50%	38%	11.72
63	30%	70%	19%	3.57
64	30%	70%	13%	2.54
65	30%	70%	9%	1.81
66	25%	75%	6%	1.07
67	25%	75%	5%	0.81
68	25%	75%	4%	0.62
69	25%	75%	3%	0.47
70	100%	0%	2%	1.44
Weighted Average Age				60.16
Rounded				60.00

Summary of Active Participants by Age and Service

Number of Participants by Age and Service Groups

Age	Years of Credited Service										Total	
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up		
0-24	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	1	-	-	-	-	-	-	-	-	-	1
35-39	-	-	2	-	-	-	-	-	-	-	-	2
40-44	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	1	-	-	-	-	-	-	-	1
50-54	-	-	-	1	-	-	-	-	-	-	-	1
55-59	-	-	-	1	-	-	-	1	-	-	-	2
60-64	-	-	-	-	-	-	-	1	-	-	-	1
65-69	-	-	-	-	-	-	-	-	-	-	-	-
70&Up	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	2	3	-	-	-	2	-	-	-	8

The ultimate cost of a pension plan is the excess of actual benefits and administrative expenses paid over actual net investment return on plan assets during the plan's existence until the last payment has been made to the last participant. The plan's "actuarial cost method" determines the expected incidence of actuarial costs by allocating portions of the ultimate cost to each plan year. The cost method is thus a budgeting tool to help ensure that the plan will be adequately and systematically funded. Annual contributions are also affected by the "asset valuation method" (as well as the plan provisions, actuarial assumptions, and actual plan demographic and investment experience each year).

Actuarial Cost Method

The actuarial cost method used for determining the plan's ERISA funding requirements is the unit credit method, as required by the Pension Protection Act of 2006. Under this method, an accrued benefit is determined at each active participant's assumed retirement age based on compensation and service at both the beginning and the end of the current year. The plan's normal cost is the sum of the present value of the excess of each active participant's accrued benefit at the end of the current year over that at the beginning of the current year. The plan's accrued liability is the sum of (a) the present value of each active participant's accrued benefit at the beginning of the current year plus (b) the present value of each inactive participant's future benefits.

Asset Valuation Method

The Actuarial Value of Assets used for determining the plan's ERISA funding requirements is equal to the Adjusted Market Value of Assets.

Interest Rates

For ERISA funding purposes: Segment rates (based on statutory rates in effect four months prior to the beginning of the plan year, limited by Segment Rate Stabilization) of 4.72% per year for first 5 years, 6.11% per year for next 15 years, and 6.81% per year thereafter. The equivalent Effective Interest Rate is 6.49% per year.

For maximum deductible contribution purposes: Segment rates (based on statutory rates in effect four months prior to beginning of plan year, not limited by Segment Rate Stabilization) of 1.15% per year for first 5 years, 4.06% per year for next 15 years, and 5.15% per year thereafter. The equivalent Effective Interest Rate is 4.72% per year.

For FASB ASC Topic 960 purposes: 2.75% per year, net of investment expenses.

For PBGC premium purposes: Segment rates of 1.48% per year for first 5 years, 3.77% per year for next 15 years, and 4.79% per year thereafter based on the PBGC Standard Rule.

Compensation Increases

3% increase on pensionable compensation earned during the prior year.

Valuation Compensation

Rate of pay in effect as of the valuation date. For Post-2005 Participants, the rate is increased by 15% for overtime, shift differential, and other pensionable compensation.

Mortality

For ERISA funding and PBGC premium purposes: Statutory static tables for 2015 based on RP-2000 Combined Mortality Table projected to anticipate greater future longevity. No mortality is assumed prior to retirement.

For FASB ASC Topics 960 purposes: RP-2014 Mortality Table projected with Scale MP-2014 on a generational basis. As a generational table, it reflects mortality improvements both before and after the measurement date. No mortality is assumed prior to retirement.

Turnover

Sample annual rates shown below:

Age	Rate
25	5.3%
30	5.1
35	4.7
40	3.5
45	1.8
50	0.4
55	0.0

Retirement

For members retiring from active service, annual rates are shown below. Rates vary by age.

Age	Pre-2006 Participant Rate	Post-2005 Participant Rate
55-59	10%	10%
60-61	30	20
62	30	50
63-65	30	30
66-69	25	25
70+	100	100

The assumed retirement age is 65 for terminated vested participants.

Form of Payment

Single life annuity.

Expenses

No administrative expenses are assumed to be paid by the plan.

Benefits Not Valued

No rates of disability are assumed. The reduction for the Pre-Retirement Death Benefit coverage for terminated Pre-2006 Participants is assumed to have an insignificant impact on costs.

Source of Non-Prescribed Actuarial Assumptions

Actuarial assumptions not prescribed by the IRS are based on the actuary's judgement and continual review of plan experience.

Changes in Actuarial Assumptions Since Prior Valuation

The statutory mortality table was updated for one additional year of assumed mortality improvement. The 3-tiered statutory segment rates changed from 4.99% for the first 5 years, 6.32% for the next 15 years and 6.99% per year thereafter to 4.72%, 6.11% and 6.81%, with interest rate stabilization and from 1.35% for the first 5 years, 4.05% for the next 15 years and 5.05% per year thereafter to 1.15%, 4.06%, and 5.15% without interest rate stabilization, respectively. The PBGC segment rates were also changed from 1.24%, 4.42% and 5.40% to 1.48%, 3.77% and 4.79%.

The mortality table for ASC Topic 960 basis was changed from RP-2000 projected with Scale AA to RP-2014 projected with MP-2014.

The FASB ASC Topic 960 interest rate decreased from 3.50% to 2.75% per year.

This summary of plan provisions is intended to only describe the essential features of the plan. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself.

Definitions

Accrued Benefit: The benefit determined under the formula used to calculate the Normal Retirement Benefit, based on Average Annual Pensionable Earnings for Post-2005 Participants and Basic Earnings for Pre-2006 Participants and years of Benefit Service as of the date of determination. The accrued benefit is frozen as of June 30, 2015.

Actuarially Equivalent: Equality in value such that the present value of the amount under any form of payment is essentially the same as the present value of the amount under the normal form of annuity payment for single participants. In general, for purposes other than determining lump sum amounts or the level income option, Actuarially Equivalent factors are based on the RP-2000 Mortality table and an interest rate of 6%. Specific plan factors are used for the level income option. For purposes of determining small lump sum cash outs, Actuarially Equivalent factors are based on the mortality table specified in IRS Notice 2013-49 for the Plan Year of distribution and the statutory three-tier segment interest rates in effect for the month of October prior to the Plan Year of distribution.

Average Annual Pensionable Earnings: For Post-2005 Participants, the average of the Pensionable Earnings during the highest 48 consecutive months of service during the last 120 months of service ending on date of termination. For Transitioned Employees, Pensionable Earnings for the Prior Plan are included. Average Annual Pensionable Earnings is frozen as of June 30, 2015.

Basic Earnings: For Pre-2006 Participants, the average of the Earnings during the highest 5 calendar years of service. For Transitioned Employees, Earnings for the Prior Plan are included.

Benefit Service: For Post-2005 Participants, a year of service is credited for each Plan Year in which 1,000 hours are worked with fractional service provided in the year of hire and year of termination for each month an hour is worked. For Pre-2006 Participants, the aggregate number of years of employment rounded to the nearest number of whole years. For Transitioned Employees, Benefit Service includes service under the Prior Plan as of February 11, 2014. Benefit service is frozen as of June 30, 2015.

Earnings: For Pre-2006 Participants, base salary. Annual Earnings may not exceed the inflation-adjusted limit specified for each Plan Year as specified by the IRS (\$265,000 for the 2015 plan year).

Eligibility Service: For Post-2005 Participants, Benefit Service. For Pre-2006 Participants, years, months and days of active employment. For Transitioned Employees, Eligibility Service includes service under the Prior Plan as of February 11, 2014.

Pensionable Earnings: For Post-2005 Participants, base earnings, including any reductions pursuant to IRC 401(k), 125, 132(f)(4) and 402(e)(3), plus overtime pay, shift differential, premium pay, performance bonuses and other similar items. Annual Pensionable Earnings may not exceed the inflation-adjusted limit specified for each Plan Year as specified by the IRS (\$265,000 for the 2015 plan year).

Plan Effective Date: February 12, 2014.

Plan Year: The 12-month period beginning January 1 and ending December 31. The initial plan year was from February 12, 2014 to December 31, 2014.

Pre-2006 Participant: Pre-2006 Transitioned Employees.

Prior Plan: For Post-2005 Participants, the 2005 FirstEnergy Constituent Plan within the FirstEnergy Corp. Pension Plan and, for Pre-2006 Participants, the Seneca Bargaining Unit Retirement Plan within the FirstEnergy Corp. Pension Plan, each in effect on February 11, 2014.

Post-2005 Participant: Post-2005 Transitioned Employees and new participants after February 12, 2014.

Transitioned Employees: A Post-2005 Transitioned Employee is an employee of FirstEnergy immediately prior to February 12, 2014 originally hired after December 31, 2005 and a Pre-2006 Transitioned Employee is an employee of FirstEnergy immediately prior to February 12, 2014 originally hired prior to January 1, 2006. Each must also be employed and a member of IBEW Local 459 Seneca on February 12, 2014.

Eligibility for Participation

For Transitioned Employees, February 12, 2014. For new employees, the first of the month following the later of date of hire or date of becoming a member of IBEW Local 459 Seneca. No employee hired after June 30, 2015 who becomes a member of IBEW Local 459 Seneca after June 30, 2015 shall be eligible to participate.

Normal Retirement

Normal Retirement Date: For Post-2005 Participants, the first day of the month coincident with or next following attainment of the later of age 65 and completion of 5 Years of Eligibility Service. For Pre-2006 Participants, the first day of the month coincident with or next following attainment of the later of age 65 and the earlier of 5th anniversary of participation in the Prior Plan or completion of 5 Years of Eligibility Service.

Normal Retirement Benefit: For Post-2005 Participants, 1.2% of Average Annual Pensionable Earnings multiplied by years of Benefit Service less any vested benefit accrued under the Prior Plan payable in monthly installments. For Pre-2006 Participants, a 2-part formula less any vested benefit accrued under the Prior Plan payable in monthly installments. Part 1 equals 1.5% of Basic Earnings multiplied by years of Benefit Service up to 20 years. Part 2 equals 0.9% of Basic Earnings multiplied by years of Benefit Service in excess of 20 years, if any. The Part 2 accrual percentage is increased to 1.1% if the member had at least 15 years of Benefit Service as of December 31, 1998 in the Prior Plan. The benefit is frozen as of June 30, 2015.

Early Retirement

Early Retirement Date: The first day of the month coincident with or next following the attainment of age 55 and completion of 10 years of Eligibility Service while employed.

Early Retirement Benefit: The Accrued Benefit reduced by 1/12th of 4% for each month by which the Early Retirement Date precedes age 62 for Post-2005 Participants or precedes age 60 for Pre-2006 Participants. However, for participants not eligible for Early Retirement as of February 12, 2014, the vested benefit accrued under the Prior Plan shall be reduced by the early retirement factors for terminated vested participants (shown below) for the number of months by which the Early Retirement Date precedes the Normal Retirement Date instead of those described in the previous sentence.

Deferred Retirement

Deferred Retirement Date: The first day of the month coincident with or next following the date of termination of service if it occurs after the Normal Retirement Date.

Deferred Retirement Benefit: The Accrued Benefit determined as of the Deferred Retirement Date.

Termination

Termination Date: The date of termination of service other than for reasons of retirement, death, or disability.

Termination Benefit: The Accrued Benefit, multiplied by the Vested Percentage in the first table below, payable at the Normal Retirement Date, or payable as early as age 55 multiplied by the factors shown in the second table below (with interpolation for months not shown). For Pre-2006 Participants, the benefit shall be reduced by 1/60th of 1% for each month in which the terminated Pre-2006 Participant has not waived coverage for the Pre-Retirement Death Benefit.

Years of Eligibility Service	Vested Percentage
Less than 5	0%
5 or more	100

Number of Months Benefit Commencement Date precedes Normal Retirement Date	Pre-2006 Participants Percent Payable	Post-2005 Participants Percent Payable
0	100%	100%
12	89	91
24	79	82
36	70	75
48	63	69
60	56	63
72	51	58
84	46	53
96	41	49
108	37	45
120	34	42

Pre-Retirement Death for Post-2005 Participants

Post-2005 Participant's Pre-Retirement Survivor's Benefit Eligibility: Beneficiaries of Post-2005 Participants who were employed, disabled, or eligible for early, normal or deferred retirement at the time of death, completed at least 10 Years of Eligibility Service, and die before commencement of payments. If the Pre-2005 Participant is married on the date of death, the beneficiary is the surviving spouse; otherwise the beneficiary is an individual designated by the Pre-2005 Participant prior to death, if any.

Post-2005 Participant's Pre-Retirement Survivor's Benefit: A benefit payable immediately assuming the deceased participant elected a joint and 100% survivor annuity reduced for early commencement with any reduction limited to the maximum early retirement reduction.

Post-2005 Participant's Qualified Pre-Retirement Survivor Benefit Eligibility: Beneficiaries of Post-2005 Participants who were employed at the time of death, completed at least 5 Years of Eligibility Service but not more than 10 years of Eligibility Service, and die before commencement of payments. If the Pre-2005 Participant is married on the date of death, the beneficiary is the surviving spouse; otherwise the beneficiary is an individual designated by the Pre-2005 Participant prior to death, if any.

Post-2005 Participant's Qualified Pre-Retirement Survivor's Benefit: 100% of the benefit which would have been payable had the deceased participant instead terminated service on the date of death, survived to his earliest possible benefit commencement date, elected a joint and 100% survivor annuity, and died on that same date. Reductions for early commencement assume the member terminated employment and are limited to the maximum early retirement reduction.

Post-2005 Participant's Pre-Retirement Death Benefit Eligibility: Surviving spouses of terminated Post-2005 Participants with a vested Accrued Benefit who were not eligible for retirement upon termination and die before commencement of payments.

Post-2005 Participant's Pre-Retirement Death Benefit: 100% of the benefit which would have been payable immediately had the deceased participant instead retired on the date of death, elected a joint and 100% survivor annuity, and died on that same date. Reductions for early commencement assume the member terminated employment and are limited to the maximum early retirement reduction.

Pre-Retirement Death for Pre-2006 Participants

Pre-2006 Participant's Surviving Spouse's Benefit Eligibility: Surviving spouses of Pre-2006 Participants (married at least one year at the time of death) with a vested Accrued Benefit who die while employed and before commencement of payments. If there is no eligible surviving spouse, eligible dependents (children under 19 or 23, if full-time student, or disabled) may be eligible.

Pre-2006 Participant's Surviving Spouse's Benefit: 50% of the Pre-2006 Participant Disability Retirement Benefit determined at death payable immediately. If payable to eligible dependents, benefit is allocated evenly among all eligible dependents.

Pre-2006 Participant's Pre-Retirement Survivor's Benefit Eligibility: A beneficiary designated by a Pre-2006 Participant who was employed or eligible for early, normal or deferred retirement at the time of death, completed at least 10 Years of Eligibility Service, dies before commencement of payments, and does not have a surviving spouse eligible for the Surviving Spouse's Benefit. This benefit would be payable in lieu of any Surviving Spouse's Death Benefit paid to eligible dependents.

Pre-2006 Participant's Pre-Retirement Survivor's Benefit: A benefit payable immediately assuming the deceased participant elected a joint and 100% survivor annuity, with any reduction for early commencement limited to 30%.

Pre-2006 Participant's Qualified Pre-Retirement Survivor's Benefit Eligibility: A beneficiary designated by a Pre-2006 Participant who was employed at the time of death, completed at least 5 Years of Eligibility Service but not more than 10 years of Eligibility Service, dies before commencement of payments, and does not have a surviving spouse eligible for the Surviving Spouse's Benefit. This benefit would be payable in lieu of any Surviving Spouse's Benefit paid to eligible dependents.

Pre-2006 Participant's Qualified Pre-Retirement Survivor's Benefit: 100% of the benefit which would have been payable had the deceased participant instead terminated service on the date of death, survived to

his earliest possible benefit commencement date, elected a joint and 100% survivor annuity, and died on that same date. Reductions for early commencement assume the member terminated employment.

Pre-2006 Participant's Pre-Retirement Death Benefit Eligibility: Surviving spouses of terminated Pre-2006 Participants with a vested Accrued Benefit who were not eligible for retirement upon termination, have not waived coverage, and die before commencement of payments.

Pre-2006 Participant's Pre-Retirement Death Benefit: 50% of the benefit which would have been payable had the deceased participant instead survived to his earliest possible benefit commencement date, elected a joint and 50% survivor annuity, and died on that same date.

Disability Retirement

Post-2005 Participant's Disability Benefit: Disability after completion of 10 years of Eligibility Service and eligible for either the Company-sponsored long-term disability plan or determined to be permanently disability from any and all gainful employment. During the period of disability, a Post-2005 Participant shall be credited with Benefit and Eligibility Service based on regular straight time hours until Normal Retirement or Early Retirement if elected by the Participant.

Pre-2006 Participant's Disability Retirement Eligibility: Termination of employment due to disability that prevents the employee from performing duties for which he can be employed by the Company.

Pre-2006 Participant's Disability Retirement Date: The Disability Retirement Date is the later of completion of 3 months of continuous disability or indication of intended retirement 30 days in advance.

Pre-2006 Participant's Disability Retirement Benefit: The greater of the Accrued Benefit determined as of Disability Retirement Date or $\frac{2}{3}$ rd of the Accrued Benefit determined using the Basic Earnings as of Disability Retirement Date and years of Benefit Service assuming continued service until Normal Retirement Date. The benefit shall cease at Normal Retirement Date or Early Retirement Date if elected by the Participant. At which time, a Normal or Early Retirement Benefit will be determined based on earnings and service as of the Disability Retirement Date.

Pre-2006 Participant Return to Work Provision: If a Pre-2006 Participant receiving Disability Retirement Benefits returns to work, the Disability Retirement Benefit will cease and the Pre-2006 Participant will earn Benefit Service for the period of disability retirement assuming 40 hours of service per week.

Special Benefits

In the first year of retirement, the monthly pension amount for Pre-2006 Participants is increased by 20%.

Forms of Payment

Normal Forms: Life annuity if single; Actuarial Equivalent joint and 50% survivor annuity if married. For Pre-2006 Participants, if the spouse predeceases the retiree during the first five years of payments, the retiree's benefit will be adjusted as if the participant was not married.

Pre-2006 Participant's Optional Forms: Life Annuity; Actuarially Equivalent joint and 50%, 75%, or 100% survivor annuity; Actuarially Equivalent Level Income Option. If the joint annuitant predeceases the retiree during the first five years of payments, the retiree's benefit will be adjusted as if the participant had elected the life annuity.

Post-2005 Participant's Optional Forms: Life Annuity; Actuarially Equivalent joint and 25%, 50%, 75%, or 100% survivor annuity with and without popup feature during the life of the participant; Actuarially Equivalent Life Annuity with 60, 120 or 180 months certain.

Small Lump Sum: Payable if the Actuarially Equivalent present value of the vested Accrued Benefit is \$5,000 or less.

Changes in Plan Provisions Since Prior Valuation

The Plan was frozen as of June 30, 2015.

**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

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

▶ **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 NAES Corporation Ret Plan for Seneca Local 459 EEs		B Three-digit plan number (PN) ▶ 022
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NAES Corporation		D Employer Identification Number (EIN) 91-1111672

E Type of plan: Single Multiple-A Multiple-B **F** Prior year plan size: 100 or fewer 101-500 More than 500

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2015</u>			
2 Assets:			
a Market value	2a	298,266	
b Actuarial value	2b	298,266	
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	0	0	0
b For terminated vested participants	0	0	0
c For active participants	8	39,676	155,743
d Total	8	39,676	155,743
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.49%	
6 Target normal cost	6	19,517	

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	<i>Scott Porter</i> Signature of actuary	<u>7/22/16</u> Date
	Scott F. Porter, FSA Type or print name of actuary	14-05894 Most recent enrollment number
	Milliman, Inc. Firm name	(610) 975-8070 Telephone number (including area code)
	1550 Liberty Ridge Drive, Suite 200 Wayne PA 19087 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 <u>1.96%</u>	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		226838
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.70%</u>		15198
	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		242036
	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	191.51 %
15	Adjusted funding target attainment percentage	15	191.51 %
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	0.00 %
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
05/15/2015	33,050				
Totals ▶			18(b)	33,050	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	32,296
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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	0

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

21 Discount rate:

a Segment rates:

1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	<input type="checkbox"/> N/A, full yield curve used
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b Applicable month (enter code) **21b** 4

22 Weighted average retirement age **22** 60

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** 19,517

b Excess assets, if applicable, but not greater than line 31a **31b** 19,517

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33**

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ... **34** 0

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

36 Additional cash requirement (line 34 minus line 35) **36** 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 32,296

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

a Total (excess, if any, of line 37 over line 36) **38a** 32,296

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b**

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)..... **39** 0

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

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

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

a Schedule elected 2 plus 7 years 15 years

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

42 Amount of acceleration adjustment **42**

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