# 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

**2017**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 10/01/2017 and ending 09/30/2018

**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
- [X] 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
OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN

**1b** Three-digit plan number (PN) ▶ 014

**1c** Effective date of plan 10/01/1972

**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)
UNITED TECHNOLOGIES CORPORATION

4 FARM SPRINGS ROAD
FARMINGTON, CT 06032

**2b** Employer Identification Number (EIN) 06-0570975

**2c** Plan Sponsor's telephone number 860-728-7000

**2d** Business code (see instructions) 336990

**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. | 03/30/2020 | FRED DAUSSAN |
| | **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** | 121 |
| **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)** | 35 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 32 |
| **b** Retired or separated participants receiving benefits | **6b** | 41 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 45 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 118 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 5 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 123 |
| **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** | 0 |
| **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 3H 3J

**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)** | [ ] | 0 | **A** (Insurance Information) |
| **(4)** | [X] | | **C** (Service Provider Information) |
| **(5)** | [ ] | | **D** (DFE/Participating Plan Information) |
| **(6)** | [ ] | | **G** (Financial Transaction Schedules) |

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....…… ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 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

**2017**

**This Form is Open to Public Inspection**

For calendar plan year 2017 or fiscal plan year beginning 10/01/2017 and ending 09/30/2018

▶ **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
OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN

**B** Three-digit plan number (PN) ▶ 014

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

**D** Employer Identification Number (EIN)
06-0570975

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

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

## Part I Basic Information

**1** Enter the valuation date: Month 10 Day 01 Year 2017

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 2157316 |
| **b** Actuarial value | **2b** | 2051409 |

**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 | 42 | 1058319 | 1058319 |
| **b** For terminated vested participants | 44 | 444107 | 444107 |
| **c** For active participants | 35 | 533811 | 548906 |
| **d** Total | 121 | 2036237 | 2051332 |

**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** | 5.95 % |
| **6** Target normal cost | **6** | 103047 |

**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

06/20/2019
Date

JAY MITCHELL
Type or print name of actuary

17-05718
Most recent enrollment number

WILLIS TOWERS WATSON US LLC
Firm name

212-309-3479
Telephone number (including area code)

200 LIBERTY STREET
NEW YORK, NY 10281
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 13.12 % | 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) | | 1816 |
| | 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 6.13% | | 111 |
| | 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 | | 1927 |
| | 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 | 100.00% |
| 15 | Adjusted funding target attainment percentage | 15 | 100.00% |
| 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 | 105.23% |
| 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 |
|---|---|---|---|---|---|
| 05/24/2019 | 191000 | 0 | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 191000 | 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 | 173655 |

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: 4.16% | 2nd segment: 5.72% | 3rd segment: 6.48% | ☐ N/A, full yield curve used |
| **b** Applicable month (enter code) | | | **21b** | 4 |
| **22** Weighted average retirement age | | | **22** | 65 |

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

| | | | |
|---|---|---|---|
| **24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. | | ☐ Yes | ☒ No |
| **25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment | | ☒ Yes | ☐ No |
| **26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment | | ☒ Yes | ☐ No |

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

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

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

## Part VIII Minimum Required Contribution For Current Year

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

| | | |
|---|---|---|
| **a** Target normal cost (line 6) | **31a** | 103047 |
| **b** Excess assets, if applicable, but not greater than line 31a | **31b** | 77 |

| **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** | 102970 |

| | 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** | 102970 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 173655 |

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

| | | |
|---|---|---|
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 70685 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | 0 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

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

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

| | | | | |
|---|---|---|---|---|
| **a** Schedule elected | ☐ 2 plus 7 years | ☐ 15 years | | |
| **b** Eligible plan year(s) for which the election in line 41a was made | ☐ 2008 | ☐ 2009 | ☐ 2010 | ☐ 2011 |

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | **42** | 0 |
| **43** Excess installment acceleration amount to be carried over to future plan years | **43** | 0 |

| 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.** | **2017**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2017 or fiscal plan year beginning 10/01/2017 and ending 09/30/2018

**A** Name of plan
OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN

**B** Three-digit plan number (PN) ▶ 014

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

**D** Employer Identification Number (EIN)
06-0570975

## 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

JP MORGAN

13-4994650

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

METROPOLITAN WEST

639 W 46TH STREET
NEW YORK, NY 10036

**(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 DELAWARE 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 | NONE | 48986 | 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 ☐ |

**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 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

**2017**

**This Form is Open to Public Inspection**

For calendar plan year 2017 or fiscal plan year beginning 10/01/2017 and ending 09/30/2018

**A** Name of plan
OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN

**B** Three-digit plan number (PN) ▶ 014

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

**D** Employer Identification Number (EIN)
06-0570975

## 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) | 2000 | 191000 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 311 | 7219 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 202438 | 46096 |
| **(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) | | |
| **(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) | 982057 | 354434 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | 970581 | 1739954 |

| | | | (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 | 2157387 | 2338703 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | 15571 | 20750 |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 15571 | 20750 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 2141816 | 2317953 |

## 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) | 191000 | |
| | **(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) | | 191000 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 11325 | |
| | **(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) | | 11325 |
| | **(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) | 36720 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 36720 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (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) | | 142856 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 381901 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 136019 | |
| (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) | | 136019 |
| 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) | 48986 | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 20759 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 69745 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 205764 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 176137 |
| 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: KPMG LLC **(2)** EIN: 13-5565207

**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 | | 90000000 |
| 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 | | | |

**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 4137991. (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

**2017**

**This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 10/01/2017 and ending 09/30/2018

**A** Name of plan
OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN

**B** Three-digit plan number (PN) ▶ 014

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

**D** Employer Identification Number (EIN)
06-0570975

## Part I Distributions

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

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

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

EIN(s): 04-3398296

**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** 0

## 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): _____

---

**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):

# OTIS ELEVATOR COMPANY
# PUERTO RICO PENSION PLAN

Financial Statements

September 30, 2018 and 2017

(With Independent Auditors' Report Thereon)

**OTIS ELEVATOR COMPANY**
**PUERTO RICO PENSION PLAN**

Financial Statements

September 30, 2018 and 2017

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Note: Certain supplemental schedules specified by the Employment Retirement Income Security Act of 1974 (ERISA) are not applicable and have been omitted.

KPMG LLP
One Financial Plaza
755 Main Street
Hartford, CT 06103

# Independent Auditors' Report

The Plan Administrator
Otis Elevator Company Puerto Rico Pension Plan:

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Otis Elevator Company Puerto Rico Pension Plan (the Plan), which comprise the statements of net assets available for plan benefits as of September 30, 2018 and 2017, the statements of changes in net assets available for plan benefits for the years then ended, the statement of accumulated plan benefits as of September 30, 2017, and the related statement of changes in accumulated plan benefits for the year then ended, and the related notes to 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 U.S. generally accepted accounting principles; 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.

### *Auditors' Responsibility*

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

### *Basis for Disclaimer of Opinion*

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 4, which was certified by Bank of America, N.A., the trustee, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of September 30, 2018 and 2017, and for the years then ended, that the information provided to the plan administrator by the trustee 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.

KPMG LLP is a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

*Other Matter*

The supplemental schedules, Schedule H, Line 4i – Schedule of Assets (held at end of year) as of September 30, 2018 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended September 30, 2018 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

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

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

KPMG LLP

March 27, 2020

**OTIS ELEVATOR COMPANY**
**PUERTO RICO PENSION PLAN**

Statements of Net Assets Available for Plan Benefits

September 30, 2018 and 2017

| | 2018 | 2017 |
|---|---|---|
| Assets: | | |
| Investments, at fair value, as certified by trustee (notes 4 and 5): | | |
| Money market funds | $ 46,096 | 202,438 |
| Registered investment companies | 354,434 | 982,057 |
| Exchange-traded funds | 1,739,954 | 970,581 |
| Total investments | 2,140,484 | 2,155,076 |
| Receivables: | | |
| Employer's contribution | 191,000 | 2,000 |
| Accrued income | 7,219 | 311 |
| Total receivables | 198,219 | 2,311 |
| Total assets | 2,338,703 | 2,157,387 |
| Liabilities: | | |
| Accrued expenses | 20,750 | 15,571 |
| Total liabilities | 20,750 | 15,571 |
| Net assets available for plan benefits | $ 2,317,953 | 2,141,816 |

See accompanying notes to financial statements.

**OTIS ELEVATOR COMPANY**
**PUERTO RICO PENSION PLAN**

Statements of Changes in Net Assets Available for Plan Benefits

Years ended September 30, 2018

| | | 2018 | 2017 |
|---|---|---|---|
| Additions: | | | |
| Investment income, as certified by trustee (note 4): | | | |
| Net appreciation in fair value of investments | $ | 142,856 | 195,197 |
| Interest and dividends | | 48,045 | 37,500 |
| Total investment income | | 190,901 | 232,697 |
| Employer contributions | | 191,000 | 2,000 |
| Total additions | | 381,901 | 234,697 |
| Deductions: | | | |
| Benefits paid directly to participants | | 136,019 | 110,023 |
| Administrative expenses | | 69,745 | 55,974 |
| Total deductions | | 205,764 | 165,997 |
| Net increase | | 176,137 | 68,700 |
| Net assets available for plan benefits: | | | |
| Beginning of year | | 2,141,816 | 2,073,116 |
| End of year | $ | 2,317,953 | 2,141,816 |

See accompanying notes to financial statements.

**OTIS ELEVATOR COMPANY**
**PUERTO RICO PENSION PLAN**

Statement of Accumulated Plan Benefits

September 30, 2017

| | | |
|---|---|---|
| Actuarial present value of accumulated plan benefits (note 3): | | |
| Vested benefits: | | |
| Participants currently receiving payments | $ | 1,248,648 |
| Other participants | | 1,498,600 |
| | | 2,747,248 |
| Nonvested benefits | | 30,345 |
| Total actuarial present value of accumulated plan benefits | $ | 2,777,593 |

See accompanying notes to financial statements.

**OTIS ELEVATOR COMPANY**
**PUERTO RICO PENSION PLAN**

Statement of Changes in Accumulated Plan Benefits

Year ended September 30, 2017

| | | |
|---|---|---|
| Actuarial present value of accumulated plan benefits at beginning of year | $ | 2,823,927 |
| Increase (decrease) during the year attributable to: | | |
| Change in actuarial assumptions | | (91,711) |
| Benefits accumulated | | 47,520 |
| Increase for interest due to the decrease in the discount period | | 101,409 |
| Benefits paid | | (110,023) |
| Actuarial losses | | 6,471 |
| Net decrease | | (46,334) |
| Actuarial present value of accumulated plan benefits at end of year | $ | 2,777,593 |

See accompanying notes to financial statements.

## (1) Description of the Plan

### *(a) General*

The following brief description of the Plan is provided for general information purposes only. More complete information is provided by the Summary Plan Description and the Plan Document, which is available from the Plan Administrator.

The Otis Elevator Company Puerto Rico Pension Plan (the Plan) is a noncontributory defined benefit pension plan that was established to provide retirement benefits and death benefits to eligible participants and beneficiaries. The Plan covers certain salaried and hourly employees of the Otis Elevator Company (the Company) who are located in Puerto Rico. Employees who are 21 years of age and have completed 1,000 hours of eligible service during the twelve month period commencing on the day the employee performs their first hour of service are eligible to participate. The Plan is administered by the Otis Elevator Company (the Plan Administrator) and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### *(b) Funding Policy*

The Plan's funding policy is for the Company to contribute an amount which will meet or exceed the annual ERISA minimum funding requirement. During 2018 and 2017, the Company made contributions of $191,000 and $2,000, respectively. The Company's contribution for 2018 and 2017 exceeded the minimum funding requirements of ERISA.

### *(c) Pension Benefits*

Participants become fully vested in the Plan upon completion of 5 years of service. Upon termination of service or retirement, a participant receives the vested accrued benefit. Normal retirement benefits are based either on continuous service or credited service. A salaried employee's annual retirement benefit equals $360 per year of service for all years of service in which that participant completes at least 1,000 hours. An hourly employee's annual benefit equals the sum of $33 multiplied by credited service prior to October 1, 1977, plus $39 multiplied by credited service from October 1, 1977 to September 30, 1989, plus $126 multiplied by credited service accrued on or after October 1, 1989. One month of credited service is earned for each month during which a participant completes an hour of service.

In the event that an employee retires before the normal retirement date (age 65) and has attained age 55 with 20 years of service, the early retirement benefit is the accrued benefit reduced by 6% for each year prior to age 65.

Employees may elect to receive their benefits on a straight-line basis, an actuarially equivalent 50%, 66%, 75% or 100% joint and spouse annuity option, an actuarially equivalent 10 year certain and continuous annuity option, or an actuarially equivalent Social Security level benefit option. Unless otherwise elected, any benefit payable under the Plan shall be paid (i) on a 50% joint and spouse basis, if the employee is married on the date their benefit commences, or (ii) on a straight-life basis otherwise. The normal form of payment is converted to an annuity form using an interest rate of 7.00% and 1971 GAM Mortality (Male) with three year setback.

***(d) Death and Disability Benefits***

Upon the death of an employee or former employee prior to commencement of pension benefits who has completed at least 5 years of service and has been married to their spouse for at least 1 year prior to death or retirement date, the surviving spouse will receive the benefit which would have been paid if the employee had terminated on the day prior to their death and had elected a 50% joint and spouse annuity option as of the spouse's date of commencement. The spouse's benefit will commence on the first day of the month following the employee's death or if later, the earliest retirement date.

Employees who become totally and permanently disabled and have completed at least 10 years of service are eligible to receive a disability benefit equal to the accrued normal retirement benefit until the earlier of death, retirement or recovery.

**(2) Summary of Accounting and Reporting Policies**

The significant accounting and reporting policies followed by the Plan are summarized below:

***(a) Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

***(b) Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, actuarial present value of accumulate plan benefits at the date of the financial statements, and changes therein, and other amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***(c) Investment Valuation and Income Recognition***

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and the measurement date. Fair value is determined by the trustee by referenced to published market prices. See note 5 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses (realized and unrealized) on investments bought and sold as well as held during the year.

***(d) Payment of Benefits***

Benefits are recorded when paid.

***(e) Administrative Expenses***

The Plan's expenses are paid either by the Plan or the Company, as provided by in the plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain

expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. In addition, certain investment related expenses are included in net appreciation of fair value of investments presented in the accompanying statements of changes in net assets available for benefits.

***(f) Risks and Uncertainties***

The Plan invests in money market funds, registered investment companies, and exchange-traded funds. These investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the 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 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.

**(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 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 actuary 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.

The significant actuarial assumptions used in the valuation as of September 30, 2017 were:

| | |
|---|---|
| Discount rate | 3.80% |
| Assumed retirement age | 65 |
| Mortality | RP-2014 Mortality table projected using adjusted MP-2018 scale |

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 computation of the actuarial present value of accumulated plan benefits was made as of October 1, 2017. Had the valuations been performed as of September 30, there would be no material modifications.

## (4) Information Certified by the Trustee (Unaudited)

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8, *limitations on the scope of accountant's examination*, of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator has obtained certifications from Bank of America N.A. that all information relating to the Plan's investments and related investment income is complete and accurate. Information as to the value of the investments in the fund managed by the trustee, investment income, and all information in the supplemental schedules are presented in reliance solely upon those certifications.

The following is a summary of unaudited information included in the Plan's financial statements:

| | | 2018 | 2017 |
|---|---|---|---|
| Statements of net assets available for plan benefits: | | | |
| Investments, at fair value | $ | 2,140,484 | 2,155,076 |
| Accrued income | | 7,219 | 311 |
| Statements of changes in net assets available for plan benefits: | | | |
| Net appreciation in fair value of investments | $ | 142,856 | 195,197 |
| Interest and dividends | | 48,045 | 37,500 |

Additionally, all information included in the supplemental schedule of assets (held at end of year) and supplemental schedule of reportable transactions was certified by the trustee as complete and accurate.

## (5) Fair Value Measurement

U.S. GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

**Level 1** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

**Level 2** – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

When quoted prices in active markets for identical assets are available, these quoted market prices are used to determine the fair value of investments and classify these assets as Level 1. In other cases, where a quoted market price for identical assets in an active market is either not available or not observable, the fair values are estimated using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets would then be classified as Level 2. If quoted market prices are not available, fair value is determined using an analysis of each investment's financial performance and cash flow projections. In these instances, financial assets will be classified based upon the lowest level of input that is significant to the valuation. Therefore, financial assets may be classified as Level 3 even though there may be some significant inputs that may be readily available.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market funds | $ 46,096 | — | — | 46,096 |
| Registered investment companies | 354,434 | — | — | 354,434 |
| Exchange-traded funds | 1,739,954 | — | — | 1,739,954 |
| | $ 2,140,484 | — | — | 2,140,484 |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair values as of September 30, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market funds | $ 202,438 | — | — | 202,438 |
| Registered investment companies | 982,057 | — | — | 982,057 |
| Exchange-traded funds | 970,581 | — | — | 970,581 |
| | $ 2,155,076 | — | — | 2,155,076 |

There have been no changes in the methodologies used at September 30, 2018 and 2017, and no transfers between levels for the years ended September 30, 2018 and 2017.

## (6) Plan Termination

Although the Company has not expressed any intent to do so, the Plan Administrator has the right to terminate the Plan at any time. In the event the Plan terminates, the net assets generally will not be available on a pro rata basis to provide for participant's benefits. The maximum amount of PBGC guaranteed benefits for terminations in 2018 at age 65 is $5,420 per month. Whether all plan participants receive their full plan benefits, should the Plan terminate at some future time, would depend on the priority of these benefits and the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the financial condition of the Plan Sponsor and the level of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided for by the existing plan assets and the PBGC guarantee while other benefits may not be provided for at all.

Upon termination, UTC shall give notice to the PBGC and shall comply with its procedures and lawful orders. As soon as it may do so, UTC thereupon shall cause all amounts in the hands of the Trustee and Insurance Companies to be allocated and distributed in the manner and order set forth in Section 4044 of ERISA to the extent of the sufficiency of the Plan's assets.

Additional information concerning the priority order of participants' claims to the assets of the Plan upon termination can be obtained from the Summary Plan Description, which is available from the Plan Administrator.

## (7) Tax Status of the Plan

The Internal Revenue Service issued the Plan a new determination letter covering the Plan's most recent restatement dated January 1, 2016, which stated that the Plan qualifies in form under the applicable provisions of the Internal Revenue Code (IRC) and, therefore, is exempt from federal income taxes. The Plan Sponsor and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC.

The Plan is a dual qualified plan in the United States of America and Puerto Rico. The Puerto Rico Department of Treasury issued a determination letter effective January 1, 2014, which states that the Plan meets the requirements of Section 1081.01 of the Puerto Rico Internal Revenue Code of 2011, as amended and that the trust established thereunder will be entitled to exemption from local income taxes. Section 1022(i)(1) of ERISA provides that a pension trust is exempt from income tax under Section 501(a) of the Internal Revenue Code (IRC) if all of the plan's participants are residents of Puerto Rico. The Plan Sponsor and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the Puerto Rico Internal Revenue Code.

U.S. generally accepted accounting principles require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of September 30, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) 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. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2015.


(Continued)

## (8) Related Party and Party in Interest Transactions

As described in note 2, the Plan paid certain expenses related to plan operations and investment activity to various service providers. These transactions are party in interest transactions under ERISA.

## (9) Subsequent Events

Recent market conditions have resulted in an unusually high degree of volatility and increased the risks and short term liquidity of certain investments held by the Plan which could impact the value of investments after the date of these financial statements. A negative return on Plan assets could ultimately affect the funded status of the Plan. The ultimate impact on the funded status will be determined based upon market conditions in effect when the annual actuarial valuation for subsequent years is performed.

The Plan has evaluated subsequent events through March 27, 2020, the date the financial statements and supplemental schedules were available to be issued, and noted no subsequent events that would impact the Plan's financial statements.

**OTIS ELEVATOR COMPANY**
**PUERTO RICO PENSION PLAN**

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

September 30, 2018

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment, including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current value |
|---|---|---|---|---|
| * | Bank of America ML | Federated Govt Obligs Fund Premier Class, 46,096 shares | $ 46,096 | 46,096 |
| | J.P. Morgan Securities Inc. | JP Morgan US Large Cap Core PLU Fund CL S, 5,140 shares | 167,664 | 170,285 |
| | Metro West | Metro West T/R BD CL I, 17,861 shares | 184,506 | 184,149 |
| | BlackRock | Ishares Core US Aggregate Bond ETF, 1,748 shares | 186,931 | 184,449 |
| | Goldman, Sachs & Co. | Ishares Core S&P Mid Cap ETF, 1,810 shares | 368,620 | 364,335 |
| | J.P. Morgan Securities Inc. | CEF Ishares Core S&P Small-Cap, 2,715 shares | 240,775 | 236,857 |
| | State Street Abnk | SPDR Bloomberg Barclays High Yield Bond ETF, 1,733 shares | 62,378 | 62,475 |
| | Morgan Stanley & Co., Inc. | Vanguard FTSE Developed Markets ETF, 7,775 shares | 328,095 | 336,424 |
| | Bernstein, Sanford C., & Co, Inc. | Vanguard FTSE Emerging Mkts ETF, 3,008 Shares | 121,989 | 123,328 |
| | Barclays Capital LE | Vanguard S&P 500 ETF, 1,618 shares | 431,600 | 432,086 |
| | | | $ 2,138,654 | 2,140,484 |

* Party-in-interest as defined by ERISA

See accompanying independent auditors' report.

**OTIS ELEVATOR COMPANY**
**PUERTO RICO PENSION PLAN**

Schedule H, Line 4j – Schedule of Reportable Transactions

Year ended September 30, 2018

Single transaction aggregating 5% or more of the current value of Plan net assets at October 1, 2017:

| (a) Identity of party involved | (b) Description of asset (include interest rate and maturity) | (c) Purchase price | (d) Selling price | (e) Lease rental | (f) Expense incurred with transaction | (g) Cost of asset | (h) Current value of asset on transaction date | (i) Net gain or (loss) |
|---|---|---|---|---|---|---|---|---|
| Bank of America/ML | Columbia Large Cap Index Fund Instl CL | $ — | 957,897 | — | — | 485,810 | 877,423 | 80,474 |
| Bank of America/ML | Columbia U S Treas Index Fund Instl CL | — | 123,587 | — | — | 122,611 | 123,698 | (111) |
| UBS Securities LLC | Ishares 7-10 Year Treasury Bond ETF | 129,613 | — | — | — | 129,613 | 129,613 | — |
| Morgan Stanley & Co., Inc. | IShares 7-10 Year Treasury Bond ETF | — | 122,306 | — | 2 | 128,019 | 128,019 | (5,714) |
| Barclays Capital LE | IShares MSCI EAFE ETF | — | 122,889 | — | 2 | 105,985 | 125,615 | (2,727) |
| BlackRock | IShares Russel Mid-Cap ETF | — | 186,133 | — | 2 | 87,867 | 164,423 | 21,710 |
| Goldman, Sachs & Co. | IShares Core S&P Mid Cap ETF | 368,620 | — | — | — | 368,620 | 368,620 | — |
| BlackRock | IShares Russel 2000 ETF | — | 149,708 | — | 2 | 93,063 | 130,547 | 19,162 |
| J.P. Morgan Securities Inc. | CEF IShares Core S&P Small-Cap | 240,775 | — | — | — | 240,775 | 240,775 | — |
| J.P. Morgan Securities Inc. | JP Morgan US Large Cap Core Plus Fund CL S | 167,664 | — | — | — | 167,664 | 167,664 | — |
| Metro West | Metro West T/R B CL I | 184,506 | — | — | — | 184,506 | 184,506 | — |
| Bank of America/ML | Federated Govt Obligs Fund Permier Class | — | 176,809 | — | — | 176,809 | 176,809 | — |
| Bank of America/ML | Federated Govt Obligs Fund Permier Class | 791,860 | — | — | — | 791,860 | 791,860 | — |
| Bank of America/ML | Federated Govt Obligs Fund Permier Class | — | 785,940 | — | — | 785,940 | 785,940 | — |
| Morgan Stanley & Co., Inc. | Vanguard FTSE Developed Markets ETF | 264,004 | — | — | — | 264,004 | 264,004 | — |
| Bernstein, Sanford C. & Co, Inc | Vanguard FTSE Emerging Mkts ETF | 121,989 | — | — | — | 121,989 | 121,989 | — |
| Vanguard | Vanguard S&P 500 ETF | 431,600 | — | — | — | 431,600 | 431,600 | — |

Series of transactions aggregating 5% or more of the current value of Plan net assets at October 1, 2017:

| (a) Identity of party involved | (b) Description of asset (include interest rate and maturity) | (c) Purchase price | (d) Selling price | (e) Lease rental | (f) Expense incurred with transaction | (g) Cost of asset | (h) Current value of asset on transaction date | (i) Net gain or (loss) |
|---|---|---|---|---|---|---|---|---|
| Bank of America/ML | Columbia Large Cap Index Fund Instl CL | $ — | 998,901 | — | — | 507,519 | 916,884 | 82,017 |
| Bank of America/ML | Columbia U S Treas Index Fund Instl CL | — | 123,598 | — | — | 122,622 | 123,709 | (111) |
| BlackRock | IShares Core S&P 500 ETF | — | 124,121 | — | 2 | 91,044 | 109,013 | 15,108 |
| UBS Securities LLC | IShares 7-10 Year Treasury Bond ETF | 129,613 | — | — | — | 129,613 | 129,613 | — |
| Morgan Stanley & Co., Inc. | IShares 7-10 Year Treasury Bond ETF | — | 137,432 | — | 2 | 129,613 | 129,613 | (5,781) |
| BlackRock | IShares MSCI EAFE ETF | 12,215 | — | — | — | 12,215 | 12,215 | — |
| BlackRock | IShares MSCI EAFE ETF | — | 124,295 | — | 2 | 107,143 | 126,987 | 2,760 |
| BlackRock | IShares Russel Mid-Cap WTF | — | 188,262 | — | 2 | 88,921 | 166,395 | 21,867 |
| Goldman, Sachs & Co. | IShares Core S&P Mid Cap ETF | 368,620 | — | — | — | 368,620 | 368,820 | — |
| Barclays Capital LE | IShares Russel 2000 ETF | — | 151,348 | — | 2 | 94,119 | 132,028 | 19,319 |
| J.P. Morgan Securities Inc. | CEF IShares Core S&P Small-Cap | 240,775 | — | — | — | 240,775 | 240,775 | — |
| J.P. Morgan Securities Inc. | JP Morgan US Large Cap Core Pluz | 167,664 | — | — | — | 167,664 | 167,664 | — |
| Metro West | Metro West T/R BD CL I | 184,506 | — | — | — | 184,506 | 184,506 | — |
| Bank of America/ML | Federated Govt Obligs Fund Premier Class | 989,368 | — | — | — | 989,368 | 989,368 | — |
| Bank of America/ML | Federated Govt Obligs Fund Premier Class | — | 1,145,709 | — | — | 1,145,709 | 1,145,709 | — |
| Morgan Stanley & Co., Inc. | Vanguard FTSE Developed Markets ETF | — | 849 | — | — | 789 | 868 | 26 |
| Vanguard | Vanguard FTSE Developed Markets ETF | 264,004 | — | — | — | 264,004 | 264,004 | — |
| Bernstein, Sanford C. & Co, Inc | Vanguard FTSE Emerging Mkts ETF | 121,989 | — | — | — | 121,989 | 121,989 | — |
| Vanguard | Vanguard S&P 500 ETF | 431,600 | — | — | — | 431,600 | 431,600 | — |

See accompanying independent auditors' report.

**United Technologies Corporation**
**Otis Elevator Company Puerto Rico Pension Plan**
**EIN 06-0570975 PN: 014**
**Schedule SB, Line 26 - Schedule of Active Participant Data**

| | | Total Years of Credited Service | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Attained Age** | | **<1** | **1 to 4** | **5 to 9** | **10 to 14** | **15 to 19** | **20 to 24** | **25 to 29** | **30 to 34** | **35 to 39** | **40 & up** |
| <25 | Count | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 to 29 | Count | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 to 34 | Count | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 to 39 | Count | 0 | 0 | 1 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 to 44 | Count | 0 | 1 | 3 | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 to 49 | Count | 0 | 3 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| 50 to 54 | Count | 0 | 1 | 0 | 1 | 1 | 0 | 2 | 0 | 0 | 0 |
| 55 to 59 | Count | 0 | 0 | 0 | 1 | 0 | 0 | 2 | 1 | 4 | 0 |
| 60 to 64 | Count | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| 65 to 69 | Count | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| 70 & up | Count | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | **Average Age:** | 47.9 | | **Average Service:** | 15.8 | | | | | |


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**UNITED TECHNOLOGIES CORPORATION**

**OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN**

**EIN: 06-0570975 PN: 014**

**SCHEDULE SB, PART V –**

**STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS**

## Economic Assumptions

- Funding Interest Rate Basis
  - Applicable Month: June 2017 (yields through May 2017)
  - Yield Curve Basis: Segment Rates
- Funding Interest Rates Reflecting Corridor
  - First segment rate: 4.16%
  - Second segment rate: 5.72%
  - Third segment rate: 6.48%
  - Effective interest rate: 5.95%
- Funding Interest Rates Not Reflecting Corridor
  - First segment rate: 1.71%
  - Second segment rate: 3.83%
  - Third segment rate: 4.75%
- Future Increases in Social Security: N/A
- Assumed Cost-of-Living Adjustments: N/A
- Expense Load: $75,000

## Demographic Assumptions

- Healthy and Disabled Mortality
  - Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2024 using Scale AA)
- Retirement
  - Assumed age 65
- Disability
  - United Auto Workers 1955 Male/Female Table

- Termination
  - Sarason T-5 Scale (selection of rates below)

| Attained Age | Rate% |
|---|---|
| 25 | 7.7242 |
| 30 | 7.2219 |
| 35 | 6.2764 |
| 40 | 5.1504 |
| 45 | 3.9753 |
| 50 | 2.5627 |
| 55 | 0.9394 |
| 60 | 0.0901 |

- Form of Payment
  - 100% Life Annuity

- Marriage
  - 90% of male and 75% of female active participants are assumed to be married. Wives are assumed to be 3 years younger than their husbands.

## Actuarial Methods

- Valuation Date
  - First Day of Plan Year (October 1)

- Funding Target & Target Normal Cost
  - Present Value of Accrued Benefits

- Actuarial Value of Assets
  - 24 month smoothing of Market Value of Assets (adjusted for contributions, benefits/expense payments and expected investment returns) subject to 90%/110% of Market Value

- Participant Data
  - Employee data was provided by the Company

- Benefits Not Included in Valuation
  - None

**UNITED TECHNOLOGIES CORPORATION**

**OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN**

**EIN: 06-0570975 PN: 014**

**SCHEDULE SB, PART V –**

**STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS**

---

- Changes in Actuarial Assumptions & Methods Since Last Valuation
  - The funding interest rate was changed from the segment rates as of June 2016 (yields through May 2016) to the segment rates as of June 2017 (yields through May 2017). These rates were adjusted to reflect HATFA interest rate corridors.

  - The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

**OTIS ELEVATOR COMPANY**
**PUERTO RICO PENSION PLAN**

Schedule H, Line 4j – Schedule of Reportable Transactions

Year ended September 30, 2018

Single transaction aggregating 5% or more of the current value of Plan net assets at October 1, 2017:

| (a) Identity of party involved | (b) Description of asset (include interest rate and maturity) | (c) Purchase price | (d) Selling price | (e) Lease rental | (f) Expense incurred with transaction | (g) Cost of asset | (h) Current value of asset on transaction date | (i) Net gain or (loss) |
|---|---|---|---|---|---|---|---|---|
| Bank of America/ML | Columbia Large Cap Index Fund Instl CL | $ — | 957,897 | — | — | 485,810 | 877,423 | 80,474 |
| Bank of America/ML | Columbia U S Treas Index Fund Instl CL | — | 123,587 | — | — | 122,611 | 123,698 | (111) |
| UBS Securities LLC | Ishares 7-10 Year Treasury Bond ETF | 129,613 | — | — | — | 129,613 | 129,613 | — |
| Morgan Stanley & Co., Inc. | IShares 7-10 Year Treasury Bond ETF | — | 122,306 | — | 2 | 128,019 | 128,019 | (5,714) |
| Barclays Capital LE | IShares MSCI EAFE ETF | — | 122,889 | — | 2 | 105,985 | 125,615 | (2,727) |
| BlackRock | IShares Russel Mid-Cap ETF | — | 186,133 | — | 2 | 87,867 | 164,423 | 21,710 |
| Goldman, Sachs & Co. | IShares Core S&P Mid Cap ETF | 368,620 | — | — | — | 368,620 | 368,620 | — |
| BlackRock | IShares Russel 2000 ETF | — | 149,708 | — | 2 | 93,063 | 130,547 | 19,162 |
| J.P. Morgan Securities Inc. | CEF IShares Core S&P Small-Cap | 240,775 | — | — | — | 240,775 | 240,775 | — |
| J.P. Morgan Securities Inc. | JP Morgan US Large Cap Core Plus Fund CL S | 167,664 | — | — | — | 167,664 | 167,664 | — |
| Metro West | Metro West T/R B CL I | 184,506 | — | — | — | 184,506 | 184,506 | — |
| Bank of America/ML | Federated Govt Obligs Fund Permier Class | — | 176,809 | — | — | 176,809 | 176,809 | — |
| Bank of America/ML | Federated Govt Obligs Fund Permier Class | 791,860 | — | — | — | 791,860 | 791,860 | — |
| Bank of America/ML | Federated Govt Obligs Fund Permier Class | — | 785,940 | — | — | 785,940 | 785,940 | — |
| Morgan Stanley & Co., Inc. | Vanguard FTSE Developed Markets ETF | 264,004 | — | — | — | 264,004 | 264,004 | — |
| Bernstein, Sanford C. & Co, Inc | Vanguard FTSE Emerging Mkts ETF | 121,989 | — | — | — | 121,989 | 121,989 | — |
| Vanguard | Vanguard S&P 500 ETF | 431,600 | — | — | — | 431,600 | 431,600 | — |

Series of transactions aggregating 5% or more of the current value of Plan net assets at October 1, 2017:

| (a) Identity of party involved | (b) Description of asset (include interest rate and maturity) | (c) Purchase price | (d) Selling price | (e) Lease rental | (f) Expense incurred with transaction | (g) Cost of asset | (h) Current value of asset on transaction date | (i) Net gain or (loss) |
|---|---|---|---|---|---|---|---|---|
| Bank of America/ML | Columbia Large Cap Index Fund Instl CL | $ — | 998,901 | — | — | 507,519 | 916,884 | 82,017 |
| Bank of America/ML | Columbia U S Treas Index Fund Instl CL | — | 123,598 | — | — | 122,622 | 123,709 | (111) |
| BlackRock | IShares Core S&P 500 ETF | — | 124,121 | — | 2 | 91,044 | 109,013 | 15,108 |
| UBS Securities LLC | IShares 7-10 Year Treasury Bond ETF | 129,613 | — | — | — | 129,613 | 129,613 | — |
| Morgan Stanley & Co., Inc. | IShares 7-10 Year Treasury Bond ETF | — | 137,432 | — | 2 | 129,613 | 129,613 | (5,781) |
| BlackRock | IShares MSCI EAFE ETF | 12,215 | — | — | — | 12,215 | 12,215 | — |
| BlackRock | IShares MSCI EAFE ETF | — | 124,295 | — | 2 | 107,143 | 126,987 | 2,760 |
| BlackRock | IShares Russel Mid-Cap WTF | — | 188,262 | — | 2 | 88,921 | 166,395 | 21,867 |
| Goldman, Sachs & Co. | IShares Core S&P Mid Cap ETF | 368,620 | — | — | — | 368,620 | 368,820 | — |
| Barclays Capital LE | IShares Russel 2000 ETF | — | 151,348 | — | 2 | 94,119 | 132,028 | 19,319 |
| J.P. Morgan Securities Inc. | CEF IShares Core S&P Small-Cap | 240,775 | — | — | — | 240,775 | 240,775 | — |
| J.P. Morgan Securities Inc. | JP Morgan US Large Cap Core Pluz | 167,664 | — | — | — | 167,664 | 167,664 | — |
| Metro West | Metro West T/R BD CL I | 184,506 | — | — | — | 184,506 | 184,506 | — |
| Bank of America/ML | Federated Govt Obligs Fund Premier Class | 989,368 | — | — | — | 989,368 | 989,368 | — |
| Bank of America/ML | Federated Govt Obligs Fund Premier Class | — | 1,145,709 | — | — | 1,145,709 | 1,145,709 | — |
| Morgan Stanley & Co., Inc. | Vanguard FTSE Developed Markets ETF | — | 849 | — | — | 789 | 868 | 26 |
| Vanguard | Vanguard FTSE Developed Markets ETF | 264,004 | — | — | — | 264,004 | 264,004 | — |
| Bernstein, Sanford C. & Co, Inc | Vanguard FTSE Emerging Mkts ETF | 121,989 | — | — | — | 121,989 | 121,989 | — |
| Vanguard | Vanguard S&P 500 ETF | 431,600 | — | — | — | 431,600 | 431,600 | — |

See accompanying independent auditors' report.

# 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

**2017**

**This Form is Open to Public Inspection**

For calendar plan year 2017 or fiscal plan year beginning 10/01/2017 and ending 09/30/2018

▶ **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
Otis Elevator Company Puerto Rico Pension Plan

**B** Three-digit plan number (PN) ▶ 014

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

**D** Employer Identification Number (EIN)
06-0570975

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

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

## Part I Basic Information

**1** Enter the valuation date: Month 10 Day 01 Year 2017

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 2,157,316 |
| **b** Actuarial value | **2b** | 2,051,409 |

**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 | 42 | 1,058,319 | 1,058,319 |
| **b** For terminated vested participants | 44 | 444,107 | 444,107 |
| **c** For active participants | 35 | 533,811 | 548,906 |
| **d** Total | 121 | 2,036,237 | 2,051,332 |

**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** | 5.95% |
| **6** Target normal cost | **6** | 103,047 |

**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**

Jay Mitchell JM — Signature of actuary

6/20/2019 — Date

Jay Mitchell — Type or print name of actuary

1705718 — Most recent enrollment number

Willis Towers Watson US LLC — Firm name

212-309-3479 — Telephone number (including area code)

200 Liberty Street
New York NY 10281
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 13.12% | 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) | | 1,816 |
| | **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 6.13% | | 111 |
| | **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 | | 1,927 |
| | **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 | 100.00% |
| 15 | Adjusted funding target attainment percentage | 15 | 100.00% |
| 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 | 105.23% |
| 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 |
|---|---|---|---|---|---|
| 05/24/2019 | 191,000 | 0 | | | |
| | | | | | |
| | | | | | |
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| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | Totals ► 18(b) | 191,000 | 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 | 173,655 |

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:

| | 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|---|
| **a** Segment rates: | 4.16 % | 5.72 % | 6.48% | ☐ N/A, full yield curve used |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | **21b** | 4 |
| **22** Weighted average retirement age | **22** | 65 |

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

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

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

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

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

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

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

## Part VIII Minimum Required Contribution For Current Year

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

| | | |
|---|---|---|
| **a** Target normal cost (line 6) | **31a** | 103,047 |
| **b** Excess assets, if applicable, but not greater than line 31a | **31b** | 77 |

| **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** | 102,970 |

| | 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** | 102,970 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 173,655 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 70,685 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | 0 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

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

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

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

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

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | **42** | 0 |
| **43** Excess installment acceleration amount to be carried over to future plan years | **43** | 0 |

**UNITED TECHNOLOGIES CORPORATION**

**OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN**

**EIN: 06-0570975 PN: 014**

**SCHEDULE SB, LINE 22 –**

**DESCRIPTION OF WEIGHTED AVERAGE RETIREMENT AGE**

---

The retirement age is assumed to be age 65 for all participants.

**United Technologies Corporation**
**Otis Elevator Company Puerto Rico Pension Plan**
**EIN 06-0570975 PN: 014**
**Schedule SB, Line 26 - Schedule of Active Participant Data**

| | | Total Years of Credited Service | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Attained Age** | | **<1** | **1 to 4** | **5 to 9** | **10 to 14** | **15 to 19** | **20 to 24** | **25 to 29** | **30 to 34** | **35 to 39** | **40 & up** |
| <25 | Count | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 to 29 | Count | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 to 34 | Count | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 to 39 | Count | 0 | 0 | 1 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 to 44 | Count | 0 | 1 | 3 | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 to 49 | Count | 0 | 3 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| 50 to 54 | Count | 0 | 1 | 0 | 1 | 1 | 0 | 2 | 0 | 0 | 0 |
| 55 to 59 | Count | 0 | 0 | 0 | 1 | 0 | 0 | 2 | 1 | 4 | 0 |
| 60 to 64 | Count | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| 65 to 69 | Count | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| 70 & up | Count | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | **Average Age:** | 47.9 | | **Average Service:** | 15.8 | | | | | |


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**UNITED TECHNOLOGIES CORPORATION**

**OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN**

**EIN: 06-0570975 PN: 014**

**SCHEDULE SB, Line 25 – Change in Method**

---

The valuation software used to produce the actuarial information submitted on this schedule has been changed as part of our harmonization of our valuation software systems, and such modification may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under Revenue Proc. 2017-56 Section 4.02.

## Schedule SB - Statement by Enrolled Actuary

| | |
|---|---|
| **Plan Sponsor** | United Technologies Corporation |
| **EIN/PN** | 06-0570975 / 014 |
| **Plan Name** | Otis Elevator Company Puerto Rico Pension Plan |
| **Valuation Date** | October 1, 2017 |
| **Enrolled Actuary** | Jay Mitchell, F.S.A |
| **Enrollment Number** | 17-05718 |

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 the Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

**UNITED TECHNOLOGIES CORPORATION**

**OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN**

**EIN: 06-0570975 PN: 014**

**SCHEDULE SB, PART V –**

**STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS**

## Economic Assumptions

- Funding Interest Rate Basis
  - Applicable Month: June 2017 (yields through May 2017)
  - Yield Curve Basis: Segment Rates
- Funding Interest Rates Reflecting Corridor
  - First segment rate: 4.16%
  - Second segment rate: 5.72%
  - Third segment rate: 6.48%
  - Effective interest rate: 5.95%
- Funding Interest Rates Not Reflecting Corridor
  - First segment rate: 1.71%
  - Second segment rate: 3.83%
  - Third segment rate: 4.75%
- Future Increases in Social Security: N/A
- Assumed Cost-of-Living Adjustments: N/A
- Expense Load: $75,000

## Demographic Assumptions

- Healthy and Disabled Mortality
  - Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2024 using Scale AA)
- Retirement
  - Assumed age 65
- Disability
  - United Auto Workers 1955 Male/Female Table

- Termination
  - Sarason T-5 Scale (selection of rates below)

| Attained Age | Rate% |
|---|---|
| 25 | 7.7242 |
| 30 | 7.2219 |
| 35 | 6.2764 |
| 40 | 5.1504 |
| 45 | 3.9753 |
| 50 | 2.5627 |
| 55 | 0.9394 |
| 60 | 0.0901 |

- Form of Payment
  - 100% Life Annuity

- Marriage
  - 90% of male and 75% of female active participants are assumed to be married. Wives are assumed to be 3 years younger than their husbands.

## Actuarial Methods

- Valuation Date
  - First Day of Plan Year (October 1)

- Funding Target & Target Normal Cost
  - Present Value of Accrued Benefits

- Actuarial Value of Assets
  - 24 month smoothing of Market Value of Assets (adjusted for contributions, benefits/expense payments and expected investment returns) subject to 90%/110% of Market Value

- Participant Data
  - Employee data was provided by the Company

- Benefits Not Included in Valuation
  - None

**UNITED TECHNOLOGIES CORPORATION**

**OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN**

**EIN: 06-0570975 PN: 014**

**SCHEDULE SB, PART V –**

**STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS**

---

- Changes in Actuarial Assumptions & Methods Since Last Valuation
  - The funding interest rate was changed from the segment rates as of June 2016 (yields through May 2016) to the segment rates as of June 2017 (yields through May 2017). These rates were adjusted to reflect HATFA interest rate corridors.

  - The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

**UNITED TECHNOLOGIES CORPORATION**

**OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN**

**EIN: 06-0570975 PN: 014**

**SCHEDULE SB, PART V - SUMMARY OF PLAN PROVISIONS**

## Effective Date

- October 1, 1972; as amended and restated effective October 1, 2010.

## Eligibility and Participation

- An employee becomes a participant in the plan on the first day of the month coincident with or next following the date the following eligibility requirements are met:
  - Completion of 1,000 hours of service during an eligibility computation period;
  - Attainment of age 21.

## Credited Service

- One month of credited service is earned for each month during which a participant completes an hour of service.

## Continuous Service

- All years of service in which a participant completes at least 1,000 hours.

## Normal Retirement

- Eligible at age 65 with 5 years of participation.
  - Non-Salaried Group: Annual retirement benefit equals the sum of $33.00 multiplied by credited service prior to October 1, 1977, plus $39.00 multiplied by credited service from October 1, 1977 to September 30, 1989, plus $126.00 multiplied by credited service accrued on or after October 1, 1989.
  - Salaried Group: Annual retirement benefit equals $360 per year of service for all continuous service as a salaried participant.

## Early Retirement

- Eligible at age 55 with 20 years of service.
  The early retirement benefit is the accrued normal retirement pension payable at age 65 or, alternatively, an immediate pension, reduced by 6% for each year prior to age 65 by which the pension commences.

## Disability Retirement

- An active participant is eligible upon total and permanent disability as required by the Social Security Administration with at least 10 years of Service.
  The disability benefit is the accrued normal retirement pension payable monthly until the earlier of death, retirement or recovery

## Vested Termination

- Eligible at any age and 5 years of service.
  The vested terminated benefit is equal to the accrued normal retirement pension payable at 65.

## Pre-Retirement Spouse's Benefit

- Eligible upon death of an employee or former employee prior to commencement of pension benefits who has completed at least 5 years of service and has been married to spouse for at least 1 year prior to death or retirement date.
  The surviving spouse will receive the benefit which would have been paid if the employee had terminated on the day prior to his death and had elected a 50% Joint and Spouse Annuity option as of the Spouse's date of commencement. The Spouse benefit will commence on the first day of the month following the employee's death or if later, the earliest retirement date.

## Form of Payment

- An employee may elect to receive his benefit on a straight-life basis, an actuarially equivalent 50%, 66 2/3%, 75% or 100% Joint and Spouse annuity option, an actuarially equivalent 10 year certain and continuous annuity option or an actuarially equivalent Social Security level benefit option. Unless otherwise elected, any benefit payable under the Plan shall be paid: (1) on a 50% Joint and Spouse basis, if the employee is married on the date his benefit commences; or (2) on a straight-life basis otherwise.
  The normal form of payment is converted to an annuity form using an interest rate of 7.00% and 1971 GAM Mortality (Male) with three year setback.

## Change in Plan Provisions since Last Actuarial Valuation

- There have been no changes in plan provision since the last actuarial valuation.

**UNITED TECHNOLOGIES CORPORATION**

**OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN**

**EIN: 06-0570975 PN: 014**

**SCHEDULE SB, LINE 22 –**

**DESCRIPTION OF WEIGHTED AVERAGE RETIREMENT AGE**

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The retirement age is assumed to be age 65 for all participants.

## Schedule SB - Statement by Enrolled Actuary

| | |
|---|---|
| **Plan Sponsor** | United Technologies Corporation |
| **EIN/PN** | 06-0570975 / 014 |
| **Plan Name** | Otis Elevator Company Puerto Rico Pension Plan |
| **Valuation Date** | October 1, 2017 |
| **Enrolled Actuary** | Jay Mitchell, F.S.A |
| **Enrollment Number** | 17-05718 |

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 the Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

**UNITED TECHNOLOGIES CORPORATION**

**OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN**

**EIN: 06-0570975 PN: 014**

**SCHEDULE SB, PART V - SUMMARY OF PLAN PROVISIONS**

## Effective Date

- October 1, 1972; as amended and restated effective October 1, 2010.

## Eligibility and Participation

- An employee becomes a participant in the plan on the first day of the month coincident with or next following the date the following eligibility requirements are met:
  - Completion of 1,000 hours of service during an eligibility computation period;
  - Attainment of age 21.

## Credited Service

- One month of credited service is earned for each month during which a participant completes an hour of service.

## Continuous Service

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  - Non-Salaried Group: Annual retirement benefit equals the sum of $33.00 multiplied by credited service prior to October 1, 1977, plus $39.00 multiplied by credited service from October 1, 1977 to September 30, 1989, plus $126.00 multiplied by credited service accrued on or after October 1, 1989.
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## Form of Payment

- An employee may elect to receive his benefit on a straight-life basis, an actuarially equivalent 50%, 66 2/3%, 75% or 100% Joint and Spouse annuity option, an actuarially equivalent 10 year certain and continuous annuity option or an actuarially equivalent Social Security level benefit option. Unless otherwise elected, any benefit payable under the Plan shall be paid: (1) on a 50% Joint and Spouse basis, if the employee is married on the date his benefit commences; or (2) on a straight-life basis otherwise.
  The normal form of payment is converted to an annuity form using an interest rate of 7.00% and 1971 GAM Mortality (Male) with three year setback.

## Change in Plan Provisions since Last Actuarial Valuation

- There have been no changes in plan provision since the last actuarial valuation.

**OTIS ELEVATOR COMPANY**
**PUERTO RICO PENSION PLAN**

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

September 30, 2018

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment, including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current value |
|---|---|---|---|---|
| * | Bank of America ML | Federated Govt Obligs Fund Premier Class, 46,096 shares | $ 46,096 | 46,096 |
| | J.P. Morgan Securities Inc. | JP Morgan US Large Cap Core PLU Fund CL S, 5,140 shares | 167,664 | 170,285 |
| | Metro West | Metro West T/R BD CL I, 17,861 shares | 184,506 | 184,149 |
| | BlackRock | Ishares Core US Aggregate Bond ETF, 1,748 shares | 186,931 | 184,449 |
| | Goldman, Sachs & Co. | Ishares Core S&P Mid Cap ETF, 1,810 shares | 368,620 | 364,335 |
| | J.P. Morgan Securities Inc. | CEF Ishares Core S&P Small-Cap, 2,715 shares | 240,775 | 236,857 |
| | State Street Abnk | SPDR Bloomberg Barclays High Yield Bond ETF, 1,733 shares | 62,378 | 62,475 |
| | Morgan Stanley & Co., Inc. | Vanguard FTSE Developed Markets ETF, 7,775 shares | 328,095 | 336,424 |
| | Bernstein, Sanford C., & Co, Inc. | Vanguard FTSE Emerging Mkts ETF, 3,008 Shares | 121,989 | 123,328 |
| | Barclays Capital LE | Vanguard S&P 500 ETF, 1,618 shares | 431,600 | 432,086 |
| | | | $ 2,138,654 | 2,140,484 |

* Party-in-interest as defined by ERISA

See accompanying independent auditors' report.

**UNITED TECHNOLOGIES CORPORATION**

**OTIS ELEVATOR COMPANY PUERTO RICO PENSION PLAN**

**EIN: 06-0570975 PN: 014**

**SCHEDULE SB, Line 25 – Change in Method**

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The valuation software used to produce the actuarial information submitted on this schedule has been changed as part of our harmonization of our valuation software systems, and such modification may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under Revenue Proc. 2017-56 Section 4.02.