# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

**2018**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

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

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

**1b** Three-digit plan number (PN) ▶ 206

**1c** Effective date of plan 04/29/1957

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

350 POPLAR CHURCH ROAD
CAMP HILL, PA 17011

**2b** Employer Identification Number (EIN)
23-1483991

**2c** Plan Sponsor's telephone number
717-763-7064

**2d** Business code (see instructions)
339900

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/14/2019 | KATHRINE RUSHEFSKY |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address [X] Same as Plan Sponsor

**3b** Administrator's EIN

**3c** Administrator's telephone number

**4** 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:
**a** Sponsor's name
**c** Plan Name

**4b** EIN

**4d** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 150 |
| **6** | Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** | Total number of active participants at the beginning of the plan year | **6a(1)** | 28 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 25 |
| **b** | Retired or separated participants receiving benefits | **6b** | 66 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 24 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 115 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 29 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 144 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | |
| **h** | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1B 1I 3H

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

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | [ ] | Insurance |
| **(2)** | [ ] | Code section 412(e)(3) insurance contracts |
| **(3)** | [X] | Trust |
| **(4)** | [ ] | General assets of the sponsor |

**9b** Plan benefit arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | [ ] | Insurance |
| **(2)** | [ ] | Code section 412(e)(3) insurance contracts |
| **(3)** | [X] | Trust |
| **(4)** | [ ] | General assets of the sponsor |

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

**a Pension Schedules**

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

**b General Schedules**

| | | |
|---|---|---|
| **(1)** | [X] | **H** (Financial Information) |
| **(2)** | [ ] | **I** (Financial Information – Small Plan) |
| **(3)** | [ ] | **A** (Insurance Information) |
| **(4)** | [X] | **C** (Service Provider Information) |
| **(5)** | [X] | **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_____

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

**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.

**A** Name of plan
PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

**B** Three-digit plan number (PN) ▶ 206

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
HARSCO CORPORATION

**D** Employer Identification Number (EIN)
23-1483991

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

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

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2018

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 10718531 |
| **b** Actuarial value | **2b** | 9878487 |

**3** Funding target/participant count breakdown

| | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
|---|---|---|---|
| **a** For retired participants and beneficiaries receiving payment | 97 | 5058606 | 5058606 |
| **b** For terminated vested participants | 25 | 994220 | 994220 |
| **c** For active participants | 28 | 1038002 | 1077448 |
| **d** Total | 150 | 7090828 | 7130274 |

**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

| | | |
|---|---|---|
| **a** Funding target disregarding prescribed at-risk assumptions | **4a** | |
| **b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | **4b** | |
| **5** Effective interest rate | **5** | 5.52 % |
| **6** Target normal cost | **6** | 124723 |

**Statement by Enrolled Actuary**

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

**SIGN HERE**

| | |
|---|---|
| Signature of actuary | 09/17/2019 Date |
| DAVID H WEBBER, FSA, EA Type or print name of actuary | 17-06137 Most recent enrollment number |
| WILLIS TOWERS WATSON US LLC Firm name | 703-258-8000 Telephone number (including area code) |
| 800 NORTH GLEBE ROAD<br>ARLINGTON, VA 22203 Address of the firm | |

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

## Part II Beginning of Year Carryover and Prefunding Balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) | 3302233 | 0 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 83045 | 0 |
| 9 | Amount remaining (line 7 minus line 8) | 3219188 | |
| 10 | Interest on line 9 using prior year's actual return of 18.99 % | 611324 | |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | **a** Present value of excess contributions (line 38a from prior year) | | 0 |
| | **b(1)** Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.70% | | 0 |
| | **b(2)** Interest on line 38b from prior year Schedule SB, using prior year's actual return | | 0 |
| | **c** Total available at beginning of current plan year to add to prefunding balance | | 0 |
| | **d** Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 3830512 | 0 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 84.82% |
| 15 | Adjusted funding target attainment percentage | 15 | 138.54% |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 135.12% |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. | 17 | % |

## Part IV Contributions and Liquidity Shortfalls

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

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

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

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|
| 3.92% | 5.52% | 6.29% | ☐ N/A, full yield curve used |

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

**22** Weighted average retirement age **22** 63

**23** Mortality table(s) (see instructions)

Prior regulation: ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Current regulation: ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment **27**

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

**28** Unpaid minimum required contributions for all prior years **28**

**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29**

**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0

## Part VIII Minimum Required Contribution For Current Year

**31** Target normal cost and excess assets (see instructions):

**a** Target normal cost (line 6) **31a** 124723

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

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

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

**34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) **34** 124723

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 124723 | 0 | 124723 |

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

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

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

**a** Total (excess, if any, of line 37 over line 36) **38a** 0

**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 0

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

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

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

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

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

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

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

**A** Name of plan
PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

**B** Three-digit plan number (PN) ▶ 206

**C** Plan sponsor's name as shown on line 2a of Form 5500
HARSCO CORPORATION

**D** Employer Identification Number (EIN)
23-1483991

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

U.S. BANK NATIONAL ASSOCIATION

31-0841368

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

U.S. BANCORP ASSET MANAGEMENT INC.

41-2003732

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

U.S. BANCORP FUND SERVICES LLC

39-1939072

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

QUASAR DISTRIBUTORS LLC

39-1982827

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

**(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)

TOWERS WATSON PENNSYLVANIA, INC.

23-1159360

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 11 50 | ACTUARY | 55658 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

MCKONLY & ASBURY LLP

23-1909723

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 10 50 | ACCOUNTANT | 16172 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

SEI INVESTMENTS

23-1707341

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 51 28 | INVESTMENT MANAGEMENT | 11119 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

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

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

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

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

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

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

OMB No. 1210-0110

**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

**A** Name of plan
PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

**B** Three-digit plan number (PN) ▶ 206

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
HARSCO CORPORATION

**D** Employer Identification Number (EIN)
23-1483991

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: HARSCO PENSION AND PROFIT SHARING C

**b** Name of sponsor of entity listed in (a): HARSCO CORPOARTION

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 23-1483991-257 | M | 8745088 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

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

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

OMB No. 1210-0110

**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

**A** Name of plan
PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

**B** Three-digit plan number (PN) ▶ 206

**C** Plan sponsor's name as shown on line 2a of Form 5500
HARSCO CORPORATION

**D** Employer Identification Number (EIN)
23-1483991

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 44299 | 70545 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 1709 | 0 |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 10687813 | 8745088 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 10733821 | 8815633 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | 15290 | 15775 |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 15290 | 15775 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 10718531 | 8799858 |

## Part II Income and Expense Statement

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

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

| | | (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) | | -581832 |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | -581832 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1203623 | |
| (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) | | 1203623 |
| 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) | 76522 | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | 22539 | |
| (4) Other | 2i(4) | 34157 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 133218 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1336841 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -1918673 |
| 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)** [X] Disclaimer **(4)** [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

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

**(1)** Name: MCKONLEY & ASBURY, LLP **(2)** EIN: 23-1909723

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

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

## Part IV Compliance Questions

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

During the plan year:

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

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 25000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | | X | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | X | |

**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 4153939. (See instructions.)

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under 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).

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

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

**A** Name of plan
PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

**B** Three-digit plan number (PN) ▶ 206

**C** Plan sponsor's name as shown on line 2a of Form 5500
HARSCO CORPORATION

**D** Employer Identification Number (EIN)
23-1483991

## Part I Distributions

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

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

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

EIN(s): _____ _____

**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**

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

**a** Enter the percentage of plan assets held as:
Stock: _____% 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):

# PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION

YEARS ENDED DECEMBER 31, 2018 AND 2017
AND INDEPENDENT AUDITOR'S REPORT

McKONLY & ASBURY

**PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN**

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# INDEPENDENT AUDITOR'S REPORT

To the Pension Investment Committee
Patterson-Kelley Hourly Employees Pension Plan
Camp Hill, Pennsylvania

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Patterson-Kelley Hourly Employees Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 5 and 7, which was certified by Wells Fargo Bank, N.A., and U.S. Bank, N.A., the trustees of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that U.S. Bank, N.A., held the Plan's investment assets and executed investment transactions as of December 31, 2018 and 2017, and for the period from September 1, 2017, to December 31, 2018, and that Wells Fargo Bank, N.A., held the Plan's investment assets and executed investment transactions for the period from January 1, 2017, to August 31, 2017. The Plan Administrator has obtained certifications from the trustees as of and for the years ended December 31, 2018 and 2017, that the information provided to the Plan Administrator by the trustees is complete and accurate.

**Disclaimer of Opinion**

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

**Other Matter – Supplemental Information**

The supplemental information noted in the table of contents as of and for the year ended December 31, 2018, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental information.

**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 information, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Camp Hill, Pennsylvania
October 2, 2019

**PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2018 AND 2017

*(in thousands except units and unit values)*

| | 2018 | 2017 | 2018 | 2017 |
|---|---|---|---|---|
| Investments, at fair value | | | | |
| Plan interest in the Harsco Pension and Profit Sharing Collective Investment Fund (cost $9,530 and $8,150, respectively) | | | | |
| | 2018 | 2017 | | |
| Units | 1,172,682 | 1,042,208 | | |
| Unit value (rounded) | $7.45 | $10.22 | $ 8,745 | $ 10,688 |
| Money market fund | | | - | 2 |
| | | | 8,745 | 10,690 |
| Accrued investment income | | | 71 | 44 |
| Total assets | | | 8,816 | 10,734 |
| Accrued administrative expenses | | | 16 | 15 |
| Net assets available for benefits | | | $ 8,800 | $ 10,719 |

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

## PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED DECEMBER 31, 2018 AND 2017

*(in thousands except units and unit values)*

| | 2018 | 2017 |
|---|---|---|
| Additions in net assets attributable to | | |
| Investment income | | |
| Net increase in plan interest in the Harsco Pension and Profit Sharing Collective Investment Fund | $ - | $ 1,634 |
| Dividend income | 271 | 129 |
| Other plan income | 26 | - |
| Total additions | 297 | 1,763 |
| Deductions from net assets attributable to | | |
| Investment loss | | |
| Net decrease in plan interest in the Harsco Pension and Profit Sharing Collective Investment Fund | 879 | - |
| Benefits paid to participants | 1,204 | 520 |
| Administrative expenses | 133 | 105 |
| Total deductions | 2,216 | 625 |
| Net increase (decrease) in net assets available for benefits | (1,919) | 1,138 |
| Net assets available for benefits, beginning of year | 10,719 | 9,581 |
| Net assets available for benefits, end of year | $ 8,800 | $ 10,719 |

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

## 1. DESCRIPTION OF THE PLAN

The following brief description of the Patterson-Kelley Hourly Employees Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

***General***

The Plan is a noncontributory defined benefit plan providing retirement, death, and disability benefits to all eligible union employees of Patterson-Kelley, a division of Harsco Corporation (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Although the Company received Board approval as of December 31, 2003, to merge all defined benefit plans maintained by the Company or its subsidiaries in its ERISA controlled group, the Plan has not yet been merged. The merger is planned in order to reduce administrative and funding costs that otherwise will be incurred if these plans continue as separate plans. The merger will be subject to union approval where required.

Effective December 31, 2008, the Plan was amended to change its provisions in several ways. Any participant who was an employee as of the close of business on December 31, 2008, became immediately 100% vested. Also, the Plan was amended to freeze both participation and the accrual of benefits for participants as of December 31, 2008. The benefit accrual for participants in the former Patterson-Kelley Administrative Employees Pension Plan, which merged with the Plan on December 31, 2008, was frozen as of April 1, 2007; subsequently, the eligible compensation for those participants was frozen as of March 31, 2017.

Effective January 1, 2017, the Plan document was restated to incorporate all amendments through December 31, 2016.

The Plan evaluated subsequent events for recognition or disclosure through October 2, 2019, the date the financial statements were available to be issued.

The Plan is administered by the Company's Pension Investment Committee ("Committee"), which is a committee of the board of directors of the Company. The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance, and reports to the Company's board of directors.

***Service Rules***

Employees are credited with a year of service for each Plan year during which they have at least 1,000 hours of service.

(continued)

***Pension Benefits***

Employees with five or more years of continuous service are entitled to annual pension benefits beginning at normal retirement age (65) amounting to monthly benefits equal to the benefit unit in effect at the time of termination of employment multiplied by the participant's number of full years (and fraction thereof, to the nearest month) of continuous service. The Plan permits early retirement as defined in the Plan document. Employees may receive their pension benefits in the form of a life annuity for unmarried participants or for married participants the actuarial equivalent of the life annuity is paid in the form of a 50% joint and survivor annuity. Participants may also elect to receive their vested benefits in the form of a lump sum or other alternate form of annuity. If the present value of the pension does not exceed $5,000, a lump-sum payment is automatic. If employees terminate before reaching 5 years of service, they forfeit the right to 100% of their accrued benefit.

The amount of the monthly benefit, as defined in the Plan document, depends upon, among other things, the years of service of the employee and in which division of the Company the employee worked.

***Death and Disability Benefits***

The Plan provides for death and disability benefits. In the event of death, the amount of benefit the beneficiary will receive will depend upon, among other things, the employee's status as of the date of death and whether the participant was already receiving normal retirement benefits. In the event a participant becomes totally and permanently disabled, the benefit to be received will depend upon, among other things, the employee's status at the time of disability. After completing 15 years of continuous service, each participant who leaves on total and permanent disability is entitled to 100% of their accrued benefit.

**Vesting**

A participant is fully vested after completion of five years of continuous service.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

***Basis of Accounting***

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

(continued)

***Investment Valuation and Income Recognition***

The Plan's investments are reported at fair value. See Note 6 for a discussion of fair value measurements. The Company's finance department determines the Plan's valuation policies utilizing information provided by its investment advisers, custodians, and insurance company. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Net increase (decrease) in plan interest in the Harsco Pension Profit Sharing Collective Investment Fund ("CIF") includes the Plan's gains and losses on CIF units bought and sold as well as held during the year.

***Funding Policy***

The Plan is funded by the Company with actuarially determined contributions. The contributions are determined using an actuarial cost method which takes into consideration the present value of benefits expected to accrue during the plan year. The Plan has complied with the minimum funding requirements established by ERISA for 2018 and 2017.

***Investment Fees***

Investment income reflects certain fees paid by the investment funds, as well as the underlying investment funds of the CIF, to their affiliated investment advisors, transfer agents, and others as further described in each fund prospectus or other published documents. These fees are deducted prior to allocation of the Plan's investment earnings activity and thus are not separately identifiable as an expense.

***Payment of Benefits***

Benefit payments to participants are recorded when paid.

***Estimates***

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

***Administrative Expenses***

Administrative costs, such as legal, accounting, actuarial, and trustee fees, as well as the Pension Benefit Guaranty Corporation ("PBGC") premium, are paid by the Plan.

(continued)

***Purchase of Insurance Contracts***

In 1977, the Company entered into a contract with the AXA Equitable Insurance Company ("AXA") under which the Plan has discontinued contributions. AXA maintains contributions received to purchase annuity contracts in prior years in a dividend experience fund to which it adds investment income. Purchased annuities are contracts under which AXA is obligated to pay benefits to named employees or their beneficiaries. The annuity contracts provide for periodic dividends at AXA's discretion on the basis that the market value of the assets exceeds the estimated present value of future pension payment. Insurance contract dividends earned by the Plan for the year ended December 31, 2018, totaled $26,196 and are recognized as other Plan income. There were no insurance contract dividends earned by the Plan for the year ended December 31, 2017.

***Recently Issued Accounting Pronouncement***

In February 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-06, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965) – Employee Benefit Plan Master Trust Reporting. ASU 2017-06 requires plans to make additional disclosures related to their interest in master trusts. This ASU becomes effective for the Plan on January 1, 2019, and requires retrospective application. Management does not expect the adoption of this ASU to have a significant impact on the Plan's financial statements.

## 3. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' credited service and the benefit rate in effect at the time of retirement. The accumulated plan benefits for active employees are based on their credited service and the benefit rates in effect at the time the plan was frozen. Benefits to be provided via annuity contracts are excluded from Plan assets and are excluded from accumulated plan benefits.

Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's independent actuary as of January 1, 2018 and 2017, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

(continued)

The significant actuarial assumptions used in the valuation and the determination of the present value of accumulated plan benefits as of January 1, 2018 and 2017, are as follows:

| | |
|---|---|
| Discount rate * | 6.75% compounded annually for 2018 and 2017. |
| Mortality basis | For 2018: Separate rates for non-annuitants based on RP2014 "Employee" table (male and female) with collar adjustment (blue collar for non-clerical; no collar for clerical), projected generationally from the base year of 2006 using Scale MP2018; and annuitants based on RP2014 "Healthy Annuitants" table (male and female) with collar adjustment (blue collar for non-clerical; no collar for clerical), projected generationally from the base year of 2006 using Scale MP2018.<br><br>For 2017: Separate rates for non-annuitants based on RP2014 "Employee" table (male and female) with collar adjustment (blue collar for non-clerical; no collar for clerical), projected generationally from the base year of 2006 using Scale MP2017; and annuitants based on RP2014 "Healthy Annuitants" table (male and female) with collar adjustment (blue collar for non-clerical; no collar for clerical), projected generationally from the base year of 2006 using Scale MP2017. |
| Retirement | 30% at age 62 increasing to 100% at age 65 for clerical employees and 67 for non-clerical employees for 2018 and 2017. |

* Net of 0.50% for assumed expenses in 2018 and 2017.

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.

The actuarial present value of accumulated plan benefits is as follows as of January 1, 2018 and 2017 (in thousands):

| | 2018 | 2017 |
|---|---|---|
| Vested benefits | | |
| Participants currently receiving payments | $ 4,495 | $ 4,199 |
| Other participants | 1,961 | 2,703 |
| | 6,456 | 6,902 |
| Nonvested benefits | 30 | 43 |
| Total actuarial present value of accumulated plan benefits | $ 6,486 | $ 6,945 |

(continued)

The changes in the actuarial present value of accumulated plan benefits for the years ended January 1, 2018 and 2017, are presented below (in thousands):

| | 2018 | 2017 |
|---|---|---|
| Actuarial present value of accumulated plan benefits at beginning of year | $ 6,945 | $ 7,616 |
| Increase (decrease) attributable to | | |
| Benefits accumulated | - | 23 |
| Interest due to the decrease in the discount period | 452 | 481 |
| Benefits paid | (520) | (1,048) |
| Actuarial gains | (403) | (90) |
| Assumption changes | 12 | (37) |
| Net decrease | (459) | (671) |
| Actuarial present value of accumulated plan benefits at end of year | $ 6,486 | $ 6,945 |

For the year ended January 1, 2018, the increase in actuarial present value of accumulated plan benefits from changes in actuarial assumptions is primarily a result of a decrease in the discount rates used to determine lump sum benefits. For the year ended January 1, 2017, the decrease in actuarial present value of accumulated plan benefits from changes in actuarial assumptions is primarily a result of changing the mortality table used to determine the life expectancy of participants.

The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2018 and 2017. Had the valuations been performed as of December 31, there would be no material differences.

## 4. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated in accordance with the Plan document and as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated.

a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.

(continued)

b) Other vested benefits insured by the PBGC (a U.S. government agency) up to the applicable limitations (discussed subsequently).

c) All other vested benefits (that is, vested benefits not insured by PBGC).

d) All nonvested benefits.

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

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 for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

## 5. PLAN INTEREST IN THE HARSCO PENSION AND PROFIT SHARING COLLECTIVE INVESTMENT FUND (UNAUDITED)

The Plan invests primarily in the CIF. The CIF is a unitized pool. Each participant holds units of the pool that represent their pro-rata share of the underlying investments. On a monthly basis, the investment pool is valued and a new pool net asset value ("NAV") is calculated to represent this value. All income allocations are processed on a per unit basis. On September 1, 2017, the CIF's trustee changed from Wells Fargo Bank, N.A. ("Wells Fargo") to U.S. Bank, N.A. ("U.S. Bank"). Upon transition of the CIF's assets to U.S. Bank, the outstanding units of the CIF were split by a ratio of 58.39:1. Neither the value of the Plan's investment in the CIF nor the Plan's allocable portion of the CIF were impacted by the split in units.

All income, realized and unrealized gains/losses, are included in/rolled into the monthly NAV.

The following investment information disclosed in the accompanying financial statements and supplemental information was obtained or derived from information that has been prepared and certified to as complete and accurate by U.S. Bank and Wells Fargo, the trustees of the CIF, and has not been audited by independent auditors.

The fair value of the net assets held by the CIF and the Plan's allocable portion as of December 31 are summarized as follows (dollars in thousands):

(continued)

| | 2018 | 2017 |
|---|---|---|
| Assets | | |
| Investments in securities at fair value | | |
| Bonds, debentures and notes | | |
| U.S. Treasury notes and collateralized securities | $ - | $ 18,374 |
| Corporate bonds, notes and convertible debentures | - | 10,740 |
| Common stock * | 8,937 | 29,606 |
| Mutual funds | 195,007 | 168,745 |
| Money market accounts | 1,441 | 2,258 |
| | 205,385 | 229,723 |
| Accrued interest and dividends receivable | 2 | 195 |
| Total assets | 205,387 | 229,918 |
| Liabilities | | |
| Income due participants | 1,134 | 1,665 |
| Accrued administrative expenses | 137 | 235 |
| Total liabilities | 1,271 | 1,900 |
| Net assets | $ 204,116 | $ 228,018 |
| Plan's allocable portion | 4.28% | 4.69% |

* Includes approximately $8,937 and $8,393 of Harsco Corporation common stock, which represents approximately 4.38% and 3.68% of net assets for 2018 and 2017, respectively.

The CIF's investment income consists of the following for the years ended December 31 (in thousands):

| | 2018 | 2017 |
|---|---|---|
| Investment income (loss) | | |
| Net realized and unrealized appreciation (depreciation) in fair value of investments | $ (19,926) | $ 35,836 |
| Interest | 856 | 1,113 |
| Dividends | 5,283 | 1,808 |
| | 6,139 | 2,921 |
| Less investment advisory fees | (945) | (1,076) |
| Net investment income (loss) | $ (14,732) | $ 37,681 |

(continued)

Net appreciation (depreciation) includes the gains and losses on investments bought and sold as well as held during the year.

Financial instruments, which potentially subject the CIF to a concentration of credit risk, consist principally of investments. The CIF limits this risk by diversifying the CIF's investment portfolio. The degree and concentration of credit risk varies depending upon the type and diversity of investments within the portfolio.

The following are the changes in net assets for the CIF for the years ended December 31 (in thousands):

| | 2018 | 2017 |
|---|---|---|
| Net investment income (loss) | $ (14,732) | $ 37,681 |
| Employer Contributions | 7,695 | 4,048 |
| Net transfers to participating plans | (16,865) | (17,471) |
| Increase (decrease) in net assets | (23,902) | 24,258 |
| Net assets, beginning of year | 228,018 | 203,760 |
| Net assets, end of year | $ 204,116 | $ 228,018 |

## 6. FAIR VALUE MEASUREMENTS

The Plan measures its investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the Plan for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 – Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities, quoted market prices in inactive markets for identical or similar assets, and other observable inputs.

(continued)

Level 3 – Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and similar techniques.

As of December 31, 2018, there were no investments held at the Plan level that were measured at fair value. The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2017 (in thousands):

| | 2017 | | | |
|---|---|---|---|---|
| | | Fair Value Measurements Using | | |
| | Fair Value | Level 1 | Level 2 | Level 3 |
| Money market fund | $ 2 | $ 2 | $ - | $ - |

The money market fund is stated at cost, which approximates fair value.

***Fair Value Measurements for the CIF***

The following tables set forth by level, within the fair value hierarchy, CIF investments at fair value as of December 31 (in thousands):

| | Assets at Fair Value as of December 31, 2018 | | | |
|---|---|---|---|---|
| | Fair Value | Level 1 | Level 2 | Level 3 |
| Mutual funds | $195,007 | $195,007 | $ - | $ - |
| Common stock | 8,937 | 8,937 | - | - |
| Money market funds | 1,441 | 1,441 | - | - |
| Total investments at fair value | $205,385 | $205,385 | $ - | $ - |

| | Assets at Fair Value as of December 31, 2017 | | | |
|---|---|---|---|---|
| | Fair Value | Level 1 | Level 2 | Level 3 |
| Mutual funds | $ 89,461 | $ 89,461 | $ - | $ - |
| Common stock | 29,606 | 29,606 | - | - |
| Corporate bonds, notes and convertible debentures | 10,740 | 10,740 | - | - |
| U.S. Treasury notes and collateralized securities | 18,374 | - | 18,374 | - |
| Money market funds | 2,258 | 2,258 | - | - |
| Mutual funds measured at net asset value[a] | 79,284 | - | - | - |
| Total investments at fair value | $229,723 | $132,065 | $ 18,374 | $ - |

(continued)

[a] In accordance with FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, certain mutual funds held by the CIF, which are measured at NAV per share, are exempt from categorization within the fair value hierarchy. These mutual funds are valued by the investment advisor based on the current market values of the mutual funds' underlying assets. Further information concerning these mutual funds may be obtained from their separate audited financial statements. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the items within the summary of the fair value of net assets held by the CIF, which is presented in Note 5.

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

Plan management evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to the total net assets available for benefits. For the years ended December 31, 2018 and 2017, there were no significant transfers in or out of levels 1, 2, or 3 for investments held by the Plan or the CIF.

Following is a description of the valuation methodologies used for CIF investments measured at fair value.

***Level 1 Fair Value Measurements***

Money market funds are stated at cost, which approximates fair value. The fair values of certain mutual funds are based on quoted net asset values of the shares held by the Plan at year-end. The fair values of common stocks and corporate bonds, notes, and convertible debentures are valued at the closing price reported in the active market on which the individual securities are traded.

***Level 2 Fair Value Measurements***

Investments in U.S. Treasury notes and collateralized securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

For both Plan and CIF investments, there have been no significant changes in the methodologies used during the years ended December 31, 2018 and 2017.

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's management believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different fair value measurement at the reporting date.

As of December 31, 2018, the CIF did not hold any investments measured at fair value based on the NAV per share practical expedient. The following table summarizes investments measured at fair value based on the NAV per share practical expedient that were held by the CIF as of December 31, 2017 (in thousands).

(continued)

| December 31, 2017 | Fair Value | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|---|---|---|---|---|
| Pier Capital Commingled Small Cap Growth Fund | $ 10,810 | None | Monthly | 5 Business Days |
| State Street S&P 500 Flagship Non-Lending Fund | $ 38,913 | None | Daily | 2 Business Days |
| IR&M Long Government/Credit Fund | $ 29,561 | None | Daily | 2 Business Days |

## 7. INFORMATION CERTIFIED BY TRUSTEES (UNAUDITED)

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2018 and 2017. U.S. Bank held the Plan's investment assets and executed investment transactions as of and for the year ended December 31, 2018, and for the period September 1, 2017, to December 31, 2017. Wells Fargo held the Plan's investment assets and executed investment transactions for the period January 1, 2017, to August 31, 2017. Accordingly, U.S. Bank and Wells Fargo, the trustees of the Plan, have certified to the completeness and accuracy of all investments reported in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2018 and 2017, the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2018, the related investment activity reported in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2018 and 2017, and the supplemental Schedule H, Line 4(j) - Schedule of Reportable Transactions for the year ended December 31, 2018.

## 8. TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated July 23, 2018, that the Plan and related trust are in compliance with the applicable requirements of the Internal Revenue Code.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2018, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(continued)

## 9. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Effective September 1, 2017, the Plan's investments are managed by U.S. Bank. Prior to September 1, 2017, the Plan's investments were managed by Wells Fargo. The Plan invests in certain funds (directly and within the CIF) owned by the investment manager. U.S. Bank and Wells Fargo each served as the Plan's trustee during their respective periods as the Plan's investment manager. Therefore, transactions in funds owned by the investment manager qualify as party-in-interest transactions.

Fees incurred by the Plan for the trustee fees amounted to $3,012 and $6,881 for the years ended December 31, 2018 and 2017, respectively. CIF transactions in Harsco Corporation common stock also qualify as party-in-interest transactions. There were no purchases or sales of Harsco Corporation common stock in the CIF during 2018 and 2017. All other transactions which may be considered parties-in-interest transactions relate to normal plan management and administrative services, and the related payment of fees.

Certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

## 10. RISKS AND UNCERTAINTIES

Investments of the Plan are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect amounts reported in the Statement of Net Assets Available for Benefits.

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

**SUPPLEMENTAL INFORMATION**

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
Patterson-Kelley Hourly Employees Pension Plan
Employer Identification Number: 23-1483991
Three-digit Plan Number: 206
December 31, 2018

| (a) | (b) Identity of issue | (c) Description of Investment | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | Plan interest in Harsco Pension & Profit Sharing Collective Investment Fund | Collective Investment Fund | $ 9,530,418 | $ 8,745,088 |

* Represents party-in-interest.

Schedule H, Line 4(j) - Schedule of Reportable Transactions
Patterson-Kelley Hourly Employees Pension Plan
Employer Identification Number: 23-1483991
Three-digit Plan Number: 206
Year Ended December 31, 2018

| Identity of Party Involved (a) | Description of Asset (b) | Number of Transactions | Purchase Price (c) | Selling Price (d) | Lease Rental (e) | Expense Incurred with Transactions (f) | Cost of Asset (g) | Current Value of Asset on Transaction Date (h) | Net Gain (Loss) (i) |
|---|---|---|---|---|---|---|---|---|---|
| Category (i) - Single transaction exceeds 5% of the current value of Plan assets | | | | | | | | | |
| First American Government | Money market fund | 1 | 11,100 | - | - | - | 11,100 | 11,100 | - |
| Obligations Fund Class Z | | 1 | - | 11,100 | - | - | 11,100 | 11,100 | - |
| Category (iii) - Series of transactions in the same security exceeds 5% of the current value of Plan assets | | | | | | | | | |
| First American Government | Money market fund | 21 | 17,868 | - | - | - | 17,868 | 17,868 | - |
| Obligations Fund Class Z | | 16 | - | 19,577 | - | - | 19,577 | 19,577 | - |

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# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V
## Summary of Plan Provisions

### Patterson Kelley – Non-Clerical

**Covered employees**

Employees covered by a collective bargaining agreement between Patterson-Kelley Company, Division of Harsco Corporation, and the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers, and Helpers, Local Lodge 307. Such employees become participants in the plan after attaining age 20 1/2 and completing 6 months of continuous service. Eligibility is frozen as of December 31, 2008.

### Definitions

**Vesting service**

Elapsed time from the later of date of hire or January 1 in the plan year in which the participant reaches age 18.

**Benefit service**

Elapsed time from the later of date of hire or age 20½. Benefit service is frozen as of December 31, 2008.

### Benefits

**Monthly pension benefit**

Monthly benefit unit times years of continuous service.

**Monthly benefit unit**

$28.00 per month effective October 1, 2002

$29.00 per month effective October 1, 2005

$30.00 per month effective October 1, 2006

$31.00 per month effective October 1, 2007

| Benefit | Age | Vesting Service | Benefit Service | Description |
|---|---|---|---|---|
| **Normal retirement** | 65 | 5 | | Accrued benefit payable immediately |
| **Early retirement** | 60 | 10 | | Accrued benefit reduced 0.5% for each month prior to age 65 |
| **Postponed retirement** | > 65 | 5 | | Accrued benefit payable immediately |
| **Vested termination** | | | 5 | Accrued benefit payable at normal retirement |
| | | 10 | | Accrued benefit payable unreduced at normal retirement, reduced 0.5% for each month from age 65 to age 60 |
| **Disability benefit** | | | 5 | Accrued benefit payable immediately, reduced by 2/3 for service between 5 and 10 years, 1/3 for service between 11 and 15 years, and unreduced after 15 years of service. |

Plan Name: Patterson Kelley Hourly Employees Pension Plan
EIN / PN: 23-1483991 / 206
Plan Sponsor: Harsco Corporation
Valuation Date: January 1, 2018

# SCHEDULE SB ATTACHMENTS

| | | |
|---|---|---|
| **Pre-retirement survivor's annuity** | 5 | If married, the pre-retirement survivor annuity is payable for the life of the spouse. The amount of the death benefit is 50% of the amount that would have been payable to the participant at his earliest retirement date if he elected a 50% joint and survivor annuity, reduced for early commencement, prior to his death. |
| **Maximum pension benefits** | | All benefits for any calendar year may not exceed the maximum limitation for that year as defined in the Internal Revenue Code. |

## Forms of Payment

**Normal forms**

Single participant: Life annuity
Married participant: 50% joint and survivor annuity

**Optional forms**

| | |
|---|---|
| ▪ Annuities | Optional forms of payment available under the plan include a single life annuity, and 50% and 75% joint and survivor annuities. |
| ▪ Lump Sums | Lump sums are not available other than for amounts up to $12,000. |

**Optional form conversion basis**

| | |
|---|---|
| ▪ Annuities | 1983 Group Annuity Mortality Table for Males, with an age setback of one year for the Participant and five years for the co-pensioner or spouse, and an annual interest rate of 6%. |
| ▪ Lump Sums | 1983 Group Annuity Mortality Table for Males, with an age setback of one year for the Participant and five years for the co-pensioner or spouse, and the interest rate structure specified by the PBGC to value lump sums during the calendar month of distribution, subject to the IRC § 417(e) minimum lump sum value |

## Future Plan Changes

No future plan changes were recognized. Willis Towers Watson is not aware of any future plan changes which are required to be valued.

## Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

# SCHEDULE SB ATTACHMENTS

## Patterson Kelley – Clerical

| | |
|---|---|
| **Covered employees** | Covered employees who have attained age 20½ and completed 1,000 hours of service during 12 consecutive months become participants on the following January 1. |

### Definitions

| | |
|---|---|
| **Vesting service** | Elapsed time commencing at the later of a participant's employment date or the beginning of the plan year in which the participant attains age 18 |
| **Benefit service** | Continuous service through April 1, 2007. Benefit service is limited to 40 years. |
| **Prior plan service** | Years of participation credited under the contributory portion of the former pension plan as of June 30, 1976. |
| **Continuous service** | Prior to December 31, 1988, complete years as credited under the former pension plan. After December 31, 1988, elapsed time from date of hire. |
| **Compensation** | Total salary paid in a plan year, excluding severance pay and Non-Discretionary Incentive Compensation (NDIC) paid in the plan year, but including 70% of NDIC accrued in a plan year. |
| **Final average compensation** | Before April 1, 2007: Average of compensation over the final 10 plan years of employment<br><br>After April 1, 2007: Average of compensation over the final 5 plan years of employment<br><br>Final average compensation is frozen effective April 1, 2017 |

### Benefits

| | |
|---|---|
| **Past service benefit** | Benefit determined as (a) + (b):<br><br>(a) $78 times prior plan service<br><br>(b) 1% of final average compensation in excess of $4,800 times prior plan service |
| **Future service benefit** | Benefit determined as (a) + (b):<br><br>(a) 1.2% of final average compensation time benefit service after June 30, 1976, limited to 33 years.<br><br>(b) 1.5% time (a), times benefit service for each year over 33 years, up to a maximum of 40 years. |
| **Monthly pension benefit** | Past service benefit plus future service benefit, no less than accrued benefit as of December 31, 2007 disregarding April 1, 2007 service freeze and average compensation changes. |

Plan Name: Patterson Kelley Hourly Employees Pension Plan
EIN / PN: 23-1483991 / 206
Plan Sponsor: Harsco Corporation
Valuation Date: January 1, 2018

# SCHEDULE SB ATTACHMENTS

| Benefit | Age | Vesting Service | Benefit Service | Description |
|---|---|---|---|---|
| **Normal retirement** | 65 | 5 | | Accrued benefit payable immediately |
| **Early retirement** | 55 | 15 | | Accrued benefit reduced 0.5% for each month prior to age 65 |
| **Postponed retirement** | > 65 | 5 | | Greater of the accrued benefit determined at the postponed retirement date and the actuarially increased normal retirement benefit, payable immediately |
| **Vested termination** | | | 5 | Benefit payable unreduced at age 65, reduced 0.5% for each month from age 65 to age 55. |
| **Disability benefit** | | 15 | | Accrued benefit determined as of the date the participant qualified for permanent disability payable unreduced at age 65, or reduced 0.5% for each month from age 65 to age 55 and actuarially reduced prior to age 55. A participant qualifies for this benefit after becoming permanently disabled. Disability benefits cease at the earlier of the participant's recovery from disability or the participant's normal retirement date. The benefit payable at the participant's normal retirement date is the normal retirement benefit. |
| **Pre-retirement survivor's benefit** | | | | |
| ▪ Payable at participant's normal retirement date | | | 5 | If married, the pre-retirement survivor annuity is payable for the life of the spouse. The amount of the death benefit is 50% of the amount that would have been payable to the participant at his earliest retirement date if he elected a 50% joint and survivor annuity, reduced for early commencement, prior to his death. |
| ▪ Payable at participant's early retirement date | < 55 | 15 | | |
| ▪ Payable immediately | 55 | 15 | | |
| **Maximum on benefits and pay** | | | | All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. |

# SCHEDULE SB ATTACHMENTS

## Forms of Payment

**Normal forms**

Single participant: Life annuity

Married participant: 50% joint and survivor annuity

**Optional forms**

- Annuities: Optional forms of payment available under the plan include a single life annuity, 10 and 15 year certain and continuous annuities, 50%, 75%, and 100% joint and survivor annuities.
- Lump Sums: Participants may elect to take their entire benefit as a lump sum. If participants are not early, normal, or postponed retirement eligible as of termination, the lump sum must be taken within one year of termination.

**Optional form conversion basis**

- Annuities: 1983 Group Annuity Mortality Table for Males, with an age setback of one year for the Participant and five years for the co-pensioner or spouse, and an annual interest rate of 6%.
- Lump Sums: 1983 Group Annuity Mortality Table for Males, with an age setback of one year for the Participant and five years for the co-pensioner or spouse, and the interest rate structure specified by the PBGC to value lump sums during the calendar month of distribution, subject to the IRC § 417(e) minimum lump sum value.

## Future Plan Changes

No future plan changes were recognized. Willis Towers Watson is not aware of any future plan changes which are required to be valued.

## Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 26
## Schedule of Active Participant Data as of January 1, 2018

| 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 & Over | |
| | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. |
| Under 25 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 25 - 29 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 30 - 34 | 0 | | 1 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 35 - 39 | 0 | | 0 | | 1 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 40 - 44 | 1 | | 3 | | 0 | | 2 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 45 - 49 | 0 | | 2 | | 2 | | 2 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 50 - 54 | 0 | | 2 | | 0 | | 1 | | 0 | | 1 | | 0 | | 0 | | 0 | | 0 | |
| 55 - 59 | 0 | | 2 | | 0 | | 1 | | 0 | | 1 | | 1 | | 0 | | 0 | | 0 | |
| 60 - 64 | 0 | | 0 | | 0 | | 0 | | 1 | | 0 | | 0 | | 1 | | 1 | | 0 | |
| 65 - 69 | 0 | | 0 | | 0 | | 1 | | 0 | | 0 | | 0 | | 0 | | 1 | | 0 | |
| 70 & Over | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |

Plan Name: Patterson Kelley Hourly Employees Pension Plan
EIN / PN: 23-1483991 / 206
Plan Sponsor: Harsco Corporation
Valuation Date: January 1, 2018

# SCHEDULE SB ATTACHMENTS

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

### Economic Assumptions

**Interest rate basis:**

- Applicable month: September
- Interest rate basis: 3-Segment Rates

**Interest rates:**

| | Reflecting Corridors | Not Reflecting Corridors |
|---|---|---|
| First segment rate | 3.92% | 1.75% |
| Second segment rate | 5.52% | 3.76% |
| Third segment rate | 6.29% | 4.66% |
| Effective interest rate | 5.52% | 3.82% |

**Interest rate used to determine lump sums**

- PBGC rate: 4.00%
- IRC § 417(e) rates: Funding interest rates

# SCHEDULE SB ATTACHMENTS

## Demographic Assumptions

**Inclusion date**

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

**Mortality**

- Healthy and Disabled

Separate rates for non-annuitants (based on RP-2014 "Employees" table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under § 1.430(h)(3)-1 using Scale MP-2016) and annuitants (based on RP-2014 "Healthy Annuitants" table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under § 1.430(h)(3)-1 using Scale MP-2016).

- Lump Sum

For lump sums determined on the IRC § 417(e) basis, the Applicable Mortality Table for the current year is used.

**Termination**

Rates varying by age and group

Representative termination rates follow:

| Termination per 1,000 participants | | |
|---|---|---|
| Attained Age | Non-Clerical | Clerical |
| 20 | 300 | 120 |
| 25 | 271 | 120 |
| 30 | 241 | 120 |
| 35 | 212 | 110 |
| 40 | 182 | 99 |
| 45 | 153 | 89 |
| 50 | 123 | 78 |
| 55 | 94 | 50 |
| 60+ | 50 | 50 |

Participants commence annuity benefits at age 63 (including current deferred inactives) and lump sums upon termination.

**Disability**

Representative rates at which participants become disabled by age and gender are shown below:

| Disablements per 1,000 participants | | |
|---|---|---|
| Age | Males | Females |
| 30 | 0.71 | 0.85 |
| 35 | 0.99 | 1.75 |
| 40 | 1.62 | 3.15 |
| 45 | 2.70 | 4.65 |
| 50 | 4.93 | 6.26 |
| 55 | 9.14 | 8.05 |
| 60 | 14.70 | 11.25 |

# SCHEDULE SB ATTACHMENTS

**Retirement**

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

| Retirements per 1,000 participants | | |
|---|---|---|
| Age | Non-Clerical | Clerical |
| 55 | 0 | 50 |
| 56 | 0 | 50 |
| 57 | 0 | 50 |
| 58 | 0 | 50 |
| 59 | 0 | 50 |
| 60 | 50 | 100 |
| 61 | 100 | 100 |
| 62 | 300 | 300 |
| 63 | 250 | 150 |
| 64 | 300 | 200 |
| 65 | 500 | 1,000 |
| 66 | 500 | 1,000 |
| 67+ | 1,000 | 1,000 |

**Form of payment**

*Active participants (retirement and termination decrements)*

- Clerical — 85% of participants elect lump sum. The remaining 15% elect an annuity: life annuity for single participants and 31.25% of married participants, 50% J&S for 68.75% of married participants.
- Non-Clerical — Life annuity for single participants and 31.25% of married participants, 50% J&S for 68.75% of married participants.

*Deferred inactive participants (other than deferred beneficiaries)*

- All — Normal form of payment for unmarried participants.

**Percent married**

80%. Used to value pre-retirement surviving spouse benefits and in determining the optional forms expected to be elected at commencement.

**Spouse age**

Wife two years younger than husband

**Administrative expenses**

Estimated based on actual expenses during the prior year (adjusted for expected changes in current year expenses). The assumption for 2018 is $124,723.

**Timing of benefit payments**

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

**Late retirement adjustments**

Retroactive benefit payments due to deferred vested participants who have surpassed their applicable normal retirement date are estimated for valuation purposes by applying an actuarial adjustment (using the plan's definition of actuarial equivalence) to the underlying deferred benefit for the period after the later of termination and suspension of benefits.

# SCHEDULE SB ATTACHMENTS

## Methods

| | |
|---|---|
| **Valuation date** | First day of plan year (January 1) |
| **Funding target** | Present value of accrued benefits as required by regulations under IRC § 430. |
| **Target normal cost** | Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year, as required by regulations under IRC § 430. |
| **Actuarial value of assets** | Average of the fair market value of assets on the valuation date and the four immediately preceding semi-annual periods, adjusted for contributions, benefits, administrative expenses and expected earnings of 6.34% during calendar 2017 and 6.42% during calendar 2016 (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2017 plan year).<br><br>The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets. |
| **Benefits not valued** | All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions and, based on that review, is not aware of any significant benefits required to be valued that were not.<br><br>The plan pays automatic cashouts of small benefits with a present value up to $5,000 in a single lump sum payment, as well as other optional distributions for small present values. Such forms of payment are not explicitly valued; rather such participants' benefits are valued using the benefit choice assumptions described above. |

## Sources of Data and Other Information

Harsco Corporation through its third party administrator furnished participant data as of January 1, 2018. Information on assets, contributions and plan provisions was supplied by Harsco Corporation. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made when data were not available, and the data was

adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date. We are not aware of any such significant event, so no adjustments were made.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

## Assumptions Rationale - Significant Economic Assumptions

| | |
|---|---|
| **Discount rate** | The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time. |
| **Lump sum conversion rate** | Lump sum benefits determined on the IRC § 417(e) basis are valued assuming that the lump sum conversion rate in the future is equal to the discount rate. Lump sum benefits determined on the PBGC basis are valued assuming that the lump sum conversion rate in the future is equal to 4.0%, which represents the assumed long-term PBGC effective interest rate. |
| **Administrative expenses** | Administrative expenses for the coming year are estimated by taking the actual expenses paid during the prior year and adjusting for expected changes in the current year, reflecting items like expected changes in PBGC premiums. |
| **Investment return** | A 6.34% investment return assumption for 2017 was selected for use in the actuarial value of assets (with such expected earnings limited as described in IRS Notice 2009-22). This assumption is based on an estimate of future experience for asset investments returns reflecting the plan's asset allocation and any expected changes during the plan year, market conditions at the measurement date and expectations for future market conditions. Portfolio return simulations using Willis Towers Watson's CAP:Link model were used to select this assumption. |

## Assumptions Rationale - Significant Demographic Assumptions

| | |
|---|---|
| **Healthy mortality** | Assumptions used for funding purposes are as prescribed by IRC § 430(h). |
| **Disabled mortality** | Assumptions used for funding purposes are as prescribed by IRC § 430(h). |
| **Termination** | Termination rates were based on an experience study conducted in 2012, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. |

# SCHEDULE SB ATTACHMENTS

| | |
|---|---|
| **Disability** | Disability rates were based on a published table for pension participants believed to have reasonably similar characteristics, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. |
| **Retirement** | Retirement rates were based on an experience study conducted in 2012, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. |
| **Benefit commencement date for deferred vested benefits** | Deferred vested participants are assumed to receive lump sum benefits upon termination and to commence annuity benefits at the later of age 63 or the current age based on a best estimate of commencement age based on an experience study conducted in 2012. |
| **Form of payment** | Form of payment assumptions were based on an experience study conducted in 2012, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. |
| **Spouse age** | The assumed age difference for spouses is based on the age difference observed among recent retirees from the experience study conducted in 2012. |

## Source of Prescribed Methods

| | |
|---|---|
| **Funding methods** | The methods used for funding purposes, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC § 430, or were selected by the plan sponsor from a range of methods permitted by IRC § 430. |

# SCHEDULE SB ATTACHMENTS

## Changes in Assumptions and Methods

| | |
|---|---|
| **Change in assumptions since prior valuation** | The segment interest rates used to calculate the funding target, target normal cost, and IRC § 417(e) lump sums were updated from an applicable month of September 2016 to September 2017, as required by IRC § 430.<br><br>The mortality table used to calculate the funding target was updated to reflect the new tables, based on RP-2014 and subsequent Society of Actuaries studies, published by the IRS in October 2017 in regulation § 1.430(h)(3)-1.<br><br>The mortality table used to calculate lump sum values based on IRC § 417(e) assumptions was updated to from the 2017 table to the 2018 table, as defined in IRS Notice 2017-60.<br><br>The administrative expense assumption used to calculate the target normal cost was updated to reflect recent plan experience. |
| **Change in methods since prior valuation** | None. |

# SCHEDULE SB ATTACHMENTS

## Schedule SB – Statement by Enrolled Actuary

| | |
|---|---|
| **Plan Sponsor** | Harsco Corporation |
| **EIN/PN** | 23-1483991/206 |
| **Plan Name** | Patterson Kelley Hourly Employees Pension Plan |
| **Valuation Date** | January 1, 2018 |
| **Enrolled Actuary** | David Webber |
| **Enrollment Number** | 17-06137 |

The actuarial assumptions that are not mandated by IRC § 430 and regulations represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 22
## Description of Weighted Average Retirement Age
## as of January 1, 2018

Retirement rates varying by age are listed below:

| | Retirements per 1,000 participants: | |
|---|---|---|
| *Age* | *Non-Clerical* | *Clerical* |
| 55 | 0 | 50 |
| 56 | 0 | 50 |
| 57 | 0 | 50 |
| 58 | 0 | 50 |
| 59 | 0 | 50 |
| 60 | 50 | 100 |
| 61 | 100 | 100 |
| 62 | 300 | 300 |
| 63 | 250 | 150 |
| 64 | 300 | 200 |
| 65 | 500 | 1,000 |
| 66 | 500 | 1,000 |
| 67+ | 1,000 | 1,000 |

For 1,000 theoretical participants, an expected retirement age was calculated for each group noted above, weighted in proportion to the probability that the individual would remain an active participant to each age and then retire at that age. The Plan's weighted average retirement age of 63 is the average of the expected retirement ages, weighted in proportion to the number of active participants in each group.

Plan Name: Patterson Kelley Hourly Employees Pension Plan
EIN / PN: 23-1483991 / 206
Plan Sponsor: Harsco Corporation
Valuation Date: January 1, 2018

# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210 - 0110
1210 - 0089

**2018**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

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

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

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

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

## Part II Basic Plan Information - enter all requested information

**1a** Name of plan
PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

**1b** Three-digit plan number (PN) ▶ 206

**1c** Effective date of plan 04/29/1957

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

350 POPLAR CHURCH ROAD

CAMP HILL PA 17011

**2b** Employer Identification Number (EIN) 23-1483991

**2c** Plan Sponsor's telephone number 717-763-7064

**2d** Business code (see instructions) 339900

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

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

| | | | |
|---|---|---|---|
| SIGN HERE | [signature] | 10/14/19 | KATHRINE RUSHEFSKY |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| SIGN HERE | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| SIGN HERE | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

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

**Form 5500 (2018)**
**v. 171027**

818401 11-14-18

| 3a Plan administrator's name and address [X] Same as Plan Sponsor | 3b Administrator's EIN |
|---|---|
| | 3c Administrator's telephone number |

| 4 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>a Sponsor's name<br>c Plan Name | 4b EIN<br>4d PN |
|---|---|

| | | |
|---|---|---|
| 5 | Total number of participants at the beginning of the plan year | 5 150 |
| 6 | Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1), 6a(2), 6b, 6c, and 6d). | |
| a (1) | Total number of active participants at the beginning of the plan year | 6a(1) 28 |
| a (2) | Total number of active participants at the end of the plan year | 6a(2) 25 |
| b | Retired or separated participants receiving benefits | 6b 66 |
| c | Other retired or separated participants entitled to future benefits | 6c 24 |
| d | Subtotal. Add lines 6a(2), 6b, and 6c | 6d 115 |
| e | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | 6e 29 |
| f | Total. Add lines 6d and 6e | 6f 144 |
| g | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | 6g |
| h | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | 6h |
| 7 | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | 7 |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1B 1I 3H

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

| 9a Plan funding arrangement (check all that apply) | 9b Plan benefit arrangement (check all that apply) |
|---|---|
| (1) [ ] Insurance | (1) [ ] Insurance |
| (2) [ ] Code section 412(e)(3) insurance contracts | (2) [ ] Code section 412(e)(3) insurance contracts |
| (3) [X] Trust | (3) [X] Trust |
| (4) [ ] General assets of the sponsor | (4) [ ] General assets of the sponsor |

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

**a Pension Schedules**

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

**b General Schedules**

(1) [X] **H** (Financial Information)
(2) [ ] **I** (Financial Information - Small Plan)
(3) [ ] **A** (Insurance Information)
(4) [X] **C** (Service Provider Information)
(5) [X] **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 _____

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

**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.

**A** Name of plan
Patterson Kelley Hourly Employees Pension Plan

**B** Three-digit plan number (PN) ▶ 206

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
Harsco Corporation

**D** Employer Identification Number (EIN)
23-1483991

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

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

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2018

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 10,718,531 |
| **b** Actuarial value | **2b** | 9,878,487 |

**3** Funding target/participant count breakdown

| | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
|---|---|---|---|
| **a** For retired participants and beneficiaries receiving payment | 97 | 5,058,606 | 5,058,606 |
| **b** For terminated vested participants | 25 | 994,220 | 994,220 |
| **c** For active participants | 28 | 1,038,002 | 1,077,448 |
| **d** Total | 150 | 7,090,828 | 7,130,274 |

**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

| | | |
|---|---|---|
| **a** Funding target disregarding prescribed at-risk assumptions | **4a** | |
| **b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | **4b** | |
| **5** Effective interest rate | **5** | 5.52% |
| **6** Target normal cost | **6** | 124,723 |

**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**

David H Webber

Signature of actuary

September 17 2019

Date

David H Webber, FSA, EA

Type or print name of actuary

1706137

Most recent enrollment number

Willis Towers Watson US LLC

Firm name

703-258-8000

Telephone number (including area code)

800 North Glebe Road

Arlington VA 22203

Address of the firm

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

## Part II Beginning of Year Carryover and Prefunding Balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) | 3,302,233 | 0 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 83,045 | 0 |
| 9 | Amount remaining (line 7 minus line 8) | 3,219,188 | 0 |
| 10 | Interest on line 9 using prior year's actual return of 18.99% | 611,324 | 0 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Present value of excess contributions (line 38a from prior year) | | 0 |
| | b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.70% | | 0 |
| | b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return | | 0 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 0 |
| | d Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 3,830,512 | 0 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 84.82% |
| 15 | Adjusted funding target attainment percentage | 15 | 138.54% |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 135.12% |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. | 17 | % |

## Part IV Contributions and Liquidity Shortfalls

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

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

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

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|
| 3.92 % | 5.52 % | 6.29% | ☐ N/A, full yield curve used |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | **21b** | 4 |
| **22** Weighted average retirement age | **22** | 63 |

**23** Mortality table(s) (see instructions)

Prior regulation: ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Current regulation: ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

| | | |
|---|---|---|
| **27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment | **27** | |

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

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

## Part VIII Minimum Required Contribution For Current Year

| | | |
|---|---|---|
| **31** Target normal cost and excess assets (see instructions): | | |
| **a** Target normal cost (line 6) | **31a** | 124,723 |
| **b** Excess assets, if applicable, but not greater than line 31a | **31b** | 0 |

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

| | | |
|---|---|---|
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____ ) and the waived amount | **33** | |
| **34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) | **34** | 124,723 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 124,723 | 0 | 124,723 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | **36** | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 0 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 0 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | 0 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

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

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

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

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