

<p><b>Form 5500</b></p> <p>Department of the Treasury Internal Revenue Service</p> <hr/> <p>Department of Labor Employee Benefits Security Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p>	<p><b>Annual Return/Report of Employee Benefit Plan</b></p> <p>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> <p>▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p>	<p>OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: 24pt; font-weight: bold;">2022</p> <hr/> <p><b>This Form is Open to Public Inspection</b></p>
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<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>	
<b>A</b> This return/report is for:	<input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) <input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) ____
<b>B</b> This return/report is:	<input type="checkbox"/> the first return/report <input checked="" type="checkbox"/> the final return/report <input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)
<b>C</b> If the plan is a collectively-bargained plan, check here. . . . .	▶ <input type="checkbox"/>
<b>D</b> Check box if filing under:	<input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program <input type="checkbox"/> special extension (enter description)
<b>E</b> If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . .	▶ <input type="checkbox"/>

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information
<p><b>1a</b> Name of plan <u>TWIN DISC, INCORPORATED RETIREMENT PLAN FOR RACINE HOURLY PAID EMPLOYEES</u></p> <p><b>2a</b> 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>TWIN DISC, INCORPORATED</u></p> <p><u>222 E ERIE STREET</u> <u>SUITE 400</u> <u>MILWAUKEE, WI 53202</u></p>	<p><b>1b</b> Three-digit plan number (PN) ▶ <u>002</u></p> <p><b>1c</b> Effective date of plan <u>07/01/1950</u></p> <p><b>2b</b> Employer Identification Number (EIN) <u>39-0667110</u></p> <p><b>2c</b> Plan Sponsor's telephone number <u>262-638-4000</u></p> <p><b>2d</b> Business code (see instructions) <u>333610</u></p>

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

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

<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	10/09/2023	BRIAN PLEMEL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2022)  
v. 220413

<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	<b>3b</b> Administrator's EIN  <b>3c</b> Administrator's telephone number
<b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN  <b>4d</b> PN
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b> 541
<b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).  <b>a(1)</b> Total number of active participants at the beginning of the plan year ..... <b>a(2)</b> Total number of active participants at the end of the plan year .....  <b>b</b> Retired or separated participants receiving benefits ..... <b>c</b> Other retired or separated participants entitled to future benefits..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....  <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....  <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6a(1)</b> 24 <b>6a(2)</b> 0 <b>6b</b> 0 <b>6c</b> 0 <b>6d</b> 0 <b>6e</b> 0 <b>6f</b> 0  <b>6g</b>  <b>6h</b> 0
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>
<b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 3H  <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
<b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)  (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  (3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input type="checkbox"/> <b>0 A</b> (Insurance Information) (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

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

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**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.

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

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**11c** Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 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 \_\_\_\_\_

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<b>SCHEDULE SB</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Single-Employer Defined Benefit Plan</b> <b>Actuarial Information</b>  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).  <b>▶ File as an attachment to Form 5500 or 5500-SF.</b>	<small>OMB No. 1210-0110</small>  <b>2022</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

▶ **Round off amounts to nearest dollar.**  
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

<b>A</b> Name of plan <u>TWIN DISC, INCORPORATED RETIREMENT PLAN FOR RACINE HOURLY PAID EMPLOYEES</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>TWIN DISC, INCORPORATED</u>	<b>D</b> Employer Identification Number (EIN) <u>39-0667110</u>	

**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**

<b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2022</u>			
<b>2</b> Assets:			
<b>a</b> Market value.....	<b>2a</b>		<u>44185095</u>
<b>b</b> Actuarial value.....	<b>2b</b>		<u>42081892</u>
<b>3</b> Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
<b>a</b> For retired participants and beneficiaries receiving payment .....	<u>494</u>	<u>34789328</u>	<u>34789328</u>
<b>b</b> For terminated vested participants.....	<u>23</u>	<u>636355</u>	<u>636355</u>
<b>c</b> For active participants.....	<u>24</u>	<u>1400148</u>	<u>1575297</u>
<b>d</b> Total .....	<u>541</u>	<u>36825831</u>	<u>37000980</u>
<b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>			
<b>a</b> Funding target disregarding prescribed at-risk assumptions.....	<b>4a</b>		
<b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	<b>4b</b>		
<b>5</b> Effective interest rate.....	<b>5</b>		<u>5.25 %</u>
<b>6</b> Target normal cost .....			
<b>a</b> Present value of current plan year accruals.....	<b>6a</b>		<u>0</u>
<b>b</b> Expected plan-related expenses .....	<b>6b</b>		<u>150000</u>
<b>c</b> Total (line 6a + line 6b) .....	<b>6c</b>		<u>150000</u>

**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.

<b>SIGN HERE</b>		
	Signature of actuary	<u>09/26/2023</u> Date
	<u>GORDON A. YOUNG, FSA, EA</u> Type or print name of actuary	<u>23-05802</u> Most recent enrollment number
	<u>WILLIS TOWERS WATSON US LLC</u> Firm name	<u>262-780-3259</u> Telephone number (including area code)
	<u>111 E. KILBOURN AVE. SUITE 1850 MILWAUKEE, WI 53202</u> 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

<b>Part II Beginning of Year Carryover and Prefunding Balances</b>		(a) Carryover balance	(b) Prefunding balance
<b>7</b>	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	661645
<b>8</b>	Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....	0	0
<b>9</b>	Amount remaining (line 7 minus line 8) .....	0	661645
<b>10</b>	Interest on line 9 using prior year's actual return of <u>10.26</u> % .....	0	67885
<b>11</b>	Prior year's excess contributions to be added to prefunding balance:		
	<b>a</b> Present value of excess contributions (line 38a from prior year).....		0
	<b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.43</u> %.....		0
	<b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....		0
	<b>c</b> Total available at beginning of current plan year to add to prefunding balance.....		0
	<b>d</b> Portion of (c) to be added to prefunding balance.....		0
<b>12</b>	Other reductions in balances due to elections or deemed elections.....	0	0
<b>13</b>	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	729530

<b>Part III Funding Percentages</b>			
<b>14</b>	Funding target attainment percentage .....	<b>14</b>	111.76 %
<b>15</b>	Adjusted funding target attainment percentage .....	<b>15</b>	113.73 %
<b>16</b>	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	<b>16</b>	101.55 %
<b>17</b>	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....	<b>17</b>	%

<b>Part IV Contributions and Liquidity Shortfalls</b>		<b>18 Contributions made to the plan for the plan year by employer(s) and employees:</b>					
(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		
<b>Totals ▶</b>			<b>18(b)</b>	0	<b>18(c)</b>	0	

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

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

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

**21** Discount rate:

<b>a</b> Segment rates:	1st segment: 4.75 %	2nd segment: 5.18 %	3rd segment: 5.92 %	<input type="checkbox"/> N/A, full yield curve used
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**b** Applicable month (enter code)..... **21b** 0

**22** Weighted average retirement age ..... **22** 61

**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** Demographic and benefit information

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

**b** Is the plan required to provide a projection of expected benefit payments? 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**

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

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

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

<b>a</b> Target normal cost (line 6c).....	<b>31a</b>	150000
<b>b</b> Excess assets, if applicable, but not greater than line 31a .....	<b>31b</b>	150000

<b>32</b> Amortization installments:	Outstanding Balance	Installment
<b>a</b> Net shortfall amortization installment .....	0	0
<b>b</b> Waiver amortization installment.....	0	0

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

**34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).... **34** 0

	Carryover balance	Prefunding balance	Total balance
<b>35</b> Balances elected for use to offset funding requirement.....	0	0	0

**36** Additional cash requirement (line 34 minus line 35)..... **36** 0

**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 0

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

<b>a</b> Total (excess, if any, of line 37 over line 36)	<b>38a</b>	0
<b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....	<b>38b</b>	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 the American Rescue Plan Act of 2021 (See Instructions)**

**41** If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies.  2019  2020  2021

<b>SCHEDULE C</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2022</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

<b>A</b> Name of plan <u>TWIN DISC, INCORPORATED RETIREMENT PLAN FOR RACINE HOURLY PAID EMPLOYEES</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>TWIN DISC, INCORPORATED</u>	<b>D</b> Employer Identification Number (EIN) <u>39-0667110</u>	

**Part I Service Provider Information (see instructions)**

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

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

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

BMO HARRIS BANK, NA

36-2085229

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

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

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

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

INCOME RESEARCH & MANAGEMENT

04-2955404

(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?
28 51	NONE	51252	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

WILLIS TOWERS WATSON

23-1159360

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	40909	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

MARQUETTE ASSOCIATES INVESTMENT

180 N LA SALLE ST. SUITE 3500  
CHICAGO, IL 60601

(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?
27 50	NONE	25826	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

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

BMO HARRIS BANK N.A.

36-2085229

(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?
19 21 50	NONE	19907	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

EAGLE ASSET MANAGEMENT

59-2385219

(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?
28 50	NONE	14108	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

LSV MANAGEMENT

23-2772200

(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?
28 50	NONE	12183	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

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

FIDUCIARY TRUST INTERNATIONAL

65-0080824

(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?
28 50	NONE	9892	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

(b) 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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

(b) 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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Part I Service Provider Information (continued)**

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

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

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

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

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

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

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

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

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

<p style="text-align: center;"><b>SCHEDULE D</b> <b>(Form 5500)</b></p> <p style="font-size: small; text-align: center;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="font-size: small; text-align: center;">Department of Labor Employee Benefits Security Administration</p>	<p><b>DFE/Participating Plan Information</b></p> <p>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p>▶ <b>File as an attachment to Form 5500.</b></p>	<p style="font-size: x-small;">OMB No. 1210-0110</p> <hr/> <p style="font-size: large; font-weight: bold;">2022</p> <hr/> <p style="font-size: small; font-weight: bold;">This Form is Open to Public Inspection.</p>
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For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
<b>A</b> Name of plan <u>TWIN DISC, INCORPORATED RETIREMENT PLAN FOR RACINE HOURLY PAID EMPLOYEES</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>TWIN DISC, INCORPORATED</u>	<b>D</b> Employer Identification Number (EIN) <u>39-0667110</u>	

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

<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>TWIN DISC, INC. MAS RET TRUST</u>		
<b>b</b> Name of sponsor of entity listed in (a): <u>TWIN DISC, INCORPORATED</u>		
<b>c</b> EIN-PN <u>36-6029158-001</u>	<b>d</b> Entity code <u>M</u>	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:		
<b>b</b> Name of sponsor of entity listed in (a):		
<b>c</b> EIN-PN	<b>d</b> Entity code	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:		
<b>b</b> Name of sponsor of entity listed in (a):		
<b>c</b> EIN-PN	<b>d</b> Entity code	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:		
<b>b</b> Name of sponsor of entity listed in (a):		
<b>c</b> EIN-PN	<b>d</b> Entity code	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:		
<b>b</b> Name of sponsor of entity listed in (a):		
<b>c</b> EIN-PN	<b>d</b> Entity code	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:		
<b>b</b> Name of sponsor of entity listed in (a):		
<b>c</b> EIN-PN	<b>d</b> Entity code	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:		
<b>b</b> Name of sponsor of entity listed in (a):		
<b>c</b> EIN-PN	<b>d</b> Entity code	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

**c** EIN-PN

**d** Entity code

**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

**c** EIN-PN

**d** Entity code

**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

**c** EIN-PN

**d** Entity code

**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

**c** EIN-PN

**d** Entity code

**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

**c** EIN-PN

**d** Entity code

**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

**c** EIN-PN

**d** Entity code

**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

**c** EIN-PN

**d** Entity code

**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

**c** EIN-PN

**d** Entity code

**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

**c** EIN-PN

**d** Entity code

**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

**c** EIN-PN

**d** Entity code

**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)



**SCHEDULE H  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Financial Information**

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

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

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning **01/01/2022** and ending **12/31/2022**

<b>A</b> Name of plan <b>TWIN DISC, INCORPORATED RETIREMENT PLAN FOR RACINE HOURLY PAID EMPLOYEES</b>	<b>B</b> Three-digit plan number (PN) ► <b>002</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>TWIN DISC, INCORPORATED</b>	<b>D</b> Employer Identification Number (EIN) <b>39-0667110</b>

**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.

<b>Assets</b>	<b>(a) Beginning of Year</b>	<b>(b) End of Year</b>
<b>a</b> Total noninterest-bearing cash.....	<b>1a</b>	
<b>b</b> Receivables (less allowance for doubtful accounts):		
<b>(1)</b> Employer contributions.....	<b>1b(1)</b>	0
<b>(2)</b> Participant contributions.....	<b>1b(2)</b>	
<b>(3)</b> Other.....	<b>1b(3)</b>	
<b>c</b> General investments:		
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....	<b>1c(1)</b>	
<b>(2)</b> U.S. Government securities.....	<b>1c(2)</b>	
<b>(3)</b> Corporate debt instruments (other than employer securities):		
<b>(A)</b> Preferred.....	<b>1c(3)(A)</b>	
<b>(B)</b> All other.....	<b>1c(3)(B)</b>	
<b>(4)</b> Corporate stocks (other than employer securities):		
<b>(A)</b> Preferred.....	<b>1c(4)(A)</b>	
<b>(B)</b> Common.....	<b>1c(4)(B)</b>	
<b>(5)</b> Partnership/joint venture interests.....	<b>1c(5)</b>	
<b>(6)</b> Real estate (other than employer real property).....	<b>1c(6)</b>	
<b>(7)</b> Loans (other than to participants).....	<b>1c(7)</b>	
<b>(8)</b> Participant loans.....	<b>1c(8)</b>	
<b>(9)</b> Value of interest in common/collective trusts.....	<b>1c(9)</b>	
<b>(10)</b> Value of interest in pooled separate accounts.....	<b>1c(10)</b>	
<b>(11)</b> Value of interest in master trust investment accounts.....	<b>1c(11)</b>	44185096
<b>(12)</b> Value of interest in 103-12 investment entities.....	<b>1c(12)</b>	0
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>	
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>	
<b>(15)</b> Other.....	<b>1c(15)</b>	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	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	44185096	0
<b>Liabilities</b>			
g Benefit claims payable.....	1g		
h Operating payables.....	1h	65577	0
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	65577	0
<b>Net Assets</b>			
l Net assets (subtract line 1k from line 1f).....	1l	44119519	0

**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.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)		
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		0
<b>b Earnings on investments:</b>			
(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)		
(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)		-7924690
(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)		
<b>c</b> Other income .....	2c		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total .....	2d		-7924690
<b>Expenses</b>			
<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	2e(1)	3710348	
(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)		3710348
<b>f</b> Corrective distributions (see instructions).....	2f		
<b>g</b> Certain deemed distributions of participant loans (see instructions) .....	2g		
<b>h</b> Interest expense.....	2h		
<b>i</b> Administrative expenses: (1) Professional fees .....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees .....	2i(3)	87435	
(4) Other .....	2i(4)	205955	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		293390
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total .....	2j		4003738
<b>Net Income and Reconciliation</b>			
<b>k</b> Net income (loss). Subtract line 2j from line 2d.....	2k		-11928428
<b>l</b> Transfers of assets:			
(1) To this plan .....	2l(1)		
(2) From this plan.....	2l(2)		32191091

**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: WIPFLI LLP

(2) EIN: 39-0758449

**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
<b>4a</b>		X	

		Yes	No	Amount
<b>b</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.).....	<b>4b</b>		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....	<b>4c</b>		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	<b>4d</b>		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	<b>4e</b>	X		3000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....	<b>4f</b>		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....	<b>4g</b>		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	<b>4h</b>		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	<b>4i</b>		X	
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....	<b>4j</b>		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....	<b>4k</b>	X		
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....	<b>4l</b>		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....	<b>4m</b>		X	
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....	<b>4n</b>			

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

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
TWIN DISC, INC COMBINED RETIREMENT PLAN FOR RACINE HOURLY AND SALARIED EMPLOYEES	39-0667110	004

**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 473401.

<b>SCHEDULE R</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Retirement Plan Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2022</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

<b>A</b> Name of plan <u>TWIN DISC, INCORPORATED RETIREMENT PLAN FOR RACINE HOURLY PAID EMPLOYEES</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>TWIN DISC, INCORPORATED</u>	<b>D</b> Employer Identification Number (EIN) <u>39-0667110</u>	

<b>Part I</b>	<b>Distributions</b>
---------------	----------------------

**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
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**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): 39-6436442

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year..... 

3	0
---	---

<b>Part II</b>	<b>Funding Information</b> (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.**

<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	<b>6a</b>	
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year.....	<b>6b</b>	
<b>c</b> 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).....	<b>6c</b>	

**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

<b>Part III</b>	<b>Amendments</b>
-----------------	-------------------

**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

<b>Part IV</b>	<b>ESOPs</b> (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.
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**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....  Yes  No

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

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

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

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

**13** Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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:

<b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....	<b>14b</b>	
<b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14c</b>	

**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:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year.....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year.....	<b>15b</b>	

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

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</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.....	<b>16b</b>	

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

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

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

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

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
 0-3 years  3-6 years  6-9 years  9-12 years  12-15 years  15-18 years  18-21 years  21 years or more

**c** What duration measure was used to calculate line 19(b)?  
 Effective duration  Macaulay duration  Modified duration  Other (specify): \_\_\_\_\_

**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 \_\_\_\_\_

**Twin Disc, Incorporated Retirement Plan for  
Racine Hourly Paid Employees**

Milwaukee, Wisconsin

**Financial Statements**

Years Ended December 31, 2022 and 2021

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

Financial Statements  
Years Ended December 31, 2022 and 2021

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## **Independent Auditor's Report**

Plan Administrator  
Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees  
Milwaukee, Wisconsin

### ***Scope and Nature of the ERISA Section 103(a)(3)(C) Audit***

We have performed audits of the accompanying financial statements of Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, 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, having determined it is permissible in the circumstances, has elected to have the audits of the Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees' financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the years then ended, stating that the certified investment information, as described in Note 10 to the financial statements, is complete and accurate.

### ***Opinion***

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section –

- the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP).
- the information in the financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due or which may become due to such participants.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees' ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Wipfli LLP*

Wipfli LLP

Milwaukee, Wisconsin

October 4, 2023

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Statements of Net Assets Available for Benefits December 31, 2022 and 2021

	2022	2021
Assets:		
Interest in Twin Disc, Incorporated Master Trust	\$ -	\$ 44,185,096
Liability:		
Accrued expenses	-	(65,577)
Net assets available for benefits	\$ -	\$ 44,119,519

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Statements of Changes in Net Assets Available for Benefits Years Ended December 31, 2022 and 2021

	2022	2021
Additions (reductions):		
Plan interest in net investment (loss) income of Twin Disc, Incorporated Master Trust	\$ (7,924,690)	\$ 4,381,500
Company contributions	-	157,000
<b>Total (reductions) additions</b>	<b>(7,924,690)</b>	<b>4,538,500</b>
Deductions:		
Benefits paid to participants	3,710,348	3,767,144
Administrative expenses	293,390	353,727
<b>Total deductions</b>	<b>4,003,738</b>	<b>4,120,871</b>
<b>Net change</b>	<b>(11,928,428)</b>	<b>417,629</b>
<b>Transfer to Twin Disc, Incorporated Combined Retirement Plan</b>	<b>(32,191,091)</b>	<b>-</b>
<b>Net assets available for plan benefits at beginning of year</b>	<b>44,119,519</b>	<b>43,701,890</b>
<b>Net assets available for plan benefits at end of year</b>	<b>\$ -</b>	<b>\$ 44,119,519</b>

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Notes to Financial Statements

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### **Note 1: Description of the Plan**

The following description of the Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions. The Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

#### **General**

The Plan is a non-contributory defined benefit pension plan sponsored by Twin Disc, Incorporated (the Company). The Company is the Plan Administrator. BMO Harris Bank N.A. (the Trustee) holds the Plan's investments and makes distributions. Effective December 31, 2022, the Company spun out the all assets and liabilities from the Plan to a newly created Twin Disc, Inc. Combined Retirement Plan for Racine Hourly and Salaried Employees.

#### **Eligibility and Vesting**

The Plan was closed to new participants, effective October 1, 2003. Substantially, all employees compensated on an hourly basis prior to October 1, 2003, were eligible to participate in the Plan.

Employees received one year of vesting for each plan year in which they completed 1,000 hours of service.

#### **Pension, Death and Disability Benefits**

Plan benefits are based on years of service for benefits earned. Effective January 1, 2009, the accrual of service was frozen.

The Plan provides for benefit payments under the following circumstances:

- (a) For normal retirement at age 65 and after completing five years of credited service.
- (b) For early retirement at minimum age 60 with at least 10 years of credited service, on or after age 55 if age plus credited services is at least 85, or any age after 30 years of credited service.
- (c) For disability retirement if they have 5 years or more of vesting credited service, have been awarded a social security disability benefit, have terminated employment because of the disability prior to the normal retirement date and are not receiving deferred vested or early retirement benefit under the Plan.
- (d) For death of participant.

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Notes to Financial Statements

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### **Note 1: Description of the Plan (Continued)**

#### **Pension, Death and Disability Benefits (Continued)**

The amount of monthly pension benefit is calculated by multiplying the years of benefit services by \$23.00.

The Plan permits single life annuities and joint and survivor annuities. If a vested participant dies, a reduced benefit is paid to the participant's surviving spouse.

#### **Supplemental Medical Benefits**

Participants who terminated employment after they are eligible for normal, early or disability retirement benefits receive a Supplemental Medical Benefit. The amount of the Supplemental Medical Benefit payable is \$4.42 per month, multiplied by years of credited service as of October 1, 2003, up to a maximum of 30 years. If a participant dies and had elected to receive a joint and survivor annuity under the Plan, the spouse will continue to receive the Supplemental Medical Benefit that the participant would have received had he/she lived.

#### **Interest in Twin Disc, Incorporated Master Trust**

All of the assets of the Plan are invested in the Twin Disc, Incorporated Master Trust (Master Trust), in which investments of the Company's two defined benefit plans are commingled. The investment (loss) income and the expenses of the Master Trust are allocated to each plan based on the relationship of the Plan's investment balances to the total Master Trust investment balance. Effective December 31, 2022, the Company spun out the all assets and liabilities from the Plan to a newly created Twin Disc, Inc. Combined Retirement Plan for Racine Hourly and Salaried Employees. Accordingly, the Master Trust is discontinued as of December 31, 2022.

### **Note 2: Summary of Significant Accounting Policies**

#### **Basis of Accounting**

The Plan's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Notes to Financial Statements

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### **Note 2: Summary of Significant Accounting Policies (Continued)**

#### **Use of Estimates in the Preparation of Financial Statements**

The preparation of the accompanying financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Management considers the actuarial assumptions to be significant estimates. Actual results may differ from these estimates and are subject to change in the near term.

#### **Investment Valuation and Income Recognition**

The Plan's interest in the Master Trust is stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements. Purchases and sales of investments of the Master Trust are recorded on a trade date basis. Interest income of the Master Trust is recognized when earned. Dividends of the Master Trust are recorded on the ex-dividend date. The Statements of Changes in Net Assets Available for Benefits present the net investment (loss) income from the Master Trust, which includes interest and dividend income and the Plan's gains and losses on investments bought and sold as well as held during the year.

#### **Payment of Benefits**

Benefits payments to participants are recorded upon distribution.

#### **Administrative Expenses**

The Plan's expenses are paid by either the Plan or the Company, as provided by the plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying Statements of Changes in Net Assets Available for Benefits. In addition, certain investment related expenses are included in net (depreciation) appreciation of fair value of investments.

#### **Subsequent Events**

Subsequent events have been evaluated through October 4, 2023, which is the date the financial statements were available to be issued.

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Notes to Financial Statements

### Note 3: Interest in Master Trust

Net assets held by the Master Trust as of December 31 are as follows:

<b>December 31, 2022</b>	<b>Master Trust Balances</b>	<b>Plan's interest in Master Trust Balances</b>
Cash and Cash Equivalents	\$ 862,392	\$ -
Company Common Stock	954,611	-
Common Stock	5,142,001	-
Mutual Funds	8,128,151	-
Investments measured at Net Asset Value	45,976,749	-
Total investments of the Master Trust	61,063,904	-
Pending trades	(5,436)	-
Interest and dividends receivable	6,273	-
<b>Total net assets of the Master Trust</b>	<b>\$ 61,064,741</b>	<b>\$ -</b>

<b>December 31, 2021</b>	<b>Master Trust Balances</b>	<b>Plan's interest in Master Trust Balances</b>
Cash and Cash Equivalents	\$ 923,156	\$ 484,566
Company Common Stock	1,076,393	565,001
Common Stock	7,589,863	3,983,935
Mutual Funds	14,614,245	7,671,048
Investments measured at Net Asset Value	59,988,042	31,487,847
Total investments of the Master Trust	84,191,699	44,192,397
Pending trades	(18,728)	(9,830)
Interest and dividends receivable	4,819	2,529
<b>Total net assets of the Master Trust</b>	<b>\$ 84,177,790</b>	<b>\$ 44,185,096</b>

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Notes to Financial Statements

### Note 3: Interest in Master Trust (Continued)

The amount of net assets available for benefits attributable to each plan is determined by the Trustee, based upon the contributions for, and the benefits paid on behalf of, each plan.

At December 31, 2022 and 2021, the Plan's interest in the net assets of the Master Trust was approximately 0% and 52%, respectively.

The changes in net assets for the Master Trust for the years ended December 31 are as follows:

	<b>2022</b>	<b>2021</b>
Interest and dividend income	\$ 346,989	\$ 468,939
Net (depreciation) appreciation in fair value of investments	(15,399,607)	7,891,363
Total net investment (loss) income of the Master Trust	(15,052,618)	8,360,302
Net transfers	(7,551,327)	(6,031,064)
Administrative expenses	(509,104)	(580,132)
Net change	(23,113,049)	1,749,106
Net assets of the Master Trust at beginning of year	84,177,790	82,428,684
Net assets of the Master Trust at end of year	\$ 61,064,741	\$ 84,177,790

Plan interest in the changes in net assets for the Master Trust for the years ended December 31 are as follows:

	<b>2022</b>	<b>2021</b>
Net investment (loss) income	\$ (7,924,690)	\$ 4,381,500
Administrative expenses	\$ 293,390	\$ 353,727

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Notes to Financial Statements

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### **Note 4: Fair Value Measurements**

A fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy are described below:

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

Level 2 Inputs to the valuation methodology include:

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

**Common stock:** Valued at the closing price reported on the active market on which the individual securities are traded. These securities include U.S. equity securities invested in companies that are traded on exchanges inside the U.S.

**Mutual funds:** Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

**Real estate investment, hedged equity funds, and fixed income funds:** Valued based on NAV provided by the fund. The NAV is used as a practical expedient to estimate fair value. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Notes to Financial Statements

### Note 4: Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at:

<b>December 31, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 862,392	\$ -	\$ -	\$ 862,392
Company common stock	954,611	-	-	954,611
Common stock	5,142,001	-	-	5,142,001
Mutual funds	8,128,151	-	-	8,128,151
Total assets in the fair value hierarchy	15,087,155	-	-	15,087,155
Investments measured at net asset value (a)		-	-	45,976,749
Investments at fair value	\$ 15,087,155	\$ -	\$ -	\$ 61,063,904

<b>December 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 923,156	\$ -	\$ -	\$ 923,156
Company common stock	1,076,393	-	-	1,076,393
Common stock	7,589,863	-	-	7,589,863
Mutual funds	14,614,245	-	-	14,614,245
Total assets in the fair value hierarchy	24,203,657	-	-	24,203,657
Investments measured at net asset value (a)		-	-	59,988,042
Investments at fair value	\$ 24,203,657	\$ -	\$ -	\$ 84,191,699

(a) In accordance with Subtopic 820-10, certain investments measured at net asset value per share (or its equivalent) 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 line items presented in the statements of net assets available for benefits.

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Notes to Financial Statements

### Note 4: Fair Value Measurements (Continued)

There were no unfunded commitments or other redemption restrictions for the investments whose fair values are estimated using NAV. The following table sets forth additional disclosures of the Plan's investments whose fair values are estimated using NAV as of December 31:

Investments	2022	2021	Redemption Frequency	Redemption Notice Period
IR & M Long Government/Credit Fund (a)	\$ 28,149,612	\$ 39,849,301	Monthly	5 days
Parametric Defensive Equity Fund (b)	3,904,478	4,027,314	Monthly	5 days
Principal Group Real Estate	6,655,308	6,404,907	Daily	1 day
Templeton International Smaller Companies Fund (c)	2,279,844	3,185,208	Daily	1 day
Georgetown Diversified Fund, Ltd. (d)	4,987,507	6,521,312	Quarterly	90 days
Total	\$ 45,976,749	\$ 59,988,042		

(a) IR&M Long Government/Credit Fund is a limited liability company consisting primarily of investment-grade fixed income securities. The investments are valued based on evaluated prices received from independent pricing services which utilize matrix pricing or prices from dealers who make markets in such securities.

(b) Parametric Defensive Equity Fund is a limited liability company consisting of derivative financial instruments which include equity futures and option contracts. These instruments derive their value, primarily or particularly from the underlying asset, indices, reference rate, or combination of these factors. A derivative financial instrument may be traded on an exchange or over-the-counter.

(c) Templeton International Smaller Companies Fund is equity securities invested in companies that are traded on exchanges outside the U.S. and are well diversified by industry sector, country, capitalization and equity style (i.e., growth and value strategies). Certain assets are invested in international commingled equity funds. The vast majority of the investments are made in companies in developed markets with a smaller percentage in emerging markets. Securities traded on exchanges are valued at the closing price reported on the active market on which the individual securities are traded.

(d) Georgetown Diversified Fund, Ltd is a limited partnership consisting of hedged equity mutual funds investing in a diversified group of alternative investment funds which invest in securities in a variety of equity related strategies. The value of the investments generally represents the fund's proportionate share of the net assets at the valuation date.

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Notes to Financial Statements

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### Note 5: Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees, or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees, or their beneficiaries.

Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date. The actuarial present value of accumulated plan benefits is determined by consulting actuaries, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of January 1, 2022 were as follows:

Rate of return on plan assets	6.40%
Retirement age - active participants	Assume between the ages of 50 to 70 based on varying probability rates
Retirement age - inactive participants	Assume age 65
Mortality rate	RP-2014 Employees Table (adjusted for non-annuitants and annuitants)

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

The actuarial present value of accumulated plan benefits information as of January 1, 2022, is as follows:

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Vested benefits:		
Participants currently receiving payments	\$	39,350,072
Other participants		2,724,849
<hr/>		
Total vested benefits		42,074,921
Non-vested benefits		215,270
<hr/>		
Total actuarial present value of accumulated plan benefits	\$	42,290,191

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# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Notes to Financial Statements

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### Note 5: Accumulated Plan Benefits (Continued)

The change in the actuarial present value of accumulated plan benefits is as follows:

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Actuarial present value of accumulated plan benefits, January 1, 2021	\$	46,584,627
Increase (decrease) during the year attributable to:		
Actuarial gains		(707,174)
Decrease in the discount period		1,207,267
Benefit payments		(3,767,144)
Assumption changes		(1,027,385)
Actuarial present value of accumulated plan benefits, January 1, 2022	\$	42,290,191

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In its January 1, 2022 valuation, the Plan changed the discount rate from 2.70% to 3.05%.

### Note 6: Funding Policy

The Plan is solely funded by contributions from the Company. The Plan's funding policy is for the Company to contribute amounts that meet or exceed the annual ERISA minimum funding requirement. The Company met the ERISA minimum funding requirements in 2022 and 2021.

### Note 7: Income Tax Status

The Internal Revenue Service (IRS) has determined by a letter dated October 4, 2016, that the Plan was designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan Administrator believes the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC. Accordingly, the Plan Administrator believes the Plan is exempt from federal and state income taxes. The Plan Administrator evaluates uncertain tax positions taken by the Plan. The financial statement effect of a tax position is recognized when the position is more likely than not, based on the technical merits not to be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022 and 2021, there were no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions and there are currently no audits in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2019.

# Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees

## Notes to Financial Statements

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### **Note 8: Party-In-Interest Transactions**

Transactions involving funds administered by the Trustee are considered party-in-interest. These transactions are not, however, considered prohibited transactions under 29CFR 480(b) of the ERISA regulations.

### **Note 9: Related Party Transactions**

The Master Trust owned shares of Twin Disc, Incorporated common stock as of December 31, 2022 and 2021, with fair value of \$954,611 and \$1,076,393, respectively. In 2022 and 2021, there were no shares of Twin Disc, Incorporated common stock purchased or sold by the Master Trust.

### **Note 10: Information Certified by the Plan Trustee**

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. The Plan's Trustee has certified that the following data included in the accompanying financial statements and notes is complete and accurate:

- (a) Interest in the Master Trust as reported in the Statements of Net Assets Available for Benefits.
- (b) Interest in net investment (loss) income of the Master Trust as reported in the Statements of Changes in Net Assets Available for Benefits.
- (c) Investment information of the Master Trust as reported in Note 3.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and notes.

### **Note 11: Risk and Uncertainties**

The Plan's investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

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

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 26a Schedule of Active Participant Data as of January 1, 2022

Attained Age	Attained Years of Credited Service <sup>1</sup>										Total	
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over		
Under 25	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	1	1	0	0	0	0	2
50-54	0	0	0	0	0	1	2	0	0	0	0	3
55-59	0	0	0	0	0	0	5	0	0	0	0	5
60-64	0	0	0	0	0	1	2	3	0	2	0	8
65-69	0	0	0	0	1	0	0	1	0	4	0	6
70 & over	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	1	3	10	4	0	6	0	24

<sup>1</sup> Age and service for purposes of determining category are based on exact (not rounded) values.  
 Plan Name: Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees  
 EIN / PN: 39-0667110/002  
 Plan Sponsor: Twin Disc, Incorporated  
 Valuation Date: January 1, 2022

# SCHEDULE SB ATTACHMENTS

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

### Actuarial Assumptions and Methods — Contributions

#### Economic Assumptions

##### Interest rate basis:

- Applicable month January 2022
- Interest rate basis 3-Segment Rates

##### Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
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##### Annual rates of increase

- Compensation N/A
- Future Social Security wage bases N/A
- Statutory limits on compensation N/A

Plan Name: Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees  
EIN / PN: 39-0667110/002  
Plan Sponsor: Twin Disc, Incorporated  
Valuation Date: January 1, 2022

# SCHEDULE SB ATTACHMENTS

## Demographic Assumptions

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

**New or rehired employees** It was assumed there will be no new or rehired employees.

### Mortality

■ Healthy Separate IRS-prescribed annuitant and non-annuitant tables based on RP-2014 “Employees” and “Healthy Annuitants” tables, without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with generational projection using Scale MP-2020.

■ Disabled Same as healthy mortality.

**Termination** Rates varying by age.

Representative Termination Rates

Percentage leaving during the year	
Attained Age	Rate
20	7.420
25	5.327
30	3.675
35	2.440
40	1.574
45	1.005
50	0.637
55	0.350
60	-

**Disability** Sample rates at which participants become disabled by age are shown below:

Percentage becoming disabled during the year	
Age	Rate
20	0.07
25	0.07
30	0.07
35	0.10
40	0.20
45	0.31
50	0.52
55	0.99
60	1.74

Plan Name: Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees  
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# SCHEDULE SB ATTACHMENTS

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## Retirement

Rates varying by age.

Average 62.27 for less than 30 years of service and 58.02 for 30+ years of service

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

Percentage retiring during the year		
Age	<30 YOS	30+ YOS
50-54	0	5
55-59	2	15
60-61	20	20
62-64	40	40
65-69	60	60
70	100	100

### Benefit commencement date:

- Preretirement death benefit The later of the death of the active participant or the date the participant would have attained age 55.
- Deferred vested benefit The later of age 55 or termination of employment.
- Disability benefit Upon disablement.
- Retirement benefit Upon termination of employment.

### Form of payment

All participants are assumed to elect the normal form of benefit (60% joint and survivor (J&S) Benefit).

### Optional Payment Form Conversion Interest Rate

6.00% for joint life annuities.

### Optional Payment Form Conversion Mortality

RP-2000 combined healthy mortality projected to 2008, weighted 90% male for joint life annuities.

### Percent married

100% of males; 100% of females are assumed to have an eligible spouse.

### Spouse age

Wife three years younger than husband.

Plan Name: Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees  
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Valuation Date: January 1, 2022

# SCHEDULE SB ATTACHMENTS

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**Administrative expenses** \$150,000

## Cash flow

- **Timing of benefit payments** Annuity payments are payable monthly at the beginning of the month.
- **Decrement Timing** All decrements are assumed to take place at the middle of the year based on rounded age.

## Methods

**Valuation date** First day of plan year.

**Funding target** Present value of accrued benefits as required by regulations under IRC §430.

**Target normal cost** Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year as required by regulations under IRC §430.

**Actuarial value of assets [for determining minimum required contributions]** Average of the fair market value of assets on the valuation date and 12 and 24 months preceding the valuation date, adjusted for contributions, benefits, administrative expenses and expected earnings. The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2021 plan year.)

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Plan Name: Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees  
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# SCHEDULE SB ATTACHMENTS

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## Benefits not valued

All benefits described in the Plan Provisions section of this report were valued based on discussions with Twin Disc, Incorporated regarding the likelihood that these benefits will be paid. Willis Towers Watson has reviewed the plan provisions with Twin Disc, Incorporated and, based on that review, is not aware of any significant benefits required to be valued that were not.

The plan pays small benefits (with a present value up to \$5,000 in a single lump sum payment). Such lump sums are not explicitly valued; rather such participants' benefits are valued using the benefit choice assumptions described above.

## Change in assumptions and methods since prior valuation

The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of January 2021 to January 2022.

The mortality table used to calculate the funding target and target normal cost was updated to reflect the new latest mortality improvement scale, as required by guidance issued by IRS under IRC §430.

The assumed plan-related expenses added to the target normal cost were changed from \$202,000 for 2021 to \$150,000 for 2022.

## Assumptions Rationale — Significant Economic Assumptions

### Discount rate

The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.

## Assumptions Rationale — Significant Demographic Assumptions

### Healthy Mortality

Assumptions used for funding purposes are as prescribed by IRC §430(h).

### Disabled Mortality

Assumptions used for funding purposes are as prescribed by IRC §430(h).

### Termination

Termination rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by termination patterns different than assumed.

Plan Name: Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees  
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# SCHEDULE SB ATTACHMENTS

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**Disability** Disability rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by disability patterns different than assumed.

**Retirement** Retirement rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by retirement patterns different than assumed.

## Source of Prescribed Methods

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

Plan Name: Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees  
EIN / PN: 39-0667110/002  
Plan Sponsor: Twin Disc, Incorporated  
Valuation Date: January 1, 2022

# SCHEDULE SB ATTACHMENTS

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## Schedule SB – Statement by Enrolled Actuary

<b>Plan Sponsor</b>	Twin Disc, Incorporated
<b>EIN/PN</b>	39-0667110/002
<b>Plan Name</b>	Twin Disc, Incorporated Retirement Plan for Racine Hourly Paid Employees
<b>Valuation Date</b>	January 1, 2022
<b>Enrolled Actuary</b>	Gordon A. Young, FSA, EA
<b>Enrollment Number</b>	23-05802

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

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

**SCHEDULE SB  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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

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

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

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

<b>A</b> Name of plan TWIN DISC, INCORPORATED RETIREMENT PLAN FOR RACINE HOURLY PAID EMPLOYEES		<b>B</b> Three-digit plan number (PN) ▶	002
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF TWIN DISC, INCORPORATED		<b>D</b> Employer Identification Number (EIN) 39-0667110	
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		<b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

**Part I Basic Information**

**1** Enter the valuation date: Month 01 Day 01 Year 2022

**2** Assets:

<b>a</b> Market value	<b>2a</b>	44,185,095
<b>b</b> Actuarial value	<b>2b</b>	42,081,892

**3** Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
<b>a</b> For retired participants and beneficiaries receiving payment	494	34,789,328	34,789,328
<b>b</b> For terminated vested participants	23	636,355	636,355
<b>c</b> For active participants	24	1,400,148	1,575,297
<b>d</b> Total	541	36,825,831	37,000,980

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

<b>a</b> Funding target disregarding prescribed at-risk assumptions	<b>4a</b>	
<b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	<b>4b</b>	

**5** Effective interest rate **5** 5.25%

**6** Target normal cost

<b>a</b> Present value of current plan year accruals	<b>6a</b>	0
<b>b</b> Expected plan-related expenses	<b>6b</b>	150,000
<b>c</b> Total (line 6a + line 6b)	<b>6c</b>	150,000

**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.

<b>SIGN HERE</b>	Gordon A. Young, FSA, EA <i>GAY</i>	<i>9/26/2023</i>
	Signature of actuary	Date
	Gordon A. Young, FSA, EA	2305802
	Type or print name of actuary	Most recent enrollment number
	Willis Towers Watson US LLC	262-780-3259
	Firm name	Telephone number (including area code)
	111 E. Kilbourn Ave. Suite 1850 Milwaukee WI 53202	
	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) 2022  
v. 220413

<b>Part II</b>		<b>Beginning of Year Carryover and Prefunding Balances</b>	
		(a) Carryover balance	(b) Prefunding balance
<b>7</b>	Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....	0	661,645
<b>8</b>	Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....	0	0
<b>9</b>	Amount remaining (line 7 minus line 8) .....	0	661,645
<b>10</b>	Interest on line 9 using prior year's actual return of <u>10.26</u> % .....	0	67,885
<b>11</b>	Prior year's excess contributions to be added to prefunding balance:		
	<b>a</b> Present value of excess contributions (line 38a from prior year) .....		0
	<b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.43</u> % .....		0
	<b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....		0
	<b>c</b> Total available at beginning of current plan year to add to prefunding balance .....		0
	<b>d</b> Portion of (c) to be added to prefunding balance .....		0
<b>12</b>	Other reductions in balances due to elections or deemed elections .....	0	0
<b>13</b>	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12) .....	0	729,530

<b>Part III</b>		<b>Funding Percentages</b>	
<b>14</b>	Funding target attainment percentage .....	<b>14</b>	111.76 %
<b>15</b>	Adjusted funding target attainment percentage .....	<b>15</b>	113.73 %
<b>16</b>	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement .....	<b>16</b>	101.55 %
<b>17</b>	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....	<b>17</b>	%

<b>Part IV</b>		<b>Contributions and Liquidity Shortfalls</b>				
<b>18</b> 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 ▶			<b>18(b)</b>	0	<b>18(c)</b>	0

<b>19</b>	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	<b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....	<b>19a</b>	0
	<b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....	<b>19b</b>	0
	<b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....	<b>19c</b>	0
<b>20</b>	Quarterly contributions and liquidity shortfalls:		
	<b>a</b> Did the plan have a "funding shortfall" for the prior year? .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	<b>b</b> If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	<b>c</b> If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

**21** Discount rate:

**a** Segment rates:

1st segment: 4.75 %	2nd segment: 5.18 %	3rd segment: 5.92 %	<input type="checkbox"/> N/A, full yield curve used
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**b** Applicable month (enter code) ..... **21b** 0

**22** Weighted average retirement age ..... **22** 61

**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** Demographic and benefit information

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

**b** Is the plan required to provide a projection of expected benefit payments? 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 6c) ..... **31a** 150,000

**b** Excess assets, if applicable, but not greater than line 31a ..... **31b** 150,000

**32** Amortization installments:

	Outstanding Balance	Installment
<b>a</b> Net shortfall amortization installment .....	0	0
<b>b</b> Waiver amortization installment .....	0	0

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

**34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).... **34** 0

	Carryover balance	Prefunding balance	Total balance
<b>35</b> Balances elected for use to offset funding requirement .....	0	0	0

**36** Additional cash requirement (line 34 minus line 35) ..... **36** 0

**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) ..... **37** 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 the American Rescue Plan Act of 2021 (See Instructions)**

**41** If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies.  2019  2020  2021

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2022

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

### (1) 0-29 Years of Service

(1)	(2)	(3)	(4)	(5)
Assumed Retirement Age	Probability of Retirement	Expected Retirements Based on 100 Lives	Remaining Based on 100 Lives	Product (1)*(3)
			100.0	
55.5	2%	2.0	98.0	111.0
56.5	2%	2.0	96.0	110.7
57.5	2%	1.9	94.1	110.4
58.5	2%	1.9	92.2	110.1
59.5	2%	1.8	90.4	109.8
60.5	20%	18.1	72.3	1093.7
61.5	20%	14.5	57.9	889.5
62.5	40%	23.1	34.7	1446.3
63.5	40%	13.9	20.8	881.6
64.5	40%	8.3	12.5	537.3
65.5	60%	7.5	5.0	491.1
66.5	60%	3.0	2.0	199.4
67.5	60%	1.2	0.8	81.0
68.5	60%	0.5	0.3	32.9
69.5	60%	0.2	0.1	13.3
70	100%	0.1	0.0	9.0
<b>Average Retirement Age</b>				
<b>(5)/(3)=</b>				<b>62.27</b>

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## (2) 30+ Years of Service

(1)	(2)	(3)	(4)	(5)
Assumed Retirement Age	Probability of Retirement	Expected Retirements Based on 100 Lives	Remaining Based on 100 Lives	Product (1)*(3)
			100.0	
50.5	5.0%	5.0	95.0	252.5
51.5	5.0%	4.8	90.3	244.6
52.5	5.0%	4.5	85.7	236.9
53.5	5.0%	4.3	81.5	229.3
54.5	5.0%	4.1	77.4	222.0
55.5	15%	11.6	65.8	644.2
56.5	15%	9.9	55.9	557.4
57.5	15%	8.4	47.5	482.2
58.5	15%	7.1	40.4	417.0
59.5	15%	6.1	34.3	360.5
60.5	20%	6.9	27.5	415.4
61.5	20%	5.5	22.0	337.8
62.5	40%	8.8	13.2	549.3
63.5	40%	5.3	7.9	334.9
64.5	40%	3.2	4.7	204.1
65.5	60%	2.8	1.9	186.5
66.5	60%	1.1	0.8	75.7
67.5	60%	0.5	0.3	30.8
68.5	60%	0.2	0.1	12.5
69.5	60%	0.1	0.0	5.1
70	100%	0.0	0.0	3.4
<b>Average Retirement Age</b>				
<b>(5)/(3)=</b>				<b>58.02</b>

### Retirement Rates - Weighted Average for both groups (1) and (2) above

	(1)	(2)	
Weighted Average	62.27	58.02	
Count	14	10	
Weighted Average Expected Retirement Age			60.5007

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## Schedule SB, Part V Summary of Plan Provisions

### Plan Provisions – Retirement Plan for Racine Hourly Paid Employees

The most recent amendment reflected in the following plan provisions was adopted and effective January 1, 2010.

**Covered employees** Racine Hourly employees (with exceptions for leased employees and employees under collective bargaining agreements) will participate immediately.

Employees hired on or after October 1, 2003 are not eligible to participate in the plan. Effective August 1, 2009, all accrued retirement benefits under the plan were frozen.

**Participation date** Date of becoming a covered employee.

### Definitions

**Vesting service** One year for each 1,000-hour calendar year of employment by Twin Disc, Incorporated.

**Credited service** After January 1, 1993, Credited Service will equal Vesting Service. Other rules were in effect for determining Credited Service prior to January 1, 1993.

**Normal retirement date (NRD)** First of month coinciding with or next following the later of attainment of age 65 or five years of participation in the plan.

**Monthly pension benefit** Monthly benefit equal to \$23.00 times Credited Service as of August 1, 2009.

**Monthly preretirement death benefit** Accrued benefit beginning at the participant's earliest retirement age equal to 60% of the amount payable if the participant had retired early with the normal form of payment.

**Accrued Benefit** The unreduced Normal Retirement Benefit (Monthly pension benefit).

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## Eligibility for Benefits

<b>Normal retirement</b>	Retirement on NRD.
<b>Early retirement</b>	Earlier of the following: <ul style="list-style-type: none"><li>(a) Age 60 and 10 years of Credited Service</li><li>(b) Age 55 and 85 age plus Credited Service “points”; or</li><li>(c) 30 years of Credited Service</li></ul>
<b>Postponed retirement</b>	Retirement after NRD.
<b>Vested termination</b>	Termination for reasons other than death or retirement after completing five years of vesting service.
<b>Disability</b>	Permanent and total disability after five years of Vesting Service.
<b>Preretirement death benefit</b>	Death with five years of vesting service and married for at least one year prior to date of death.
<b>Medical Supplement for Pre-1987 Retirees</b>	Normal, Early, or Disability Retirement before January 1, 1987, and Medicare eligible.
<b>Medical Supplement for Post-1992 Retirees</b>	Normal, Early, or Disability Retirement after January 1, 1993.

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## Benefits Paid Upon the Following Events

- Normal retirement** The monthly pension benefit determined as of NRD.
- Early retirement** If Participant retires with less than 30 years of Credited Service, sum of (a) and (b):
- (a) Accrued Benefit, reduced by 1/180 for each full month the initial payment precedes age 62. This amount will be restored to the unreduced amount after age 62 if the participant retires with 85 “points”
  - (b) Monthly supplement payable until age 65 equal to Credited Service as of August 1, 2009 multiplied by the applicable rate shown below:

Age at Retirement	Retirement Date		
	5/1992 to 2/1989	3/1/1989 to 9/31/1990	10/1/1990 and Thereafter
55	\$5.25	\$6.09	\$6.39
56	\$6.25	\$7.25	\$7.61
57	\$7.50	\$8.70	\$9.14
58	\$8.75	\$10.50	\$10.66
59	\$10.00	\$11.60	\$12.18
60	\$11.50	\$13.34	\$14.01
61	\$11.50	\$13.34	\$14.01

- If participant has 30 years of Credited Service at retirement, sum of (a) and (b):
- (a) Accrued Benefit as of August 1, 2009 (without reductions).
  - (b) Monthly supplement payable until age 62 equal to excess of \$1,140 over the Accrued Benefit as if the plan did not freeze on August 1, 2009.

- Postponed retirement** The monthly pension benefit determined as of the actual retirement date.
- Vested termination** Accrued benefit payable at age 65. Earlier commencement (of reduced benefit) available if meet eligibility requirements for Early Retirement.
- Disablement** Accrued Benefit.

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<b>Preretirement death</b>	The monthly preretirement death benefit payable on behalf of an active employee.
<b>Medical Supplement for Pre- 1987 Retirees</b>	\$28.60 per month payable to participant and spouse or surviving spouse after becoming eligible for Medicare.
<b>Medical Supplement for Post-1992 Retirees</b>	<p>\$4.42 per month times years of Credited Service frozen as of October 1, 2003 (maximum 30 years) payable both before and after Participant's eligibility for Medicare.</p> <p>Upon death of participant, surviving spouse will continue to receive benefit that would have been payable to the Participant.</p>

## Other Plan Provisions

<b>Normal Form of Annuity</b>	<p>The normal form of benefit is a life annuity if not married.</p> <p>If married, participant will receive a 60% joint and survivor annuity based on 6% interest and RP-2000 Combined Healthy mortality projected to 2008 weighted 90% male. No portion of any temporary supplement will be payable to the surviving spouse.</p>
<b>Optional Form of Annuity</b>	Life annuity and 75% Joint and Survivor Annuity.
<b>Maximum on benefits and pay</b>	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

## Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Willis Towers Watson is not aware of any future plan changes which are required to be reflected other than scheduled pension increases contained in the Collective Bargaining Agreement.”

## Changes in Benefits Valued Since Prior Year

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

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## Schedule SB, Line 24 Change in Actuarial Assumptions

The assumed plan-related expenses added to the target normal cost were changed from \$202,000 for 2021 to \$150,000 for 2022.

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