

WESCO INTERNATIONAL INC
Form 11-K
June 30, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 1-14989

A. Full title of the plan and address of the plan, if different from that of the issuer named below:

WESCO DISTRIBUTION, INC. RETIREMENT SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

WESCO INTERNATIONAL, Inc.

225 West Station Square Drive

Suite 700

Pittsburgh, Pennsylvania 15219-1122

Table of Contents

I. FINANCIAL STATEMENTS

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	<u>1</u>
Financial Statements:	
<u>Statements of Net Assets Available for Benefits as of December 31, 2014 and 2013, and December 29, 2013</u>	<u>2</u>
<u>Statements of Changes in Net Assets Available for Benefits for the year ended December 31, 2014 and for the period from December 30, 2013 to December 31, 2013</u>	<u>3</u>
<u>Notes to Financial Statements</u>	<u>4</u>
Supplemental Schedules:	
<u>Schedule H (Form 5500), line 4(i) - Schedules of Assets (Held at End of Year) as of December 31, 2014 and 2013*</u>	<u>18</u>
<u>SIGNATURES</u>	<u>48</u>

* Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

II. EXHIBITS

Exhibit 23 – Consent of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Participants and Administrator
WESCO Distribution, Inc. Retirement Savings Plan
Pittsburgh, Pennsylvania

We have audited the accompanying statements of net assets available for benefits of the WESCO Distribution, Inc. Retirement Savings Plan (the "Plan") as of December 31, 2014 and 2013, and December 29, 2013, and the related statements of changes in net assets available for benefits for the year ended December 31, 2014 and the period from December 30, 2013 to December 31, 2013. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and December 29, 2013, and the changes in net assets available for benefits for the year ended December 31, 2014 and the period from December 30, 2013 to December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2014 and 2013 have been subjected to audit procedures performed in conjunction with the audits of the Plan's financial statements. The supplemental schedules are the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedules reconcile to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedules. In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ BDO USA, LLP
Pittsburgh, Pennsylvania
June 29, 2015

Edgar Filing: WESCO INTERNATIONAL INC - Form 11-K

WESCO Distribution, Inc.
 Retirement Savings Plan
 Statements of Net Assets Available for Benefits
 December 31, 2014 and 2013, and December 29, 2013

	December 31, 2014	2013	December 29, 2013
Investments at fair value (Notes 2, 4, and 5)			
Shares of registered investment companies	\$390,143,674	\$374,799,339	\$373,381,345
Stock funds and self-directed accounts	27,230,001	32,764,645	32,658,983
Stable Value Fund	132,536,862	136,902,354	136,636,836
RAFI Enhanced Large Company Fund	35,278,719	33,761,966	33,649,263
	585,189,256	578,228,304	576,326,427
Receivables			
Employer discretionary contributions	10,208,553	480,985	480,985
Promissory notes from participants (Note 6)	13,716,227	13,158,334	13,088,334
Net assets available for benefits at fair value	609,114,036	591,867,623	589,895,746
Adjustment from fair value to contract value for interest in the Stable Value Fund relating to fully benefit-responsive contracts (Note 5)	(4,205,911)	(2,523,237)	(2,321,190)
Net assets available for benefits	\$604,908,125	\$589,344,386	\$587,574,556

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

2

WESCO Distribution, Inc.
 Retirement Savings Plan
 Statements of Changes in Net Assets Available for Benefits
 For the Year Ended December 31, 2014 and
 For the Period from December 30, 2013 to December 31, 2013

	2014	2013
Additions		
Employee contributions	\$27,105,739	\$—
Employee rollovers	1,886,423	17,133
Employer contributions (including discretionary contributions)	19,187,627	—
Net appreciation from shares of registered investment companies	18,868,006	1,461,452
Net appreciation from stock funds and self-directed accounts	—	94,407
Net appreciation from the Stable Value Fund	3,116,690	34,915
Net appreciation from the RAFI Enhanced Large Company Fund	3,841,535	127,438
Interest and dividend income	8,020,612	34,485
Total additions	82,026,632	1,769,830
Deductions		
Net depreciation from stock funds and self-directed accounts	3,839,548	—
Distributions to participants	61,961,398	—
Administrative expenses	761,614	—
Total deductions	66,562,560	—
Net increase	15,464,072	1,769,830
Transfers in from Talcup Union Plan (Note 8)	99,667	—
Net assets available for benefits		
Beginning of period	589,344,386	587,574,556
End of period	\$604,908,125	\$589,344,386

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

WESCO Distribution, Inc.
Retirement Savings Plan
Notes to Financial Statements
December 31, 2014 and 2013, and December 29, 2013

1. Major Features of the Plan

Background

WESCO Distribution, Inc. Retirement Savings Plan (the "Plan") was established as of February 28, 1994 (date of inception). At the date of inception, certain employees of the predecessor company became employees of WESCO Distribution, Inc. (the "Company") and participants in the Plan. At the date of inception, all funds held by the prior plans of the predecessor company related to the employees of the Company were transferred to the Plan.

The Plan is a participant-directed defined contribution plan covering certain employees of the Company and former employees with a fund balance of at least \$5,000 who elected to maintain their funds in the Plan. Former employees cannot make contributions to the Plan.

Participation for eligible employees requires an employee to be scheduled to work at least 1,000 hours per year and requires an employee to be paid through the Plan sponsor's payroll system.

Amendment to Plan Year

On August 23, 2013, the Plan's Administrative and Investment Committee executed the sixth amendment to the Plan (the "Sixth Amendment"). Pursuant to the terms of the Sixth Amendment, the plan year was changed, effective December 30, 2013, to the consecutive 12 month period beginning January 1 and ending on December 31 of each calendar year. The two-day period beginning on December 30, 2013 and ending on December 31, 2013 is referred to throughout these financial statements and notes thereto as the "short plan year."

Contributions

The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Participants may elect to make tax deferred contributions ranging from 1% up to the lesser of 50% of their eligible compensation or \$17,500 for 2014 and 2013. The \$17,500 limit may be adjusted in future years by the Internal Revenue Service ("IRS"). The sum of the tax deferred contributions and the after-tax contributions cannot exceed 50% of the participant's eligible compensation. Subject to limitation, the Company will make matching contributions in an amount equal to 50% of a participant's total monthly contributions up to a maximum of 3% of their compensation. Also, the Company may, at the Board of Directors' discretion, make a discretionary contribution to the Plan provided certain predetermined profit levels are attained. Discretionary contributions of approximately \$10,209,000 were made for the Plan's year ended December 31, 2014. The Company made no discretionary contributions for the short plan year ended December 31, 2013.

Participants may rollover into the Plan amounts representing distributions from other qualified retirement plans, an individual retirement account or an annuity. For the year ended December 31, 2014 and the short plan year ended December 31, 2013, the Plan accepted employee rollover contributions of approximately \$1,886,000 and \$17,000, respectively.

The Plan includes a negative enrollment policy. Under this policy, if an individual does not submit an automatic enrollment waiver or elect a deferral rate, the employee will be automatically enrolled in the Plan at a 3% deferral rate. The deferral rate is increased by 1% each September 1 until the deferral rate equals 6%.

Participants who have attained age 50 before the close of the plan year are eligible to make catch-up contributions in addition to pre-tax contributions. A catch-up contribution is a pre-tax contribution that exceeds the annual deferral limit. For 2014 and 2013, a participant's total catch-up contribution could not exceed \$5,500. The catch up contribution limits are determined by the IRS and then indexed for inflation. In addition to cash, in-kind contributions are permitted which may consist of stocks, bonds, property or other securities.

WESCO Distribution, Inc.
Retirement Savings Plan
Notes to Financial Statements
December 31, 2014 and 2013, and December 29, 2013

Vesting

Participants are fully vested in the value of their contributions and related investment income at all times and vest in their allocated share of employer matching and discretionary contributions according to the following table:

Less than two years of service	0	%
Two years of service	20	%
Three years of service	40	