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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br>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 6057(b) and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.5em; font-weight: bold;">2018</div><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                                                                                                                            |
| For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u> |                                                                                                                                                                                                                                                                                                                                            |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)<br><input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) _____ |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report<br><input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)                                                                                                      |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                        |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program<br><input type="checkbox"/> special extension (enter description)                                                                                                                                     |

|                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                 |                                                                     |                                                                  |                                                             |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                                                                                                                                                                               | <b>Basic Plan Information—enter all requested information</b>                                                                                                                                                                                                                                                                                                   |                                                                     |                                                                  |                                                             |  |
| <b>1a</b> Name of plan<br><u>HEALTH CARE AND RETIREMENT CORPORATION UNION EMPLOYEES' PENSION PLAN</u>                                                                                                                                                                                                                                                                                        | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>005</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>08/01/1986</u></td> </tr> </table>                                                 | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>005</u>                                                       | <b>1c</b> Effective date of plan<br><u>08/01/1986</u>       |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                                                                                                                                                                                     | <u>005</u>                                                                                                                                                                                                                                                                                                                                                      |                                                                     |                                                                  |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>08/01/1986</u>                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                 |                                                                     |                                                                  |                                                             |  |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><u>HEARTLAND EMPLOYMENT SERVICES, LLC</u><br><br><u>KIM NAGLE</u><br><u>333 N SUMMIT ST</u><br><u>TOLEDO, OH 43604-1531</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>2b</b> Employer Identification Number (EIN)<br/><u>34-1903270</u></td> </tr> <tr> <td><b>2c</b> Plan Sponsor's telephone number<br/><u>419-252-5500</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/><u>623000</u></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>34-1903270</u> | <b>2c</b> Plan Sponsor's telephone number<br><u>419-252-5500</u> | <b>2d</b> Business code (see instructions)<br><u>623000</u> |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>34-1903270</u>                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                 |                                                                     |                                                                  |                                                             |  |
| <b>2c</b> Plan Sponsor's telephone number<br><u>419-252-5500</u>                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                 |                                                                     |                                                                  |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><u>623000</u>                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                 |                                                                     |                                                                  |                                                             |  |

**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.

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 07/29/2019 | RYAN MCALEES                                                 |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 07/29/2019 | RYAN MCALEES                                                 |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2018)  
v. 171027

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor<br><br>HCR MANORCARE EMPLOYEE BENEFITS COMMITTEE<br>KIM NAGLE<br>333 N SUMMIT ST<br>TOLEDO, OH 43604-1531                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>3b</b> Administrator's EIN<br>34-1903270<br><br><b>3c</b> Administrator's telephone number<br>419-252-5824                                    |
| <b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>4b</b> EIN<br><br><b>4d</b> PN                                                                                                                |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>5</b> 139                                                                                                                                     |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><br><b>a(1)</b> Total number of active participants at the beginning of the plan year .....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><br><b>b</b> Retired or separated participants receiving benefits.....<br><b>c</b> Other retired or separated participants entitled to future benefits .....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....<br><br><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><br><b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested ..... | <b>6a(1)</b> 82<br><b>6a(2)</b> 50<br><b>6b</b> 18<br><b>6c</b> 38<br><b>6d</b> 106<br><b>6e</b> 1<br><b>6f</b> 107<br><b>6g</b><br><b>6h</b> 10 |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>7</b>                                                                                                                                         |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1A 3F 3H<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                  |

|                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

**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 2018 Form M-1 annual report. If the plan was not required to file the 2018 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 \_\_\_\_\_

|                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                              |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB<br/>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan<br/>Actuarial Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2018</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>                                  |                                                                                                                                                         |
| ▶ <b>Round off amounts to nearest dollar.</b>                                                                                             |                                                                                                                                                         |
| ▶ <b>Caution:</b> A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.            |                                                                                                                                                         |
| <b>A</b> Name of plan<br><u>HEALTH CARE AND RETIREMENT CORPORATION UNION EMPLOYEES' PENSION PLAN</u>                                      | <b>B</b> Three-digit plan number (PN) ▶ <u>005</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>HEARTLAND EMPLOYMENT SERVICES, LLC</u>                     | <b>D</b> Employer Identification Number (EIN)<br><u>34-1903270</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input checked="" type="checkbox"/> 101-500 <input type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                 |                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                                                                                                                                   | <b>Basic Information</b>                                                                                            |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2018</u>                                                                                                                               |                                                                                                                     |
| <b>2</b> Assets:                                                                                                                                                                                                |                                                                                                                     |
| <b>a</b> Market value.....                                                                                                                                                                                      | <b>2a</b> <u>1101602</u>                                                                                            |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b> <u>1101602</u>                                                                                            |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                             |                                                                                                                     |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                                     | (1) Number of participants <u>18</u> (2) Vested Funding Target <u>221461</u> (3) Total Funding Target <u>221461</u> |
| <b>b</b> For terminated vested participants .....                                                                                                                                                               | <u>39</u> <u>362530</u> <u>362530</u>                                                                               |
| <b>c</b> For active participants .....                                                                                                                                                                          | <u>82</u> <u>665315</u> <u>679180</u>                                                                               |
| <b>d</b> Total .....                                                                                                                                                                                            | <u>139</u> <u>1249306</u> <u>1263171</u>                                                                            |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                           |                                                                                                                     |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                                                                                                           |
| <b>b</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 ..... | <b>4b</b>                                                                                                           |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b> <u>5.68 %</u>                                                                                              |
| <b>6</b> Target normal cost .....                                                                                                                                                                               | <b>6</b> <u>27877</u>                                                                                               |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| <b>Statement by Enrolled Actuary</b><br>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. |                                        |
| <b>SIGN HERE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                        |
| Signature of actuary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>06/20/2019</u>                      |
| <u>PAUL J. GIBBONS</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Date                                   |
| Type or print name of actuary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <u>17-06478</u>                        |
| <u>FINDLEY, INC.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Most recent enrollment number          |
| Firm name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>216-875-1900</u>                    |
| <u>1660 W 2ND ST SUITE 900<br/>CLEVELAND, OH 44113</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Telephone number (including area code) |
| Address of the firm                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                        |

**Part II Beginning of Year Carryover and Prefunding Balances**

|                                                                                                                                                                      | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                                             | 0                     | 46731                  |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                                          | 0                     | 46686                  |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                                                                | 0                     | 45                     |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>15.62</u> % .....                                                                                | 0                     | 7                      |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                                                       |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                                                      |                       | 0                      |
| <b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.92</u> % ..... |                       | 0                      |
| <b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                                 |                       | 0                      |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                                                        |                       | 0                      |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                                                      |                       | 0                      |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                                                    | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                                                         | 0                     | 52                     |

**Part III Funding Percentages**

|                                                                                                                                                                            |           |        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 87.20% |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 87.20% |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 90.69% |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....                                        | <b>17</b> | %      |

**Part IV Contributions and Liquidity Shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 04/06/2018               | 12122                             | 0                               |                          |                                   |                                 |
| 07/11/2018               | 12122                             | 0                               |                          |                                   |                                 |
| 10/11/2018               | 12095                             | 0                               |                          |                                   |                                 |
| 01/11/2019               | 12122                             | 0                               |                          |                                   |                                 |
| 03/28/2019               | 124560                            | 0                               |                          |                                   |                                 |
| 06/10/2019               | 223000                            | 0                               |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 396021                            | <b>18(c)</b> 0                  |

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

|                                                                                                                         |            |        |
|-------------------------------------------------------------------------------------------------------------------------|------------|--------|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....                    | <b>19a</b> | 0      |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                      | <b>19b</b> | 0      |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..... | <b>19c</b> | 369074 |

**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**

|                                                 |                       |                                                |                                                           |                                                     |
|-------------------------------------------------|-----------------------|------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                        |                       |                                                |                                                           |                                                     |
| <b>a</b> Segment rates:                         | 1st segment:<br>3.92% | 2nd segment:<br>5.52%                          | 3rd segment:<br>6.29%                                     | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....    |                       |                                                |                                                           | <b>21b</b> 0                                        |
| <b>22</b> Weighted average retirement age ..... |                       |                                                |                                                           | <b>22</b> 62                                        |
| <b>23</b> Mortality table(s) (see instructions) | Prior regulation:     | <input type="checkbox"/> Prescribed - combined | <input checked="" type="checkbox"/> Prescribed - separate | <input type="checkbox"/> Substitute                 |
|                                                 | Current regulation:   | <input type="checkbox"/> Prescribed - combined | <input type="checkbox"/> Prescribed - separate            | <input type="checkbox"/> Substitute                 |

**Part VI Miscellaneous Items**

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

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

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

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 27877              |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 161621              | 28853              |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> 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 ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) .....                                                         | <b>34</b>           | 56730              |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement .....                                                                                                               | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 56730              |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 369074             |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 312344             |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>           | 0                  |               |

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

|                                                                                  |                                                                                                                         |
|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:  |                                                                                                                         |
| <b>a</b> Schedule elected .....                                                  | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made ..... | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2018</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |

|                                                                                                     |                                                             |     |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018          |                                                             |     |
| <b>A</b> Name of plan<br>HEALTH CARE AND RETIREMENT CORPORATION UNION EMPLOYEES' PENSION PLAN       | <b>B</b> Three-digit plan number (PN) ▶                     | 005 |
|                                                                                                     |                                                             |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>HEARTLAND EMPLOYMENT SERVICES, LLC | <b>D</b> Employer Identification Number (EIN)<br>34-1903270 |     |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

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>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| BAIRD ADVISORS                                                                                                    |
| 39-6037917                                                                                                        |

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| PNC BANK NA                                                                                                       |
| 25-1211909                                                                                                        |

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| HARRIS ASSOCIATES LP                                                                                              |
| 04-3276558                                                                                                        |

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| CAPITAL RESEARCH AND MANAGEMENT CO                                                                                |
| 95-1411037                                                                                                        |

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**(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

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**(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

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**(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

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**(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

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**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)

HARBOR SERVICES GROUP INC

34-1953399

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 60                     | SERVICING AGENT                                                                                   | 0                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

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

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

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

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

**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)

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

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

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

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

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

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| HARBOR SERVICES GROUP INC                                           | 60                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| HARBOR BOND FUND<br><br>34-1953399                                  | 0.10%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(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<br>(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)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2018</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

|                                                                                                            |                                                                    |            |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| For calendar plan year 2018 or fiscal plan year beginning <b>01/01/2018</b> and ending <b>12/31/2018</b>   |                                                                    |            |
| <b>A</b> Name of plan<br><b>HEALTH CARE AND RETIREMENT CORPORATION UNION EMPLOYEES' PENSION PLAN</b>       | <b>B</b> Three-digit plan number (PN) ►                            | <b>005</b> |
|                                                                                                            |                                                                    |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>HEARTLAND EMPLOYMENT SERVICES, LLC</b> | <b>D</b> Employer Identification Number (EIN)<br><b>34-1903270</b> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**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 |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions.....                                                            | <b>1b(1)</b>    | 1935                  | 359682          |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    | 742                   | 3               |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....   | <b>1c(1)</b>    | 3619                  | 2952            |
| <b>(2)</b> U.S. Government securities .....                                                       | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common.....                                                                            | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property).....                                   | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans.....                                                                 | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts .....                                    | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                   | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                  | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | 1095335               | 726948          |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 1101631               | 1089585         |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |         |         |
|-----------------------------------------------------------|-----------|---------|---------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 1101631 | 1089585 |
|-----------------------------------------------------------|-----------|---------|---------|

**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 |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 396021     |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 396021    |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> | 220        |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |            | 220       |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 46813      |           |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |            | 46813     |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> | 240011     |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> | 240011     |           |
| (C) Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                         | <b>2b(4)(C)</b> |            | 0         |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....                | <b>2b(5)(C)</b> |            | 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)  |            |           |
| (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) |            | -90974    |
| c Other income.....                                                                            | 2c     |            |           |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total .....              | 2d     |            | 352080    |

**Expenses**

|                                                                                      |       |        |        |
|--------------------------------------------------------------------------------------|-------|--------|--------|
| e Benefit payment and payments to provide benefits:                                  |       |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....      | 2e(1) | 364126 |        |
| (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) |        | 364126 |
| f Corrective distributions (see instructions) .....                                  | 2f    |        |        |
| g Certain deemed distributions of participant loans (see instructions) .....         | 2g    |        |        |
| h Interest expense .....                                                             | 2h    |        |        |
| i Administrative expenses: (1) Professional fees.....                                | 2i(1) |        |        |
| (2) Contract administrator fees.....                                                 | 2i(2) |        |        |
| (3) Investment advisory and management fees.....                                     | 2i(3) |        |        |
| (4) Other .....                                                                      | 2i(4) |        |        |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                  | 2i(5) |        | 0      |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | 2j    |        | 364126 |

**Net Income and Reconciliation**

|                                                          |       |  |        |
|----------------------------------------------------------|-------|--|--------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | -12046 |
| l Transfers of assets:                                   |       |  |        |
| (1) To this plan.....                                    | 2l(1) |  |        |
| (2) From this plan.....                                  | 2l(2) |  |        |

**Part III Accountant's Opinion**

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

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

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

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

☒ Yes ☐ No

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

(1) Name: PLANTE & MORAN, PLLC

(2) EIN: 38-1357951

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

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

**Part IV Compliance Questions**

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

During the plan year:

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

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

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                               |           | Yes | No | Amount   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|----|----------|
| <b>c</b> 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.) .....                                          | <b>4c</b> |     | X  |          |
| <b>d</b> 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.) .....                               | <b>4d</b> |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | <b>4e</b> | X   |    | 10000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       | <b>4f</b> |     | X  |          |
| <b>g</b> 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? .....                                                    | <b>4g</b> |     | X  |          |
| <b>h</b> 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? .....                                          | <b>4h</b> |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | <b>4i</b> | X   |    |          |
| <b>j</b> 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.) ..... | <b>4j</b> |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           | <b>4k</b> |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            | <b>4l</b> |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  | <b>4m</b> |     |    |          |
| <b>n</b> 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. ....                                      | <b>4n</b> |     |    |          |

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

**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  
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4140754. (See instructions.)

|                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <div>SCHEDULE R<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div>                                                                                                                                 | <div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div> | <div>OMB No. 1210-0110</div> <div>2018</div> <div>This Form is Open to Public Inspection.</div> |
| For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| A Name of plan<br>HEALTH CARE AND RETIREMENT CORPORATION UNION EMPLOYEES' PENSION PLAN                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                  | B Three-digit plan number (PN) ►<br>005                                                         |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>HEARTLAND EMPLOYMENT SERVICES, LLC                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                  | D Employer Identification Number (EIN)<br>34-1903270                                            |
| Part I                                                                                                                                                                                                                                                                                                                                                          | Distributions                                                                                                                                                                                                                                                                                    |                                                                                                 |
| All references to distributions relate only to payments of benefits during the plan year.                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                  | 1                                                                                               |
| 2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): 25-1211909                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 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 25                                                                                            |
| Part II                                                                                                                                                                                                                                                                                                                                                         | Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)                                                                                                                           |                                                                                                 |
| 4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A<br>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<br>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? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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. <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input checked="" type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 11 a Does the ESOP hold any preferred stock? <input type="checkbox"/> Yes <input type="checkbox"/> 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.) <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                        |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market? <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| For Paperwork Reduction Act Notice, see the Instructions for Form 5500.                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Schedule R (Form 5500) 2018 v. 171027                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  |                                                                                                 |

**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 .....

**b** The plan year immediately preceding the current plan year .....

**c** The second preceding plan year .....

**14a****14b****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 .....

**b** The corresponding number for the second preceding plan year .....

**15a****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 .....

**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 .....

**16a****16b**

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

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

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

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

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

Stock: \_\_\_\_\_ % Investment-Grade Debt: \_\_\_\_\_ % High-Yield Debt: \_\_\_\_\_ % Real Estate: \_\_\_\_\_ % Other: \_\_\_\_\_ %

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

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

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

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

## **Independent Auditor's Report**

To the Employee Benefits Committee  
Health Care and Retirement Corporation  
Union Employees' Pension Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Health Care and Retirement Corporation Union Employees' Pension Plan (the "Plan"), which comprise the statement of assets available for benefits as of December 31, 2018 and 2017 and the related statement of changes in assets available for benefits for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by PNC Bank, N.A. (the "Trustee"), except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes related transactions. The plan administrator has obtained a certification from the Trustee as of and for the years ended December 31, 2018 and 2017 that the information provided to the plan administrator is complete and accurate.

### ***Disclaimer of Opinion***

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

To the Employee Benefits Committee  
Health Care and Retirement Corporation  
Union Employees' Pension Plan

***Other Matter***

The supplemental schedules of assets held at end of year as of December 31, 2018 and reportable transactions for the year ended December 31, 2018 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

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

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

*Plante & Moreau, PLLC*

June 25, 2019

Schedule SB, Line 24 – Change in Actuarial Assumptions  
Health Care and Retirement Corporation Union Employees' Pension Plan  
January 1, 2018 Valuation  
EIN/PN: 34-1903270/005

Changes in Assumptions  
and Methods since the  
Last Actuarial Valuation

The interest rates used for determining the funding target were 4.16%, 5.72% and 6.48%. These rates were updated to the rates required for the current plan year.

The mortality table for the funding target was changed as required under PPA '06.

The termination rates have been updated to better reflect plan experience.

The assumed marriage percentage, by gender, has been updated to better reflect plan experience.

Justification for Changes  
in Actuarial Assumptions

Assumption changes other than to prescribed actuarial assumptions were made to better anticipate future experience and to comply with ASOP 35. We believe that no approval is required for these changes because aggregate underfunding for PBGC premium purposes within the Controlled Group, excluding overfunded plans, for this plan year does not exceed \$50,000,000.

Schedule SB, Line 22 – Description of Weighted Average Retirement Age  
Health Care and Retirement Corporation Union Employees' Pension Plan  
January 1, 2018 Valuation  
EIN/PN: 34-1903270/005

Rates of Retirement

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 55-58      | 6 %         |
| 59         | 7           |
| 60-61      | 12          |
| 62-64      | 24          |
| 65         | 50          |
| 66-69      | 25          |
| 70         | 100         |

Weighted Average Retirement Age is 62. This is the average retirement age for someone eligible to retire at all ages using the assumed retirement rates and no other decrements.

Retirement rates were confirmed to be consistent with past plan experience during an experience study conducted in 2018.

## Appendix A

### Summary of Principal Plan Provisions

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plan Sponsor                 | Heartland Employment Services, LLC                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EIN/PN                       | 34-1903270/005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Effective Date               | August 1, 1986, amended and restated effective January 1, 2015.                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Plan Year                    | The 12-month period beginning each January 1.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Participation                | Any union employee who has completed one year of Vesting Service and has attained age 21 shall be eligible to participate on the following January 1 or July 1. No new participants are permitted in the frozen locations which are as follows: Riverview, and Wallingford. The following locations are also frozen and have since been sold: Beckley, Charleston, Lansing, Oak Pavilion, Rainelle, and Saginaw.                                                                                           |
| Compensation                 | Total compensation for the calendar year as limited by IRC Section 415(c) – 2(d)(4) including modifications by IRC Section 132(f)(4), 125(a), 402(e)(3), 402(k), 402(h)(1)(b), and 457(b).                                                                                                                                                                                                                                                                                                                 |
| Average Monthly Compensation | The last 13 bi-weekly gross pays are divided by the total hours worked during this same period to determine the hourly rate. The hourly rate is multiplied by 852 if the total hours divided by 26 is less than 35 (hours/week); otherwise the hourly rate is multiplied by 1,000. The result is divided by 6.                                                                                                                                                                                             |
| Vesting Service              | One year of vesting service is earned for each Plan Year in which 1,000 hours are worked.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Credited Service             | <p>One year of credited service is earned for 1,800 or more hours of service during a calendar year. If the participant worked at least 1,000 hours but less than 1,800, the service credit is prorated accordingly.</p> <p>No future service will be credited for the following frozen locations: Beckley, Charleston, Lansing, Oak Pavilion, Rainelle, Riverview, Saginaw, Wallingford. Beckley, Charleston, Lansing, Oak Pavilion, Rainelle, and Saginaw have been sold since accruals were frozen.</p> |
| Accrued Benefit              | A monthly life annuity starting at age 65 equal to the Benefit Multiplier based on Average Monthly Compensation multiplied by the number of Years of Credited Service. If the participant is not Early Retirement eligible at termination, this amount is multiplied by the number of Years of potential service at normal retirement divided by the maximum of number of years of potential service at normal retirement and 30 years.                                                                    |

## Appendix A (Continued)

### Accrued Benefit (Continued)

Benefit multiplier determined as follows:

| <u>Average Monthly Compensation</u> | <u>Monthly Benefit Multiplier</u> |
|-------------------------------------|-----------------------------------|
| \$0 - \$499/mo.                     | \$5.00                            |
| \$500 - \$799/mo.                   | \$7.00                            |
| \$800 - \$1,099/mo.                 | \$9.00                            |
| \$1,100 - \$1,399/mo.               | \$11.00                           |
| \$1,400+/mo.                        | \$13.00                           |

### Normal Retirement Benefit

#### Eligibility:

For a participant who was hired prior to January 1, 2015, age 65, and for a participant hired on or after January 1, 2015, the later of age 65 and the fifth anniversary of the date the employee commenced participation.

#### Monthly Benefit:

The Accrued Benefit.

### Early Retirement Benefit

#### Eligibility:

Age 55 and 10 years of Vesting Service.

#### Monthly Benefit:

The Accrued Benefit at Normal Retirement, or Early Retirement reduced by  $\frac{1}{2}$  of one percent for each month that Early Retirement precedes Normal Retirement.

### Late Retirement Benefit

#### Eligibility:

Any age after Normal Retirement Age.

#### Monthly Benefit:

The Accrued Benefit at Late Retirement.

### Termination Benefit

#### Eligibility:

Upon termination of employment prior to retirement after completion of at least 5 years of Vesting Service.

#### Monthly Benefit:

The vested benefit commences in full at age 65, or in a reduced amount under the early retirement provisions.

## Appendix A (Continued)

### Death Benefit

#### Eligibility:

100% vested and married for at least one year.

#### Monthly Benefit:

A monthly benefit for life commencing at the time the participant would have been eligible for retirement. The benefit is equal to 100% of the benefit vested on the date of death, adjusted as appropriate for early commencement and the 100% Joint and Survivor Annuity form of payment.

### Optional Forms of Payments

Life Annuity  
Joint & Survivor with 50%, 66 2/3%, or 100% continuation

The conversion factors are the maximum of a and b below:

- a. Factors based on the 1971 TPF&C Forecast Mortality Table and 6% interest.
- b. Factors computed as outlined below:

For each optional form of annuity payment:

| <u>Option</u> | <u>Factor</u> | <u>But Not Greater Than</u> |
|---------------|---------------|-----------------------------|
| 50% J&S       | 90%           | 95%                         |
| 66 2/3 J&S    | 85%           | 95%                         |
| 100% J&S      | 80%           | 90%                         |

The applicable factor set forth in column 2 above shall be increased/decreased by one percentage point for each full year the beneficiary is older/younger than the participant, not to exceed the maximum percentage in column 3.

### Benefits Available as Lump Sums

This plan pays small benefit amounts (less than \$1,000) automatically. Participants who terminate prior to meeting the eligibility requirements of early retirement can elect a lump sum or reduced qualified form if the lump sum value is between \$1,000 and \$10,000. Lump sums over \$10,000 are available to participants who are at least age 55 at date of termination regardless of whether retirement occurs immediately following termination or not.

The conversion factors are based on the Applicable Mortality Table and Applicable Interest Rate as required under IRC Section 417(e)(3).

Schedule SB, part V – Summary of Plan Provisions  
Health Care and Retirement Corporation Union Employees' Pension Plan  
January 1, 2018 Valuation  
EIN/PN: 34-1903270/005

## Appendix A (Continued)

|                            |                                                                                                                                             |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Maximum Benefit Limit      | The Internal Revenue Code Section 415 Maximum Benefit payable as a life annuity at Social Security Normal Retirement Date.                  |
| Plan Compensation Limit    | The Internal Revenue Code Section 401(a)(17)(B) Maximum Compensation that can be recognized for benefit calculation purposes.               |
| Changes in Plan Provisions | The automatic changes, if any, in the plan compensation limit and maximum benefit limit were recognized as amendments for funding purposes. |

## Appendix B

### Statement of Actuarial Assumptions and Methods

|                                                 |                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Minimum Funding Annual Interest Rates</b>    | <p>24-month segment rates averaged through the end of December 2017 and published in January 2018 (as prescribed by IRC 430) and adjusted to reflect BBA:</p> <ul style="list-style-type: none"> <li>Segment 1 (0 – 5 years) 3.92%</li> <li>Segment 2 (5 to 20 years) 5.52%</li> <li>Segment 3 (more than 20 years) 6.29%</li> <li>Effective Interest Rate 5.68%</li> </ul>          |
| <b>Maximum Deductible Annual Interest Rates</b> | <p>24-month segment rates averaged through the end of December 2017 and published in January 2018 (as prescribed by IRC 430) as follows:</p> <ul style="list-style-type: none"> <li>Segment 1 (0 – 5 years) 1.81%</li> <li>Segment 2 (5 to 20 years) 3.68%</li> <li>Segment 3 (more than 20 years) 4.53%</li> <li>Effective Interest Rate 3.96%</li> </ul>                           |
| <b>Annual Expected Return on Assets</b>         | <p>Interest Rate for developing Actuarial Value of Assets; limited to third segment rate 7.00%</p> <p>Rationale: as prescribed by the Plan Sponsor</p>                                                                                                                                                                                                                               |
| <b>PBGC Annual Interest Rates</b>               | <p>24-month segment rates averaged through the end of December 2017 and published in January 2018 using the Standard Method (as prescribed by IRC 430) as follows:</p> <ul style="list-style-type: none"> <li>Segment 1 (0 – 5 years) 2.33%</li> <li>Segment 2 (5 to 20 years) 3.55%</li> <li>Segment 3 (more than 20 years) 4.11%</li> <li>Effective Interest Rate 3.80%</li> </ul> |
| <b>Salary Scale</b>                             | Not applicable                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Benefit Multiplier</b>                       | All active accruing participants are assumed to be at the \$13 Benefit Multiplier.                                                                                                                                                                                                                                                                                                   |
| <b>Mortality</b>                                | <p>Funding: RP-2000 generational Mortality Table as described in Regulation 1.430(h)(3) projected by Scale AA, to between 7 and 15 years beyond the year of the obligation, male and female, with different rates for annuitants and nonannuitants.</p> <p>Lump Sum: IRC Section 417(e) mortality for lump sums in stability periods beginning in 2018.</p>                          |

## Appendix B (Continued)

### Rates of Retirement

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 55-58      | 6 %         |
| 59         | 7           |
| 60-61      | 12          |
| 62-64      | 24          |
| 65         | 50          |
| 66-69      | 25          |
| 70         | 100         |

Weighted Average Retirement Age is 62. This is the average retirement age for someone eligible to retire at all ages using the assumed retirement rates and no other decrements.

Retirement rates were confirmed to be consistent with past plan experience during an experience study conducted in 2018.

### Rates of Turnover

Based on age and length of service as follows:

| <u>Age</u> | <u>Years of Service</u> |          |          |          |          |           |
|------------|-------------------------|----------|----------|----------|----------|-----------|
|            | <u>0</u>                | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5+</u> |
| 20         | 50.0%                   | 50.0%    | 40.0%    | 40.0%    | 40.0%    | 30.0%     |
| 30         | 40.0%                   | 40.0%    | 29.0%    | 27.5%    | 27.5%    | 20.0%     |
| 40         | 30.0%                   | 30.0%    | 18.0%    | 15.0%    | 15.0%    | 15.0%     |
| 50         | 30.0%                   | 30.0%    | 18.0%    | 15.0%    | 15.0%    | 10.0%     |
| 60+        | 30.0%                   | 30.0%    | 18.0%    | 15.0%    | 15.0%    | 5.0%      |

Termination Rates were determined through an experience study conducted in 2018.

### Rates of Disability

Sample rates and ages as follows:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | .10 %       |
| 40         | .15         |
| 55         | .95         |

## Appendix B (Continued)

|                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Assumptions Made In Valuing Spouse's Benefit                          | Sixty percent of the male and forty percent of the females employees included in the valuation are assumed to be married. These percentages are used as the probabilities that survivor benefits will be payable due to preretirement deaths. The wife is assumed to be three years younger than the husband.                                                                                                                                              |
| Assumed Form of Distribution                                          | All employees are assumed to receive a lump sum distribution, if eligible, otherwise, they are assumed to elect the life annuity benefit.                                                                                                                                                                                                                                                                                                                  |
| Provision for Expenses                                                | None.                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Standing Elections                                                    | The client has not signed an election that provides for the automatic use of the Carryover and/or Prefunding Balance if necessary at the end of the plan year to meet the minimum funding requirement.                                                                                                                                                                                                                                                     |
| Asset Method                                                          | Market Value of Assets plus interest adjusted accrued but unpaid contributions as of the valuation date.                                                                                                                                                                                                                                                                                                                                                   |
| Funding Method                                                        | Pure Unit Credit                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Employees Valued                                                      | Only participants as of the valuation date were valued.                                                                                                                                                                                                                                                                                                                                                                                                    |
| Selection of Assumptions                                              | The segment rates and mortality table used to determine minimum funding and funded ratios were based on methodology mandated by Internal Revenue Code and rates published by the Internal Revenue Service to affect it.                                                                                                                                                                                                                                    |
| Changes in Assumptions and Methods since the Last Actuarial Valuation | <p>The interest rates used for determining the funding target were 4.16%, 5.72% and 6.48%. These rates were updated to the rates required for the current plan year.</p> <p>The mortality table for the funding target was changed as required under PPA '06.</p> <p>The termination rates have been updated to better reflect plan experience.</p> <p>The assumed marriage percentage, by gender, has been updated to better reflect plan experience.</p> |
| Justification for Changes in Actuarial Assumptions                    | Assumption changes other than to prescribed actuarial assumptions were made to better anticipate future experience and to comply with ASOP 35. We believe that no approval is required for these changes because aggregate underfunding for PBGC premium purposes within the Controlled Group, excluding overfunded plans, for this plan year does not exceed \$50,000,000.                                                                                |

Schedule SB, Line 26 - Schedule of Active Participant Data

January 1, 2018 Valuation  
The Health Care and Retirement Corporation Union Employees' Pension Plan  
(EIN: 34-1903270; PN: 005)

| Attained Age | Years of Credited Service |          |          |          |          |          |          |          |          |         |
|--------------|---------------------------|----------|----------|----------|----------|----------|----------|----------|----------|---------|
|              | Under 1                   | 1 to 4   | 5 to 9   | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up |
| Under 25     | -                         | 2<br>(*) | -        | -        | -        | -        | -        | -        | -        | -       |
| 25 to 29     | 1<br>(*)                  | 4<br>(*) | 2<br>(*) | -        | -        | -        | -        | -        | -        | -       |
| 30 to 34     | 1<br>(*)                  | 4<br>(*) | -        | 1<br>(*) | -        | -        | -        | -        | -        | -       |
| 35 to 39     | 1<br>(*)                  | 7<br>(*) | 4<br>(*) | 1<br>(*) | 1<br>(*) | -        | -        | -        | -        | -       |
| 40 to 44     | -                         | 5<br>(*) | 3<br>(*) | -        | 1<br>(*) | -        | -        | -        | -        | -       |
| 45 to 49     | -                         | 3<br>(*) | 3<br>(*) | 2<br>(*) | -        | -        | -        | -        | -        | -       |
| 50 to 54     | -                         | 5<br>(*) | 1<br>(*) | 2<br>(*) | 2<br>(*) | -        | 2<br>(*) | -        | -        | -       |
| 55 to 59     | 1<br>(*)                  | -        | 2<br>(*) | 4<br>(*) | 4<br>(*) | 3<br>(*) | 2<br>(*) | -        | -        | -       |
| 60 to 64     | -                         | 1<br>(*) | 1<br>(*) | 1<br>(*) | -        | -        | 1<br>(*) | -        | -        | -       |
| 65 to 69     | -                         | 1<br>(*) | 1<br>(*) | -        | -        | -        | -        | -        | -        | -       |
| 70 & up      | -                         | 1<br>(*) | 1<br>(*) | -        | -        | -        | -        | -        | -        | -       |

\* Average compensation is not shown since there are fewer than 1,000 active participants in this plan

**SCHEDULE SB  
(Form 5500)**Department of the Treasury  
Internal Revenue ServiceDepartment 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

**2018****This Form is Open to Public  
Inspection**For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018▶ **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.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br>HEALTH CARE AND RETIREMENT CORPORATION UNION EMPLOYEES'<br>PENSION PLAN                                          | <b>B</b> Three-digit<br>plan number (PN) ▶ 005                                                                                                          |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br>HEARTLAND EMPLOYMENT SERVICES, LLC                            | <b>D</b> Employer Identification Number (EIN)<br>34-1903270                                                                                             |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input checked="" type="checkbox"/> 101-500 <input type="checkbox"/> More than 500 |

**Part I Basic Information**

|                                                                                                                                                                                                                |                            |                           |                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|--------------------------|
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2018</u>                                                                                                                              |                            |                           |                          |
| <b>2</b> Assets:                                                                                                                                                                                               |                            |                           |                          |
| <b>a</b> Market value.....                                                                                                                                                                                     | <b>2a</b>                  | 1,101,602                 |                          |
| <b>b</b> Actuarial value.....                                                                                                                                                                                  | <b>2b</b>                  | 1,101,602                 |                          |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                            | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                     | 18                         | 221,461                   | 221,461                  |
| <b>b</b> For terminated vested participants.....                                                                                                                                                               | 39                         | 362,530                   | 362,530                  |
| <b>c</b> For active participants.....                                                                                                                                                                          | 82                         | 665,315                   | 679,180                  |
| <b>d</b> Total.....                                                                                                                                                                                            | 139                        | 1,249,306                 | 1,263,171                |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                          |                            |                           |                          |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions.....                                                                                                                                       | <b>4a</b>                  |                           |                          |
| <b>b</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..... | <b>4b</b>                  |                           |                          |
| <b>5</b> Effective interest rate.....                                                                                                                                                                          | <b>5</b>                   | 5.68%                     |                          |
| <b>6</b> Target normal cost.....                                                                                                                                                                               | <b>6</b>                   | 27,877                    |                          |

**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

6-20-2019

Date

1706478

PAUL J. GIBBONS

Type or print name of actuary

Most recent enrollment number

216-875-1900

FINDLEY, INC.

Firm name

Telephone number (including area code)

1660 W. 2ND ST.  
SUITE 900  
CLEVELAND OH 44113

Address of the firm

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2018  
v. 171027

| (a) Carryover balance | (b) Prefunding balance |
|-----------------------|------------------------|
|-----------------------|------------------------|

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

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

|                                                 |                        |                                                |                                                           |                                                     |
|-------------------------------------------------|------------------------|------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                        |                        |                                                |                                                           |                                                     |
| <b>a</b> Segment rates:                         | 1st segment:<br>3.92 % | 2nd segment:<br>5.52 %                         | 3rd segment:<br>6.29 %                                    | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....     |                        |                                                |                                                           | <b>21b</b> 0                                        |
| <b>22</b> Weighted average retirement age ..... |                        |                                                |                                                           | <b>22</b> 62                                        |
| <b>23</b> Mortality table(s) (see instructions) | Prior regulation:      | <input type="checkbox"/> Prescribed - combined | <input checked="" type="checkbox"/> Prescribed - separate | <input type="checkbox"/> Substitute                 |
|                                                 | Current regulation:    | <input type="checkbox"/> Prescribed - combined | <input type="checkbox"/> Prescribed - separate            | <input type="checkbox"/> Substitute                 |

**Part VI Miscellaneous Items**

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

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

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

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 27,877             |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                 | 161,621             | 28,853             |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> 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 ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)....                                                           | <b>34</b>           | 56,730             |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 56,730             |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 369,074            |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 312,344            |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>           | 0                  |               |

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

|                                                                                  |                                                                                                                         |
|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:  |                                                                                                                         |
| <b>a</b> Schedule elected .....                                                  | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made ..... | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |

Schedule SB, line 32 – Schedule of Amortization Bases  
Health Care and Retirement Corporation Union Employees' Pension Plan  
January 1, 2018 Valuation  
EIN/PN: 34-1903270/005

## Exhibit VII

### Schedule of Amortization Bases

#### Shortfall Amortization Bases

| Date<br>Established | Present Value<br>of Payments | Remaining<br>Years | Amortization<br>Installment |
|---------------------|------------------------------|--------------------|-----------------------------|
| 1/01/2018           | \$ 48,888                    | 7                  | \$ 7,981                    |
| 1/01/2017           | <u>112,733</u>               | 6                  | <u>20,872</u>               |
| Total               | \$ 161,621                   |                    | \$ 28,853                   |

#### Waiver Amortization Bases

| Date<br>Established | Present Value<br>of Payments | Remaining<br>Years | Amortization<br>Installment |
|---------------------|------------------------------|--------------------|-----------------------------|
| 1/01/2018           | <u>\$ 0</u>                  | N/A                | <u>\$ 0</u>                 |
| Total               | \$ 0                         |                    | \$ 0                        |

Health Care and Retirement Corporation  
Union Employees' Pension Plan

EIN #34-1903270      Plan Number #005

Schedule C, Line 2h – Formula Description

December 31, 2018

| <b>Name of source of indirect compensation</b> | <b>EIN</b> | <b>Description of<br/>indirect<br/>compensation<br/>(annualized<br/>formula)</b> |
|------------------------------------------------|------------|----------------------------------------------------------------------------------|
| Harbor Bond Fund - Harbor Services Group, Inc. | 34-1953399 | 0.10%                                                                            |

*\*Harbor Services Group, Inc. is the service provider that provided the disclosure information*

# Health Care and Retirement Corporation Union Employees' Pension Plan

## Schedule of Assets Held at End of Year

Form 5500, Schedule H, Line 4i  
EIN 34-1903270, Plan No. 005

December 31, 2018

| (a) (b)<br>Identity of Issuer | (c)<br>Description of Investment                  | (d)<br>Cost       | (e)<br>Current Value |
|-------------------------------|---------------------------------------------------|-------------------|----------------------|
|                               | <i>Mutual funds:</i>                              |                   |                      |
| Baird Funds                   | Baird Short-Term Bond Fund - Institutional Class  | \$ 221,037        | \$ 218,292           |
| American Funds                | American Funds New Perspective Fund - Class R6    | 177,884           | 182,800              |
| Oakmark Funds                 | Oakmark Global Fund - Class I                     | 215,525           | 180,214              |
| Harbor Funds                  | Harbor Bond Fund - Institutional Class            | 156,859           | 145,642              |
|                               | <i>Money market fund:</i>                         |                   |                      |
| PNC Bank, N.A. *              | PNC Govt. Money Market Fund - Institutional Class | 2,952             | 2,952                |
|                               | Total                                             | <u>\$ 774,257</u> | <u>\$ 729,900</u>    |

\* Party-in-interest to the plan

Supplemental Schedules

FINANCIAL STATEMENTS

Health Care and Retirement Corporation  
Union Employees' Pension Plan  
Years Ended December 31, 2018 and 2017  
With Independent Auditor's Report

# Health Care and Retirement Corporation Union Employees' Pension Plan

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## **Independent Auditor's Report**

To the Employee Benefits Committee  
Health Care and Retirement Corporation  
Union Employees' Pension Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Health Care and Retirement Corporation Union Employees' Pension Plan (the "Plan"), which comprise the statement of assets available for benefits as of December 31, 2018 and 2017 and the related statement of changes in assets available for benefits for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by PNC Bank, N.A. (the "Trustee"), except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes related transactions. The plan administrator has obtained a certification from the Trustee as of and for the years ended December 31, 2018 and 2017 that the information provided to the plan administrator is complete and accurate.

### ***Disclaimer of Opinion***

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

To the Employee Benefits Committee  
Health Care and Retirement Corporation  
Union Employees' Pension Plan

***Other Matter***

The supplemental schedules of assets held at end of year as of December 31, 2018 and reportable transactions for the year ended December 31, 2018 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

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

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

*Plante & Moreau, PLLC*

June 25, 2019

Health Care and Retirement Corporation Union Employees' Pension Plan  
Statements of Assets Available for Benefits

|                                     | December 31,        |                     |
|-------------------------------------|---------------------|---------------------|
|                                     | 2018                | 2017                |
| <b>Assets</b>                       |                     |                     |
| Investments:                        |                     |                     |
| Money market fund                   | \$ 2,952            | \$ 3,619            |
| Mutual funds                        | 726,948             | 1,095,335           |
| Total investments                   | 729,900             | 1,098,954           |
| Receivables:                        |                     |                     |
| Employer contribution receivable    | 359,682             | 1,935               |
| Accrued interest                    | 3                   | 742                 |
| Total assets available for benefits | <u>\$ 1,089,585</u> | <u>\$ 1,101,631</u> |

See accompanying notes.

Health Care and Retirement Corporation Union Employees' Pension Plan  
Statements of Changes in Assets Available for Benefits

|                                                         | Year Ended December 31, |                     |
|---------------------------------------------------------|-------------------------|---------------------|
|                                                         | 2018                    | 2017                |
| <b>Additions to Assets</b>                              |                         |                     |
| Investment income:                                      |                         |                     |
| Interest and dividends                                  | \$ 47,033               | \$ 47,906           |
| Net realized and unrealized gains                       | -                       | 111,445             |
| Total investment income                                 | 47,033                  | 159,351             |
| Contributions:                                          |                         |                     |
| From employer                                           | 396,021                 | 1,935               |
| Total additions                                         | 443,054                 | 161,286             |
| <b>Deductions from Assets</b>                           |                         |                     |
| Benefits paid directly to participants or beneficiaries | 364,126                 | 345,475             |
| Net realized and unrealized losses                      | 90,974                  | -                   |
| Total deductions                                        | 455,100                 | 345,475             |
| Net decrease                                            | (12,046)                | (184,189)           |
| <b>Assets Available for Benefits</b>                    |                         |                     |
| Beginning of year                                       | 1,101,631               | 1,285,820           |
| End of year                                             | <u>\$ 1,089,585</u>     | <u>\$ 1,101,631</u> |

See accompanying notes.

# Health Care and Retirement Corporation Union Employees' Pension Plan

## Notes to Financial Statements

### **1. Plan Description**

The following description of Health Care and Retirement Corporation Union Employees' Pension Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

#### ***General***

The Plan is a defined benefit plan covering certain employees of Heartland Employment Services, LLC (the Company), a wholly owned subsidiary of HCR ManorCare, Inc., who are subject to a collective bargaining agreement, and who have completed 12 months of service and 1,000 hours of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

#### ***Eligibility and Vesting***

Employees become participants in the Plan following completion of the eligibility requirements as described in the Plan and are fully vested for normal retirement benefits upon the earlier of five years of service or attainment of age 65.

#### ***Pension Benefits***

Eligible employees are entitled to normal annual pension benefits generally beginning at the participant's normal retirement age of 65, as described in the Plan. For participants hired after January 1, 2015, normal retirement age is defined as the later of age 65 or the participant's fifth anniversary of commencing participation in the Plan. The individual pension benefit is equal to years of credited service times a monthly pension basic benefit based on average compensation at retirement. Special provisions for retirement at other than the normal retirement age are described in the plan agreement. Employees at age 55 with at least 10 years of service may elect early retirement and receive a reduced monthly retirement benefit or lump sum payable immediately in accordance with the plan agreement.

#### ***Death Benefits***

If an active or terminated employee who has a vested interest in the Plan dies prior to his or her normal retirement age, a death benefit equal to the benefit the employee would have received if he or she had retired on the day immediately preceding the date of his or her death will be paid to the surviving spouse. Beneficiaries of unmarried participants and those who have elected to waive the pre-retirement surviving spouse benefit will receive a lump sum benefit or monthly installments equal to the actuarial equivalent of the participant's vested accrued normal retirement benefit at the date of break in service.

***Payment of Benefits***

Distributions are payable upon termination, retirement, death, or disability in the form of a lump sum amount equal to the vested value of the participant's accumulated plan benefits, or in various installment annuities.

***Funding and Contributions***

The Company contributes such amounts, as determined on an actuarial basis, to provide assets sufficient to meet the benefits to be paid to plan participants and satisfy the ERISA minimum funding standards. Annual contributions meet the minimum funding requirements of ERISA. No participant contributions are permitted.

***Party-in-interest Transactions***

Certain plan assets are in investment funds managed by PNC Bank, N.A. or its affiliates. PNC Bank, N.A. is the trustee of the Plan; therefore, these transactions qualify as party-in-interest transactions as defined under ERISA guidelines.

**2. Summary of Significant Accounting Policies*****Investment Valuation***

The Plan's investments are stated at fair value. All investments are valued based on quoted market prices. See Note 4 for additional information.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

***Benefit Payments***

Benefits are recorded when paid.

***Administrative Expenses***

Administrative expenses of approximately \$83,000 and \$78,500 for the years ended December 31, 2018 and 2017, respectively, were paid indirectly by the Company.

***Actuarial Present Value of Accumulated Plan Benefits***

Accumulated plan benefits are those future periodic payments that are attributable, under the Plan's provisions, to the service employees have rendered. These include benefits expected to be paid to retired or terminated employees or their beneficiaries, beneficiaries of employees who have died, and present employees or their beneficiaries. Benefits are calculated based on employees' credited years of service multiplied by a specified amount based on their average monthly compensation. Benefits provided via annuity contracts are deducted from plan assets and from accumulated plan benefits.

### ***Actuarial Assumptions***

The actuarial present value of accumulated plan benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and probability of payment between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuation of the Plan at December 31, 2017 are summarized as follows:

|                        |                                                                           |
|------------------------|---------------------------------------------------------------------------|
| Actuarial cost method  | Projected unit credit                                                     |
| Assumed rate of return | 4.75 percent per annum                                                    |
| Mortality basis        | RP 2014 mortality rates generationally improved using scale MP 2017       |
| Benefit multiplier     | All active accruing participants are assumed to be at the \$13 multiplier |

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

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

### ***Risks and Uncertainties***

Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, 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, the effect of such changes could be material to the financial statements.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. It is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the statement of assets available for benefits.

### ***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including June 25, 2019, which is the date the financial statements were available to be issued.

## **3. Unaudited Information**

PNC Bank, N.A. (the Trustee) holds the Plan's investments and executes all investment transactions. The investment balances and related investment income and losses included in the accompanying financial statements and supplemental schedules of assets held at end of year and reportable transactions are based solely on information provided by the Trustee.

#### 4. Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value, which is described as follows:

**Level 1:** Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

**Level 2:** Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices that are observable for the asset.

**Level 3:** Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following tables present information about the Plan's assets measured at fair value on a recurring basis at December 31, 2018 and 2017:

##### Assets Measured at Fair Value on a Recurring Basis at December 31, 2018

|                   | Level 1           | Level 2     | Level 3     | Balance           |
|-------------------|-------------------|-------------|-------------|-------------------|
| Mutual funds      | \$ 726,948        | \$ -        | \$ -        | \$ 726,948        |
| Money market fund | 2,952             | -           | -           | 2,952             |
| Total investments | <u>\$ 729,900</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 729,900</u> |

##### Assets Measured at Fair Value on a Recurring Basis at December 31, 2017

|                   | Level 1            | Level 2     | Level 3     | Balance            |
|-------------------|--------------------|-------------|-------------|--------------------|
| Mutual funds      | \$1,095,335        | \$ -        | \$ -        | \$1,095,335        |
| Money market fund | 3,619              | -           | -           | 3,619              |
| Total investments | <u>\$1,098,954</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$1,098,954</u> |

The Plan's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event or change in circumstances that caused the transfer.

## 5. Tax Status

The Plan has received a determination letter from the Internal Revenue Service indicating that the Plan, as designed, is qualified for tax exempt treatment under the applicable section of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

## 6. Benefit Obligations

The actuarial present value of accumulated plan benefits is determined by consulting actuaries. The calculation of the estimated present value of accumulated plan benefits attributable to participants in the Plan, which was made as of and for the year ended December 31, 2017, the most recent actuarial valuation, is as follows:

Actuarial present value of accumulated plan benefits:

Vested benefits:

|                                                   |                  |
|---------------------------------------------------|------------------|
| Participants currently receiving benefit payments | \$ 243,758       |
| Other vested participants                         | <u>1,288,371</u> |
| Total vested benefits                             | 1,532,129        |

|                           |                           |
|---------------------------|---------------------------|
| Nonvested benefits        | <u>13,253</u>             |
| Total benefit obligations | <u><u>\$1,545,382</u></u> |

A summary of significant changes in the actuarial present value of accumulated plan benefits during the year ended December 31, 2017 is as follows:

|                                                                          |                           |
|--------------------------------------------------------------------------|---------------------------|
| Actuarial present value of accumulated plan benefits - beginning of year | \$1,369,810               |
| Increase (decrease) during the year attributable to:                     |                           |
| Change in actuarial assumptions                                          | 334,204                   |
| Benefits accumulated                                                     | 102,843                   |
| Interest due to the decrease in the discount period                      | 84,000                    |
| Benefits paid                                                            | <u>(345,475)</u>          |
| Net increase                                                             | <u>175,572</u>            |
| Actuarial present value of accumulated plan benefits - end of year       | <u><u>\$1,545,382</u></u> |

The increase in the actuarial present value of accumulated plan benefits due to changes in actuarial assumptions was primarily related to the decrease in the assumed rate of return (discount rate) from 7.0% to 4.75%.

## **7. Plan Termination**

Although it has not expressed any intention to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Provide benefits for all participants or beneficiaries whose benefits have been, or could have been, in pay status for the entire three year period prior to termination, based on the plan provisions in effect during the five year period ending on such date under which such benefit would be the least.
2. Provide all other benefits guaranteed under Title IV of the Employee Retirement Income Security Act of 1974 (without regard to the limitation of Section 4022(b)(3) or the limitation on benefits payable to “substantial owners” of Section 4022(b)(5)).
3. Provide all other vested benefits other than those becoming non-forfeitable solely on account of the termination of the Plan.
4. Provide all other benefits under the Plan.

The Pension Benefit Guaranty Corporation (PBGC) guarantees the payment of all non-forfeitable basic benefits subject to certain limitations prescribed by ERISA. Whether all participants receive their 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 those benefits and may also depend on the level of benefits guaranteed by the PBGC.

# Health Care and Retirement Corporation Union Employees' Pension Plan Schedule of Assets Held at End of Year

Form 5500, Schedule H, Line 4i  
EIN 34-1903270, Plan No. 005

December 31, 2018

| (a) (b)<br>Identity of Issuer | (c)<br>Description of Investment                  | (d)<br>Cost       | (e)<br>Current Value |
|-------------------------------|---------------------------------------------------|-------------------|----------------------|
|                               | <i>Mutual funds:</i>                              |                   |                      |
| Baird Funds                   | Baird Short-Term Bond Fund - Institutional Class  | \$ 221,037        | \$ 218,292           |
| American Funds                | American Funds New Perspective Fund - Class R6    | 177,884           | 182,800              |
| Oakmark Funds                 | Oakmark Global Fund - Class I                     | 215,525           | 180,214              |
| Harbor Funds                  | Harbor Bond Fund - Institutional Class            | 156,859           | 145,642              |
|                               | <i>Money market fund:</i>                         |                   |                      |
| PNC Bank, N.A. *              | PNC Govt. Money Market Fund - Institutional Class | 2,952             | 2,952                |
|                               | Total                                             | <u>\$ 774,257</u> | <u>\$ 729,900</u>    |

\* Party-in-interest to the plan

Supplemental Schedules

# Health Care and Retirement Corporation Union Employees' Pension Plan Schedule of Reportable Transactions

Form 5500, Schedule H, Line 4j  
EIN 34-1903270, Plan No. 005

December 31, 2018

**Category (i):** a single transaction that amounts to more than 5% of the beginning value of the total plan assets:

| (a)<br>Identity of Party Involved | (b)<br>Description of Asset                      | (c)<br>Purchase Price | (d)<br>Selling Price | (g)<br>Cost of Asset | (h)<br>Current Value of Asset on Transaction Date | (i)<br>Net Gain (Loss) |
|-----------------------------------|--------------------------------------------------|-----------------------|----------------------|----------------------|---------------------------------------------------|------------------------|
| PNC Bank, N.A. *                  | PNC Govt Money Market Fund - Institutional Class | \$ 211,090            | \$ -                 | \$ 211,090           | \$ 211,090                                        | \$ -                   |
| PNC Bank, N.A. *                  | PNC Govt Money Market Fund - Institutional Class | -                     | 116,718              | 116,718              | 116,718                                           | -                      |
| PNC Bank, N.A. *                  | PNC Govt Money Market Fund - Institutional Class | -                     | 100,414              | 100,414              | 100,414                                           | -                      |
| Baird Funds                       | Baird Short Term Bond Fund - Institutional Class | -                     | 62,499               | 63,360               | 62,499                                            | (861)                  |
| American Funds                    | American Funds New Perspective Fund - Class R-6  | -                     | 58,192               | 45,320               | 58,192                                            | 12,872                 |

**Category (iii):** a series of transactions with respect to securities of the same issue that amount in the aggregate to more than 5% of the beginning value of the total plan assets:

|                  |                                                  |           |    |            |         |            |            |         |
|------------------|--------------------------------------------------|-----------|----|------------|---------|------------|------------|---------|
| PNC Bank, N.A. * | PNC Govt Money Market Fund - Institutional Class | Purchases | 7  | \$ 239,343 | \$ -    | \$ 239,343 | \$ 239,343 | \$ -    |
|                  |                                                  | Sales     | 5  | -          | 240,011 | 240,011    | 240,011    | -       |
| Baird Funds      | Baird Short Term Bond Fund - Institutional Class | Purchases | 14 | 20,235     | -       | 20,235     | 20,235     | -       |
|                  |                                                  | Sales     | 7  | -          | 128,027 | 129,857    | 128,027    | (1,830) |
| Harbor Funds     | Harbor Bond Fund - Institutional Class           | Purchases | 6  | 16,789     | -       | 16,789     | 16,789     | -       |
|                  |                                                  | Sales     | 7  | -          | 83,543  | 89,749     | 83,543     | (6,206) |
| Oakmark Funds    | Oakmark Global Fund - Class I                    | Purchases | 6  | 49,130     | -       | 49,130     | 49,130     | -       |
|                  |                                                  | Sales     | 5  | -          | 78,903  | 69,761     | 78,903     | 9,142   |
| American Funds   | American Funds New Perspective Fund - Class R-6  | Purchases | 6  | 19,922     | -       | 19,922     | 19,922     | -       |
|                  |                                                  | Sales     | 5  | -          | 93,015  | 73,856     | 93,015     | 19,159  |

\* Party-in-interest to the Plan

There were no Category (ii) or (iv) reportable transactions during the year.

Supplemental Schedules