

CBS CORP
Form 11-K
June 29, 2018

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, 2017

OR

Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934
Commission file number 001-09553

CBS 401(k) PLAN
(Full title of the plan)

CBS CORPORATION
(Name of issuer of the securities held pursuant to the plan)

51 West 52nd Street
New York, New York 10019
(Address of principal executive office)

CBS 401(k) PLAN

FINANCIAL STATEMENTS, SUPPLEMENTAL SCHEDULES AND EXHIBITS
DECEMBER 31, 2017 AND 2016

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All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted as not applicable or not required.	
Signature	
Exhibit:	
23.1 Consent of Independent Registered Public Accounting Firm	

Report of Independent Registered Public Accounting Firm

To the Administrator and Plan Participants of the CBS 401(k) Plan

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of the CBS 401(k) Plan (the “Plan”) as of December 31, 2017 and December 31, 2016 and the related statement of changes in net assets available for benefits for the year ended December 31, 2017, including the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and December 31, 2016, and the changes in net assets available for benefits for the year ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on the Plan’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The supplemental Schedule of Delinquent Participant Contributions for the year ended December 31, 2017 and Schedule of Assets (Held at End of Year) as of December 31, 2017 have been subjected to audit procedures performed in conjunction with the audit 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/ PRICEWATERHOUSECOOPERS LLP
PricewaterhouseCoopers LLP
New York, New York
June 29, 2018

We have served as the Plan's auditor since at least 1996. We have not determined the specific year we began serving as auditor of the Plan.

CBS 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

(In thousands)

	At December 31,	
	2017	2016
Assets		
Investments, at fair value	\$2,934,530	\$3,092,439
Synthetic guaranteed investment contracts, at contract value	1,133,811	1,210,310
Receivables:		
Notes receivable from participants	27,458	34,384
Employee contributions	1,115	1,047
Employer contributions	3,732	2,670
Interest and dividends	3,749	3,132
Due from broker for securities sold (Note 1)	159	50,381
Total assets	4,104,554	4,394,363
Liabilities		
Accrued expenses	1,370	1,540
Due to broker for securities purchased	15	28
Total liabilities	1,385	1,568
Net assets available for benefits	\$4,103,169	\$4,392,795

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

CBS 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

(In thousands)

	Year Ended December 31, 2017
Additions to net assets attributed to:	
Investment income:	
Net appreciation in fair value of investments	\$ 370,536
Interest	30,426
Dividends	18,133
Interest income on notes receivable from participants	1,212
Contributions:	
Employee	100,762
Employer	33,583
Rollover	18,737
Total additions	573,389
Deductions from net assets attributed to:	
Benefits paid to participants	(318,965)
Plan expenses	(4,926)
Total deductions	(323,891)
Net increase	249,498
Transfer to the CBS Radio 401(k) Plan (Note 1)	(539,124)
Net assets available for benefits, beginning of year	4,392,795
Net assets available for benefits, end of year	\$ 4,103,169

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

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
(Tabular dollars in thousands)

NOTE 1 - PLAN DESCRIPTION

The following is a brief description of the CBS 401(k) Plan (the “Plan”) and is provided for general information only. Participants should refer to the Plan document, as amended, for more complete information regarding the Plan.

The Plan, sponsored by CBS Corporation (the “Company” or “CBS Corp.”), is a defined contribution plan offered on a voluntary basis to eligible employees of the Company and each of its subsidiaries that is included for participation.

Eligible full-time newly hired employees may enroll in the Plan immediately or are automatically enrolled following 60 days after hire or rehire and attainment of age 21, unless they elect not to participate. Part-time employees are automatically enrolled in the Plan on the first day of the month following the attainment of age 21 and completion of 1,000 hours of service within a consecutive twelve-month period, unless they already voluntarily enrolled upon meeting the age and service requirements or have elected not to participate. The Plan is subject to the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and is overseen by a retirement committee designated as the administrator of the Plan as defined under ERISA (the “Plan Administrator”) by the Company’s Board of Directors (the “Board”).

Exempt Party-in-Interest Transactions

Through October 1, 2017, The Bank of New York Mellon (the “Prior Trustee”) was the trustee and custodian and Mercer HR Services, LLC was the recordkeeper of the Plan. On October 2, 2017, Fidelity Management Trust Company (the “Trustee”) became the trustee and custodian and Fidelity Workplace Services LLC became the recordkeeper of the Plan. Certain Plan investments are shares of funds and bonds managed by the Trustee, the Prior Trustee or companies affiliated with the Prior Trustee, or shares and bonds of a company affiliated with CBS Corp., and therefore qualify as party-in-interest transactions. The fair value of these investments was \$218 million at December 31, 2017 and \$356 million at December 31, 2016, and these investments appreciated by \$6 million for the year ended December 31, 2017. In addition, certain Plan investments are shares of CBS Corp. Class A Common Stock and Class B Common Stock (together, “CBS Corp. Common Stock”) and therefore qualify as party-in-interest transactions. The fair value of these investments was \$341 million at December 31, 2017 and \$508 million at December 31, 2016. For the year ended December 31, 2017, these investments depreciated by \$28 million and earned dividends of \$5 million. During the year ended December 31, 2017, the Plan purchased \$9 million and sold \$49 million of CBS Corp. Common Stock.

Plan Transfers

Effective January 1, 2017, in connection with the Company’s disposition of CBS Radio Inc. (“CBS Radio”), the Company’s radio business, the Company established the CBS Radio 401(k) Plan. The assets attributable to CBS Radio participants in the CBS 401(k) Plan were transferred to the CBS Radio 401(k) Plan. At December 31, 2016, “Due from broker for securities sold” reflected a higher volume of security trades that were initiated, but not yet settled on December 31, 2016, to enable the Plan to transfer the accounts of CBS Radio employees from the Plan to the CBS Radio 401(k) Plan in January 2017. These participants’ accounts were invested into funds in the CBS Radio 401(k) Plan that are similar in nature to the CBS 401(k) Plan’s funds.

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

Participant Accounts

Each Plan participant's account is credited with the participant's contributions, the employer matching contributions, if applicable, and the participant's share of the interest, dividends, and any realized or unrealized gains or losses of the Plan's assets, net of certain Plan expenses.

Participants have the option of investing their contributions or existing account balances among various investment options. These investment options include common collective funds, registered investment companies (mutual funds), separately managed accounts, which primarily invest in common stocks, a fixed income fund and the CBS Corp. Class B Common Stock fund.

Within the Plan, the CBS Corp. Class A Common Stock fund and CBS Corp. Class B Common Stock fund are part of an Employee Stock Ownership Plan ("ESOP"). As a result, the Plan offers an ESOP dividend election under which Plan participants can elect to reinvest any ESOP dividends paid on vested shares back into the ESOP account in CBS Corp. Class B Common Stock or, for the CBS Corp. Class B Common Stock fund only, to receive the dividends as a cash payout. If a participant does not make an election, the dividends are reinvested in the ESOP account in the CBS Corp. Class B Common Stock fund.

Participants may also elect to open a self-directed brokerage account ("SDA"). Participants may not contribute directly to the SDA, but may transfer balances to the SDA from other investment funds except the fixed income fund. A participant may transfer up to 25% of his or her account balance (net of loans) to the SDA. The initial transfer to the SDA may not be less than \$2,500 and there is no minimum for subsequent individual transfers.

Contributions

The Plan permits participants to contribute up to 50% of eligible annual compensation on a traditional before-tax, Roth 401(k) after-tax, or combination basis and up to 15% of eligible annual compensation on a traditional after-tax basis, subject to the Code limitations set forth below. Total combined contributions may not exceed 50% of eligible annual compensation. Roth 401(k) contributions and the related earnings can be withdrawn tax-free if certain requirements are met. The level of employer matching contributions is entirely at the discretion of the Board and is determined annually for all participants in the Plan. For 2017, the Board set the employer's matching contribution at 70% of the first 5% of eligible compensation contributed on a before-tax or Roth 401(k) basis.

Participants may elect to invest their matching contributions in any investment option, including the CBS Corp. Class B Common Stock fund. If no option is elected by the participant, the matching contribution is invested in the Plan's Qualified Default Investment Alternative ("QDIA"), a common collective fund that is primarily invested in a mix of equities and bonds appropriate for the participant's target retirement year, which is assumed to be at age 65.

Upon date of hire and, effective on the 60th day following the date upon which an employee becomes eligible to participate in the Plan, newly hired employees are deemed to have authorized the Company to make before-tax contributions to the Plan in an amount equal to 5% of the employee's eligible compensation. However, a deemed authorization does not take effect if, during the 60-day period, the employee elects not to participate in the Plan or to participate at a different contribution rate.

The Code limits the amount of annual participant contributions that can be made on a before-tax or Roth 401(k) basis to \$18,000 for 2017. Total compensation considered under the Plan, based on Code limits, could not exceed \$270,000 for 2017. The Code also limits annual aggregate participant and employer contributions to the lesser of \$54,000 or 100% of compensation in 2017. All contributions made to the Plan on an annual basis may be further limited due to

certain nondiscrimination requirements prescribed by the Code.

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

All participants who have attained age 50 before the close of the Plan year (calendar year) are eligible to make catch-up contributions. These contributions are not treated as matchable contributions. Catch-up contributions can be made if the eligible participant makes the maximum \$18,000 contribution permitted for the plan year. The limit for catch-up contributions is \$6,000 in 2017.

Vesting

Participants in the Plan are immediately vested in their own contributions and earnings thereon. Employer matching contributions vest at 20% per year of service, becoming fully vested after five years of service. If a participant's employment terminates prior to being vested in their employer matching contributions, the non-vested portion of their account is forfeited and may be used to reduce future employer matching contributions and to pay administrative expenses. Forfeitures are recorded at the time vested benefits are distributed or as of the close of the fifth consecutive year of break in service if no distribution was elected. During 2017, the Company utilized forfeitures of \$5,760,000 to reduce matching contributions and approximately \$779,000 to pay administrative expenses. As of December 31, 2017 and 2016, the Company had forfeitures of approximately \$1,467,000 and \$4,499,000, respectively, available to be used as noted above.

Notes Receivable from Participants

Eligible participants may request a loan for up to the lesser of 50% of the participant's vested account balance or \$50,000, reduced by the highest outstanding balance of any Plan loan made to the participant during the twelve-month period ending on the day before the loan is made. The minimum loan available to a participant is \$500. The interest rate on participant loans is one percentage point above the annual prime commercial rate (as published in The Wall Street Journal) on the first day of the calendar month in which the loan is approved. Principal and interest is payable through payroll deductions. Only one loan may be outstanding at any time. Participants may elect repayment periods from 12 to 60 months commencing as soon as administratively possible following the distribution of the loan proceeds to the participant. The Plan allows participants to elect a repayment term of up to 300 months for loans used for the acquisition of a principal residence. Repayments of loan principal and interest are allocated in accordance with the participant's current investment elections. Loans outstanding at December 31, 2017 carry interest rates ranging from 4.25% to 10%.

Distributions and Withdrawals

Earnings on employee contributions (other than after-tax contributions) and employer contributions are not subject to income tax until they are distributed or withdrawn from the Plan.

Participants in the Plan, or their beneficiaries, may receive their vested account balances in a lump sum, in installments over a period of up to 20 years, or in partial distributions of the account balance in the event of retirement, termination of employment, disability or death. For vested account balances invested in the CBS Corp. Class A Common Stock fund and CBS Corp. Class B Common Stock fund, participants may elect to receive distributions in cash or whole shares. In general, participants must receive a required minimum distribution upon attainment of age 70 1/2 unless they are still employed.

Participants in the Plan may withdraw part or all of their after-tax and rollover contributions and the vested portion of employer matching contributions. Upon attainment of age 59 1/2, participants may also withdraw all or part of their before-tax or Roth 401(k) contributions and earnings thereon. The Plan limits participants to two of the above withdrawal elections in each Plan year.

A participant may obtain a financial hardship withdrawal of the vested portion of employer matching contributions and employee before-tax or Roth 401(k) contributions provided that the requirements for hardship are met and only

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CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

to the extent required to relieve such financial hardship. There is no restriction on the number of hardship withdrawals permitted.

When a participant terminates employment with the Company, the full value of employee contributions and earnings thereon plus the value of all vested employer matching contributions and earnings thereon are eligible for distribution and can be rolled over to a tax qualified retirement plan or an Individual Retirement Account (“IRA”) or remain in the Plan rather than being distributed. If the vested account balance is \$1,000 or less and the participant does not make an election to rollover the vested account balance, it will be automatically paid in a single lump sum cash payment, and taxes will be withheld from the distribution.

Plan Expenses

The fees for investment of Plan assets are charged to the Plan’s investment funds. Certain administrative expenses such as fees for accounting, investment consulting and employee communications may be paid by the Plan using forfeitures or may be paid by the Company. Recordkeeping and trustee fees are paid from participant accounts. For 2017, approximately \$246,000 was paid to the Trustee, a party-in-interest, and its affiliates and approximately \$234,000 was paid to the Prior Trustee, a party-in-interest, and its affiliates for services provided during the year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). Certain amounts reported for the prior year have been reclassified to conform to the current year’s presentation.

In accordance with Financial Accounting Standards Board (“FASB”) guidance, investments are reported at fair value, except for fully benefit-responsive investment contracts which are reported at contract value. Contract value was determined to be the relevant measurement for the portion of net assets available for benefits attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis with respect to the fully benefit-responsive investment contracts.

Investment Valuation

Short-term money market investments are carried at amortized cost which approximates fair value due to the short-term maturity of these investments. Investments in common stock are reported at fair value based on quoted market prices on national security exchanges. Investments in registered investment companies are reported at fair value based on quoted market prices in active markets. The fair value of investments in separately managed accounts is determined by the Trustee based upon the fair value of the underlying securities. The fair values of investments in common collective funds are determined using the net asset value per share (“NAV”) provided by the administrator of the fund. The NAV is determined by each fund’s trustee based upon the fair value of the underlying assets owned by the fund, less liabilities, divided by the number of outstanding units. The common collective funds have daily redemptions and one day trading terms. The common collective funds have no unfunded commitments at December 31, 2017. The fair value of fixed income, asset-backed and mortgage-backed securities is determined by independent pricing sources based on quoted market prices, when available, or using valuation models which incorporate certain other observable inputs including recent trading activity for comparable securities and broker quoted prices. Cash and cash equivalents are valued at cost plus accrued interest, which approximates fair value.

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

As part of their investment strategy, the managers of the fixed income fund, which invests in synthetic guaranteed investment contracts, may use derivative financial instruments for various purposes, including managing exposure to sector risk or movements in interest rates, extending the duration of the investment portfolio and as a substitute for cash securities. The derivative instruments typically used are interest rate futures and swaps. Interest rate swaps are recorded at fair value and marked-to-market through the duration of the contract term with an offsetting increase to unrealized appreciation (depreciation). Futures are marked-to-market and settled daily. The daily receipt or payment is recognized as unrealized appreciation (depreciation) until the contract is closed at which time the total fair value of the futures contract is recognized as a realized gain (loss).

The Plan invests in fully benefit-responsive synthetic guaranteed investment contracts through the fixed income fund. The contract value of these contracts represents the aggregate amount of deposits thereto, plus interest at the contract rate, less withdrawals.

Security Transactions and Income Recognition

Purchases and sales of securities are recorded on the trade date. The average cost basis is used to determine gains or losses on security dispositions. Interest income is accrued as earned and dividend income is recorded on the ex-dividend date.

Net appreciation or depreciation in the fair value of investments, included in the Statement of Changes in Net Assets Available for Benefits, consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments presented at fair value.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan.

Payment of Benefits

Benefit payments are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Plan to make estimates and assumptions, such as those regarding the fair value of investments, that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Recent Pronouncements

Employee Benefit Plan Master Trust Reporting

In February 2017, the FASB issued guidance on the reporting requirements for employee benefit plans that hold an interest in a master trust. Under this guidance, an employee benefit plan that has an interest in a master trust will be required to present that interest and any change in the value of that interest in separate line items on the statement of net assets available for benefits and on the statement of changes in net assets available for benefits, respectively. Employee benefit plans will also have to disclose the other assets and liabilities of the master trust, as well as the dollar amount of its interest in these balances, and the dollar amount of its interest in the investments of the master trust by general type. This guidance, which is effective for annual reporting periods beginning after December 15,

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

2018, with early adoption permitted, is not expected to have an impact on the Plan's financial statements as the Plan does not have an interest in a master trust.

NOTE 3 - RISKS AND UNCERTAINTIES

The Plan provides for various investment options. Investment securities are exposed to various risks such as market, interest rate and credit risk. Market values of investments could decline for several reasons including changes in prevailing markets and interest rates, increases in defaults, and credit rating downgrades. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of such securities, it is at least reasonably possible that changes in investment values in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the related Statement of Changes in Net Assets Available for Benefits.

NOTE 4 - INVESTMENTS AT CONTRACT VALUE

The Plan invests in synthetic guaranteed investment contracts, which provide for the repayment of principal plus interest through benefit-responsive wrapper contracts. A wrapper contract is issued by a third party insurance company, financial institution or bank, and is held in combination with fixed income securities to form a synthetic guaranteed investment contract. The interest crediting rate on synthetic guaranteed investment contracts reflects the yield of the associated fixed income investments, plus the amortization of realized and unrealized gains and losses on those investments, typically over the duration of the investments. Interest crediting rates are reset on a monthly or quarterly basis, and the wrapper contracts provide that adjustments to the interest crediting rate cannot result in a future interest crediting rate that is less than zero. Certain factors can influence the future interest crediting rates, including the level of market interest rates, the amount and timing of participant contributions and withdrawals, and the returns generated by the fixed income investments that are associated with the synthetic guaranteed investment contract.

Certain employer initiated events may limit the ability of the Plan to transact at contract value with the issuer. These events include, but are not limited to, full or partial termination of the Plan, a material adverse change to the provisions of the Plan, an employer election to withdraw from the contract to switch to a different investment provider, an employer's bankruptcy, layoffs, plant closings, corporate spin-offs, mergers, divestitures or other workforce restructurings, or if the terms of a successor plan do not meet the contract issuer's underwriting criteria for issuance of a replacement contract with identical terms. No events are probable of occurring that may limit the ability of the Plan to transact at contract value.

The contract issuer is permitted to terminate the fully benefit-responsive investment contracts with the Plan and settle at an amount different from contract value in certain events, including loss of the Plan's qualified status, an uncured material breach of responsibility, or material adverse changes to the provisions of the Plan.

At December 31, 2017 and 2016, the contract value of the Plan's synthetic guaranteed investment contracts was \$1.13 billion and \$1.21 billion, respectively.

NOTE 5 - FAIR VALUE MEASUREMENTS

The following tables set forth the Plan's financial assets measured at fair value on a recurring basis at December 31, 2017 and 2016. See Note 2 for the valuation methodology used to measure the fair value of these investments. There have been no changes to the methodologies used to measure the fair value of each asset from December 31, 2016 to December 31, 2017. These assets have been categorized according to the three-level fair value hierarchy established by the FASB, which prioritizes the inputs used in measuring fair value. Level 1 is based on quoted prices for the asset in active markets. Level 2 is based on inputs that are observable other than quoted market prices

CBS 401(k) PLAN
 NOTES TO FINANCIAL STATEMENTS (Continued)
 (Tabular dollars in thousands)

in Level 1, such as quoted prices for the asset in inactive markets or quoted prices for similar assets. Level 3 is based on unobservable inputs reflecting the Plan's own assumptions about the assumptions that market participants would use in pricing the asset. The asset's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

At December 31, 2017	Level 1	Level 2	Level 3	Total
Self-directed accounts ^(a)	\$33,309	\$4,562	\$ —	—\$37,871
Separately managed accounts:				
Wellington Growth Portfolio ^(b)	185,141	1,435	—	186,576
Dodge & Cox Value Equity Fund ^(b)	161,574	3,455	—	165,029
CBS Corp. Common Stock funds ^(c)	340,749	2,560	—	343,309
Registered investment companies ^(d)	237,492	—	—	237,492
Money market funds ^(e)	—	18,553	—	18,553
Total assets in fair value hierarchy	\$958,265	\$30,565	\$ —	—\$988,830
Common collective funds measured at net asset value				1,945,700
Investments, at fair value				\$2,934,530

At December 31, 2016	Level 1	Level 2	Level 3	Total
Self-directed accounts ^(a)	\$29,964	\$4,154	\$ —	—\$34,118
Separately managed accounts:				
Wellington Growth Portfolio ^(b)	139,453	678	—	140,131
Dodge & Cox Value Equity Fund ^(b)	141,760	9,202	—	150,962
CBS Corp. Common Stock funds ^(c)	507,948	4,439	—	512,387
Registered investment companies ^(d)	219,542	—	—	219,542
Money market funds ^(e)	—	94,586	—	94,586
Total assets in fair value hierarchy	\$1,038,667	\$113,059	\$ —	—\$1,151,726
Common collective funds measured at net asset value				1,940,713
Investments, at fair value				\$3,092,439

(a) Primarily invested in common stock and registered investment companies. Assets categorized as Level 2 reflect investments in money market funds.

(b) Primarily invested in large capitalization equities. Assets categorized as Level 2 reflect investments in money market funds.

(c) Assets categorized as Level 2 reflect investments in money market funds.

(d) Primarily invested in small capitalization equities.

(e) Primarily invested in U.S. government securities and U.S. government agency securities.

NOTE 6 - INCOME TAX STATUS

The Internal Revenue Service ("IRS") issued a favorable determination letter dated January 13, 2015, indicating that the Plan document satisfied the requirements of Section 401(a) of the Code and that the trust thereunder is exempt from federal income taxes under the provisions of Section 501(a) of the Code. The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable provisions of the Code. In addition, the Plan Administrator has concluded that as of December 31, 2017, there are no uncertain tax positions taken or expected to be taken that require recognition of an asset or liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. The Plan Administrator believes it is no longer subject to income tax

examinations for years prior to 2013.

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CBS 401(k) PLAN
 NOTES TO FINANCIAL STATEMENTS (Continued)
 (Tabular dollars in thousands)

NOTE 7 - TERMINATION PRIORITIES

Although the Company anticipates that the Plan will continue indefinitely, it reserves the right, by action of its Board, to amend or terminate the Plan provided that such action does not retroactively reduce earned participant benefits. In the event of termination of the Plan, participants become fully vested. Upon termination, the Plan provides that the net assets of the Plan would be distributed to participants based on their respective account balances.

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	At December 31,	
	2017	2016
Net assets available for benefits per the financial statements	\$4,103,169	\$4,392,795
Amounts allocated to withdrawing participants	—	(414)
Participant loans deemed distributed	(1,423)	—
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	15,901	24,974
Net assets available for benefits per the Form 5500	\$4,117,647	\$4,417,355

The following is a reconciliation of the net increase in net assets available for benefits as reflected in the financial statements to the Form 5500:

	Year Ended December 31, 2017
Net increase in net assets available for benefits per the financial statements	\$ 249,498
Add: Amounts allocated to withdrawing participants at December 31, 2016	414
Less: Participant loans deemed distributed at December 31, 2017	(1,423)
Add: Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2017	15,901
Less: Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2016	(24,974)
Net increase in net assets available for benefits per the Form 5500	\$ 239,416

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to the end of the year, but were not paid as of that date.

SCHEDULE H, line 4a

CBS 401(k) PLAN
 SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
 For the year ended December 31, 2017
 (Dollars in thousands)

Participant				
Contributions			Total Fully	
Total That Constitute			Corrected	
Transferred			Under	
Nonexempt Prohibited			Voluntary	
late				
Transactions				
to				
Plan				
Check				
Here			Fiduciary	
If			Correction	
Late			Program	
Participant			(VFCP) and	
Loan				
Repayments	Contributions	Contributions	Prohibited	
Are Corrected	Pending	Transaction	Exemption	
Not	Correction in	2002-51		
Included	VFCP			
x Corrected				
\$-\$-\$	103	\$	-\$	—

S - 1

SCHEDULE H, line 4i

CBS 401(k) PLAN

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2017

(Dollars in thousands)

Identity of issue, borrower, lessor or similar party	Maturity and Interest Rates	Cost ⁽⁵⁾	Current Value
Self-Directed Accounts ⁽¹⁾			\$37,871
Corporate Common Stock Funds			
* CBS Corporation Class A Common Stock			748
* CBS Corporation Class B Common Stock			340,001
* Fidelity Institutional Money Market Government Portfolio			2,560
Total Corporate Common Stock Funds			343,309
Mutual Funds			
DFA U.S. Small Cap Fund			126,248
Vanguard Total International Stock Index Fund			111,244
* Fidelity Institutional Money Market Government Portfolio			18,553
Total Mutual Funds			256,045
Common Collective Funds			
BlackRock S&P 500 Index Fund			750,959
* BNY Mellon Aggregate Bond Index Fund			190,689
BlackRock Extended Equity Market Fund			148,987
BlackRock LifePath 2040 Fund			140,961
BlackRock LifePath 2050 Fund			131,593
BlackRock LifePath 2020 Fund			113,321
BlackRock LifePath 2045 Fund			97,619
Invesco International Growth Fund			88,201
BlackRock LifePath Retirement Fund			65,065
BlackRock LifePath 2030 Fund			63,078
BlackRock LifePath 2035 Fund			57,822
BlackRock LifePath 2025 Fund			56,284
BlackRock LifePath 2055 Fund			40,534
BlackRock LifePath 2060 Fund			587
Total Common Collective Funds			1,945,700
Separately Managed Accounts			
⁽²⁾ Wellington Growth Portfolio			186,576
⁽²⁾ Dodge & Cox Value Equity Fund			165,029
Total Separately Managed Accounts			351,605
Synthetic Guaranteed Investment Contracts ⁽³⁾			
Transamerica Premier Life Insurance Company MDA01263TR	evergreen and variable %		415,394
Prudential Insurance Company of America	evergreen and variable %		284,245

GA-62413		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	evergreen and variable %	260,050
GS-CBSEG14-2		
State Street Bank and Trust Company	evergreen and variable %	107,602
No. 108002		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	evergreen and variable %	82,421
GS-CBSMM14-1		
Total Synthetic Guaranteed Investment Contracts		1,149,712
	Maturity dates through 2042 and interest rates ranging from 4.25% to 10.00%	
* Notes receivable from participants ⁽⁴⁾		26,035
Total investments, at fair value and notes receivable from participants		\$4,110,277

* Identified as a party-in-interest to the Plan.

(1) Includes \$6 million of investments identified as party-in-interest transactions to the Plan.

(2) Refer to Attachment A for listing of assets relating to these accounts.

(3) Refer to Attachment B for listing of assets relating to these contracts.

(4) Does not include participant loans deemed distributed.

(5) There are no non-participant directed investments.

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Attachment A
(In thousands)

Identity of Issuer	Description	Cost	Current Value
CASH AND CASH EQUIVALENTS	CASH ON HAND		\$384
ADOBE SYSTEMS INC	COMMON STOCK		3,254
ALIBABA GROUP HLD LTD SPON ADR	COMMON STOCK		2,361
ALLIANCE DATA SYSTEMS CORP	COMMON STOCK		2,843
ALPHABET INC CL C	COMMON STOCK		11,618
AMAZON.COM INC	COMMON STOCK		5,661
AMERICAN TOWER CORP	COMMON STOCK		3,217
AMETEK INC NEW	COMMON STOCK		2,857
APPLE INC	COMMON STOCK		7,976
AUTODESK INC	COMMON STOCK		2,615
AUTOZONE INC	COMMON STOCK		871
BANK OF AMERICA CORPORATION	COMMON STOCK		1,347
BLUE BUFFALO PET PRODUCTS INC	COMMON STOCK		1,179
BRISTOL-MYERS SQUIBB CO	COMMON STOCK		3,866
CDW CORPORATION	COMMON STOCK		2,532
CELGENE CORP	COMMON STOCK		1,797
CONSTELLATION BRANDS INC CL A	COMMON STOCK		2,866
DEXCOM INC	COMMON STOCK		1,477
EBAY INC	COMMON STOCK		3,901
EDWARDS LIFESCIENCES CORP	COMMON STOCK		2,872
EQUIFAX INC	COMMON STOCK		2,785
ESTEE LAUDER COS INC CL A	COMMON STOCK		2,777
FACEBOOK INC A	COMMON STOCK		8,593
FASTENAL CO	COMMON STOCK		2,927
FLEETCOR TECHNOLOGIES INC	COMMON STOCK		4,535
FORTUNE BRANDS HOME & SEC INC	COMMON STOCK		1,431
GARTNER INC	COMMON STOCK		921
GLOBAL PAYMENTS INC	COMMON STOCK		2,522
HILTON INC	COMMON STOCK		1,936
HOME DEPOT INC	COMMON STOCK		5,486
HUNT J B TRANSPORT SERVICES IN	COMMON STOCK		1,515
IHS MARKIT LTD	COMMON STOCK		2,805
INTERCONTINENTAL EXCHANGE INC	COMMON STOCK		2,332
LAS VEGAS SANDS CORP	COMMON STOCK		1,466
LOCKHEED MARTIN CORP	COMMON STOCK		2,315
MARKEL CORP	COMMON STOCK		2,381
MARKETAXESS HLDGS INC	COMMON STOCK		2,492
MARSH & MCLENNAN COS INC	COMMON STOCK		2,199
MASTERCARD INC CL A	COMMON STOCK		5,839
MICROCHIP TECHNOLOGY	COMMON STOCK		2,239
MICROSOFT CORP	COMMON STOCK		7,947
MONSTER BEVERAGE CORP	COMMON STOCK		3,754
MSCI INC	COMMON STOCK		1,738
NETFLIX INC	COMMON STOCK		1,971
NIKE INC CL B	COMMON STOCK		709
NORTHROP GRUMMAN CORP	COMMON STOCK		1,786

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NVIDIA CORP	COMMON STOCK	2,379
O'REILLY AUTOMOTIVE INC	COMMON STOCK	3,394
PAYPAL HLDGS INC	COMMON STOCK	3,700
PEPSICO INC	COMMON STOCK	1,179
ROSS STORES INC	COMMON STOCK	1,954
SALESFORCE.COM INC	COMMON STOCK	2,635
SERVICENOW INC	COMMON STOCK	3,595
SHERWIN WILLIAMS CO	COMMON STOCK	1,548
SNAP-ON INCORPORATED	COMMON STOCK	1,007
STATE STREET GOVERNMENT SHORT TERM INVESTMENT FUND	MUTUAL FUND	1,435
TD AMERITRADE HOLDING CORP	COMMON STOCK	1,224
THE BOOKING HOLDINGS INC	COMMON STOCK	2,183
THERMO FISHER SCIENTIFIC INC	COMMON STOCK	1,840
TRANSUNION	COMMON STOCK	3,195
UNITEDHEALTH GROUP INC	COMMON STOCK	2,754
VERISK ANALYTICS INC	COMMON STOCK	1,722
VISA INC CL A	COMMON STOCK	4,623
WORKDAY INC CL A	COMMON STOCK	2,027
ZILLOW GROUP INC CL C	COMMON STOCK	1,286
NET RECEIVABLES		1
	WELLINGTON	
	GROWTH PORTFOLIO	\$186,576

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Attachment A
(In thousands)

Identity of Issuer	Description	Cost	Current Value
AEGON NV (NY REGD) NY REG SH	COMMON STOCK		\$1,008
ALNYLAM PHARMACEUTICALS INC	COMMON STOCK		1,461
ALPHABET INC CL A	COMMON STOCK		632
ALPHABET INC CL C	COMMON STOCK		4,198
AMERICAN EXPRESS CO	COMMON STOCK		3,873
ANADARKO PETROLEUM CORP	COMMON STOCK		3,272
APACHE CORP	COMMON STOCK		1,731
ASTRAZENECA PLC SPONS ADR	COMMON STOCK		2,863
BAKER HUGHES A GE CO	COMMON STOCK		1,584
BANK OF AMERICA CORPORATION	COMMON STOCK		6,102
BANK OF NEW YORK MELLON CORP	COMMON STOCK		3,420
BB&T CORP	COMMON STOCK		1,616
BRIGHTHOUSE FINANCIAL INC	COMMON STOCK		328
BRISTOL-MYERS SQUIBB CO	COMMON STOCK		2,390
CAPITAL ONE FINANCIAL CORP	COMMON STOCK		6,174
CELANESE CORP SER A	COMMON STOCK		1,820
CHARTER COMMUNICATIONS INC A	COMMON STOCK		4,630
CIGNA CORP	COMMON STOCK		3,087
CISCO SYSTEMS INC	COMMON STOCK		3,447
COMCAST CORP CL A	COMMON STOCK		5,126
CONCHO RESOURCES INC	COMMON STOCK		1,277
CORNING INC	COMMON STOCK		880
DANAHER CORP	COMMON STOCK		835
DELL TECHNOLOGIES INC CL V	COMMON STOCK		1,545
DISH NETWORK CORP A	COMMON STOCK		1,098
EXPRESS SCRIPTS HLDG CO	COMMON STOCK		3,583
FEDEX CORP	COMMON STOCK		3,768
GILEAD SCIENCES INC	COMMON STOCK		1,547
GLAXOSMITHKLINE PLC SPONS ADR	COMMON STOCK		2,554
GOLDMAN SACHS GROUP INC	COMMON STOCK		4,204
HARLEY-DAVIDSON INC	COMMON STOCK		657
HEWLETT PACKARD ENTERPRISE CO	COMMON STOCK		3,343
HP INC	COMMON STOCK		2,559
JOHNSON CONTROLS INTERNATL PLC	COMMON STOCK		2,407
JPMORGAN CHASE & CO	COMMON STOCK		4,074
JUNIPER NETWORKS INC	COMMON STOCK		1,154
LIBERTY INTERACTIVE CORP CL A	COMMON STOCK		1,136
LILLY (ELI) & CO	COMMON STOCK		2,238
MATTEL INC	COMMON STOCK		731
MAXIM INTEGRATED PRODUCTS INC	COMMON STOCK		1,542
MEDTRONIC PLC	COMMON STOCK		1,954
MERCK & CO INC NEW	COMMON STOCK		1,350
METLIFE INC	COMMON STOCK		3,109
MICRO FOCUS INTL PLC SPND ADR	COMMON STOCK		1,074
MICROSOFT CORP	COMMON STOCK		4,705
NATIONAL OILWELL VARCO INC	COMMON STOCK		1,585

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NETAPP INC	COMMON STOCK	996
NEWS CORP NEW CL A	COMMON STOCK	334
NOVARTIS AG SPON ADR	COMMON STOCK	4,265
OCCIDENTAL PETROLEUM CORP	COMMON STOCK	376
SANOFI SPON ADR	COMMON STOCK	4,128
SCHLUMBERGER LTD	COMMON STOCK	2,797
SCHWAB CHARLES CORP	COMMON STOCK	6,560
SPRINT CORP	COMMON STOCK	1,414
STATE STREET GOVERNMENT SHORT TERM INVESTMENT FUND	MUTUAL FUND	3,455
SYNOPSYS INC	COMMON STOCK	725
TARGET CORP	COMMON STOCK	1,605
TE CONNECTIVITY LTD	COMMON STOCK	2,233
THE BOOKING HOLDINGS INC	COMMON STOCK	1,912
TIME WARNER INC	COMMON STOCK	2,714
TWENTY FIRST CENTURY FOX CL B	COMMON STOCK	734
TWENTY FIRST CENTURY FOX INC-A	COMMON STOCK	3,384
UNION PACIFIC CORP	COMMON STOCK	2,649
UNITEDHEALTH GROUP INC	COMMON STOCK	3,086
WALMART INC	COMMON STOCK	751
WEATHERFORD INTERNATIONA PLC	COMMON STOCK	271
WELLS FARGO & CO	COMMON STOCK	6,068
ZAYO GROUP HOLDINGS INC	COMMON STOCK	1,122
NET PAYABLES		(221)
	DODGE & COX VALUE	
	EQUITY FUND	\$165,029

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Attachment B
(In thousands)

Identity of Issuer	Maturity Dates	Interest Rates	Description	Current Value
ABBEY NATIONAL PLC	11/3/2020	2.1250%	BOND	\$1,190
ABBOTT LABS GLB	11/30/2021	2.9000%	BOND	91
ABBOTT LABS GLB	11/30/2021	2.9000%	BOND	835
ABBOTT LABS GLB	9/15/2018	2.0000%	BOND	100
ABBVIE INC	5/14/2021	2.3000%	BOND	397
ABBVIE INC	5/14/2020	2.5000%	BOND	1,550
ABBVIE INC	5/14/2023	2.8500%	BOND	798
ACCSS	6/22/2022	2.4819%	ASSET BACKED SECURITIES	157
ACTAVIS FUNDING SCS	3/15/2022	3.4500%	BOND	127
ACTAVIS FUNDING SCS	3/15/2022	3.4500%	BOND	3,017
ACTAVIS FUNDING SCS	3/15/2025	3.8000%	BOND	209
ACTAVIS FUNDING SCS	6/15/2024	3.8500%	BOND	410
ACTAVIS FUNDING SCS	3/12/2020	3.0000%	BOND	2,245
AEP TEXAS INC	10/1/2022	2.4000%	BOND	59
AESOP	9/20/2019	1.9200%	ASSET BACKED SECURITIES	1,098
AESOP	2/20/2021	2.5000%	ASSET BACKED SECURITIES	1,100
AETNA INC(OLD)	11/15/2022	2.7500%	BOND	15
AETNA INC(OLD)	11/15/2024	3.5000%	BOND	46
AIR LEASE CORP	4/1/2027	3.6250%	BOND	15
ALABAMA ECONOMIC SETTLEMENT AUTH BP SETT	9/15/2025	3.1630%	MUNICIPAL BOND	167
ALIBABA GROUP HOLDING LTD	12/6/2027	3.4000%	BOND	240
ALM XII LTD / ALM XII LLC	4/16/2027	3.3977%	ASSET BACKED SECURITIES	401
ALTRIA GROUP INC	1/31/2024	4.0000%	BOND	68
AMAZON.COM INC	2/22/2023	2.4000%	BOND	717
AMAZON.COM INC	8/22/2027	3.1500%	BOND	200
AMAZON.COM INC	8/22/2027	3.1500%	BOND	15
AMAZON.COM INC	12/5/2024	3.8000%	BOND	11
AMERICAN	7/15/2024	4.9500%	ASSET BACKED SECURITIES	520
AMERICAN EXPRESS CO	5/22/2018	1.5500%	BOND	724
AMERICAN EXPRESS CR ACC MST TR	11/15/2022	1.7700%	ASSET BACKED SECURITIES	1,041
AMERICAN EXPRESS CR ACC MST TR	11/15/2022	1.7700%	ASSET BACKED SECURITIES	793
AMERICAN EXPRESS CR ACC MST TR	12/15/2021	1.6400%	ASSET BACKED SECURITIES	1,293
AMERICAN EXPRESS CR ACC MST TR	12/15/2021	1.6400%	ASSET BACKED SECURITIES	2,189
AMERICAN EXPRESS CR ACC MST TR	5/15/2023	2.0400%	ASSET BACKED SECURITIES	398
AMERICAN EXPRESS CR ACC MST TR	5/15/2023	2.0400%		1,618

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			ASSET BACKED SECURITIES	
AMERICAN EXPRESS CR CORP MTN	3/3/2022	2.7000%	BOND	502
AMERICAN EXPRESS CREDIT CORP	5/5/2021	2.2500%	BOND	1,389
AMERICAN INTERNATIONAL GRP INC	7/16/2019	2.3000%	BOND	1,319
AMERICAN INTL GROUP INC MTN	1/16/2018	5.8500%	BOND	365
AMERICAN TOWER CORP	2/15/2021	3.3000%	BOND	916
AMGEN INC	8/19/2021	1.8500%	BOND	419
AMGEN INC	5/11/2022	2.6500%	BOND	349
AMOT	1/15/2021	1.8300%	ASSET BACKED SECURITIES	3,143
AMOT	6/15/2022	2.0400%	ASSET BACKED SECURITIES	1,141
ANADARKO PETROLEUM CORP	3/15/2026	5.5500%	BOND	123
ANALOG DEVICES INC	12/5/2026	3.5000%	BOND	41
ANCHORAGE CAP CLO 3 LTD / ANCHORAGE CAP	4/28/2026	2.8080%	ASSET BACKED SECURITIES	800
ANCHORAGE CAP CLO 8 LTD / ANCHORAGE CAP	7/28/2028	4.0088%	ASSET BACKED SECURITIES	752
ANDEAVOR LOGISTICS LP / ANDEAVOR LOGISTI	12/1/2027	4.2500%	BOND	15
ANDEAVOR LOGISTICS LP / ANDEAVOR LOGISTI	12/1/2022	3.5000%		