Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES

1b Three-digit plan number (PN) ▶ 024

1c Effective date of plan 01/01/1950

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
RAYTHEON COMPANY

870 WINTER STREET
WALTHAM, MA 02451-1449

2b Employer Identification Number (EIN)
95-1778500

2c Plan Sponsor's telephone number
781-522-3000

2d Business code (see instructions)
335900

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.	09/12/2016	KELLY B. LAPPIN
	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)

Preparer's telephone number

3a Plan administrator's name and address ☐ Same as Plan Sponsor

KELLY B. LAPPIN RAYTHEON COMPANY

870 WINTER STREET
WALTHAM, MA 02451-1449

3b Administrator's EIN: 95-1778500

3c Administrator's telephone number: 781-522-5821

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**	83384
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)**	23678
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	21391
b	Retired or separated participants receiving benefits	**6b**	26065
c	Other retired or separated participants entitled to future benefits	**6c**	29409
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	76865
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	4891
f	Total. Add lines **6d** and **6e**.	**6f**	81756
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**	1
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

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)	☐	0	**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 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

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

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

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

A Name of plan
RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 024

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

D Employer Identification Number (EIN)
95-1778500

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2015

2 Assets:

a Market value	**2a**	10007059196
b Actuarial value	**2b**	9827113113

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	29706	4126924124	4126924124
b For terminated vested participants	30000	1023294512	1023294512
c For active participants	23678	3618841831	3768226253
d Total	83384	8769060467	8918444889

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**	6.31%
6 Target normal cost	**6**	261909847

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

Date

JONATHAN R. BARRY, F.S.A.

Type or print name of actuary

14-06048

Most recent enrollment number

MERCER

Firm name

617-747-9500

Telephone number (including area code)

99 HIGH STREET
BOSTON, MA 02110-2320

Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	261712165
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	261712165
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 6.09%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		353848293
	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 6.51%		23035524
	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		376883817
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections		0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	110.18 %
15	Adjusted funding target attainment percentage	15	110.18 %
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	104.08 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

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

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

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.72 %	6.11 %	6.81 %	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**: 0

22 Weighted average retirement age — **22**: 64

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**: 261909847

b Excess assets, if applicable, but not greater than line 31a — **31b**: 261909847

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

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

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

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

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

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2015** **This Form is Open to Public Inspection.**

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

A Name of plan
RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 024

C Plan sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

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

XEROX BUSINESS SERVICES, LLC

51-0310342

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	4751239	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BANK OF NEW YORK MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	681722	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DELOITTE LLP

13-6044173

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 16	NONE	590533	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	210487	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	76241	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2015

This Form is Open to Public Inspection.

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

A Name of plan
RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 024

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

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: RAYTHEON MASTER PENSION TRUST

b Name of sponsor of entity listed in (a): THE BANK OF NEW YORK MELLON

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)
04-3172773-001	M	9607562066

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

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

A Name of plan
RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 024

C Plan sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

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)	9474679	7880317
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)	10185408405	9607562066
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	10194883084	9615442383
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h	663995	474001
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	18064726	24258378
k	Total liabilities (add all amounts in lines 1g through1j)	1k	18728721	24732379
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	10176154363	9590710004

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)	1409818	
	(B) Participants	2a(1)(B)	14467005	
	(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)		15876823
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		12407951
(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		333617
d Total income. Add all **income** amounts in column (b) and enter total	2d		28618391
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	578476015	
(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)		578476015
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	43467052	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		43467052
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		621943067
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-593324676
l Transfers of assets:			
(1) To this plan	2l(1)		7880317
(2) From this plan	2l(2)		0

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) [X] 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 [X] No

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

(1) Name: PRICEWATERHOUSECOOPERS LLP **(2)** EIN: 13-4008324

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X		

		Yes	No	N/A	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X		
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X		
e	Was this plan covered by a fidelity bond?	4e	X			20000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X		
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X		
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X		
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X		
l	Has the plan failed to provide any benefit when due under the plan?	4l		X		
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m				
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n				
o	Did the plan trust incur unrelated business taxable income?	4o				
p	Were in-service distributions made during the plan year?	4p				

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

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

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

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

2015

This Form is Open to Public Inspection.

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

A Name of plan
RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 024

C Plan sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 13-5160382

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** 268

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
Stock: 23.0% Investment-Grade Debt: 28.0% High-Yield Debt: 1.0% Real Estate: 4.0% Other: 44.0%

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):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A

22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

Independent Auditor's Report

To the Administrator of Raytheon Company Pension Plan for Salaried Employees

We have audited the accompanying financial statements of Raytheon Company Pension Plan for Salaried Employees (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2015 and December 31, 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2015 and changes therein for the year then ended and its financial status as of December 31, 2014, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

Boston, Massachusetts
September 9, 2016

Schedule SB, line 26 — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	Total
Under 25											
25–29	2	31 60,981	119 79,270								152
30–34	9	56 69,243	1,456 92,246	390 99,538	1						1,912
35–39	3	55 77,147	1,019 97,928	1,417 110,117	130 127,004						2,624
40–44	9	62 87,844	793 105,267	991 114,066	455 133,423	35 142,611	2				2,347
45–49	22 79,456	57 90,404	756 109,380	897 118,075	394 137,773	242 142,554	258 121,362	4			2,630
50–54	22 82,612	86 85,587	1,055 116,391	1,151 122,889	506 137,066	431 141,761	1,300 143,399	561 141,183	18		5,130
55–59	24 62,042	105 89,334	867 120,294	1,033 121,285	474 134,763	305 135,874	826 136,556	1,139 143,612	433 127,706	12	5,218
60–64	13	49 76,953	489 115,433	575 117,665	237 122,197	149 137,021	325 121,754	439 129,333	284 125,661	108 102,695	2,668
65–69	4	26 61,438	173 119,413	189 132,969	60 114,204	49 115,555	68 131,847	81 126,815	59 135,708	80 106,600	789
70 & up	1	19	37 89,976	43 115,754	17	9	16	19	17	30 107,741	208
Total	109	546	6,764	6,686	2,274	1,220	2,795	2,243	811	230	23,678

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2014 limited to $260,000. Average pay is not shown for cells with fewer than 20 participants.

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

Actuarial Assumptions for January 1, 2015 Funding Valuation

Discount rate sponsor elections

• Segment rates or full yield curve	Segment	
• Look-back months	0	
	Stabilized	**Nonstabilized**
• First 5 years	4.72%	1.22%
• Next 15 years	6.11%	4.11%
• Over 20 years	6.81%	5.20%

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

Mortality sponsor elections	
• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA
• Disabled active and inactive participants for Raytheon Company Pension Plan for Salaried Employees before Merger, Raytheon Company Pension Plan for Discontinued Operations, and Raytheon TI Systems Employees Pension Plan	Same as healthy
• Disabled active and inactive participants for all other plans	Revenue Ruling 96-7 Post-1994 Disabled Mortality Table
Actuarial equivalence for conversion to lump sum for Raytheon TI Systems Employees Pension Plan	The basis for lump sum payments is based on either: • PBGC interest rates of 1.00% for 2015, 1.75% for 2016 and 2.75% thereafter and the UP-1984 mortality table; or • Segmented interest rates of 4.50% for 5 years, 5.50% for the next 15 years and 6.00% thereafter and the 417(e) unisex mortality for the current year whichever yields a larger lump sum value. Rationale (PBGC interest rates): Based on long-term historical trends in the PBGC rate which suggests a range of 40 to 200 basis points below the long government bond. The assumption for long government bond is periodically published by Mercer Investment Consulting's Capital Markets Outlook. Rationale (Segmented interest rates): Based on a long-term view of the three segment rates extrapolated by bootstrapping the forward rates from the current year's PPA full yield curve.

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

Other economic assumptions	
• Salary increases	Rates are based on past experience and current plan membership, adjusted to reflect management's expectation of future wage increases. **Attained age** / **Actives and Transfers**[1] 20 6.68% 25 6.55% 30 5.99% 35 5.08% 40 4.45% 45 3.94% 50 3.62% 55 3.34% 60 3.16% 65 2.94% Rationale: Based on past experience, current plan membership, adjusted to reflect management's expectation of future wage increases.
• Social Security wage base	3.75% per year Rationale: Reflects long-term view of inflation and the average real wage increases for the U.S. economy as a whole.
• Inflation	3.00% per year Rationale: This assumption is within a reasonable rate of outcomes from the inflation assumption periodically published by Mercer Investment Consulting in their *Capital Markets Outlook*.
• Expected investment return	8.00% per year, but no greater than 3rd segment rate in effect for each year. Rationale: The expected long-term return on assets assumption was developed based on the plan's current target investment allocation and a building block approach, which looked at the weighted average expected return for each asset class based on long-term capital market assumptions. The expected return for each asset class is composed of inflation plus a risk free rate of return, plus an expected risk premium for each asset class. The resulting return was then adjusted for administrative, investment management and trading expenses as well as recognition of alpha for active management.
• Expenses	$14,653,102 (added to current year target normal cost) Rationale: Based on actual administrative expenses incurred in the prior plan year.

[1] Employees on leave of absence and transfers from Raytheon Company Pension Plan for Salaried Employees before Merger, E-Systems, Inc. Salaried Retirement Plan, HRB Systems, Inc. Salaried Retirement Plan, and Raytheon TI Systems Employees Pension Plan have no assumed salary increases.

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

Demographic assumptions			
• Withdrawal	See table of sample rates by plan. Rationale: Based on experience studies undertaken from 2010 to 2013 using data from 2002 – 2012 and the expectation that future withdrawal patterns and circumstances of the employer will not differ significantly from the period studied.		
• Disability incidence			
– HRB Systems, Inc. Salaried Retirement Plan, E-Systems, Inc. Salaried Retirement Plan, and Raytheon TI Systems Employees Pension Plan	See table of sample rates: 1985 Pension Disability Tables for Class 1 Occupations for males and females. Rationale: These assumptions have been developed based on the benefit structure under the plan and the actuary's experience with similar plans. Annual review of the experience has shown that these assumptions provide similar results to the actual experience under the plan.		
– Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan	See table of sample rates: 1985 Pension Disability Tables for Class 3 Occupations for males and females. Rationale: These assumptions have been developed based on the benefit structure under the plan and the actuary's experience with similar plans. Annual review of the experience has shown that these assumptions provide similar results to the actual experience under the plan.		
– All other plans	No disability incidence assumed.		
• Retirement age	See table of sample rates by plan Rationale: Based on experience studies undertaken from 2010 to 2013 using data from 2002 – 2012 and the expectation that future retirement patterns and circumstances of the employer will not differ significantly from the period studied.		
• Benefit commencement age for			
— Future vested deferred	65		
— Current vested deferred[2]	65		
• Spouse assumptions	**Male participants**	**Female participants**	
— Percentage married	85%	75%	
— Spouse age difference	3 years younger	3 years older	
Form of payment		**5 Year Certain and Life**	**J&S 50%**
• HRB Systems, Inc. Salaried Retirement Plan and E-Systems, Inc. Salaried Retirement Plan	Active retirements	100%	0%
	Future vested deferred	100%	0%
	Future disabilities	100%	0%
	Future deaths	0%	100%
	Current vested deferred	100%	0%

[2] In the Raytheon Company Pension Plan for Salaried Employees (before merger), certain deferred vested participants are assumed to retire at age 60 if they terminated after age 55 with 10 or more years of vesting service.

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

		Single Life		**J&S 50%**
• Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan	Active retirements	100%		0%
	Future vested deferred	100%		0%
	Future disabilities	100%		0%
	Future deaths	0%		100%
	Current vested deferred	100%		0%
		Single Life		**J&S 50%**
• Raytheon Company Pension Plan for Salaried Employees before Merger	Active retirements	100%		0%
	Future vested deferred	100%		0%
	Future disabilities	N/A		N/A
	Future deaths	0%		100%
	Current vested deferred	100%		0%
		Single Life	**Lump Sum**	**J&S 50%**
• Raytheon TI Systems Employees Pension Plan	Actives retirements	10%	90%	0%
	Future vested deferred	0%	100%	0%
	Future disabilities	100%	0%	0%
	Future deaths	0%	0%	100%
	Current vested deferred	0%	100%	0%
			Single Life	
• Raytheon Company Pension Plan for Discontinued Operations	Actives retirements		N/A	
	Future vested deferred		N/A	
	Future disabilities		N/A	
	Future deaths		N/A	
	Current vested deferred		100%	
Rationale for all other demographic assumptions	Rationale: These assumptions have been developed based on the benefit structure under the plan and the actuary's experience with similar plans. Annual review of the experience has shown that these assumptions provide similar results to the actual experience under the plan.			
Unpredictable contingent event assumptions	N/A			

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

Table of Sample Rates
Raytheon Company Pension Plan for Salaried Employees before Merger

Attained Age	Ultimate Withdrawal	Disability
20	5.4%	N/A
25	5.3	N/A
30	5.1	N/A
35	4.7	N/A
40	3.5	N/A
45	1.8	N/A
50	0.4	N/A
55	0.0	N/A

As further allowance for heavy turnover in the early years of employment, the following additional select turnover rates are based on years of service.

Service	Percent Terminating
< 1	50.0%
< 2	30.0
< 3	21.0
< 4	15.8
< 5	12.6
< 6	10.7
< 7	9.6
< 8	9.2
< 9	8.7
< 10	8.3
10 and over	0.0

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

	Retirement	
Attained Age	**Males**	**Females**
55	2.20%	2.32%
56	0.70	0.74
57	0.71	0.75
58	0.73	0.77
59	0.75	0.78
60	1.29	1.34
61	1.34	1.38
62	8.36	8.60
63	9.54	9.80
64	10.76	10.99
65	72.60	73.66
66	57.44	58.59
67	47.64	48.71
68	57.48	58.63
69	48.38	49.13
70	100.00	100.00

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

Former Raytheon TI Systems Employees Pension Plan

	Withdrawal	Disability	
Attained Age		Male	Female
20	0.00%	0.029%	0.030%
25	10.50	0.038	0.047
30	7.57	0.048	0.080
35	5.91	0.069	0.136
40	4.35	0.117	0.211
45	3.34	0.202	0.323
50	2.41	0.358	0.533
55	1.64	0.722	0.952
60	1.08	1.256	1.159
65	0.52	1.753	1.358
70	0.00	0.000	0.000

Attained Age	Retirement
55	5.00%
56	3.00
57	3.00
58	3.00
59	5.00
60	8.00
61	10.00
62	20.00
63	17.00
64	30.00
65	54.00
66	35.00
67	35.00
68	35.00
69	75.00
70	100.00

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

Former E-Systems, Inc. Salaried Retirement Plan

	Ultimate Withdrawal	Disability	
Attained Age		Male	Female
20	0.00%	0.029%	0.030%
25	10.20	0.038	0.047
30	7.30	0.048	0.080
35	5.40	0.069	0.136
40	4.10	0.117	0.211
45	3.30	0.202	0.323
50	2.70	0.358	0.533
55	2.20	0.722	0.952
60	1.90	1.256	1.159
65	0.00	1.753	1.358
70	0.00	0.000	0.000

As further allowance for heavy turnover in the early years of employment, the following select turnover rates are based on years of service

	Select Period – Years of Service				
Entry Age	<1	<2	<3	<4	<5
25	24.00%	24.00%	20.00%	16.60%	14.20%
30	17.00	17.00	14.20	12.20	10.40
35	12.80	12.80	10.90	9.20	8.00
40	9.80	9.80	8.20	7.20	6.20
45	8.00	8.00	6.90	5.80	5.10
50	6.50	6.50	5.60	4.80	4.20
55	5.30	5.30	4.70	4.00	3.50
60	4.50	4.50	4.00	3.60	3.30
64	4.50	4.50	4.00	3.60	3.30

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

Attained Age	Retirement
55	2.50%
56	2.50
57	2.50
58	5.00
59	5.00
60	7.50
61	5.00
62	15.00
63	5.00
64	5.00
65	20.00
66	50.00
67	100.00

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

Former HRB Systems, Inc. Salaried Retirement Plan

	Ultimate Withdrawal	Disability	
Attained Age		Male	Female
20	0.00%	0.029%	0.030%
25	10.20	0.038	0.047
30	7.30	0.048	0.080
35	5.40	0.069	0.136
40	4.10	0.117	0.211
45	3.30	0.202	0.323
50	2.70	0.358	0.533
55	2.20	0.722	0.952
60	1.90	1.256	1.159
65	0.00	1.753	1.358
70	0.00	0.000	0.000

As further allowance for heavy turnover in the early years of employment, the following select turnover rates are based on years of service.

	Select Period – Years of Service				
Entry Age	<1	<2	<3	<4	<5
25	24.00%	25.50%	22.70%	20.40%	18.50%
30	17.00	18.30	16.20	14.60	13.30
35	12.80	13.50	12.00	10.80	9.80
40	9.80	10.30	9.10	8.20	7.50
45	8.00	8.30	7.30	6.60	6.00
50	6.50	6.80	6.00	5.40	4.90
55	5.30	5.50	4.90	4.40	4.00
60	4.50	4.80	4.20	3.80	3.50
64	4.50	4.50	4.00	3.60	3.30

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

Attained Age	Retirement
55	2.50%
56	2.50
57	2.50
58	5.00
59	5.00
60	7.50
61	5.00
62	15.00
63	5.00
64	5.00
65	20.00
66	50.00
67	100.00

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

Former Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan

	Ultimate Withdrawal	Disability	
Attained Age		Male	Female
20	0.00%	0.151%	0.089%
25	10.20	0.219	0.150
30	7.30	0.309	0.252
35	5.40	0.431	0.388
40	4.10	0.597	0.547
45	3.30	0.829	0.777
50	2.70	1.224	1.201
55	2.20	2.118	1.962
60	1.90	3.240	2.326
65	0.00	4.369	2.718
70	0.00	0.000	0.000

As further allowance for heavy turnover in the early years of employment, the following select turnover rates are based on years of service.

	Select Period – Years of Service				
Entry Age	<1	<2	<3	<4	<5
25	24.00%	24.00%	20.00%	16.60%	14.20%
30	17.00	17.00	14.20	12.20	10.40
35	12.80	12.80	10.90	9.20	8.00
40	9.80	9.80	8.20	7.20	6.20
45	8.00	8.00	6.90	5.80	5.10
50	6.50	6.50	5.60	4.80	4.20
55	5.30	5.30	4.70	4.00	3.50
60	4.50	4.50	4.00	3.60	3.30
64	4.50	4.50	4.00	3.60	3.30

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

Attained Age	Retirement
55	2.50%
56	2.50
57	2.50
58	5.00
59	5.00
60	7.50
61	5.00
62	15.00
63	5.00
64	5.00
65	20.00
66	50.00
67	100.00

Actuarial Methods for Funding

Asset Methods

The asset valuation method is an average of the adjusted market value for each year during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant Methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** Xerox HR Solutions, LLP provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:**
  - No actuarial liability is included for nonvested participants who terminated prior to the valuation date.
  - It is assumed that 100% of participants with deferred benefits past age 66 will forfeit their benefits as described in Article 4.3 of the plan document.
  - In addition, for Raytheon Company Pension Plan for Salaried Employees before Merger only, for retirees who elected a contingent annuitant form of payment, 15% of future beneficiaries are assumed to decease prior to receiving benefits.

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

- **Insurance contracts**: The plan does not have any insurance contracts.

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The **plan's target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

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

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

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

A Name of plan
RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 024

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

D Employer Identification Number (EIN)
95-1778500

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2015

2 Assets:

a Market value	**2a**	10,007,059,196
b Actuarial value	**2b**	9,827,113,113

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	29,706	4,126,924,124	4,126,924,124
b For terminated vested participants	30,000	1,023,294,512	1,023,294,512
c For active participants	23,678	3,618,841,831	3,768,226,253
d Total	83,384	8,769,060,467	8,918,444,889

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**	6.31%
6 Target normal cost	**6**	261,909,847

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

Jonathan Barry (JB)
Signature of actuary

July 18, 2016
Date

JONATHAN R. BARRY, F.S.A.
Type or print name of actuary

1406048
Most recent enrollment number

MERCER
Firm name

617-747-9500
Telephone number (including area code)

99 HIGH STREET
BOSTON MA 02110-2320
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	261,712,165
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	261,712,165
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 6.09%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		353,848,293
	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 6.51%		23,035,524
	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		376,883,817
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections		0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	110.18%
15	Adjusted funding target attainment percentage	15	110.18%
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	104.08%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

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

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

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.72%	6.11%	6.81%	

b Applicable month (enter code)	21b	0
22 Weighted average retirement age	22	64

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	261,909,847
b Excess assets, if applicable, but not greater than line 31a	31b	261,909,847

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0

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

36 Additional cash requirement (line 34 minus line 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	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	

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

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 64.

Raytheon Company Pension Plan for Salaried Employees before Merger

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	2.26%	10,000	226	12,430
56	0.72%	9,774	70	3,941
57	0.73%	9,704	71	4,038
58	0.75%	9,633	72	4,190
59	0.77%	9,561	73	4,315
60	1.32%	9,487	125	7,486
61	1.36%	9,363	127	7,767
62	8.48%	9,235	783	48,556
63	9.67%	8,452	817	51,491
64	10.88%	7,635	830	53,138
65	73.13%	6,805	4,967	323,451
66	58.02%	1,828	1,061	70,009
67	48.18%	768	370	24,778
68	58.06%	398	231	15,705
69	48.76%	167	81	5,614
70	100.00%	86	86	5,986
Total				642,894
Average				64.29

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

Former Raytheon TI Systems Employees Pension Plan

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	5.00%	10,000	500	27,500
56	3.00%	9,500	285	15,960
57	3.00%	9,215	276	15,758
58	3.00%	8,939	268	15,553
59	5.00%	8,670	434	25,578
60	8.00%	8,237	659	39,537
61	10.00%	7,578	758	46,225
62	20.00%	6,820	1,364	84,570
63	17.00%	5,456	928	58,435
64	30.00%	4,529	1,359	86,948
65	54.00%	3,170	1,712	111,267
66	35.00%	1,458	510	33,684
67	35.00%	948	332	22,227
68	35.00%	616	216	14,663
69	75.00%	400	300	20,724
70	100.00%	100	100	7,008
Total				625,636
Average				62.56

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

Former E-Systems, Inc. Salaried Retirement Plan
Former HRB Systems, Inc. Salaried Retirement Plan
Former Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	2.50%	10,000	250	13,750
56	2.50%	9,750	244	13,650
57	2.50%	9,506	238	13,546
58	5.00%	9,269	463	26,879
59	5.00%	8,805	440	25,975
60	7.50%	8,365	627	37,642
61	5.00%	7,738	387	23,599
62	15.00%	7,351	1,103	68,361
63	5.00%	6,248	312	19,681
64	5.00%	5,936	297	18,994
65	20.00%	5,639	1,128	73,305
66	50.00%	4,511	2,256	148,866
67	100.00%	2,256	2,256	151,122
Total				635,372
Average				63.54

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

All Plans *(Weighted by Active Headcount)*

Plan Name	(A) Average Retirement Age	(B) Active Headcount	[(A) x (B)]
Raytheon Company Pension Plan for Salaried Employees before Merger	64.29	18,841	1,211,287.89
Former Raytheon TI Systems Employees Pension Plan	62.56	2,771	173,353.76
Former E-Systems, Inc. Salaried Retirement Plan	63.54	1,717	109,098.18
Former HRB Systems, Inc. Salaried Retirement Plan	63.54	220	13,978.80
Former Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan	63.54	129	8,196.66
Former Raytheon Company Pension Plan for Discontinued Operations	N/A	N/A	N/A
Total		**23,678**	**1,515,915.29**
Average			**64.02**

Raytheon Company Pension Plan For Salaried Employees

Financial Statements
To Accompany 2015 Form 5500
Annual Report of Employee Benefit Plan
Under ERISA of 1974
December 31, 2015 and 2014

Raytheon Company Pension Plan for Salaried Employees
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Financial Statements

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The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan Administrator must file detailed financial information for the Master Trust, including the supplemental schedules, separately with the Department of Labor.

Independent Auditor's Report

To the Administrator of Raytheon Company Pension Plan for Salaried Employees

We have audited the accompanying financial statements of Raytheon Company Pension Plan for Salaried Employees (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2015 and December 31, 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2015 and changes therein for the year then ended and its financial status as of December 31, 2014, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

Boston, Massachusetts
September 9, 2016

Raytheon Company Pension Plan for Salaried Employees
Statements of Net Assets Available for Benefits
December 31, 2015 and 2014

	2015	2014
Assets		
Investments at fair value (Notes 2, 6 and 7)		
Raytheon Master Pension Trust	$ 9,439,519,569	$ 10,001,434,726
Net assets held in 401(h) account (Notes 5, 6 and 7)	168,042,497	183,973,679
Receivables		
Plan transfers in (Note 1)	7,880,317	9,474,679
Total assets	$ 9,615,442,383	$ 10,194,883,084
Liabilities		
Accrued administrative expenses	474,001	663,995
Other liabilities	24,258,378	18,064,726
Net assets held in 401(h) account (Notes 5, 6 and 7)	168,042,497	183,973,679
Total liabilities	192,774,876	202,702,400
Net assets available for benefits	$ 9,422,667,507	$ 9,992,180,684

The accompanying notes are an integral part of these financial statements

Raytheon Company Pension Plan for Salaried Employees
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2015 and 2014

	2015	2014
Additions		
Raytheon Master Pension Trust investment income (Notes 2, 6 and 7)	$ 12,405,091	$ 561,318,979
Employer contributions	-	375,000,000
Other Income	333,617	373,096
Plan transfer in (Note 1)	7,880,317	9,474,679
Total additions	20,619,025	946,166,754
Deductions		
Benefit payments	$ 548,188,662	$ 664,894,037
Administrative expenses	41,943,540	15,116,910
Total deductions	590,132,202	680,010,947
Net increase/(decrease) in net assets available for benefits	(569,513,177)	266,155,807
Net assets available for benefits, beginning of year	9,992,180,684	9,726,024,877
Net assets available for benefits, end of year	$ 9,422,667,507	$ 9,992,180,684

The accompanying notes are an integral part of these financial statements

1. Plan Description

The following description of the Raytheon Company Pension Plan for Salaried Employees (the "Plan") is for general purposes only. Participants should refer to the Summary Plan Document or the Plan Document for a complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit pension plan that covers all eligible salaried employees of the Raytheon Company and certain of its subsidiaries (the "Company").

Effective December 31, 2000, the HRB Systems, Inc. Salaried Retirement Plan, Raytheon E-Systems Inc. Salaried Employees Retirement Plan, Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan (formerly the ESI/CTAS Retirement Plan), Raytheon TI Systems, Inc. Employee Pension Plan, and Raytheon Company Pension Plan for Discontinued Operations were merged into the Plan and ceased to exist as separate plans after December 31, 2000. Participants in the original plans retain the provisions and benefits of the original plans.

Investments are held in the Raytheon Master Pension Trust ("Master Trust"). The Plan is administered by the Plan Administrator appointed by the Company's Vice President of Human Resources and Global Security and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Benefits, Eligibility and Vesting

The Plan provides specified retirement and death benefits to be paid from the net assets available for benefits. The level of benefits is based principally upon years of service and average compensation. Participants in the Plan retain the benefit rate of their legacy plans and should refer to the applicable exhibits in the Plan Document for details on the rates. Annual earnings in excess of the limit provided for that year by Section 401(a) (17) of the Internal Revenue Code, are not used in determining benefits under the Plan. The references to Exhibits in the following disclosures relate to Exhibits contained in the Plan Document. The standard form of retirement benefit for unmarried participants covered by Exhibit A (Raytheon Salaried); Exhibit E (Raytheon TI Systems); and Exhibit F (Discontinued Operations) is a monthly payment beginning the month following retirement and continuing until death. The standard form of benefit for unmarried participants covered by Exhibit B (E-Systems Salaried); Exhibit C (HRB Systems) and Exhibit D (Richardson Waco for participants terminating or retiring after January 1, 1999) is a five year certain and continuous benefit for all participants except Waco participants in Exhibit D. The standard form of benefit for married participants is a reduced monthly payment for the participant's life and one-half of that payment for the life of the participant's surviving spouse (or same sex domestic partner, if appropriate forms have been filed with the Raytheon Benefit Center). Other optional forms of benefits are also available. Under Exhibit E (Raytheon TI Systems) a lump sum form of payment is available to participants.

Each employee becomes a participant in this Plan on attainment of age 21 and completion of one year of service. Participants are fully vested upon completion of five years of vesting service. Effective January 1, 1999, any new employee became a participant in the Plan under the legacy Raytheon salaried provisions (Exhibit A in the Plan Document).

Effective January 1, 2007, employees who are either hired or rehired (after the expiration of any salary continuation payments) are not eligible to participate in the Plan. In addition, former employees who are rehired on or after March 1, 2007, and have received or are receiving payment from a Company-sponsored pension plan are not eligible to participate in the Plan.

Contributions
The Company makes contributions to the Plan to ensure assets are sufficient to pay the benefits of the Plan. The Plan does not permit contributions by participants.

Plan Transfers In
Transfers in are assets transferred from the Raytheon Company Pension Plan for Hourly Employees to the Plan for retirees, who commenced payment during the period, with service under both plans, and whose benefit and liability were transferred to the Plan.

2. Summary of Significant Accounting Policies

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

Investment Valuation and Income Recognition
The Plan and 401(h) account's interest in the Master Trust is stated at fair value. Net investment income/ (loss) from the Master Trust is allocated proportionately on a monthly basis based on the Plan and 401(h) account's interest in the Master Trust. See Note 5 and Note 7 for additional information.

Contributions
Employer contributions are funded and recorded as determined by actuarial computation. See Note 4 for additional information.

Benefit Payments
Benefit payments to participants are recorded when paid.

Administrative Expenses
All expenses of the Plan, which primarily consist of professional and administrative fees, are paid by the Plan. Expenses specifically related to the Plan are included in the Statements of Changes in Net Assets Available for Benefits under "Administrative expenses." Additionally, expenses paid directly by the Master Trust, which primarily consist of investment management fees, are allocated proportionally on a monthly basis based on the Plan's interest in the Master Trust and are included in the Statements of Changes in Net Assets Available for Benefits under "Raytheon Master Pension Trust investment income."

Use of Estimates
The Plan's financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") and require the Plan Administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the actuarial present value of accumulated plan benefits as of the benefit information date, the changes in net assets available for benefits during the reporting period and, when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

New Accounting Pronouncements
In July 2015, FASB issued ASU No. 2015-12 "I. Fully Benefit-Responsive Investment Contracts, II. Plan Investment Disclosures, III. Measurement Date Practical Expedient." Under Part I of the update, fully benefit-responsive investment contracts are measured, presented and disclosed only at contract value for defined contribution and health and welfare benefit plans. Part II of the update eliminates the requirement to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation for investment by general type. Additionally, Part II requires that investments of employee benefit plans be grouped only by general type, eliminating the need to disaggregate the investment in multiple ways. Part III of the

update provides a practical expedient to permit plans to measure investment and investment-related accounting as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with a month-end.

The update is effective for fiscal years beginning after December 15, 2015. The Plan's financial statements reflect early adoption, including retrospective application, as allowed by the accounting standard. The adoption of the standard did not result in a material change to the presentation of the financial statements as a whole.

3. Actuarial Present Value of Accumulated Pension Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable, under the Plan's 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 deceased employees, and (c) active employees or their beneficiaries. Benefits are based principally upon years of service and compensation. Benefits payable under all circumstances – retirement, death, and termination of employment – are included to the extent that they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Company's consulting actuary, Mercer, and is the amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of retirement, decrements for death, or withdrawal) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of December 31, 2014 and 2013, are as follows:

Assumed rate of return on investments for accumulated benefits	8.00% as of December 31, 2014 8.75% as of December 31, 2013
Mortality basis	
Healthy participants	Modified version of the RP-2014 employee/retiree no collar tables, which has the projection scale backed off to 2007 and projected future generational mortality improvement based on a modified version of the MP-2014 scale, which reflects a 10-year downgrade period and an ultimate improvement rate of 0.75%
Disabled participants	
- Raytheon TI Systems, Inc Employees Pension Plan; Raytheon E-Systems, Inc, Richardson / Waco Retirement Plan; Raytheon E-Systems Inc. Salaried Employees Retirement Plan and HRB Systems Inc, Salareied Retirement Plan	1985 Pension Disability Mortality for males and females
- All Others	Same as healthy participants
Retirement	Several rates, varying by age from 55 to 70

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

Assumption Changes
There have been changes in the actuarial assumptions since the prior valuation of the Plan as follows:

- The discount rate decreased from 8.75% to 8.00%.
- The Pension Benefit Guaranty Corporation (the "PBGC") interest rate basis for conversion to lump sum form of payment was changed from 2.75% to 1.00% for 2015, 1.75% for 2016 and 2.75% thereafter.

The above changes were made to better reflect the long-term rate of return on assets and anticipated experience.

As of December 31, 2014, the most recent valuation date, the actuarial present value of accumulated plan benefits is as follows:

Vested benefits		
Participants receiving benefits	$	3,743,833,248
Participants with deferred benefits		836,877,382
Active participants		2,990,374,794
Total vested benefits		7,571,085,424
Nonvested benefits		117,583,210
Total actuarial present value of accumulated plan benefits	$	7,688,668,634

The following is an analysis of changes in the present value of accumulated benefits:

Actuarial present value of accumulated plan benefits as of December 31, 2013	$	7,071,874,238
Benefits accumulated and non-investment (gains)/losses		196,238,790
Increase for interest due to decrease in discount period		579,714,482
Benefits paid		(664,894,037)
Change in actuarial assumptions		505,735,161
Actuarial present value of accumulated plan benefits as of December 31, 2014	$	7,688,668,634

4. Funding Policy

Pension Benefits
The employer's contributions are actuarially determined to fund the Plan's current normal costs on a current basis and to generally fund the existing unfunded liability on account of qualified service prior to the valuation date in accordance with the amortization schedules prescribed by ERISA minimum funding requirements (as amended by the Pension Protection Act). At the Company's discretion, and to the extent allowable under maximum tax deductibility regulations, contributions above the ERISA minimum requirements may be made to the Plan. Contributions for the years ended December 31, 2015 and 2014 met the minimum funding requirements of ERISA.

Medical Benefits
The medical benefits to be provided through the 401 (h) Account will be funded by participant and employer contributions. Company contributions to the Plan, which are specifically designated by the Company at the time made as contributions to fund medical benefits, are maintained in a separate Retiree Medical Account (Note 5). To the extent assets in this account are not sufficient to fund such medical benefits, such benefits shall be paid from such other funding vehicles as the Company may establish, or in the absence of such other funding vehicles, directly by the Company. Assets designated for pension benefits may not be used to pay for medical benefits.

5. 401(h) Account

The Plan includes a medical-benefit component in addition to the normal retirement benefits to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code (IRC). A separate account has been established and maintained in the Plan for the net assets related to the medical-benefit component ("401(h) account"). In accordance with IRC Section 401(h), the Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Any assets transferred to the 401(h) account from the defined benefit pension plan in a qualified transfer of excess pension plan assets (and any income allocable thereto) that are not used during the plan year must be transferred out of the account to the pension plan. The obligations related to the health benefits are not included in this plan's present value of accumulated plan benefits but are reflected as obligations in the financial statements of Raytheon Retiree Health Benefits Plan. Employer contributions or qualified transfers to the 401(h) account are determined annually and are at the discretion of the plan sponsor. Certain of the Plan's net assets are restricted to fund a portion of postretirement health benefits for retirees and their beneficiaries in accordance with IRC Section 401(h).

The following table presents the components of the net assets as of December 31, 2015 and 2014:

	December 31, 2015	December 31, 2014
Interest in Raytheon Master Pension Trust (see note 6)	$ 168,042,497	$ 183,973,679

6. Reconciliation between Financial Statements and Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31, 2015	December 31, 2014
Net assets per Form 5500	$ 9,590,710,004	$ 10,176,154,363
Less: 401(h) account (Note 5)	(168,042,497)	(183,973,679)
Net assets per financial statements	$ 9,422,667,507	$ 9,992,180,684

The following is a reconciliation of the changes in net assets per the financial statements to the Form 5500:

	Year Ended 2015		
	Amounts per Financial Statements	401(h) Account	Amounts per Form 5500
Raytheon Master Pension Trust			
Investment Income	$ 12,405,091	$ 2,860	$ 12,407,951
Employer contributions	-	1,409,818	1,409,818
Participant contributions	-	14,467,005	14,467,005
Other income	333,617	-	333,617
Administrative expenses	41,943,540	1,523,512	43,467,052
Benefit payments	548,188,662	30,287,353	578,476,015

	Year Ended 2014		
	Amounts per Financial Statements	401(h) Account	Amounts per Form 5500
Raytheon Master Pension Trust			
Investment Income	$ 561,318,979	$ 11,188,707	$ 572,507,686
Employer contributions	375,000,000	476,746	375,476,746
Participant contributions	-	14,058,882	14,058,882
Other income	373,096	-	373,096
Administrative expenses	15,116,910	1,358,084	16,474,994
Benefit payments	664,894,037	29,062,592	693,956,629

7. Master Trust

Summary Financial Information

The Plan's assets are held in the Master Trust, which was established for the investment of assets of the Plan and several other Company sponsored retirement plans. The assets of the Master Trust are held by the Bank of New York Mellon ("BNY Mellon"), the Trustee. The Investment Committee, appointed by the Chairman and CEO of the Company, periodically reviews the asset allocation and performance of the investments held in the Master Trust. The investment policy, as approved by the Investment Committee, permits asset diversification to include a combination of cash and cash equivalents, publicly traded equity securities, private equity funds, fixed-income securities, private real estate funds, commingled funds and other investments such as insurance contracts and derivatives.

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

At December 31, 2015 and 2014, the Plan owned approximately 52% of the fair value of the Master Trust net assets. The total net assets of the Master Trust at December 31, 2015 and 2014 were:

	2015	2014
Assets		
Investments at fair market value		
Interest-bearing cash	$874,723	$276,489
U.S. government bonds	346,542,940	126,237,804
Corporate debt instruments and other fixed income securities	2,463,352,496	2,711,719,385
Corporate stock - preferred	10,576,573	18,046,380
Corporate stock - common and other equity securities	3,804,671,071	3,685,308,484
Commingled funds	6,463,106,241	7,805,044,527
Registered investment companies	3,469,557,182	3,589,618,430
Unallocated insurance contracts	18,182,463	17,570,569
Private equity funds	1,069,246,262	928,800,989
Private real estate funds	599,924,583	391,502,259
	$18,246,034,534	$19,274,125,316
Cash	76,532	26,323,762
Cash held at broker due to variation margin	10,385,026	23,814,288
Foreign cash	4,353,286	3,212,232
Interest and dividends receivable	43,792,688	53,038,048
Receivable for forward foreign currency contracts	99,718	1,269,831
Receivable for securities sold	69,149,254	225,725,742
Other assets and receivables	20,491,029	-
Total Assets	$18,394,382,067	$19,607,509,219
Liabilities		
Interest and dividend payable	$209,431	$161,867
Payable for forward foreign currency contracts	310,658	448,464
Payable for securities purchased	172,831,746	99,872,018
Other payables	7,625,102	7,860,934
Total Liabilities	$180,976,937	$108,343,283
Master Trust net assets	$18,213,405,130	$19,499,165,936
Plan's interest in Master Trust	$9,439,519,569	$10,001,434,726

The following table is a summary of the investment earnings and the net appreciation (depreciation) in the fair market value of the Master Trust for the years ended December 31, 2015 and 2014:

	2015	2014
Net appreciation (depreciation) in investments at fair market value	($152,532,373)	$953,727,827
Interest	118,731,573	118,214,230
Dividends	170,541,073	183,113,373
Other income	57,742,348	4,182,413
Subtotal Master Trust investment income	$194,482,621	$1,259,237,843
Total expenses	$156,145,471	$132,669,079
Total Master Trust net investment income	$38,337,150	$1,126,568,764
Portion allocated to the Plan	$12,405,091	$561,318,979

Fair Value Measurements
The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. Fair value is defined as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The accounting standard established a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required as well as the assets and liabilities that we value using those levels of inputs.

Level 1:	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2:	Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs which are observable or have been corroborated by observable market data for substantially the full term of the related assets or liabilities.
Level 3:	Unobservable inputs supported by little or no market activity that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. See valuation policy section for further information.

Changes in Fair Value Levels
The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

For the years ended December 31, 2015 and December 31, 2014, there were no transfers in or out of Levels 1, 2 or 3.

The following tables summarize the fair value of investment assets and liabilities as of December 31, 2015.

	Fair Value of Investment Assets as of 12/31/2015				
	Total	**Level 1**	**Level 2**	**Level 3**	**Not Subject To Leveling[4]**
Interest-bearing cash	$ 874,723	$ -	$ 874,723	$ -	$ -
U.S. government bonds	346,542,940	259,732,762	86,810,178	-	-
Corporate debt instruments and other fixed income securities [1]	2,463,352,496	-	2,463,352,496	-	-
Corporate stock – preferred	10,576,573	10,576,573	-	-	-
Corporate stock - common and other equity securities [2]	3,804,671,071	3,803,025,836	1,645,235	-	-
Registered investment companies	3,469,557,182	3,469,557,182	-	-	-
Commingled funds	6,463,106,241	-	-	-	6,463,106,241
Private equity funds	1,069,246,262	-	-	-	1,069,246,262
Private real estate funds	599,924,583	-	-	-	599,924,583
Unallocated insurance contracts	18,182,463	-	-	18,182,463	-
Unrealized gain on futures contracts [3]	1,188,967	1,188,967	-	-	-
Receivable for forward foreign currency contracts	99,718	-	99,718	-	-
Total assets in fair value hierarchy	$ 18,247,323,219	$ 7,544,081,320	$2,552,782,350	$ 18,182,463	$ 8,132,277,086

	Fair Value of Investment Liabilities as of 12/31/2015				
	Total	**Level 1**	**Level 2**	**Level 3**	**Not Subject To Leveling**
Unrealized loss on futures contracts [3]	$ 1,074,096	$ 1,074,096	$ -	$ -	$ -
Payable for forward foreign currency contracts	310,658	-	310,658	-	-
Total liabilities	$ 1,384,754	$ 1,074,096	$ 310,658	$ -	$ -

(1) Corporate debt instruments and other fixed income securities includes $46,008,378 of asset backed securities and $136,711,059 of term loans.

(2) Corporate stock - common and other equity securities includes $118,551,244 of master limited partnership securities in U.S. equity.

(3) Unrealized gain/loss on futures contracts are recorded as Cash held at broker due to variation margin on the balance sheet.

(4) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

The following tables summarize the fair value of investment assets and liabilities as of December 31, 2014.

	Fair Value of Investment Assets as of 12/31/2014				
	Total	**Level 1**	**Level 2**	**Level 3**	**Not Subject To Leveling[4]**
Interest-bearing cash	$ 276,489	$ -	$ 276,489	$ -	$ -
U.S. government bonds	105,921,536	98,210,540	7,710,996	-	-
Corporate debt instruments and other fixed income securities [1]	2,711,719,385	-	2,711,719,385	-	-
Corporate stock – preferred	18,046,380	18,046,380	-	-	-
Corporate stock - common and other equity securities [2]	3,685,308,484	3,684,850,531	457,953	-	-
Registered investment companies	3,589,618,430	3,589,618,430	-	-	-
Commingled funds	7,805,044,527	-	-	-	7,805,044,527
Private equity funds	928,800,989				928,800,989
Private real estate funds	391,502,259				391,502,259
Unallocated insurance contracts	17,570,569	-	-	17,570,569	-
Collateral for futures held	20,316,268	20,316,268	-	-	-
Unrealized gain on futures contracts [3]	6,154,059	6,154,059	-	-	-
Receivable for forward foreign currency contracts	1,269,831	-	1,269,831	-	-
Total assets in fair value hierarchy	$ 19,281,549,206	$ 7,417,196,208	$ 2,721,434,654	$ 17,570,569	$ 9,125,347,775

	Fair Value of Investment Liabilities as of 12/31/2014				
	Total	**Level 1**	**Level 2**	**Level 3**	**Not Subject To Leveling**
Unrealized loss on futures contracts [3]	$ 13,745,864	$ 13,745,864	$ -	$ -	$ -
Payable for forward foreign currency contracts	448,464	-	448,464	-	-
Total liabilities	$ 14,194,328	$ 13,745,864	$ 448,464	$ -	$ -

(1) Corporate debt instruments and other fixed income securities includes $71,663,654 of asset backed securities and $136,774,275 of term loans.
(2) Corporate stock - common and other equity securities includes $195,345,848 of master limited partnership securities in U.S. equity.
(3) Unrealized gain/loss on futures contracts are recorded as Cash held at broker due to variation margin on the balance sheet.
(4) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

Level 3 Investments

Level 3 investments consist mainly of unallocated insurance contracts. Unallocated insurance contracts represent less than 1% of the Master Trust assets and are valued at their contract price which approximates fair value.

A reconciliation of investments with significant unobservable inputs (Level 3) has not been provided as the amounts are immaterial.

The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 2015.

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life, if applicable	Redemption Terms, if currently eligible	Redemption restrictions and terms	Redemption restrictions and terms in place at year end
Commingled Funds						
103-12 Entities	$ 653,660,676	Not applicable	Not applicable	Ranges from 5-15 days notice monthly	100% of these funds are either not under lock or have a lock of one year or less.	Less than 5% of the funds have gates in place as of December 31, 2015
Common/Collective Trusts	3,137,808,121	91,666,268	Not applicable	Ranges up to 10 days daily, up to 90 days quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None
Real Estate Pooled Separate Accounts	132,553,538	25,000,000	Not applicable	90 days quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None
Other Commingled Funds	2,539,083,906	Not applicable	Not applicable	Ranges from 10-65 days notice monthly, 30-90 days notice quarterly, 90 days notice semi-annually, 90 days notice annually, 60 days notice only on specified dates	14% of these funds have a lock up provision greater than one year and up to ten years	Less than 10% of the funds have gates in place as of December 31, 2015
Private Equity Funds	1,069,246,262	1,023,880,279	0 - 10 years	Not applicable	Not applicable	Not applicable
Private Real Estate Funds	599,924,583	607,980,733	0 - 10 years	Not applicable	Not applicable	Not applicable

The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 2014.

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life, if applicable	Redemption Terms, if currently eligible	Redemption restrictions and terms	Redemption restrictions and terms in place at year end
Commingled Funds						
103-12 Entities	$ 621,240,373	Not applicable	Not applicable	Ranges from 5-15 days notice monthly	100% of these funds are either not under lock or have a lock of one year or less.	Less than 5% of the funds have gates in place as of December 31, 2014.
Common/Collective Trusts	4,228,784,563	$ 94,006,515	Not applicable	Ranges up to 2 days notice daily, 90 days notice quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None
Real Estate Pooled Separate Accounts	119,648,789	Not applicable	Not applicable	90 days quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None
Other Commingled Funds	2,835,370,802	Not applicable	Not applicable	Ranges from 45-65 days notice monthly, 45-90 days notice quarterly, 90 days notice semi-annually, 90 days notice annually	17% of these funds have a lock up provision greater than one year and up to ten years.	Less than 15% of the funds have gates in place as of December 31, 2014.
Private Equity Funds	928,800,989	$1,225,071,953	0-10 years	Not applicable	Not applicable	Not applicable
Private Real Estate Funds	391,502,259	$ 647,242,017	0-10 years	Not applicable	Not applicable	Not applicable

Valuation Policy
The Plan's interest in the Master Trust is stated at fair value. The Trustee values Master Trust investments as follows:

Cash and cash equivalents are valued at amortized cost, which approximates fair value.

Investments in equity securities (common and preferred) and equity securities sold short, if any, are valued at the exchange traded closing price if available.

Investments in fixed income securities (U.S. Government, domestic and foreign bonds, asset backed securities and term loans) are valued by a pricing service which determines valuations for normal institutional-size trading units of such securities using methods based upon market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders, or at fair value as determined in good faith by the Trustee of the Master Trust and management.

Investments denominated in foreign currencies are translated into U.S. Dollars using the last reported exchange rate.

Investments in registered investment companies are valued at their last reported net asset value.

Investments in commingled funds, private equity fund and private real estate funds are estimated at fair market value, which primarily utilizes net asset values reported by the investment manager or fund administrator. Management reviews additional valuation and pricing information from fund managers, including audited financial statements, to evaluate the net asset values.

Unallocated insurance contracts are valued at their contract price which approximates fair value.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value.

Valuation policies for derivative investments are disclosed in the Derivative Policy paragraph.

Investment Income (Loss)
The Trustee maintains separate records of each plan's proportionate share in the Master Trust's investment accounts. The Plan's share of investment income (loss) and net appreciation (depreciation) in the fair value of investments of the Master Trust is included in the Statements of Changes in Net Assets Available for Benefits as Master Trust investment income (loss). The net appreciation (depreciation) in the fair value of investments consists of the realized gains (losses) and the change in unrealized appreciation (depreciation) on those investments.

Under the Master Trust Agreement, each plan's assets are jointly invested. The Plan uses the unit participation method to calculate the Plan's interest in the Master Trust. Under this method, contributions made to and benefits paid from the Master Trust result in increases or decreases in units of participation. All Master Trust income or loss results in a change in unit value.

Dividends are recorded on the ex-dividend date and interest income is accrued as earned. All security transactions are recorded on the trade date. Premiums and discounts on debt securities are amortized to maturity. Gains or losses on sales of securities are based on average cost.

Derivatives Policy
The Master Trust enters into contractual arrangements classified as derivatives in carrying out its investment strategy, principally to: (1) hedge a portion of the Master Trust's portfolio to limit or minimize exposure to certain risks, (2) gain exposure to a market more rapidly or less expensively than could be accomplished through the use of the cash markets, and (3) increase investment returns by reducing the cost of structuring the portfolio or capturing value disparities between financial instruments. The Master Trust may utilize both exchange traded investment instruments such as equity and fixed income futures and options contracts and over-the-counter derivatives such as forward contracts and swaps. Select major financial institutions are used in derivatives transactions. When engaging in over the counter derivatives and forward foreign exchange contracts, there is exposure to credit loss in the event of nonperformance by the counterparties to these transactions. As needed for material exposures, the Master Trust manages these exposures through credit approvals, limits, monitoring procedures, and to the extent possible, by restricting the period over which unpaid balances are allowed to accumulate. The Master Trust does not anticipate nonperformance by counterparties to these contracts.

The following tables present the values of derivatives carried on the Statement of Net Assets and the Statement of Changes in Net Assets of the Master Trust as of and for the year ended December 31, 2015:

Derivatives not accounted for as hedging instruments

Assets	Credit	Equity	Foreign Exchange	Total
Unrealized gain on futures contracts	$ 1,188,967	-	$ -	$ 1,188,967
Unrealized gain on forward currency contracts	-	-	99,718	99,718
	$ 1,188,967	-	$ 99,718	$ 1,288,685
Liabilities				
Unrealized loss on futures contracts	$ 1,074,096	$ -	$ -	$ 1,074,096
Unrealized loss on forward currency contracts	-	-	310,658	310,658
	$ 1,074,096	$ -	$ 310,658	$ 1,384,754

Effect of Derivative Instruments on the Statements of Changes in Net Assets

Derivatives not accounted for as hedging instruments	Net Appreciation/ (Depreciation)	Average Number of Contracts*
Futures contracts	$ (20,313,085)	9,125
Forward currency contracts	497,530	75
	$ (19,815,555.00)	9,200

The following tables present the values of derivatives carried on the Statement of Net Assets and the Statement of Changes in Net Assets of the Master Trust as of and for the year ended December 31, 2014:

Derivatives not accounted for as hedging instruments

Assets	Credit	Equity	Foreign Exchange	Total
Unrealized gain on futures contracts	$ 6,154,059	$ -	$ -	$ 6,154,059
Unrealized gain on forward currency contracts	-	-	1,269,831	1,269,831
	$ 6,154,059	$ -	$ 1,269,831	$ 7,423,890
Liabilities				
Unrealized loss on futures contracts	$ 13,745,864	$ -	$ -	$ 13,745,864
Unrealized loss on forward currency contracts	-	-	448,464	448,464
	$ 13,745,864	$ -	$ 448,464	$ 14,194,328

Effect of Derivative Instruments on the Statements of Changes in Net Assets

Derivatives not accounted for as hedging instruments	Net Appreciation/ (Depreciation)	Average Number of Contracts*
Options	$ (3,963,333)	725
Futures contracts	(103,967,039)	14,000
Forward currency contracts	(1,689,058)	100
	$ (109,619,430)	14,825

* Number of contracts represents volume of derivative activity and is based on a quarterly average.

The following is a summary of the significant accounting policies associated with the Master Trust's use of derivatives:

Forward Foreign Currency Exchange Contracts
A forward foreign currency exchange contract ("forward currency contract") is a commitment to purchase or sell a foreign currency at a future settlement date and at a negotiated rate.

Forward currency contracts are utilized to hedge a portion of the currency exposure that results from the Master Trust's holdings of equity and fixed income securities denominated in foreign currencies.

Forward currency contracts are marked-to-market at the prevailing forward exchange rate of the underlying currencies and the difference between contract value and market value is recorded as unrealized appreciation (depreciation) in Master Trust net assets. When the forward exchange contract is closed, the Master Trust transfers the unrealized appreciation (depreciation) to a realized gain (loss) equal to the change in the value of the forward exchange contract when it was opened and the value at the time it was closed or offset. Sales and purchases of forward currency contracts having the same settlement date and broker are offset and any gain (loss) is realized on the date of offset.

Certain risks may arise upon entering into a forward currency contract from the potential inability of counterparties to meet the terms of their contracts. Additionally, when utilizing forward currency contracts to hedge, the Master Trust gives up the opportunity to profit from favorable exchange rate movements during the term of the contract.

As of December 31, 2015 and 2014, the total aggregate face value of open forward currency contracts in the Master Trust was $20,308,587 and ($1,778,759), respectively.

Futures Contracts
A futures contract is a contractual agreement to make or take delivery of a standardized quantity of a specified grade or type of commodity or financial instrument at a specified future date in accordance with terms specified by a regulated futures exchange.

The Master Trust may use equity index, fixed income, cash and cash equivalents and commodities futures contracts to manage exposure to the market. Buying futures tends to increase the Master Trust's exposure to the underlying instrument. Selling futures tends to decrease the Master Trust's exposure to the underlying instrument held, or hedge the fair value of other fund investments.

Futures contracts are valued at the last settlement price at the end of each day on the exchange upon which they are traded. Upon entering into a futures contract, the Master Trust is required to deposit either in cash or securities an amount equal to a certain percentage of the nominal value of the contract ("initial margin"). Pursuant to the futures contract, the Master Trust agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are recorded as “margin flows,” and the accumulated balances resulting from those flows are represented on the balance sheet as “cash held at broker” and “cash due to broker.” The Master Trust will also record an unrealized gain or loss on futures, which is calculated as the difference between the notional cost and the notional market value of open futures contracts.

Futures contracts involve, to varying degrees, credit and market risks. The Master Trust enters into futures contracts on exchanges where the exchange acts as the counterparty to the transaction. Thus, credit risk on such transactions is limited to the failure of the exchange. The daily settlement on the futures contracts serves to greatly reduce credit risk. Losses in value may arise from changes in the value of the underlying instrument or if there is an illiquid secondary market for the

contracts. In addition, there is the risk that there may not be an exact correlation between a futures contract and the underlying index or security.

At December 31, 2015, U.S. Government Bonds with a par value of $14,195,000 ($30,695,366 fair value) were pledged as collateral for open equity, fixed income and cash and cash equivalents futures positions. These bonds are restricted from trading until the futures positions for which they are pledged as collateral are settled. A cash balance of $10,270,155 was pledged to cover margin requirements for open futures contracts.

At December 31, 2014, U.S. Government Bonds with a par value of $20,209,000 ($20,316,268 fair value) were pledged as collateral for open equity, fixed income and cash and cash equivalents futures positions. These bonds are restricted from trading until the futures positions for which they are pledged as collateral are settled. A cash balance of $31,406,093 was pledged to cover margin requirements for open futures contracts.

A summary of the open futures as of December 31, 2015 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed income	2,434	$ 324,170,782	1,082	$ 139,291,016
Equity index	2,740	278,849,800	-	-
Cash & cash equivalents	-	-	626	154,485,425
Grand Total	5,174	$ 603,020,582	1,708	$ 293,776,441

A summary of the open futures as of December 31, 2014 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed income	962	$ 128,428,485	4,931	$ 698,356,157
Equity index	3,022	310,117,640	-	-
Cash & cash equivalents	-	-	1,210	298,043,850
Grand Total	3,984	$ 438,546,125	6,141	$ 996,400,007

8. Termination Policies

The Company has not expressed any intent to terminate the Plan or discontinue its contributions. However, in the event the Plan is discontinued:

(a) The assets comprising the Plan, including the net income/ (loss) of the Plan shall be revalued at market by the Trustee.

(b) The Plan provides that the net assets of the Plan shall be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.

(c) To the extent unfunded vested benefits exist, ERISA provides that such benefits are payable by the PBGC to participants, up to specified limitations, as described in ERISA.

Whether all participants receive their full or partial benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

The Company may terminate the Plan in whole or in part at any time. This summary of termination priorities is provided for general information purposes only. Participants should refer to the Plan Document for more information.

9. Certain Transactions Involving Related Parties and Parties-in-Interest

The Bank of New York Mellon ("BNY Mellon") is the Trustee and Custodian of the Plan, and is therefore a party-in-interest with respect to the Plan. Certain investments within the Master Trust were advised by or affiliated with BNY Mellon. The Plan Sponsor, Raytheon Company, is a party-in interest with respect to the Plan and incurs expenses in connection with the administration of the Plan and the Master Trust.

	Year Ended 2015	Year Ended 2014
Expenses specifically related to the Plan (included in "Administrative expenses")	$ 686,238	$ 655,597
Plan allocation of expenses paid directly by the Master Trust (included in "Raytheon Master Pension Trust investment income")	2,392,526	2,883,189

	As of December 31, 2015	As of December 31, 2014
Accrued expenses (included in "Accrued administrative expenses" and "Other liabilities")	763,586	724,009

All of these transactions either fall outside the scope of, or are exempt from, ERISA's prohibited transaction rules.

10. Tax Status

The Internal Revenue Service (the "IRS") has determined and informed the Company by letter dated September 23, 2013, that the design of the Plan meets the requirements for qualification under Code section 401(a), on which the tax exemption of the Trust under Code section 501(a) is based. The Plan has been amended since receiving the determination letter. The Plan Administrator and the Company's benefits counsel believe that the current design and operation of the Plan are consistent with continued qualification of the Plan and exemption of the Trust in the context of applicable IRS procedures. The Company, on behalf of the Plan, applied for a new determination letter on January 29, 2016.

The Plan adopted the provisions of uncertain tax positions that provide criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. The Plan may from time to time hold investments that give rise to certain tax liabilities. Based upon management's

assessment, the Plan has not recognized any tax liabilities at December 31, 2015 and 2014, respectively. The Plan is subject to examinations by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Plan Administrator believes the Plan is no longer subject to federal tax examination for years prior to 2012.

11. Risks and Uncertainties

The Plan financial statements are based on the application of U.S. GAAP, which require the Plan to make estimates and assumptions about future events that affect the amounts reported in financial statements and the accompanying notes.

Contributions to the Plan are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. The investments of the Plan, which are held in the Master Trust, are exposed to various risks, such as interest rate, market and credit risks. See Note 7 for additional information with respect to investment risk.

12. Subsequent Events

The Plan has evaluated subsequent events and transactions subsequent to December 31, 2015 through the date the Plan's financial statements were available to be issued, September 9, 2016.

Schedule SB, Part V — Summary of Plan Provisions

Summary of Major Plan Provisions

Raytheon Company Pension Plan for Salaried Employees before Merger

Effective date and plan year	Original plan: January 1, 1950 Last amendment: December 28, 2009 Plan year: January 1
Status of the plan	The plan has ongoing benefit accruals but is closed to new entrants as of January 1, 2007.
Significant events that occurred during the year	None
Definitions	
• Participation	Age 21 and 1 year of service.
• Final average earnings	Annualized average of earnings during the best 60 consecutive months out of the last 120 months. “Earnings” include base pay, cash or deferred bonuses, and commissions, but may not exceed the compensation limit as specified in Section 401(a) of the Internal Revenue Code.
Normal retirement	
• Eligibility	Age 65
▪ Benefit	The greater of: • 1.8% for the first 20 years of Membership plus 1.2% for each year of Membership in excess of 20, multiplied by the excess of Final Average Earnings over the primary Social Security benefit. • $492 per year of service ($41 per month), plus 20% of employee contributions. For members as of December 31, 1980, a benefit based on the prior plan formula. Prior to January 1, 1981, employee contributions were required to participate in the plan. Members may withdraw their contributions with interest and receive a reduced benefit at retirement. Benefits may not exceed the maximum benefit limit as specified in Section 415 of the Internal Revenue Code.
Early retirement	
• Eligibility	Age 55 and 10 years of service.
• Benefit	Accrued benefit reduced 7.00% at age 59, plus an additional 7.00% for each year younger than age 59.
Late retirement	
• Benefit	Benefit will continue to accrue until retirement.

Schedule SB, Part V — Summary of Plan Provisions

Deferred vested	
• Eligibility	Completion of five years of vesting service.
• Benefit	Percentage of accrued benefit according to the following schedule:

Age	Percentage
65	100.0%
64	93.3
63	86.7
62	80.0
61	73.3
60	66.7
59	63.3
58	60.0
57	56.7
56	53.3
55	50.0

Disability	
• Eligibility	Disabled as defined under LTD plan.
• Benefit	Member continues to accrue benefits during disability.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	If an active employee dies before retirement, the benefit consists of a return of member contributions accumulated at 8.00% interest per annum since December 31, 1980, if member is not vested at time of death. If a retired employee dies, the benefit consists of member contributions accumulated at 8.00% interest to early or normal retirement date, less the sum of contributory benefits received. The survivor benefit is equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50% Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for the lifetime of the spouse.
Unpredictable contingent event benefits	N/A

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity Social Security Level Income 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using the Actuarial Equivalence as described in Article IX-A of the plan document.
Employee Contributions	Voluntary contributions are applied to provide a supplemental benefit. Employees who leave their contributions in the fund until retirement receive their contributions plus actual investment experience; employees who withdraw their contributions prior to retirement receive their contributions plus 8.0% interest
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

Schedule SB, Part V — Summary of Plan Provisions

Former Raytheon TI Systems Employees Pension Plan

Definitions	
• Covered employees	All employees, whether full-time or part-time, are eligible to participate. ▪ Any employee who was a participant under the TI Employees Pension Plan on July 22, 1997 continued as a participant. Any employee who was not an employee on July 11, 1997 is eligible to participate in the plan after 12 months of employment during which the employee completed 1,000 hours of service.
• Credited Service	Credited Service for benefit accrual purposes for employment prior to January 1, 1976 is equal to the number of years and completed days of service from the participant's last date of employment to the earlier of January 1, 1976, normal retirement date, or date of termination. This includes any period of leave of absence during this time unless the participant was employed with a nonparticipating subsidiary. Credited Service for benefit accrual purposes for employment on or after January 1, 1976 is equal to the number of years and completed days of service during which an employee participated in the plan (or would have participated in the plan if there had been no age requirement.) This includes any period of leave of absence. For anyone employed on December 31, 1975 who became a participant on or before January 1, 1977, service during 1978 prior to participation is credited for benefit accrual purposes. Credited service for benefit accrual excludes all years of service prior to a break-in-credited-service occurring after December 1, 1975 and before January 1, 1985 of a participant who has not satisfied the requirements for a vested right to a deferred benefit and whose number of consecutive breaks in credited service equal or exceed the aggregate number of his years of credited service prior to the break in credited service. After January 1, 1985, five consecutive one-year breaks must occur before any service is excluded as described above.

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• Vesting Service	The number of years of credited service completed by a participant, excluding: • All years of credited service prior to a termination of employment which occurred before January 1, 1976 except full calendar years of service for a participant who was rehired within two years after such termination of employment; and • All years of credited service prior to a break-in-credited-service until the participant has completed a year of credited service after the break-in-credited-service; and All years of credited service prior to a break-in-credited service of any participant who has not satisfied the requirements for a vested right to deferred benefits and whose number of consecutive breaks-in-credited-service equal or exceed the aggregate number of his years of credited service prior to the break in credited service. After January 1, 1985, five consecutive one-year breaks must occur before any service is excluded as described above.
• Average credited earnings	The annual average of the participant's compensation for the highest five consecutive calendar years of credited service for benefit accrual.
• Final average earnings	The lower of: • The average of participant's compensation, up to Social Security Wage Base, for the 3-year period ending with the year preceding retirement or termination, and • The average of the Social Security Wage Base for the 35-year period ending with the year the participant reaches Social Security Retirement Age.
• Covered Compensation	Total earnings, including overtime, sales bonuses, performance premiums, incentive compensation, premiums for hazardous duty, hardship, etc., but excluding any travel expenses, resettlement allowances, cost-of-living differentials, income from stock options and completion bonuses. Compensation is limited in accordance with Section 401(a)(17) of the Code.

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Normal retirement	
• Eligibility	Age 65
• Benefit	Expressed as a single-life annual annuity with payments commencing on the normal retirement date, the greater of: • (1) less (2) below: (1) 1.5% of average credited earnings multiplied by the credited service for benefit accrual. (2) The product of the following factors: (i) The retirement age factor which ranges between 0.316% and 0.75% depending on Social Security normal retirement age at commencement; (ii) Final average earnings; (iii) Credited service for benefit accrual at normal retirement date, or actual retirement if later, limited to 35 years; (iv) The ratio, not greater than 1.0, of the credited service for benefit accrual at actual retirement or termination, to the credited service for benefit accrual at normal retirement date; • $84 multiplied by credited service for benefit accrual. The benefit cannot be less than the benefit accrued to December 31, 1988, under the formula in effect at that date, plus the benefit based upon the above formula using credited service for benefit accrual after December 31, 1988 and reducing 35 years in (2)(iii) above by the credited service for benefit accrual prior to 1989. For participants whose credited earnings in any year prior to 1994 exceeded $150,000, the benefit cannot be less than the benefit accrued to December 31, 1993, plus the benefit based on the formula outlined above using credited service for benefit accrual after December 31, 1993 and reducing the 35 years in (2)(iii) above by the credited service for benefit accrual prior to 1994. For participants listed in Appendix A of the Plan, the single life annuity at normal retirement date cannot be less than the benefit shown in Appendix A plus the total amount of annual retirement benefit accrued from section (a) above after December 31, 1997, reduced by sections (2)(i-iv) above the entire credited service for benefit accrual.

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Early retirement	
• Eligibility	Age 60 with 5 years of service, or age 55 with 20 years of service.
• Benefit	The annuity is determined as for normal retirement considering credited service for benefit accrual and compensation to date of termination. An employee may elect to receive a reduced benefit commencing on the first day of any month prior to his normal retirement date beginning with the second month following his termination. The reduction is 1/3% for each of the first 60 months for which payment shall be made before age 65 and 7/24% for each of the next 60 months, except for the portion under (2) of the formula, as described above, since the retirement age factor has been adjusted for early commencement.
Late retirement	
• Benefit	The annuity is computed considering credited service for benefit accrual and compensation to actual retirement.
Deferred vested	
• Eligibility	Completion of five years of vesting service.
• Benefit	The participant is entitled to an annuity deferred to age 65. The benefit is determined as for early retirement. If the participant terminates prior to age 60, then the participant may elect to receive a reduced benefit commencing on the first day of any month prior to his normal retirement date, beginning with the second month following his attainment of age 60. This reduced benefit shall be actuarially determined.
Disability	
• Eligibility	Totally and permanently disabled prior to age 65 and after 5 years of credited service for vesting.
• Benefit	The annuity, deferred to age 65, is computed as for normal retirement, considering compensation to date of disablement and credited service for benefit accrual (including number of years and days between the date of disablement and the normal retirement date) to normal retirement date.

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Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit prior to normal retirement	The designated beneficiary of a participant who dies in-service and beyond normal retirement shall receive a benefit equal to 50% of the normal retirement benefit the participant would have received had he retired on the date of his death.
• Benefit after normal retirement	Upon the death of an active participant who has met the requirements for a deferred vested benefit, the designated beneficiary is eligible to receive a benefit for life (or the equivalent lump sum) equal to 50% of the benefit the employee could have received if he had terminated employment on the date of his death and elected a Joint and Survivor option with payments commencing at the earliest date permissible.
Unpredictable contingent event benefits	N/A
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	Lump sum 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on an interest rate equal to the rate used by the PBGC for lump sum determinations in the first month of the Plan Year and UP-1984 mortality with no set-back for participants and a 3-year set-back for beneficiaries.
Mortality used in lump sum	The plan was amended effective December 31, 2002 to reflect the change in mandated mortality used in lump sum calculations. This change was made in accordance with IRC Section 417(e) and IRS Revenue Ruling 2001-62.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

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Former Raytheon Company Pension Plan for Discontinued Operations

Status of the plan	Effective December 31, 1999, the following plans merged to form the Raytheon Company Plan for Discontinued Operations: • Raytheon Company Retirement Income Plan for Appliance Employees • Amana Florence Hourly Pension Plan • Seiscor Technologies Inc. Retirement Income Plan • Seismograph Service Corporation Retirement Plan (that was merged into the Raytheon Company Pension Plan for Salaried Employees effective January 1, 1993) • Amana New Jersey Service Group Bargaining Unit Plan • Amana Delaware Bargaining Unit Pension Plan • Raytheon Company Pension Plan for Hourly Appliances Employees

Former Raytheon Company Pension Plan for Discontinued Operations (Appliance Employees)

Definitions	
• Participation	Age 21 and 1 year of service.
• Credited Service	Participants whose benefit accrual under the Plan terminated as a result of the sale of Raytheon Appliances shall continue to receive credit from September 11, 1997 to the earlier of retirement, death, or September 11, 1998.
• Final average earnings	The average gross compensation earned by a participant during the 5 highest consecutive calendar years of the last 10 calendar years worked. Gross compensation includes amounts contributed to Company 401(k) plan under salary reduction arrangement, and bonuses and commissions paid, and may not exceed the compensation limit as specified in Section 401(a)(17) of the Internal Revenue Code.
Normal retirement	
• Eligibility	Age 65

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• Benefit	The greater of: • 1.8% for the first 20 years of Membership plus 1.2% for each year of Membership in excess of 20, multiplied by the excess of Final Average Earnings over the primary Social Security benefit. • $348 per year of service ($29 per month), plus 20% of employee contributions. The benefit payable to former participants of the Speed Queen Company Pension Plan for Salaried Employees will be no less than the benefit the participant had earned as of December 31, 1996.

Early retirement	
• Eligibility	Age 55 and 5 years of service.
• Benefit	Normal retirement benefit reduced 7.00% at age 59, plus an additional 7.00% for each year younger than age 59.

Deferred vested	
• Eligibility	5 years of service or eligible employees on September 11, 1997 who were participants under the Plan on September 11, 1997.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Disability	
• Eligibility	Totally and permanently disabled following 10 years of service.
• Benefit	Member continues to accrue benefits during disability.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.
Unpredictable contingent event benefits	N/A

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Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

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Former Raytheon Company Pension Plan for Discontinued Operations (Amana Florence Hourly)

Definitions	
• Participation	Immediate. Employees on January 1, 1991 receive service credit back to date of hire. The plan is closed to new entrants.
Normal retirement	
• Eligibility	Social Security Retirement Age dependent upon the Participant's birth date.
• Benefit	$204 per year of service.
Early retirement	
• Eligibility	Age 62 and 10 years of service.
• Benefit	Normal retirement benefit reduced 7.00% for each year prior to normal retirement date.
Deferred vested	
• Eligibility	5 years of service or eligible employees on September 11, 1997 who were participants under the Plan on September 11, 1997.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to earliest retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for the lifetime of spouse. If the member was eligible to retire early at the time of death, the amount will be calculated as if the member had elected a 100 percent Joint and Survivor Annuity.
Unpredictable contingent event benefits	N/A

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Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

Schedule SB, Part V — Summary of Plan Provisions

Former Raytheon Company Pension Plan for Discontinued Operations (Seiscor Technologies)

Definitions	
• Participation	Age 21 and 1 year of service.
• Credited Service	Service credited while an employee is a member of the plan. Due to the sale of Seiscor Technologies effective March 31, 1998, all benefit accruals were frozen.
• Final average earnings	Annualized average of earnings during highest 5 consecutive calendar years out of last 10 calendar years worked. "Earnings" include base pay, overtime, premium pay and commissions, but exclude bonuses and may not exceed the compensation limit as specified in Section 401(a)(17) of the Internal Revenue Code.
Normal retirement	
• Eligibility	Age 65.
• Benefit	1 2/3% of Final Average Earnings multiplied by total Benefit Service less 1 2/3% of Primary Social Security Benefit multiplied by total Benefit Service, not to exceed 30 years.
Early retirement	
• Eligibility	Age 55 and 10 years of service, or age 50 and 15 years of service.
• Benefit	Normal retirement benefit reduced 3.00% at age 59, plus an additional 3.00% at age 58, an additional 4.00% for each year younger than age 58 to age 54, and an additional 6.00% per year younger than age 54 to age 50.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	Surviving Spouse Benefit equal to half of the amount the employee would have received had the employee terminated employment at death, retired immediately (or when first eligible, if later) and elected to receive benefits under the 50 percent Joint and Survivor form. If previously elected by the participant, an optional death benefit equal to the amount which would have been payable under a 66 2/3 or 75 percent Joint and Survivor form may be elected by an employee at a respective cost of 1/6 or 1/4 percent, of the benefit per year of coverage.
Unpredictable contingent event benefits	N/A

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Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life Level Income Lump Sum
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
• Cost of living adjustment eligibility	All those receiving benefits from the plan.
• Cost of living adjustment	The benefit payable to a participant or beneficiary will be adjusted beginning with the 37th monthly payment based on the average annual U.S. Department of Labor Cost-of-Living Index as a whole during the preceding 3 years. Subsequent annual adjustments will be based on the preceding calendar year's Cost-of-Living Index. Each adjustment will be limited to 4.5% and will not be applied if the adjustment amount does not exceed $1.00.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

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Former Raytheon Company Pension Plan for Discontinued Operations (Seismograph Service Corporation)

Definitions	
• Participation	Age 21 and 1 year of service.
• Credited Service	Service credited while an employee is a member of the plan. Due to the sale of Seismograph Service Corporation effective November 20, 1992, all benefit accruals were frozen.
• Final average earnings	Annualized average of earnings during highest 5 consecutive calendar years out of last 10 calendar years worked. "Earnings" include base pay, overtime, premium pay and commissions, but exclude bonuses and may not exceed the compensation limit as specified in Section 401(a)(17) of the Internal Revenue Code.
Normal retirement	
• Eligibility	Age 65.
• Benefit	1 2/3% of Final Average Earnings multiplied by total Benefit Service less 1 2/3% of Primary Social Security Benefit multiplied by total Benefit Service, not to exceed 30 years.
Early retirement	
• Eligibility	Age 55 and 10 years of service, or age 50 and 15 years of service.
• Benefit	Normal retirement benefit reduced 3.00% at age 59, plus an additional 3.00% at age 58, an additional 4.00% for each year younger than age 58 to age 54, and an additional 6.00% per year younger than age 54 to age 50.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	Surviving Spouse Benefit equal to half of the amount the employee would have received had the employee terminated employment at death, retired immediately (or when first eligible, if later) and elected to receive benefits under the 50 percent Joint and Survivor form. If previously elected by the participant, an optional death benefit equal to the amount which would have been payable under a 66 2/3 or 75 percent Joint and Survivor form may be elected by an employee at a respective cost of 1/6 or 1/4 percent, of the benefit per year of coverage.
Unpredictable contingent event benefits	N/A

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Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life Level Income Lump Sum
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
• Cost of living adjustment eligibility	All those receiving benefits from the plan.
• Cost of living adjustment	The benefit payable to a participant or beneficiary will be adjusted beginning with the 37th monthly payment based on the average annual U.S. Department of Labor Cost-of-Living Index as a whole during the preceding 3 years. Subsequent annual adjustments will be based on the preceding calendar year's Cost-of-Living Index. Each adjustment will be limited to 4.5% and will not be applied if the adjustment amount does not exceed $1.00.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

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Former Raytheon Company Pension Plan for Discontinued Operations (Amana New Jersey)

Definitions	
• Participation	1 year of service.
Normal retirement	
• Eligibility	Age 65.
• Benefit	$276 per year of service. Effective June 7, 1997 the annual benefit increased to $288 per year of service for members of Teamsters Local 1518. Only service through September 11, 1997 is used in calculating the benefit.
Early retirement	
• Eligibility	Age 62, or age 55 and 20 years of service.
• Benefit	Normal retirement benefit reduced 10.00% at age 61, plus an additional 5.00% for each year younger than age 61.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Disability	
• Eligibility	Totally and permanently disabled.
• Benefit	Actuarially reduced normal retirement benefit if under age 50 at onset of disability; otherwise, normal retirement benefit without reduction.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 100 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.
Unpredictable contingent event benefits	N/A

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Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life Lump Sum
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Employees contributions	Voluntary contributions are applied to provide a supplemental benefit. Employees who leave their contributions in the fund until retirement receive their contributions plus actual investment experience; employees who withdraw their contributions prior to retirement receive their contributions plus 3.5% interest.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

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Former Raytheon Company Pension Plan for Discontinued Operations (Amana Delaware)

Definitions	
• Participation	1 year of service.
Normal retirement	
• Eligibility	Age 65.
• Benefit	$204 per year of service. Only service through September 11, 1997 is used in calculating the benefit.
Early retirement	
• Eligibility	Age 55 and 10 years of benefit accrual service.
• Benefit	Normal retirement benefit reduced 5.00% at age 61, plus an additional 5.00% for each year younger than age 61.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Disability	
• Eligibility	Totally and permanently disabled following 15 years of service.
• Benefit	Normal retirement benefit payable immediately.
Pre-retirement death	
• Eligibility	Vested.
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.
Unpredictable contingent event benefits	N/A
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity.
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.

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Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

Schedule SB, Part V — Summary of Plan Provisions

Former Raytheon Company Pension Plan for Discontinued Operations (Hourly Appliance)

Definitions	
• Participation	1 year of service.
• Credited Service	Participants whose benefit accruals terminated as a result of the Raytheon Appliances sale received credit from September 11, 1997 to the earlier of retirement, death or September 11, 1998.
Normal retirement	
• Eligibility	Age 65.
• Benefit	$228 per year of service (effective March 1, 1997).
Early retirement	
• Eligibility	Age 55 and 10 years of benefit accrual service.
• Benefit	Normal retirement benefit reduced 10.00% at age 61, plus an additional 5.00% for each year younger than age 61.
Deferred vested	
• Eligibility	5 years of service or eligible employees on September 11, 1997 who were participants under the Plan on September 11, 1997.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Disability	
• Eligibility	Totally and permanently disabled following 10 years of service.
• Benefit	Normal retirement benefit payable on or after age 55.
Pre-retirement death	
• Eligibility	5 years of vesting service.
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.
Unpredictable contingent event benefits	N/A

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Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

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Former Raytheon E-Systems, Inc. Richardson Waco Retirement Plan

Definitions	
• Participation	Age 21 and 1 year of service, provided the employee is not represented by a collective bargaining unit calling for contributions to another pension plan. The plan is closed to new entrants.
• Credited Service	Service after completion of an hour of service. 1,000 or more hours of service constitute one year of eligibility service. Benefit service is equal to the total of all periods of employment after January 1, 1990.
• Vesting Service	The total of all service at Chrysler Technologies Corporation, Raytheon E-Systems at Waco and Richardson, and Raytheon E-Systems.
• Final average earnings	Base Salary (excluding contingent, incentive, or deferred compensation, bonuses, overtime, and all other extraordinary compensation) up to the limit of IRC Section 401(a)(17). Average monthly compensation is the considered compensation for a period divided by the number of months for which the compensation was received. The period is the 60 successive calendar months out of the last 180 calendar months which yield the highest average prior to the earlier of termination date or normal retirement date.
Normal retirement	
• Eligibility	The later of age 65 or 5 years of service.
• Benefit	The benefit is based on one or both of the following benefit formulas. Waco participants are covered by the Excess Formula. Richardson participants have their pension determined under both formulas as described: • Step-Up/$12 Formula (Post-1996 Benefit Service) (1) Basic Part 1.2% x Average Monthly Pay x Post-1996 Years of Benefit Service up to 10 years Plus 1.6% x Average Monthly Pay x Post-1996 Years of Benefit Service in excess of 10 years (2) Minimum Part $12.00 x Years of Post-1996 Benefit Service • Excess Formula (Pre-1997 Benefit Service for Richardson Employees) 1% x Average Monthly Pay x Pre-1997 Years of Benefit Service up to 35 years Plus 0.4% x Average Monthly Pay in excess of 150% of Social Security Monthly Pay x Pre-1997 Years of Benefit Service up to 35 years

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Early retirement	
• Eligibility	Age 55 or 60, with 10 years of service.
• Benefit	The benefit, commencing immediately and payable for life with a minimum of 60 monthly payments, is calculated in the same manner as the Normal Retirement Benefit and reduced for commencement more than five years prior to normal retirement age according to the following schedule: ▪ Step-Up/$12 Formula – Normal retirement benefit reduced 1.00% at age 59, 3.00% more at age 58, 5.00% more at age 57, 7.00% more at age 56, and 9.00% more at age 55. Percent of Excess Formula – Normal retirement benefit reduced 6.00% at age 61, plus 6.00% for each year younger than age 61.
Late retirement	
• Benefit	Benefit will continue to accrue until retirement.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	An employee who terminates with five or more years of vesting service but does not, at the termination date, meet the requirements for normal or early retirement as specified, is eligible for a deferred vested benefit. The annuity, commencing at Normal Retirement Date, shall be computed as for normal retirement using service and compensation to date of termination.
Disability	
• Eligibility	Totally and permanently disabled, following 10 years of service.
• Benefit	The benefit is calculated in the same manner as the Normal Retirement Benefit based on average monthly pay at termination and benefit service projected to Normal Retirement Age.
Pre-retirement death	
• Eligibility	5 years of vesting service.
• Benefit	The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Early, or Normal Retirement and chosen a 50% Joint and Survivor benefit and then died. The benefit would commence on the date the employee would have reached his earliest retirement date.
Unpredictable contingent event benefits	N/A

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary, unless they reject it. The married Participant may elect in writing with the written consent of his spouse to receive benefits in the form of a single life annuity.
• Optional forms	75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 66% Last To Survive Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on a 9% interest rate and GAM-1983 mortality (70% male, 30% female).
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

Schedule SB, Part V — Summary of Plan Provisions

Former Raytheon E-Systems, Inc. Salaried

Definitions	
• Participation	Age 21 and 1 year of service, provided: • The employee is paid on a salaried basis or works for the Melpar or Montek Divisions of E-Systems; and, • The employee is not represented by a collective bargaining unit calling for contributions to another pension plan.
• Credited Service	Prior to January 1, 1976, service from the participant's last period of continuous employment. On and after January 1, 1976, total of all periods of employment as an eligible employee, including leaves of absences of less than one year. Benefit service will not begin until February 1, 1975 for prior Air-Asia employees, until September 1, 1978 for prior Serv-Air employees, or September 21, 1970 for prior Melpar employees.
• Vesting Service	Prior to January 1, 1976 (September 1, 1978 for prior Serv-Air employees), service from the participant's last period of continuous employment. On and after January 1, 1976 (September 1, 1978 for prior Serv-Air employees), total of all periods of employment including absences of less than one year.
• Final average earnings	Total W-2 (excluding bonuses and overtime pay paid prior to January, 1982, commissions paid after July 1, 1970, expense allowances, and all other extraordinary compensation). Average monthly compensation is the considered compensation for a period divided by the number of months for which the compensation was received. The period is the 60 successive calendar months out of the last 120 months which yield the highest average prior to the earlier of termination or normal retirement date.

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement	
• Eligibility	The later of age 65 or 5 years of service.
• Benefit	An annuity, payable for life with a minimum of 60 monthly payments, computed as follows: • For retirement before January 1, 1991, the greater of: (1) The difference between (i) 1-1/2% of average monthly compensation multiplied by the number of years of benefit service; less, (ii) 1/2% of monthly primary Social Security benefit multiplied by the number of years of benefit service; or (2) $12 multiplied by the number of years of benefit service (3) for participants attaining age 50 before January 1, 1990, the amount calculated under (1) above. • For retirement on or after January 1, 1991, the greatest of: (4) The sum of (i) 1.2% of average monthly compensation multiplied by the number of years of benefit service (limited to ten years); plus (ii) 1.6% of average monthly compensation multiplied by the number of years of benefit service in excess of ten years; and (5) The sum of (i) The amount calculated under (1) above, with service, earnings, and Social Security as of December 31, 1990; plus The amount calculated under (4) above, based on benefit service after December 31, 1990 (but using all benefit service to determine whether (2) or (3) above applies)
Early retirement	
• Eligibility	Age 55 with 10 years of service.
• Benefit	Normal retirement benefit reduced 1.00% for 6 years prior to normal retirement date, 3.00% more for 7 years, 5.00% more for 8 years, 7.00% more for 9 years, and 9.00% more for 10 years.
Late retirement	
• Benefit	Benefit will continue to accrue until retirement.

Schedule SB, Part V — Summary of Plan Provisions

Deferred vested	
• Eligibility	5 years of service.
• Benefit	An employee who terminates with five or more years of vesting service is eligible for a deferred vested benefit. The annuity, commencing at Normal Retirement Date and payable for life with a minimum of 60 monthly payments, shall be computed as for early retirement using service and compensation to date of termination and projected primary Social Security. An actuarially reduced pension may commence after attainment of age 55.
Disability	
• Eligibility	Totally and permanently disabled, following 10 years of service.
• Benefit	The benefit, payable for life with a minimum of 60 monthly payments, shall be computed as for normal retirement using compensation to date of retirement but anticipated benefit service to normal retirement date and projected primary Social Security.

Schedule SB, Part V — Summary of Plan Provisions

Pre-retirement death	
• Eligibility	5 years of vesting service.
• Benefit	If an active employee who is eligible for an early or vested benefit dies on or after January 1, 1995, the surviving spouse is eligible for a pension. The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Early, Optional Early, or Normal Retirement, chosen a 50% Joint and Survivor benefit and then died. If a retired employee dies on or after August 1, 1995, but before the Normal Retirement Date, the surviving spouse is eligible for a pension payable for life. The spouse's monthly benefit is an amount equal to 50% of the benefit the employee would have received based on the 50% Joint and Survivor option. If an employee dies after disability retirement and after August 1, 1995, the surviving spouse is eligible for a pension payable for life. The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Optional Early or Early Retirement based on the 50% Joint and Survivor option. If an employee dies after deferred vested retirement and after August 1, 1995, the surviving spouse is eligible for a pension. The monthly benefit is an amount equal to 50% of the benefit the employee would have received on the spouse's commencement date based on the 50% Joint and Survivor option. The spouse can choose to begin receiving the pension on the first day of any month prior to the employee's Normal Retirement Date. All reductions and 50% conversion factors are based on the ages of the employee and the spouse at the date benefits commence. However, if the spouse does not make this election, payments will commence on the employee's Normal Retirement Date. If the employee's death is after his Normal Retirement Date, payments will commence on the first day of the next month.
Unpredictable contingent event benefits	N/A

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
• Automatic form for unmarried participants	5-year certain and life.
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary, unless they reject it.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 66% Last To Survive Annuity 10 year Certain & Life Single Life Annuity Lump sum (if the present value of the pension benefit is less than $5,000.)
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on an interest rate of 7% and 1971 Group Annuity Mortality Table Projected by Scale D to 1975.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

Schedule SB, Part V — Summary of Plan Provisions

Former HRB Systems, Inc. Salaried Retirement Plan

Definitions	
• Participation	Age 21 and 1 year of service, provided the employee is not represented by a collective bargaining unit calling for contributions to another pension plan.
• Credited Service	Total of all period of employment after January 1, 1991, and upon the completion of one year of service for eligibility purposes, including leaves of absences of less than one year.
• Vesting Service	The total of all periods of employment including absences of less than one year.
• Final average earnings	Total W-2 (excluding commissions, expense allowances, and all other extraordinary compensation). Average monthly compensation is the considered compensation for a period divided by the number of months for which the compensation was received. The period is the best 60 successive calendar months out of the last 120 months which yield the highest average prior to the earlier of termination or normal retirement date.
Normal retirement	
• Eligibility	The later of age 65 or 5 years of service.
• Benefit	An annuity, payable for life with a minimum of 60 monthly payments, which is the greater of: • The sum of: (1) 1.2% of average monthly compensation multiplied by the number of years of benefit service (limited to 10 years) plus, (2) 1.6% of average monthly compensation multiplied by the number of years of benefit service in excess of 10 years; or • $12 multiplied by the number of years of benefit service.
Early retirement	
• Eligibility	Age 55 with 10 years of service.
• Benefit	The annuity, commencing immediately and payable for life with a minimum of 60 monthly payments, is reduced for commencement more than 5 years prior to normal retirement age according to the following schedule: 1.00% for 6 years, 3.00% more for 7 years, 5.00% more for 8 years, 7.00% more for 9 years, and 9.00% more for 10 years.
Late retirement	
• Benefit	Benefit will continue to accrue until retirement.

Schedule SB, Part V — Summary of Plan Provisions

Deferred vested	
• Eligibility	5 years of service.
• Benefit	An employee who terminates with five or more years of vesting service is eligible for a deferred vested benefit. The annuity, commencing at Normal Retirement Date and payable for life with a minimum of 60 monthly payments, shall be computed as for early retirement using service and compensation to date of termination and projected primary Social Security. An actuarially reduced pension may commence after attainment of age 55.
Disability	
• Eligibility	Totally and permanently disabled, following 10 years of service, and to start at normal retirement date.
• Benefit	The benefit, payable for life with a minimum of 60 monthly payments, shall be computed as for normal retirement using compensation to date of retirement but anticipated benefit service to normal retirement date and projected primary Social Security.

Schedule SB, Part V — Summary of Plan Provisions

Pre-retirement death	
• Eligibility	5 years of vesting service.
• Benefit	If an active employee who's eligible for an early or vested benefit dies on or after January 1, 1995, the surviving spouse is eligible for a pension. The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Early, Optional Early, or Normal Retirement, chosen a 50% joint and survivor benefit and then died. If a retired employee dies on or after August 1, 1995, but before the Normal Retirement Date, the surviving spouse is eligible for a pension payable for life. The spouse's monthly benefit is an amount equal to 50% of the benefit the employee would have received based on the 50% joint and survivor option. If an employee dies after disability retirement and after August 1, 1995, the surviving spouse is eligible for a pension payable for life. The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Optional Early or Early Retirement based on the 50% joint and survivor option. If an employee dies after deferred vested retirement and after August 1, 1995, the surviving spouse is eligible for a pension. The monthly benefit is an amount equal to 50% of the benefit the employee would have received on the spouse's commencement date based on the 50% joint and survivor option. The spouse can choose to begin receiving the pension on the first day of any month prior to the employee's Normal Retirement Date. All reductions and 50% conversion factors are based on the ages of the employee and the spouse at the date benefits commence. However, if the spouse does not make this election, payments will commence on the employee's Normal Retirement Date. If the employee's death is after his Normal Retirement Date, payments will commence on the first day of the next month.
Unpredictable contingent event benefits	N/A
Form of benefits	
• Automatic form for unmarried participants	5-year certain and life.
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary, unless they reject it.

Schedule SB, Part V — Summary of Plan Provisions

• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 66% Last To Survive Annuity 5 or 10 year Certain & Life Single Life Annuity Lump sum (if the present value of the pension benefit is less than $5,000.)
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on an interest rate of 7% and 1971 Group Annuity Mortality Table Projected by Scale D to 1975.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as restated effective January 16, 2015.

- **Most recent plan amendments included:** None.
- **Plan amendments excluded:** None
- **Late retirement increases:**
  - *Deferred vested participants:* Current deferred vested participants over age 66 are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions

Plan Provisions Specific to Funding

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits*: This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
  - *Plan amendments:* See above.
  - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
  - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
  - *Scheduled benefit increases:* None.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan Provision Changes Since Prior Valuation

- Reflects updated plan provisions as of January 16, 2015
- Maximum compensation and maximum benefits were updated from 2014 to 2015.

Schedule SB, line 24 — Change in Actuarial Assumptions

- Mortality and Interest rates were updated from 2014 to 2015 in accordance with PPA.
- Expenses loaded on the normal cost decreased from $21,043,227 to $14,653,102 to reflect our best estimate of the current plan year's expenses.
- The PBGC interest rate basis for conversion to lump sum form of payment was changed from 2.75% to 1.00% for 2015, 1.75% for 2016 and 2.75% thereafter.
- The expected investment return assumption was updated from 8.75% to 8.00%