Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
CINTAS CORPORATION (G&K SERVICES) NON-CONTRIBUTORY PENSION PLAN FOR COLLECTIVE BARGAINING EMPLOYEES

1b Three-digit plan number (PN) ▶ 021

1c Effective date of plan 07/14/1997

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)
CINTAS CORPORATION

6800 CINTAS BLVD
MASON, OH 45040

2b Employer Identification Number (EIN) 31-1188630

2c Sponsor's telephone number 513-459-1200

2d Business code (see instructions) 812330

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

5a Total number of participants at the beginning of the plan year	**5a**	95
b Total number of participants at the end of the plan year	**5b**	92
c Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**5c**	
d(1) Total number of active participants at the beginning of the plan year	**5d(1)**	16
d(2) Total number of active participants at the end of the plan year	**5d(2)**	12
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**5e**	2

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2019	JENNIFER MUELLER
	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

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

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

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

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

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4216982. (See instructions.)

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	676228	641869
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	676228	641869
8 Income, Expenses, and Transfers for this Plan Year		**(a) Amount**	**(b) Total**
a Contributions received or receivable from: (1) Employers	8a(1)	70000	
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	-34948	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		35052
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	21733	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f	47678	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		69411
i Net income (loss) (subtract line 8h from line 8c)	8i		-34359
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

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

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

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		10000000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

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

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

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

Part VII Plan Terminations and Transfers of Assets

13a	Has a resolution to terminate the plan been adopted in any plan year?		[ ] Yes [X] No
	If "Yes," enter the amount of any plan assets that reverted to the employer this year	**13a**	
b	Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		[ ] Yes [X] No
c	If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)		

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

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
CINTAS CORPORATION (G&K SERVICES) NON-CONTRIBUTORY PENSION PLAN FOR COLLECTIVE BARGAINING EMPLOYEES

B Three-digit plan number (PN) ▶ 021

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

D Employer Identification Number (EIN)
31-1188630

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

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

Part I Basic Information

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

2 Assets:

a Market value	**2a**	743446
b Actuarial value	**2b**	743446

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	24	242651	242651
b For terminated vested participants	55	309732	309732
c For active participants	16	41682	48114
d Total	95	594065	600497

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**	5.82 %
6 Target normal cost	**6**	53905

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

10/09/2019
Date

DAREN L. ANDERSON
Type or print name of actuary

17-06530
Most recent enrollment number

MERCER
Firm name

612-642-8896
Telephone number (including area code)

333 SOUTH 7TH STREET, SUITE 1400
MINNEAPOLIS, MN 55402-2427
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 9.63 %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		63414
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.00%		3805
	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		67219
	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)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	123.80%
15	Adjusted funding target attainment percentage	15	123.80%
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	126.00%
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
09/12/2019	130000	0			
			Totals ► 18(b)	130000	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	118108

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
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**	53905
b Excess assets, if applicable, but not greater than line 31a	**31b**	53905

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

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

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

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	118108

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

a Total (excess, if any, of line 37 over line 36)	**38a**	118108
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 SB, line 26 — Schedule of Active Participant Data

DISTRIBUTION OF ACTIVE PARTICIPANTS AS OF JANUARY 1, 2018

ATTAINED AGE	YEARS OF CREDITED SERVICE										
	UNDER 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & UP	TOTAL
Under 25											
25–29		5									5
30–34		4	1								5
35–39		1									1
40–44		1		1							2
45–49			1	1							2
50–54											
55–59											
60–64											
65–69			1								1
70 & up											
Total		11	3	2							16

In each cell, the top number is the count of active participants for each age/service combination.

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

ACTUARIAL ASSUMPTIONS

DISCOUNT RATE SPONSOR ELECTIONS

• Segment rates or full yield curve	Segment		
• Look-back months	4		
	Stabilized	**Non-Stabilized**	
• First 5 years	3.92%	1.75%	
• Next 15 years	5.52%	3.76%	
• Over 20 years	6.29%	4.66%	
	Rationale: Prescribed by the IRS and based on G&K Services, Inc.'s election.		

MORTALITY SPONSOR ELECTIONS

• Healthy and disabled participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on RP-2014 mortality tables with improvements beyond 2006 removed with static mortality improvement based on the IRS methodology and projection scale MP-2016. Rationale: Prescribed by the IRS and based on G&K Services, Inc.'s election
417(e) lump sums	Former Contributory Plan participants are eligible for an unlimited lump sum if eligible for Normal or Early retirement determined using 417(e) assumptions. Liabilities for these participants are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and current year 417(e) unisex mortality.

OTHER ECONOMIC ASSUMPTIONS

• Salary increases	Not applicable
• Social Security wage base	Not applicable
• Inflation	Not applicable
• Expected investment return	Not applicable
• Expenses	The prior year's administrative expenses adjusted for the difference in PBGC premiums and rounded.

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

DEMOGRAPHIC ASSUMPTIONS

- Withdrawal: See table of sample rates.
- Disability incidence: See table of sample rates.
- Retirement age: Active participants are assumed to retire at the following rates:

ATTAINED AGE	PERCENTAGE
62	40%
63	20%
64	20%
65 and above	100%

- Benefit commencement age for
  - Future vested deferred: 65
  - Current vested deferred: 65, or the attained age, if later
- Spouse assumptions

	MALE PARTICIPANTS	FEMALE PARTICIPANTS
– Percentage married	85%	65%
– Spouse age difference	5 years younger	5 years older

FORM OF PAYMENT – MALES	LUMP SUM	SINGLE LIFE	100% J&S	50% J&S
• Active retirements	N/A	65%	35%	0%
• Future vested deferred	N/A	65%	35%	0%
• Future disabilities	N/A	100%	0%	0%
• Future deaths	N/A	0%	0%	100%
• Current vested deferred or transfers (Contributory) – if eligible for Normal or Early retirement	100%	0%	0%	0%
• Current vested deferred or transfers (Contributory) – if not eligible for Normal or Early retirement	N/A	100%	0%	0%
• Current vested deferred (Non - Contributory)	N/A	65%	35%	0%

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

Unpredictable Contingent Event Assumptions	N/A

Table of Sample Rates

	PERCENTAGE	
	WITHDRAWAL	DISABILITY INCIDENCE
20	30.00%	0.07%
25	27.50%	0.09%
30	20.00%	0.10%
35	15.00%	0.14%
40	10.00%	0.20%
45	7.50%	0.31%
50	6.00%	0.52%
55	3.00%	0.99%
60	0.00%	1.74%
65	0.00%	0.00%

ACTUARIAL METHODS

Asset Methods

The asset valuation method is the fair market value.

Participant Methods

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

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

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

Minimum Funding Methods

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

A detailed description of the calculation follows:

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

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

OMB No. 1210-0110

2018

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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
CINTAS CORP. (G&K SERVICES) NON-CONTRIBUTORY PENSION PLAN FOR COLLECTIVE BARGAINING EMPLOYEES

B Three-digit plan number (PN) ▶ 021

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

D Employer Identification Number (EIN)
31-1188630

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

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

Part I Basic Information

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

2 Assets:

a Market value	**2a**	743,446
b Actuarial value	**2b**	743,446

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	24	242,651	242,651
b For terminated vested participants	55	309,732	309,732
c For active participants	16	41,682	48,114
d Total	95	594,065	600,497

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**	5.82%
6 Target normal cost	**6**	53,905

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

DAREN L ANDERSON DLA — Signature of actuary

10/09/2019 — Date

DAREN L. ANDERSON — Type or print name of actuary

1706530 — Most recent enrollment number

MERCER — Firm name

612-642-8896 — Telephone number (including area code)

333 SOUTH 7TH STREET, SUITE 1400

MINNEAPOLIS MN 55402-2427 — Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 9.63%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		63,414
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.00%		3,805
	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		67,219
	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)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	123.80%
15	Adjusted funding target attainment percentage	15	123.80%
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	126.00%
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
09/12/2019	130,000	0			
			Totals ► 18(b)	130,000	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	118,108

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

	1st segment:	2nd segment:	3rd segment:	
a Segment rates:	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**	53,905
b Excess assets, if applicable, but not greater than line 31a	**31b**	53,905

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

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

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

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	118,108
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	118,108
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 SB, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.

(A) Retirement age	(B) Retirement Percent	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	0%	0.00	0
56	0%	0.00	0
57	0%	0.00	0
58	0%	0.00	0
59	0%	0.00	0
60	0%	0.00	0
61	0%	0.00	0
62	40.0%	4,000.00	248,000
63	20.0%	1,200.00	75,600
64	20.0%	960.00	61,440
65	100.0%	3,840.00	249,600
Total		10,000.00	634,640
Average			63.46

Schedule SB, Part V — Summary of Plan Provisions

SUMMARY OF MAJOR PLAN PROVISIONS

The G&K Services Contributory Pension Plan was merged into the G&K Services Non-Contributory Pension Plan on December 31, 1999. Former participants in the G&K Services Contributory Pension Plan never earned additional benefits under the G&K Services Non-Contributory Pension Plan. A description of the benefits available to G&K Services Non-Contributory Pension Plan Participants is provided below. A description of the benefits available to former G&K Services Contributory Pension Plan Participants is provided following the summary provided below.

G&K SERVICES NON-CONTRIBUTORY PENSION PLAN FOR COLLECTIVE BARGAINING EMPLOYEES

Effective date and plan year	Original plan: July 14, 1997 Restated plan: January 1, 2017 Plan year: Calendar year except for the short plan year July 14, 1997, to December 31, 1997.
Most recent amendment	None
Status of the plan	Due to the decertification of the Coyne union on August 21, 2017, benefit accruals are frozen and there are no new participants entering the plan after December 31, 2006.
Significant events that occurred during the year	None
DEFINITIONS	
• Covered employees	Any hourly employee of a Plan of the Company which has been designated the right to participate in this plan.
• Participation	An hourly paid employee shall be eligible to participate in the plan on the January 1 coinciding with or next following completion of six months of employment with the company. <u>Coyne Participants</u> The later of March 21, 2005 and the date of employment with the Employer.
• Vesting service	Vesting Service shall be equal to Credited Service, except that participants who were members of the Pension Plan Covering Certain Hourly Employees of National Linen Service or the Coyne Pension Plan shall be credited with vesting service under those plans.

Schedule SB, Part V — Summary of Plan Provisions

• Credited service	For the short plan year beginning July 14, 1997, and ending December 31, 1997, a Participant shall receive credit for .46 of a year of Credited Service if he completes at least 460 Service Hours during this short period. After December 31, 1997, a year of service is credited for a participant who is credited with at least 1,000 hours of service during a plan year. In the year of hire or termination, a partial year of Credited Service will be given if fewer than 1,000 hours are worked. <u>Coyne Participants</u> On or after March 21, 2005, a year of service is credited for a participant who is credited with at least 1,000 hours of service during the 12-consecutive month period beginning with each anniversary of the employee's date of hire. Maximum credited service is 30 years.

Schedule SB, Part V — Summary of Plan Provisions

- Accrued benefit

A participant's accrued pension is equal to the benefit level corresponding to the participating plant where the participant works multiplied by his years of credited service. See below for current benefit levels.

Location		Benefit Level on January 1, 2009
Augusta	$	8.50[(a)]
Birmingham		3.00
Chattanooga		4.00
Huntington		5.00
Louisville		5.00
Portland		4.00[(b)]
Schenectady		5.00
Waterbury and Long Island		
Inside Employees		10.50
Outside Employees		18.50

(a)

Effective Date		Benefit Rate
07/14/1997	$	5.00
01/01/1998		5.25
01/01/1999		5.50
01/01/2000		5.75
01/01/2001		6.00
01/01/2002		6.25
01/01/2003		6.75
01/01/2004		7.25
01/01/2005		7.75
01/01/2006		8.50

Termination on or after the effective date results in corresponding benefit rate being used for all years of service.

(b) $3.00 for credited service between July 14, 1997 and August 31, 1997, $4.00 for credited service between September 1, 1997 and May 1, 1998.

Schedule SB, Part V — Summary of Plan Provisions

NORMAL RETIREMENT	
• Eligibility	Separation of employment after 65th birthday
• Benefit	Accrued pension
EARLY RETIREMENT	
• Eligibility	A participant is eligible for an early retirement benefit following attainment of age 62 and completion of 20 years of credited service. Coyne Participants A participant is eligible for an early retirement benefit following attainment of age 62 and completion of 10 years of vesting service.
• Benefit	Accrued pension. Coyne Participants Accrued pension with the following reductions if commencement of payment precedes the normal retirement date: Inside employees: benefit is reduced by one-half of one percent for each month early retirement precedes normal retirement. Outside employees: benefit is reduced by five-sixths of one percent for each month early retirement precedes normal retirement.
DEFERRED VESTED	
• Eligibility	Termination of employment for reasons other than death, disability or retirement (normal or early) and the participant has completed 5 years of vesting service. Participants affected by the Waterbury facility closing became 100% vested.
• Benefit	Participant shall be entitled to a deferred accrued pension (payable for life) commencing at age 65.
DISABILITY	
• Eligibility	A participant who becomes totally and permanently disabled after completing five years of credited service shall be eligible for a disability retirement pension. Coyne Participants A participant who becomes disabled while actively employed and is either a) an Outside employee who has attained age 55 and completed 10 years of vesting service, or b) an Inside employee who has attained age 60 and completed 20 years of vesting service, is eligible to receive a disability retirement pension.
• Benefit	The benefit is the accrued pension and is payable on the first day of the seventh month next following disability. Coyne Participants The benefit is the accrued pension and is payable on the first day of the month next following disability.

Schedule SB, Part V — Summary of Plan Provisions

PRE-RETIREMENT DEATH	
• Eligibility	Benefits will be payable upon the death of an employee when death occurs (i) during active employment, provided such employee has completed at least five years of Vesting Service at the time of death; (ii) during the time an employee is receiving disability benefits, (iii) after an employee retired and is receiving a form of benefit which provides payment to a survivor; or (iv) after termination if the employee is entitled to a deferred retirement benefit which has not yet commenced.
• Benefit	Benefits will be calculated in the following manner: (a) The beneficiary of an employee who dies while receiving retirement benefits will receive payment in accordance with the optional benefit selected. (b) The surviving spouse of an active or terminated participant who dies after becoming entitled to a deferred retirement benefit shall receive a death benefit commencing on the date the employee would have been eligible to receive retirement benefits. The amount of benefit shall be equal to 50% of the monthly pension that would have been payable to the employee had he terminated on his date of death (if not already terminated), survived until he was first eligible to retire and retired, electing to receive a 50% joint and survivor benefit.
FORM OF BENEFITS	
• Automatic form for unmarried participants	Life Annuity
• Automatic form for married participants	If, on the date pension payments commence, the retiree has an Eligible Spouse and does not elect otherwise, the pension will be automatically payable in the form of a 50% Joint and Survivor benefit which shall be the actuarial equivalent of the life annuity otherwise payable.
• Optional forms	An employee will be entitled to convert his life annuity to an optional benefit on an actuarially equivalent basis. The options include 50%, 75% and 100% Joint and Survivor Annuities, and 10 and 15 Year Certain and Life Annuities. <u>Coyne Participants</u> An employee will be entitled to convert his life annuity to an optional benefit on an actuarially equivalent basis. The options include 50%, 66 ⅔%, 75% or 100% Joint & Survivor annuities, and 10-Year Certain & Life annuities.
• Optional form conversion factors	Mortality – Current year 417(e) unisex mortality Interest – 7%

Schedule SB, Part V — Summary of Plan Provisions

SMALL PENSIONS	In the event the lump sum value of a terminated Participant's benefit is $5,000 or less, such pension shall be paid in a single lump sum payment.
MISCELLANEOUS	
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2017 the limit is $220,000.

FORMER G&K SERVICES CONTRIBUTORY PENSION PLAN

Effective date and plan year	Plan year: Calendar year
Status of the plan	Frozen as of December 31, 1999. Merged into this Plan effective December 31, 1999.
Significant events that occurred during the year	None
DEFINITIONS	
• Participation	Participants in the G&K Services Contributory Pension Plan for Collective Bargaining Employees prior to the merger into this Plan.
• Vesting service	A year of Vesting Service is credited for each year a participant is credited with at least 1,000 hours of service. Service with a prior employer is credited for former National Linen and Coyne employees.
• Credited service	All benefits have been frozen since at least December 31, 1999.
• Accrued pension	Benefits frozen as of December 31, 1999 or earlier.
NORMAL RETIREMENT	
• Eligibility	Separation of employment after 65th birthday
• Benefit	Participant shall receive a monthly retirement benefit equal to his accrued pension payable in the 10 Year Certain & Life form.
EARLY RETIREMENT	
• Eligibility	A participant is eligible for an early retirement benefit following attainment of age 55 and completion of 20 years of credited service.
• Benefit	The accrued pension is reduced by 1/360 for each month early retirement precedes normal retirement. The employee portion can be withdrawn anytime after termination.

Schedule SB, Part V — Summary of Plan Provisions

DEFERRED VESTED	
• Eligibility	In the event of termination of employment for reasons other than death, disability or retirement (normal or early), and the participant has completed at least 5 years of vesting service.
• Benefit	Employee shall be entitled to a deferred accrued benefit (payable for life) commencing at age 65. A participant must have at least 20 years of credited service to be eligible to commence their benefit prior to age 65.
PRE-RETIREMENT DEATH	
• Eligibility	Benefits will be payable upon the death of an employee when death occurs (i) during active employment, provided such employee has completed at least five years of Credited Service at the time of death; (ii) after an employee retired and is receiving a form of benefit which provides payment to a survivor; or (iii) after termination if the employee is entitled to a deferred retirement benefit which has not yet commenced. Benefits will be calculated in the following manner:
b) Benefit	(a) The beneficiary of an employee who dies while receiving retirement benefits will receive payment in accordance with the optional benefit payment method selected. (b) The surviving spouse of an active or terminated participant who dies after becoming entitled to a deferred retirement benefit shall receive a death benefit commencing on the date the employee would have been eligible to receive retirement benefits. The amount of benefit shall be equal to 50% of the monthly pension that would have been payable to the employee had he terminated on his date of death (if not already terminated), survived until he was first eligible to retire and retired, electing to receive a 50% joint and survivor benefit. (c) If, after all benefits have been paid, the sum of those payments is less than the employee contributions with interest, then the differnce will be paid to the appropriate beneficiary.
FORM OF BENEFITS	
• Automatic form for unmarried participants	Life Annuity with 120 payments guaranteed
• Automatic form for married participants	If, on the date pension payments commence, the retiree has an Eligible Spouse and does not elect otherwise, the pension will be automatically payable in the form of a 50% Joint and Survivor benefit which shall be the actuarial equivalent of the10 Year Certain & Life annuity otherwise payable.

Schedule SB, Part V — Summary of Plan Provisions

• Optional forms	The following options are potentially available depending upon the Participant's status as commencement. The options include Life Annuity; 5, 10 and 15 Year Certain & Life; 50% and 75% Joint & Survivor Annuities; and a Social Security Level Income option. If the employee is eligible for Normal or Early retirement; a lump sum is also available.
• Optional form conversion factors	Mortality – Current year 417(e) unisex mortality Interest – Rate defined in Section 417(e)
SMALL PENSIONS	In the event the lump sum value of a terminated Participant's benefit is $5,000 or less, such pension shall be paid in a single lump sum payment.
MISCELLANEOUS	
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2018 the limit is $220,000.

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as restated and amended effective January 1, 2017 are included in this valuation.

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

Schedule SB, Part V — Summary of Plan Provisions

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
  - *Plan amendments:* See above.
  - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
  - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals The target normal cost does not reflect any limitation on benefit accruals.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

PLAN PROVISION CHANGES SINCE PRIOR VALUATION

Maximum benefit amounts under IRS rules were updated from 2017 to 2018.