

<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;">2020</p> <hr/> <p><b>This Form is Open to Public Inspection</b></p>
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<b>Part I Annual Report Identification Information</b>	
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</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 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>Part II Basic Plan Information</b> —enter all requested information	
<p><b>1a</b> Name of plan BURLINGTON NORTHERN SANTA FE RETIREMENT PLAN</p> <hr/> <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) BURLINGTON NORTHERN SANTA FE, LLC</p> <p>GENERAL OFFICE BUILDING 2500 LOU MENK DRIVE FORT WORTH TX 76131-2828</p>	<p><b>1b</b> Three-digit plan number (PN) ▶ 001</p> <hr/> <p><b>1c</b> Effective date of plan 10/01/1996</p> <hr/> <p><b>2b</b> Employer Identification Number (EIN) 27-1754839</p> <hr/> <p><b>2c</b> Plan Sponsor's telephone number 817-352-1667</p> <hr/> <p><b>2d</b> Business code (see instructions) 551112</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>	DocuSigned by:  <small>6CAE5611C78D41F...</small> <b>Signature of plan administrator</b>	10/14/2021	Judy K. Carter
	Date		Enter name of individual signing as plan administrator
<b>SIGN HERE</b>	DocuSigned by:  <small>6CAE5611C78D41F...</small> <b>Signature of employer/plan sponsor</b>	10/14/2021	Judy K. Carter
	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.



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

**21** Discount rate:

<b>a</b> Segment rates:	1st segment: 3.64 %	2nd segment: 5.21 %	3rd segment: 5.94 %	<input type="checkbox"/> N/A, full yield curve used
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**b** Applicable month (enter code)..... **21b** 4

**22** Weighted average retirement age ..... **22** 62

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

**Part VI Miscellaneous Items**

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

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

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

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

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

<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 6).....	<b>31a</b>	16,211,706
<b>b</b> Excess assets, if applicable, but not greater than line 31a .....	<b>31b</b>	16,211,706

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

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

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

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

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

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

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

<b>SCHEDULE SB</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<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>	OMB No. 1210-0110  <b>2020</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

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


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

<b>A</b> Name of plan BURLINGTON NORTHERN SANTA FE RETIREMENT PLAN	<b>B</b> Three-digit plan number (PN) ▶	001
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF BURLINGTON NORTHERN SANTA FE, LLC	<b>D</b> Employer Identification Number (EIN) 27-1754839	
<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		
<b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2020</u>			
<b>2</b> Assets:			
<b>a</b> Market value.....	<b>2a</b>	2,647,370,356	
<b>b</b> Actuarial value.....	<b>2b</b>	2,522,649,553	
<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.....	9,555	1,343,260,811	1,343,260,811
<b>b</b> For terminated vested participants .....	1,761	65,587,660	65,587,660
<b>c</b> For active participants.....	6,642	280,197,625	284,541,793
<b>d</b> Total.....	17,958	1,689,046,096	1,693,390,264
<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>	5.36%	
<b>6</b> Target normal cost.....	<b>6</b>	16,211,706	

**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>10/14/2021</u> Date
ADAM COBURN	Type or print name of actuary	2007924
MERCER	Firm name	Most recent enrollment number 214-220-6292
1717 MAIN STREET, SUITE 4400	Address of the firm	Telephone number (including area code)
DALLAS TX 75201-7357	Address of the firm	

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

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

Schedule SB (Form 5500) 2020  
v. 200204

<p><b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor</p> <p>VP &amp; CHIEF HUMAN RESOURCE OFFICER</p> <p>GENERAL OFFICE BUILDING 2301 LOU MENK DRIVE FORT WORTH TX 76131-2828</p>	<p><b>3b</b> Administrator's EIN 06-1795272</p> <p><b>3c</b> Administrator's telephone number 817-352-1667</p>
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<p><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:</p> <p><b>a</b> Sponsor's name <b>c</b> Plan Name</p>	<p><b>4b</b> EIN</p> <p><b>4d</b> PN</p>
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<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	17,768
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<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 .....	6,642
<b>a(2)</b> Total number of active participants at the end of the plan year .....	6,154
<b>b</b> Retired or separated participants receiving benefits .....	6,992
<b>c</b> Other retired or separated participants entitled to future benefits .....	1,920
<b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....	15,066
<b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....	2,262
<b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....	17,328
<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>6g</b>
<b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6h</b> 55

<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	<b>7</b>
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**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  
1A

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

<p><b>9a</b> Plan funding arrangement (check all that apply)</p> <p>(1) <input type="checkbox"/> Insurance</p> <p>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts</p> <p>(3) <input checked="" type="checkbox"/> Trust</p> <p>(4) <input type="checkbox"/> General assets of the sponsor</p>	<p><b>9b</b> Plan benefit arrangement (check all that apply)</p> <p>(1) <input type="checkbox"/> Insurance</p> <p>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts</p> <p>(3) <input checked="" type="checkbox"/> Trust</p> <p>(4) <input type="checkbox"/> General assets of the sponsor</p>
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**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

<p><b>a Pension Schedules</b></p> <p>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)</p> <p>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary</p> <p>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary</p>	<p><b>b General Schedules</b></p> <p>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)</p> <p>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)</p> <p>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)</p> <p>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)</p> <p>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)</p> <p>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)</p>
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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

**11c** Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

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

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	2.13%	1,000.00	21.29	1,170.95
56	1.11%	978.71	10.90	610.40
57	2.00%	967.81	19.36	1,103.52
58	2.43%	948.46	23.09	1,339.22
59	5.00%	925.37	46.27	2,729.93
60	26.52%	879.10	233.14	13,988.40
61	17.13%	645.96	110.62	6,747.82
62	20.85%	535.34	111.59	6,918.58
63	18.69%	423.75	79.20	4,989.60
64	18.04%	344.54	62.15	3,977.60
65	36.79%	282.39	103.88	6,752.20
66	31.67%	178.51	56.53	3,730.98
67	23.33%	121.98	28.46	1,906.82
68	30.00%	93.52	28.06	1,908.08
69	20.00%	65.46	13.09	903.21
70	20.00%	52.37	10.47	732.90
71	100.00%	41.90	41.90	2,974.90
Total			1,000.00	62,485.11
Average Age				62.49

**Schedule SB, Part V — Statement of Actuarial Assumptions/Methods****Actuarial assumptions for funding valuation**

<b>Discount rate sponsor elections</b>		
• Segment rates or full yield curve	Segment	
• Look-back months	4	
	<u><b>Nonstabilized rates</b></u>	<u><b>Stabilized rates</b></u>
• First 5 years	2.79%	3.64%
• Next 15 years	3.92%	5.21%
• Over 20 years	4.38%	5.94%
<b>Mortality sponsor elections</b>		
• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables.	
• Pre-1995 disabilities	Revenue Ruling 96-7 table for participants who became disabled before 1995.	
• Post-1994 disabilities	Revenue Ruling 96-7 table for participants who became disabled after 1994.	
<b>Other economic assumptions</b>		
• Salary increases	Weighted average assumption of 3.10% (See table of sample rates)	
• Flat-dollar benefit increases	2.20% per year	
• Expected investment return	5.56% for 2020 and 5.97% per year for 2019	
• Expenses	Administrative expenses (excluding investment management expenses) are reflected in the target normal cost. The amount is \$4,470,897 for the plan year beginning January 1, 2020 and ending December 31, 2020.	

**Rationale for Economic Assumptions**

- Discount rate – The discount rate assumptions are prescribed by law.
- Salary increases – The salary increase assumption was selected based on an experience study completed in 2016 of data from October 2010 to October 2015, and reflects management’s expectation that wages will continue to increase at a similar rate in future years.
- Expected investment return – The expected rate of return on plan assets is based on the median simulated investment return using capital market assumptions published in Mercer Investment Consulting’s Capital Markets Outlook for the plan’s target asset mix, net of expenses assumed to be paid from plan assets for passive investment management.
- Expenses – This assumption is based on prior year experience, adjusted for expected changes in the upcoming year.



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

<b>Demographic assumptions</b>				
•	Withdrawal	See table of sample rates.		
•	Disability incidence	Graduated Rates. See table of sample rates. 80% of participants becoming disabled are assumed to be eligible for Social Security disability benefits.		
•	Retirement age	<b>Percentage</b>		
		<b>Less than 30 Years of Service</b>	<b>Over 30 Years of Service Santa Fe</b>	<b>Over 30 Years of Service All Other</b>
	<b>Attained age</b>			
	Under 55	0.0%	0.0%	0.0%
	55	2.0%	4.0%	4.0%
	56	1.0%	2.0%	2.0%
	57	2.0%	2.0%	2.0%
	58	2.0%	4.0%	4.0%
	59	5.0%	5.0%	5.0%
	60	19.0%	45.0%	45.0%
	61	13.0%	35.0%	35.0%
	62	17.0%	30.0%	30.0%
	63	17.0%	25.0%	25.0%
	64	17.0%	20.0%	20.0%
	65	30.0%	70.0%	40.0%
	66	30.0%	60.0%	30.0%
	67	20.0%	60.0%	30.0%
	68	20.0%	60.0%	30.0%
	69	20.0%	60.0%	30.0%
	70	20.0%	60.0%	30.0%
	71 and above	100.0%	100.0%	100.0%
•	Benefit commencement age for			
—	Future vested deferred	62 for those with 10 years of vesting service before age 65 and 65 otherwise		
—	Current vested deferred	62 for those with 10 years of vesting service before age 65 and 65 otherwise		
•	Spouse assumptions	<b><u>Male participants</u></b>	<b><u>Female participants</u></b>	
—	Percentage married	85%	85%	
—	Spouse age difference	3 years younger	3 years older	

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

<b>Demographic assumptions</b>			
<b>Target Bonus Percent</b>	100%		
<b>Form of payment</b>	<b><u>50% J&amp;S</u></b>	<b><u>Single life</u></b>	<b><u>100% J&amp;S</u></b>
• Active retirements	0%	30%	70%
• Future vested deferred	0%	30%	70%
• Future disabilities	0%	30%	70%
• Future deaths	100%	0%	0%
• Current vested deferred	0%	45%	55%

**Table of Sample Rates**

<b>WITHDRAWAL</b>	
<b>ATTAINED SERVICE</b>	<b>PERCENTAGE</b>
0	21.00%
2	19.00
4	8.00
6	4.00
8	3.00
10	2.50
12	1.75
14	1.50
15-30	1.00
30+	2.00

<b>SALARY INCREASE</b>	
<b>ATTAINED AGE</b>	<b>PERCENTAGE</b>
25 and under	8.67%
30	7.29
35	6.21
40	5.26
45	4.40
50	3.68
55+	3.00

<b>DISABILITY INCIDENCE</b>	
<b>ATTAINED SERVICE</b>	<b>PERCENTAGE</b>
25	0.01%
30	0.01
35	0.08
40	0.15
45	0.40
50	0.73
55	1.40
60	2.48

**Schedule SB, Part V — Statement of Actuarial Assumptions/Methods****Rationale for Demographic Assumptions**

- Mortality - The mortality assumptions are prescribed by law.
- Withdrawal – The withdrawal rates were selected based on an experience study completed in 2016 of data from October 2010 to October 2015. The plan sponsor believes that this period will be representative of anticipated future experience. The assumption is reviewed annually for reasonability.
- Retirement age – The retirement rates were selected based on an experience study completed in 2016 of data from October 2010 to October 2015. The plan sponsor believes that this period will be representative of anticipated future experience. The assumption is reviewed annually for reasonability.
- Benefit commencement age – The benefit commencement age for vested termination was selected based on an experience study completed in 2016 of data from October 2010 to October 2015. The plan sponsor believes that this period will be representative of anticipated future experience. The assumption is reviewed annually for reasonability.
- Form of payment – The form of payment assumptions were selected based on an experience study completed in 2016 of data from October 2010 to September 2015. The plan sponsor believes that this period will be representative of anticipated future experience. The assumption is reviewed annually for reasonability.
- Salary increase and target bonus - The salary increase and target bonus assumptions were selected based on an experience study completed in 2016 of data from October 2010 to October 2015. The plan sponsor believes that this period will be representative of anticipated future experience. The assumption is reviewed annually for reasonability.

**Actuarial Methods**

An actuarial valuation is only a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict the plan's future financial condition or its ability to pay benefits in the future and does not provide any guarantee of future financial soundness of the plan. Over time, a plan's total cost will depend on a number of factors, including the amount of benefits the plan pays, the number of people paid benefits, the period of time over which benefits are paid, plan expenses and the amount earned on any assets invested to pay benefits. These amounts and other variables are uncertain and unknowable at the valuation date.

Because modeling all aspects of a situation is not possible or practical, we may use summary information, estimates, or simplifications of estimates to facilitate the modeling of future events in an efficient and cost-effective manner. We may also exclude factors or data that, if used, in our judgment, would not have significantly affected our results. Use of such simplifying techniques does not, in our judgment, affect the reasonableness of valuation results for the plan.

Valuations do not affect the ultimate cost of the plan, only the timing of when benefit costs are recognized. Cost recognition occurs over time. If the costs recognized over a period of years are lower or higher than necessary, for whatever reason, normal and expected practice is to adjust future cost levels to recognize the entire cost of the plan over time.

**Asset methods**

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at

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

the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

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

**Participant Methods**

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

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

**Minimum Funding Methods**

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

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual are the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- This plan provides disability and death benefits that are only partially based on a participant's accrued benefit or years of service. This benefit is allocated to funding target based on the accrued benefit on the valuation date plus a portion of the excess of the benefit over the accrued benefit multiplied by the ratio of the participant's service at the beginning of the plan year to their service at each decrement age. This benefit is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service and compensation during the plan year.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

**Schedule SB, Part V — Summary of Plan Provisions****Summary of Major Plan Provisions**

Effective date and plan year	The effective date of the restated plan is October 1, 1996. The plan was amended October 8, 2020, to incorporate the Thirty-Seventh amendment. Plan year: Prior to January 1, 2020: October 1 <sup>st</sup> to September 30 <sup>th</sup> After December 31, 2019: January 1 <sup>st</sup> to December 31 <sup>st</sup>
Status of the plan	The plan has ongoing benefit accruals. New employees hired on or after April 1, 2019 are not eligible to participate in the plan.
Type of Plan	This plan is a trustee pension plan.
Significant events that occurred during the year	The plan was amended effective January 1, 2020 to change the plan year from October 1 <sup>st</sup> to September 30 <sup>th</sup> to January 1 <sup>st</sup> to December 31 <sup>st</sup> .

**Definitions**

- Employees included and eligibility  
Each salaried employee hired before April 1, 2019 becomes a participant on the first calendar month following the date on which he has both attained the age of 21 years and worked 1,000 hours during any 12-month period.
- Employer contributions  
Contributions to the trust will be made in such amounts and at such times as are required to maintain the plan and trust in compliance with ERISA and Section 430 of the Internal Revenue Code of 1954, as amended.
- Participant contributions  
None required or permitted.
- Vesting service  
The period of employment (including union employment) used in determining eligibility for benefits. A year of vesting service is earned for each calendar year in which an employee is credited with 1,000 or more hours of service. 190 hours are credited for each month compensated or on leave of absence status as a salaried employee.
- Credited service  
The period of salaried employment used in determining the amount of pension benefits. Credited service as of the effective date of the restated plan is based on service earned under the prior plan(s). Future credited service is earned for each month in which the employee is compensated or on leave of absence status as a salaried employee. Credited service will cease on September 30, 2019, March 31, 2022, or March 31, 2028 depending on participant elections to remain in the plan.  
Special rules are defined in the plan for calculating loss of service due to breaks in service.
- Compensation considered  
Plan compensation is defined as the base compensation rate in effect at the beginning of the month, plus bonuses paid for a calendar year, not greater than applicable annual statutory limits.  
Plan compensation includes salary reductions under Code Sections 125 or 401(k).
- Average monthly compensation  
Average monthly compensation is the total plan compensation during a considered period divided by the number of months in the considered period. The considered period is the 60 highest consecutive completed months within the last 120 calendar months which produce the highest average. Only months during salaried employment are included in the considered period.  
Average monthly compensation is calculated as of the earlier of 1) transfer to scheduled service, 2) participant plan freeze date, and 3) termination date.

**Normal retirement**

**Schedule SB, Part V — Summary of Plan Provisions**

- Eligibility A participant who retires on or after age 65.
- Benefit Benefits are determined at the earlier of 1) transfer to scheduled service, 2) participant plan freeze date, and 3) termination date  
An annuity, payable for life, equal to the larger of (i) or (ii):
  - (i) 0.3% of average monthly compensation, plus  
0.5% of average monthly compensation above the Social Security integration level, plus  
0.6% of average monthly compensation above the Railroad Retirement integration level.
  - (ii) \$37.00 per month per year of credited service.  
This amount is multiplied by credited service, limited to 40 years  
The Social Security integration level is covered compensation under RR 71-446 for a 65-year-old in the calendar year of determination, rounded to the nearest \$600. The Railroad Integration level is the five-year average of the Tier II wage bases for the five full calendar years preceding the participants' termination, rounded to the nearest \$60.  
Participants in the prior plan(s) are fully grandfathered if they are at least age 45 as of October 1, 1996.

**Early retirement**

- Eligibility After age 55, provided the participant has completed ten years of vesting service.
  - Benefit The annuity, payable immediately for life, is determined as for normal retirement, considering service and compensation to actual early retirement date. At the employee's request, a reduced pension is payable as early as his early retirement date using the table below. For purposes of early retirement eligibility and early retirement reductions, benefit service is allowed to grow past the participants' freeze date until the earlier of 1) transfer to scheduled service and 2) termination date.  
A supplement is payable until Railroad Retirement or Social Security benefit eligibility. The amount of the supplement is \$15 per month per year of credited service, to a maximum of 20 years and frozen as of July 1, 2010. This amount is not reduced for early commencement.
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**Schedule SB, Part V — Summary of Plan Provisions**

Age	Benefit attributable to service before 07/01/10. Apply table using projected service at age 62		Benefit attributable to service after 06/30/10. Apply table using actual service at termination	
	More than 30 years of service	Less than 30 years of service	More than 30 years of service	Less than 30 years of service
55	70%	50%	50%	40%
56	73	53	58	46
57	77	57	66	52
58	80	60	74	58
59	83	63	82	64
60	87	67	90	70
61	93	73	95	76
62	100	80	100	82
63	100	87	100	88
64	100	93	100	94
65	100	100	100	100

**Late retirement**

- **Eligibility** An employee who meets the requirements for a normal pension and retires after his normal retirement date.
- **Benefit** The participant will receive a monthly amount which is computed by the normal retirement formula considering service and compensation through actual retirement. In no event will the benefit be less than the actuarial equivalent of the accrued benefit payable as of the normal retirement date using 8% interest and 417(e)(3) mortality.

**Deferred vested**

- **Eligibility** A participant is eligible for a deferred vested benefit at any age, provided he has completed at least five years of vesting service.
- **Benefit** The annuity is computed as for normal retirement considering service and compensation to date of termination. Payment will commence at age 65, although if requested, a reduced pension may be paid as early as age 55, provided that the employee had completed at least ten years of vesting service. Reduction is the same as for early retirement.

**Disability**

- **Eligibility** A participant is eligible for disability benefits at any age, provided he retires because of total and permanent disability.
- **Benefit** The annuity, commencing on normal or early retirement date, is payable for life. The monthly amount is computed as for normal retirement considering average monthly compensation and plan integration levels at the date of disability, and service projected during the period of disability.  
Effective October 1, 2012, any participant who starts LTD after September 30, 2014, will be granted only one additional year of service, unless they are already past their pension freeze date in which case no additional service will be granted.

**Schedule SB, Part V — Summary of Plan Provisions****Pre-retirement death**

- **Eligibility** The eligible spouse of an employee who dies after becoming vested is entitled to a benefit payable for life.
- **Benefit** The benefit, commencing on the first of the month following the later of the date of death or the date the employee would have been eligible for early retirement, is 50% of the accrued benefit determined as for early retirement considering compensation and service to date of death, then reduced for the earlier payment and the survivor protection.

**Form of benefits**

- **Automatic form for unmarried participants** Single Life Annuity
- **Automatic form for married participants** 50% Joint and Survivor Annuity
- **Optional forms** Optional forms of payment provided by the plan are determined on an actuarial equivalent basis. Lump sums are available from the plan if the value is \$25,000 or less. Certain prior plan participants can receive lump sums in excess of \$25,000.

**Miscellaneous**

- **Expenses** Expenses will be paid by the trust if not paid by the employer.
- **Grandfathered provisions** If a participant was at least age 45 on October 1, 1996, they will generally receive the larger of the benefit under this plan, or the benefit under the terms of their prior plan, as if the prior plan had continued in existence.
- **Maximum compensation** Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.
- **Maximum benefits** Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.

**Benefits Included or Excluded**

Unless noted below, all benefits provided by the plan, as restated and amended through Amendment 36, are included in this valuation:

- **Most recent plan amendments included:** Amendment 36 signed September 26, 2019, is included because it was adopted by the valuation date and is effective by the end of the plan year.
- **Late retirement increases:**
  - *Active participants:* The plan applies late retirement actuarial increases for all participants who defer retirement beyond their normal retirement date and this valuation includes those increases.
  - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-



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

and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

#### **Plan Provisions Specific to Funding**

##### **Additional Benefits Included or Excluded**

- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits:* None.
  - *Plan amendments:* See above.
  - *Prohibited payments:* None.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- The valuation does not include an assumption for lump sums under \$25,000.

#### **Plan Provision Changes Since Prior Valuation**

- Maximum compensation amounts, maximum benefit amounts under IRS rules and integration levels were updated from 2019 to 2020.
- The plan was amended effective January 1, 2020 to change the plan year from October 1st to September 30th to January 1<sup>st</sup> to December 31<sup>st</sup>.

***Schedule SB, line 24 — Change in Actuarial Assumptions***

The following funding specific assumption changes have occurred since the October 1, 2019 Valuation:

- Interest discounts and mortality rates were updated in accordance with PPA.
- The expense component of normal cost was updated from \$573,243 (for the 3-month period from October 1, 2019 to December 31, 2019) to \$4,470,897 (for the 12-month period from January 1, 2020 to December 31, 2020).
- The expected asset return assumption was changed from 5.97% to 5.66% based on updates to Mercer's capital market expectations and current asset allocation.

**Schedule SB, line 26 — Schedule of Active Participant Data**

Attained age	Years of credited service										Total
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	
Under 25		2									2
25–29		8	11								19
30–34	1	13	50	12							76
			113,487								
35–39	1	17	84	69	13						184
			110,585	151,314							
40–44	1	23	106	75	94	19					318
		100,046	120,780	135,235	152,623						
45–49		19	110	137	148	96	29				539
			118,883	128,077	141,301	166,468	185,592				
50–54	2	23	77	142	111	94	61	24			534
		122,162	115,384	123,415	132,734	142,477	168,751	185,869			
55–59	1	20	77	124	91	87	66	30	15	6	517
		106,194	114,439	117,918	126,895	133,330	172,485	172,797			
60–64		5	26	47	40	40	26	11	13	15	223
			105,324	119,174	127,512	118,800	149,968				
65–69			3	9	4	4	5	1		4	30
70 & up		3	1								4
Total	6	133	545	615	501	340	187	66	28	25	2,446
											133,067

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2020 limited to \$285,000. Average pay is not shown for plans with less than 1,000 active participants or cells with fewer than 20 participants.