

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service
Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

**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).

▶ **Attach to Form 5500 or 5500-EZ if applicable. (See instructions.)**

Official Use Only
OMB No. 1210-0110
2008
This Form is Open to Public Inspection.

For calendar plan year 2008 or fiscal plan year beginning _____ and ending _____

▶ **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 ABX AIR, INC. RETIREMENT INCOME PLAN		B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ ABX AIR, INC.		D Employer Identification Number (EIN) 91-1091619	
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 01 Day 01 Year 2008

2 Assets:			
a Market value		2a	214755937
b Actuarial value		2b	214755937
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	399	36298608
b For terminated vested participants	3b	1299	25554660
c For active participants:			
(1) Non-vested benefits	3c(1)		4487931
(2) Vested benefits	3c(2)		145706619
(3) Total active	3c(3)	4775	150194550
d Total	3d	6473	212047818
4 If the plan is in at-risk status, check the box and complete lines 4a and 4b	▶ <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 at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		5.96 %
6 Target normal cost	6		22328441

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**

Signature of actuary STEPHANIE L. SENT	Date 08-05853
Type or print name of actuary MILLIMAN	Most recent enrollment number 206-624-7940
Firm name 1301 FIFTH AVENUE, SUITE 3800 SEATTLE WA 98101-2605	Telephone number (including area code)
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.

Part II Beginning of year carryover and prefunding balances (See instructions.)

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	N/A	N/A
8	Portion used to offset prior year's funding requirement (line 35 from prior year)	N/A	N/A
9	Amount remaining (line 7 minus line 8)	24459185	N/A
10	Interest on line 9 using prior year's actual return of <u>N/A</u> %	N/A	N/A
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (line 38 from prior year)		N/A
b	Interest on line 11a using prior year's effective rate of <u>N/A</u> %		N/A
c	Total available at beginning of current plan year to add to prefunding balance		N/A
d	Portion of line 11c to be added to prefunding balance		N/A
12	Reduction in balances due to elections or deemed elections	0	N/A
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	24459185	N/A

Part III Funding percentages

14	Funding target attainment percentage	14	89.74 %
15	Adjusted funding target attainment percentage	15	101.28 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to offset current year's funding requirement	16	92.28 %
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

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

(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
04/15/2008	5925732				
07/15/2008	5925732				
10/15/2008	5925732				
01/15/2009	5925732				
Totals ▶ 18(b)				23702928	18(c) 0

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 contribution from prior years	19a	0
b	Contributions made to avoid benefit restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year, adjusted to valuation date	19c	22814837

20 Quarterly contributions and liquidity shortfall(s):

a	Did the plan have a "funding shortfall" for the prior year?	Yes	<input checked="" type="checkbox"/> No
b	If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	Yes	<input type="checkbox"/> 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

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:		1st segment:	2nd segment:	3rd segment:	<input type="checkbox"/> N/A, full yield curve used
a	Segment rates:	5.66 %	5.85 %	6.03 %	
b	Applicable month (enter code)				21b 4
22	Weighted average retirement age				22 62
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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
26	Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
27	If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachments	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28	Unpaid minimum required contribution 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, adjusted, if applicable (see instructions)	31	22328441
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	
34	Total funding requirement before reflecting carryover/prefunding balances (line 31 + line 32a + line 32b - line 33)	34	22328441
		Carryover balance	Prefunding balance
35	Balances used to offset funding requirement	0	0
36	Additional cash requirement (line 34 minus line 35)	36	22328441
37	Contributions allocated toward minimum required contribution for current year, adjusted to valuation date (line 19c)	37	22814837
38	Interest-adjusted excess contributions for current year (see instructions)	38	486396
39	Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40	Unpaid minimum required contribution for all years	40	0

ABX Air, Inc. Retirement Income Plan
EIN/PN: 91-1091619/004
Attachment to 2008 Form 5500
Schedule SB, Line 19 - Discounted Employer Contributions

Line 19a. - Contribution Allocated Toward Unpaid Minimum Required Contribution from Prior Plan Years

None

Line 19b. - Contributions Made To Avoid Benefit Restrictions

Date	Plan Year to Apply Contribution	Effective Interest Rate	Contribution Amount	Discounted Value as of 1/1/2008
None				
Total			0	0

Line 19c. - Contributions Allocated Toward Minimum Required Contribution for Current Year

Date	Plan Year to Apply Contribution	Effective Interest Rate	Late Quarterly Interest Rate	Contribution Amount	Discounted Value as of 1/1/2008
4/15/2008	2008	5.96%		5,925,732	5,828,129
7/15/2008	2008	5.96%		5,925,732	5,744,841
10/15/2008	2008	5.96%		5,925,732	5,661,848
1/15/2009	2008	5.96%		5,925,732	5,580,019
Total				23,702,928	22,814,837

ABX Air, Inc. Retirement Income Plan
EIN: 91-1091619 Plan Number: 004
Schedule SB, line 22 – Description of Weighted Retirement Age

Weighted Average Retirement Age

The weighted average retirement age for participants is 62. This equals the sum, over all retirement ages, of the retirement age multiplied by the probability of retiring at that age, as shown below.

(a) Possible Retirement Age "r"	(b) Assumed Rate of Retirement at Age "r"	(c) Probability of Person Age 55 Still Working at "r"	(d) (b) x (c) = Probability of Person Age 55 retiring at "r"	(e) (a) x (d) = Component of Weighted Average Retirement Age
55	0.0500	1.0000	0.0500	2.7500
56	0.0500	0.9500	0.0475	2.6600
57	0.0500	0.9025	0.0451	2.5707
58	0.0500	0.8574	0.0429	2.4882
59	0.0500	0.8145	0.0407	2.4013
60	0.0500	0.7738	0.0387	2.3220
61	0.1000	0.7351	0.0735	4.4835
62	0.3000	0.6616	0.1985	12.3070
63	0.2000	0.4631	0.0926	5.8338
64	0.2000	0.3705	0.0741	4.7424
65	1.0000	0.2964	0.2964	<u>19.2660</u>
Weighted Average Retirement Age:				61.8249
Rounded Age:				62

ABX Air, Inc. Retirement Income Plan
EIN: 91-1091619 Plan Number: 004
Schedule SB, line 25 – Change in Method

Changes in Actuarial Methods and Assumptions (Since Prior Year)

Effective January 1, 2008, the actuarial cost method was changed from the aggregate cost method to the unit credit cost method. The actuarial cost method was changed to comply with the requirements of PPA.

Effective January 1, 2008, the asset valuation method was changed from a five-year smoothed asset value to the market value of assets. The asset valuation method was changed to comply with the requirements of PPA.

Effective January 1, 2008, the interest rates used to determine the funding requirements of the Plan were based on the three segment rates (with transition) in effect for the 4th month prior to the valuation date. For the January 1, 2008 valuation, the three segment rates are 5.66% for the first five years, 5.85% for years 5-20, and 6.03% thereafter. For the January 1, 2007 valuation, a funding interest rate of 8.00% and a currently liability interest rate of 5.78% were used. The interest rates were changed to comply with the requirements of PPA.

Effective January 1, 2008, the mortality table was changed to the RP-2000 annuitant and non-annuitant mortality tables with static projections of mortality improvements as prescribed by Section 430(h)(3)(A). The January 1, 2007 valuation used the RP-2000 Combined Healthy Table for male and female lives. The mortality table was changed to comply with the requirements of PPA.

ABX Air, Inc. Retirement Income Plan
EIN: 91-1091619 Plan Number: 004
Schedule SB, line 26 - Schedule of Active Participant Data

Completed Years of Service on 1/1/2008

Age Last Bday	1-4	5-9	10-14	15-19	20-24	25-29	30 - 34	35 +	Totals & Avg. Sal.
0 - 24	204	40	0	0	0	0	0	0	244
Avg. Sal.	21,491	29,804	0	0	0	0	0	0	22,854
25 - 29	188	135	30	0	0	0	0	0	353
Avg. Sal.	23,567	32,938	34,461	0	0	0	0	0	28,077
30 - 34	117	122	148	22	0	0	0	0	409
Avg. Sal.	26,141	43,647	42,662	50,656	0	0	0	0	38,660
35 - 39	128	144	136	170	15	0	0	0	593
Avg. Sal.	28,548	47,649	55,426	51,461	0	0	0	0	46,439
40 - 44	140	160	187	201	73	13	0	0	774
Avg. Sal.	28,941	44,087	59,375	57,896	50,243	0	0	0	49,240
45 - 49	113	167	169	258	87	47	1	0	842
Avg. Sal.	28,290	45,342	54,564	59,012	58,836	67,995	0	0	51,779
50 - 54	101	152	147	190	93	46	9	0	738
Avg. Sal.	25,705	40,092	47,419	53,012	57,385	79,906	0	0	48,380
55 - 59	78	99	80	123	51	25	8	0	464
Avg. Sal.	26,798	36,208	45,766	49,284	61,412	64,756	0	0	45,193
60 - 64	41	56	61	68	29	12	8	1	276
Avg. Sal.	25,484	36,667	43,619	49,939	60,274	0	0	0	45,593
65 - 69	9	23	10	15	3	2	0	0	62
Avg. Sal.	0	35,201	0	0	0	0	0	0	40,187
70+	4	9	4	2	1	0	0	0	20
Avg. Sal.	0	0	0	0	0	0	0	0	27,726
Totals	1,123	1,107	972	1,049	352	145	26	1	4,775
Avg. Sal.	25,640	40,863	50,444	54,457	56,599	70,076	96,176	0	44,576

Salaries for this distribution are capped at the \$230,000 compensation limit.

ABX Air, Inc. Retirement Income Plan
EIN: 91-1091619 Plan Number: 004
Schedule SB, Part V - Summary of Plan Provisions

This summary of the principal benefit provisions of the Plan is provided as a convenient reference. In case of any disparity between this summary and the Plan Document, the Plan Document shall govern.

Current and future liabilities of the Plan have been valued under the provisions as outlined below.

1. ABX Air, Inc. Retirement Income Plan

a. Effective Date

The effective date of this Plan is August 15, 2003. The Plan was created from a spin-off from the Airborne Express Retirement Income Plan. The Plan was amended December 30, 2005 to limit the employees who are eligible to participate in the Plan to employees who are hired prior to September 1, 2005; or who are rehired prior to January 1, 2006; or who were previously employed by DHL at the DHL Cincinnati (CVG) hub that closed in September 2005. The most recent Plan amendment was December 26, 2007 for certain administrative reasons.

b. Eligible Employees

Every employee of ABX Air, Inc. who was hired prior to September 1, 2005 and works 1,000 or more hours per year is eligible to participate in this Plan following twelve (12) months of employment (provided that such employee is not a special project worker) and does not participate in another retirement plan to which the company, as a result of collective bargaining, is required to contribute, and provided that such employee is not employed as a pilot or flight engineer.

c. Considered Earnings

All payments to an employee for services rendered, including wages, commissions, sick pay, vacation pay, overtime pay and incentive bonuses are considered compensation under this Plan. Other bonuses, severance pay, cost of living differential payments and employer contributions to this or any other "employee benefit plan" are not considered.

d. Amount of Retirement Income

This Plan is coordinated with benefits available from the ABX Air, Inc. Profit Sharing Plan. Its purpose is to ensure that every employee will receive a meaningful level of retirement income from the combination of company-provided and statutory sources in relation to service and accustomed earnings.

In order to accomplish this objective, the Plan provides a benefit at normal retirement (age 65) for each participant equal to:

1. 2.00% of his or her final five-year average monthly compensation multiplied by his or her years of credited service up to 25 years plus 0.50% of his or her final five-year average monthly compensation multiplied by his or her credited service in excess of 25 years, reduced by;

ABX Air, Inc. Retirement Income Plan
EIN: 91-1091619 Plan Number: 004
Schedule SB, Part V - Summary of Plan Provisions

2. his or her Profit Sharing Plan Annuity Benefit; and
3. any additional retirement income benefit payable to the employee from any plan to which the employer contributes on behalf of said employee other than the Capital Accumulation Plan (CAP).

e. Employee Contributions

Contributions by employees are neither required nor allowed under this Plan.

f. Company Contributions

The employer contributes annually, the entire amount actuarially determined to be necessary to provide the benefits of the Plan.

g. Normal Retirement

Normal retirement is age sixty-five (65).

h. Early Retirement

Age fifty-five (55) with ten (10) years of employment. Participants who leave service under the Plan's early retirement provisions are eligible to receive a reduced pension (6% per year from normal retirement) offset by his or her Profit Sharing Plan Annuity Benefit commencing at the early retirement date.

i. Vested Benefits

Each participant's accrued benefits vest in accordance with the following schedule:

Years of Service	Percentage of Accrued Benefit
Less than five years	0%
Five or more years	100%

j. Investment of Assets

The assets of this Plan are held in trust and managed by the trustee, BNY Western Trust Company, a subsidiary of Bank of New York Company.

k. Plan Administrator

The named plan administrator is the Retirement Committee appointed by the corporation's Board of Directors.

l. Plan Changes Since Prior Year

Effective January 1, 2008, the statutory compensation limit under IRC Section 401(1)(17) was increased from \$225,000 to \$230,000. Also effective January 1, 2007, the statutory benefit limit under Section 415(b) was increased from \$180,000 to \$185,000.

ABX Air, Inc. Retirement Income Plan
EIN: 91-1091619 Plan Number: 004
Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

Actuarial Cost Method (Adopted January 1, 2008)

The actuarial cost method allocates the total cost of the Plan over past and future years. The **target normal cost** is that portion of the cost allocated to the current year and the **funding target** is the actuarial present value of costs allocated to prior years.

The **unit credit** actuarial cost method is used to calculate the funding target and target normal cost, which in turn determine the funding requirements of the Plan (minimum amount required and maximum deductible). Under the unit credit cost method, the target normal cost is the actuarial present value of all benefits expected to be earned during the plan year. For active employees, these earned benefits are generally due to an additional year of service and pay increase. The funding target is the actuarial present value of all benefits accrued to date, generally based on pay history and service rendered to date.

Actuarial Present Value

An actuarial present value is the value, on a given date, of a series of future benefit payments, future compensation payments, or future contributions, where each amount in the series is:

- a. adjusted for the probability of increase (or decrease) due to such events as changes in salary, changes in marital status, etc.;
- b. multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, retirement, death, disability, termination of employment, etc.; and
- c. discounted at the assumed interest rate.

The actuarial assumptions are intended to estimate the future experience of the Plan in areas that affect the projected benefit flow and anticipated investment return. Any variations in future experience from these assumptions will result in corresponding changes in the estimated cost of Plan benefits.

ABX Air, Inc. Retirement Income Plan
EIN: 91-1091619 Plan Number: 004
Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

Actuarial Asset Method (adopted January 1, 2008)

The asset valuation method determines the asset value used to calculate the funding requirements of the Plan. The resulting asset value is referred to as **plan assets**.

Plan assets are equal to the **market value** of assets as of the valuation date, plus the discounted value of employer contributions made after the valuation date. These contributions are discounted to the valuation date using the effective interest rate for the prior plan year.

Actuarial Present Value of Accrued Benefits

The values shown in Exhibits 22 and 23 are provided for disclosure pursuant to SFAS 35 and are prepared in accordance with that statement. Because of the special nature of that statement (which is not related to the ongoing funding of the Plan), different actuarial procedures are used, as follows:

a. Actuarial Method

Continuation of Plan method in accordance with the American Academy of Actuaries Interpretations One and Two and SFAS 35.

b. Plan Benefits Valued

January 1, 2007: Current Plan

January 1, 2008: Current Plan

Funding Interest Rates

PPA segment rates (with transition) in effect for September 2007 (adopted January 1, 2008).

Segment 1: 5.66% (0-5 years)

Segment 2: 5.85% (5-20 years)

Segment 3: 6.03% (20+ years)

Effective Interest Rate: 5.96%

SFAS 35 Interest Rate

Assumed rate of investment return.

Pre-retirement: 8.00% per year

Post-retirement: 8.00% per year

Pay Increases

4.00% per year (adopted December 31, 2002).

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Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

Inflation

3.00% per year (adopted December 31, 2002).

Taxable Wage Base Increases

N/A.

Administration Expenses

None.

Employee Census

The employee data used as a basis for the valuation in this report was submitted to us by ABX Air, Inc. as of November 1, 2007.

Mortality (adopted January 1, 2008)

RP-2000 annuitant and non-annuitant mortality tables with static projections of mortality improvements as prescribed by Section 430(h)(3)(A).

Disability

Your Plan does not provide ancillary or subsidized disability benefits. If a participant became disabled, his benefit is the same as if he had been able to elect to retire at that time. The benefit is reduced actuarially for early commencement. Accordingly, no additional assumption has been made as to the probability of disablement beyond the normal rates of turnover.

Termination of Employment (adopted January 1, 2006)

Benefit accruals under your Plan are contingent upon continued employment. Participants who terminate their employment before becoming eligible to retire are entitled to receive the future pension benefits accrued and vested up to their termination.

We have included a discount for expected termination of employment which is applied to non-vested future benefits in accordance with the following table:

Sample Rates of Termination

<u>Service</u>	<u>Table</u>
0-2	17.0%
3	14.0%
4	10.0%
5	8.0%
6-7	7.0%
8-9	6.5%
10+	4.0%

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Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

Age at Retirement (adopted January 1, 2006)

The Plan specifies a normal retirement age of sixty-five (65) and it is assumed that all participants will retire by these ages. Anyone currently above these ages will be assumed to retire immediately.

Participants who leave service under the Plan's early retirement provisions are eligible to receive a reduced pension (6% per year). The following table represents our assumed rates of retirement:

<u>Age</u>	<u>Rate</u>
55-59	5%
60	5%
61	10%
62	30%
63-64	20%
65	100%

Survivor Benefits

We have included in our calculations an increment of cost to account for payment of benefits to surviving spouses of deceased participants eligible for retirement. In valuing this benefit, we assume that 80% of all plan participants are married and that, on average, females are three years younger males.

Normal Retirement Age

Age 65.

Vested Termination Benefit Commencement Age

Age 65.

Mortality Rates after Leaving Active Participation (adopted January 1, 2008)

RP-2000 annuitant and non-annuitant mortality tables with static projections of mortality improvements as prescribed by Section 430(h)(3)(A).

Post-Retirement Benefit Increases

None. (The Plan does not provide for automatic post-retirement benefit increases.)