Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2016

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A This return/report is for:
- [X] a single-employer plan
- [ ] a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [ ] a one-participant plan
- [ ] a foreign plan

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
PENSION PLAN FOR MAINTENANCE SHOP AND CONTAINER YARD EMPLOYEES OF HAWAII TERMINALS, INC.

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 01/01/2002

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)
HAWAII STEVEDORES, INC.

1601 SAND ISLAND PARKWAY
HONOLULU, HI 96819

2b Employer Identification Number (EIN) 99-0108338

2c Sponsor's telephone number 704-527-3400

2d Business code (see instructions) 488300

3a Plan administrator's name and address [ ] Same as Plan Sponsor.
HAWAII TERMINALS, INC.
1601 SAND ISLAND PARKWAY
HONOLULU, HI 96819

3b Administrator's EIN 47-3961529

3c Administrator's telephone number 808-842-1515

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

5a Total number of participants at the beginning of the plan year	**5a**	39
b Total number of participants at the end of the plan year	**5b**	40
c Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**5c**	
d(1) Total number of active participants at the beginning of the plan year	**5d(1)**	28
d(2) Total number of active participants at the end of the plan year	**5d(2)**	26
e Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**5e**	0

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

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2017	GEORGE PASHA
	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

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

Preparer's telephone number

6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ..... [X] Yes [ ] No

b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)..... [X] Yes [ ] No

If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

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

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	6026308	7201460
b Total plan liabilities	7b	0	
c Net plan assets (subtract line 7b from line 7a)	7c	6026308	7201460
8 Income, Expenses, and Transfers for this Plan Year		**(a) Amount**	**(b) Total**
a Contributions received or receivable from: (1) Employers	8a(1)	941124	
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	394021	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		1335145
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	159993	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f	0	
g Other expenses	8g	0	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		159993
i Net income (loss) (subtract line 8h from line 8c)	8i		1175152
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1B 3H

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

Part V Compliance Questions

10 During the plan year:		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X		
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X		
c Was the plan covered by a fidelity bond?	10c	X			500000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X		
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X		
f Has the plan failed to provide any benefit when due under the plan?	10f		X		
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		X		
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h				
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i				

Part VI Pension Funding Compliance

11	Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)	[X] Yes [ ] No
11a	Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40	**11a** 0
12	Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)	[ ] Yes [X] No
a	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____	

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

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

Part VII Plan Terminations and Transfers of Assets

13a	Has a resolution to terminate the plan been adopted in any plan year?		[ ] Yes [X] No
	If "Yes," enter the amount of any plan assets that reverted to the employer this year	**13a**	
b	Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		[ ] Yes [X] No

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

13c(1) Name of plan(s):	**13c(2)** EIN(s)	**13c(3)** PN(s)

Part VIII Trust Information

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

Part IX IRS Compliance Questions

15a	Is the plan a 401(k) plan? If "No," skip b.	[ ] Yes [ ] No
15b	How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	[ ] Design-based safe harbor [ ] "Prior year" ADP test [ ] "Current year" ADP test [ ] N/A
16a	What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	[ ] Ratio percentage test [ ] Average benefit test [ ] N/A
16b	Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	[ ] Yes [ ] No

17a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____/_____/_____ and the serial number _____.

17b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____/_____/_____.

18	Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	[ ] Yes [ ] No
19	Was any plan participant a 5% owner who had attained at least age 70 ½ during the prior plan year?	[ ] Yes [ ] No

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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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
PENSION PLAN FOR MAINTENANCE SHOP AND CONTAINER YARD EMPLOYEES OF HAWAII TERMINALS, INC.

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
HAWAII STEVEDORES, INC.

D Employer Identification Number (EIN)
99-0108338

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2016

2 Assets:

a Market value	**2a**	6017302
b Actuarial value	**2b**	6330000

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	7	2002750	2002750
b For terminated vested participants	2	344154	344154
c For active participants	30	5015679	5507104
d Total	39	7362583	7854008

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**	6.28 %
6 Target normal cost	**6**	366456

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

10/02/2017
Date

MISTY LAM, EA, MSPA, MAAA
Type or print name of actuary

17-06737
Most recent enrollment number

CONDUENT HR CONSULTING, LLC
Firm name

808-258-0315
Telephone number (including area code)

1132 BISHOP STREET, SUITE 800
HONOLULU, HI 96813
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of -1.02%	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)		210602
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 6.48 %		13647
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		224249
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	80.59%
15	Adjusted funding target attainment percentage	15	80.59%
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	93.66%
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
10/14/2016	115062	0			
01/13/2017	115062	0			
03/29/2017	711000	0			
			Totals ► 18(b)	941124	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	869030

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.43%	5.91%	6.65%	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	66

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**	366456
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	1524008	284481
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**	650937

	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**	650937
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	869030
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	218093
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**	

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.

EIN/PN: 99-0108338 / 003

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
Under 25										
25 - 29										
30 - 34		1								
35 - 39										
40 - 44	2			4						
45 - 49						2	1			
50 - 54			1			2	2			
55 - 59			1		2	3	2			
60 - 64		1							2	
65 - 69					1				1	
70 & up										

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
EIN/PN: 99-0108338 / 003

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

Prescribed Funding Assumptions and Methods

The following assumptions and methods are prescribed by ERISA.

Funding interest rates

For 2016 Plan Year: Segment Rates with four-month lookback, constrained in accordance with relevant legislation as follows:

	Unconstrained Rates*	Rates Reflecting Corridor**
First Segment Rate	1.34%	4.43%
Second Segment Rate	4.03%	5.91%
Third Segment Rate	5.06%	6.65%

Effective Interest Rate
Based on constrained rates 6.28%

For 2015 Plan Year: Segment Rates with four-month lookback, constrained in accordance with relevant legislation as follows:

	Unconstrained Rates*	Rates Reflecting Corridor**
First Segment Rate	1.15%	4.72%
Second Segment Rate	4.06%	6.11%
Third Segment Rate	5.15%	6.81%

Effective Interest Rate
Based on constrained rates 6.48%

* Used for maximum tax-deduction purposes.
** Used for minimum funding and benefit restriction purposes.

Mortality

Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial cost method

The Funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected plan administrative expenses to be paid from plan assets during the year.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
EIN/PN: 99-0108338 / 003

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

Non-Prescribed Funding Assumptions and Methods

The following assumptions were selected by the plan's enrolled actuary. The assumptions are based on plan experience and plan sponsor guidance, and are reviewed periodically. The asset valuation method was selected by the plan sponsor with the actuary's advice and is an acceptable method under PPA.

Expenses

Expected plan administrative expenses of $0 were added to the Target Normal Cost. Plan sponsor does not expect to pay administrative expenses from plan trust in 2016.

For January 1, 2016 valuation:	$0
For January 1, 2015 valuation:	$110,609

Frequency of optional payment forms

100% of single participants are assumed to elect a Single Life Annuity. 100% of married participants are assumed to elect an unreduced 60% Joint and Survivor Annuity.

Marital percentage

88% of participants are assumed to be married at death. Husbands are assumed to be 3 years older than their wives.

Mortality table

The mortality table is applied on a static basis. A combined annuitant and non-annuitant table was used.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
EIN/PN: 99-0108338 / 003

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

Non-Prescribed Funding Assumptions and Methods (continued)

Retirement rates

Retirement rates are based on a 2011 Buck study of retirements by employees in the stevedoring industry.

Actives:

Age	Assumption
61 & Under	0%
62	16%
63	18%
64	6%
65	8%
66	18%
67	33%
68	15%
69	10%
70	15%
71 & Over	100%

Terminated Vested: Age 62, or attained age if greater.

Disability rates

None.

Withdrawal rates for active participants not eligible for retirement

None.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
EIN/PN: 99-0108338 / 003

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

Non-Prescribed Funding Assumptions and Methods (continued)

Asset valuation method

The Actuarial Value of Assets is Market Value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the gain/(loss) in each of the prior 2 years, respectively. The gain/(loss) for each period is determined as the actual return on Market Value during the period less the expected return on Market Value based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of Market Value, including discounted receivable contributions. The actuary's expected rate of return is based on the plan's asset allocation and forward-looking expected rates of return by asset category provided by the plan's investment consultant.

	Actuary's Assumption	Third Segment Rate	Reflecting PPA Limit
2016 Expected Return	7.50%	6.65%	6.65%
2015 Expected Return	7.50%	6.81%	6.81%
2014 Expected Return	7.50%	6.99%	6.99%

Future actuarial measurements

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. Because of limited scope, Conduent performed no analysis of the potential range of such future differences.

Summary of Changes from the January 1, 2015 Valuation

- The segment interest rates with four-month lookback used for funding purposes were updated to the current valuation date.
- The mortality table used for funding purposes were updated with projections specified by IRS Regulation 1.430(h)(3)-1.
- The amount of expected plan administrative expenses added to the Target Normal Cost was updated to reflect no expected administrative expenses to be paid from the trust.

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

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

OMB No. 1210-0110

2016

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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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
PENSION PLAN FOR MAINTENANCE SHOP AND CONTAINER YARD EMPLOYEES OF HAWAII TERMINALS, INC.

B Three-digit plan number (PN) ▶ 003

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

D Employer Identification Number (EIN)
99-0108338

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2016

2 Assets:

a Market value	**2a**	6,017,302
b Actuarial value	**2b**	6,330,000

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	7	2,002,750	2,002,750
b For terminated vested participants	2	344,154	344,154
c For active participants	30	5,015,679	5,507,104
d Total	39	7,362,583	7,854,008

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**	6.28%
6 Target normal cost	**6**	366,456

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

Misty Lam
Signature of actuary

10/2/17
Date

MISTY LAM, EA, MSPA, MAAA
Type or print name of actuary

1706737
Most recent enrollment number

CONDUENT HR CONSULTING, LLC
Firm name

808-258-0315
Telephone number (including area code)

1132 BISHOP STREET, SUITE 800
HONOLULU HI 96813
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of -1.02%	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)		210,602
	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 6.48%		13,647
	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		224,249
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	80.59%
15	Adjusted funding target attainment percentage	15	80.59%
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	93.66%
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
10/14/2016	115,062	0			
01/13/2017	115,062	0			
03/29/2017	711,000	0			
			Totals ► 18(b)	941,124	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	869,030

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
0	0	0	0

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.43 %	5.91 %	6.65 %	

b Applicable month (enter code) — **21b**: 4

22 Weighted average retirement age — **22**: 66

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**: 366,456

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

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	1,524,008	284,481
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**: 650,937

	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**: 650,937

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) — **37**: 869,030

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

a Total (excess, if any, of line 37 over line 36) — **38a**: 218,093

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**:

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
EIN/PN: 99-0108338 / 003

Schedule SB, Line 19 - Discounted Employer Contributions

Date	Amount	Plan Year	Days Discounted at Effective Rate of 6.28%	Days Discounted at Penalty Rate of 11.28%	Discounted Value
Line 19c - Contributions Allocated Toward Minimum Required Contribution for Current Year					
10/14/2016	115,062	2016	105	182	107,216
1/13/2017	115,062	2016	196	182	105,605
3/29/2017	115,062	2016	288	165	104,518
3/29/2017	115,062	2016	380	73	105,733
3/29/2017	480,876	2016	453	0	445,958
Total	**941,124**				**869,030**

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
EIN/PN: 99-0108338 / 003

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

This table calculates the weighted average retirement age for all active persons in the plan

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
62	24.2785	0.1600	3.8846	240.8431
63	20.2471	0.1800	3.6445	229.6025
64	17.4582	0.0600	1.0475	67.0395
65	16.2699	0.0800	1.3016	84.6034
66	16.8196	0.1800	3.0275	199.8164
67	13.6134	0.3300	4.4924	300.9916
68	8.9594	0.1500	1.3439	91.3861
69	7.5000	0.1000	0.7500	51.7498
70	6.6427	0.1500	0.9964	69.7488
71	5.5438	1.0000	5.5438	393.6075
Total			**26.0322**	**1,729.3886**
Weighted Average Retirement Age = 1729.3886 / 26.0322				**66.43**
Rounded Weighted Average Retirement Age				**66**

Note to Column 2: The Expected Active Headcount for each age includes persons who are eligible to retire and persons who are not eligible to retire at each age.

Note to Column 3: At each age, these retirement rates are a weighted average of the rates shown in Attachment to Part V for active participants eligible to retire at the age and zero for all other active participants.

General note: The table presents values rounded to fewer significant digits than used in the calculation.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
EIN/PN: 99-0108338 / 003

Schedule SB, Line 24 - Change in Actuarial Assumptions

The amount of expected plan administrative expenses added to the Target Normal Cost was updated to reflect no expected administrative expenses to be paid from the trust.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.

EIN/PN: 99-0108338 / 003

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
Under 25										
25 - 29										
30 - 34		1								
35 - 39										
40 - 44	2			4						
45 - 49						2	1			
50 - 54			1			2	2			
55 - 59			1		2	3	2			
60 - 64		1							2	
65 - 69					1				1	
70 & up										

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.

EIN/PN: 99-0108338 / 003

Schedule SB, Line 32 - Schedule of Amortization Bases

Type of Base	Present Value of Remaining Installments as of January 1, 2016	Date Established	Remaining Installments	Shortfall Amortization Installment
Shortfall	$1,215,093	1/1/2016	7	$200,762
Shortfall	($9,378)	1/1/2015	6	($1,755)
Shortfall	($13,422)	1/1/2014	5	($2,922)
Shortfall	$331,715	1/1/2013	4	$88,396

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
EIN/PN: 99-0108338 / 003

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

Prescribed Funding Assumptions and Methods

The following assumptions and methods are prescribed by ERISA.

Funding interest rates

For 2016 Plan Year: Segment Rates with four-month lookback, constrained in accordance with relevant legislation as follows:

	Unconstrained Rates*	Rates Reflecting Corridor**
First Segment Rate	1.34%	4.43%
Second Segment Rate	4.03%	5.91%
Third Segment Rate	5.06%	6.65%

Effective Interest Rate
Based on constrained rates 6.28%

For 2015 Plan Year: Segment Rates with four-month lookback, constrained in accordance with relevant legislation as follows:

	Unconstrained Rates*	Rates Reflecting Corridor**
First Segment Rate	1.15%	4.72%
Second Segment Rate	4.06%	6.11%
Third Segment Rate	5.15%	6.81%

Effective Interest Rate
Based on constrained rates 6.48%

* Used for maximum tax-deduction purposes.
** Used for minimum funding and benefit restriction purposes.

Mortality

Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial cost method

The Funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected plan administrative expenses to be paid from plan assets during the year.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
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Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

Non-Prescribed Funding Assumptions and Methods

The following assumptions were selected by the plan's enrolled actuary. The assumptions are based on plan experience and plan sponsor guidance, and are reviewed periodically. The asset valuation method was selected by the plan sponsor with the actuary's advice and is an acceptable method under PPA.

Expenses

Expected plan administrative expenses of $0 were added to the Target Normal Cost. Plan sponsor does not expect to pay administrative expenses from plan trust in 2016.

For January 1, 2016 valuation:	$0
For January 1, 2015 valuation:	$110,609

Frequency of optional payment forms

100% of single participants are assumed to elect a Single Life Annuity. 100% of married participants are assumed to elect an unreduced 60% Joint and Survivor Annuity.

Marital percentage

88% of participants are assumed to be married at death. Husbands are assumed to be 3 years older than their wives.

Mortality table

The mortality table is applied on a static basis. A combined annuitant and non-annuitant table was used.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
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Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

Non-Prescribed Funding Assumptions and Methods (continued)

Retirement rates

Retirement rates are based on a 2011 Buck study of retirements by employees in the stevedoring industry.

Actives:

Age	Assumption
61 & Under	0%
62	16%
63	18%
64	6%
65	8%
66	18%
67	33%
68	15%
69	10%
70	15%
71 & Over	100%

Terminated Vested: Age 62, or attained age if greater.

Disability rates

None.

Withdrawal rates for active participants not eligible for retirement

None.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
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Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

Non-Prescribed Funding Assumptions and Methods (continued)

Asset valuation method

The Actuarial Value of Assets is Market Value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the gain/(loss) in each of the prior 2 years, respectively. The gain/(loss) for each period is determined as the actual return on Market Value during the period less the expected return on Market Value based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of Market Value, including discounted receivable contributions. The actuary's expected rate of return is based on the plan's asset allocation and forward-looking expected rates of return by asset category provided by the plan's investment consultant.

	Actuary's Assumption	Third Segment Rate	Reflecting PPA Limit
2016 Expected Return	7.50%	6.65%	6.65%
2015 Expected Return	7.50%	6.81%	6.81%
2014 Expected Return	7.50%	6.99%	6.99%

Future actuarial measurements

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. Because of limited scope, Conduent performed no analysis of the potential range of such future differences.

Summary of Changes from the January 1, 2015 Valuation

- The segment interest rates with four-month lookback used for funding purposes were updated to the current valuation date.
- The mortality table used for funding purposes were updated with projections specified by IRS Regulation 1.430(h)(3)-1.
- The amount of expected plan administrative expenses added to the Target Normal Cost was updated to reflect no expected administrative expenses to be paid from the trust.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
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Schedule SB, Part V - Summary of Plan Provisions

Effective Date

January 1, 2002. Amended and restated effective January 1, 2015.

Eligibility to participate

Employees who have completed one Year of Service whose terms and conditions of employment are subject to or covered by the collective bargaining agreement with respect to maintenance shop or container yard employees between Hawaii Terminals, Inc. (Horizon Lines, LLC prior to May 29, 2015) and the ILWU Local 142. However, an eligible employee on January 1, 2002 who was a member of the Retirement Plan for Maintenance Shop Employees of Hawaii Stevedores, Inc. ("Former Plan") on December 2, 2001 became a member of this Plan on January 1, 2002.

Service

Year of Service – One Year of Service is earned for completion of 1,000 Hours of Service in the twelve-month period commencing on an employee's hire date and each anniversary thereof.

Credited Vesting Service - One year of Credited Vesting Service is earned for the twelve-month period commencing on an employee's hire date and each anniversary thereof. In addition, Credited Vesting Service includes all vesting service prior to January 1, 2002 credited under the Former Plan. Credited Vesting Service is also earned for eligible leaves of absence to serve as union officials or in the uniformed services.

Credited Benefit Service - One-twelfth of a year of Credited Benefit Service is earned for each month of employment in which the member is eligible to participate in the Plan and had at least one Hour of Service. In addition, all benefit service credited under the Former Plan is included, as well as the month of December 2001 in the case of a member who had at least one Hour of Service during that month and was eligible at January 1, 2002. Credited Benefit Service is also earned for eligible leaves of absence to serve in the uniformed services to the extent required by law.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
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Schedule SB, Part V - Summary of Plan Provisions

Normal Retirement

Eligibility - Age 62.

Amount of Benefit - The monthly benefit is equal to the greater of (1) and (2) below:

(1) Basic Retirement Income - 1/12 of 1% of compensation during Credited Benefit Service prior to January 1, 2004.

(2) Minimum Retirement Income - Years of Credited Benefit Service (up to maximum amounts specified in the plan) times the benefit level in effect on the earlier of the employee's retirement or termination of covered employment.

For active members who retire on or after January 1, 2008 and prior to July 1, 2014:

Effective	Benefit Level	Max. Credited Benefit Service
July 1, 2008	$160	37 years
July 1, 2009	$165	37 years
July 1, 2012	$170	37 years
July 1, 2013	$180	37 years

For active members who retire on or after July 1, 2014:

Effective	Benefit Level	Max. Credited Benefit Service
July 1, 2014	$180	37 years
July 1, 2017	$187.50	37 years
July 1, 2018	$200	37 years

Benefits are based on total service recognized by the bargaining agreement and are net of benefits payable from the Former Plan for any of that service.

Time and Form of Payment - The normal form of benefit is a single life annuity payable beginning on the first of the month coincident with or next following eligibility for normal retirement. The automatic form of payment for a married member is an unreduced 60% joint and survivor annuity. For normal retirements on or after July 1, 2015, the automatic form of payment for a married member is an unreduced 75% joint and survivor annuity.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
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Schedule SB, Part V - Summary of Plan Provisions

Supplemental Normal Retirement Benefit ("Bridge")

Eligibility - Retirement from active service after age 55 and before Social Security full retirement age.

Amount of Benefit - If age 62 or over, $300 per month. If under age 62, $300 per month actuarially reduced for early retirement.

Time and Form of Benefit - Payable from date of retirement to the earlier of Social Security full retirement age or death; if member retires with 25 or more years of Credited Benefit Service and dies prior to Social Security full retirement age, the benefit will continue to an eligible survivor.

Early Retirement

Eligibility - Age 55 and 5 years of Credited Vesting Service, or age 60.

Amount of Benefit - For employees who retire after age 60, or employees who retire after age 55 and completion of 5 or more years of Credited Vesting Service, benefits are the same as for Normal Retirement, but are reduced five-twelfths of 1% for each month by which the Early Retirement Date precedes the Normal Retirement Date. For employees who retire on or after age 55 and before age 60 and have completed at least 3 but less than 5 years of Credited Vesting Service, benefits are equal to the Basic Retirement Income only, reduced by five-twelfths of 1% for each month by which the Early Retirement Date precedes the Normal Retirement Date.

Time and Form of Payment - Normal form of payment is a single life annuity beginning on any first of the month coincident with or following eligibility for Early Retirement. As for Normal Retirement, the automatic form for married members is an unreduced 60% joint and survivor annuity. For retirements on or after July 1, 2015, the automatic form of payment for a married member is an unreduced 75% joint and survivor annuity.

Deferred Retirement

Eligibility - Any time after eligibility for Normal Retirement.

Amount of Benefit - Benefits are the same as for Normal Retirement, using Compensation and Credited Benefit Service earned up to the Deferred Retirement Date. If the retirement date is after the April 1 of the calendar year following the calendar year in which the employee attains age 70-1/2, the deferred retirement benefit is not less than the benefit as of such April 1 with actuarial adjustment for the period following such April 1.

Time and Form of Payment - Normal form of payment is a single life annuity beginning on any first of the month following eligibility for Normal Retirement. As for Normal Retirement, the automatic form for married members is an unreduced 60% joint and survivor annuity. For deferred retirements on or after July 1, 2015, the automatic form of payment for a married member is an unreduced 75% joint and survivor annuity.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
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Schedule SB, Part V - Summary of Plan Provisions

Termination

Eligibility - 5 years of Credited Vesting Service or attainment of age 60 while an eligible employee to be vested in Normal Retirement benefit; otherwise, 3 years of Credited Vesting Service or attainment of age 55 while an eligible employee to be vested in the Basic Retirement Income (if applicable).

Amount of Benefit - If an employee completes at least 5 years of Credited Vesting Service or terminates after attainment of age 60, the amount of the termination benefit is the same as that earned under the Normal Retirement benefit; otherwise, the benefit is limited to the Basic Retirement Income (if applicable).

Time and Form of Payment - Normal form of payment for the termination benefit is a single life annuity beginning at Normal Retirement age. The automatic form for a married member who was not eligible for an immediate early, normal or deferred retirement at termination is a reduced 50% joint and survivor annuity. The member may elect to receive the termination benefit starting any time after eligibility for Early Retirement, but the benefit will be reduced 5/9% for each of the first 60 months by which early retirement precedes age 62 and 5/18% for each month over 60.

Pre-Retirement Surviving Spouse Death Benefit

Eligibility - Eligible for a vested benefit or retirement, and married at least one year at time of death.

Amount of Benefit -

(1) If active, age 59 with 25 years of Credited Benefit Service: the applicable percentage from Table 1 of the Normal Retirement Benefit.

Table 1

Date of Death	Spouse's Benefit Percentage for Payments Before 7/1/15	Spouse's Benefit Percentage for Payments On or After 7/1/15
Before 7/1/99	50%	70%
7/1/99 – 6/30/08	50%	65%
7/1/08 – 6/30/11	50%	75%
7/1/11 – 6/30/15	60%	75%
7/1/15 and later	75%	75%

(2) If active, not eligible for benefit in (1) above, and either
   (a) with at least 5 years of Credited Vesting Service and age 55, or
   (b) with at least 5 years of Credited Vesting Service and with 25 years of Credited Benefit Service, or
   (c) at least age 60:

   The applicable percentage from Table 1 of Normal Retirement Benefit, reduced 5/12 of 1% for each month before age 62, subject to a maximum 35% reduction.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
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Schedule SB, Part V - Summary of Plan Provisions

(3) If active, age 55 but not eligible for benefits in (1) or (2) above: The applicable percentage from Table 1 of Basic Retirement Income, reduced 5/12 of 1% for each month before age 62.

(4) (a) If active, with at least 3 years of Credited Vesting Service, but not eligible for benefits in (1), (2), or (3) above, or
(b) if a terminated vested member:

50% of the reduced 50% Joint & Survivor Early Retirement Benefit that would have been in effect had the member terminated on the date of death (and, if under age 55, survived to age 55).

Time and Form of Payment - The death benefit will be paid for the life of the spouse. Payment will begin on the first of the month next following the employee's death, except in (4) where payments begin when the member would have reached age 55, if later.

Pre-Retirement Supplemental Retirement Death Benefit

Eligibility – Dies on or after 7/1/08 in active service as an eligible employee after completion of 25 years of Credited Benefit Service and before Social Security full retirement age with a surviving spouse to whom he was married during the one year preceding death or eligible dependent child(ren).

Time and Form of Benefit – Monthly payments will begin on the later of first of the month next following the member's death or the date the member, if living, would have reached his earliest retirement date (age 55). Payments end at the date the member, if living, would have attained Social Security full retirement age. Payments are in the same amount that would have been paid as a Supplemental Retirement Benefit to the member, if living, and are paid to the eligible surviving spouse; if the eligible surviving spouse dies before the member's Social Security full retirement age or if there is no eligible surviving spouse, payments are shared equally to eligible dependent children as defined in the plan.

Disability

Eligibility - After six months of disability and determination that the employee is permanently and continuously disabled and unable to perform work for the Company within the Bargaining Unit and is not receiving any other disability benefits from the Company or any worker's compensation.

Amount of Benefit - The greater of the Normal Retirement Benefit earned to Disability Retirement Date, unreduced for early commencement of benefits, or $125.00 per month.

Form of Benefit - Normal form of payment is a single life annuity commencing after six months of disability and a determination of eligibility. The automatic form for married members is an unreduced 60% joint and survivor annuity. For disability retirements after July 1, 2015, the automatic form for married members is an unreduced 75% joint and survivor annuity.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
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Schedule SB, Part V - Summary of Plan Provisions

Forms of Payment

- Single Life annuity for unmarried members
- Unreduced Joint and Survivor annuity for married members who retire from active service or terminate after retirement eligibility with the surviving spouse percentages shown below:

Retirement Date	Spouse's Benefit Percentage for Payments Before 7/1/15	Spouse's Benefit Percentage for Payments on or after 7/1/15
Before 7/1/99	50%	70%
7/1/99 – 6/30/08	50%	65%
7/1/08 – 6/30/11	50%	75%
7/1/11 – 6/30/15	60%	75%
7/1/15 and later	75%	75%

- Reduced 50% Joint and Survivor annuity for married members who terminate prior to retirement eligibility.
- 50% Joint and Survivor annuity
- 75% Joint and Survivor annuity
- 100% Joint and Survivor annuity
- Lump sum payment for repatriating employees hired prior to January 1, 1950
- Lump sum payment or equal monthly installments for disability retirement
- Lump sum payment for employees laid off in certain reductions in workforce
- Lump sum payment if not greater than $5,000 (optional at member's election)

Actuarial Equivalence

The member's life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

The lump sum form of payment is calculated as the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later), using the Internal Revenue Code Section 417(e)(3) assumptions with a lookback month for the applicable interest rate of the November in the preceding plan year. The minimum lump sum payment under a Disability Retirement Benefit is the Basic Retirement Income monthly benefit multiplied by 90.

The Supplemental Retirement Benefit commencing before attainment of age 62 is determined using the 1971 Group Annuity Mortality Table set back one year and an interest rate of 6.0% per year.

Summary of Changes from the January 1, 2015 Valuation

Negotiated benefit improvements were included in the collective bargaining agreement effective July 1, 2014 – June 30, 2019. The plan document amended and restated effective January 1, 2015 reflects the improvements and the improvements are described in this summary as benefit increases effective on or after July 1, 2015.

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
EIN/PN: 99-0108338 / 003

Schedule SB, Line 19 - Discounted Employer Contributions

Date	Amount	Plan Year	Days Discounted at Effective Rate of 6.28%	Days Discounted at Penalty Rate of 11.28%	Discounted Value
Line 19c - Contributions Allocated Toward Minimum Required Contribution for Current Year					
10/14/2016	115,062	2016	105	182	107,216
1/13/2017	115,062	2016	196	182	105,605
3/29/2017	115,062	2016	288	165	104,518
3/29/2017	115,062	2016	380	73	105,733
3/29/2017	480,876	2016	453	0	445,958
Total	**941,124**				**869,030**

Pension Plan for Maintenance Shop and Container Yard Employees of Hawaii Terminals, Inc.
EIN/PN: 99-0108338 / 003

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

This table calculates the weighted average retirement age for all active persons in the plan

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
62	24.2785	0.1600	3.8846	240.8431
63	20.2471	0.1800	3.6445	229.6025
64	17.4582	0.0600	1.0475	67.0395
65	16.2699	0.0800	1.3016	84.6034
66	16.8196	0.1800	3.0275	199.8164
67	13.6134	0.3300	4.4924	300.9916
68	8.9594	0.1500	1.3439	91.3861
69	7.5000	0.1000	0.7500	51.7498
70	6.6427	0.1500	0.9964	69.7488
71	5.5438	1.0000	5.5438	393.6075
Total			**26.0322**	**1,729.3886**
Weighted Average Retirement Age = 1729.3886 / 26.0322				**66.43**
Rounded Weighted Average Retirement Age				**66**

Note to Column 2: The Expected Active Headcount for each age includes persons who are eligible to retire and persons who are not eligible to retire at each age.

Note to Column 3: At each age, these retirement rates are a weighted average of the rates shown in Attachment to Part V for active participants eligible to retire at the age and zero for all other active participants.

General note: The table presents values rounded to fewer significant digits than used in the calculation.

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Effective Date

January 1, 2002. Amended and restated effective January 1, 2015.

Eligibility to participate

Employees who have completed one Year of Service whose terms and conditions of employment are subject to or covered by the collective bargaining agreement with respect to maintenance shop or container yard employees between Hawaii Terminals, Inc. (Horizon Lines, LLC prior to May 29, 2015) and the ILWU Local 142. However, an eligible employee on January 1, 2002 who was a member of the Retirement Plan for Maintenance Shop Employees of Hawaii Stevedores, Inc. ("Former Plan") on December 2, 2001 became a member of this Plan on January 1, 2002.

Service

Year of Service – One Year of Service is earned for completion of 1,000 Hours of Service in the twelve-month period commencing on an employee's hire date and each anniversary thereof.

Credited Vesting Service - One year of Credited Vesting Service is earned for the twelve-month period commencing on an employee's hire date and each anniversary thereof. In addition, Credited Vesting Service includes all vesting service prior to January 1, 2002 credited under the Former Plan. Credited Vesting Service is also earned for eligible leaves of absence to serve as union officials or in the uniformed services.

Credited Benefit Service - One-twelfth of a year of Credited Benefit Service is earned for each month of employment in which the member is eligible to participate in the Plan and had at least one Hour of Service. In addition, all benefit service credited under the Former Plan is included, as well as the month of December 2001 in the case of a member who had at least one Hour of Service during that month and was eligible at January 1, 2002. Credited Benefit Service is also earned for eligible leaves of absence to serve in the uniformed services to the extent required by law.

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Normal Retirement

Eligibility - Age 62.

Amount of Benefit - The monthly benefit is equal to the greater of (1) and (2) below:

(1) Basic Retirement Income - 1/12 of 1% of compensation during Credited Benefit Service prior to January 1, 2004.

(2) Minimum Retirement Income - Years of Credited Benefit Service (up to maximum amounts specified in the plan) times the benefit level in effect on the earlier of the employee's retirement or termination of covered employment.

For active members who retire on or after January 1, 2008 and prior to July 1, 2014:

Effective	Benefit Level	Max. Credited Benefit Service
July 1, 2008	$160	37 years
July 1, 2009	$165	37 years
July 1, 2012	$170	37 years
July 1, 2013	$180	37 years

For active members who retire on or after July 1, 2014:

Effective	Benefit Level	Max. Credited Benefit Service
July 1, 2014	$180	37 years
July 1, 2017	$187.50	37 years
July 1, 2018	$200	37 years

Benefits are based on total service recognized by the bargaining agreement and are net of benefits payable from the Former Plan for any of that service.

Time and Form of Payment - The normal form of benefit is a single life annuity payable beginning on the first of the month coincident with or next following eligibility for normal retirement. The automatic form of payment for a married member is an unreduced 60% joint and survivor annuity. For normal retirements on or after July 1, 2015, the automatic form of payment for a married member is an unreduced 75% joint and survivor annuity.

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Supplemental Normal Retirement Benefit ("Bridge")

Eligibility - Retirement from active service after age 55 and before Social Security full retirement age.

Amount of Benefit - If age 62 or over, $300 per month. If under age 62, $300 per month actuarially reduced for early retirement.

Time and Form of Benefit - Payable from date of retirement to the earlier of Social Security full retirement age or death; if member retires with 25 or more years of Credited Benefit Service and dies prior to Social Security full retirement age, the benefit will continue to an eligible survivor.

Early Retirement

Eligibility - Age 55 and 5 years of Credited Vesting Service, or age 60.

Amount of Benefit - For employees who retire after age 60, or employees who retire after age 55 and completion of 5 or more years of Credited Vesting Service, benefits are the same as for Normal Retirement, but are reduced five-twelfths of 1% for each month by which the Early Retirement Date precedes the Normal Retirement Date. For employees who retire on or after age 55 and before age 60 and have completed at least 3 but less than 5 years of Credited Vesting Service, benefits are equal to the Basic Retirement Income only, reduced by five-twelfths of 1% for each month by which the Early Retirement Date precedes the Normal Retirement Date.

Time and Form of Payment - Normal form of payment is a single life annuity beginning on any first of the month coincident with or following eligibility for Early Retirement. As for Normal Retirement, the automatic form for married members is an unreduced 60% joint and survivor annuity. For retirements on or after July 1, 2015, the automatic form of payment for a married member is an unreduced 75% joint and survivor annuity.

Deferred Retirement

Eligibility - Any time after eligibility for Normal Retirement.

Amount of Benefit - Benefits are the same as for Normal Retirement, using Compensation and Credited Benefit Service earned up to the Deferred Retirement Date. If the retirement date is after the April 1 of the calendar year following the calendar year in which the employee attains age 70-1/2, the deferred retirement benefit is not less than the benefit as of such April 1 with actuarial adjustment for the period following such April 1.

Time and Form of Payment - Normal form of payment is a single life annuity beginning on any first of the month following eligibility for Normal Retirement. As for Normal Retirement, the automatic form for married members is an unreduced 60% joint and survivor annuity. For deferred retirements on or after July 1, 2015, the automatic form of payment for a married member is an unreduced 75% joint and survivor annuity.

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Termination

Eligibility - 5 years of Credited Vesting Service or attainment of age 60 while an eligible employee to be vested in Normal Retirement benefit; otherwise, 3 years of Credited Vesting Service or attainment of age 55 while an eligible employee to be vested in the Basic Retirement Income (if applicable).

Amount of Benefit - If an employee completes at least 5 years of Credited Vesting Service or terminates after attainment of age 60, the amount of the termination benefit is the same as that earned under the Normal Retirement benefit; otherwise, the benefit is limited to the Basic Retirement Income (if applicable).

Time and Form of Payment - Normal form of payment for the termination benefit is a single life annuity beginning at Normal Retirement age. The automatic form for a married member who was not eligible for an immediate early, normal or deferred retirement at termination is a reduced 50% joint and survivor annuity. The member may elect to receive the termination benefit starting any time after eligibility for Early Retirement, but the benefit will be reduced 5/9% for each of the first 60 months by which early retirement precedes age 62 and 5/18% for each month over 60.

Pre-Retirement Surviving Spouse Death Benefit

Eligibility - Eligible for a vested benefit or retirement, and married at least one year at time of death.

Amount of Benefit -

(1) If active, age 59 with 25 years of Credited Benefit Service: the applicable percentage from Table 1 of the Normal Retirement Benefit.

Table 1

Date of Death	Spouse's Benefit Percentage for Payments Before 7/1/15	Spouse's Benefit Percentage for Payments On or After 7/1/15
Before 7/1/99	50%	70%
7/1/99 – 6/30/08	50%	65%
7/1/08 – 6/30/11	50%	75%
7/1/11 – 6/30/15	60%	75%
7/1/15 and later	75%	75%

(2) If active, not eligible for benefit in (1) above, and either
   (a) with at least 5 years of Credited Vesting Service and age 55, or
   (b) with at least 5 years of Credited Vesting Service and with 25 years of Credited Benefit Service, or
   (c) at least age 60:

   The applicable percentage from Table 1 of Normal Retirement Benefit, reduced 5/12 of 1% for each month before age 62, subject to a maximum 35% reduction.

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(3) If active, age 55 but not eligible for benefits in (1) or (2) above: The applicable percentage from Table 1 of Basic Retirement Income, reduced 5/12 of 1% for each month before age 62.

(4) (a) If active, with at least 3 years of Credited Vesting Service, but not eligible for benefits in (1), (2), or (3) above, or
(b) if a terminated vested member:

50% of the reduced 50% Joint & Survivor Early Retirement Benefit that would have been in effect had the member terminated on the date of death (and, if under age 55, survived to age 55).

Time and Form of Payment - The death benefit will be paid for the life of the spouse. Payment will begin on the first of the month next following the employee's death, except in (4) where payments begin when the member would have reached age 55, if later.

Pre-Retirement Supplemental Retirement Death Benefit

Eligibility – Dies on or after 7/1/08 in active service as an eligible employee after completion of 25 years of Credited Benefit Service and before Social Security full retirement age with a surviving spouse to whom he was married during the one year preceding death or eligible dependent child(ren).

Time and Form of Benefit – Monthly payments will begin on the later of first of the month next following the member's death or the date the member, if living, would have reached his earliest retirement date (age 55). Payments end at the date the member, if living, would have attained Social Security full retirement age. Payments are in the same amount that would have been paid as a Supplemental Retirement Benefit to the member, if living, and are paid to the eligible surviving spouse; if the eligible surviving spouse dies before the member's Social Security full retirement age or if there is no eligible surviving spouse, payments are shared equally to eligible dependent children as defined in the plan.

Disability

Eligibility - After six months of disability and determination that the employee is permanently and continuously disabled and unable to perform work for the Company within the Bargaining Unit and is not receiving any other disability benefits from the Company or any worker's compensation.

Amount of Benefit - The greater of the Normal Retirement Benefit earned to Disability Retirement Date, unreduced for early commencement of benefits, or $125.00 per month.

Form of Benefit - Normal form of payment is a single life annuity commencing after six months of disability and a determination of eligibility. The automatic form for married members is an unreduced 60% joint and survivor annuity. For disability retirements after July 1, 2015, the automatic form for married members is an unreduced 75% joint and survivor annuity.

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Forms of Payment

- Single Life annuity for unmarried members
- Unreduced Joint and Survivor annuity for married members who retire from active service or terminate after retirement eligibility with the surviving spouse percentages shown below:

Retirement Date	Spouse's Benefit Percentage for Payments Before 7/1/15	Spouse's Benefit Percentage for Payments on or after 7/1/15
Before 7/1/99	50%	70%
7/1/99 – 6/30/08	50%	65%
7/1/08 – 6/30/11	50%	75%
7/1/11 – 6/30/15	60%	75%
7/1/15 and later	75%	75%

- Reduced 50% Joint and Survivor annuity for married members who terminate prior to retirement eligibility.
- 50% Joint and Survivor annuity
- 75% Joint and Survivor annuity
- 100% Joint and Survivor annuity
- Lump sum payment for repatriating employees hired prior to January 1, 1950
- Lump sum payment or equal monthly installments for disability retirement
- Lump sum payment for employees laid off in certain reductions in workforce
- Lump sum payment if not greater than $5,000 (optional at member's election)

Actuarial Equivalence

The member's life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

The lump sum form of payment is calculated as the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later), using the Internal Revenue Code Section 417(e)(3) assumptions with a lookback month for the applicable interest rate of the November in the preceding plan year. The minimum lump sum payment under a Disability Retirement Benefit is the Basic Retirement Income monthly benefit multiplied by 90.

The Supplemental Retirement Benefit commencing before attainment of age 62 is determined using the 1971 Group Annuity Mortality Table set back one year and an interest rate of 6.0% per year.

Summary of Changes from the January 1, 2015 Valuation

Negotiated benefit improvements were included in the collective bargaining agreement effective July 1, 2014 – June 30, 2019. The plan document amended and restated effective January 1, 2015 reflects the improvements and the improvements are described in this summary as benefit increases effective on or after July 1, 2015.

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Schedule SB, Line 32 - Schedule of Amortization Bases

Type of Base	Present Value of Remaining Installments as of January 1, 2016	Date Established	Remaining Installments	Shortfall Amortization Installment
Shortfall	$1,215,093	1/1/2016	7	$200,762
Shortfall	($9,378)	1/1/2015	6	($1,755)
Shortfall	($13,422)	1/1/2014	5	($2,922)
Shortfall	$331,715	1/1/2013	4	$88,396

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Schedule SB, Line 24 - Change in Actuarial Assumptions

The amount of expected plan administrative expenses added to the Target Normal Cost was updated to reflect no expected administrative expenses to be paid from the trust.