

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**OMB Nos. 1210-0110
1210-0089**2014****This Form is Open to Public Inspection****Part I Annual Report Identification Information**For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014


- A** This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
- B** This return/report is: ☐ the first return/report; ☒ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
- C** If the plan is a collectively-bargained plan, check here: ☒
- D** Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan RETIREMENT INCOME PROGRAM OF BORGWARNER DIVERSIFIED TRANSMISSION PRODUCTS, INC., MUNCIE PLANT	1b Three-digit plan number (PN) ▶ 036
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) BORGWARNER DIVERSIFIED TRANSMISSION PRODUCTS INC., MUNCIE PLANT 3850 HAMLIN ROAD AUBURN HILLS MI 48326	1c Effective date of plan 10/01/1950
	2b Employer identification Number (EIN) 31-1232404
	2c Plan Sponsor's telephone number 248-754-9200
	2d Business code (see instructions) 333610

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

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

SIGN HERE		10/14/2015	Kim Jenett
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

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3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor		3b Administrator's EIN
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		3c Administrator's telephone number
5 Total number of participants at the beginning of the plan year		4b EIN
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1), 6a(2), 6b, 6c, and 6d).		4c PN
a(1) Total number of active participants at the beginning of the plan year		5 2218
a(2) Total number of active participants at the end of the plan year		6a(1) 2218
b Retired or separated participants receiving benefits		6a(2) 0
c Other retired or separated participants entitled to future benefits		6b 0
d Subtotal. Add lines 6a(2), 6b, and 6c.		6c 0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6d 0
f Total. Add lines 6d and 6e.		6e 0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6f 0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6g
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		6h
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B		7
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) <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		9b 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
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input checked="" type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information - Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	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 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ Round off amounts to nearest dollar.

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

A Name of plan RETIREMENT INCOME PROGRAM OF BORGWARNER DIVERSIFIED TRANSMISSION PRODUCTS, INC., MUNCIE PLANT	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">B Three-digit plan number (PN) ▶</td> <td style="width: 40%; text-align: center;">036</td> </tr> <tr> <td colspan="2">D Employer Identification Number (EIN) 31-1232404</td> </tr> </table>	B Three-digit plan number (PN) ▶	036	D Employer Identification Number (EIN) 31-1232404	
B Three-digit plan number (PN) ▶	036				
D Employer Identification Number (EIN) 31-1232404					
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF BorgWarner Diversified Transmission Products, Inc. Muncie Plant					
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B F 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 <u>01</u> Day <u>01</u> Year <u>2014</u>			
2 Assets:			
a Market value	2a	181206311	
b Actuarial value	2b	181206311	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1942	152616005	152616005
b For terminated vested participants	294	8812558	8812558
c For active participants	0	0	0
d Total	2236	161428563	161428563
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.35%	
6 Target normal cost	6	432598	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Stacy L. Haizman Signature of actuary Stacy L. Haizman Type or print name of actuary Towers Watson Delaware Inc. Firm name 3196 Kraft Avenue, S.E., Ste 200 Grand Rapids MI 49512 Address of the firm	09/30/2015 Date 1407384 Most recent enrollment number 616-254-2600 Telephone number (including area code)
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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 and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2014
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Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	16633086	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	469152	0
9	Amount remaining (line 7 minus line 8)	16163934	0
10	Interest on line 9 using prior year's actual return of <u>8.00%</u>	1293115	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.21%</u>		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	17457049	0

Part III Funding Percentages

14	Funding target attainment percentage	14	101.43%
15	Adjusted funding target attainment percentage	15	112.25%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	106.96%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

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

[illegible]

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

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

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b if line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

C If line 20a is "Yes," see instructions and complete the following table as applicable:

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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.99%	2nd segment: 6.32%	3rd segment: 6.99%
			<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22
23 Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> 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.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment		27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	432598
b Excess assets, if applicable, but not greater than line 31a		31b	432598
32 Amortization installments:		Outstanding Balance Installment	
a Net shortfall amortization installment		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34	0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		<input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years	
b Eligible plan year(s) for which the election in line 41a was made		<input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011	
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

Applicable month	September
Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting HATFA Corridors	Not Reflecting Corridors
First segment rate	4.99%	1.37%
Second segment rate	6.32%	4.05%
Third segment rate	6.99%	5.06%
Effective interest rate	6.35%	4.14%

Annual rates of increase:

Compensation	N/A
Future Social Security wage bases	N/A
Statutory limits on compensation	N/A
Assumed cost of living adjustment:	
Special age 65 benefit amounts only	5.00%
All other benefit amounts	None

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc.
Muncie Plant
EIN / PN: 31-1232404 / 036
Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date	Plan participation is frozen. All participants are included in the valuation.
New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality:	
Healthy	The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.
Disabled	For Social Security eligible disabled participants, mortality in accordance with Revenue Ruling 96-7 for males and females respectively.
Termination	N/A
Retirement	Terminated vested employees are assumed to commence benefits at age 65.
Form of payment	Married participants are assumed to elect a 75% Qualified Joint and Survivor Annuity. Single participants are assumed to elect a Life Only Annuity.
Percent married	75% of male terminated vested participants and 40% of female terminated vested participants are assumed to be married.
Spouse age	Male spouses are assumed to be four years older than female spouses.
Administrative expenses	For 2013, \$438,677 of administrative expenses was paid from the pension trust. For 2014, the administrative expense is assumed to be equal to the 2013 amount minus the 2013 PBGC premiums plus the 2014 PBGC premiums. The resulting administrative expense assumption for 2014 is \$432,598.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

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SCHEDULE SB ATTACHMENTS

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 the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets	The actuarial value of assets is equal to the market value of assets as of the valuation date plus the discounted present value of contributions made after the valuation date for the 2013 plan year, discounted using the effective interest rate for the 2013 plan year.
Benefits not valued	We believe that we have reflected all significant Plan provisions in this valuation.
Participant data	Employee data was supplied by BorgWarner (by way of data extraction from the eePoint system) as of the census date, January 1, 2014.

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
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Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Provisions

Plan sponsor	BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Plan	Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Effective date and most recent amendment	<p>October 1, 1950, as amended effective March 12, 2001. (Participants who retired or terminated employment prior to March 12, 2001 will have their benefits determined under the plan as it existed at their date of retirement or termination.)</p> <p>The plan was amended and restated effective January 1, 2008, and then amended effective April 24, 2009.</p>
Plan year	The 12 month period beginning each January 1
Coverage and participation	<p>Members of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and its Local 287 employed on September 7, 1989 who had attained age 21 and earned 1,000 hours during a 12 month consecutive period beginning on the date of hire, or in any succeeding 12 month period.</p> <p>An employee is not eligible to participate if the employee:</p> <ul style="list-style-type: none">▶ was not employed in a bargaining unit on September 7, 1989, or▶ was hired after on or after September 7, 1989. <p>After September 7, 1989, employees permanently cease accruing a benefit and credited service if they:</p> <ul style="list-style-type: none">▶ quit, discharge, or have seniority broken.▶ elect to participate in the BorgWarner Diversified Transmission Products Inc. Muncie Plant Retirement Savings Plan (Muncie RSP).▶ upon recall, have a 1988 or 1989 seniority date (if laid off prior to March 12, 1998) and are under age 50 with 20 or fewer years of service as of December 31, 1997. <p>After April 24, 2009, all employees cease accruing benefits and credited service due to the plant shutdown.</p>

Plan Name:	Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN:	31-1232404 / 036
Plan Sponsor:	BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date	January 1, 2014

SCHEDULE SB ATTACHMENTS

Definitions

Vesting service	Prior to January 1, 1976, one year of vesting service is received for each year of credited service. On or after January 1, 1976 one year of vesting service is earned for each calendar year in which the employee earns at least 1,000 hours with the employer or an affiliate. No vesting service is earned if less than 1,000 hours are earned in a calendar year.
Credited service	<p>As of October 1, 1950, credited service was set equal to the greater of the years of seniority or actual years of employment.</p> <p>On or after October 1, 1950, one year of credited service is earned for each calendar year in which the employee earns at least 1,600 hours. A fractional year's credited service, rounded to the nearest 1/12, is earned if less than 1,600 hours is earned in a calendar year.</p> <p>After April 24, 2009, all employees cease accruing benefits and credited service due to the plant shutdown.</p>
Normal retirement date (NRD)	Age 65 and 5 years of participation
Normal form of benefit	Normal form of income is a monthly payment for the life of the participant. If married, the 75% Qualified Joint and Survivor Annuity option will be deemed to have been automatically elected, unless the retiree elects otherwise.

Eligibility for Benefits

Normal retirement	Age 65 and 5 years of participation
Early retirement	<p>Eligibility is met upon meeting one of the following conditions:</p> <ul style="list-style-type: none">▶ Age 60 and 10 years of credited service,▶ Age 55 and age plus years of credited service totals at least 85 points, or▶ Any age and 30 years of credited service. <p>For determining eligibility for an early retirement benefit, credited service includes service earned under the Muncie RSP.</p> <p>Only employees who reached eligibility by April 24, 2009 are eligible for these benefits.</p>

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Plan Sponsor:	BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date	January 1, 2014

SCHEDULE SB ATTACHMENTS

Early retirement supplemental allowance

Participants who retire under the early, special early, or disability retirement provisions of the plan, with 30 or more years of credited service.

The early retirement supplemental allowance is payable to age 62-1/12 (or later age according to the Post 1937 Social Security Schedule). If the participant elects to receive a Social Security benefit prior to the age set forth in the Post 1937 Social Security Schedule, the supplemental allowance will cease.

If a participant's benefit is frozen and credited service under this plan plus service under the Muncie RSP totals at least 30 years, the participant will be eligible for the Early Retirement Supplemental Benefit. The offsets shall also include a benefit that is the actuarial equivalent of BorgWarner Retirement Account under the Muncie RSP.

Special early retirement (company consent required)

Unable to work efficiently by reason of a permanent disability, at least age 55 and less than age 65, with at least 10 years of credited service, and retirement under mutually satisfactory conditions acceptable to the participant, company, and union.

Interim supplemental allowance

Participants who retire before age 62 under the early retirement provision of the plan, with less than 30 or more years of credited service, on or after March 12, 2001.

The interim supplemental allowance is payable to age 62-1/12 (or later age according to the Post 1937 Social Security Schedule). If the participant elects to receive a Social Security benefit prior to the age set forth in the Post 1937 Social Security Schedule, the interim supplemental allowance will cease.

If a participant's benefit is frozen and Muncie RSP service is required for eligibility to receive an early retirement benefit, then the interim supplemental allowance is not payable.

Postponed retirement

Retirement after NRD

Vested termination

5 years of vesting service or 10 years of credited service

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Disability:

Monthly	Total and permanent disability as determined by the Board of Administrators and 10 years of credited service
Temporary	<p>If the participant is not eligible for an unreduced Social Security benefit, a temporary benefit equal to years of credited service multiplied by the applicable benefit rate in effect on day the employee became totally and permanently disabled will be paid until age 62-1/12 (or later age according to the Post 1937 Social Security Schedule), or the age the participant becomes eligible for an unreduced Social Security disability benefit, if earlier.</p> <p>If the participant elects to receive a Social Security benefit prior to the age set forth in the Post 1937 Social Security Schedule, the temporary benefit will cease.</p> <p>If a participant's benefit is frozen and Muncie RSP service is required for eligibility to receive a disability benefit, then the temporary monthly benefit is not payable.</p>

Special age 65 benefit	Any retiree who retired under the normal, late, early, special early, or disability (but not deferred vested) retirement provisions of the plan. Surviving spouses of employees who elected a joint and survivor annuity (including surviving spouse of employees who die while in active service), other than spouses of terminated participants eligible for or receiving a deferred vested benefit, are also eligible to receive a Special Age 65 Benefit. Participants who elected to participate in the Muncie RSP are not eligible for the Special Age 65 Benefit.
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Pre-retirement death benefit	Eligible for an early retirement benefit or a deferred vested retirement benefit and married for at least one year.
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Benefits Paid Upon the Following Events

Normal retirement	<p>Accrued benefit payable at normal retirement date.</p> <p>The normal retirement benefit is offset for any "Other Benefits" payable from a Company sponsored defined benefit plan for concurrent service.</p> <p>The accrued monthly benefit based on a participant's years of credited service and benefit rate in effect on date of retirement as given in the table below:</p>
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Date of Retirement	Benefit Rate (\$)
04/01/2000 – 03/31/2001	23.50
04/01/2001 – 03/31/2004	25.00
04/01/2004 – 03/31/2005	26.00
04/01/2005 or after	26.50

Plan Name:	Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN:	31-1232404 / 036
Plan Sponsor:	BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date	January 1, 2014

SCHEDULE SB ATTACHMENTS

Early retirement

Accrued benefit deferred to age 65 or a reduced early retirement benefit. The early retirement percentage factors, which are prorated for intermediate ages, are shown below.

Age at Commencement	Early Retirement Factor (%)	Age at Commencement	Early Retirement Factor (%)
47	30.4	55	57.9
48	32.8	56	63.5
49	35.4	57	69.4
50	38.3	58	75.2
51	41.5	59	80.8
52	45.0	60	86.7
53	48.9	61	93.3
54	53.2	62 or older	100.0

For participants who retire with either

- ▶ 30 or more years of credited service or
- ▶ 85 or more points (based on credited service),

the early retirement reduction will be removed upon attaining age 62-1/12 (or later age according to the Post 1937 Social Security Schedule). The early retirement reduction is not eliminated if RSP Service was required for commencement of an early retirement benefit, except for retirements with 30 or more years of service.

The early retirement benefit is offset for any "Other Benefits" payable from a company sponsored defined benefit plan for concurrent service.

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
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Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Early retirement supplemental allowance

The supplemental monthly allowance for employees that retire on or after March 12, 1998 is the difference between the amount shown in the following table and the sum of:

- ▶ the early retirement benefit, prior to reduction for a joint and survivor normal or optional form of payment, and
- ▶ any temporary benefit, payable under the disability and special early retirement provisions of the plan.

Date of Retirement	Total Monthly Amount (\$)
03/12/1998 – 03/31/2001	1,800
04/01/2001 – 03/31/2002	1,900
04/01/2002 – 03/31/2003	2,000
04/01/2003 or after	2,100

The early retirement supplemental allowance is payable to age 62-1/12 (or later age according to the Post 1937 Social Security Schedule). If the participant elects to receive a Social Security benefit prior to the age set forth in the Post 1937 Social Security Schedule, the supplemental allowance will cease.

The early retirement supplemental allowance is limited, if necessary, so the retirement benefit plus supplemental allowance does not exceed 70% of participant's final monthly base pay.

The Post 1937 Social Security Schedule with the age at which an applicable benefit terminates is shown below.

Birth Year	Age Benefit Stops
1937 or earlier	62-1/12
1938	62-2/12
1939	62-4/12
1940	62-6/12
1941	62-8/12
1942	62-10/12
1943 – 1954	63-0/12
1955	63-2/12
1956	63-4/12
1957	63-6/12
1958	63-8/12
1959	63-10/12
1960 or after	64-0/12

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN: 31-1232404 / 036
Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Special early retirement (company consent required):

Monthly benefit Accrued benefit payable immediately.

Temporary monthly benefit A temporary benefit equal to a participant's years of credited service multiplied by the applicable benefit rate from the following table will be paid until age 62-1/12 (or later age according to the Post 1937 Social Security Schedule) or the age the employee becomes eligible for an unreduced Social Security disability benefit, if earlier.

Date of Retirement	Benefit Rate (\$)
04/01/2000 – 03/31/2001	23.50
04/01/2001 – 03/31/2004	25.00
04/01/2004 – 03/31/2005	26.00
04/01/2005 or after	26.50

If the participant elects to receive a Social Security benefit prior to the age set forth in the Post 1937 Social Security Schedule, the temporary benefit will cease.

If a participant's benefit is frozen and Muncie RSP service is required for eligibility to receive a Special Early Retirement Benefit, then the temporary monthly benefit is not payable.

The special early retirement benefit is offset for any "Other Benefits" payable from a Company sponsored defined benefit plan for concurrent service.

Interim supplemental allowance

The monthly allowance payable to applicable participants retiring on or after March 11, 2001 is based on the participant's age at retirement and is equal to the credited service at retirement multiplied by the applicable supplemental rate (which is prorated for intermediate ages) from the following table.

Age at Retirement	Supplemental Rate (\$)
54 or younger	0.00
55	7.05
56	8.70
57	10.20
58	11.85
59	13.35
60	15.00
61	15.00

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN: 31-1232404 / 036
Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date January 1, 2014

SCHEDULE SB ATTACHMENTS

Postponed retirement

Accrued benefit calculated using credited service and benefit rate in effect as of the late retirement date.

The late retirement benefit is offset for any "Other Benefits" payable from a company sponsored defined benefit plan for concurrent service.

Vested termination

Accrued benefit, based on monthly benefit rate in effect at date of termination, deferred to age 65. A reduced benefit is payable at age 60 or at age 55, if age plus years of credited service totals 85 or more points. The benefit reduction for early commencement is 5/9 of 1% for each month that the benefit begins before age 65.

The deferred vested benefit is offset for any "Other Benefits" payable from a company sponsored defined benefit plan for concurrent service.

Disablement:

Monthly

Accrued benefit is payable after the participant has been totally and permanently disabled for 26 weeks. Benefits are paid monthly while totally and permanently disabled until reaching age 65. At age 65 the normal retirement benefit, based on credited service at the time of disability, becomes payable.

Temporary

In addition, if the participant is not eligible for an unreduced Social Security benefit, a temporary benefit equal to years of credited service multiplied by the applicable benefit rate in effect on day the employee became totally and permanently disabled will be paid until age 62-1/12 (or later age according to the Post 1937 Social Security Schedule), or the age the participant becomes eligible for an unreduced Social Security disability benefit, if earlier.

Date of Retirement	Benefit Rate (\$)	Maximum Benefit (\$)
04/01/2000 – 03/31/2001	23.50	705.00
04/01/2001 – 03/31/2004	25.00	725.00
04/01/2004 – 03/31/2005	26.00	740.00
04/01/2005 or after	26.50	750.00

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN: 31-1232404 / 036
Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

The disability retirement benefit is offset for any "Other Benefits" payable from a company sponsored defined benefit plan for concurrent service.

Special age 65 benefit

Upon attaining age 65 (or age the participant becomes enrolled in the Medicare Part B insurance program), an eligible retiree or surviving spouse that is enrolled in the Medicare Part B insurance program will receive a monthly benefit equal to the Medicare Part B Premium. For participants who retire on or after May 1, 2006, the Medicare Part B Premium is capped at \$88.50 per month.

Pre-retirement death

The surviving spouse will receive a survivor benefit calculated as if the employee had:

- ▶ retired or terminated employment immediately prior to his or her date of death,
- ▶ survived until the earliest benefit commencement date, and retired,
- ▶ elected the qualified joint and survivor annuity, and
- ▶ died immediately thereafter.

The benefit will begin on the earliest date the participant would have been eligible to retire and commence benefit payments.

Other Plan Provisions

Forms of payment:

Normal form

Normal form of income is a monthly payment for the life of the participant. If married, the 75% qualified joint and survivor annuity option will be deemed to have been automatically elected, unless the retiree elects otherwise.

Optional forms

Joint and survivor annuity with a 50%, 60%, 75%, or 100% survivor benefit payable to spouse at death of retiree. A lump sum or 15-year certain option is available for terminated vested participants who were part of the Shutdown Agreement.

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN: 31-1232404 / 036
Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Qualified joint and survivor annuity

An automatic benefit option for participants that are married for at least a year, which provides a reduced monthly benefit for the participant's lifetime and upon the participant's death, the spouse receives a portion of the reduced benefit for the spouse's lifetime. The reduction for election of this option is determined applying the actuarial equivalent factor to the retirement benefit that would have been payable on or after age 65. The amount payable to the retiree is the accrued benefit, reduced for election of the qualified joint and survivor annuity option and early commencement. The amount payable to a surviving spouse is 75% of the accrued benefit, reduced for early retirement if the early retirement reduction is not eliminated at age 62-1/12 (or later age according to the Post 1937 Social Security Schedule), and further reduced for the election of the qualified joint and survivor annuity. Benefit payments to the surviving spouse begin immediately following the death of the participant.

If the eligible spouse predeceases the participant, then the Survivor Benefit election will be cancelled and the retirement benefit will be adjusted to eliminate the surviving spouse reduction, after providing sufficient evidence to the plan administrator.

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN: 31-1232404 / 036
Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Reduction factors for the following joint and survivor annuities:

50% J&S	Actuarially equivalent to the single life annuity using 6.00% interest and RP2000 projected to 2020 mortality.
60% J&S	95.0%, decreased 0.5% for each year the retiree's age exceeds the spouse's age by more than 5 years, and increased 0.5% for each year the spouse's age exceeds the retiree's age by more than 5 years (maximum 97.5%).
75% J&S	93.8%, decreased about 0.6% for each year the retiree's age exceeds the spouse's age by more than 5 years, and increased about 0.6% for each year the spouse's age exceeds the retiree's age by more than 5 years (maximum 96.9%).
100% J&S	91.9%, decreased about 0.8% for each year the retiree's age exceeds the spouse's age by more than 5 years, and increased about 0.8% for each year the spouse's age exceeds the retiree's age by more than 5 years (maximum 95.9%).

Pension increases N/A

Plan participants' contributions They are not required or permitted.

Future Plan Changes

None

Changes in Benefits Valued Since Prior Year

None

Substantive Commitment

None

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN: 31-1232404 / 036
Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN/PN	31-1232404/036
Plan Name	Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date	January 1, 2014
Enrolled Actuary	Stacy L. Haizman
Enrollment Number	14-07384

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	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 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		

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

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

A Name of plan Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant	B Three-digit plan number (PN) ▶ <u>036</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF BorgWarner Diversified Transmission Products, Inc. Muncie Plant	D Employer Identification Number (EIN) <u>31-1232404</u>
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B <input type="checkbox"/> Other	
F 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 <u>01</u> Day <u>01</u> Year <u>2014</u>			
2 Assets:			
a Market value.....	2a	181206311	
b Actuarial value.....	2b	181206311	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	1942	152616005	152616005
b For terminated vested participants.....	294	8812558	8812558
c For active participants.....	0	0	0
d Total.....	2236	161428563	161428563
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate.....	5	6.35%	
6 Target normal cost.....	6	432598	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Stacy L. Haizman <i>SLH</i> Signature of actuary	<u>9/30/2015</u> Date
Stacy L. Haizman Type or print name of actuary		1407384 Most recent enrollment number
Towers Watson Delaware Inc. Firm name		616-254-2600 Telephone number (including area code)
3196 Kraft Avenue, S.E., Ste 200 Grand Rapids MI 49512 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 and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2014
v. 140124

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	16633086	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	469152	0
9 Amount remaining (line 7 minus line 8)	16163934	0
10 Interest on line 9 using prior year's actual return of <u>8.00%</u>	1293115	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.21%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	17457049	0

14	Funding target attainment percentage	14	101.43 %
15	Adjusted funding target attainment percentage	15	112.25 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	106.96 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part 1. Information about the employee(s) and employer(s)					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ▶	18(b)	18(c)

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

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:			
a Segment rates:	1st segment: 4.99%	2nd segment: 6.32%	3rd segment: 6.99%
			<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22
23 Mortality table(s) (see instructions)	<input type="checkbox"/> Prescribed - combined	<input checked="" type="checkbox"/> 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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 18a)	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 8)	31a	432598	
b Excess assets, if applicable, but not greater than line 31a	31b	432598	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	<input type="checkbox"/> 2 plus 7 years	<input type="checkbox"/> 15 years	
b Eligible plan year(s) for which the election in line 41a was made	<input type="checkbox"/> 2008	<input type="checkbox"/> 2009	<input type="checkbox"/> 2010 <input type="checkbox"/> 2011
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN/PN	31-1232404/036
Plan Name	Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date	January 1, 2014
Enrolled Actuary	Stacy L. Haizman
Enrollment Number	14-07384

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 ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

Applicable month	September
Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting HATFA Corridors	Not Reflecting Corridors
First segment rate	4.99%	1.37%
Second segment rate	6.32%	4.05%
Third segment rate	6.99%	5.06%
Effective interest rate	6.35%	4.14%

Annual rates of increase:

Compensation	N/A
Future Social Security wage bases	N/A
Statutory limits on compensation	N/A
Assumed cost of living adjustment:	
Special age 65 benefit amounts only	5.00%
All other benefit amounts	None

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc.
Muncie Plant
EIN / PN: 31-1232404 / 036
Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date	Plan participation is frozen. All participants are included in the valuation.
New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality:	
Healthy	The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.
Disabled	For Social Security eligible disabled participants, mortality in accordance with Revenue Ruling 96-7 for males and females respectively.
Termination	N/A
Retirement	Terminated vested employees are assumed to commence benefits at age 65.
Form of payment	Married participants are assumed to elect a 75% Qualified Joint and Survivor Annuity. Single participants are assumed to elect a Life Only Annuity.
Percent married	75% of male terminated vested participants and 40% of female terminated vested participants are assumed to be married.
Spouse age	Male spouses are assumed to be four years older than female spouses.
Administrative expenses	For 2013, \$438,677 of administrative expenses was paid from the pension trust. For 2014, the administrative expense is assumed to be equal to the 2013 amount minus the 2013 PBGC premiums plus the 2014 PBGC premiums. The resulting administrative expense assumption for 2014 is \$432,598.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN: 31-1232404 / 036
Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

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 the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets	The actuarial value of assets is equal to the market value of assets as of the valuation date plus the discounted present value of contributions made after the valuation date for the 2013 plan year, discounted using the effective interest rate for the 2013 plan year.
Benefits not valued	We believe that we have reflected all significant Plan provisions in this valuation.
Participant data	Employee data was supplied by BorgWarner (by way of data extraction from the eePoint system) as of the census date, January 1, 2014.

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN: 31-1232404 / 036
Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Provisions

Plan sponsor	BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Plan	Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Effective date and most recent amendment	<p>October 1, 1950, as amended effective March 12, 2001. (Participants who retired or terminated employment prior to March 12, 2001 will have their benefits determined under the plan as it existed at their date of retirement or termination.)</p> <p>The plan was amended and restated effective January 1, 2008, and then amended effective April 24, 2009.</p>
Plan year	The 12 month period beginning each January 1
Coverage and participation	<p>Members of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and its Local 287 employed on September 7, 1989 who had attained age 21 and earned 1,000 hours during a 12 month consecutive period beginning on the date of hire, or in any succeeding 12 month period.</p> <p>An employee is not eligible to participate if the employee:</p> <ul style="list-style-type: none">▶ was not employed in a bargaining unit on September 7, 1989, or▶ was hired after on or after September 7, 1989. <p>After September 7, 1989, employees permanently cease accruing a benefit and credited service if they:</p> <ul style="list-style-type: none">▶ quit, discharge, or have seniority broken.▶ elect to participate in the BorgWarner Diversified Transmission Products Inc. Muncie Plant Retirement Savings Plan (Muncie RSP).▶ upon recall, have a 1988 or 1989 seniority date (if laid off prior to March 12, 1998) and are under age 50 with 20 or fewer years of service as of December 31, 1997. <p>After April 24, 2009, all employees cease accruing benefits and credited service due to the plant shutdown.</p>

Plan Name:	Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN:	31-1232404 / 036
Plan Sponsor:	BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date	January 1, 2014

SCHEDULE SB ATTACHMENTS

Definitions

Vesting service	Prior to January 1, 1976, one year of vesting service is received for each year of credited service. On or after January 1, 1976 one year of vesting service is earned for each calendar year in which the employee earns at least 1,000 hours with the employer or an affiliate. No vesting service is earned if less than 1,000 hours are earned in a calendar year.
Credited service	<p>As of October 1, 1950, credited service was set equal to the greater of the years of seniority or actual years of employment.</p> <p>On or after October 1, 1950, one year of credited service is earned for each calendar year in which the employee earns at least 1,600 hours. A fractional year's credited service, rounded to the nearest 1/12, is earned if less than 1,600 hours is earned in a calendar year.</p> <p>After April 24, 2009, all employees cease accruing benefits and credited service due to the plant shutdown.</p>
Normal retirement date (NRD)	Age 65 and 5 years of participation
Normal form of benefit	Normal form of income is a monthly payment for the life of the participant. If married, the 75% Qualified Joint and Survivor Annuity option will be deemed to have been automatically elected, unless the retiree elects otherwise.

Eligibility for Benefits

Normal retirement	Age 65 and 5 years of participation
Early retirement	<p>Eligibility is met upon meeting one of the following conditions:</p> <ul style="list-style-type: none">▶ Age 60 and 10 years of credited service,▶ Age 55 and age plus years of credited service totals at least 85 points, or▶ Any age and 30 years of credited service. <p>For determining eligibility for an early retirement benefit, credited service includes service earned under the Muncie RSP.</p> <p>Only employees who reached eligibility by April 24, 2009 are eligible for these benefits.</p>

Plan Name:	Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN:	31-1232404 / 036
Plan Sponsor:	BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date	January 1, 2014

SCHEDULE SB ATTACHMENTS

**Early retirement
supplemental allowance**

Participants who retire under the early, special early, or disability retirement provisions of the plan, with 30 or more years of credited service.

The early retirement supplemental allowance is payable to age 62-1/12 (or later age according to the Post 1937 Social Security Schedule). If the participant elects to receive a Social Security benefit prior to the age set forth in the Post 1937 Social Security Schedule, the supplemental allowance will cease.

If a participant's benefit is frozen and credited service under this plan plus service under the Muncie RSP totals at least 30 years, the participant will be eligible for the Early Retirement Supplemental Benefit. The offsets shall also include a benefit that is the actuarial equivalent of BorgWarner Retirement Account under the Muncie RSP.

**Special early retirement
(company consent required)**

Unable to work efficiently by reason of a permanent disability, at least age 55 and less than age 65, with at least 10 years of credited service, and retirement under mutually satisfactory conditions acceptable to the participant, company, and union.

**Interim supplemental
allowance**

Participants who retire before age 62 under the early retirement provision of the plan, with less than 30 or more years of credited service, on or after March 12, 2001.

The interim supplemental allowance is payable to age 62-1/12 (or later age according to the Post 1937 Social Security Schedule). If the participant elects to receive a Social Security benefit prior to the age set forth in the Post 1937 Social Security Schedule, the interim supplemental allowance will cease.

If a participant's benefit is frozen and Muncie RSP service is required for eligibility to receive an early retirement benefit, then the interim supplemental allowance is not payable.

Postponed retirement

Retirement after NRD

Vested termination

5 years of vesting service or 10 years of credited service

Plan Name: Retirement Income Program of BorgWarner Diversified Transmission Products, Inc. Muncie Plant
EIN / PN: 31-1232404 / 036
Plan Sponsor: BorgWarner Diversified Transmission Products, Inc. Muncie Plant
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Disability:

Monthly	Total and permanent disability as determined by the Board of Administrators and 10 years of credited service
Temporary	<p>If the participant is not eligible for an unreduced Social Security benefit, a temporary benefit equal to years of credited service multiplied by the applicable benefit rate in effect on day the employee became totally and permanently disabled will be paid until age 62-1/12 (or later age according to the Post 1937 Social Security Schedule), or the age the participant becomes eligible for an unreduced Social Security disability benefit, if earlier.</p> <p>If the participant elects to receive a Social Security benefit prior to the age set forth in the Post 1937 Social Security Schedule, the temporary benefit will cease.</p> <p>If a participant's benefit is frozen and Muncie RSP service is required for eligibility to receive a disability benefit, then the temporary monthly benefit is not payable.</p>
Special age 65 benefit	Any retiree who retired under the normal, late, early, special early, or disability (but not deferred vested) retirement provisions of the plan. Surviving spouses of employees who elected a joint and survivor annuity (including surviving spouse of employees who die while in active service), other than spouses of terminated participants eligible for or receiving a deferred vested benefit, are also eligible to receive a Special Age 65 Benefit. Participants who elected to participate in the Muncie RSP are not eligible for the Special Age 65 Benefit.
Pre-retirement death benefit	Eligible for an early retirement benefit or a deferred vested retirement benefit and married for at least one year.

Benefits Paid Upon the Following Events

Normal retirement	<p>Accrued benefit payable at normal retirement date.</p> <p>The normal retirement benefit is offset for any "Other Benefits" payable from a Company sponsored defined benefit plan for concurrent service.</p> <p>The accrued monthly benefit based on a participant's years of credited service and benefit rate in effect on date of retirement as given in the table below:</p>
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Date of Retirement	Benefit Rate (\$)
04/01/2000 – 03/31/2001	23.50
04/01/2001 – 03/31/2004	25.00
04/01/2004 – 03/31/2005	26.00
04/01/2005 or after	26.50

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Early retirement

Accrued benefit deferred to age 65 or a reduced early retirement benefit. The early retirement percentage factors, which are prorated for intermediate ages, are shown below.

Age at Commencement	Early Retirement Factor (%)	Age at Commencement	Early Retirement Factor (%)
47	30.4	55	57.9
48	32.8	56	63.5
49	35.4	57	69.4
50	38.3	58	75.2
51	41.5	59	80.8
52	45.0	60	86.7
53	48.9	61	93.3
54	53.2	62 or older	100.0

For participants who retire with either

- ▶ 30 or more years of credited service or
- ▶ 85 or more points (based on credited service),

the early retirement reduction will be removed upon attaining age 62-1/12 (or later age according to the Post 1937 Social Security Schedule). The early retirement reduction is not eliminated if RSP Service was required for commencement of an early retirement benefit, except for retirements with 30 or more years of service.

The early retirement benefit is offset for any "Other Benefits" payable from a company sponsored defined benefit plan for concurrent service.

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Early retirement supplemental allowance

The supplemental monthly allowance for employees that retire on or after March 12, 1998 is the difference between the amount shown in the following table and the sum of:

- ▶ the early retirement benefit, prior to reduction for a joint and survivor normal or optional form of payment, and
- ▶ any temporary benefit, payable under the disability and special early retirement provisions of the plan.

Date of Retirement	Total Monthly Amount (\$)
03/12/1998 – 03/31/2001	1,800
04/01/2001 – 03/31/2002	1,900
04/01/2002 – 03/31/2003	2,000
04/01/2003 or after	2,100

The early retirement supplemental allowance is payable to age 62-1/12 (or later age according to the Post 1937 Social Security Schedule). If the participant elects to receive a Social Security benefit prior to the age set forth in the Post 1937 Social Security Schedule, the supplemental allowance will cease.

The early retirement supplemental allowance is limited, if necessary, so the retirement benefit plus supplemental allowance does not exceed 70% of participant's final monthly base pay.

The Post 1937 Social Security Schedule with the age at which an applicable benefit terminates is shown below.

Birth Year	Age Benefit Stops
1937 or earlier	62-1/12
1938	62-2/12
1939	62-4/12
1940	62-6/12
1941	62-8/12
1942	62-10/12
1943 – 1954	63-0/12
1955	63-2/12
1956	63-4/12
1957	63-6/12
1958	63-8/12
1959	63-10/12
1960 or after	64-0/12

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Special early retirement (company consent required):

Monthly benefit Accrued benefit payable immediately.

Temporary monthly benefit A temporary benefit equal to a participant's years of credited service multiplied by the applicable benefit rate from the following table will be paid until age 62-1/2 (or later age according to the Post 1937 Social Security Schedule) or the age the employee becomes eligible for an unreduced Social Security disability benefit, if earlier.

Date of Retirement	Benefit Rate (\$)
04/01/2000 – 03/31/2001	23.50
04/01/2001 – 03/31/2004	25.00
04/01/2004 – 03/31/2005	26.00
04/01/2005 or after	26.50

If the participant elects to receive a Social Security benefit prior to the age set forth in the Post 1937 Social Security Schedule, the temporary benefit will cease.

If a participant's benefit is frozen and Muncie RSP service is required for eligibility to receive a Special Early Retirement Benefit, then the temporary monthly benefit is not payable.

The special early retirement benefit is offset for any "Other Benefits" payable from a Company sponsored defined benefit plan for concurrent service.

Interim supplemental allowance

The monthly allowance payable to applicable participants retiring on or after March 11, 2001 is based on the participant's age at retirement and is equal to the credited service at retirement multiplied by the applicable supplemental rate (which is prorated for intermediate ages) from the following table.

Age at Retirement	Supplemental Rate (\$)
54 or younger	0.00
55	7.05
56	8.70
57	10.20
58	11.85
59	13.35
60	15.00
61	15.00

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Postponed retirement

Accrued benefit calculated using credited service and benefit rate in effect as of the late retirement date.

The late retirement benefit is offset for any "Other Benefits" payable from a company sponsored defined benefit plan for concurrent service.

Vested termination

Accrued benefit, based on monthly benefit rate in effect at date of termination, deferred to age 65. A reduced benefit is payable at age 60 or at age 55, if age plus years of credited service totals 85 or more points. The benefit reduction for early commencement is 5/9 of 1% for each month that the benefit begins before age 65.

The deferred vested benefit is offset for any "Other Benefits" payable from a company sponsored defined benefit plan for concurrent service.

Disablement:

Monthly

Accrued benefit is payable after the participant has been totally and permanently disabled for 26 weeks. Benefits are paid monthly while totally and permanently disabled until reaching age 65. At age 65 the normal retirement benefit, based on credited service at the time of disability, becomes payable.

Temporary

In addition, if the participant is not eligible for an unreduced Social Security benefit, a temporary benefit equal to years of credited service multiplied by the applicable benefit rate in effect on day the employee became totally and permanently disabled will be paid until age 62-1/12 (or later age according to the Post 1937 Social Security Schedule), or the age the participant becomes eligible for an unreduced Social Security disability benefit, if earlier.

Date of Retirement	Benefit Rate (\$)	Maximum Benefit (\$)
04/01/2000 – 03/31/2001	23.50	705.00
04/01/2001 – 03/31/2004	25.00	725.00
04/01/2004 – 03/31/2005	26.00	740.00
04/01/2005 or after	26.50	750.00

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The disability retirement benefit is offset for any "Other Benefits" payable from a company sponsored defined benefit plan for concurrent service.

Special age 65 benefit Upon attaining age 65 (or age the participant becomes enrolled in the Medicare Part B insurance program), an eligible retiree or surviving spouse that is enrolled in the Medicare Part B insurance program will receive a monthly benefit equal to the Medicare Part B Premium. For participants who retire on or after May 1, 2006, the Medicare Part B Premium is capped at \$88.50 per month.

Pre-retirement death The surviving spouse will receive a survivor benefit calculated as if the employee had:

- ▶ retired or terminated employment immediately prior to his or her date of death,
- ▶ survived until the earliest benefit commencement date, and retired,
- ▶ elected the qualified joint and survivor annuity, and
- ▶ died immediately thereafter.

The benefit will begin on the earliest date the participant would have been eligible to retire and commence benefit payments.

Other Plan Provisions

Forms of payment:

Normal form Normal form of income is a monthly payment for the life of the participant. If married, the 75% qualified joint and survivor annuity option will be deemed to have been automatically elected, unless the retiree elects otherwise.

Optional forms Joint and survivor annuity with a 50%, 60%, 75%, or 100% survivor benefit payable to spouse at death of retiree. A lump sum or 15-year certain option is available for terminated vested participants who were part of the Shutdown Agreement.

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Qualified joint and survivor annuity

An automatic benefit option for participants that are married for at least a year, which provides a reduced monthly benefit for the participant's lifetime and upon the participant's death, the spouse receives a portion of the reduced benefit for the spouse's lifetime. The reduction for election of this option is determined applying the actuarial equivalent factor to the retirement benefit that would have been payable on or after age 65. The amount payable to the retiree is the accrued benefit, reduced for election of the qualified joint and survivor annuity option and early commencement. The amount payable to a surviving spouse is 75% of the accrued benefit, reduced for early retirement if the early retirement reduction is not eliminated at age 62-1/2 (or later age according to the Post 1937 Social Security Schedule), and further reduced for the election of the qualified joint and survivor annuity. Benefit payments to the surviving spouse begin immediately following the death of the participant.

If the eligible spouse predeceases the participant, then the Survivor Benefit election will be cancelled and the retirement benefit will be adjusted to eliminate the surviving spouse reduction, after providing sufficient evidence to the plan administrator.

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Reduction factors for the following joint and survivor annuities:

50% J&S	Actuarially equivalent to the single life annuity using 6.00% interest and RP2000 projected to 2020 mortality.
60% J&S	95.0%, decreased 0.5% for each year the retiree's age exceeds the spouse's age by more than 5 years, and increased 0.5% for each year the spouse's age exceeds the retiree's age by more than 5 years (maximum 97.5%).
75% J&S	93.8%, decreased about 0.6% for each year the retiree's age exceeds the spouse's age by more than 5 years, and increased about 0.6% for each year the spouse's age exceeds the retiree's age by more than 5 years (maximum 96.9%).
100% J&S	91.9%, decreased about 0.8% for each year the retiree's age exceeds the spouse's age by more than 5 years, and increased about 0.8% for each year the spouse's age exceeds the retiree's age by more than 5 years (maximum 95.9%).

Pension increases N/A

Plan participants' contributions They are not required or permitted.

Future Plan Changes

None

Changes in Benefits Valued Since Prior Year

None

Substantive Commitment

None

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