

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information				
1a Name of plan CENTURYLINK COMBINED PENSION PLAN	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">001</td> </tr> <tr> <td colspan="2">1c Effective date of plan 01/01/1965</td> </tr> </table>	1b Three-digit plan number (PN) ▶	001	1c Effective date of plan 01/01/1965	
1b Three-digit plan number (PN) ▶	001				
1c Effective date of plan 01/01/1965					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) CENTURYLINK, INC. FINANCE DEPT. 2 NE700 100 CENTURYLINK DRIVE P. O. BOX 4065 MONROE, LA 71203	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) 72-0651161</td> </tr> <tr> <td>2c Plan Sponsor's telephone number 318-388-9000</td> </tr> <tr> <td>2d Business code (see instructions) 517000</td> </tr> </table>	2b Employer Identification Number (EIN) 72-0651161	2c Plan Sponsor's telephone number 318-388-9000	2d Business code (see instructions) 517000	
2b Employer Identification Number (EIN) 72-0651161					
2c Plan Sponsor's telephone number 318-388-9000					
2d Business code (see instructions) 517000					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	08/26/2016	LEANNA MCGEE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor CENTURYLINK EMPLOYEE BENEFITS COMMITTEE C/O CENTURYLINK, INC. 214 E. 24TH ST VANCOUVER, WA 98663	3b Administrator's EIN 72-0651161
	3c Administrator's telephone number 360-905-7972
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 8598
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) 4496
a(2) Total number of active participants at the end of the plan year	6a(2) 31915
b Retired or separated participants receiving benefits	6b 60724
c Other retired or separated participants entitled to future benefits.....	6c 21867
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 114506
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 8289
f Total. Add lines 6d and 6e	6f 122795
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 196
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 1E 3H	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>3</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

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

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2014 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan CENTURYLINK COMBINED PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 CENTURYLINK, INC.	D Employer Identification Number (EIN) 72-0651161	

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

(a) Name of insurance carrier

PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	330906		01/01/2014	12/31/2014

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end **4** 13352419**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☒ deposit administration (2) ☐ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b** 12838864**c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 513555(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)**(6) Total additions **7c(6)** 513555**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 13352419**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)**(2) Administration charge made by carrier **7e(2)**(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)**(5) Total deductions **7e(5)** 0**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 13352419

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

<div><div>SCHEDULE A</div><div>(Form 5500)</div><div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan CENTURYLINK COMBINED PENSION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 CENTURYLINK, INC.	D Employer Identification Number (EIN) 72-0651161	

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

(a) Name of insurance carrier AXA EQUITABLE LIFE INSURANCE COMPANY
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(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
13-5570651	62944	1542	64	01/01/2014	12/31/2014

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

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

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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

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

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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	(c) Amount	(d) Purpose	

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end **4** 305053**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b** 0**c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)**(4) Transferred from separate account **7c(4)** 305053(5) Other (specify below) **7c(5)**(6) Total additions **7c(6)** 305053**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 305053**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)**(2) Administration charge made by carrier **7e(2)**(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)**(5) Total deductions **7e(5)** 0**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 305053

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan CENTURYLINK COMBINED PENSION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 CENTURYLINK, INC.	D Employer Identification Number (EIN) 72-0651161	

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

(a) Name of insurance carrier
JOHN HANCOCK LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
04-1414660	65099	GAC 89 ASSN 0		01/01/2014	12/31/2014

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

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

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

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

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

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

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Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end **4** 195382**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b****c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)**(4) Transferred from separate account **7c(4)** 195382(5) Other (specify below) **7c(5)**(6) Total additions **7c(6)** 195382**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 195382**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)**(2) Administration charge made by carrier **7e(2)**(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)**(5) Total deductions **7e(5)** 0**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 195382

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014	
Round off amounts to nearest dollar.	
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan CENTURYLINK COMBINED PENSION PLAN	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF CENTURYLINK, INC.	D Employer Identification Number (EIN) 72-0651161
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 01 Day 01 Year 2014			
2 Assets:			
a Market value	2a	410622648	
b Actuarial value	2b	404127429	
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	2225	192134483	192134483
b For terminated vested participants	1877	44960561	44960561
c For active participants	4496	154597895	165142834
d Total	8598	391692939	402237878
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	6.52%	
6 Target normal cost	6	9433164	

Statement by Enrolled Actuary	
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.	
SIGN HERE	
Signature of actuary	09/24/2015
RONALD T. COZZOLINO	Date
Type or print name of actuary	14-06794
TOWERS WATSON DELAWARE INC.	Most recent enrollment number
Firm name	312-525-2500
191 NORTH WACKER DRIVE CHICAGO, IL 60606	Telephone number (including area code)
Address of the firm	

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)	100000000	8730830
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		0
9 Amount remaining (line 7 minus line 8)	100000000	8730830
10 Interest on line 9 using prior year's actual return of 6.43%	6430000	561392
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		11008924
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 6.71%		738699
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		11747623
d Portion of (c) to be added to prefunding balance		11747623
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	106430000	21039845

Part III Funding Percentages		
14 Funding target attainment percentage	14	95.23 %
15 Adjusted funding target attainment percentage	15	100.46 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	105.54 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	18(c)	

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd

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

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	9433164	
b Excess assets, if applicable, but not greater than line 31a	31b		
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	19150294	3204974	
b Waiver amortization installment			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	12638138	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	12638138	12638138
36 Additional cash requirement (line 34 minus line 35).....	36		
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37		
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a		
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40		

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

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

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; text-align: center; padding: 5px; font-weight: bold; font-size: 1.2em;">2014</div> This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan CENTURYLINK COMBINED PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 CENTURYLINK, INC.	D Employer Identification Number (EIN) 72-0651161	

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: CENTURYLINK DB MASTER TRUST			
b Name of sponsor of entity listed in (a): CENTURYLINK INC			
c EIN-PN 84-0928963-014	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 13213536203	
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
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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
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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
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

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

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

a Plan name **EMBARQ RETIREMENT PENSION PLAN****b** Name of plan sponsor **EMBARQ CORPORATION****c** EIN-PN **20-2923630-001****a** Plan name **QWEST PENSION PLAN****b** Name of plan sponsor **QWEST COMMUNICATIONS INTERNATIONAL****c** EIN-PN **84-1339282-005****a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>CENTURYLINK COMBINED PENSION PLAN</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CENTURYLINK, INC.</u>		D Employer Identification Number (EIN) <u>72-0651161</u>

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
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)	432581602	13213536203
(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)		20900000

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	432581602	13234436203

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	23414100	679088238
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	23414100	679088238

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	409167502	12555347965
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	12000000	
(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)		12000000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	700000	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		700000

		(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)		43523615
(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		957
d Total income. Add all income amounts in column (b) and enter total.....	2d		56224572

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	43144996	
(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)		43144996
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)	697444	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	54853	
(4) Other.....	2i(4)	1358322	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2110619
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		45255615

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		10968957
l Transfers of assets:			
(1) To this plan.....	2l(1)		12135211506
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

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

(1) Name: POSTLETHWAITE & NETTERVILLE

(2) EIN: 72-1202445

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

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

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

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

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>CENTURYLINK COMBINED PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CENTURYLINK, INC.</u>	D Employer Identification Number (EIN) <u>72-0651161</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3581074</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>55</u>

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:

Stock: 29.0% Investment-Grade Debt: 41.0% High-Yield Debt: 14.0% Real Estate: 5.0% Other: 11.0%

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

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

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

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

CENTURYLINK COMBINED PENSION PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

December 31, 2014 and 2013

(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
of CenturyLink Combined Pension Plan

We were engaged to audit the accompanying financial statements of the CenturyLink Combined Pension Plan, formerly known as the CenturyLink Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Northern Trust, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2014 and 2013, and for the years ended December 31, 2014 and 2013, that the information provided to the Plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter – Supplemental Schedule

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2014, is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

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

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

Portlethwaite & Nettunille

New Orleans, Louisiana
September 30, 2015

**CENTURYLINK COMBINED PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

	As of December 31,	
	2014	2013
	(Dollars in thousands)	
Assets		
Investments, at fair value (Note 4):		
Plan's interest in CenturyLink, Inc. Defined Benefit Master Trust	\$ 13,200,606	420,960
Total investments, at fair value	13,200,606	420,960
Net assets held in 401(h) account	12,896	11,622
Other assets	34	—
Total assets	13,213,536	432,582
Liabilities		
Securities lending obligation	678,426	22,785
Amounts related to obligation of 401(h) account	12,896	11,622
Total liabilities	691,322	34,407
Net assets available for benefits	\$ 12,522,214	398,175

**CENTURYLINK COMBINED PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

	Years Ended December 31,	
	2014	2013
	(Dollars in thousands)	
Additions (reductions) to net assets attributed to:		
Investment income:		
Allocable share of Master Trust investment income (Note 4)	\$ 13,211	9,804
Total investment income	13,211	9,804
Allocable share of Master Trust Investment expense (Note 4)	(835)	(644)
Net investment income	12,376	9,160
Net appreciation in fair value of investments:		
Allocable share of Master Trust investment activities (Note 4)	29,929	16,696
Total net appreciation in fair value of investments	29,929	16,696
Company contribution	12,000	1,000
Plan merger of the Embarq Retirement Pension Plan and the Qwest Pension Plan and transfers (Note 1)	12,115,045	354
Total additions, net	12,169,350	27,210
Deductions from net assets attributed to:		
Benefits paid to participants	43,145	48,233
Allocable share of Master Trust administrative expenses (Note 4)	55	362
Other plan administrative expenses	2,111	1,579
Total deductions	45,311	50,174
Net increase (decrease)	12,124,039	(22,964)
Net assets available for benefits:		
Beginning of year	398,175	421,139
End of year	\$ 12,522,214	398,175

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

CENTURYLINK COMBINED PENSION PLAN

Notes to Financial Statements

Note 1. Plan Description

Effective December 31, 2014, the Qwest Pension Plan and the Embarq Retirement Pension Plan were merged into the CenturyLink Retirement Plan. The CenturyLink Retirement Plan was renamed the CenturyLink Combined Pension Plan ("Combined Plan"). Each of the CenturyLink Retirement Plan, the Qwest Pension Plan, and the Embarq Retirement Pension Plan are now components of the Combined Plan. The provisions of the Combined Plan that relate to the CenturyLink Retirement Plan, the Qwest Pension Plan and the Embarq Retirement Pension Plan are now referred to as the CenturyLink Retirement Component, the Qwest Pension Component, the Embarq Pension Component and the Madison River Retirement Component, respectively. This merger had no effect on the participants' pension benefits as the benefit provisions of the merged plans were incorporated into the Combined Plan. CenturyLink, Inc. (the "Company" or "CenturyLink") is the plan sponsor for the Combined Plan.

The Combined Plan is classified as a defined benefit pension plan under the Internal Revenue Code (the "Code") and covers substantially all eligible employees of CenturyLink, Inc. and its subsidiaries. The Combined Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. In the regular course of doing business, the Combined Plan is subject to review by various governmental agencies such as the Department of Labor ("DOL") and the Internal Revenue Service ("IRS").

The following description of the Combined Plan and the CenturyLink Retirement Component, Qwest Pension Component, the Embarq Pension Component, and the Madison River Retirement Component provides general information only. Participants should refer to the Combined Plan document and the component documents for a more complete description of the Combined Plan's provisions and the specific provisions of each component.

CenturyLink Combined Pension Plan Lump Sum Offer

Effective June 1, 2015, the CenturyLink Combined Pension Plan was amended to provide a lump sum benefit payment option in the CenturyLink Retirement Component, Embarq Pension Component and Madison River Retirement Component for active non-bargaining employees and certain bargaining employees as negotiated. In addition, the CenturyLink Combined Pension Plan was amended to provide a lump sum payment option to former terminated vested participants who had not commenced payment of their retirement benefits. Specifically, during 2015, a lump sum payment program has been made available for a limited time to former terminated vested participants in the CenturyLink Retirement Component, the Embarq Pension Component, and the Madison River Retirement Component. The lump sum offer period is effective between September 1, 2015 and October 30, 2015. As of September 18, 2015, election kits were sent to 13,987 eligible CenturyLink Retirement Component, Embarq Pension Component and the Madison River Retirement Component participants with the value of these benefits of approximately \$608 million under the Combined Plan. Actual election and payment amounts will not be known until after the window closes and benefit payments are processed. Benefit payments are scheduled for December 2015. No provision has been made to the 2014 financial statements for this 2015 offer.

Funding Policy

The Company's funding policy for the Combined Plan is to make contributions with the objective of accumulating sufficient assets to pay all qualified pension benefits when due under the terms of the Combined Plan. Contributions to provide benefits under the Combined Plan are made solely by the Company. Prior to the plan merger, the respective plan sponsors were responsible for contributions to provide benefits under the prior CenturyLink Retirement Plan, the Qwest Pension Plan and the Embarq Retirement Pension Plan (which included the Madison River employees). The funding policy defines the employer contribution to be the minimum contributions required by ERISA, including the provisions of the Internal Revenue Code and the Pension Protection Act of 2006, as amended (the "PPA"). The Combined Plan's actuary, using the Unit Credit Cost Method, computes annual contributions for the CenturyLink Retirement Component, the Embarq Pension Component and the Madison River Retirement Component. Under this cost method, a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The Combined Plan's actuary, using the Traditional Unit Credit Cost Method, computes annual contributions for the Qwest Pension Component. The traditional unit credit cost method utilizes the funding target calculation, which is the present value of all benefits that have been accrued or earned under the Qwest Pension Component as of the first day of the plan year and utilizes the target normal cost, which is the present value of all benefits that are expected to accrue or be earned under the Qwest Pension Component during the plan year.

Contributions, if any, are paid to the trustees in cash, within 265 days following the close of the Company's fiscal year. Contributions will not exceed the maximum amount deductible for tax purposes. The Combined Plan has met the minimum funding requirements of ERISA for the years ended December 31, 2014 and 2013 through contributions made, where required, prior to the plan merger, under the CenturyLink Retirement Plan, the Qwest Pension Plan and the Embarq Retirement Pension Plan (which included the Madison River employees). Prior to the plan merger, the plan sponsor for the CenturyLink Retirement Plan made contributions of \$12 million and \$1 million for the years ended December 31, 2014 and 2013, respectively, and the plan sponsor for the Embarq Retirement Pension Plan (which included the Madison River employees) made contributions of \$145 million and \$146 million for the years ended December 31, 2014 and 2013, respectively. The plan sponsor for the Qwest Pension Plan did not make any cash contribution in 2014 and 2013.

Provisions of the CenturyLink Retirement Component

General, Eligibility and Vesting

The CenturyLink Retirement Component (the prior CenturyLink Retirement Plan), includes a health and welfare benefit in addition to normal retirement benefits (see below). The CenturyLink Retirement Component covers all eligible employees of CenturyLink, Inc. and its subsidiaries, except those employees who are covered by the Qwest Pension Component, the Embarq Pension Component or the Madison River Retirement Component or by collective bargaining agreements which do not provide for their participation in the CenturyLink Retirement Component. Ineligible employees include employees who are employed by subsidiaries which do not participate in the CenturyLink Retirement Component, employees who have not completed the requisite service requirements and certain employees who are newly hired or rehired after the dates specified in the relevant provisions of the Combined Plan. Effective December 31, 2010, the CenturyLink Retirement Component was amended to freeze all accrued benefits for non-bargaining participants covered under that Component. There was no effect on the continued years of vesting service related to benefits under the CenturyLink Retirement Component. The CenturyLink Retirement Component was frozen for purposes of eligibility and participation meaning that it will not accept any new non-bargaining participants that begin their employment with CenturyLink after December 31, 2010. Certain bargaining employees who are covered under collective bargaining agreements continue to be eligible to accrue benefits in accordance with the terms of the applicable collective bargaining agreement, but as set forth in the applicable collective bargaining agreement, bargaining unit employees who are new hires or rehires in, or transfers to, certain local bargaining units are not eligible to participate in, or accrue benefits under, the CenturyLink Retirement Component as of the date specified in the collective bargaining agreement. Notwithstanding the generally applicable freezing of participation and benefit accruals, certain grandfathered non-bargaining participants will receive a 4% increase to their frozen accrued benefit each year until the earlier of December 31, 2015 or the date of their initial termination of employment. For non-bargaining participants only, compensation earned prior to January 1, 2011 will be considered in determining their accrued benefit under the CenturyLink Retirement Component.

Pension Benefits

The CenturyLink Retirement Component provides for normal retirement "upon attainment of Normal Retirement Age" or becomes Disabled as reaching age 65 and early retirement generally at ages 55 through 64 with five years of service. Benefits are entirely unvested until a participant completes five years of vesting service, attains age 65 or becomes Disabled as defined under the plan's terms, at which point the participant becomes 100% vested. The basic calculation of the retirement benefit depends on when participant became vested, years of service, and pay credits. Benefits are payable in the form of a straight life annuity or alternate forms selected by the participant which are actuarially equivalent to a straight life annuity, including a lump sum in the case of certain eligible participants.

Death and Disability Benefits

In addition to providing the retirement pension benefits described above, the CenturyLink Retirement Component provides survivor benefits to a participant's surviving spouse or other designated beneficiary upon the participant's death or disability and retirement benefits to certain participants who become disabled while employed. The amount of these benefits are subject to the terms of the CenturyLink Retirement Component, including the prior freeze amendment.

401(h) Account

As permitted by Section 401(h) of the Internal Revenue Code, the CenturyLink Retirement Component was amended January 1, 1989, to provide for the potential funding of retired, non-bargaining, non-key employees' medical benefits that are not paid from other sources. A separate account has been established and maintained in the CenturyLink Retirement Component for such benefits. The related obligations are not a component of this CenturyLink Retirement Component's obligations but are in the financial statements of the separate health and welfare plan maintained by the Company. Assets in the separate 401(h) account cannot be used to fund pension benefits of the Combined Plan. Likewise, the Combined Plan's assets cannot be used to fund postretirement medical benefits of the health and welfare plan.

Eligible retirees who have commenced receiving pension benefits under the CenturyLink Retirement Component may be eligible for funding of medical benefits pursuant to this provision. However, the provisions of the retiree health plan can further limit retiree benefits by specifying additional eligibility requirements. The Company made no contributions to the 401(h) account for medical benefits during 2014 and 2013.

There were no benefit payments made from the 401(h) account during 2014 or 2013 for medical benefits. The aggregate amount of future contributions to fund these benefits shall not exceed 25% of total actual contributions to the CenturyLink Retirement Component, exclusive of any contributions to fund past service cost. Such limitation is measured from January 1, 1989.

Provisions of the Qwest Pension Component

General

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

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

Eligibility and Vesting

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

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

Plan Benefits

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

Occupational employees are defined by the Qwest Pension Component as employees who are members of a collective bargaining unit represented by a union that has agreed to participation in this Qwest Pension Component on behalf of the bargaining unit and non-management non-salaried employees who are not covered by a collective bargaining agreement. The benefits provided under the terms of the Qwest Pension Component document to occupational employees are subject to the collective bargaining agreements negotiated by the unions and the participating Qwest companies.

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

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

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

In addition to the benefits described above, the Qwest Pension Component provides survivor and disability benefits to certain participants.

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

Provisions of the Embarq Pension Component

General

The Embarq Pension Component (the prior Embarq Retirement Pension Plan), covers all eligible employees of Embarq Corporation and its subsidiaries.

Provisions for the Embarq Employees

Eligibility

For the majority of Embarq's employees, subject to the terms of the Embarq Pension Component's freeze on December 31, 2010, full-time active employees become eligible to participate in the Embarq Pension Component when they complete one year of continuous service under the Embarq Pension Component. Part-time active employees become eligible to participate after they have worked at least 1,000 hours during the first 12 months of their employment, or in any calendar year thereafter. For the Centel Corporation bargaining unit employees, all active employees become eligible to participate in the Embarq Pension Component on their first day of work. Non-represented employees hired after December 31, 2010, are not eligible to participate in the Embarq Pension Component. The Embarq Pension Component does not accept any newly hired, rehired or transferred represented participants who are members of unions with frozen benefits and who began their employment in a union after specified dates. Please see "Freezing of Pension Plan" below for additional information.

Vesting

Participants become vested in their retirement benefit when they complete five years of continuous service under the Embarq Pension Component or upon attaining age 65 for Centel Corporation bargaining unit employees.

Pension Benefits

For participants not represented by a collective bargaining agreement, annual benefits under the Embarq Pension Component are determined according to a two-part formula. Part one uses average annual pay for the 60 months ended December 31, 1993, multiplied by credited years of service through December 31, 1993 times 1.5%. For part two, the amount calculated in part one is then added to 1.5% of eligible annual pay for each subsequent year after 1993 through December 31, 2010 when benefit accruals were frozen. The annual compensation of each participant taken into account in determining benefit accruals shall not exceed the compensation limit as established under Code Sec. 401(a)(17).

Pension benefits for participants represented by certain collective bargaining agreements which have bargained for benefits under the Embarq Pension Component are determined based on a schedule of flat dollar amounts as specified in the respective individual bargaining agreements and their credited service.

For participants who have collectively-bargained benefits under the Embarq Pension Component, benefits and increases, if any, are typically negotiated as part of a new collective bargaining agreement. Any changes in negotiated benefit rates are considered component amendments.

The Embarq Pension Component provides for normal, early retirement, special early retirement, disability retirement, and deferred vested retirement, upon meeting certain conditions. The Embarq Pension Component benefits may be paid in the form of a single life annuity or in various forms of a joint and survivor annuity, after an actuarial reduction if benefits commence before the participant's normal retirement date. Certain participants may qualify for a lump sum distribution of all or a portion of their vested accrued benefit.

Multiple amendments have been made to the Embarq Pension Component. Some of these amendments apply only to certain groups of employees whose rights have been preserved according to the provisions of their predecessors' company pension plans. Benefits are calculated under the current Embarq Pension Component formula and compared to the preserved benefit.

Freezing of Pension Plan

Effective December 31, 2010, the Embarq amended the Embarq Pension Component so that no additional benefits will be earned or accrued for non-represented participants. Service after this date will continue to count toward vesting and benefit eligibility, but not the benefit amount. The Embarq Pension Component does not accept any new non-represented participants who begin their employment with Embarq after December 31, 2010. The Embarq Pension Component does not accept any newly hired, rehired or transferred represented participants who are members of unions with frozen benefits and who began their employment in a union after specified dates. The specified dates are negotiated by each union, which began on July 1, 2013. As of December 31, 2014, there are six unions which agreed to freeze participation in the Embarq Pension Component for newly hired, rehired or transferred employees and twenty-five unions had not yet agreed to this change in Embarq Pension Component participation. As of September 30, 2015, a total of twenty-seven unions have now agreed to freeze participation in the Embarq Pension Component for newly hired, rehired or transferred employees and four unions have not yet agreed to this change in Embarq Pension Component participation. Existing retired or terminated vested participants were not affected.

Provisions for the Madison River Retirement Component

General

The Madison River Retirement Component (which merged with the Embarq Retirement Pension Plan on January 1, 2013), covers all eligible employees of Madison River Telephone Company, LLC ("Madison River").

Pension Benefits

The Madison River Retirement Component provides for normal retirement upon reaching age 65 and early retirement at age 55 with a minimum of ten years of service. Benefits are fully vested upon the earlier of five years of continuous service, the participants' attainment of normal retirement date, or upon the participant becoming totally and permanently disabled as defined by the Madison River Retirement Component. The basic calculation of the retirement benefit depends on when an employee became vested and under which defined benefit agreement the participant first vested. Benefits are payable in the form of a straight-life annuity or alternate benefits selected by the participant which are actuarially equivalent to a straight-life annuity, including a lump sum. The Madison River Retirement Component also has provisions for disability and death benefits.

Death and Disability Benefits

A benefit is payable to a surviving spouse or other designated beneficiary upon the death of a participant. The disability benefit is the accrued benefit as of the earlier of the date of disability or the date benefit accruals were frozen.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

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

We reclassified certain prior period amounts to conform to the current period presentation. These changes had no impact to the net assets available for benefits or to the statement of changes in net assets available for benefits for the prior period.

Management of the Combined Plan ("Plan management") has evaluated subsequent events through September 30, 2015, the date these financial statements were available to be issued. Based on the events noted through that period, material events occurring after the date of these financial statements are included in the related footnotes. See Note 1 - Plan Description for additional information.

Use of Estimates

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

Income Recognition

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

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

Administrative and Plan Expenses

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

Payment of Benefits

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

Note 3. Fair Value of Financial Instruments

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

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

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

The Combined Plan's policy is to recognize significant transfers between levels at the actual date of the event or change.

The fair values of the investments held in the Master Trust as of December 31, 2014 and 2013 are presented in Note 4—Interest in CenturyLink, Inc. Defined Benefit Master Trust.

Note 4. Interest in CenturyLink, Inc. Defined Benefit Master Trust

The CenturyLink, Inc. Defined Benefit Master Trust was created at the beginning of 2012 for the purpose of collective investment of the assets of participating defined benefit pension plans sponsored by the Company. The assets are allocated among the participating plans by assigning to each plan those transactions that can be specifically identified, and allocating among all plans the net investment income, gains and losses, and expenses of the Master Trust, in proportion to the market value of the assets assigned to each plan. The assets of the Master Trust are managed by CenturyLink Investment Management ("CIM") in its capacity as investment fiduciary for the participating plans. For further information on fair value of financial instruments, including input levels and descriptions of inputs, see Note 3—Fair Value of Financial Instruments.

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

Below is an overview of the asset categories, the underlying strategies, and valuation inputs used to value the assets in the tables below:

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

(b) *High yield bonds* - This asset category represents investments in below investment grade fixed income securities as well as commingled high yield bond funds, and limited partnerships. The valuation inputs for the securities primarily utilize observable market information and are based on a spread to U.S. Treasury securities and consider yields available on comparable securities of issuers with similar credit ratings. These securities are classified as Level 2. Securities whose valuation inputs are not based on observable market information are classified as Level 3. The commingled funds are valued at NAV based on the market value of the underlying high yield instruments using the same valuation inputs described above. Commingled funds that can be redeemed at NAV within a year of the financial statement date are classified as Level 2. Commingled funds and limited partnerships that cannot be redeemed at NAV or that cannot be redeemed at NAV within a year of the financial statement date are classified as Level 3.

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

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

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

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

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

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

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

(j) *Private debt* - This asset category represents non-public investments in distressed or mezzanine debt funds, as well as certain group annuity contracts. Mezzanine debt instruments are debt instruments that are subordinated to other debt issues and may include embedded equity instruments such as warrants. Private debt funds are structured as limited partnerships and are valued according to the valuation policy of each partnership, subject to prevailing accounting and other regulatory guidelines. The valuation of underlying fund investments are based on factors including the issuer's current and projected credit worthiness, the security's terms, reference to the securities of comparable companies, and other market factors. These valuation methodologies involve a significant degree of judgment. These private debt investments are classified as Level 3. Group annuity contracts are valued based on the amount the plans would receive if funds are withdrawn from these participating contracts. The cash-out factor is based on the associated underlying pool of the insurance company's general account assets consisting primarily of bond funds. The group annuity contracts are classified as Level 3.

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

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

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

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

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

The Combined Plan's interest in the net assets of the Master Trust was 99.9% and approximately 3.2% as of December 31, 2014 and 2013, respectively. As discussed in Note 1 - Plan Description, the Qwest Pension Plan and the Embarq Retirement Pension Plan were merged into the Combined Plan on December 31, 2014.

It is important to note that the asset allocations do not include market exposures that are gained with derivatives. The fair value of Master Trust investments is presented net of selling costs, such as brokerage commissions, of approximately \$21 million as of December 31, 2014 and 2013 in the tables below.

The following table sets forth by category and input level, within the fair value hierarchy, the Master Trust's net assets available for benefits at fair value as of December 31, 2014:

Fair Value of Master Trust Assets at December 31, 2014				
	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
Investment grade bonds (a)	\$ 1,068,031	1,427,355	—	\$ 2,495,386
High yield bonds (b)	—	1,482,067	33,398	1,515,465
Emerging market bonds (c)	208,506	434,405	—	642,911
Convertible bonds (d)	—	13,907	—	13,907
Diversified strategies (e)	—	718,971	—	718,971
U.S. stocks (f)	1,390,463	87,392	—	1,477,855
Non-U.S. stocks (g)	1,170,535	384,577	—	1,555,112
Emerging market stocks (h)	—	101,616	—	101,616
Private equity (i)	—	—	631,842	631,842
Private debt (j)	—	—	388,079	388,079
Market neutral hedge funds (k)	—	928,488	99,900	1,028,388
Directional hedge funds (k)	—	529,561	28,278	557,839
Real estate (l)	—	483,722	216,408	700,130
Derivatives (m)	1,841	14,783	—	16,624
Cash equivalents and short-term investments (n)	—	690,323	—	690,323
Securities lending collateral (o)	—	678,426	—	678,426
Total investments at fair value	3,839,376	7,975,593	1,397,905	13,212,874
Securities lending obligation (o)	—	(678,426)	—	(678,426)
Total investments at fair value, net of securities lending obligation	\$ 3,839,376	7,297,167	1,397,905	12,534,448
Total net assets available for benefits				\$ 12,534,448

Securities loaned by the Master Trust totaled \$659 million at December 31, 2014. They are included in investment grade bonds, high yield bonds, emerging market bonds, U.S. stocks, and non-U.S. stocks in the preceding table in the amounts of \$183 million; \$91 million; \$44 million; \$264 million, and \$77 million, respectively.

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

Fair Value of Master Trust Assets at December 31, 2013				
	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
Investment grade bonds (a)	\$ 813,506	1,505,770	—	\$ 2,319,276
High yield bonds (b)	—	1,265,942	25,707	1,291,649
Emerging market bonds (c)	196,459	367,689	—	564,148
Convertible bonds (d)	—	388,951	—	388,951
Diversified strategies (e)	—	724,030	—	724,030
U.S. stocks (f)	1,409,655	92,018	—	1,501,673
Non-U.S. stocks (g)	1,160,238	299,066	—	1,459,304
Emerging market stocks (h)	—	110,409	—	110,409
Private equity (i)	—	—	731,898	731,898
Private debt (j)	—	—	428,366	428,366
Market neutral hedge funds (k)	—	867,961	99,116	967,077
Directional hedge funds (k)	—	581,131	32,282	613,413
Real estate (l)	—	312,416	260,987	573,403
Derivatives (m)	(8,174)	(35,152)	—	(43,326)
Cash equivalents and short-term investments (n)	—	731,083	—	731,083
Securities lending collateral (o)	—	707,371	—	707,371
Total investments at fair value	3,571,684	7,918,685	1,578,356	13,068,725
Securities lending obligation (o)	—	(707,371)	—	(707,371)
Total investments, net of securities lending obligation	<u>\$ 3,571,684</u>	<u>7,211,314</u>	<u>1,578,356</u>	12,361,354
Dividends and interest receivable				133
Total net assets available for benefits at fair value				<u>\$ 12,361,487</u>

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

During 2014 and 2013, the Master Trust's investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) as follows:

	Years Ended December 31,	
	2014	2013
	(Dollars in thousands)	
Net appreciation (depreciation) in fair value of Master Trust investments:		
Investment grade bonds	\$ 395,199	(286,985)
High yield bonds	(12,673)	66,784
Emerging market bonds	(12,511)	(61,368)
Convertible bonds	11,845	66,369
Diversified strategies	64,941	(26,011)
U.S. stocks	119,955	439,112
Non-U.S. stocks	(115,794)	245,021
Emerging market stocks	(1,394)	(7,520)
Private equity	16,651	97,929
Private debt	(38,154)	25,042
Market neutral hedge funds	36,465	63,636
Directional hedge funds	16,287	69,306
Real estate	40,805	49,624
Derivatives	498,751	(183,791)
Cash equivalents and short-term investments	(829)	(204)
Total net appreciation in fair value of Master Trust investments	\$ 1,019,544	556,944

The net appreciation of the Master Trust's investments whose fair value was determined based upon quoted prices for identical instruments traded in active markets was approximately \$657 million and \$293 million for the years ended December 31, 2014 and 2013, respectively. The net appreciation of investments whose fair value was determined using methods other than quoted prices for identical instruments traded in active markets was approximately \$362 million and \$264 million for the years ended December 31, 2014 and 2013, respectively.

The following table reflects the changes in net assets for the Master Trust for the years ended December 31, 2014 and 2013:

	Years Ended December 31,	
	2014	2013
	(Dollars in thousands)	
Changes in Master Trust Net Assets:		
Investment income:		
Dividends	\$ 60,928	62,384
Interest	166,233	146,599
Other	136,022	73,612
Total investment income	363,183	282,595
Investment expense	(25,706)	(20,544)
Net investment income	337,477	262,051
Net appreciation in fair value of investments	1,019,544	556,944
Net transfers from the Master Trust	(1,182,454)	(791,086)
Administrative expenses	(1,606)	(10,735)
Net increase	172,961	17,174
Net assets available for benefits:		
Beginning of year	12,361,487	12,344,313
End of year	\$ 12,534,448	12,361,487

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

The following table presents a rollforward of the Master Trust assets valued using Level 3 inputs for the years ended December 31, 2014 and 2013:

	Master Trust Assets Valued Using Level 3 Inputs						
	High Yield Bonds	Private Equity	Private Debt	Market Neutral Hedge Funds	Directional Hedge Funds	Real Estate	Total
	(Dollars in thousands)						
Balance at December 31, 2012	\$ 58,663	733,687	477,233	—	28,500	334,269	\$ 1,632,352
Net (dispositions) acquisitions	(37,762)	(97,452)	(73,547)	100,000	(868)	(88,781)	(198,410)
Actual return on plan assets:							
Realized gains relating to assets sold during the year	12,247	68,008	18,156	—	129	11,038	109,578
Unrealized (losses) gains relating to assets still held at year-end	(7,441)	27,655	6,524	(884)	4,521	4,461	34,836
Balance at December 31, 2013	\$ 25,707	731,898	428,366	99,116	32,282	260,987	\$ 1,578,356
Net (dispositions) acquisitions	(1,615)	(120,583)	(2,154)	—	(440)	(56,493)	(181,285)
Net transfers - other	5,686	4,076	—	—	—	(4,076)	5,686
Actual return on plan assets:							
Realized gains (losses) relating to assets sold during the year	8,624	114,597	25,233	—	(75)	3,885	152,264
Unrealized (losses) gains relating to assets still held at year-end	(5,004)	(98,146)	(63,366)	784	(3,489)	12,105	(157,116)
Balance at December 31, 2014	\$ 33,398	631,842	388,079	99,900	28,278	216,408	\$ 1,397,905

Master Trust Investments Valued at NAV

For commingled funds and limited partnerships described above, the Master Trust owns units in funds that invest in various types of assets. Commingled funds give investors the right, subject to predetermined redemption procedures, to redeem their investment at NAV. The tables below present a summary of the fair value, redemption frequency, and redemption notice period of commingled funds as of December 31, 2014 and 2013:

Commingled Funds	Fair Value (Dollars in thousands)	Redemption Frequency	Redemption Notice Period	Redemption Restrictions as of December 31, 2014
Investment grade bonds	\$ 148,284	Daily	Same day or 1 day	None
High yield bonds	834,256	Daily, monthly or quarterly	Same day, 10, or 90 days	None
Emerging market bonds	27,103	Daily	Same day	None
Convertible bonds	9,720	Monthly	10 days	None
Diversified strategies	718,971	Monthly	5 days	None
U.S. stocks	85,903	Daily	Same day	None
Non U.S. stocks	383,909	Daily	Same day, 2 or 10 days	None
Emerging market stocks	101,616	Daily or monthly	Same day or 60 days	None
Market neutral hedge funds	928,488	Monthly, quarterly or semi-annually	5, 60, 90, 95 days	See (a) below
Directional hedge funds	529,561	Quarterly, semi-annually or annually	60, 65, 90, or 95 days	None
Real estate	483,722	Quarterly or semi-annually	45, 60, 90 days	None
Cash equivalents and short-term investments	63,891	Daily	Same day	None
Total commingled funds	<u>\$ 4,315,424</u>			

(a) Approximately \$0.2 million or less than 1% in market neutral hedge funds commingled funds were in liquidation and could not be redeemed as of December 31, 2014.

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

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

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

The table below presents a summary of the fair value, redemption frequency, unfunded commitments, and average life of distribution of limited partnerships in the Master Trust as of December 31, 2014:

Limited Partnerships	Fair Value (Dollars in thousands)	Redemption Frequency	Unfunded Commitments (Dollars in thousands)	Average Life of Distribution
High yield bonds	\$ 26,254	No redemption feature	None	Approximately 5 to 7 years
Private equity	631,842	No redemption feature	\$ 300,233	Approximately 8 to 10 years
Private debt	388,079	No redemption feature	217,177	Approximately 9 to 11 years
Market neutral hedge funds	99,900	No redemption feature	None	Approximately 4 to 5 years
Directional hedge funds	28,278	No redemption feature	None	Approximately 2 years
Real estate	216,408	No redemption feature	69,350	Approximately 4 to 6 years
Total limited partnerships	<u>\$ 1,390,761</u>		<u>\$ 586,760</u>	

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

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

The Master Trust's limited partnerships detailed above, including three major group annuity contracts categorized as private debt of \$15 million, are classified as Level 3. The limited partnerships have been valued using NAV as reported in the audited financial statements of the respective investments (adjusted for estimated selling costs), as of December 31, 2014. The value of the group annuity contracts was determined by the respective insurance company using methodologies not readily available. These investments therefore, meet the exceptions to disclosing the quantitative information about significant unobservable inputs used in Level 3 fair value measurements.

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

The following table presents investments that represent 5% or more of the Master Trust's net assets available for benefits:

	As of December 31,	
	2014	2013
	(Dollars and shares in thousands)	
Bridgewater All Weather 12% LLC Series I, 477 and 525 shares, respectively	\$ 719,001	724,530

Derivatives

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

Swap contracts held in the Master Trust contain credit-risk-related contingent features. For instance, if the net assets of the Master Trust declined by more than 15% per month or 30% per year, the counterparty of certain contracts could choose to terminate the contract. Other counterparties would require the posting of additional collateral equal to 1% of the notional value in order to maintain the existing contracts if net assets of the Master Trust drop by more than 50% in a year. For swap contracts that would require posting of additional collateral, if the feature were triggered on December 31, 2014, the Master Trust would have been required to post additional collateral of approximately \$1 million.

The tables below present derivative instruments held directly by the Master Trust as of December 31, 2014. The tables exclude any derivatives that may be held in the investments in commingled and mutual funds.

Statements of Net Assets Available For Benefits Location		Asset Derivatives as of December 31, 2014	
		Notional Amount	Fair Value
		(Dollars in thousands)	
Exchanged-traded:			
U.S. equity futures	Investments, at fair value	\$ —	—
U.S. treasury futures	Investments, at fair value	1,895,517	3,764
Eurodollar futures	Investments, at fair value	—	—
Interest rate swaps	Investments, at fair value	260,737	4,230
Credit default swaps	Investments, at fair value	328,090	7,736
Options	Investments, at fair value	147,700	597
Foreign exchange forwards	Investments, at fair value	954,312	17,990
Total		<u>\$ 3,586,356</u>	<u>34,317</u>

Statements of Net Assets Available For Benefits Location		Liability Derivatives as of December 31, 2014	
		Notional Amount	Fair Value
		(Dollars in thousands)	
Exchanged-traded:			
U.S. equity futures	Investments, at fair value	\$ 134,473	(1,620)
U.S. treasury futures	Investments, at fair value	(421,870)	(301)
Eurodollar futures	Investments, at fair value	(4,527)	(2)
Interest rate swaps	Investments, at fair value	317,924	(8,142)
Credit default swaps	Investments, at fair value	53,791	(2,354)
Options	Investments, at fair value	(393,804)	(1,997)
Foreign exchange forwards	Investments, at fair value	240,819	(3,277)
Total		<u>\$ (73,194)</u>	<u>(17,693)</u>

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

Statements of Net Assets Available For Benefits Location		Asset Derivatives as of December 31, 2013	
		Notional Amount	Fair Value
		(Dollars in thousands)	
Exchanged-traded:			
U.S. equity futures	Investments, at fair value	\$ 95,414	541
U.S. treasury futures	Investments, at fair value	(104,909)	238
Eurodollar futures	Investments, at fair value	959	1
Interest rate swaps	Investments, at fair value	134,772	2,517
Credit default swaps	Investments, at fair value	208,986	4,327
Options	Investments, at fair value	10,700	1,551
Foreign exchange forwards	Investments, at fair value	345,679	7,065
Total		<u>\$ 691,601</u>	<u>16,240</u>

Statements of Net Assets Available For Benefits Location		Liability Derivatives as of December 31, 2013	
		Notional Amount	Fair Value
		(Dollars in thousands)	
Exchanged-traded:			
U.S. treasury futures	Investments, at fair value	\$ 2,120,096	(8,888)
Eurodollar futures	Investments, at fair value	353,455	(68)
Interest rate swaps	Investments, at fair value	421,369	(38,915)
Credit default swaps	Investments, at fair value	44,495	(1,039)
Options	Investments, at fair value	(254,357)	(2,266)
Foreign exchange forwards	Investments, at fair value	592,676	(8,392)
Total		<u>\$ 3,277,734</u>	<u>(59,568)</u>

The following table presents the total net appreciation (depreciation) of derivatives for the years ended December 31, 2014 and 2013:

		Years Ended December 31,	
		2014	2013
Statements of Changes in Net Assets Available for Benefits Location		(Dollars in thousands)	
Exchanged-traded:			
U.S. equity futures	Net appreciation in fair value of investments	\$ 33,420	58,922
Non U.S. equity futures	Net depreciation in fair value of investments	—	(6,919)
U.S. treasury futures	Net depreciation in fair value of investments	(262,494)	(223,320)
Eurodollar futures	Net depreciation in fair value of investments	(209)	(1,734)
Interest rate swaps	Net depreciation in fair value of investments	(2,018)	(36,574)
Credit default swaps and options	Net appreciation in fair value of investments	25,084	5,082
Options	Net appreciation in fair value of investments	1,049	1,255
Foreign exchange forwards	Net appreciation in fair value of investments	703,919	19,498
Total		<u>\$ 498,751</u>	<u>(183,790)</u>

Master Netting Agreements

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

Our exchange traded derivative instruments are not subject to a master netting arrangement or similar agreement.

The following is a summary by counterparty of the Master Trust's net exposure to derivative assets and liabilities, by financial instrument type, available for offset and net of collateral under Master Agreements at December 31, 2014:

Asset Description	Gross Recognized Assets	Gross Amounts Offset	Net Amounts Presented	Amounts Not Offset: Net Collateral Received	Net Exposure
(Dollars in thousands)					
OTC foreign exchange	\$ 17,990	2,329	15,661	1,420	14,240
OTC interest rate/credit	4,012	2,389	1,623	1,265	358
Total derivatives subject to a MNA	22,002	4,718	17,284	2,685	14,598
Exchange cleared interest rate/credit	8,551	—	8,551	—	8,551
Exchange traded interest rate/credit	3,764	—	3,764	—	3,764
Total derivatives not subject to a MNA	12,315	—	12,315	—	12,315
Total derivatives	\$ 34,317	4,718	29,599	2,685	26,913
Securities on loan	\$ 659,369	—	659,369	659,369	—

Liability Description	Gross Recognized Liabilities	Gross Amounts Offset	Net Amounts Presented	Amounts Not Offset: Net Collateral Pledged	Net Exposure
(Dollars in thousands)					
OTC foreign exchange	\$ 3,702	2,329	1,372	—	1,372
OTC interest rate/credit	6,498	2,389	4,109	4,005	104
Total derivatives subject to a MNA	10,200	4,718	5,481	4,005	1,476
Exchange cleared interest rate/credit	5,570	—	5,570	—	5,570
Exchange traded equities	1,621	—	1,621	—	1,621
Exchange traded interest rate/credit	302	—	302	—	302
Total derivatives not subject to a MNA	7,493	—	7,493	—	7,493
Total derivatives	\$ 17,693	4,718	12,974	4,005	8,969

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

Asset Description	Gross Recognized Assets	Gross Amounts Offset	Net Amounts Presented	Amounts Not Offset: Net Collateral Received	Net Exposure
(Dollars in thousands)					
OTC foreign exchange	\$ 7,064	3,414	3,650	—	3,650
OTC interest rate/credit	6,764	3,748	3,016	1,339	1,677
Total derivatives subject to a MNA	13,828	7,162	6,666	1,339	5,327
Exchange cleared interest rate/credit	1,632	—	1,632	—	1,632
Exchange traded equities	543	—	543	—	543
Exchange traded interest rate/credit	239	—	239	—	239
Total derivatives not subject to a MNA	2,414	—	2,414	—	2,414
Total derivatives	\$ 16,242	7,162	9,080	1,339	7,741
Securities on loan	\$ 691,929	—	691,929	—	691,929

Liability Description	Gross Recognized Liabilities	Gross Amounts Offset	Net Amounts Presented	Amounts Not Offset: Net Collateral Received	Net Exposure
(Dollars in thousands)					
OTC foreign exchange	\$ 8,392	3,414	4,978	597	4,381
OTC interest rate/credit	39,605	3,748	35,857	35,858	(1)
Total derivatives subject to a MNA	47,997	7,162	40,835	36,455	4,380
Exchange cleared interest rate/credit	2,615	—	2,615	—	2,615
Exchange traded interest rate/credit	8,956	—	8,956	—	8,956
Total derivatives not subject to a MNA	11,571	—	11,571	—	11,571
Total derivatives	\$ 59,568	7,162	52,406	36,455	15,951

Note 5. Securities Lending

The Master Trust participates in securities lending transactions whereby the Master Trust's lending agent lends investments of the Master Trust to other third-party investment companies in exchange for collateral. The securities are generally loaned for a period of less than a month. Under the terms of its securities lending agreement, the Master Trust typically requires collateral of a value equal to 102%, for U.S. securities, or 105%, for foreign securities, of the then fair value of the loaned investments. Collateral is then invested in a segregated account maintained by the lending agent. Upon the maturity of the agreement, the borrower must return the same, or substantially the same, investments that were borrowed, and the Master Trust returns the collateral. The risks to the Master Trust of securities lending transactions are that 1) the borrower may not provide additional collateral when required, 2) the borrower may not return the investments when due, or 3) the earnings on the collateral investments may be negative requiring the Master Trust to assume additional collateral obligations. The Master Trust investments loaned under securities lending transactions totaled \$659 million and \$692 million as of December 31, 2014 and 2013, respectively. The Master Trust recognizes the securities loaned on the statements of net assets available for benefits and records a corresponding asset and liability for the collateral held and for its obligation to return the collateral to the borrower. The Master Trust's financial instruments held as collateral totaled \$678 million and \$707 million as of December 31, 2014 and 2013, respectively. Income from securities lending transactions totaled approximately \$1 million and \$2 million for the years ended December 31, 2014 and 2013, respectively.

As described in Note 4—Interest in CenturyLink, Inc. Defined Benefit Master Trust, in addition to direct investments in stocks and fixed-income securities, the Master Trust invests in commingled funds and mutual funds. Several of these funds may also engage in securities lending.

Note 6. Actuarial Present Value of Accumulated Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the CenturyLink Retirement Components provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The accumulated plan benefits for active employees are based on benefit calculations using credited service, average qualifying salary, and average qualifying employment on the date as of which the benefit information is presented (the "valuation date"). Benefits payable under all circumstances (retirement, death, and termination of employment) are included, to the extent they are deemed attributable, to employee service rendered to the valuation date.

The actuarial present values of accumulated plan benefits were determined by the CenturyLink Retirement Component's actuary and are the amounts that result 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 valuation dates and the expected dates of payment. For 2013, the actuarial assumptions for the retirement and withdrawal decrements and the lump sum election were updated based on the results of the 2013 experience study. The accumulated plan benefits are based on census data and CenturyLink Retirement Component provisions in effect as of January 1, 2014 and 2013, which are reporting periods prior to the plan merger. These calculations have been used to disclose accumulated plan benefits as of December 31, 2013 and 2012. The actuarial valuation as of January 1, 2014 and 2013 is not materially different than the valuation would be as of December 31, 2013 and 2012.

The CenturyLink Retirement Component costs developed by the actuary are estimates of the amounts necessary to provide benefits to the CenturyLink Retirement Component's participants, assuming continued funding of the CenturyLink Retirement Component in a systematic manner. These estimates are based on the actuarial methods selected to allocate the total cost of the CenturyLink Retirement Component to various years and on actuarial assumptions regarding the return on investments, salary rates, withdrawal rates, mortality rates, and other factors.

The December 31, 2013 significant assumptions used to calculate the present value of accumulated plan benefits include the following:

• Discount rate	7.5%
• Lump sum payment interest rate	5.5%
• Cost of living adjustment	2.0% per annum
• Mortality	*

* Prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

Additional assumptions used were (a) rates of retirement age by age group, (b) percentage of participants electing lump sums upon retirement, (c) 75% of participants are presumed married, and (d) withdrawal rate assumptions by age group.

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

If the assumed discount rate for December 31, 2013 and 2012 was 100 basis points lower, the impact would have been to increase the pension obligation by approximately \$80 million and \$99 million, respectively.

The following table presents the components of the CenturyLink Retirement Component's benefit obligations for the years ended December 31, 2013 and 2012:

	Years Ended December 31,	
	2013	2012
	(Dollars in thousands)	
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving payments	\$ 176,003	\$ 162,478
Other participants	185,649	198,232
Non vested benefits	9,396	9,915
Total actuarial present value of accumulated plan benefits	<u>\$ 371,048</u>	<u>\$ 370,625</u>

The following table presents the changes in accumulated plan benefit obligations for the year ended December 31, 2013:

	(Dollars in thousands)
Actuarial present value of accumulated plan benefits as of December 31, 2012	<u>\$ 370,625</u>
Increase (decrease) during the year due to:	
Benefits earned	7,209
Decrease in discount period	26,529
Benefits paid	(48,233)
Actuarial loss and other	14,253
Change in actuarial assumptions	665
Actuarial present value of accumulated plan benefits as of December 31, 2013	<u>\$ 371,048</u>

Note 7. Summary of Information Certified by the Trustees

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

- Statements of Net Assets Available for Benefits:
 - 2014 - Northern Trust - 99.9% interest in Master Trust, all assets, excluding \$20.9 million of estimated selling costs, and securities lending obligation
 - 2013 - Northern Trust - 3.2% interest in Master Trust, all assets, excluding \$700 thousand of estimated selling costs, and securities lending obligation

- Statements of Changes in Net Assets Available for Benefits:

2014 - Northern Trust - 99.9% interest in Master Trust, investment income and net appreciation (depreciation) in fair value of investments, excluding \$20.9 million of estimated selling costs, and securities lending obligation

2013 - Northern Trust - 3.2% interest in Master Trust, investment income and net appreciation (depreciation) in fair value of investments, excluding \$700 thousand of estimated selling costs, and securities lending obligation

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

Note 8. Tax Status

The CenturyLink Retirement Component (the prior CenturyLink Retirement Plan) received favorable tax determination letters from the IRS dated May 9, 2013 and January 31, 2014. Additionally, the merged plans (the Qwest Pension Plan and the Embarq Retirement Pension Plan) had each received favorable tax determinations letters. Furthermore, the Plan's management believes that the Combined Plan continues to be designed and operated in compliance with the applicable requirements of the Internal Revenue Code; therefore, it believes that the Combined Plan was qualified, and the related trust was tax-exempt as of the financial statement date. Accordingly, no provision for income taxes has been provided for in the Combined Plan's financial statements.

Accounting principles generally accepted in the United States of America ("GAAP") requires Plan management to evaluate tax positions taken by the Combined Plan and recognize a tax liability (or asset) if the Combined Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Combined Plan administrator has analyzed the tax positions taken by the Combined Plan and 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.

Note 9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for pension benefits as reported on the financial statements to Form 5500 for the years ended December 31, 2014 and 2013:

	Years Ended December 31,	
	2014	2013
	(Dollars in thousands)	
Net assets available for pension benefits as reported on the financial statements	\$ 12,522,214	398,175
Adjustment for selling costs required by GAAP	20,900	—
Security lending obligation related to 401(h) account	(662)	(629)
Net assets held in 401(h) account included as assets in Form 5500	12,896	11,622
Net assets available for benefits as reported on Form 5500 (unaudited)	<u>\$ 12,555,348</u>	<u>409,168</u>

The net assets of the 401(h) account included in Form 5500 are not available to pay pension benefits but can only be used to pay retiree health benefits.

The following is a reconciliation of the net (decrease) increase as reported on the financial statements for the years ended December 31, 2014 and 2013, to net (loss) income as reported on Form 5500:

	Years Ended December 31,	
	2014	2013
	(Dollars in thousands)	
Net increase (decrease) as reported on the financial statements, excluding the impact of the merger of the Qwest Pension Plan and the Embarq Retirement Pension Plan	\$ 8,994	(22,964)
Adjustment for investment selling costs required by GAAP for 2014 and 2013, respectively	700	—
Increase in 401(h) net accounts	1,274	717
Transfers in from other plans	—	(354)
Net income (loss) as reported on Form 5500 (unaudited)	<u>10,968</u>	<u>(22,601)</u>

Note 10. Plan Termination

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

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

Amounts in the 401(h) account shall be used to pay medical benefits per the terms of the separate health and welfare plan. Following satisfaction of these obligations, any amounts remaining shall be returned to the Company as provided in the Combined Plan document.

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

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

Note 11. Related Party, Party-In-Interest Transactions and Nonexempt Transactions

The Combined Plan and Master Trust invest in certain commingled funds managed by the Combined Plan's trustee. In addition, the Master Trust reimbursed the Company approximately \$110 thousand for certain qualifying administrative and investment expenses in 2014. Direct expenses paid in 2014 and 2013 by the Master Trust for the Combined Plan include trustee fees, investment management fees, administration fees, and certain other expenses. These direct expenses paid by the Master Trust for the years ended December 31, 2014 and 2013 totaled \$3 million and \$4 million, respectively. These transactions, which qualify as related party or party-in-interest transactions, are exempt from the prohibited transaction rules.

Note 12. Concentrations, Risks and Uncertainties

As described in Note 3—Fair Value of Financial Instruments and Note 4—Interest in CenturyLink, Inc. Defined Benefit Master Trust, the Combined Plan’s assets include various types of investments. Investments, in general, are exposed to various risks, such as significant world events, interest rate, credit, foreign currency, and overall market volatility risk. These risks are managed by broadly diversifying assets across numerous asset classes and strategies with differing expected returns, volatilities, and correlations. Risk is also broadly diversified across numerous market sectors and individual companies. Financial instruments that potentially subject the Combined Plan to concentrations of counterparty risk consist principally of investment contracts with high quality financial institutions. These investment contracts are typically collateralized obligations and/or actively managed, limiting the amount of counterparty exposure to any one financial institution. Although the investments are well diversified, and there are no significant concentrations of risk, the value of Combined Plan assets could change materially depending upon the overall market volatility, which could affect the amounts reported in the statements of net assets available for benefits and the funded status of the Combined Plan.

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

CENTURYLINK COMBINED PENSION PLAN
EIN: 72-0651161 PLAN NO: 001
FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2014

Identity of Issue, Borrower or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
(Dollars in thousands)		
CenturyLink Defined Benefit Master Trust*	Investment in Master Trust	\$ 13,200,606
CenturyLink Defined Benefit Master Trust*	Net assets held in 401(h) account	12,896
Total assets held for investment purposes		<u>\$ 13,213,502</u>

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

See accompanying Independent Auditors' Report

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Appendix B – Summary of plan provisions

Retirement Plan

Plan Sponsor

CenturyLink

Plan

CenturyLink Retirement Plan

Effective Date and Most Recent Amendment

The plan was originally effective January 1, 1999. The last amendment reflected herein is Amendment 2012-3, which was executed on December 3, 2012 and incorporates provisions effective at various dates on or before January 1, 2012.

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

Eligible employee: Employees (other than leased employees or employees covered by a collective bargaining agreement that does not provide for participation in this plan) who are age 21 and have one year of service. Employees of the following Affiliates are not eligible to participate in this plan:

1. Century Marketing Solutions, LLC
2. CenturyTel Interactive Company
3. CenturyTel Security Systems, Inc.
4. CenturyTel Holdings, Inc.
5. CenturyTel Investments of Texas, Inc.

All non-represented employees who were hired after December 31, 2010 will not be eligible to participate in the plan.

Credited Service

For each Year of Service prior to January 1, 1999, participants receive credit for benefit service equal to hours/2080, up to one full year. For each Year of Service after December 31, 1998, participants receive credit for one year of benefit service.

Credited service for accrual purposes is frozen for all non-represented participants as of December 31, 2010.

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Vesting Service

An Employee is credited with a Year of Vesting Service for each Plan Year in which the Employee completes at least 1,000 Hours of Service.

Compensation

The sum of (a) and (b):

- b. Non deferred compensation on W-2 except:
 - Overtime or premium pay
 - Imputed income from expense reimbursement or fringe benefits,
 - Prizes, awards, severance payments, and long-term incentive pay.
- c. Salary reduction amounts under a CODA or cafeteria plan.

Final Average Pay

Average of highest 60 consecutive calendar months in last 120 calendar months of compensation.

Final Average Pay is frozen for all non-represented participants as of December 31, 2010.

Normal Retirement Benefit

Eligibility: Age 65

Benefits:

- ii. For employees covered by a collective bargaining agreement hired prior to the dates specified in the tables below: 1.3% of Final Average Pay multiplied by Benefit Years up to 30 plus 0.65% of Final Average Pay in excess of Social Security Covered Compensation multiplied by Benefit Years up to 30.
- iii. For employees not covered by a collective bargaining agreement or covered by a collective bargaining agreement and hired after the dates specified in the tables below: 1.3% of Final Average Pay multiplied by Benefit Years as of December 31, 1998 up to 30 plus 0.65% of Final Average Pay in excess of Social Security Covered Compensation multiplied by Benefit Years as of December 31, 1998 up to 30

plus

0.5% of Final Average Pay multiplied by Benefit Years accrued after December 31, 1998 (total Benefit Years limited to 30) plus 0.5% of Final Average pay in excess of Social Security Covered Compensation multiplied by Benefit Years accrued after December 31, 1998 (total Benefit Years limited to 30).

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Valuation Date: January 1, 2014

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Hourly Bargaining		Date
001	Wisconsin CWA 4671, 4672, 4674, 4675	2/3/2007
002	MO CWA 6310A, 6301A, 6312A	3/13/2008
003	MO CWA 6310, 6311, 6312, 6373	3/13/2008
004	Alabama CWA 3971, 3972, 3974	3/13/2009
005	Missouri IBEW 257A	1/1/2007
006	Arkansas CWA 6171C	8/16/2007
006	Arkansas CWA 6171NW	6/13/2008

CenturyLink Bargaining		Date
001	Montana IBEW Local 768	5/1/2008
002	Oregon Former NTS (4444) now CWA/7906	5/1/2008
003	Wash/Oreg IBEW Local 89	9/1/2008
004	Washington CWA Local 7818	9/1/2008
005	Michigan IBEW Local 1106	4/1/2007

Ohio Bargaining		Date
001	Ohio CWA 4370 Band 1	4/1/2007
002	Ohio CWA 4370 Band 2	4/1/2007

In addition, certain benefits accrued in CenturyLink's nonqualified pension plans as of December 31, 2004 and December 31, 2006 were added to the CenturyLink Retirement Plan.

All benefits are frozen for non-represented employees effective December 31, 2010. During the 5-year period beginning January 1, 2011 and ending December 31, 2015, such accrued benefits are increased by 4% per annum for each year (and pro-rata for fractional years) during which the participant remains employed by the company.

Early Retirement Benefit

Eligibility: Age 55 and 5 Years of Service.

Benefits: Normal Retirement Benefit based on service and earnings at date of termination (or earlier freeze). If payments begin before Normal Retirement Date, the payments are reduced in accordance with the following table (separate reductions apply to the base benefit and excess benefit):

Age at Benefit Starting Date	Base Benefit Percentage	Excess Benefit Percentage
64	100%	92%
63	100	84
62	100	76
61	95	72
60	90	68
59	84	64
58	78	60
57	72	56
56	66	52
55	60	48

Plan Name: CenturyLink Retirement Plan
 EIN / PN: 72-0651161 / 001
 Plan Sponsor: CenturyLink, Inc.
 Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Disability Benefit

Eligibility: To continue to accrue benefit years, a participant must have 10 or more Years of Service when disability arises and must satisfy the criteria for disability under both the Employer's long term disability insurance and that for Social Security disability benefits.

Benefits: Benefits are based on Social Security Covered Compensation at disability and Benefit Years and Final Average Pay at retirement. Participant may receive reduced payments upon early retirement.

Vested Benefits Upon Termination of Service

Eligibility: A Participant's Vested Percentage will be 100% upon the completion of 5 years of Vesting Service. Participants who were active as of July 1, 2009 are automatically vested due to the change in control incurred on such date.

Benefits: Accrued normal retirement benefit as of date of Termination of employment.

Death Benefits for Participants in Active Service

Eligibility: Eligible for Deferred Vested Pension.

Benefits: In the event of the death of a Participant prior to the date that he begins to receive a monthly pension benefit under the Plan, the Participant's Surviving Spouse, if any, will be entitled to receive a monthly pension benefit equal to 50% of the monthly pension benefit which would have been payable had the Participant retired on the day before his death and elected a Joint and 50% Contingent Survivor Pension. A Joint and 50% Contingent Pension provides a monthly pension benefit payable for the lifetime of the Participant and, upon the Participant's death, if the Participant's Spouse survives the Participant, a monthly pension benefit will continue for the remaining lifetime of the Surviving Spouse equal to 50% of the monthly pension benefit which was payable during the joint lifetime of the Participant and the Participant's Surviving Spouse.

Deferred Retirement

Eligibility: Age greater than 65.

Benefits: Same as Normal Retirement Benefit except years of service are determined at actual retirement (or earlier freeze).

Cost of Living Adjustment

Benefits payable to participants with no service after December 31, 1987 are increased each January 1 by the U.S. Consumer Price Index during the 12 months ending with the prior September index or 2 percent, if less.

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Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Minimum Benefits

Participants from previously merged plans have minimum benefits as follows:

- Contel – Contel frozen benefit at 9/1/85 plus PTI benefit based on post-9/1/85 service only (PTI 30-year service cap applies to post 9/1/85 service only).
- Peninsula – Benefit provided by employee contributions with interest plus PTI benefit based on post-6/1/85 service only.
- GVNW – Same minimum as Peninsula, except PTI benefit based on post-10/1/85 service.
- North-West – North-West frozen benefit at 12/31/92 plus PTI benefit based on post-12/31/92 service only (PTI 30-year service cap applies to post 12/31/92 service only).
- GTE – Northern Michigan – GTE frozen benefit at 10/31/97 plus PTI benefit based on post 10/31/97 service only (PTI 30-year service cap applies to post 10/31/97 service only).

Normal Form of Benefit

Life annuity for unmarried participants. Actuarially equivalent 50 percent joint and survivor annuity for married participants.

Optional Annuity Forms

Social Security Level Income Option, 100%, 75% or 50% Joint and Survivor, or a 10 year Certain and Life.

Participants Contributions

No participant contributions are allowed other than contributions transferred from a previous plan as part of a merger.

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Actuarial Equivalent

For conversions other than lump sum, actuarial equivalency is based on 8 percent interest and RP2000 Combined Healthy Mortality projected to 2010 by Projection Scale AA using a blend of 70% male rates and 30% female rates for participants and a blend of 70% female rates and 30% male rates for beneficiaries.

For lump sums, the largest lump sum under the following basis is provided:

1. 1971 TPF&C Forecast Mortality for males with ages set back two years and the six-month moving average yield of United States Treasury obligations with ten-year maturities.
2. 1971 TPF&C Forecast Mortality for males with ages set back two years and the PBGC Immediate Rate.²
3. Mortality table specified by Revenue Notice 2008-85 and the segment rates for the fifth month preceding month of distribution.

² Basis (2) applies only to participants who were eligible for a service pension under the prior plan before January 1, 2000.

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Ohio Bargaining Unit

Coverage and Participation

Eligible Employee: Employees who are Ohio Bargaining Unit Employees become a participant in the Plan on his or her employment Commencement Date.

Credited Service

Elapsed time.

Vesting Service

Elapsed time.

Normal Retirement Benefit

Eligibility: Age 65.

Benefits: A Participant's Normal Retirement Benefit is a monthly pension benefit commencing on his Normal Retirement Date payable in the Normal Benefit Form in an amount equal to the following amounts times Years of Service.

Termination	Band 1	Band 2
On or after		
1/1/93	\$24.09	\$33.52
8/1/94	\$28.59	\$35.02
7/1/95	\$29.59	\$36.02
7/1/96	\$30.59	\$37.02
3/1/98	\$31.59	\$38.02
6/1/00	\$32.59	\$39.02
6/1/01	\$33.59	\$40.02
4/1/04	\$34.59	\$41.02
4/1/05	\$35.09	\$41.52
4/1/07	\$35.84	\$42.02

Normal Benefit Form: Lifetime Pension - Monthly pension benefit payable for the lifetime of the Participant with payments terminating upon the death of the Participant.

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Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Early Retirement Benefit

Eligibility: Age 55 and 5 Years of Vesting Service.

Benefits: A Participant's Early Retirement Benefit is equal to the Actuarial Equivalent of the Participant's Normal Retirement Benefit based on service at date of termination. For purposes of determining a Participant's Early Retirement Benefit, the following factors will be used as Actuarial Equivalent factors:

Age	Factor
55	50%
56	55
57	60
58	65
59	70
60	75
61	80
62	85
63	90
64	95

If a Participant retires with 30 years of service and after attainment of age 60, there is no reduction to the benefit.

Disability Benefit

Eligibility: An Active Participant will be eligible for a Disability Retirement Benefit under the Plan upon the occurrence of permanent disability coincident with or following the Participant's completion of 5 Years of Vesting Service.

Benefits: An eligible Participant's Disability Retirement Benefit is equal to the monthly retirement benefit commencing on his Disability Retirement Date in an amount equal to the Participant's Accrued Benefit determined as of his Disability Retirement Date, with a minimum monthly benefit of \$150. If a Participant satisfies the requirements for a Disability Retirement Benefit and also satisfies the requirements for a Vested Accrued Benefit, the portion of his Disability Retirement Benefit which is the Actuarial Equivalent of his Vested Accrued Benefit will be payable in the Normal Benefit Form (or any optional benefit form) and will be subject to the joint and survivor annuity distribution requirements.

The remaining portion, if any, of the Actuarial Equivalent of the Participant's Disability Retirement Benefit will be payable as a Lifetime Pension with a monthly benefit payable for the Participant's lifetime with payments terminating upon his death.

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Permanent Disability: A Participant will be considered permanently disabled if he becomes eligible for disability benefits under the Social Security Program and, in the opinion of the Plan Administrator.

1. he is prevented from performing the usual duties of his employment or any other employment for which he is reasonably suited as a result of his education, training and experience;
2. such disability is likely to be both continuous and permanent;
3. such disability occurs on or after the Effective Date of the Plan but prior to the Participant's Normal Retirement Date; and
4. such disability is not, in the opinion of the Plan Administrator, the result of injury or disease sustained by the Participant which was diagnosed or discovered subsequent to the date his employment has terminated.

Vested Benefits upon Termination of Service

Eligibility: A Participant's Vested Percentage will be 100% upon the completion of 5 Years of Vesting Service. Prior to the completion of 5 Years of Vesting Service, a Participant's Vested Percentage is zero, unless he was employed by the Company on March 31, 1992 or July 1, 2009, in which case he is 100% vested.

Benefits: Normal retirement benefit based on service at date of termination.

Death Benefits for Participants in Active Service

Eligibility: Eligible for Deferred Vested Pension.

Benefits: In the event of the death of a Participant prior to the date that he begins to receive a monthly pension benefit under the Plan, the Participant's Surviving Spouse, if any, will be entitled to receive a monthly pension benefit equal to 50% of the monthly pension benefit which would have been payable had the Participant retired on the day before his death and elected a Joint and 50% Contingent Survivor Pension. A Joint and 50% Contingent Pension provides a monthly pension benefit payable for the lifetime of the Participant and, upon the Participant's death, if the Participant's Spouse survives the Participant, a monthly pension benefit will continue for the remaining lifetime of the Surviving Spouse equal to 50% of the monthly pension benefit which was payable during the joint lifetime of the Participant and the Participant's Surviving Spouse.

Deferred Retirement

Eligibility: Age greater than 65.

Benefits: Same as Normal Retirement Benefit except years of service are determined at actual retirement.

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Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Normal Form of Benefit

Life Annuity for unmarried participants. Actuarially equivalent Joint and 50% Survivor Annuity for married participants.

Actuarial Equivalent

Actuarial Equivalent means a form of benefit differing in time, period and/or manner of payment from another form of benefit but having the same value when computed based upon the following interest and mortality assumptions:

Interest: 8% per annum, compounded annually.

Mortality: Special rates per 10,000

Age	Factor
20	7
25	8
30	8
35	11
40	16
45	25
50	39
55	62
60	106
65	181

Optional Forms of Payment

100%, 75%, and 50% Joint and Survivor Annuity and the 10 year Certain and Life Annuity.

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Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Hourly Plan

Coverage and Participation

Eligible employee: Hourly-rated employees (other than leased employees, employees covered by a collective bargaining agreement that does not provide for participation in this plan, or “casual employees” as categorized in the Employer’s personnel policies) who have one year of service.

Nonrepresented hourly-rated employees hired on or after January 1, 2007 will participate under the CenturyLink Retirement Plan and will not be eligible for the Hourly Plan portion.

Employees entering the following bargaining units on or after the respective dates indicated will participate in the CenturyLink Retirement Plan and will not be eligible for the Hourly Plan portion.

Bargaining Unit	Effective Date
CWA 6171 Central	August 16, 2007
CWA 6171 Northwest	June 13, 2008
CWA 7906	May 1, 2008
IBEW 768 ¹	May 1, 2008
IBEW 257	January 1, 2007
IBEW 1106	April 1, 2007
CWA 6301, 6310, 6311, 6312, 6373	March 13, 2008
CWA 4370	April 1, 2007
CWA 4671	February 3, 2007
IBEW 89 ¹	September 1, 2008
CWA 7818 ¹	September 1, 2008

¹ Transfers from IBEW 89, CWA 7818 or IBEW 768 will retain prior pension program if transferred after May 1, 2008.

Vesting

Any participant who terminated after 5 Years of Service is entitled to 100% of his Accrued Benefit.

Year of Vesting Service

Plan year with 1,000 or more hours.

Year of Credited Service

Plan year in which Employee is credited with at least the number of Hours of Service in the customary work year applicable to such Employee. Partial years of Credited Service are granted on a pro-rata basis for years in which fewer hours are credited. One customary work year is 2,080 hours.

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EIN / PN: 72-0651161 / 001
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Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Compensation

The sum of (a) and (b):

- b. Non deferred compensation on W-2 except, overtime, differentials, premiums, or other similar types of payment.
- c. Salary reduction amounts under a CODA or cafeteria plan.

Average Annual Compensation

Average of highest 60 consecutive calendar months of employment.

Normal Retirement Benefit

Eligibility: Age 65 and five years of plan participation.

Benefits: 1.35% of Average Annual Compensation multiplied by Credited Service.*

Minimum Benefits: The annual benefit shall not be less than the amount determined in accordance with the following table:

Years of Credited Service		Minimum Pension Amount
At Least	But Less Than	
15	20	\$5,200
20	25	6,600
25	30	8,000
30	35	9,400
35	40	10,800
40	N/A	12,200

* For non-represented members, 1.35% of Average Annual Compensation as of the earlier of date of termination or December 31, 2010 multiplied by credited service as of December 31, 2006 plus 0.5% of Average Annual Compensation multiplied by credited service accrued after December 31, 2006 (limited to 30) plus 0.5% of Average Annual Compensation in excess of Social Security Covered Compensation multiplied by credited service accrued after December 31, 2006 (limited to 30). Credited service is frozen as of December 31, 2010 for determining the benefit amount.

Early Retirement Benefit

Eligibility: For benefits accrued under the Hourly Plan formula, age plus Years of Credited Service total at least 76 with a minimum of 15 Years of Credited Service or 30 Years of Credited Service. For benefits accrued under the CenturyLink Retirement Plan formula, age 55 and 5 Years of Service.

Benefits: For benefits accrued under the Hourly Plan formula, Normal Retirement Benefit based on service and earnings at date of termination. If payments begin before Normal Retirement Date, the payments are reduced in accordance with the following table.

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SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Age at Benefit Starting Date	Excess Benefit Percentage*
55 and over	100%
54	97
53	94
52	91
51	88
50	85
49 and younger	82

* Benefits are unreduced after 30 Years of Credited Service

For benefits accrued under the CenturyLink Retirement Plan formula, Normal Retirement Benefit based on service and earnings at date of termination. If payments begin before Normal Retirement Date, the payments are reduced in accordance with the following table (separate reductions apply to the base benefit and the excess benefits):

Age at Benefit Starting Date	Base Benefit Percentage	Excess Benefit Percentage
64	100%	92%
63	100	84
62	100	76
61	95	72
60	90	68
59	84	64
58	78	60
57	72	56
56	66	52
55	60	48

Minimum Benefits: See Table above.

Disability Benefit

Eligibility: An employee with 15 or more Years of Credited Service shall be entitled to a disability retirement benefit if he becomes disabled and is receiving disability benefits under the Social Security Act.

Benefits: Benefits are the Normal Retirement Benefits, unreduced for early commencement.

Vested Benefits upon Termination of Service

Eligibility: A Participant's Vested Percentage will be 100% upon the completion of 5 Years of Vesting Service. Prior to the completion of 5 Years of Vesting Service, a Participant's Vested Percentage is zero, unless he was employed by the Company on March 31, 1992 or on July 1, 2009, in which case he is 100% vested.

Benefits: Normal retirement benefit based on service at date of termination.

Death Benefits for Participants in Active Service

Eligibility: Eligible for Deferred Vested Pension.

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Benefits: 50% of reduced Early Retirement Benefit payable in Qualified Joint and Survivor form. If participant dies after becoming eligible for early retirement, reductions are based on Early Retirement table in 3 above. If participant dies prior to attaining early retirement eligibility, reductions are based on Deferred Vested table. If the participant dies from active service, the early retirement benefit is unreduced. Members of CWA Local 6171 are eligible for a lump sum distribution of this benefit, effective January 1, 2002.

Deferred Retirement

Eligibility: Employees who continue to work after Normal Retirement Age are entitled to a deferred retirement benefit.

Benefits: Same as Normal Retirement benefits except Years of Credited Service and Average Annual Compensation are determined at actual retirement.

Cost of Living Adjustment

Not applicable.

Minimum Benefits

Participants from previously merged plans have minimum benefits as follows: Contel – Contel frozen benefit at the Contel Transfer Date plus CenturyLink, Inc. benefit based on post-transfer service only.

Normal Form of Benefit

Life Annuity for unmarried participants. Actuarially equivalent 50 percent Joint and Survivor Annuity for married participants.

Optional Annuity Forms

For benefits accrued under the Hourly Plan formula, 100 percent, 75 percent, 66 2/3 percent, 50 percent or 33 1/3 percent Joint and Survivor, or a 5-year or 10-year Certain Life.

Participants Contributions

No participant contributions are allowed other than contributions transferred from a previous plan as part of a merger.

Actuarial Equivalent

For conversions other than lump sum, actuarial equivalency is based on eight percent interest and RP 2000 Combined Healthy Mortality projected to 2010 by Projection scale AA using a blend of 70% male

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SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

rates and 30% female rates for participants and a blend of 70% female rates and 30% male rates for beneficiaries.

For lump sums, the largest lump sum under the following basis is provided: 1

4. 1971 TPF&C Forecast Mortality for males with ages set back two years and the six-month moving average yield of United States Treasury obligations with ten-year maturities.
5. 1971 TPF&C Forecast Mortality for males with ages set back two years and the PBGC Immediate Rate.*
6. Mortality Table specified by Revenue Notice 2008-85 and the segment rates for the fifth month preceding month of distribution.

* Basis (2) applies only to participants who were eligible for a service pension under the prior plans before January 1, 2000.

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Salaried Plan

Coverage and Participation

Eligible employee: Salaried employees (other than leased employees, employees covered by a collective bargaining agreement that does not provide for participation in this plan, or “casual employees” as categorized in the Employer’s personnel policies) who have one year of service.

There are no new Eligible Employees or Participants in the Salaried Plan after December 31, 2006.

Vesting

Any participant who terminated after 5 Years of Service is entitled to 100% of his Accrued Benefit. All participants who were active as of July 1, 2009 are entitled to 100% of their Accrued Benefit.

Year of Vesting Service

Plan year with 1000 or more hours.

Year of Credited Service

Plan year in which Employee is credited with at least the number of Hours of Service in the customary work year applicable to such Employee. Partial years of Credited Service are granted on a pro-rata basis for years in which fewer hours are credited. Credited Service is frozen in the Salaried Plan as of December 31, 2006.

Compensation

The sum of (a) and (b):

- a. Non-deferred compensation on W-2 except, overtime, differentials, premiums, or other similar types of payment.
- b. Salary reduction amounts under a CODA or cafeteria plan.

Average Annual Compensation

Average of highest 60 consecutive calendar months of employment.

Average Annual Compensation has been frozen as of December 31, 2010.

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EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

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Normal Retirement Benefit

Eligibility: Age 65 and five years of plan participation.

Benefits: Greater of (1) and (2) plus (3):

- (1) i + ii
- iv. 1.15% of Average Annual Compensation as of the earlier of date of termination or December 31, 2010 not in excess of the Social Security Integration Level multiplied by Credited Service as of December 31, 2006.
- v. 1.45% of Average Annual Compensation as of the earlier of date of termination or December 31, 2010 in excess of the Social Security Integration Level multiplied by Credited Service as of December 31, 2006.
2. 1.35% of Average Annual Compensation as of the earlier of date of termination or December 31, 2011 multiplied by Credited Service as of December 31, 2006.
3. 0.5% of Average Annual Compensation multiplied by Credited Service accrued after December 31, 2006 (limited to 30) plus 0.5% of Average Annual Compensation in excess of Social Security Covered Compensation multiplied by Credited Service accrued after December 31, 2006 (limited to 30).

Early Retirement Benefit

Eligibility: For benefits accrued under the Salaried Plan formula, age plus Years of Credited Service total at least 76 with a minimum of 15 Years of Credited Service. For benefits accrued under the CenturyLink Retirement Plan formula, age 55 and 5 Years of Service.

Benefits: For benefits accrued under the Salaried Plan formula, Normal Retirement Benefit based on service and earnings at date of termination. If payments begin before Normal Retirement Date, the payments are reduced in accordance with the following table:

Age at Benefit Starting Date	Excess Benefit Percentage
55 and over	100%
54	97
53	94
52	91
51	88
50	85
49 and younger	82

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

For benefits accrued under the CenturyLink Retirement Plan formula, Normal Retirement Benefit based on service and earnings at date of termination. If payments begin before Normal Retirement Date, the payments are reduced in accordance with the following table (separate reductions apply to the base benefit and the excess benefits):

Age at Benefit Starting Date	Base Benefit Percentage	Excess Benefit Percentage
64	100%	92%
63	100	84
62	100	76
61	95	72
60	90	68
59	84	64
58	78	60
57	72	56
56	66	52
55	60	48

Disability Benefit

Eligibility: An employee with 15 or more Years of Credited Service shall be entitled to a disability retirement benefit if he becomes disabled and is receiving disability benefits under the Social Security Act.

Benefits: Benefits are the Normal Retirement Benefits, unreduced for early commencement.

Death Benefits for Participants in Active Service

Eligibility: Eligible for Deferred Vested Pension.

Benefits: 50% of reduced Early Retirement Benefit payable in Qualified Joint and Survivor form. If participant dies after becoming eligible for early retirement, reductions are based on Early Retirement table in 3 above. If participant dies prior to attaining early retirement eligibility, reductions are based on Deferred Vested table. If the participant dies from active service, the early retirement benefit is unreduced.

Deferred Retirement

Eligibility: Employees who continue to work after Normal Retirement Age are entitled to a deferred retirement benefit.

Benefits: Same as Normal Retirement benefits except Years of Credited Service and Average Annual Compensation are determined at actual retirement.

Social Security Integration Level

The average annual wages (rounded to the next lower multiple of \$100) with respect to which primary benefits would be provided under the Social Security Act for a male worker attaining age 65 in the calendar year of the Employee's retirement or other termination of employment.

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Minimum Benefits

Participants from previously merged plans have minimum benefits as follows:

- Contel – Contel frozen benefit at the Contel Transfer Date plus CenturyTel, Inc. benefit based on post-transfer service only.

Normal Form of Benefit

Life Annuity for unmarried participants. Actuarially equivalent 50 percent Joint and Survivor Annuity for married participants.

Optional Annuity Forms

For benefits accrued under the Salaried Plan formula, 100 percent, 75 percent, 66 2/3 percent (through March 31, 2007 only), 50 percent or 33 1/3 percent (through December 31, 2010 only) Joint and Survivor, or a 5-year Certain Life (through March 31, 2009) or 10 year Certain and Life.

Participants Contributions

No participant contributions are allowed other than contributions transferred from a previous plan as part of a merger.

Actuarial Equivalent

For conversions other than lump sum, actuarial equivalency is based on 8 percent interest and RP2000 Combined Healthy Mortality projected to 2010 by Projection Scale AA using a blend of 70% male rates and 30% female rates for participants and a blend of 70% female rates and 30% male rates for beneficiaries.

For lump sums, the largest lump sum under the following basis is provided:

1. 1971 TPF&C Forecast Mortality for males with ages set back two years and the six-month moving average yield of United States Treasury obligations with ten-year maturities.
2. 1971 TPF&C Forecast Mortality for males with ages set back two years and the PBGC Immediate Rate.*
3. Mortality table specified by Revenue Notice 2008-85 and the segment rates for the fifth month preceding month of distribution.

* Basis (2) applies only to participants who were eligible for a service pension under the prior plan before January 1, 2000.

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Changes in Plan Provisions since Last Actuarial Valuation Report

None.

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

CENTURYLINK COMBINED PENSION PLAN
EIN: 72-0651161 PLAN NO: 001
FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2014

Identity of Issue, Borrower or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
(Dollars in thousands)		
CenturyLink Defined Benefit Master Trust*	Investment in Master Trust	\$ 13,200,606
CenturyLink Defined Benefit Master Trust*	Net assets held in 401(h) account	12,896
Total assets held for investment purposes		<u>\$ 13,213,502</u>

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

See accompanying Independent Auditors' Report

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 – Schedule of Active Participant Data

Number and average plan compensation limited by IRC §401(a)(17) distributed by attained age and attained years of credited service¹

All monetary amounts shown in US Dollars

Attained Age	Attained Years of Credited Service ¹													
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	2	2	13	4	0	0	0	0	0	0	0	0	0	21
25-29	0	4	16				0	0	0	0	0	0	0	35,313
				38,890	44,726	48,683								
30-34	0	7	15				103	0	0	0	0	0	0	400
				43,271	45,279	52,422								
35-39	0	12	8				310	31	0	0	0	0	0	612
				50,930	59,583	61,398								
40-44	0	7	5				322	44	13	1	0	0	0	600
				60,847		64,050								
45-49	2	7	8				339	57	34	22	0	0	0	636
				62,973		69,953								
50-54	2	4	6				384	51	45	43	51	0	0	787
				46,909		65,855								
55-59	1	3	4				309	45	28	29	84	75	0	753
				45,326		69,426								
60-64	0	3	3				163	17	15	16	23	41	22	411
						91								
65-69	0	0	0				43	4	2	3	3	4	8	95
						23								
70 & over	0	0	0	0	0	3	6	0	0	0	1	0	0	10
Total	7	49	78	225	138	1,209	1,979	249	137	113	162	120	30	4,496
		30,712	45,196	47,789	56,388	62,875	67,776	62,422	66,767	64,722	64,501	59,770	61,614	63,497
Average:	Age	48	Number of Participants:				Fully vested			4,173	Males			2,869
	Service	13					Partially vested			0	Females			1,627
Census data as of January 1, 2014														

Census data as of January 1, 2014

¹ Age and service for purposes of determining category are based on exact (not rounded) values.

Plan Name: CenturyLink Retirement Plan

EIN / PN: 72-0651161 / 001

Plan Sponsor: CenturyLink, Inc.

Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions and Methods

Appendix A – Statement of actuarial assumptions and methods

Interest rate basis:

• Applicable month	September
• Yield curve basis	3-Segment Rates
• MAP-21 applied for funding	Yes
• MAP-21 applied for benefit restrictions	Yes
• HATFA applied for funding	Yes
• HATFA applied for benefit restrictions	Yes

Interest rates:	<u>Reflecting corridors</u>	<u>Not reflecting corridors</u>
• First segment rate	4.99%	1.37%
• Second segment rate	6.32%	4.05%
• Third segment rate	6.99%	5.06%
• Effective interest rate	6.52%	4.43%

Lump Sum Conversion Rate

For funding purposes, the same 3-segment rates as defined above.

Plan Sponsor

CenturyLink

EIN/PN

72-0651161/001

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions and Methods

Assumed Cost of Living Adjustments

2.00% per annum for those participants eligible for annual cost of living increases.

Inclusion Date

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

Plan-related Expenses

Plan-related expenses are derived by considering the expenses paid from the trust in the previous 2 years. Anticipated PBGC premiums for the current year are added to this amount. For this valuation, plan-related expenses are estimated to be \$2,100,000. No investment related expenses are included in this estimate.

Mortality

For all participants: The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

Disabled Mortality

Same as for healthy participants.

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions and Methods

Retirement

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

Annual Rate of Early Retirement		
Age	Union	Non-Union
50-55	2.0%	3.0%
56	4.0	4.0
57	5.0	5.0
58	5.0	5.0
59	5.0	5.0
60	10.0	10.0
61	10.0	15.0
62	40.0	20.0
63	25.0	20.0
64	20.0	20.0
65	20.0	20.0
66	20.0	30.0
67	35.0	35.0
68	35.0	35.0
69	35.0	35.0
70+	100.0	100.0

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions and Methods

Disability Rates

The rates at which active participants become disabled by age and gender are shown below for each plan supplement:

For CenturyLink Retirement Plan Members: None

For Ohio Bargaining Unit Members

Age	Rate	
	Male	Female
20	0.06%	0.09%
25	0.06	0.09
30	0.06	0.09
35	0.06	0.09
40	0.10	0.09
45	0.20	0.14
50	0.37	0.35
55	0.65	0.51
60	1.17	0.60
65	0.00	0.00

For Represented and Non represented Hourly Plan Members

Age	Rate	
	Male	Female
20	0.080%	0.100%
25	0.089	0.116
30	0.105	0.155
35	0.137	0.232
40	0.202	0.305
45	0.356	0.463
50	0.662	0.729
55	1.187	1.068
60	1.671	1.253
65	0.000	0.000

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions and Methods

For Salaried Plan Members

	Rate	
Age	Male	Female
20	0.016%	0.020%
25	0.018	0.023
30	0.021	0.031
35	0.027	0.046
40	0.040	0.061
45	0.071	0.093
50	0.132	0.146
55	0.237	0.214
60	0.334	0.251
65	0.000	0.000

Compensation Increases

For determining the additional funding target for maximum deductible contribution purposes, compensation is assumed to increase by 3.00% during the plan year.

Future Increases in Social Security

Taxable wage bases are expected to increase by 3.5% each year.

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Calculation of Lump Sum

Lump sums are assumed to be calculated using the PPA 2014 Optional Combined mortality table and valuation interest rate.

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions and Methods

Representative Termination Rates not Due to Disability, Retirement or Mortality for all Union Participants

5-Year Select Withdrawal Table		
Select Year	Male	Female
0	40.0%	40.0%
1	25.0	30.0
2	20.0	20.0
3	10.0	15.0
4	7.5	15.0

Ultimate Withdrawal Table	
Age	Male and Female
23	10.6%
28	8.5
33	7.5
38	7.2
43	6.8
48	5.9
53	2.1

Representative Termination Rates not Due to Disability, Retirement or Mortality for all Non-Union Participants

5-Year Select Withdrawal Table	
Select Year	
0	40.0%
1	20.0
2	15.0
3	15.0
4	10.0

Ultimate Withdrawal Table	
Age	
23	10.6%
28	8.5
33	7.5
38	7.2
43	6.8
48	5.9
53	2.1

Plan Name: CenturyLink Retirement Plan
 EIN / PN: 72-0651161 / 001
 Plan Sponsor: CenturyLink, Inc.
 Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions and Methods

Form of Payment

Participants in the CenturyLink Retirement Plan and Ohio Bargaining Unit are assumed to elect a single life annuity. 75% of participants in the Hourly Plan and Salaried Plan are assumed to elect a lump sum payment on the portion of their benefit payable as a lump sum.

Marriage

100% of Ohio Bargaining Unit members are assumed to be married with males assumed to be three years older than their spouses. 75% of all other members are assumed to be married, with males assumed to be three years older than their spouses.

Employees

It was assumed there will be no new or rehired employees. No non-represented employees will become new participants after December 31, 2010.

Plan Compensation

Compensation assumed paid in the current plan year beginning on the valuation date is the current annual rate of pay.

Asset Method

Average of fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefit payments, 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 receivable contributions (discounted using the effective interest rate for the prior plan year).

Participant Data

Employee data was supplied by CenturyLink as of the valuation date. Data on persons receiving benefits was supplied by CenturyLink. Data on other participants was supplied by CenturyLink.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2014 is used to determine the maximum deductible contribution for the tax year ending December 31, 2014.

Plan Name:	CenturyLink Retirement Plan
EIN / PN:	72-0651161 / 001
Plan Sponsor:	CenturyLink, Inc.
Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions and Methods

Benefits not Included in Valuation

None.

Unpredictable Contingent Event Benefits

As communicated by CenturyLink, it is assumed, as of the beginning of the plan year, that the probability of any significant corporate layoff or plant shutdown was 0%.

PBGC Premium Funding Target

The Standard Premium Funding Target, elected in 2014, was determined using the interest rates from December 2013. All of the other assumptions are the same as described above.

Changes in Assumptions and Methods Since Last Actuarial Valuation

Other than the prescribed changes in the discount rate and mortality, no changes have occurred.

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
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	19,150,294	7	19,150,294	3,204,974
Total					19,150,294	3,204,974

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Statement by Enrolled Actuary

Plan Sponsor	CenturyLink, Inc.
EIN/PN	72-0651161 / 001
Plan Name	CenturyLink Retirement Plan
Valuation Date	January 1, 2014
Enrolled Actuary	Ronald T. Cozzolino
Enrollment Number	14-06794

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:

Note that the plan sponsor reflected the provisions from the Highway and Transportation Funding Act of 2014 (HATFA) for the 2013 plan year. Because the Funding Balance elections for the 2013 plan year exceeded the minimum required contribution, the plan sponsor elected to revoke the deemed forfeiture of \$8,730,830 as of January 1, 2014 after the 2013 Schedule SB was filed. Therefore, the amount shown on line 8 does not match the amount on line 35 of the 2013 Schedule SB.

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 the 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 22
Description of Weighted Average Retirement Age
as of January 1, 2014

See Appendix A 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.

	Union	Non-Union	Total
Avg. Retirement Age	62.31	62.61	N/A
Counts	1,187	3,309	4,496
Weighted Retirement Age	N/A	N/A	62.53

Weighted Average Retirement Age: 63

Plan Name: CenturyLink Retirement Plan
EIN / PN: 72-0651161 / 001
Plan Sponsor: CenturyLink, Inc.
Valuation Date: January 1, 2014

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment 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. 1510 - 0110
1510 - 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 forms instr.); 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
CENTURYLINK COMBINED PENSION PLAN**1b** Three-digit
plan number (PN) ► **001****1c** Effective date of plan
01/01/1965**2a** Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)**CENTURYLINK, INC.****FINANCE DEPT. 2 NE700
100 CENTURYLINK DRIVE
P. O. BOX 4065
MONROE****LA 71203****2b** Employer Identification Number (EIN)
72-0651161**2c** Plan Sponsor's telephone number
(318) 388-9000**2d** Business code (see instructions)
517000**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

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

SIGN HERE		8/24/16	
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

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

Form 5500 (2014)
v. 140124

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

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

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

A Name of plan CENTURYLINK RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF CENTURYLINK INC	D Employer Identification Number (EIN) 72-0651161	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2014</u>			
2 Assets:			
a Market value	2a	410622648	
b Actuarial value	2b	404127429	
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	2225	192134483	192134483
b For terminated vested participants	1877	44960561	44960561
c For active participants	4496	154597895	165142834
d Total	8598	391692939	402237878
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	6.52%	
6 Target normal cost	6	9433164	

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	RONALD T COZZOLINO RTC _____ Signature of actuary	9/24/2015 _____ Date
RONALD T COZZOLINO _____ Type or print name of actuary		Most recent enrollment number 312-525-2500
TOWERS WATSON DELAWARE INC. _____ Firm name		Telephone number (including area code)
191 NORTH WACKER DRIVE CHICAGO IL 60606 _____ Address of the firm		

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

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

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	8730830
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	8730830
10 Interest on line 9 using prior year's actual return of <u>6.43</u> %	0	561392
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		11008924
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>6.71</u> %		738699
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		11747623
d Portion of (c) to be added to prefunding balance		11747623
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	21039845

Part III Funding Percentages

14 Funding target attainment percentage	14	95.23 %
15 Adjusted funding target attainment percentage	15	100.46 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	105.54 %
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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:			
a Segment rates:	1st segment: 4.99%	2nd segment: 6.32%	3rd segment: 6.99%
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	9433164
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		19150294	3204974
b Waiver amortization installment			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34	12638138
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	12638138	12638138
36 Additional cash requirement (line 34 minus line 35)		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	0
38 Present value of excess contributions for current year (see instructions):			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

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

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