

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2020</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>	
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.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>024</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1950</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>024</u>	1c Effective date of plan <u>01/01/1950</u>	
1b Three-digit plan number (PN) ▶	<u>024</u>				
1c Effective date of plan <u>01/01/1950</u>					
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) <u>RAYTHEON COMPANY</u> <u>870 WINTER STREET</u> <u>WALTHAM, MA 02451-1449</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>95-1778500</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>781-522-3000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>335900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>95-1778500</u>	2c Plan Sponsor's telephone number <u>781-522-3000</u>	2d Business code (see instructions) <u>335900</u>	
2b Employer Identification Number (EIN) <u>95-1778500</u>					
2c Plan Sponsor's telephone number <u>781-522-3000</u>					
2d Business code (see instructions) <u>335900</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2021	KELLY B. LAPPIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2020)
v. 200204

3a Plan administrator's name and address ☐ Same as Plan Sponsor KELLY B. LAPPIN RAYTHEON TECHNOLOGIES CORPORATION 870 WINTER STREET WALTHAM, MA 02451-1449		3b Administrator's EIN 06-0570975
		3c Administrator's telephone number 781-522-5821
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 71600
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) 16264
a(2) Total number of active participants at the end of the plan year		6a(2) 15262
b Retired or separated participants receiving benefits.....		6b 26890
c Other retired or separated participants entitled to future benefits		6c 24259
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 66411
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 4868
f Total. Add lines 6d and 6e		6f 71279
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1E		
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) ☒ 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) ☒ 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) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 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 _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2020</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020	
▶ 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 RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES	B Three-digit plan number (PN) ▶ 024
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF RAYTHEON COMPANY	D Employer Identification Number (EIN) 95-1778500
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information			
1	Enter the valuation date: Month 01 Day 01 Year 2020			
2	Assets:			
a	Market value	2a	12994204509	
b	Actuarial value	2b	12418203105	
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.....	29927	5743923615	5743923615
b	For terminated vested participants.....	25409	1338649127	1338649127
c	For active participants	16264	4598939722	4829108245
d	Total.....	71600	11681512464	11911680987
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	5.41 %	
6	Target normal cost.....	6	354119939	

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	08/31/2021
GRACE BARBIERI, F.S.A.	Date
Type or print name of actuary	20-07481
MERCER	Most recent enrollment number
Firm name	617-747-9500
99 HIGH STREET BOSTON, MA 02110-2320	Telephone number (including area code)
Address of the firm	

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	930266987
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	521243205
9 Amount remaining (line 7 minus line 8)	0	409023782
10 Interest on line 9 using prior year's actual return of <u>19.52</u> %	0	79841442
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		553665396
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 <u>5.56</u> %		1802674
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		101746674
c Total available at beginning of current plan year to add to prefunding balance		657214744
d Portion of (c) to be added to prefunding balance		657214744
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	1146079968

Part III Funding Percentages		
14 Funding target attainment percentage	14	94.63 %
15 Adjusted funding target attainment percentage	15	95.41 %
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	92.17 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ 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
0	0	0
(4) 4th		
0		

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
3.64 %2nd segment:
5.21 %3rd segment:
5.94 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

0

22 Weighted average retirement age**22**

63

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** 354119939**b** Excess assets, if applicable, but not greater than line 31a **31b** 0**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance Installment
639557850 162549549**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** 516669488

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement		516669488	516669488

36 Additional cash requirement (line 34 minus line 35) **36** 0**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 0**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 0**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 0**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2020
		This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES	B Three-digit plan number (PN) ▶	024
C Plan sponsor's name as shown on line 2a of Form 5500 RAYTHEON COMPANY	D Employer Identification Number (EIN) 95-1778500	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) 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)

CONDUENT HR CONSULTING, LLC

13-3954297

(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?
16 50	NONE	4571508	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BANK OF NEW YORK MELLON

13-5160382

(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?
21 50	NONE	404997	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DELOITTE LLP

13-6044173

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 16 50	NONE	337470	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)

MERCER

13-2834414

(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	281808	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	116000	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:

<p style="text-align: center;">SCHEDULE D (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p>	<p style="text-align: center;">DFE/Participating Plan Information</p> <p style="text-align: center; font-size: small;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center; font-weight: bold;">▶ File as an attachment to Form 5500.</p>	<p style="text-align: center; font-size: small;">OMB No. 1210-0110</p> <hr/> <p style="text-align: center; font-size: large; font-weight: bold;">2020</p> <hr/> <p style="text-align: center; font-size: small;">This Form is Open to Public Inspection.</p>
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

<p>A Name of plan <u>RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES</u></p>	<p>B Three-digit plan number (PN) ▶ <u>024</u></p>	
<p>C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON COMPANY</u></p>	<p>D Employer Identification Number (EIN) <u>95-1778500</u></p>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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<p>a Name of MTIA, CCT, PSA, or 103-12 IE: <u>RAYTHEON MASTER PENSION TRUST</u></p>		
<p>b Name of sponsor of entity listed in (a): <u>RAYTHEON COMPANY</u></p>		
<p>c EIN-PN <u>04-3172773-001</u></p>	<p>d Entity code <u>M</u></p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u></p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: <u>RAYTHEON MASTER RETIREMENT TRUST</u></p>		
<p>b Name of sponsor of entity listed in (a): <u>RAYTHEON TECHNOLOGIES CORPORATION</u></p>		
<p>c EIN-PN <u>13-3064404-001</u></p>	<p>d Entity code <u>M</u></p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>14200735843</u></p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE:</p>		
<p>b Name of sponsor of entity listed in (a):</p>		
<p>c EIN-PN</p>	<p>d Entity code</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE:</p>		
<p>b Name of sponsor of entity listed in (a):</p>		
<p>c EIN-PN</p>	<p>d Entity code</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE:</p>		
<p>b Name of sponsor of entity listed in (a):</p>		
<p>c EIN-PN</p>	<p>d Entity code</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE:</p>		
<p>b Name of sponsor of entity listed in (a):</p>		
<p>c EIN-PN</p>	<p>d Entity code</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE:</p>		
<p>b Name of sponsor of entity listed in (a):</p>		
<p>c EIN-PN</p>	<p>d Entity code</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</p>

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2020 This Form is Open to Public Inspection
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>		
A Name of plan <u>RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>024</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON COMPANY</u>	D Employer Identification Number (EIN) <u>95-1778500</u>	

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)	15015429	0
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)	11574917	11325392
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	12583556896	14200735843
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1)	
(2)	Employer real property.....	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	12610147242 14212061235
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness.....	1i	
j	Other liabilities.....	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f).....	1l	12610147242 14212061235

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.

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	603053349
	(B) Participants	2a(1)(B)	12288649
	(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)	615341998
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans.....	2b(1)(E)	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	0
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	0
(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)		1755544463
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		418086
d Total income. Add all income amounts in column (b) and enter total.....	2d		2371304547

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	727287594	
(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)		727287594
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)	5711784	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other.....	2i(4)	47716568	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		53428352
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		780715946

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1590588601
l Transfers of assets:			
(1) To this plan.....	2l(1)		11325392
(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) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☐ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☒ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: PRICEWATERHOUSECOOPERS LLP

(2) EIN: 13-4008324

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	

	Yes	No	Amount
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	
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?	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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?		X	
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?		X	
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.)		X	
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.)		X	
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?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
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 Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4334346.

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2020</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES		B Three-digit plan number (PN) ▶ 024
C Plan sponsor's name as shown on line 2a of Form 5500 RAYTHEON COMPANY		D Employer Identification Number (EIN) 95-1778500
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): 13-5160382		
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		3 269
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		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2020 v. 200204		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14b	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	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
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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: <u>16.0</u> % Investment-Grade Debt: <u>28.0</u> % High-Yield Debt: <u>1.0</u> % Real Estate: <u>7.0</u> % Other: <u>48.0</u> %	
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):	
20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.	
a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No	
b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:	
☐ Yes.	
☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.	
☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.	
☐ No. Other. Provide explanation _____	

Raytheon Company Pension Plan for Salaried Employees

Financial Statements

To Accompany 2020 Form 5500

Annual Report of Employee Benefit Plan

Under ERISA of 1974

December 31, 2020 and 2019

Raytheon Company Pension Plan for Salaried Employees

Index

December 31, 2020 and 2019

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<p>The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan Administrator must file detailed financial information for the Master Trust, including the supplemental schedules, separately with the Department of Labor.</p>	



Report of Independent Auditors

To the Administrator of Raytheon Company Pension Plan for Salaried Employees

We have audited the accompanying financial statements of Raytheon Company Pension Plan for Salaried Employees (the “Plan”), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2020 and changes therein for the year then ended and its financial status as of December 31, 2019, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

October 15, 2021

Raytheon Company Pension Plan for Salaried Employees
Statements of Net Assets Available for Benefits
As of December 31, 2020 and 2019

	2020	2019
Assets		
Investments at fair value (Notes 2 and 7)		
in Master Trust	\$ 14,051,256,862	\$ 12,439,410,997
Net assets held in 401(h) account (Notes 5, 6, and 7)	149,478,981	144,145,899
Receivables		
Employer contributions	-	15,015,429
Plan transfer in (Note 1)	11,325,392	11,574,917
Total assets	<u>14,212,061,235</u>	<u>12,610,147,242</u>
Liabilities		
Net assets held in 401(h) account (Notes 5, 6, and 7)	<u>149,478,981</u>	<u>144,145,899</u>
Total liabilities	<u>149,478,981</u>	<u>144,145,899</u>
Net assets available for benefits	<u>\$ 14,062,582,254</u>	<u>\$ 12,466,001,343</u>

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

Raytheon Company Pension Plan for Salaried Employees
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2020 and 2019

	2020	2019
Additions		
Master Trust investment income (Notes 2, 6, and 7)	\$ 1,736,418,756	\$ 2,082,948,243
Employer contributions	600,000,000	15,015,429
Other income	418,086	416,157
Plan transfer in (Note 1)	11,325,392	11,574,917
Total additions	<u>2,348,162,234</u>	<u>2,109,954,746</u>
Deductions		
Benefit payments	699,759,139	731,189,003
Administrative expenses	51,822,184	51,239,460
Total deductions	<u>751,581,323</u>	<u>782,428,463</u>
Net increase (decrease) in net assets available for benefits	1,596,580,911	1,327,526,283
Net assets available for benefits, beginning of year	12,466,001,343	11,138,475,060
Net assets available for benefits, end of year	<u>\$ 14,062,582,254</u>	<u>\$ 12,466,001,343</u>

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

Raytheon Company Pension Plan for Salaried Employees

Notes to Financial Statements

As of December 31, 2020 and 2019

1. Plan Description

The following description of the Raytheon Company Pension Plan for Salaried Employees (the "Plan") is for general purposes only. Participants should refer to the Summary Plan Description or the Plan Document for a complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit pension plan that covers all eligible salaried employees of the Raytheon Company and certain of its subsidiaries (the "Company").

Effective December 31, 2000, the HRB Systems, Inc. Salaried Retirement Plan ("HRB Systems"), Raytheon E-Systems Inc. Salaried Employees Retirement Plan ("E-Systems Salaried"), Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan (formerly the ESI/CTAS Retirement Plan) ("Richardson Waco"), Raytheon TI Systems, Inc. Employee Pension Plan ("Raytheon TI Systems"), and Raytheon Company Pension Plan for Discontinued Operations ("Discontinued Operations") were merged into the Plan and ceased to exist as separate plans after December 31, 2000. Participants in the original plans retain the provisions and benefits of the original plans. On April 3, 2020 ("Company Merger Date"), the Company became a wholly-owned subsidiary of Raytheon Technologies Corporation ("RTC").

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). During the period covered by the annual report that these financial statements accompany, and until the Company Merger Date, the Plan was administered by the Plan Administrator (for purposes of Section 3(16) of ERISA) who was appointed by the Company's Vice President of Human Resources. From and after the Company Merger Date, the Plan Administrator of the Plan (for purposes of Section 3(16) of ERISA) is RTC and the Plan is administered by the Raytheon Technologies Corporation Plan Administration and Investment Committee ("PAIC"), which operates pursuant to a vote of the RTC Board of Directors.

Investments are held in a Master Trust. During the period covered by these financial statements, and until December 1, 2020 ("Master Trust Merger Date"), the Plan's assets were held in the Raytheon Company Master Pension Trust ("RTN Master Trust"). On the Master Trust Merger Date, the RTN Master Trust merged into the United Technologies Master Trust ("UTC Master Trust") to create the Raytheon Technologies Master Trust ("RTC Master Trust"). Throughout this document, all uses of "Master Trust" refer to the applicable Master Trust at that time, as defined above.

Benefits, Eligibility and Vesting

The Plan provides specified benefits to be paid from the net assets available for benefits. The level of benefits is based principally upon years of service and average compensation. Participants in the Plan retain the benefit rate of their legacy plans and should refer to the applicable Exhibits in the Plan Document for details on the benefit rates. Annual earnings in excess of the limit provided for that year by Section 401(a)(17) of the Internal Revenue Code ("Code"), are not used in determining benefits under the Plan. The references to Exhibits in the following disclosures relate to Exhibits contained in the Plan Document and the parenthetical refers to the respective legacy plan. The standard form of retirement benefit for unmarried participants covered by Exhibit A (Raytheon Salaried); Exhibit E (Raytheon TI Systems); and Exhibit F (Discontinued Operations) is a monthly payment beginning the month following retirement and continuing until death. The standard form of benefit for unmarried participants covered by Exhibit B (E-Systems Salaried); Exhibit C (HRB Systems) and Exhibit D (Richardson Waco for participants terminating or retiring after January 1, 1999) is a five year certain and continuous benefit for all participants except Waco participants in Exhibit D. The standard form of benefit for married participants is a reduced monthly payment for the participant's life and one-half of that payment for the life of the participant's

Raytheon Company Pension Plan for Salaried Employees

Notes to Financial Statements

As of December 31, 2020 and 2019

surviving spouse. Other optional forms of benefits are also available. Under Exhibit E (Raytheon TI Systems) a lump sum form of payment is available to participants.

Each employee becomes a participant in this Plan on attainment of age 21 and completion of one year of service. Participants are fully vested upon completion of five years of vesting service. Effective January 1, 1999, any new employee became a participant in the Plan under the legacy Raytheon Salaried Plan provisions (Exhibit A in the Plan Document).

Effective January 1, 2007, employees who are either hired or rehired (after the expiration of any salary continuation payments) are not eligible to participate in the Plan. In addition, former employees who are rehired on or after March 1, 2007, and have received or are receiving payment from a Company-sponsored pension plan, are not eligible to participate in the Plan.

Effective November 30, 2019, the Plan was amended to include lump sums paid under the severance plan covering terminations resulting from the Company Merger as pensionable earnings.

Contributions

The Company makes contributions to the Plan to ensure assets are sufficient to pay the benefits of the Plan. The Plan does not permit contributions by participants.

Plan Transfers

The Plan receives an asset transfer annually from the Raytheon Company Pension Plan for Hourly Employees for retirees who commenced payment and had service under both the Raytheon Company Pension Plan for Hourly Employees and the Plan. The corresponding benefits and liabilities are also transferred into the Plan.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Investment Valuation and Income Recognition

The Plan's and 401(h) account's interest in the Master Trust is stated at fair value. Net investment income (loss) from the Master Trust is allocated proportionately on a monthly basis based on the Plan's and 401(h) account's interest in the Master Trust. See Note 5 and Note 7 for additional information.

Contributions

Employer contributions are funded and recorded as determined by actuarial computation. See Note 4 for additional information.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress. The CARES Act contained a provision that extends the deadline for minimum required contributions for single-employer defined pension plans in respect of the 2019 plan year to January 1, 2021. The plan contributed \$600,000,000 on December 15, 2020, which was applied to the 2019 plan year on a tax basis, but is reported in the 2020 plan year for financial statement purposes given its timing.

Benefit Payments

Benefit payments to participants are recorded when paid.

Administrative Expenses

All expenses of the Plan, which primarily consist of professional and administrative fees, are paid by the Plan. Expenses specifically related to the Plan are included in the Statements of Changes in

Raytheon Company Pension Plan for Salaried Employees

Notes to Financial Statements

As of December 31, 2020 and 2019

Net Assets Available for Benefits under "Administrative expenses." Additionally, expenses paid directly by the Master Trust, which primarily consist of investment management and performance fees, are allocated proportionally on a monthly basis based on the Plan's interest in the Master Trust and are included in the Statements of Changes in Net Assets Available for Benefits under "Master Trust investment income."

Use of Estimates

The Plan's financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP"). This requires the Plan Administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements, the actuarial present value of accumulated plan benefits as of the benefit information date, the changes in net assets available for benefits during the reporting period, and, when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

New Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13, *Fair Value Measurement: Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement* ("Topic 820"), which eliminates the disclosure requirement of the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and modifies certain disclosure requirements related to Level 3 recurring and nonrecurring fair value measurements. The new standard was effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Plan adopted the standard on the effective date of January 1, 2020, and it did not have a material impact on its financial statements or disclosures.

Other new pronouncements issued but not effective until after December 31, 2020 are not expected to have a material impact on the Plan's financial statements or disclosures.

3. Actuarial Present Value of Accumulated Pension 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 deceased employees, and (c) active employees or their beneficiaries. Benefits are based principally upon years of service and compensation. Benefits payable under all circumstances (such as retirement, death, disability, and termination of employment) are included to the extent that they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Company's consulting actuary and is the amount which 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 retirement, death, disability, or withdrawal between the valuation date and the expected date of payment).

Raytheon Company Pension Plan for Salaried Employees

Notes to Financial Statements

As of December 31, 2020 and 2019

The significant actuarial assumptions used in the valuation as of December 31, 2019 and 2018, are as follows:

Assumed rate of return on investments for accumulated benefits (discount rate)	As of December 31, 2019: 7.0%
	As of December 31, 2018: 7.5%
Mortality basis	
Healthy participants	As of December 31, 2019: Pri-2012 sex-distinct, separate employee and retiree table(s) with contingent survivor adjustments for existing survivors with no collar adjustments applied, adjusted by a factor of 80% and projected generationally using the MP-2020 mortality improvement scale.
	As of December 31, 2018: Modified version of the RP-2014 employee/retiree no collar tables, which has the projection scale backed off to 2006 and projected future generational mortality improvement based on a modified version of the MP-2014 scale, which reflects a 10-year downgrade period for given ages, but a 15-year downgrade for birth cohorts, and an ultimate improvement rate of 1.20% at age 64 to 0% at age 115.
Disabled participants	
- Raytheon TI Systems; Richardson Waco; E-Systems Salaried; and HRB Systems	1985 Pension Disability Mortality for males and females
- All others	Same as healthy participants
Retirement	Several rates, varying by age from 55 to 70

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

Assumption Changes

The changes in actuarial assumptions since the prior valuation of the Plan are as follows:

- The discount rate was changed from 7.5% to 7.0% to reflect current capital market assumptions.
- The segmented interest rate basis for conversion to a certain only form of payment was changed to reflect the current interest rate environment.
- The PBGC interest rate basis for conversion to a certain only form of payment was changed to reflect the current interest rate environment.
- For conversion to certain only and lump sum forms of payment (as applicable), the mortality basis was changed to the 2020 static 417(e) mortality table prescribed by the IRS for 2020, the 2021 static 417(e) mortality table prescribed by the IRS for 2021 and

Raytheon Company Pension Plan for Salaried Employees

Notes to Financial Statements

As of December 31, 2020 and 2019

the 417(e) mortality table with improvements projected generationally based on MP-2019 for 2022 and beyond.

- Withdrawal rates, retirement rates, and salary scale were updated based on a 2019 study.
- Form of payment was updated for current vested deferred participants in the Raytheon TI Systems Employees' Pension Plan to 10% life annuity and 90% lump sum in order to reflect updated expectations of lump sum payment prevalence.
- The mortality table and improvement scale assumptions were updated as described above.

As of December 31, 2019, the most recent valuation date, the actuarial present value of accumulated plan benefits is as follows:

Vested Benefits	
Participants receiving benefits	\$ 5,212,225,771
Participants with deferred benefits	1,148,327,599
Active participants	<u>4,020,640,246</u>
Total vested benefits	10,381,193,616
Nonvested benefits	<u>179,951,671</u>
Total actuarial present value of accumulated plan benefits	<u>\$10,561,145,287</u>

The following is an analysis of changes in the present value of accumulated benefits:

Actuarial present value of accumulated plan benefits as of December 31, 2018	\$ 9,509,871,906
Benefits accumulated and non-investment (gains) losses	278,322,126
Increase for interest due to decrease in discount period	678,504,386
Benefits paid	(731,189,003)
Change in actuarial assumptions	<u>825,635,872</u>
Actuarial present value of accumulated plan benefits as of December 31, 2019	<u>\$ 10,561,145,287</u>

4. Funding Policy

Pension Benefits

The employer's contributions are actuarially determined to fund the Plan's current normal costs on a current basis and to generally fund the existing unfunded liability related to qualified service prior to the valuation date in accordance with the amortization schedules prescribed by ERISA minimum funding requirements (as amended by the Pension Protection Act of 2006). At the Company's discretion, and to the extent allowable under maximum tax deductibility regulations, contributions above the ERISA minimum funding requirements may be made to the Plan. Contributions for the years ended December 31, 2020 and 2019, met the minimum funding requirements of ERISA.

Retiree Health Benefits

The health benefits to be provided through the 401(h) retiree health account are funded by participant and employer contributions. Company contributions to the Plan, which are specifically designated by the Company at the time made as contributions to fund health benefits, are maintained in this separate retiree health account (Note 5). To the extent assets in this account are not sufficient to fund such health benefits, such benefits shall be paid from other such funding vehicles as the Company may establish, or in the absence of other such funding vehicles, directly

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
As of December 31, 2020 and 2019

by the Company. Assets designated for pension benefits may not be used to pay for retiree health benefits.

5. 401(h) Account

In addition to the normal retirement benefits, the Plan includes a retiree health benefit component to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code ("Code"). A separate 401(h) retiree health account has been established and maintained in the Plan for the net assets related to the retiree health benefit component. In accordance with Code Section 401(h), the Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Any assets transferred to the 401(h) account from the defined benefit pension plan in a qualified transfer of excess pension plan assets (and any income allocable thereto) that are not used during the plan year must be transferred out of the account to the pension plan. The obligations related to the health benefits are not included in the Plan's present value of accumulated plan benefits but are reflected as obligations in the financial statements of the Raytheon Retiree Health Benefits Plan. Employer contributions or qualified transfers to the 401(h) account are determined annually and are at the discretion of the Plan Sponsor, Raytheon Company.

The following table presents the components of the net assets of the 401(h) account as of December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
Interest in Master Trust (see Note 6)	<u>\$ 149,478,981</u>	<u>\$ 144,145,899</u>

6. Reconciliation between Financial Statements and Form 5500

The following is a reconciliation of net assets available for benefits from the Form 5500 to the financial statements:

	December 31, 2020	December 31, 2019
Net assets per Form 5500	\$ 14,212,061,235	\$ 12,610,147,242
Less: 401(h) account (Note 5)	<u>149,478,981</u>	<u>144,145,899</u>
Net assets per financial statements	<u>\$ 14,062,582,254</u>	<u>\$ 12,466,001,343</u>

Raytheon Company Pension Plan for Salaried Employees

Notes to Financial Statements

As of December 31, 2020 and 2019

The following is a reconciliation of the changes in net assets from the Form 5500 to the financial statements:

Year Ended 2020			
	Amounts per Form 5500	Less: 401(h) Account	Amounts per Financial Statements
Master Trust investment income	\$ 1,755,544,463	\$ 19,125,707	\$ 1,736,418,756
Employer contributions	603,053,349	3,053,349	600,000,000
Participant contributions	12,288,649	12,288,649	-
Other income	418,086	-	418,086
Administrative expenses	53,428,352	1,606,168	51,822,184
Benefit payments	727,287,594	27,528,455	699,759,139
Year Ended 2019			
	Amounts per Form 5500	Less: 401(h) Account	Amounts per Financial Statements
Master Trust investment income	\$ 2,108,438,187	\$ 25,489,944	\$ 2,082,948,243
Employer contributions	18,361,940	3,346,511	15,015,429
Participant contributions	12,257,037	12,257,037	-
Other income	416,157	-	416,157
Administrative expenses	52,909,275	1,669,815	51,239,460
Benefit payments	768,187,732	36,998,729	731,189,003

7. Master Trust

Summary Financial Information

The Plan's assets are held in a Master Trust, which was established for the investment of assets of the Plan and several other Company sponsored retirement plans. The assets of the Master Trust are held by the Bank of New York Mellon ("BNY Mellon", the "Trustee").

During the period covered by these financial statements, and until the Company Merger Date, the Plan's assets were held in the RTN Master Trust. The Raytheon Company Investment Committee, which was appointed by the CEO of Raytheon Company, regularly reviewed the asset allocation and performance of the investments held in the RTN Master Trust.

From the Company Merger Date until the Master Trust Merger Date, the Plan's assets continued to be held in the RTN Master Trust. The PAIC operated pursuant a resolution of the RTC Board of Directors and reviewed the asset allocation and performance of the investments held in the RTN Master Trust.

On the Master Trust Merger Date, the RTN Master Trust merged into the UTC Master Trust to create the RTC Master Trust. The PAIC continues to review the asset allocation and performance of the investments held in the RTC Master Trust. The assets of the RTC Master Trust are held by BNY Mellon.

The investment policy, as approved by the PAIC (and formerly the Raytheon Company Investment Committee), permits asset diversification to include a combination of cash and cash equivalents, fixed-income securities, publicly traded U.S. and international equity securities, private equity and private real estate funds, and other investments such as commingled funds, real estate, insurance

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
As of December 31, 2020 and 2019

contracts and derivatives. Participating plans receive units of participation in the applicable Master Trust based on their contributions to that Master Trust.

Investment securities are exposed to various risks, such as interest rate, market, currency, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur and such changes could materially affect the amounts reported in the Plan's Statements of Net Assets Available for Benefits.

Certain prior year disclosures related to the RTN Master Trust have changed from prior filings for purposes of comparability with current year presentations.

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
As of December 31, 2020 and 2019

The following table includes the Statements of Net Assets for the RTC Master Trust, along with the Plan's interest in the RTC Master Trust, as of December 31, 2020.

	RTC Master Trust Balances	Plan's Interest in RTC Master Trust Balances
Assets		
Investments:		
Cash and cash equivalents	\$ 4,399,992,026	\$ 1,346,689,346
Corporate debt securities	17,986,899,071	3,645,978,312
U.S. government and related agency obligations	2,207,917,636	525,640,795
Corporate stock	8,301,159,407	2,548,592,315
Registered investment companies	246,930,634	70,276,794
Commingled funds	14,991,290,600	3,823,933,961
Private equity and private real estate funds	4,964,300,837	1,513,096,573
Real estate	1,642,133,661	492,964,311
Other derivatives	4,746,362	1,211,895
Unallocated insurance contracts	21,133,399	13,531,309
Total Investments	54,766,503,633	13,981,915,611
Cash	105,268,122	28,487,865
Cash held at broker for derivative contracts	378,183,506	102,344,761
Interest and dividends receivable	184,988,444	50,061,935
Receivable for securities sold	242,370,617	65,590,811
Unrealized appreciation on futures contracts	119,454,685	32,327,061
Other assets and receivables	216,754	58,658
Total Assets	55,796,985,761	14,260,786,702
Liabilities		
Payable for securities purchased	161,397,721	43,677,767
Unrealized depreciation on futures contracts	18,051,379	4,885,100
Other payables	42,450,333	11,487,992
Total Liabilities	221,899,433	60,050,859
Total Net Assets	\$ 55,575,086,328	\$ 14,200,735,843
Percentage of Plan's interest in the RTC Master Trust		26%

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
As of December 31, 2020 and 2019

The following table includes the Statements of Net Assets for the RTN Master Trust, along with the Plan's interest in the RTN Master Trust, as of December 31, 2019.

	RTN Master Trust Balances	Plan's Interest in RTN Master Trust Balances
Assets		
Investments:		
Cash and cash equivalents	\$ -	\$ -
Corporate debt securities	2,323,674,851	1,428,660,982
U.S. government and related agency obligations	2,054,074,410	1,262,903,010
Corporate stock	3,217,081,147	1,977,952,426
Registered investment companies	1,054,549,341	648,366,744
Commingled funds	9,064,067,078	5,572,844,654
Private equity and private real estate funds	2,575,171,563	1,583,288,269
Real estate	-	-
Unallocated insurance contracts	20,843,141	12,814,952
Total Investments	20,309,461,531	12,486,831,037
Cash	16,484,726	10,135,276
Cash held at broker for derivative contracts	27,116,980	16,672,286
Interest and dividends receivable	49,497,549	30,432,492
Receivable for securities sold	12,783,967	7,859,944
Unrealized appreciation on futures contracts	8,273,832	5,086,986
Other assets and receivables	129,381,422	79,547,355
Total Assets	20,553,000,007	12,636,565,376
Liabilities		
Payable for securities purchased	61,211,669	37,634,664
Unrealized depreciation on futures contracts	15,778,395	9,701,003
Other derivatives	119,442	73,436
Other payables	9,561,356	5,878,592
Total Liabilities	86,670,862	53,287,695
Total Net Assets	20,466,329,145	12,583,277,681
Percentage of Plan's interest in the RTN Master Trust		61%

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The following table is a summary of the investment earnings and the net appreciation (depreciation) in the fair market value of the Master Trusts for which the Plan was invested for the year ended December 31, 2020 ("Summary of Investment Earnings"):

	January 1, 2020 to Master Trust Merger Date	Master Trust Merger Date to December 31, 2020	Full year ended December 31, 2020
Net appreciation (depreciation) in investments at fair market value	\$ 2,082,960,858	\$ 1,413,700,673	\$ 3,496,661,531
Interest	127,941,592	47,446,966	175,388,558
Dividends	75,055,117	10,655,152	85,710,269
Other income	87,166,958	3,532,684	90,699,642
Total investment income	<u>\$ 2,373,124,525</u>	<u>\$ 1,475,335,475</u>	<u>\$ 3,848,460,000</u>
Total expenses	<u>165,799,479</u>	<u>38,463,416</u>	<u>204,262,895</u>
Net investment income	<u>\$ 2,207,325,046</u>	<u>\$ 1,436,872,059</u>	<u>\$ 3,644,197,105</u>
Portion of Net Investment Income Allocated to the Plan			1,736,418,756
Transfer to (from) the Master Trust for the Master Trust Merger	(21,205,044,002)	21,205,044,002	-
Other transfers into (out of) the Master Trust, net	(1,468,610,189)	458,751,179	(1,009,859,010)
Beginning of period Master Trust net assets	\$ 20,466,329,145	\$ -	\$ 20,466,329,145
UTC Master Trust assets on Master Trust Merger Date	N/A	32,474,419,088	32,474,419,088
Net change in Master Trust assets	(20,466,329,145)	23,100,667,240	2,634,338,095
End of period Master Trust net assets	-	\$ 55,575,086,328	\$ 55,575,086,328

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The following table is a summary of the investment earnings and the net appreciation (depreciation) in the fair market value of the RTN Master Trust for the year ended December 31, 2019 ("Summary of Investment Earnings"):

	RTN Master Trust 2019
Net appreciation (depreciation) in investments at fair market value	\$ 3,284,807,879
Interest	145,598,122
Dividends	141,189,439
Other income	75,349,710
Total investment income	<u>\$ 3,646,945,150</u>
Total expenses	<u>183,968,890</u>
Net investment income	<u>\$ 3,462,976,260</u>
Portion of net investment income allocated to the Plan	<u>\$ 2,082,948,243</u>
Transfers into (out of) the RTN Master Trust, net	\$ (1,636,542,195)
Beginning of year RTN Master Trust net assets	\$ 18,639,895,080
Net change in RTN Master Trust assets	1,826,434,065
End of year RTN Master Trust net assets	\$ 20,466,329,145

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Fair Value Measurements

The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. Fair value is defined as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The accounting standard established a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required:

- | | |
|-----------------|---|
| Level 1: | Unadjusted quoted prices in active markets for identical assets or liabilities. |
| Level 2: | Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs which are observable or have been corroborated by observable market data for substantially the full term of the related assets or liabilities. |
| Level 3: | Unobservable inputs supported by little or no market activity that are significant to the fair value of the assets or liabilities. |

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. See valuation policy section for further information.

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

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The following tables summarize the fair value of investment assets and liabilities in the RTC Master Trust as of December 31, 2020:

Fair Value of Investment Assets as of December 31, 2020					
	Level 1	Level 2	Level 3	Not Subject to Leveling ⁽¹⁾	Total
Cash and cash equivalents	\$ -	\$ 4,399,992,026	\$ -	\$ -	\$ 4,399,992,026
Corporate debt securities	-	17,986,899,071	-	-	17,986,899,071
U.S. government and related agency obligations	1,686,535,804	521,381,832	-	-	2,207,917,636
Corporate stock	8,271,933,779	29,225,628	-	-	8,301,159,407
Registered investment companies	246,930,634	-	-	-	246,930,634
Commingled funds ⁽²⁾	-	-	-	14,991,290,600	14,991,290,600
Private equity and private real estate funds ⁽³⁾	-	-	-	4,964,300,837	4,964,300,837
Real estate ⁽⁴⁾	-	-	1,642,133,661	-	1,642,133,661
Other derivatives	-	4,746,362	-	-	4,746,362
Unallocated insurance contracts	-	21,133,399	-	-	21,133,399
Unrealized appreciation on futures contracts	119,454,685	-	-	-	119,454,685
Total assets in fair value hierarchy	\$ 10,324,854,902	\$ 22,963,378,318	\$ 1,642,133,661	\$ 19,955,591,437	\$ 54,885,958,318

Fair Value of Investment Liabilities as of December 31, 2020					
	Level 1	Level 2	Level 3	Not Subject to Leveling ⁽¹⁾	Total
Unrealized depreciation on futures contracts	18,051,379	-	-	-	18,051,379
Total liabilities in fair value hierarchy	\$ 18,051,379	\$ -	\$ -	\$ -	\$ 18,051,379

(1) In accordance with Accounting Standards Codification ("ASC") Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets for the RTC Master Trust.

(2) Commingled funds include investments in funds, of which 9% have daily redemption terms, 89% have monthly to bi-annual redemption terms, and 2% have redemption terms only on specified dates. Approximately 3% of Commingled funds have a lockup period greater than 1 year and up to 4 years, and approximately 49% of Commingled funds could be subject to gating provisions as of December 31, 2020. There were no unfunded commitments to Commingled funds as of December 31, 2020.

(3) Private equity and private real estate funds include investments in funds which can never be redeemed during the life of the funds. The remaining life of private equity and private real estate funds range from 0 to 13 years. There were \$2,796 million unfunded commitments to Private equity and private real estate funds as of December 31, 2020.

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The following tables summarize the fair value of investment assets and liabilities in the RTN Master Trust as of December 31, 2019:

Fair Value of Investment Assets as of December 31, 2019					
	Level 1	Level 2	Level 3	Not Subject to Leveling ⁽¹⁾	Total
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate debt securities	-	2,323,674,851	-	-	2,323,674,851
U.S. government and related agency obligations	1,863,363,534	190,710,876	-	-	2,054,074,410
Corporate stock	3,203,792,000	13,289,147	-	-	3,217,081,147
Registered investment companies	1,054,549,341	-	-	-	1,054,549,341
Commingled funds ⁽²⁾	-	-	-	9,064,067,078	9,064,067,078
Private equity and private real estate funds ⁽³⁾	-	-	-	2,575,171,563	2,575,171,563
Real estate	-	-	-	-	-
Unallocated insurance contracts	-	-	20,843,141	-	20,843,141
Unrealized appreciation on futures contracts	8,273,832	-	-	-	8,273,832
Total assets in fair value hierarchy	\$ 6,129,978,707	\$ 2,527,674,874	\$ 20,843,141	\$ 11,639,238,641	\$ 20,317,735,363

Fair Value of Investment Liabilities as of December 31, 2019					
	Level 1	Level 2	Level 3	Not Subject to Leveling ⁽¹⁾	Total
Unrealized depreciation on futures contracts	\$ 15,778,395	\$ -	\$ -	\$ -	\$ 15,778,395
Other derivatives	-	119,442	-	-	119,442
Total liabilities in fair value hierarchy	\$ 15,778,395	\$ 119,442	\$ -	\$ -	\$ 15,897,837

(1) In accordance with Accounting Standards Codification ("ASC") Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets for the RTN Master Trust.

(2) Commingled funds include investments in funds, of which 57% have daily redemption terms, 42% have monthly to bi-annual redemption terms, and 1% have redemption terms only on specified dates. Approximately 2% of Commingled funds have a lockup period greater than 1 year and up to 10 years, and approximately 14% of Commingled funds were under gating provisions as of December 31, 2019. There were \$52 million unfunded commitments to Commingled funds as of December 31, 2019.

(3) Private equity and private real estate funds include investments in funds which can never be redeemed during the life of the funds. The remaining life of Private equity and private real estate funds ranged from 0-13 years. There were \$1,886 million unfunded commitments to Private equity and private real estate funds as of December 31, 2019.

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Level 3 Investments

For the years ended December 31, 2020 and December 31, 2019, there were no material transfers in or out of Level 3 in the applicable Master Trusts.

For the year ended December 31, 2019, Level 3 investments consist mainly of unallocated insurance contracts. Unallocated insurance contracts represent less than 1% of the Master Trust assets and are valued at their contract price, which approximates fair value.

The following table represents the Master Trust's Level 3 financial instruments as of December 31, 2020, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of the values for those inputs:

Level 3 Investment	Fair Value	Principal Valuation Technique	Significant Unobservable Inputs	Range of Significant Input Values
Real Estate	\$ 1,642,133,661	Discounted Cash Flow Analysis	Revenue Growth Rate	0%-11%
			Discount Rate	6.5%-9.5%
			Exit Cap Rate	5.75%-9%

In estimating fair value of the investments in Level 3, the Plan Administrator may use third-party pricing sources. In substantiating the reasonableness of the pricing data provided by third-parties, the Plan Administrator evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

Valuation Policy

The Plan's interest in the Master Trust is stated at fair value. The Trustee values the Master Trust investments as follows:

Cash and cash equivalents, which includes a short-term investment fund, are valued at amortized cost, which approximates fair value. The short-term investment fund is not valued using on a quoted price in an active market and is therefore classified as a Level 2 investment in the fair value hierarchy.

Investments in fixed income securities (U.S. Government, domestic and foreign bonds, asset backed securities, and term loans) are valued by a pricing service which determines valuations for normal institutional-size trading units of such securities using methods based upon market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders, or at fair value as determined in good faith by the Trustee of the Master Trust and management.

Investments in equity securities (common and preferred) and equity securities sold short, if any, are valued at the exchange traded closing price if available.

Investments in registered investment companies are valued at their last reported net asset value.

Investments in commingled funds, private equity funds, and private real estate funds are stated at fair market value, which primarily utilizes net asset values reported by the investment manager

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or fund administrator. Management reviews additional valuation and pricing information from fund managers, including audited financial statements, to evaluate the net asset values.

Real estate assets are valued quarterly and consistently with the Real Estate Information Standards. The income approach (discounted cash flow models), sales comparison approach, or cost approach are utilized depending on the approach that most accurately portrays the anticipated behavior of the property and buyers in the market.

Unallocated insurance contracts are valued at their contract price which approximates fair value.

Valuation policies for derivative investments are disclosed in the Derivatives Policy section.

Investments denominated in foreign currencies are translated into U.S. Dollars using the last reported exchange rate.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value.

Investment Income (Loss)

The Trustee maintains separate records of each plan's proportionate share in the Master Trust's investment accounts. The Plan's share of investment income (loss) and net appreciation (depreciation) in the fair value of investments of the Master Trust is included in the Statements of Changes in Net Assets Available for Benefits as Master Trust investment income (loss). The net appreciation (depreciation) in the fair value of investments consists of the realized gains (losses) and the change in unrealized appreciation (depreciation) on those investments.

Under the Master Trust Agreement, each plan's assets are jointly invested. The Plan uses the unit participation method to calculate the Plan's interest in the Master Trust. Under this method, contributions made to and benefits paid from the Master Trust result in increases or decreases in units of participation. All Master Trust income or loss results in a change in unit value.

Dividends are recorded on the ex-dividend date and interest income is accrued as earned. All security transactions are recorded on the trade date. Premiums and discounts on debt securities are amortized to maturity. Gains or losses on sales of securities are based on average cost.

Derivatives Policy

The Master Trust enters into contractual arrangements classified as derivatives in carrying out its investment strategy, principally to: (1) manage a portion of the Master Trust's portfolio against exposure to certain risks, (2) gain exposure to a market more rapidly or less expensively than could be accomplished through the use of the cash markets, and (3) increase investment returns by reducing the cost of structuring the portfolio or capturing value disparities between financial instruments. The Master Trust may utilize both exchange traded derivatives such as equity and fixed income futures and option contracts and over-the-counter ("OTC") derivatives such as forward contracts and swaps. Select major financial institutions are used in derivatives transactions. When engaging in OTC derivatives and forward foreign currency exchange contracts ("forward currency contracts"), there is exposure to credit loss in the event of nonperformance by the counterparties to these transactions. As needed for material exposures, the Master Trust manages these exposures through credit approvals, limits, monitoring procedures, and, to the extent possible, by restricting the period over which unpaid balances are allowed to accumulate. The Master Trust does not anticipate nonperformance by counterparties to these contracts.

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The following is a summary of the significant accounting policies associated with the Master Trust's use of derivatives:

Futures Contracts

The Master Trust may invest in futures contracts. A futures contract is a contractual agreement to make or take delivery of a standardized quantity of a specified grade or type of commodity or financial instrument at a specified future date in accordance with terms specified by a regulated futures exchange.

The Master Trust may use equity index, fixed income, interest rate, and commodities futures contracts to manage exposure to the market. Buying futures contracts increases the Master Trust's exposure to the underlying instrument. Selling futures contracts decreases the Master Trust's exposure to the underlying instrument held or mitigates the risk of changes in fair value of other investments held in the Master Trust.

Futures contracts are valued at the last settlement price at the end of each day on the exchange upon which they are traded. Upon entering into a futures contract, the Master Trust is required to deposit either in cash or securities an amount equal to a certain percentage of the nominal value of the contract ("initial margin"). Pursuant to the futures contract, the Master Trust agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the futures contract. The accumulated balance of such receipts or payments is recorded within "Cash held at broker for derivative contracts" on the Statement of Net Assets for the Master Trust. The Master Trust will also record an unrealized gain or loss on futures contracts, which is calculated as the difference between the notional cost and the notional market value of open futures contracts. The unrealized gains or losses on are recorded within "Unrealized appreciation (depreciation) on futures contracts" on the Statement of Net Assets for the Master Trust.

Futures contracts involve, to varying degrees, credit and market risks. The Master Trust enters into futures contracts on exchanges where the exchange acts as the counterparty to the transaction. Thus, credit risk on such transactions is limited to the failure of the exchange. The daily settlement on the futures contracts serves to greatly reduce credit risk. Losses in value may arise from changes in the value of the underlying instrument or if there is an illiquid secondary market for the contracts. In addition, there is the risk that the change in the value of the futures contract may not correlate exactly with the change in value of the corresponding investments held in the Master Trust.

At December 31, 2020, there were no U.S. Government Bonds pledged by the RTC Master Trust as collateral for open futures contracts. At December 31, 2020, a cash balance of \$340,319,507 was pledged by the RTC Master Trust to cover margin requirements for open futures contracts.

At December 31, 2019, U.S. Government Bonds with a par value of \$19,447,000 (fair value of \$19,979,822) were pledged by the RTN Master Trust as collateral for open futures contracts. These bonds are restricted from trading until the futures contracts for which they are pledged as collateral are settled. A cash balance of \$27,116,980 was pledged by the RTN Master Trust to cover margin requirements for open futures contracts.

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The effect of futures contracts on the Statement of Net Assets for the Master Trust as of December 31, 2020 and December 31, 2019 are as follows:

	RTC Master Trust December 31, 2020	RTN Master Trust December 31, 2019
Assets		
Credit	\$ 4,434,474	\$ 2,517,312
Equity	110,200,429	5,756,520
Foreign Exchange	4,819,781	-
	<u>\$ 119,454,684</u>	<u>\$ 8,273,832</u>
Liabilities		
Credit	\$ 17,090,630	\$ 15,778,395
Equity	960,749	-
Foreign Exchange	-	-
	<u>\$ 18,051,379</u>	<u>\$ 15,778,395</u>

The net appreciation/(depreciation) of futures contracts during the years ended December 31, 2020 and December 31, 2019 is presented below:

	2020	2019
RTN Master Trust	\$ 243,890,819	\$ 114,578,706
RTC Master Trust	196,072,338	-
Total net appreciation (depreciation) on futures contracts	<u>\$ 439,963,157</u>	<u>\$ 114,578,706</u>

A summary of the open futures contracts in the RTC Master Trust as of December 31, 2020 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed Income	16,560	\$ 2,959,060,657	4,619	\$ 838,661,977
Equity Index	39,249	5,158,323,001	-	-
Interest Rate	-	-	-	-
Foreign Exchange	9,382	525,499,659	-	-
	<u>65,191</u>	<u>\$ 8,642,883,317</u>	<u>4,619</u>	<u>\$ 838,661,977</u>

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A summary of the open futures contracts in the RTN Master Trust as of December 31, 2019 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed Income	4,072	\$ 683,628,734	1,825	\$ 254,420,391
Equity Index	1,760	284,336,800	-	-
Interest Rate	38	9,344,675	-	-
Foreign Exchange	-	-	-	-
	<u>5,870</u>	<u>\$ 977,310,209</u>	<u>1,825</u>	<u>\$ 254,420,391</u>

Forward Currency Contracts

The Master Trust invested in forward currency contracts during the years ended December 31, 2020 and December 31, 2019. A forward currency contract is a commitment to purchase or sell a foreign currency at a future settlement date and at a negotiated rate.

Forward currency contracts are utilized to manage a portion of the currency exposure that results from the Master Trust's holdings of equity and fixed income securities denominated in foreign currencies.

Forward currency contracts are marked-to-market at the prevailing forward exchange rate of the underlying currencies, and the difference between contract value and market value is recorded within "Other derivatives" on the Statement of Net Assets for the Master Trust. When the forward exchange contract is settled, the Master Trust transfers the unrealized appreciation (depreciation) to a realized gain (loss) equal to the change in the value of the forward exchange contract when it was entered into and the value at the time it was settled or offset. Sales and purchases of forward currency contracts having the same settlement date and broker are offset, and any gain (loss) is realized on the date of offset.

Certain risks may arise upon entering into a forward currency contract from the potential inability of counterparties to meet the terms of their contracts. Additionally, when utilizing forward currency contracts to manage currency exposure, the Master Trust gives up the opportunity to profit from favorable exchange rate movements during the term of the contract.

Option Contracts

The Master Trust was invested in option contracts during the year ended December 31, 2020. The market value of option contracts held in the Master Trust is recorded within "Other derivatives" on the Statement of Net Assets of the Master Trust. An option contract is a contract in which the writer of the option contract grants the buyer of the option contract the right to purchase from ("call option"), or sell to ("put option"), the writer a designated instrument at a specified price within a specified period of time. Certain option contracts, including option contracts on indices, will require cash settlement by the Master Trust if the option contract is exercised. The Master Trust may enter into put or call option contracts in order to manage potential adverse price movements in the value of the portfolio assets, as a temporary substitute for selling selected investments, to lock in the purchase price of a security or currency that it expects to purchase in the near future, as a temporary substitute for the purchase of selected investments, and/or to enhance potential gain.

When the Master Trust purchases or writes an option contract, an amount equal to the premium paid or received by the Master Trust is recorded as an asset or liability and is subsequently adjusted to the current market value of the option contract purchased or written. Option contracts purchased or written are valued at the last sale price or, in the absence of a sale, the mean between the closing bid and ask prices or at the most recent ask price (bid for purchased option contracts) if no bid and ask price are

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available. OTC purchased or written option contracts are valued using dealer supplied quotations. Gain and loss is recognized when the option contract expires or is settled.

If the Master Trust writes a covered call option contract, the Master Trust foregoes, in exchange for the premium, the opportunity to profit during the option contract period from an increase in the value of the underlying security above the exercise price. If the Master Trust writes a put option contract, it accepts the risk of a decline in the value of the underlying security below the exercise price. OTC option contracts have a risk of the potential inability of counterparties to meet the terms of their contracts. The Master Trust's maximum exposure to purchased option contracts is limited to the premium initially paid. In addition, certain risks may arise upon entering into option contracts and a change in value of the option contract may not correlate exactly with changes in the value of the underlying security.

Swaps

The Master Trust was invested in swap contracts during the years ended December 31, 2020 and December 31, 2019. The Master Trust may invest in interest rate swap contracts, credit default swap contracts, and currency swap contracts. The market value of swap contracts held in the Master Trust is recorded within "Other derivatives" on the Statement of Net Assets of the Master Trust.

The Master Trust uses interest rate swap contracts to manage its exposure to interest rates. Interest rate swap contracts entered into by the Master Trust typically represent the exchange by the Master Trust with a counterparty of a commitment to make variable rate and fixed rate payments with respect to a notional amount of principal. Such contracts may have a term of one to ten years, but typically require periodic interim settlement in cash, at which time both the value of the index or security and the specified variable interest rate are reset for the next settlement period. During the period that the swap contract is open, the contract is marked-to-market as the net amount due to or from the Master Trust in accordance with the terms of the contract based on the closing level of the relevant index or security and interest accrual through the valuation date. Changes in the value of the swap contract are recorded as unrealized gains or losses, while periodic cash settlements are recorded as realized gains or losses.

The Master Trust may invest in credit default swap contracts. Credit default swap contracts entered into by the Master Trust typically represent the exchange by the Master Trust with a counterparty of a commitment to provide a level of credit protection for a commitment to receive interest at a fixed rate based on the potential risk of default of the relevant underlying issuer. Providing credit protection to a counterparty tends to increase a Master Trust's exposure to the underlying instrument. Receiving credit protection from a counterparty tends to decrease a Master Trust's exposure to the underlying instrument held by the Master Trust or hedge the fair value of other Master Trust investments. Credit default swap contracts may have a term of one to ten years, but typically require periodic interim settlement in cash. During the period that the credit default swap contract is open, the contract is marked-to-market in accordance with the terms of the contract based on the current interest rate spreads and credit risk of the referenced obligation of the underlying issuer and interest accrual through valuation date. Changes in the value of the credit default swap contract are recorded as unrealized gains or losses, while periodic cash settlements are recorded as realized gains or losses.

Entering into a swap contract involves, to varying degrees, elements of credit, market and interest rate risk in excess of the amounts reported in the statement of net assets available for benefits. Notional principal amounts are used to express the extent of involvement in the transactions, but are not delivered under the contract. Accordingly, credit risk is limited to any amounts receivable from the counterparty. To reduce credit risk from potential counterparty default, the Master Trust enters into swap contracts with counterparties whose creditworthiness has been approved by the Trustee of the Trust. The Master Trust bears the market risk arising from any change in index or security values or interest rates.

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8. Termination Policies

The Company has not expressed any intent to terminate the Plan or discontinue its contributions. However, in the event the Plan is discontinued:

- a) The assets comprising the Plan, including the net income (loss) of the Plan, shall be revalued at market by the Trustee.
- b) The Plan provides that the net assets of the Plan shall be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.
- c) To the extent unfunded vested benefits exist, ERISA provides that such benefits are payable by the PBGC to participants, up to specified limitations, as described in ERISA.

Whether all participants receive their full or partial benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

The Company may terminate the Plan in whole or in part at any time. This summary of termination priorities is provided for general information purposes only. Participants should refer to the Plan Document for more information.

9. Certain Transactions Involving Related Parties and Parties-in-Interest

BNY Mellon, as the Trustee and Custodian of the Plan, incurs expenses in connection with these services to the Plan and Master Trust, and is therefore a party-in-interest with respect to the Plan. Certain investments within the Master Trust were advised by or affiliated with BNY Mellon. The Plan Sponsor, Raytheon Company, is a party-in-interest with respect to the Plan and incurs expenses in connection with the administration of the Plan and the Master Trust.

The following table is a summary of the expenses paid to BNY Mellon and Raytheon Company, including from 401(h) accounts, for the years ended December 31, 2020 and 2019:

	Year Ended 2020	Year Ended 2019
Expenses specifically related to the Plan	\$ 404,997	\$ 702,459
Plan's allocation of expenses paid directly by the Master Trust	3,327,448	4,417,080

The Plan also incurs certain administrative expenses paid to parties-in-interest.

All of these transactions either fall outside the scope of or are exempt from ERISA's prohibited transaction rules.

10. Tax Status

The Internal Revenue Service (the "IRS") has determined and informed the Company by letter dated September 23, 2013, that the design of the Plan meets the requirements for qualification under Code section 401(a), on which the tax exemption of the Trust under Code section 501(a) is based. The Plan has been amended since receiving the determination letter. The Plan

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Administrator and the Company's benefits counsel believe that the current design and operation of the Plan are consistent with continued qualification of the Plan and exemption of the Trust in the context of applicable IRS procedures. The Company, on behalf of the Plan, applied for a new determination letter on January 29, 2016.

The Plan adopted the provisions of uncertain tax positions that provide criteria for the recognition, measurement, presentation, and disclosure of uncertain tax positions. The Plan may from time to time hold investments that give rise to certain tax liabilities. Based upon management's assessment, the Plan has not recognized any tax liabilities at December 31, 2020 and 2019. The Plan is subject to examinations by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Plan Administrator believes the Plan is no longer subject to federal tax examination for years prior to 2017.

11. Risks and Uncertainties

The Plan financial statements are based on the application of GAAP, which require the Plan to make estimates and assumptions about future events that affect the amounts reported in financial statements and the accompanying notes.

Contributions to the Plan are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, employee compensation, and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. The investments of the Plan, which are held in the Master Trust, are exposed to various risks, such as interest rate, market, and credit risks. See Note 7 for additional information with respect to investment risk.

12. Subsequent Events

The Plan has evaluated subsequent events and transactions subsequent to December 31, 2020 through the date the Plan's financial statements were available to be issued, October 15, 2021.

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law. ARPA contains provisions that are expected to reduce minimum contribution requirements for pension plans as early as 2020 depending on when the sponsoring employer chooses to apply them. RTC has not yet adopted these provisions.

On September 13, 2021, the Raytheon Technologies Corporation Benefit Design and Administration Committee adopted an amendment to the Plan in accordance with the settlement agreement and court approval order related to Cruz v. Raytheon Company, et al., Civ. Action No. 1:19-cv-11425 (U.S.D.C. Mass.). This amendment increased certain monthly benefits payable by the Plan effective January 1, 2021 and is not expected to have a material impact to the actuarial present value of accumulated plan benefits.

Schedule SB, line 26 — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	Total
Under 25											
25–29											
30–34	1	10	13	89							113
				118,220							
35–39	6	32	34	1,146	319	2					1,539
		82,925	92,298	131,064	141,361						
40–44	6	30	43	796	1,229	127					2,231
		88,497	96,292	133,954	147,336	163,532					
45–49	8	37	54	600	840	423	35	1			1,998
		94,281	104,210	138,644	144,826	168,435	172,195				
50–54	19	33	42	567	768	368	222	242	4		2,265
		82,765	111,644	137,195	142,771	170,036	176,408	145,738			
55–59	13	37	84	751	906	436	342	1,078	433	11	4,091
		92,861	95,352	142,916	148,160	160,142	169,668	168,822	159,544		
60–64	13	45	54	492	637	300	156	446	601	215	2,959
		91,418	98,884	146,250	140,847	153,272	158,716	150,393	150,899	134,028	
65–69	5	13	19	167	207	87	46	84	114	95	837
				136,210	138,316	138,740	158,711	141,534	136,112	131,601	
70 & up	4	14	8	51	55	18	18	17	33	41	259
				135,313	152,429				83,925	124,257	
Total	75	251	351	4,659	4,961	1,761	819	1,868	1,185	362	16,292

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2019 limited to \$280,000. Average pay is not shown for plans with less than 1,000 active participants or cells with fewer than 20 participants.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Assumptions for January 1, 2020 Funding Valuation**

Discount rate sponsor elections		
• Segment rates or full yield curve	Segment	
• Look-back months	0	
	Stabilized	Nonstabilized
• First 5 years	3.64%	2.77%
• Next 15 years	5.21%	3.83%
• Over 20 years	5.94%	4.28%
Mortality sponsor elections		
• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the IRS-defined 2006 Base Tables with mortality improvement based on the IRS methodology and projection scale MP-2018.	
• Disabled active and inactive participants for Raytheon Company Pension Plan for Salaried Employees before Merger, Raytheon Company Pension Plan for Discontinued Operations, Waco participants of the Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan, and Raytheon TI Systems Employees' Pension Plan	Same as healthy	
• Active participants who transfer out or have frozen benefits		
• Disabled active and inactive participants for all other plans	Revenue Ruling 96-7 Post-1994 Disabled Mortality Table	
Actuarial equivalence for conversion to lump sum for Raytheon TI systems employees' pension plan	<p>The basis for valuation is based on whichever of the following bases yields a greater lump sum value:</p> <ul style="list-style-type: none"> • PBGC interest rates of 0.25% for plan year 2020, 0.75% for 2021, 1.25% for 2022, 1.75% for 2023 and 2.00% thereafter and the UP-1984 mortality table; or • Segmented interest rates of 2.09% for 5 years, 3.00% for the next 15 years and 3.61% thereafter for 2020; 2.50% for 5 years, 3.25% for the next 15 years and 3.75% thereafter for 2021; 3.00% for 5 years, 3.50% for the next 15 years and 3.75% thereafter for 2022; 3.50% for 5 years, 3.75% for the next 15 years, and 4.00% thereafter for 2023; 4.00% for 5 years, 4.00% for the next 15 years, and 4.00% for 2024 and beyond. Mortality is based on the 2020 static 417(e) mortality table prescribed by the IRS for 2020, the 2021 static 417(e) mortality table prescribed by the IRS for 2021 and the 417(e) mortality table with improvements projected generationally based on MP-2019 for 2022 and beyond. <p>Rationale (PBGC interest rates): Based on long-term historical trends in the PBGC rate which suggests a range of 100 to 230 basis points below the long government bond. The assumption for long</p>	

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

	<p>government bonds is periodically published by Mercer Investment Consulting's Capital Markets Outlook.</p> <p>Rationale (Segmented interest rates): Based on a long-term view of the three segment rates extrapolated by bootstrapping the forward rates from the current year's PPA full yield curve.</p> <p>Rationale (mortality): Based on the current year tables prescribed by the IRS and estimates of future IRS tables.</p>																						
Other economic assumptions																							
• Pensionable earnings	<p>Base Pay</p> <p>The Base Pay portion of total pensionable earnings is assumed to increase at the following rates:</p> <table> <tr> <th>Attained age</th><th>Actives and Transfers¹</th></tr> <tr><td>20</td><td>8.00%</td></tr> <tr><td>25</td><td>8.00%</td></tr> <tr><td>30</td><td>8.00%</td></tr> <tr><td>35</td><td>6.35%</td></tr> <tr><td>40</td><td>5.11%</td></tr> <tr><td>45</td><td>4.21%</td></tr> <tr><td>50</td><td>3.62%</td></tr> <tr><td>55</td><td>3.34%</td></tr> <tr><td>60</td><td>3.10%</td></tr> <tr><td>65+</td><td>3.10%</td></tr> </table> <p>Incentive Pay</p> <p>The Incentive Pay portion of total pensionable earnings is assumed to increase at the same rates as shown above. Bonuses paid in 2020 are expected to be 127.8% of the target bonus. Based on the bonuses paid in 2019 being 140.7% of target, in addition to the rates shown above, the 2020 projected bonus in this valuation is adjusted to be 9.2% lower.</p> <p>Rationale: Based on past experience and current plan membership, and adjusted to reflect management's expectation of future wage increases.</p>	Attained age	Actives and Transfers ¹	20	8.00%	25	8.00%	30	8.00%	35	6.35%	40	5.11%	45	4.21%	50	3.62%	55	3.34%	60	3.10%	65+	3.10%
Attained age	Actives and Transfers ¹																						
20	8.00%																						
25	8.00%																						
30	8.00%																						
35	6.35%																						
40	5.11%																						
45	4.21%																						
50	3.62%																						
55	3.34%																						
60	3.10%																						
65+	3.10%																						
• Social Security taxable wage base increases	<p>3.50% per year</p> <p>Rationale: Reflects long-term view of inflation and the average real wage increases for the U.S. economy as a whole.</p>																						
• Inflation	<p>2.50% per year</p> <p>Rationale: Based on the inflation assumption periodically published by Mercer Investment Consulting in their Capital Markets Outlook.</p>																						
• Cost-of-living adjustment (post-retirement)	<p>2.25% per year for certain Discontinued Operations segments</p> <p>Rationale: The retiree cost-of-living adjustment is assumed to average 2.25% due to the fact that there is a 4.5% cap that is applied annually to the cost-of-living adjustment. The 25bp spread represents the expected impact of the 4.5% annual cap in the context of the 2.5% long-term inflation assumption.</p>																						

¹ Employees on leave of absence and transfers from Raytheon Company Pension Plan for Salaried Employees before Merger, E-Systems, Inc. Salaried Retirement Plan, HRB Systems, Inc. Salaried Retirement Plan, and Raytheon TI Systems Employees Pension Plan have no assumed salary increases.

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

• Expected investment return	<p>The expected investment return is 7.00% per year, but no greater than 3rd segment rate in effect for each year.</p> <p>Rationale: The expected long-term return on assets assumption was developed based on the plan's current target investment allocation and a building block approach, which looked at the weighted average expected return for each asset class based on long-term capital market assumptions. The expected return for each asset class is composed of inflation plus a risk free rate of return, plus an expected risk premium for each asset class. The resulting return was then adjusted for administrative, investment management and trading expenses as well as recognition of alpha for active management.</p>
• Expenses	<p>\$51,800,000 (added to current year target normal cost)</p> <p>Rationale: Based on actual administrative expenses incurred in the prior plan year increased with inflation, excluding the prior year PBGC expenses plus the estimated current year PBGC expenses.</p>

Demographic assumptions

• Withdrawal	<p>See table of sample rates for all plans.</p> <p>Rationale: Based on an experience study undertaken during 2019 using data from 2014 – 2018 and the expectation that future withdrawal patterns and circumstances of the employer will not differ significantly from the period studied.</p>
• Disability incidence	
– HRB Systems, Inc. Salaried Retirement Plan, E-Systems, Inc. Salaried Retirement Plan, and Raytheon TI Systems Employees' Pension Plan	<p>See table of sample rates: 1985 Pension Disability Tables for Class 1 Occupations for males and females.</p> <p>Rationale: These assumptions are based on the benefit structure under the plan and the actuary's experience with similar plans. Annual review of the experience has shown that these assumptions provide similar results to the actual experience under the plan.</p>
– Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan	<p>See table of sample rates: 1985 Pension Disability Tables for Class 3 Occupations for males and females.</p> <p>Rationale: These assumptions are based on the benefit structure under the plan and the actuary's experience with similar plans. Annual review of the experience has shown that these assumptions provide similar results to the actual experience under the plan.</p>
– All other plans	No disability incidence assumed.
• Retirement age	<p>See table of sample rates by plan</p> <p>Rationale: Based on an experience study undertaken during 2019 using data from 2014 – 2018 and the expectation that future withdrawal patterns and circumstances of the employer will not differ significantly from the period studied.</p>
• Benefit commencement age for Raytheon TI Systems Employees' Pension Plan	
– Future vested deferred	64
– Current vested deferred not retirement eligible at termination	64

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

– Current vested deferred retirement eligible at termination	62		
• Benefit commencement age for E-Systems, Inc. Salaried Retirement Plan			
– Future vested deferred	63		
– Current vested deferred not retirement eligible at termination	63		
– Current vested deferred retirement eligible at termination	62		
• Benefit commencement age for Discontinued Operations			
– Current vested deferred	65		
• Benefit commencement age for Salaried Retirement Plan			
– Future vested deferred	64		
– Current vested deferred not retirement eligible at termination	64		
– Current vested deferred retirement eligible at termination	60		
• Benefit commencement age for all other plans			
– Future vested deferred	64		
– Current vested deferred ²	64		
• Spouse assumptions	Male participants	Female participants	
– Percentage married	85%	75%	
– Spouse age difference	3 years younger	3 years older	
Form of payment		5 year certain & life	50% J&S
• HRB Systems, Inc. Salaried Retirement Plan and E-Systems, Inc. Salaried Retirement Plan	Active retirements	100%	0%
	Future vested deferred	100%	0%
	Future disabilities	100%	0%
	Future deaths	0%	100%
	Current vested deferred	100%	0%
• Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan		Single life	50% J&S
	Active retirements	100%	0%
	Future vested deferred	100%	0%

² In the Raytheon Company Pension Plan for Salaried Employees (before merger), certain deferred vested participants are assumed to retire at age 60 if they terminated after age 55 with 10 or more years of vesting service.

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

	Future disabilities	100%	0%	
	Future deaths	0%	100%	
	Current vested deferred	100%	0%	
• Raytheon Company Pension Plan for Salaried Employees before Merger		Single Life	50% J&S	
	Active retirements	100%	0%	
	Future vested deferred	100%	0%	
	Future disabilities	N/A	N/A	
	Future deaths	0%	100%	
	Current vested deferred	100%	0%	
• Raytheon TI Systems Employees' Pension Plan		Single Life	Lump Sum	50% J&S
	Active retirements (for 2020-2023 plan year)	10%	90%	0%
	Active retirements (2024 and beyond)	20%	80%	0%
	Future vested deferred	0%	100%	0%
	Future disabilities	100%	0%	0%
	Future deaths	0%	0%	100%
	Current vested deferred	10%	90%	0%
	Rationale: Based on an experience study undertaken during 2019 using data from 2014 – 2018. Separate assumption applies during select period to correspond to lower interest rates assumed during those years.			
• Raytheon Company Pension Plan for Discontinued Operations		Single Life		
	Active retirements	N/A		
	Future vested deferred	N/A		
	Future disabilities	N/A		
	Future deaths	N/A		
	Current vested deferred	100%		
Terminated vested participants over age 65	It is assumed that 65% of participants with deferred benefits over age 65 will be located and will commence benefits.			
Unpredictable contingent event assumptions	Not applicable.			

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Table of Sample Rates**

Attained age	Withdrawal
20	5.4%
25	5.3%
30	5.1%
35	4.7%
40	3.5%
45	1.8%
50	0.4%
55	0.0%

As further allowance for heavy turnover in the early years of employment, the following additional select turnover rates are based on years of service.

Service	Percent terminating
< 1	50.0%
< 2	30.0%
< 3	21.0%
< 4	15.8%
< 5	12.6%
< 6	10.7%
< 7	9.6%
< 8	9.2%
< 9	8.7%
< 10	8.3%
10 and over	0.0%

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Table of Sample Rates**

Raytheon Company Pension Plan for Salaried Employees before Merger

Attained Age	Retirement
55	2.00%
56	2.00
57	2.00
58	2.00
59	5.00
60	12.00
61	12.00
62	12.00
63	12.00
64	20.00
65	25.00
66	25.00
67	25.00
68	25.00
69	25.00
70	100.00

Table of Sample Rates

Former Raytheon TI Systems Employees Pension Plan

Attained Age	Disability	
	Male	Female
20	0.029%	0.030%
25	0.038	0.047
30	0.048	0.080
35	0.069	0.136
40	0.117	0.211
45	0.202	0.323
50	0.358	0.533
55	0.722	0.952
60	1.256	1.159
65	1.753	1.358
70	0.000	0.000

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

Attained Age	Retirement
55	7.50%
56	7.50
57	7.50
58	7.50
59	7.50
60	10.00
61	20.00
62	20.00
63	20.00
64	25.00
65	35.00
66	35.00
67	35.00
68	35.00
69	35.00
70	100.00

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Table of Sample Rates**

Former E-Systems, Inc. Salaried Retirement Plan

Attained Age	Disability	
	Male	Female
20	0.029%	0.030%
25	0.038	0.047
30	0.048	0.080
35	0.069	0.136
40	0.117	0.211
45	0.202	0.323
50	0.358	0.533
55	0.722	0.952
60	1.256	1.159
65	1.753	1.358
70	0.000	0.000

Attained Age	Retirement
55	5.00%
56	5.00%
57	10.00%
58	12.50%
59	12.50%
60	17.50%
61	17.50%
62	20.00%
63	20.00%
64	25.00%
65	30.00%
66	30.00%
67	30.00%
68	30.00%
69	30.00%
70	100.00%

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Table of Sample Rates**

Former HRB Systems, Inc. Salaried Retirement Plan

Attained Age	Disability	
	Male	Female
20	0.029%	0.030%
25	0.038	0.047
30	0.048	0.080
35	0.069	0.136
40	0.117	0.211
45	0.202	0.323
50	0.358	0.533
55	0.722	0.952
60	1.256	1.159
65	1.753	1.358
70	0.000	0.000

Attained Age	Retirement
55	5.00%
56	5.00
57	5.00
58	10.00
59	20.00
60	20.00
61	20.00
62	20.00
63	15.00
64	15.00
65	30.00
66	30.00
67	30.00
68	30.00
69	30.00
70	100.00

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Table of Sample Rates**

Former Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan

Attained Age	Disability	
	Male	Female
20	0.151%	0.089%
25	0.219	0.150
30	0.309	0.252
35	0.431	0.388
40	0.597	0.547
45	0.829	0.777
50	1.224	1.201
55	2.118	1.962
60	3.240	2.326
65	4.369	2.718
70	0.000	0.000

Attained Age	Retirement
55	2.50%
56	2.50
57	2.50
58	5.00
59	5.00
60	7.50
61	5.00
62	15.00
63	5.00
64	5.00
65	20.00
66	50.00
67	100.00

Actuarial Methods for Funding**Asset Methods**

The asset valuation method is an average of the adjusted market value for each year during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no

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

greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant Methods

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

- **Participants included:** Conduent, Inc. provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. In addition, for the Raytheon Company Pension Plan for Salaried Employees before Merger only, for retirees who elected a contingent annuitant form of payment, 15% of future beneficiaries are assumed to die prior to receiving benefits.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum Funding Methods

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

A detailed description of the calculation follows:

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

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

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

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

OMB No. 1210-0110

2020**This Form is Open to Public
Inspection**For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020▶ **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 RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES	B Three-digit plan number (PN) ▶ 024
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF RAYTHEON COMPANY	D Employer Identification Number (EIN) 95-1778500
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2020</u>			
2 Assets:			
a Market value	2a	12,994,204,509	
b Actuarial value	2b	12,418,203,105	
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	29,927	5,743,923,615	5,743,923,615
b For terminated vested participants	25,409	1,338,649,127	1,338,649,127
c For active participants	16,264	4,598,939,722	4,829,108,245
d Total	71,600	11,681,512,464	11,911,680,987
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	5.41%	
6 Target normal cost	6	354,119,939	

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	<u>GRACE BARBIERI</u> ^(GB)	<u>AUGUST 31, 2021</u>
Signature of actuary		Date
GRACE BARBIERI, F.S.A.		2007481
Type or print name of actuary		Most recent enrollment number
MERCER		617-747-9500
Firm name		Telephone number (including area code)
99 HIGH STREET		
BOSTON	MA 02110-2320	
Address of the firm		

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

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

Schedule SB (Form 5500) 2020
v. 200204

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	930,266,987
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	521,243,205
9 Amount remaining (line 7 minus line 8)	0	409,023,782
10 Interest on line 9 using prior year's actual return of <u>19.52</u> %	0	79,841,442
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		553,665,396
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 <u>5.56</u> %		1,802,674
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		101,746,674
c Total available at beginning of current plan year to add to prefunding balance		657,214,744
d Portion of (c) to be added to prefunding balance		657,214,744
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	1,146,079,968

Part III Fundin gPercenta ges

14 Funding target attainment percentage	14	94.63%
15 Adjusted funding target attainment percentage	15	95.41%
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	92.17%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

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

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

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V	Assumptions Used to Determine Funding Target and Target Normal Cost
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21 Discount rate:			
a Segment rates:	1st segment: 3.64 %	2nd segment: 5.21 %	3rd segment: 5.94 % ☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 0
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI	Miscellaneous Items
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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
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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
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31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	354,119,939	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	639,557,850	162,549,549	
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	516,669,488	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement		516,669,488	516,669,488
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX	Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)
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41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

Schedule SB, line 15 — Reconciliation of Differences Between Valuation Results and Amounts Used to Calculate AFTAP

The following schedule shows each AFTAP that was certified or recertified for the 2020 plan year, the date made, and a description of the AFTAP change:

Certification date	AFTAP	Update description
9/30/2020	95.41%	Final certified AFTAP

The following chart shows a comparison of the final certified 2020 AFTAP, and the AFTAP based on 2020 valuation results.

	Final certified AFTAP	AFTAP based on valuation results	Difference (explained below)
1. Adjusted plan assets			
a. Actuarial value of plan assets	\$ 11,833,753,914	\$ 12,418,203,105	\$ 584,449,191
b. Credit balances subtracted	488,865,224	1,146,079,968	657,214,744
c. Annuity purchases for non-HCEs in prior two plan years	443,362,681	443,362,681	0
d. Earmarked contributions during plan year	0	0	0
e. Adjusted plan assets: (a.) – (b.) + (c.) + (d.)	\$ 11,788,251,371	\$ 11,715,485,818	\$ (72,765,553)
2. Adjusted funding target			
a. Funding target	\$ 11,911,680,987	\$ 11,911,680,987	\$ 0
b. Funding target increases not already reflected in (a.) due to amendments, UCEBs, etc.	0	0	0
c. Annuity purchases for non-HCEs in prior two plan years	443,362,681	443,362,681	0
d. Adjusted funding target: (a.) + (b.) + (c.)	\$ 12,355,043,668	\$ 12,355,043,668	\$ 0
3. 2020 AFTAP/FTAP: (1.e.) ÷ (2.d.)	95.41%	94.82%	

The discounted value of the contributions made on October 1, 2020 and December 15, 2020, were not included in the actuarial value of assets used in the final certified AFTAP because the contributions had not been made by September 30, 2020, the AFTAP certification date. These contributions were added to the credit balance, although the amount of credit balance created did not match the change in assets, since the credit balance includes interest at the actual investment return rate.

Schedule SB, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.23.

Raytheon Company Pension Plan for Salaried Employees before Merger

(A)	(B)	(C)	(D)	(E)
Retirement age	Retirement Percent	Lx	Number of employees expected to retire (B) x (C)	(A) x (D)
55	2.00%	10,000	200	11,000
56	2.00%	9,800	196	10,976
57	2.00%	9,604	192	10,949
58	2.00%	9,412	188	10,918
59	5.00%	9,224	461	27,210
60	12.00%	8,762	1,051	63,090
61	12.00%	7,711	925	56,445
62	12.00%	6,786	814	50,485
63	12.00%	5,971	717	45,144
64	20.00%	5,255	1,051	67,262
65	25.00%	4,204	1,051	68,313
66	25.00%	3,153	788	52,023
67	25.00%	2,365	591	39,608
68	25.00%	1,774	443	30,150
69	25.00%	1,330	333	22,945
70	100.00%	998	998	69,832
Total				636,348
Average				63.63

Schedule SB, line 22 — Description of Weighted Average Retirement Age**Former Raytheon TI Systems Employees Pension Plan**

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	7.50%	10,000	750	41,250
56	7.50%	9,250	694	38,850
57	7.50%	8,556	642	36,578
58	7.50%	7,915	594	34,428
59	7.50%	7,321	549	32,395
60	10.00%	6,772	677	40,631
61	20.00%	6,095	1,219	74,355
62	20.00%	4,876	975	60,459
63	20.00%	3,901	780	49,148
64	25.00%	3,120	780	49,928
65	35.00%	2,340	819	53,243
66	35.00%	1,521	532	35,140
67	35.00%	989	346	23,187
68	35.00%	643	225	15,297
69	35.00%	418	146	10,089
70	100.00%	272	272	19,008
Total				613,988
Average				61.40

Schedule SB, line 22 — Description of Weighted Average Retirement Age**Former E-Systems, Inc. Salaried Retirement Plan**

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	5.00%	10,000	500	27,500
56	5.00%	9,500	475	26,600
57	10.00%	9,025	903	51,443
58	12.50%	8,123	1,015	58,888
59	12.50%	7,107	888	52,416
60	17.50%	6,219	1,088	65,297
61	17.50%	5,131	898	54,768
62	20.00%	4,233	847	52,485
63	20.00%	3,386	677	42,665
64	25.00%	2,709	677	43,342
65	30.00%	2,032	610	39,618
66	30.00%	1,422	427	28,159
67	30.00%	996	299	20,010
68	30.00%	697	209	14,216
69	30.00%	488	146	10,098
70	100.00%	341	341	23,902
Total				611,407
Average				61.14

Schedule SB, line 22 — Description of Weighted Average Retirement Age**Former HRB Systems, Inc. Salaried Retirement Plan**

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	5.00%	10,000	500	27,500
56	5.00%	9,500	475	26,600
57	5.00%	9,025	451	25,721
58	10.00%	8,574	857	49,728
59	20.00%	7,716	1,543	91,053
60	20.00%	6,173	1,235	74,077
61	20.00%	4,938	988	60,249
62	20.00%	3,951	790	48,990
63	15.00%	3,161	474	29,868
64	15.00%	2,687	403	25,791
65	30.00%	2,284	685	44,529
66	30.00%	1,598	480	31,650
67	30.00%	1,119	336	22,491
68	30.00%	783	235	15,978
69	30.00%	548	164	11,349
70	100%	384	384	26,866
Total				612,441
Average				61.24

Schedule SB, line 22 — Description of Weighted Average Retirement Age**Former Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan**

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	2.50%	10,000	250	13,750
56	2.50%	9,750	244	13,650
57	2.50%	9,506	238	13,546
58	5.00%	9,269	463	26,879
59	5.00%	8,805	440	25,975
60	7.50%	8,365	627	37,642
61	5.00%	7,738	387	23,599
62	15.00%	7,351	1,103	68,361
63	5.00%	6,248	312	19,681
64	5.00%	5,936	297	18,994
65	20.00%	5,639	1,128	73,305
66	50.00%	4,511	2,256	148,866
67	100.00%	2,256	2,256	151,122
Total				635,372
Average				63.54

Schedule SB, line 22 — Description of Weighted Average Retirement Age**All Plans (Weighted by Active Headcount)**

Plan Name	(A) Average Retirement Age	(B) Active Headcount	[(A) x (B)]
Raytheon Company Pension Plan for Salaried Employees before Merger	63.63	13,395	852,323.85
Former Raytheon TI Systems Employees Pension Plan	61.40	1,637	100,511.80
Former E-Systems, Inc. Salaried Retirement Plan	61.14	1,061	64,869.54
Former HRB Systems, Inc. Salaried Retirement Plan	61.24	119	7,287.56
Former Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan	63.54	80	5,083.20
Former Raytheon Company Pension Plan for Discontinued Operations	N/A	N/A	N/A
Total		16,292	1,030,075.95
Average			63.23

Schedule SB, Part V — Summary of Plan Provisions**Summary of major plan provisions – Raytheon Company Pension Plan for Salaried Employees Before Merger**

Effective date and plan year	Original plan: January 1, 1950 Restated plan: December 28, 2009 Plan year: January 1
Status of the plan	The plan has ongoing benefit accruals but is closed to new entrants as of January 1, 2007.
Significant events that occurred during the year	None
Definitions	
• Participation	Age 21 and 1 year of service.
• Final average earnings	Annualized average of earnings during the best 60 consecutive months out of the last 120 months. "Earnings" include base pay, cash or deferred bonuses, and commissions, but may not exceed the compensation limit as specified in Section 401(a) of the Internal Revenue Code.
• Primary Social Security benefit	Estimated social security benefit, calculated using the most recent two years of old gross earnings and estimating prior historical earnings using a 7% salary scale, per plan administration.
Normal retirement	
• Eligibility	Age 65
• Benefit	<p>The greater of:</p> <ul style="list-style-type: none"> 1.8% for the first 20 years of Membership plus 1.2% for each year of Membership in excess of 20, multiplied by the excess of Final Average Earnings over the unreduced primary Social Security benefit. \$492 per year of service (\$41 per month), plus 20% of employee contributions. <p>For members as of December 31, 1980, a benefit based on the prior plan formula. Prior to January 1, 1981, employee contributions were required to participate in the plan. Members may withdraw their contributions with interest and receive a reduced benefit at retirement. Benefits may not exceed the maximum benefit limit as specified in Section 415 of the Internal Revenue Code.</p>
Early retirement	
• Eligibility	Age 55 and 10 years of service. For participants who are involuntarily laid off, 25 years of service or attaining age 51 and having at least nine years of service.
• Benefit	Accrued benefit reduced 7.00% at age 59, plus an additional 7.00% for each year younger than age 59.
Deferred vested	
• Eligibility	Completion of five years of vesting service.

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	Percentage of accrued benefit according to the following schedule:																								
	<table> <tr> <th data-bbox="781 327 833 354">Age</th><th data-bbox="1138 327 1279 354">Percentage</th></tr> <tr><td data-bbox="792 373 821 401">65</td><td data-bbox="1166 373 1252 401">100.0%</td></tr> <tr><td data-bbox="792 420 821 447">64</td><td data-bbox="1166 420 1252 447">93.3%</td></tr> <tr><td data-bbox="792 466 821 493">63</td><td data-bbox="1166 466 1252 493">86.7%</td></tr> <tr><td data-bbox="792 512 821 539">62</td><td data-bbox="1166 512 1252 539">80.0%</td></tr> <tr><td data-bbox="792 558 821 585">61</td><td data-bbox="1166 558 1252 585">73.3%</td></tr> <tr><td data-bbox="792 604 821 632">60</td><td data-bbox="1166 604 1252 632">66.7%</td></tr> <tr><td data-bbox="792 651 821 678">59</td><td data-bbox="1166 651 1252 678">63.3%</td></tr> <tr><td data-bbox="792 697 821 724">58</td><td data-bbox="1166 697 1252 724">60.0%</td></tr> <tr><td data-bbox="792 743 821 770">57</td><td data-bbox="1166 743 1252 770">56.7%</td></tr> <tr><td data-bbox="792 789 821 816">56</td><td data-bbox="1166 789 1252 816">53.3%</td></tr> <tr><td data-bbox="792 835 821 863">55</td><td data-bbox="1166 835 1252 863">50.0%</td></tr> </table>	Age	Percentage	65	100.0%	64	93.3%	63	86.7%	62	80.0%	61	73.3%	60	66.7%	59	63.3%	58	60.0%	57	56.7%	56	53.3%	55	50.0%
Age	Percentage																								
65	100.0%																								
64	93.3%																								
63	86.7%																								
62	80.0%																								
61	73.3%																								
60	66.7%																								
59	63.3%																								
58	60.0%																								
57	56.7%																								
56	53.3%																								
55	50.0%																								
Disability																									
• Eligibility	Disabled as defined under LTD plan.																								
• Benefit	Member continues to accrue benefits during disability.																								
Pre-retirement death																									
• Eligibility	5 years of vesting service																								
• Benefit	<p>If an active employee dies before retirement, the benefit consists of a return of member contributions accumulated at 8.00% interest per annum since December 31, 1980, if member is not vested at time of death.</p> <p>If a retired employee dies, the benefit consists of member contributions accumulated at 8.00% interest to early or normal retirement date, less the sum of contributory benefits received.</p> <p>The survivor benefit is equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50% Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for the lifetime of the spouse.</p>																								
Unpredictable contingent event benefits	Not applicable.																								
Form of benefits																									
• Automatic form for unmarried participants	Single Life Annuity																								
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary																								

Schedule SB, Part V — Summary of Plan Provisions

• Optional forms	66 2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity Social Security Level Income 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using the Actuarial Equivalence as described in Article IX-A of the plan document.
Employee contributions	Voluntary contributions are applied to provide a supplemental benefit. Employees who leave their contributions in the fund until retirement receive their contributions plus actual investment experience; employees who withdraw their contributions prior to retirement receive their contributions plus 8.00% interest
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Summary of major plan provisions – Former Raytheon TI Systems Employees Pension Plan

Definitions	
• Covered employees	<p>All employees, whether full-time or part-time, are eligible to participate.</p> <ul style="list-style-type: none"> Any employee who was a participant under the TI Employees Pension Plan on July 22, 1997 continued as a participant. <p>Any employee who was not an employee on July 11, 1997 is eligible to participate in the plan after 12 months of employment during which the employee completed 1,000 hours of service.</p>
• Vesting service	<p>The number of years of credited service completed by a participant, excluding:</p> <ul style="list-style-type: none"> All years of credited service prior to a termination of employment which occurred before January 1, 1976 except full calendar years of service for a participant who was rehired within two years after such termination of employment; and All years of credited service prior to a break-in-credited-service until the participant has completed a year of credited service after the break-in-credited-service; and <p>All years of credited service prior to a break-in-credited service of any participant who has not satisfied the requirements for a vested right to deferred benefits and whose number of consecutive breaks-in-credited-service equal or exceed the aggregate number of his years of credited service prior to the break in credited service. After January 1, 1985, five</p>

Schedule SB, Part V — Summary of Plan Provisions

	consecutive one-year breaks must occur before any service is excluded as described above.
<ul style="list-style-type: none"> Credited service 	<p>Credited Service for benefit accrual purposes for employment prior to January 1, 1976 is equal to the number of years and completed days of service from the participant's last date of employment to the earlier of January 1, 1976, normal retirement date, or date of termination. This includes any period of leave of absence during this time unless the participant was employed with a nonparticipating subsidiary.</p> <p>Credited Service for benefit accrual purposes for employment on or after January 1, 1976 is equal to the number of years and completed days of service during which an employee participated in the plan (or would have participated in the plan if there had been no age requirement.) This includes any period of leave of absence. For anyone employed on December 31, 1975 who became a participant on or before January 1, 1977, service during 1978 prior to participation is credited for benefit accrual purposes.</p> <p>Credited service for benefit accrual excludes all years of service prior to a break-in-credited-service occurring after December 1, 1975 and before January 1, 1985 of a participant who has not satisfied the requirements for a vested right to a deferred benefit and whose number of consecutive breaks in credited service equal or exceed the aggregate number of his years of credited service prior to the break in credited service. After January 1, 1985, five consecutive one-year breaks must occur before any service is excluded as described above.</p>
<ul style="list-style-type: none"> Average credited earnings 	The annual average of the participant's compensation for the highest five consecutive calendar years of credited service for benefit accrual.
<ul style="list-style-type: none"> Final average earnings 	<p>The lower of:</p> <ul style="list-style-type: none"> The average of participant's compensation, up to Social Security Wage Base, for the 3-year period ending with the year preceding retirement or termination, and The average of the Social Security Wage Base for the 35-year period ending with the year the participant reaches Social Security Retirement Age.
<ul style="list-style-type: none"> Covered Compensation 	Total earnings, including overtime, sales bonuses, performance premiums, incentive compensation, premiums for hazardous duty, hardship, etc., but excluding any travel expenses, resettlement allowances, cost-of-living differentials, income from stock options and completion bonuses. Compensation is limited in accordance with Section 401(a)(17) of the Code.
Normal retirement	
<ul style="list-style-type: none"> Eligibility 	Age 65
<ul style="list-style-type: none"> Benefit 	<p>Expressed as a single-life annual annuity with payments commencing on the normal retirement date, the greater of:</p> <ul style="list-style-type: none"> (1) less (2) below: <ul style="list-style-type: none"> (1) 1.5% of average credited earnings multiplied by the credited service for benefit accrual.

Schedule SB, Part V — Summary of Plan Provisions

(2) The product of the following factors:

- (i) The retirement age factor which ranges between 0.316% and 0.75% depending on Social Security normal retirement age at commencement;
- (ii) Final average earnings;
- (iii) Credited service for benefit accrual at normal retirement date, or actual retirement if later, limited to 35 years;
- (iv) The ratio, not greater than 1.0, of the credited service for benefit accrual at actual retirement or termination, to the credited service for benefit accrual at normal retirement date;
- \$84 multiplied by credited service for benefit accrual. The benefit cannot be less than the benefit accrued to December 31, 1988, under the formula in effect at that date, plus the benefit based upon the above formula using credited service for benefit accrual after December 31, 1988 and reducing 35 years in (2)(iii) above by the credited service for benefit accrual prior to 1989.

For participants whose credited earnings in any year prior to 1994 exceeded \$150,000, the benefit cannot be less than the benefit accrued to December 31, 1993, plus the benefit based on the formula outlined above using credited service for benefit accrual after December 31, 1993 and reducing the 35 years in (2)(iii) above by the credited service for benefit accrual prior to 1994.

For participants listed in Appendix A of the Plan, the single life annuity at normal retirement date cannot be less than the benefit shown in Appendix A plus the total amount of annual retirement benefit accrued from section (a) above after December 31, 1997, reduced by sections (2)(i-iv) above the entire credited service for benefit accrual.

Early retirement

- | | |
|---------------|--|
| • Eligibility | Age 60 with 5 years of vesting service, or age 55 with 20 years of vesting service. |
| • Benefit | The annuity is determined as for normal retirement considering credited service for benefit accrual and compensation to date of termination. An employee may elect to receive a reduced benefit commencing on the first day of any month prior to his normal retirement date beginning with the second month following his termination. The reduction is 1/3% for each of the first 60 months for which payment shall be made before age 65 and 7/24% for each of the next 60 months, except for the portion under (2) of the formula, as described above, since the retirement age factor has been adjusted for early commencement. |

Deferred vested

- | | |
|---------------|---|
| • Eligibility | Completion of five years of vesting service. |
| • Benefit | The participant is entitled to an annuity deferred to age 65. The benefit is determined as for early retirement.
If the participant terminates prior to age 60, then the participant may elect to receive a reduced benefit commencing on the first day of any month |
-

Schedule SB, Part V — Summary of Plan Provisions

	prior to his normal retirement date, beginning with the second month following his attainment of age 60. This reduced benefit shall be actuarially determined.
Disability	
• Eligibility	Totally and permanently disabled prior to age 65 and after 5 years of credited service for vesting.
• Benefit	The annuity, deferred to age 65, is computed as for normal retirement, considering compensation to date of disablement and credited service for benefit accrual (including number of years and days between the date of disablement and the normal retirement date) to normal retirement date.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit prior to normal retirement	The designated beneficiary of a participant who dies in-service and beyond normal retirement shall receive a benefit equal to 50% of the normal retirement benefit the participant would have received had he retired on the date of his death.
• Benefit after normal retirement	Upon the death of an active participant who has met the requirements for a deferred vested benefit, the designated beneficiary is eligible to receive a benefit for life (or the equivalent lump sum) equal to 50% of the benefit the employee could have received if he had terminated employment on the date of his death and elected a Joint and Survivor option with payments commencing at the earliest date permissible.
Unpredictable contingent event benefits	Not applicable.
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	Lump sum 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on an interest rate equal to the rate used by the PBGC for lump sum determinations in the first month of the Plan Year and UP-1984 mortality with no set-back for participants and a 3-year set-back for beneficiaries.
mortality used in lump sum	The plan was amended effective December 31, 2002 to reflect the change in mandated mortality used in lump sum calculations. This change was made in accordance with IRC Section 417(e) and IRS Revenue Ruling 2001-62.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the

Schedule SB, Part V — Summary of Plan Provisions

	calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Summary of major plan provisions – Former Raytheon Company Pension Plan For Discontinued Operations

Status of the plan	Effective December 31, 1999, the following plans merged to form the Raytheon Company Plan for Discontinued Operations: <ul style="list-style-type: none"> • Raytheon Company Retirement Income Plan for Appliance Employees • Amana Florence Hourly Pension Plan • Seiscor Technologies Inc. Retirement Income Plan • Seismograph Service Corporation Retirement Plan (that was merged into the Raytheon Company Pension Plan for Salaried Employees effective January 1, 1993) • Amana New Jersey Service Group Bargaining Unit Plan • Amana Delaware Bargaining Unit Pension Plan • Raytheon Company Pension Plan for Hourly Appliances Employees
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Summary of major plan provisions – Former Raytheon Company Pension Plan For Discontinued Operations (Appliance Employees)

Definitions	
• Participation	Age 21 and 1 year of service.
• Credited service	Participants whose benefit accrual under the Plan terminated as a result of the sale of Raytheon Appliances shall continue to receive credit from September 11, 1997 to the earlier of retirement, death, or September 11, 1998.
• Final average earnings	The average gross compensation earned by a participant during the 5 highest consecutive calendar years of the last 10 calendar years worked. Gross compensation includes amounts contributed to Company 401(k) plan under salary reduction arrangement, and bonuses and commissions paid, and may not exceed the compensation limit as specified in Section 401(a)(17) of the Internal Revenue Code.
Normal retirement	
• Eligibility	Age 65

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• Benefit	<p>The greater of:</p> <ul style="list-style-type: none"> 1.8% for the first 20 years of Membership plus 1.2% for each year of Membership in excess of 20, multiplied by the excess of Final Average Earnings over the primary Social Security benefit. \$348 per year of service (\$29 per month), plus 20% of employee contributions. <p>The benefit payable to former participants of the Speed Queen Company Pension Plan for Salaried Employees will be no less than the benefit the participant had earned as of December 31, 1996.</p>
Early retirement	
• Eligibility	Age 55 and 5 years of service.
• Benefit	Normal retirement benefit reduced 7.00% at age 59, plus an additional 7.00% for each year younger than age 59.
Deferred vested	
• Eligibility	5 years of service or eligible employees on September 11, 1997 who were participants under the Plan on September 11, 1997.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Disability	
• Eligibility	Totally and permanently disabled following 10 years of service.
• Benefit	Member continues to accrue benefits during disability.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.
Unpredictable contingent event benefits	Not applicable.
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.

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• Optional forms	66 2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Summary of major plan provisions – Former Raytheon Company Pension Plan for Discontinued Operations (Amana Florence Hourly)

Definitions	
• Participation	Immediate. Employees on January 1, 1991 receive service credit back to date of hire. The plan is closed to new entrants.
Normal retirement	
• Eligibility	Social Security Retirement Age dependent upon the Participant's birth date.
• Benefit	\$204 per year of service.
Early retirement	
• Eligibility	Age 62 and 10 years of service.
• Benefit	Normal retirement benefit reduced 7.00% for each year prior to normal retirement date.
Deferred vested	
• Eligibility	5 years of service or eligible employees on September 11, 1997 who were participants under the Plan on September 11, 1997.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Pre-retirement death	
• Eligibility	5 years of vesting service

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• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to earliest retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for the lifetime of spouse. If the member was eligible to retire early at the time of death, the amount will be calculated as if the member had elected a 100 percent Joint and Survivor Annuity.
Unpredictable contingent event benefits	Not applicable.
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66 2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Summary of major plan provisions – Former Raytheon Company Pension Plan For Discontinued Operations (Seiscor Technologies)

Definitions	
• Participation	Age 21 and 1 year of service.
• Credited service	Service credited while an employee is a member of the plan. Due to the sale of Seiscor Technologies effective March 31, 1998, all benefit accruals were frozen.

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• Final average earnings	Annualized average of earnings during highest 5 consecutive calendar years out of last 10 calendar years worked. "Earnings" include base pay, overtime, premium pay and commissions, but exclude bonuses and may not exceed the compensation limit as specified in Section 401(a)(17) of the Internal Revenue Code.
Normal retirement	
• Eligibility	Age 65.
• Benefit	1 2/3% of Final Average Earnings multiplied by total Benefit Service less 1 2/3% of Primary Social Security Benefit multiplied by total Benefit Service, not to exceed 30 years.
Early retirement	
• Eligibility	Age 55 and 10 years of service, or age 50 and 15 years of service.
• Benefit	Normal retirement benefit reduced 3.00% at age 59, plus an additional 3.00% at age 58, an additional 4.00% for each year younger than age 58 to age 54, and an additional 6.00% per year younger than age 54 to age 50.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	<p>Surviving Spouse Benefit equal to half of the amount the employee would have received had the employee terminated employment at death, retired immediately (or when first eligible, if later) and elected to receive benefits under the 50 percent Joint and Survivor form.</p> <p>If previously elected by the participant, an optional death benefit equal to the amount which would have been payable under a 66 2/3 or 75 percent Joint and Survivor form may be elected by an employee at a respective cost of 1/6 or 1/4 percent, of the benefit per year of coverage.</p>
Unpredictable contingent event benefits	Not applicable.
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.

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• Optional forms	66 2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life Level Income Lump Sum
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
• Cost of living adjustment eligibility	All those receiving benefits from the plan.
• Cost of living adjustment	The benefit payable to a participant or beneficiary will be adjusted beginning with the 37th monthly payment based on the average annual U.S. Department of Labor Cost-of-Living Index as a whole during the preceding 3 years. Subsequent annual adjustments will be based on the preceding calendar year's Cost-of-Living Index. Each adjustment will be limited to 4.5% and will not be applied if the adjustment amount does not exceed \$1.00.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Summary of major plan provisions – Former Raytheon Company Pension Plan For Discontinued Operations (Seismograph Service Corporation)

Definitions	
• Participation	Age 21 and 1 year of service.
• Credited service	Service credited while an employee is a member of the plan. Due to the sale of Seismograph Service Corporation effective November 20, 1992, all benefit accruals were frozen.
• Final average earnings	Annualized average of earnings during highest 5 consecutive calendar years out of last 10 calendar years worked. "Earnings" include base pay, overtime, premium pay and commissions, but exclude bonuses and may not exceed the compensation limit as specified in Section 401(a)(17) of the Internal Revenue Code.
Normal retirement	
• Eligibility	Age 65.

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• Benefit	1 2/3% of Final Average Earnings multiplied by total Benefit Service less 1 2/3% of Primary Social Security Benefit multiplied by total Benefit Service, not to exceed 30 years.
Early retirement	
• Eligibility	Age 55 and 10 years of service, or age 50 and 15 years of service.
• Benefit	Normal retirement benefit reduced 3.00% at age 59, plus an additional 3.00% at age 58, an additional 4.00% for each year younger than age 58 to age 54, and an additional 6.00% per year younger than age 54 to age 50.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	<p>Surviving Spouse Benefit equal to half of the amount the employee would have received had the employee terminated employment at death, retired immediately (or when first eligible, if later) and elected to receive benefits under the 50 percent Joint and Survivor form.</p> <p>If previously elected by the participant, an optional death benefit equal to the amount which would have been payable under a 66 2/3 or 75 percent Joint and Survivor form may be elected by an employee at a respective cost of 1/6 or 1/4 percent, of the benefit per year of coverage.</p>
Unpredictable contingent event benefits	Not applicable.
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66 2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life Level Income Lump Sum
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.

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• Cost of living adjustment eligibility	All those receiving benefits from the plan.
• Cost of living adjustment	The benefit payable to a participant or beneficiary will be adjusted beginning with the 37th monthly payment based on the average annual U.S. Department of Labor Cost-of-Living Index as a whole during the preceding 3 years. Subsequent annual adjustments will be based on the preceding calendar year's Cost-of-Living Index. Each adjustment will be limited to 4.5% and will not be applied if the adjustment amount does not exceed \$1.00.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Summary of major plan provisions – Former Raytheon Company Pension Plan For Discontinued Operations (Amana New Jersey)

Definitions	
• Participation	1 year of service.
Normal retirement	
• Eligibility	Age 65.
• Benefit	\$276 per year of service. Effective June 7, 1997 the annual benefit increased to \$288 per year of service for members of Teamsters Local 1518. Only service through September 11, 1997 is used in calculating the benefit.
Early retirement	
• Eligibility	Age 62, or age 55 and 20 years of service.
• Benefit	Normal retirement benefit reduced 10.00% at age 61, plus an additional 5.00% for each year younger than age 61.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Disability	
• Eligibility	Totally and permanently disabled.
• Benefit	Actuarially reduced normal retirement benefit if under age 50 at onset of disability; otherwise, normal retirement benefit without reduction.

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Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 100 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.
Unpredictable contingent event benefits	Not applicable.
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66 2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life Lump Sum
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Employees contributions	Voluntary contributions are applied to provide a supplemental benefit. Employees who leave their contributions in the fund until retirement receive their contributions plus actual investment experience; employees who withdraw their contributions prior to retirement receive their contributions plus 3.5% interest.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Summary of major plan provisions – Former Raytheon Company Pension Plan For Discontinued Operations (Amana Delaware)

Definitions	
• Participation	1 year of service.

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Normal retirement	
• Eligibility	Age 65.
• Benefit	\$204 per year of service. Only service through September 11, 1997 is used in calculating the benefit.
Early retirement	
• Eligibility	Age 55 and 10 years of benefit accrual service.
• Benefit	Normal retirement benefit reduced 5.00% at age 61, plus an additional 5.00% for each year younger than age 61.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Disability	
• Eligibility	Totally and permanently disabled following 15 years of service.
• Benefit	Normal retirement benefit payable immediately.
Pre-retirement death	
• Eligibility	Vested.
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.
Unpredictable contingent event benefits	Not applicable.
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity.
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66 2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.

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Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Summary of major plan provisions – Former Raytheon Company Pension Plan For Discontinued Operations (Hourly Appliance)

Definitions	
• Participation	1 year of service.
• Credited service	Participants whose benefit accruals terminated as a result of the Raytheon Appliances sale received credit from September 11, 1997 to the earlier of retirement, death or September 11, 1998.
Normal retirement	
• Eligibility	Age 65.
• Benefit	\$228 per year of service (effective March 1, 1997).
Early retirement	
• Eligibility	Age 55 and 10 years of benefit accrual service.
• Benefit	Normal retirement benefit reduced 10.00% at age 61, plus an additional 5.00% for each year younger than age 61.
Deferred vested	
• Eligibility	5 years of service or eligible employees on September 11, 1997 who were participants under the Plan on September 11, 1997.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Disability	
• Eligibility	Totally and permanently disabled following 10 years of service.
• Benefit	Normal retirement benefit payable on or after age 55.
Pre-retirement death	
• Eligibility	5 years of vesting service.
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.

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Unpredictable contingent event benefits	Not applicable.
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66 2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Summary of major plan provisions – Former Raytheon E-Systems, Inc. Richardson Waco Retirement Plan

Definitions	
• Participation	Age 21 and 1 year of service, provided the employee is not represented by a collective bargaining unit calling for contributions to another pension plan. The plan is only open to salaried employees of Raytheon E-Systems at Waco and Richardson who were employed prior to January 1, 1999. The plan is closed to new entrants.
• Vesting service	The total of all service at Raytheon E-Systems at Waco and Richardson and Raytheon E-Systems. 1,000 or more credit hours constitute one year of eligibility service, where 190 credit hours are earned in any month in which an hour of service is completed. For Richardson employees who return to employment within twelve months after termination, vesting service also includes the period between employment dates.
• Credited service	Service after completion of an hour of service. One month of benefit service is credited for any month after December 31, 1989 in which one hour of service is completed. Benefit service is equal to the total of all periods of employment after December 31, 1989.

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• Average monthly pay	<p>Under the Excess Formula, base salary (excluding contingent, incentive, or deferred compensation, bonuses, overtime, and all other extraordinary compensation) up to the limit of IRC Section 401(a)(17).</p> <p>Average monthly compensation is the considered compensation for a period divided by the number of months for which the compensation was received. The period is the 60 successive calendar months out of the last 180 calendar months which yield the highest average.</p> <p>Under the Step-Up/\$12 Formula, earnings from base rate, overtime, shift differential, lump sums in lieu of merit increases, special performance awards, pay for vacation and sick pay actually used, sales commissions, pay during personal leave of absence, military leave, jury duty, bonuses (except hiring and completion awards), incentive compensation, and the first 26 weeks of accident and sickness payments after January 1, 2001 up to the limit of IRC Section 401(a)(17).</p> <p>Average monthly compensation is the considered compensation for a period divided by the number of months for which the compensation was received. The period is the 60 successive calendar months out of the last 120 calendar months which yield the highest average.</p>
Normal retirement	
• Eligibility	The later of age 65 or 5 years of vesting service.
• Benefit	<p>The benefit is based on one or both of the following benefit formulas. Waco participants are covered by the Excess Formula. Richardson participants have their pension determined under both formulas as described:</p> <ul style="list-style-type: none"> • Step-Up/\$12 Formula (Post-1996 Benefit Service for Richardson employees) <ul style="list-style-type: none"> (1) Basic Part <div> $1.2\% \times \text{Average Monthly Pay} \times \text{Post-1996 Years of Benefit Service up to 10 years}$ <p style="text-align: center;">Plus</p> $1.6\% \times \text{Average Monthly Pay} \times \text{Post-1996 Years of Benefit Service in excess of 10 years}$ </div> <p>For the Step-Up formula, the 10 year breakpoint is reduced by any Pre-1997 service.</p> (2) Minimum Part <div> $\\$12.00 \times \text{Years of Post-1996 Benefit Service}$ </div> • Excess Formula (Pre-1997 Benefit Service only for Richardson Employees) <div> $1\% \times \text{Average Monthly Pay Rate} \times \text{Years of Benefit Service up to 35 years}$ <p style="text-align: center;">Plus</p> $0.4\% \times \text{Average Monthly Pay Rate in excess of 150\% of Social Security Monthly Pay} \times \text{Years of Benefit Service up to 35 years}$ </div>

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Depending on date of hire, both benefit formulas above may apply to Richardson participants. For Waco participants, only the Excess Formula applies.

Early retirement

- **Eligibility** Age 55 for Richardson participants and 60 for Waco participants, with 10 years of vesting service. For Richardson participants who are subject to a reduction in force after age 52 with at least 10 years of vesting service, participants may commence benefits at or after age 55.

- **Benefit** The benefit is calculated in the same manner as the Normal Retirement Benefit and reduced for commencement prior to normal retirement age according to the following schedules depending on the applicable plan and benefit formula:

Age	Step-Up/\$12 Formula (Richardson Participants)	Excess Formula (Richardson Participants)	Excess Formula (Waco Participants)
55	75%	58%	N/A
56	84%	64%	N/A
57	91%	70%	N/A
58	96%	76%	N/A
59	99%	82%	N/A
60	100%	88%	88%
61	100%	94%	94%
62	100%	100%	100%

Deferred vested

- **Eligibility** 5 years of vesting service.
- **Benefit** An employee who terminates with five or more years of vesting service but does not, at the termination date, meet the requirements for normal or early retirement as specified, is eligible for a deferred vested benefit. If the benefit commences before the Normal Retirement Date, the benefit will be reduced following the same method as the early retirement process. Otherwise, the annuity, commencing at Normal Retirement Date, shall be computed as for normal retirement using service and compensation to date of termination.

Disability

- **Eligibility** Totally and permanently disabled, following 10 years of service.

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• Benefit	The benefit is calculated in the same manner as the Normal Retirement Benefit based on average monthly pay at termination and benefit service projected to Normal Retirement Age.
Pre-retirement death	
• Eligibility	5 years of vesting service.
• Benefit	The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Early, or Normal Retirement and chosen a 50% Joint and Survivor benefit and then died. The beneficiary may choose the commencement date with actuarial reductions applied for commencement before the earliest retirement date. Otherwise, the benefit would commence on the date the employee would have reached his earliest retirement date.
Unpredictable contingent event benefits	Not applicable.
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity guaranteed for 60 months for Richardson participants. Single Life Annuity for Waco participants.
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary. The married Participant may elect in writing with the written consent of his spouse to receive benefits in the form of a single life annuity.
• Optional forms for Richardson Participants	75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 66 2/3% Last To Survive Annuity 5 or 10 year Certain & Life
• Optional forms for Waco Participants	75% Joint & Survivor Annuity
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on a 9% interest rate and GAM-1983 mortality (70% male, 30% female).
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Summary of major plan provisions – Former Raytheon E-Systems, Inc. Salaried

Definitions	
• Participation	Age 21 and 1 year of service, provided:

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	<ul style="list-style-type: none"> The employee is paid on a salaried basis or works for the Melpar or Montek Divisions of E-Systems; and, The employee is not represented by a collective bargaining unit calling for contributions to another pension plan.
• Vesting service	Prior to January 1, 1976 (September 1, 1978 for prior Serv-Air employees), service from the participant's last period of continuous employment. On and after January 1, 1976 (September 1, 1978 for prior Serv-Air employees), total of all periods of employment including absences of less than one year.
• Credited service	Prior to January 1, 1976, service from the participant's last period of continuous employment. On and after January 1, 1976, total of all periods of employment as an eligible employee, including leaves of absences of less than one year. Benefit service will not begin until February 1, 1975 for prior Air-Asia employees, until September 1, 1978 for prior Serv-Air employees, or September 21, 1970 for prior Melpar employees.
• Final average earnings	Total W-2 (excluding bonuses and overtime pay paid prior to January, 1982, commissions paid after July 1, 1970, expense allowances, and all other extraordinary compensation). Average monthly compensation is the considered compensation for a period divided by the number of months for which the compensation was received. The period is the 60 successive calendar months out of the last 120 months which yield the highest average prior to the earlier of termination or normal retirement date.
Normal retirement	
• Eligibility	The later of age 65 or 5 years of vesting service.
• Benefit	<p>An annuity, payable for life with a minimum of 60 monthly payments, computed as follows:</p> <ul style="list-style-type: none"> For retirement before January 1, 1991, the greater of: <ol style="list-style-type: none"> The difference between <ol style="list-style-type: none"> 1-1/2% of average monthly compensation multiplied by the number of years of benefit service; <u>less</u>, 1/2% of monthly primary Social Security benefit multiplied by the number of years of benefit service; or \$12 multiplied by the number of years of benefit service for participants attaining age 50 before January 1, 1990, the amount calculated under (1) above. For retirement on or after January 1, 1991, the greatest of: <ol style="list-style-type: none"> The sum of <ol style="list-style-type: none"> 1.2% of average monthly compensation multiplied by the number of years of benefit service (limited to ten years); plus 1.6% of average monthly compensation multiplied by the number of years of benefit service in excess of ten years; and The sum of

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(i) The amount calculated under (1) above, with service, earnings, and Social Security as of December 31, 1990; plus The amount calculated under (4) above, based on benefit service after December 31, 1990 (but using all benefit service to determine whether (2) or (3) above applies)	
Early retirement	
• Eligibility	Age 55 with 10 years of vesting service. For participants who are subject to a reduction in force after age 52 with at least 10 years of vesting service, participants may commence benefits at or after age 55.
• Benefit	Normal retirement benefit reduced 1% at age 59, plus an additional 3% at age 58, an additional 5% at age 57, an additional 7% at age 56, and an additional 9% at age 55.
Deferred vested	
• Eligibility	5 years of vesting service.
• Benefit	An employee who terminates with five or more years of vesting service is eligible for a deferred vested benefit. The annuity, commencing at Normal Retirement Date and payable for life with a minimum of 60 monthly payments, shall be computed as for early retirement using service and compensation to date of termination and projected primary Social Security. An actuarially reduced pension may commence after attainment of age 55.
Disability	
• Eligibility	Totally and permanently disabled, following 10 years of vesting service.
• Benefit	The benefit, payable for life with a minimum of 60 monthly payments, shall be computed as for normal retirement using compensation to date of retirement but anticipated benefit service to normal retirement date and projected primary Social Security.
Pre-retirement death	
• Eligibility	5 years of vesting service.
• Benefit	<p>If an active employee who is eligible for an early or vested benefit dies on or after January 1, 1995, the surviving spouse is eligible for a pension. The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Early, Optional Early, or Normal Retirement, chosen a 50% Joint and Survivor benefit and then died.</p> <p>The spouse can choose to begin receiving the pension on the first day of any month prior to the employee's Normal Retirement Date. All reductions and 50% conversion factors are based on the ages of the employee and the spouse at the date benefits commence. However, if the spouse does not make this election, payments will commence on the employee's Normal Retirement Date. If the employee's death is after his Normal Retirement Date, payments will commence on the first day of the next month.</p>

Schedule SB, Part V — Summary of Plan Provisions

Unpredictable contingent event benefits	Not applicable.
Form of benefits	
• Automatic form for unmarried participants	5-year certain and life.
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 66 2/3% Last To Survive Annuity 10 year Certain & Life Single Life Annuity Lump sum (if the present value of the pension benefit is less than \$5,000.)
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on an interest rate of 7% and 1971 Group Annuity Mortality Table Projected by Scale D to 1975.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Summary of major plan provisions – Former HRB Systems, Inc. Salaried Retirement Plan

Definitions	
• Participation	Age 21 and 1 year of service (1,000 hours worked during your first year of employment or during any calendar year), provided the employee is not represented by a union (unless the bargaining agreement specifies participation in this plan).
• Vesting service	The total of all periods of employment including absences of less than one year.
• Credited service	Total of all period of employment after January 1, 1991, and upon the completion of one year of service for eligibility purposes, including leaves of absences of less than one year.

Schedule SB, Part V — Summary of Plan Provisions

• Final average earnings	Total W-2 (excluding commissions, expense allowances, and all other extraordinary compensation). Average monthly compensation is the considered compensation for a period divided by the number of months for which the compensation was received. The period is the best 60 successive calendar months out of the last 120 months which yield the highest average prior to the earlier of termination or normal retirement date.
Normal retirement	
• Eligibility	The later of age 65 or 5 years of vesting service.
• Benefit	<p>An annuity, payable for life with a minimum of 60 monthly payments, which is the greater of:</p> <ul style="list-style-type: none"> • The sum of: <ul style="list-style-type: none"> (1) 1.2% of average monthly compensation multiplied by the number of years of benefit service (limited to 10 years) plus, (2) 1.6% of average monthly compensation multiplied by the number of years of benefit service in excess of 10 years; or • \$12 multiplied by the number of years of benefit service.
Early retirement	
• Eligibility	Age 55 with 10 years of vesting service.
• Benefit	The annuity, commencing immediately and payable for life with a minimum of 60 monthly payments, is reduced for commencement more than 5 years prior to normal retirement age according to the following schedule: 1% at age 59, plus an additional 3% at age 58, an additional 5% at age 57, an additional 7% at age 56, and an additional 9% at age 55.
Deferred vested	
• Eligibility	5 years of vesting service.
• Benefit	An employee who terminates with five or more years of vesting service is eligible for a deferred vested benefit. The annuity, commencing at Normal Retirement Date and payable for life with a minimum of 60 monthly payments, shall be computed as for early retirement using service and compensation to date of termination and projected primary Social Security. An actuarially reduced pension may commence after attainment of age 55.
Disability	
• Eligibility	Totally and permanently disabled, following 10 years of service, and to start at normal retirement date.
• Benefit	The benefit, payable for life with a minimum of 60 monthly payments, shall be computed as for normal retirement using compensation to date of retirement but anticipated benefit service to normal retirement date and projected primary Social Security.

Schedule SB, Part V — Summary of Plan Provisions

Pre-retirement death	
• Eligibility	5 years of vesting service.
• Benefit	<p>If an active employee who's eligible for an early or vested benefit dies on or after January 1, 1995, the surviving spouse is eligible for a pension. The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Early, Optional Early, or Normal Retirement, chosen a 50% joint and survivor benefit and then died.</p> <p>The spouse can choose to begin receiving the pension on the first day of any month prior to the employee's Normal Retirement Date. All reductions and 50% conversion factors are based on the ages of the employee and the spouse at the date benefits commence. However, if the spouse does not make this election, payments will commence on the employee's Normal Retirement Date. If the employee's death is after his Normal Retirement Date, payments will commence on the first day of the next month.</p>
Unpredictable contingent event benefits	Not applicable.
Form of benefits	
• Automatic form for unmarried participants	5-year certain and life.
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	<p>75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 66 2/3% Last To Survive Annuity 5 or 10 year Certain & Life Single Life Annuity Lump sum (if the present value of the pension benefit is less than \$5,000.)</p>
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on an interest rate of 7% and 1971 Group Annuity Mortality Table Projected by Scale D to 1975.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

Schedule SB, Part V — Summary of Plan Provisions**Benefits Included or Excluded**

Unless noted below, all benefits provided by the plan, as restated effective January 16, 2015, are included in this valuation.

- **Most recent plan amendments included:** None.
- **Plan amendments excluded:** None.
- **Late retirement increases:**
 - *Active participants:* Current active participants are assumed to receive a suspension of benefits notice at their normal retirement date. After age 71, they are valued with both continuing accruals and the late retirement actuarial increase.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued with retroactive payments from age 65.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Plan Provisions Specific to Funding**Additional Benefits Included or Excluded**

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

Plan Provision Changes Since Prior Valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2019 to 2020.

Schedule SB, line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization installment can be negative, the combined shortfall amortization charge cannot be less than \$0.

Shortfall bases					
Year established		Outstanding balance	Years remaining		2020 Installment
2017	\$	520,995,502	4	\$	137,315,111
2018		35,725,910	5		7,665,024
2019		189,030,521	6		34,769,733
2020		(106,194,083)	7		(17,200,319)
Total	\$	639,557,850		\$	162,549,549

Schedule SB, line 24 — Change in Actuarial Assumptions**Actuarial Assumption Changes Since Prior Valuation****Funding**

- Expenses loaded on the normal cost increased from \$51,400,000 to \$51,800,000 to reflect our best estimate of the current plan year's expenses.
- The PBGC interest basis for conversion to lump sum form of payment was changed from 1.75% for 2020, 2.25% for 2021, and 2.75% thereafter to 0.25% for plan year 2020, 0.75% for 2021, 1.25% for 2022, 1.75% for 2023 and 2.00% thereafter in order to reflect current and future interest rates.
- The segmented interest rate basis was changed from 3.75% for 5 years, 4.25% for the next 15 years and 4.50% thereafter for 2020; 4.25% for 5 years, 4.50% for the next 15 years and 4.75% thereafter for 2021; 4.75% for 5 years, 4.75% for the next 15 years, and 4.75% thereafter for 2022 and beyond to 2.09% for 5 years, 3.00% for the next 15 years and 3.61% thereafter for 2020; 2.50% for 5 years, 3.25% for the next 15 years and 3.75% thereafter for 2021; 3.00% for 5 years, 3.50% for the next 15 years and 3.75% thereafter for 2022; 3.50% for 5 years, 3.75% for the next 15 years, and 4.00% thereafter for 2023, 4.00% for 5 years, 4.00% for the next 15 years, and 4.00% for 2024 and beyond in order to reflect current and expected future interest rates.
- For conversion to lump sum forms of payment, the lump sum mortality was changed from 2019 static 417(e) mortality table prescribed by the IRS to the 2020 static 417(e) mortality table prescribed by the IRS for 2020, the 2021 static 417(e) mortality table prescribed by the IRS for 2021 and the 417(e) mortality table with improvements projected generationally based on MP-2019 for 2022 and beyond.
- The bonus smoothing percentage changed from a 14.3% increase to a 9.2% decrease in order to reflect management's expectations of future bonus payments.
- Withdrawal rates, retirement rates, and salary scale were updated based on a 2019 study. See sample rates above.
- Form of payment was updated for current vested deferred participants in the Raytheon TI Systems Employees' Pension Plan to 10% life annuity and 90% lump sum in order to reflect updated expectations of lump sum payment prevalence.
- The expected return on assets was changed from 7.5% to 7.0% to reflect current capital market assumptions.