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| 2. AMENDMENT/MODIFICATION NO. M1057 | 3. EFFECTIVE DATE (M/D/Y) (See Block 16C) | 4. REQUISITION/PURCHASE REQ. NO. N/A | 5. PROJECT NO. (If applicable) |
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| 6. ISSUED BY CODE U.S. Department of Energy Pacific Northwest Site Office Post Office Box 350 Richland, WA 99352 | 7. ADMINISTERED BY (If other than Item 6) CODE |
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| 8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP code) Battelle Memorial Institute Pacific Northwest Division Richland, Benton County, WA 99352 DUNS # 032987476 | <input type="checkbox"/> | 9A. AMENDMENT OF SOLICITATION NO. |
| | <input type="checkbox"/> | 9B. DATED (SEE ITEM 11) |
| | <input checked="" type="checkbox"/> | 10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC05-76RL01830 |
| | | 10B. DATED (SEE ITEM 13) December 30, 1964 |

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| CODE | FACILITY CODE | 11. THIS ITEM APPLIES TO AMENDMENTS OF SOLICITATIONS |
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The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE DATE AND HOUR SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and amendment and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

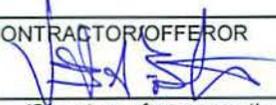
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS SET FORTH IN ITEM 14.

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| CHECK | A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE |
| <input type="checkbox"/> | |
| <input type="checkbox"/> | B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO AUTHORITY OF FAR 43.103(b). |
| <input checked="" type="checkbox"/> | C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO THE AUTHORITY OF: The mutual agreement of the parties |
| <input type="checkbox"/> | D. OTHER (Specify type of modification and authority) |

E. IMPORTANT: Contractor is not, is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
This bilateral contract modification is to update Section G, clause G-1, Contract Administration Data, and Section H, clause H-47, Employee Compensation: Pay and Benefits, of the contract. (See Continuation Pages for the purpose and description of this modification).

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| 15A. NAME AND TITLE OF SIGNER (Type or print) Vincent A. Branton General Counsel | 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Ryan M. Kilbury Contracting Officer |
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| 15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign) | 15C. DATE SIGNED 5/3/2016 | 16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer) | 16C. DATE SIGNED 5-5-16 |
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Purpose of Modification:

The Department of Energy (DOE), Office of Science (SC), Pacific Northwest Site Office (PNSO) is modifying the Contract to update the Contract at Section G, G-1 Head of Contracting Activity (HCA), Contracting Officer (CO), and Contracting Officer's Representatives (COR) and to update and revise Clause H-47 Employee Compensation: Pay and Benefits.

Description of Modification:

Changes are needed to update Section G, Clause G-1, Contract Administration Data, and Section H, Clause H-47, Employee Compensation: Pay and Benefits, to their most current form. Those changes are listed below:

1. Section G, Contract Administration Data, Clause G-1 (c) is updated to add Genice Madera as an authorized Contracting Officer and to update Jeffery Day's COR designation as follows:

| Name & Position | Authorities |
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| Ryan M. Kilbury, Contract Specialist, Pacific Northwest Site Office | Authorized Contracting Officer for consent to subcontract in amounts not to exceed \$25M and direct changes to the contract in an amount not to exceed \$25M. |
| Melanie P. Fletcher, Contract Specialist, Pacific Northwest Site Office | Authorized Contracting Officer for consent to subcontract in amounts not to exceed \$10M and direct changes to the contract in an amount not to exceed \$10M. |
| Genice Madera, Contract Specialist, Pacific Northwest Site Office | Authorized Contracting Officer for consent to subcontract in amounts not to exceed Simplified Acquisitions up to \$10K and \$25K Sources Purchases, and No Cost Time Extensions. |
| Roger E. Snyder, Manager, Pacific Northwest Site Office | Unlimited authority to act for the Contracting Officer for functions that do not involve a change in the scope, price, terms or conditions of the Contract. |
| Julie K. Erickson, Deputy Manager, Pacific Northwest Site Office | Unlimited authority to act for the Contracting Officer for functions that do not involve a change in the scope, price, terms or conditions of the Contract. |
| Debbie E. Trader, Director, Laboratory Stewardship Division, Pacific Northwest Site Office | Unlimited authority to act for the Contracting Officer for functions within the scope of the PNSO Laboratory Stewardship Division that do not involve a change in the scope, price, terms, or conditions of the Contract. |
| Theodore P. Pietrok, Director, Operations Division, Pacific Northwest Site Office | Unlimited authority to act for the Contracting Officer for functions within the scope of the |

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| | PNSO Operations Division that do not involve a change in the scope, price, terms, or conditions of the Contract. |
| Jeffery W. Day, Program Manager, Laboratory Stewardship Division, Pacific Northwest Site Office | Authorized to take all actions associated with the position as Program Manager for the acquisition of the High Performance Computing System (HSPC), which will be procured and placed into the Environmental Molecular Sciences Laboratory (EMSL). |
| Dationa C. Mitchell, Attorney-Advisor, Office of Chief Counsel, Oak Ridge Operations Office | Unlimited authority to act for the Contracting Officer for Litigation Management and Legal Policy functions that do not involve a change in the scope, price, terms or conditions of the Contract. |
| Wendy E. Bryant, Assistant Chief Counsel for Contracts and General Law, Office of Chief Counsel, Oak Ridge Operations Office | Unlimited authority to act for the Contracting Officer for Litigation Management and Legal Policy functions that do not involve a change in the scope, price, terms or conditions of the Contract. |

[M1057]

2. Section H, Special Contract Requirements, Clause H-47 Employee Compensation: Pay and Benefits is deleted in its entirety and replaced with Section H, Special Contract Requirements, Clause H-47 Employee Compensation: Pay and Benefits as follows:

H-47 Employee Compensation: Pay and Benefits

(a) Total Compensation System

The Contractor shall develop, implement and maintain formal policies, practices and procedures to be used in the administration of its compensation system consistent with FAR 31.205-6 and DEAR 970.3102-05-6; "Compensation for Personal Services" (Total Compensation System). DOE-approved standards shall be applied to the Total Compensation System. The Contractor's Total Compensation System shall be fully documented, consistently applied, and acceptable to the Contracting Officer. Periodic appraisals of contractor performance with respect to the Contractors' Total Compensation System will be conducted.

- (1) The description of the Contractor Employee Compensation Program should include the following components:
- (A) Philosophy and strategy for all pay delivery programs;
 - (B) System for establishing a job worth hierarchy;
 - (C) Method for relating internal job worth hierarchy to external market;

- (D) System that links individual and/or group performance to compensation decisions;
- (E) Method for planning and monitoring the expenditure of funds;
- (F) Method for ensuring compliance with applicable laws and regulations;
- (G) System for communicating the programs to employees;
- (H) System for internal controls and self-assessment; and
- (I) System to ensure that reimbursement of compensation, including stipends, for employees who are on joint appointments with a parent or other organization shall be on a pro-rated basis.

(b) Reports and Information

The Contractor shall provide the Contracting Officer with the following reports and information with respect to pay and benefits provided under this Contract:

- (1) An Annual Contractor Salary-Wage Increase Expenditure Report to include, at a minimum, breakouts for merit, promotion, variable pay, special adjustments, and structure movements for each pay structure showing actual against approved amounts.
- (2) A list of the top five most highly compensated executives as defined in FAR 31.205-6(p)(2)(ii) and their total cash compensation at the time of Contract award, and at the time of any subsequent change to their total cash compensation.
- (3) The Compensation and Benefits report no later than March 1 of each year.

(c) Pay and Benefit Programs

The Contractor shall maintain pay and benefit programs for its employees; provided, however, that employees scheduled to work fewer than 20 hours per week receive only those benefits required by law. Employees are eligible for benefits, subject to the terms, conditions, and limitations of each benefit program.

(1) Cash Compensation

- (A) The Contractor shall submit the following, as applicable, to the Contracting Officer for a determination of cost allowability for reimbursement under the Contract:
 - (i) Any proposed major compensation program design

- changes prior to implementation.
- (ii) Variable pay programs/incentives. If not already authorized under Section J Appendix A of the contract, a justification shall be provided with proposed costs and impacts to budget, if any.
- (iii) A Contractor that meets the criteria, as set forth below, is not required to submit a Compensation Increase Plan (CIP) request to the Contracting Officer for an advance determination of cost allowability for a Merit Increase fund or Promotion/Adjustment fund:
- The Merit Increase fund does not exceed the mean percent increase included in the annual Departmental guidance providing the WorldatWork Salary Budget Survey's salary increase projected for the CIP year. The Promotion/Adjustment fund does not exceed 1% percent in total.
 - The budget used for both Merit Increase funds and Promotion/Adjustment funds shall be based on the payroll for the end of the previous CIP year.
 - Salary structure adjustments do not exceed the mean WorldatWork structure adjustments projected for the CIP year and communicated through the annual Department CIP guidance.
 - Please note: No later than the first day of the CIP cycle, Contractors must provide notification to the Contracting Officer of planned increases and position to market data by mutually agreed-upon employment categories.
- (iv) If a Contractor does not meet the criteria included in (iii) above, a CIP must be submitted to the Contracting Officer for an advance determination of cost allowability. The Compensation Increase Plan (CIP) for a Contractor that has received Contracting Officer approval for having an Employee Compensation Program with the components identified under (a)(1) above should include the following components and data:
- (1) Market analysis summary, including a comparison of average pay to market average pay.
 - (2) Merit Fund requests for each Employee Group (i.e., S&E, Administrative, Technical, Exempt/Non-Exempt)
 - (3) Aging factors used for escalating survey data
 - (4) Projection of escalation in the market

- (5) Information to support proposed structure adjustments, if any.
 - (6) Analysis to support special adjustments or promotions that exceed the 1% Promotion/Adjustment fund.
 - (7) Discussion of recruitment/retention issues (e.g., turnover and hiring) relevant to the proposed increase amounts.
 - (8) A discussion of the impact of budget and business constraints on the CIP amount.
- (v) Reimbursed salary levels are used to establish the annual CIP fund.
 - (vi) All pay actions granted under the CIP are fully charged when they occur regardless of time of year in which the action transpires and whether the employee terminates before year end.
 - (vii) Specific Employee or Payroll groups (e.g., exempt, nonexempt) for which CIP amounts are intended shall be defined by mutual agreement between the Contractor and the Contracting Officer.
 - (viii) The Contracting Officer may adjust the CIP amount after approval based on major changes in factors that significantly affect the plan amount (for example, in the event of a major reduction in force or significant ramp-up).
 - (ix) The Contractor may make minor shifts of merit funds between employment categories (e.g., Scientist/Engineer, Admin, Exempt, Non-Exempt) after approval of the CIP or if criteria under (c)(1)(A)(iii) was met, in order to meet the compensation requirements of its organization, subject to the following guidelines:
 - Minor shift is defined as up to 10% of the approved merit funds from one employment category to another (e.g., 10% of Admin merit funds shifted to Technician employment category)
 - Total merit increase expenditures will be limited to the total merit fund authorized.
 - Contractors will notify the Contracting Officer that funds have shifted.
- (B) Individual compensation actions for the PNNL laboratory director and Key Personnel not included in the CIP. For those Key Personnel included in the CIP, DOE will approve salaries upon the initial contract award and when Key Personnel are replaced during the life

of the contract. DOE will have access to all individual salary reimbursements, this access is provided for transparency; DOE will not approve individual salary actions (except as previously stated).

- (C) The Contracting Officer's approval of individual compensation actions will be required only for the PNNL laboratory director and Key Personnel as stated in (c)(1)(B) above. The base salary reimbursement level for the top contractor official, i.e., the PNNL laboratory director, establishes the maximum allowable salary reimbursement under the contract. Unusual circumstances may require a deviation for an individual on a case-by-case basis. Any such deviations must be approved by the Contracting Officer.
- (D) Severance Pay is not payable to an employee under this Contract if the employee:
 - (i) Voluntarily separates, resigns or retires from employment (unless associated with a workforce restructuring action in accordance with Appendix A, Section V, Reductions in Contractor Employment),
 - (ii) Is offered employment with a successor/replacement Contractor,
 - (iii) Is offered employment with a parent or affiliated company, or
 - (iv) Is discharged for cause.
- (E) Service Credit for purposes of determining severance pay does not include any period of prior service for which severance pay has been previously paid through a DOE cost-reimbursement contract.

(d) Pension and Other Benefit Programs

No presumption of allowability will exist when the Contractor implements a new benefit plan or makes changes to existing benefit plans that increase costs or are contrary to Contracting Officer Direction or until the Contracting Officer makes a determination of cost allowability for reimbursement for new or changed benefit plans. Changes shall be in accordance with and pursuant to the terms and conditions of the Contract. Advance notification, rather than approval, is required for changes that do not increase costs or are not contrary to Contracting Officer Direction.

- (1) Cost reimbursement for Employee pension and other benefit programs sponsored by the Contractor will be based on the Contracting Officer's approval of Contractor actions pursuant to an approved "Employee Benefits Value Study" and an "Employee Benefits Cost Survey Comparison" as described below.

- (2) Unless otherwise stated, or as directed by the Contracting Officer, the Contractor shall submit the studies required in paragraphs (A) and (B) below. The studies shall be used by the Contractor in calculating the cost of benefits under existing benefit plans. In addition, the Contractor shall submit updated studies to the Contracting Officer for approval prior to the adoption of any change to a benefit plan which increases cost.

 - (A) An Employee Benefits Value Study (Ben-Val), not less than every three (3) years for each benefit tier (e.g., group of employees receiving a benefit package based on date of hire), which is an actuarial study of the relative value (RV) of the benefits programs offered by the Contractor measured against the RV of benefit programs offered by comparator companies approved by the Contracting Officer. To the extent that the value studies do not address post-retirement benefits other than pensions, the Contractor shall provide a separate cost and plan design data comparison for the post-retirement benefits other than pensions using external benchmarks derived from nationally recognized and Contracting Officer approved survey sources.
 - (B) An Employee Benefits Cost Study Comparison, annually for each benefit tier that analyzes the Contractor's employee benefits cost for Employees on a per capita basis per full time equivalent employee and as a percent of payroll and compares it with the cost reported by the US Department of Labor's Bureau of Labor Statistics or other Contracting Officer approved broad based national survey.
- (3) When the net benefit value exceeds the comparator group by more than five percent, the Contractor shall submit a corrective action plan to the Contracting Officer for approval, unless waived in writing by the Contracting Officer.
- (4) When the average total benefit per capita cost or total benefit cost as a percent of payroll exceeds the comparator group by more than five percent, the Contractor shall submit an analysis of the specific plan costs that are above the per capita cost range or total benefit cost as a percent of payroll and a corrective action plan to achieve conformance with a Contracting Officer directed per capita cost range or total benefit cost as a percent of payroll, unless waived in writing by the Contracting Officer.
- (5) Within two years of Contracting Officer approval of the Contractor's corrective action plan, the Contractor shall align employee benefit programs with the benefit value and per capita cost range as approved by the Contracting Officer.

- (6) The Contractor may not terminate any benefit plan during the term of the Contract without the prior approval of the Contracting Officer in writing.
- (7) Cost reimbursement for post-retirement benefits (PRBs) is contingent on meeting PNNL service eligibility requirements for PRBs, with not less than 5 years under a DOE cost reimbursement contract(s). Annually, the Contractor will provide the Contracting Officer with a report identifying Laboratory retirees eligible for post-retirement benefits. The report will provide a service history for each retiree, specifying years at the Laboratory, under other DOE cost reimbursement contracts, and applicable corporate service. Unless required by Federal or State law, advance funding of PRBs is not allowable.
- (8) Each Contractor sponsoring a pension and/or postretirement benefit plan will participate in the annual plan management process which includes written responses to a questionnaire regarding plan management, providing forecasted estimates of future reimbursements in connection with the plan(s) and participating in a conference call to discuss the Contractor submission (see (f)(6) below for Pension Management Plan requirements).
- (9) Each Contractor will respond to quarterly data calls issued through iBenefits, or its successor system.
- (10) The Contractor previously established an account in a voluntary employees beneficiary association (VEBA) to accrue funds to pay its portion of the retiree medical liability attributable to non-1830 contract commitments. As of the effective date of this contract, and concurrent with the cessation of non-1830 work, the VEBA assets exceed the Contractor's corresponding non-1830 liability for retiree medical. In addition, non-1830 pension assets satisfy the non-1830 liability. The Contractor will not seek reimbursement for the value of the excess VEBA assets but will apply such excess to future retiree medical claims in recognition that the Contractor has no further non-1830 liability under the pension plan or the retiree medical plan prior to the effective date of this contract. The Contractor will not seek reimbursement from DOE for retiree medical claims paid from the VEBA until the assets of the VEBA have been exhausted. The Contractor will provide an annual report to the Contracting Officer on the benefits paid from the VEBA in the fiscal year as well as the balance of VEBA assets remaining at the end of the fiscal year.

(e) Establishment and Maintenance of Pension Plans for which DOE Reimburses Costs

- (1) Employees working for the Contractor shall only accrue credit for service under this Contract and the prior Use Permit Agreement (1831 agreement) after the date of original Contract award. For vesting and participation purposes, service under other members of the controlled group will be included as required by law.
- (2) Except for Commingled Plans in existence as of the effective date of the Contract, any pension plan maintained by the Contractor for which DOE reimburses costs, shall be maintained as a separate pension plan distinct from any other pension plan that provides credit for service not performed under a DOE cost-reimbursement contract. When deemed appropriate by the Contracting Officer, Commingled Plans shall be converted to separate plans at the time of new contract award or the extension of a contract.

(f) Basic Requirements

The Contractor shall adhere to the requirements set forth below in the establishment and administration of pension plans that are reimbursed by DOE pursuant to cost reimbursement contracts for management and operation of DOE facilities and pursuant to other cost reimbursement contracts as applicable. Pension Plans include Defined Benefit and Defined Contribution plans.

- (1) The Contractor shall become a sponsor of the existing pension and other benefit plans (or comparable successor plans), including other PRB plans, as applicable, with responsibility for management and administration of the plans. The Contractor shall be responsible for maintaining the qualified status of those plans consistent with the requirements of ERISA and the Internal Revenue Code (IRC).
- (2) Each Contractor defined benefit and defined contribution pension plan shall be subjected to a limited-scope audit annually that satisfies the requirements of 29 USC Section 1023, except that every third year the contractor must conduct a full-scope audit satisfying 29 USC Section 1023. Alternatively, the Contractor may conduct a full-scope audit of defined benefit plan(s) satisfying 29 USC Section 1023 annually. In all cases, the Contractor must submit the audit results to the Contracting Officer. In years in which a limited scope audit is conducted, the contractor must provide the contracting officer with a copy of the qualified trustee or custodian's certification regarding the investment information that provides the basis for the plan sponsor to satisfy reporting requirements under 29 USC Section 1024. While there is no requirement to submit a full scope audit for defined contribution plans, contractors are responsible for maintaining adequate controls for ensuring that defined contribution plan assets are correctly recorded and allocated to plan participants.

- (3) For existing Commingled Plans, the Contractor shall maintain and provide annual separate accounting of DOE liabilities and assets as for a Separate Plan.
 - (4) For existing Commingled Plans, the Contractor shall be liable for any shortfall in the plan assets caused by funding or events unrelated to DOE contracts.
 - (5) The Contractor shall comply with the requirements of ERISA if applicable to the pension plan and any other applicable laws.
 - (6) The Pension Management Plan (PMP) shall include a discussion of the Contractor's plans for management and administration of all pension plans consistent with the terms of the Contract. The PMP shall be submitted no later than January 31st of each applicable year. A full description of the necessary reporting will be provided in the annual management plan data request. The terms and conditions of the immediately preceding approved PMP will remain in effect until replaced with a subsequently approved PMP.
- (g) Reimbursement of Contractors for Contributions to Defined Benefit Pension Plans
- (1) Contractors that sponsor single employer or multiple employer defined benefit pension plans will be reimbursed for the annual required minimum contributions under the Employee Retirement Income Security Act (ERISA), as amended by the Pension Protection Act (PPA) of 2006 and any other subsequent amendments. Reimbursement above the annual minimum required contribution will require prior approval of the Contracting Officer. Reimbursement amounts will take into consideration all pre-funding balances and funding standard carryover balances.
 - (A) Early in the fiscal year but no later than the end of November, the Contractor requesting above the minimum may submit/update a business case for funding above the minimum if preliminary approval is needed prior to the Pension Management Plan process. The business case shall include a projection of the annual minimum required contribution and the proposed contribution above the minimum. The submission of the business case will provide the opportunity for the Department to provide preliminary approval, within 30 days after contractor submission, pending receipt of final estimates, generally after January 1st of the calendar year. Final approval of funding will be communicated by the Head of Contracting Activity (HCA) when discount rates are finalized and it is known whether there are any budget issues with the proposed contribution amount.

- (2) Contractors that sponsor multi-employer defined benefit pension plans will be reimbursed for pension contributions in the amounts necessary to ensure that the plans are funded to meet the annual minimum requirement under ERISA, as amended by the PPA. However, reimbursement for pension contributions above the annual minimum contribution required under ERISA, as amended by the PPA, will require prior approval of the Contracting Officer and will be considered on a case by case basis. Reimbursement amounts will take into consideration all pre-funding balances and funding standard carryover balances.

(h) Reporting Requirements for Designated Contracts

The following reports shall be submitted to DOE as soon as possible after the last day of the plan year by the Contractor responsible for each designated pension plan funded by DOE but no later than the dates specified below:

- (1) Actuarial Valuation Reports. The annual actuarial valuation report for each DOE-reimbursed pension plan and when a pension plan is commingled, the Contractor shall submit separate reports for DOE's portion and the plan total by the due date for filing IRS Form 5500.
- (2) Forms 5500. Copies of IRS Forms 5500 with Schedules for each DOE-funded pension plan, no later than that submitted to the IRS.
- (3) Forms 5300. Copies of all forms in the 5300 series submitted to the IRS that document the establishment, amendment, termination, spin-off, or merger of a plan submitted to the IRS.

(i) Changes to Pension Plans

At least sixty (60) days prior to the adoption of any changes to a pension plan, the Contractor shall submit the information required below to the Contracting Officer. The Contracting Officer must approve plan changes that increase costs as part of a determination as to whether the costs are deemed allowable pursuant to FAR 31.205-6, as supplemented by DEAR 970.3102-05-6.

- (1) For proposed changes to pension plans and pension plan funding, the Contractor shall provide the following to the Contracting Officer:
 - (A) a copy of the current plan document (as conformed to show all prior plan amendments), with the proposed new amendment indicated in redline/strikeout;
 - (B) an analysis of the impact of any proposed changes on actuarial accrued liabilities and costs;

- (C) except in circumstances where the Contracting Officer indicates that it is unnecessary, a legal explanation of the proposed changes from the counsel used by the plan for purposes of compliance with all legal requirements applicable to private sector defined benefit pension plans;
 - (D) the Summary Plan Description; and,
 - (E) any such additional information as requested by the Contracting Officer.
- (2) Contractors shall submit new benefit plans and changes to plan design or funding methodology with justification to the Contracting Officer for approval, as applicable [see (d)(1) above]. The justification must:
- (A) demonstrate the effect of the plan changes on the contract net benefit value or per capita benefit costs,
 - (B) provide the dollar estimate of savings or costs, and provide the basis of determining the estimated savings or cost.
- (j) Terminating Operations

When operations at a designated DOE facility are terminated and no further work is to occur under the prime contract with no successor contractor, the following apply:

- (1) No further benefits for service shall accrue.
- (2) The Contractor shall provide a determination statement in its settlement proposal, defining and identifying all liabilities and assets attributable to the DOE contract.
- (3) The Contractor shall base its pension liabilities attributable to DOE contract work on the market value of annuities or lump sum payments or dispose of such liabilities through a competitive purchase of annuities or lump sum payouts.
- (4) Assets shall be determined using the "market value" as of date of termination of operations.
- (5) Assets should be adjusted for accrual accounting.
- (6) DOE and the Contractor(s) shall establish an effective date for spinoff or plan termination. On the same day as the Contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.

(k) Terminating Plans

- (1) DOE contractors shall not terminate any pension plan (Commingled or site specific) without requesting Departmental approval at least 60 days prior to the scheduled date of plan termination.
- (2) To the extent possible, the Contractor shall satisfy plan liabilities to plan participants by the purchase of annuities through competitive bidding on the open annuity market or lump sum payouts. The Contractor shall apply the assumptions and procedures of the Pension Benefit Guaranty Corporation.
- (3) Funds to be paid or transferred to any party as a result of settlements relating to pension plan termination or reassignment shall reflect earnings and expenses from the effective date of termination or reassignment until the date of payment or transfer.
- (4) If ERISA or IRC rules prevent a full transfer of excess DOE reimbursed assets from the terminated plan, the Contractor shall pay the amount of said surplus remaining after compliance with appropriate ERISA and IRS rules (including liabilities, benefits, annuity purchases, claims, administrative expenses, and taxes, or any other legal obligations payable on behalf of the plan or Contractor as the direct result of sponsoring the plan), directly to DOE according to a schedule of payments to be negotiated by the parties.
- (5) On or before the same day as the Contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.
- (6) DOE liability to a Commingled pension plan shall not exceed that portion which corresponds to DOE contract service. The DOE shall have no other liability to the plan, to the plan sponsor, or to the plan participants.
- (7) After all liabilities of the plan are satisfied, including any excise taxes, the Contractor shall return to DOE an amount equaling the asset reversion from the plan termination and any earnings which accrue on that amount because of a delay in the payment to DOE. Such amount and such earnings shall be subject to DOE audit. To effect the purposes of this paragraph, DOE and the contractor may stipulate to a schedule of payments.

(l) Special Programs

Contractors must advise DOE and receive prior approval for each early-out program, window benefit, disability program, plan-loan feature, employee contribution refund, asset reversion, or incidental benefit.

(m) Definitions

- (1) Commingled Plans. Cover employees from the Contractor's private operations and its DOE contract work. As of 10/01/2012, the PNNL plan does not qualify as a Commingled Plan.
- (2) Current Liability. The sum of all plan liabilities to employees and their beneficiaries. Current liability includes only benefits accrued to the date of valuation. This liability is commonly expressed as a present value.
- (3) Defined Benefit Pension Plan. Provides a specific benefit at retirement that is determined pursuant to the formula in the pension plan document.
- (4) Defined Contribution Pension Plan. Provides benefits to each participant based on the amount held in the participant's account. Funds in the account may be comprised of employer contributions, employee contributions, investment returns on behalf of that plan participant and/or other amounts credited to the participant's account.
- (5) Designated Contract. For purposes of this clause, a contract (other than a prime cost reimbursement contract for management and operation of a DOE facility) for which the Head of the Departmental Contracting Activity determines that advance pension understandings are necessary or where there is a continuing Departmental obligation to the pension plan.
- (6) Pension Fund. The portfolio of investments and cash provided by employer and employee contributions and investment returns. A pension fund exists to defray pension plan benefit outlays and (at the option of the plan sponsor) the administrative expenses of the plan.
- (7) Separate Accounting. Account records established and maintained within a commingled plan for assets and liabilities attributable to DOE contract service. NOTE: The assets so represented are not for the exclusive benefit of any one group of plan participants.
- (8) Separate Plan. Must satisfy IRC Sec. 414(l) definition of a single plan, designate assets for the exclusive benefit of employees under DOE contract, exist under a separate plan document (having its own Department of Labor plan number) that is distinct from corporate plan documents and identify the Contractor as the plan sponsor.

- (9) Spun-off Plan. A new plan which satisfies IRC Reg. 1.414 (l)-1 requirements for a single plan and which is created by separating assets and liabilities from a larger original plan. The funding level of each individual participant's benefits shall be no less than before the event, when calculated on a "plan termination basis."

[M1057]
(End of clause)

3. This modification results in no further changes to the Contract

(End of Contract Modification)
[M1057]