

RELIANCE STEEL & ALUMINUM CO

Form 11-K

June 22, 2015

Table of Contents

**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: 001-13122

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

**Precision Strip, Inc. Retirement and Savings Plan**

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

**Reliance Steel & Aluminum Co.**

**350 South Grand Avenue, Suite 5100**

Los Angeles, California 90071

Table of Contents

**Precision Strip, Inc.**  
**Retirement and Savings Plan**

Financial Statements and

Supplemental Schedule

As of December 31, 2014 and 2013 and

For the Year Ended December 31, 2014

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Table of Contents

**Precision Strip, Inc.**  
**Retirement and Savings Plan**

Financial Statements and Supplemental Schedule

As of December 31, 2014 and 2013 and  
For the Year Ended December 31, 2014

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Table of Contents

**Precision Strip, Inc.**  
**Retirement and Savings Plan**

**Contents**

<b><u>Report of Independent Registered Public Accounting Firm</u></b>	3
<b><u>Financial Statements</u></b>	
<u>Statements of Net Assets Available for Benefits as of December 31, 2014 and 2013</u>	5
<u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2014</u>	6
<b><u>Notes to Financial Statements</u></b>	7-14
<b><u>Supplemental Schedule</u></b>	
<u>Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2014</u>	16-17
<b><u>Signature</u></b>	18
<b>Exhibit 23.1 - Consent of Independent Registered Public Accounting Firm</b>	19

Table of Contents

**Report of Independent Registered Public Accounting Firm**

To the Plan Administrator

Precision Strip, Inc. Retirement and Savings Plan

Minster, Ohio

We have audited the accompanying statements of net assets available for benefits of the Precision Strip, Inc. Retirement and Savings 401(k) Plan (the Plan ) as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits for the year ended December 31, 2014. 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 the changes in net assets available for benefits for the year ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the Plan s financial statements. The supplemental schedule is the responsibility of the Plan s management. Our audit procedures included determining whether the supplemental schedule reconciles 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 schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is 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 schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ BDO USA, LLP

Los Angeles, California

June 22, 2015

[Table of Contents](#)

## **Financial Statements**

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Table of Contents

**Precision Strip, Inc.**  
**Retirement and Savings Plan**

**Statements of Net Assets Available for Benefits**

<i>December 31,</i>	<b>2014</b>	2013
<b>Assets</b>		
Investments, at fair value:		
Interest-bearing cash	\$ 218,823	\$ 238,094
Money market fund	1,595,265	1,997,184
Mutual funds	157,860,404	142,457,087
Common collective trust	11,193,149	11,629,456
Reliance Steel & Aluminum Co. common stock	5,126,828	6,392,250
Total investments	175,994,469	162,714,071
Receivables:		
Notes receivable from participants	5,737,666	5,118,851
Other receivables	12	27,144
Total receivables	5,737,678	5,145,995
Total assets	181,732,147	167,860,066
<b>Liabilities</b>		
Excess contributions payable	30,360	57,712
Benefit claim payable	549	-
Total liabilities	30,909	57,712
<b>Net assets available for benefits at fair value</b>	<b>181,701,238</b>	<b>167,802,354</b>
Adjustment from fair value to contract value for fully benefit-responsive investment contracts held by a common collective trust	(163,605)	(175,292)
<b>Net assets available for benefits</b>	<b>\$ 181,537,633</b>	<b>\$ 167,627,062</b>

*See accompanying notes to financial statements.*



Table of Contents

**Precision Strip, Inc.**  
**Retirement and Savings Plan**

**Statement of Changes in Net Assets Available for Benefits**

<i>Year ended December 31,</i>	<b>2014</b>
<b>Additions</b>	
Income:	
Interest and dividends	\$ 13,222,519
Interest from notes receivable from participants	230,676
Total income	13,453,195
Contributions:	
Employer, net of forfeitures	5,810,559
Participant	3,596,644
Rollover	45,667
Total contributions, net	9,452,870
Total additions	22,906,065
<b>Deductions</b>	
Net depreciation in fair value of investments	4,435,940
Benefits paid to participants and beneficiaries	4,522,764
Administrative expenses	27,957
Deemed distributions of notes receivable from participants	8,833
Total deductions	8,995,494
<b>Net increase</b>	<b>13,910,571</b>
<b>Net assets available for benefits, beginning of year</b>	<b>167,627,062</b>
<b>Net assets available for benefits, end of year</b>	<b>\$ 181,537,633</b>

*See accompanying notes to financial statements.*

Table of Contents

**Precision Strip, Inc.**  
**Retirement and Savings Plan**

**Notes to Financial Statements**

**1. Description of the Plan**

The following brief description of the Precision Strip, Inc. Retirement and Savings Plan (the Plan ) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan s provisions.

***General***

The Plan is a defined contribution plan providing retirement benefits covering all employees who meet certain eligibility requirements of Precision Strip, Inc. (the Company ), a wholly-owned subsidiary of Reliance Steel & Aluminum Co., and Precision Strip Transport, Inc., a wholly-owned subsidiary of Precision Strip, Inc. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ( ERISA ) and subsequent amendments. The Plan is administered by the Precision Strip, Inc. Retirement and Savings Plan Administrative Committee ( Plan Administrator ).

***Participation***

Each employee is eligible to participate on the first day of each plan calendar quarter after the completion of three months of service.

An eligible employee who has satisfied the Plan s waiting period and is first hired is automatically enrolled into the Plan with a 2% deferral of eligible compensation. Unless elected otherwise, their automatic enrollment contribution will increase annually by 2%, to a maximum of 8%. An eligible employee may decline to be automatically enrolled into the Plan and they can also elect a different deferral percentage.

***Contributions***

Participants may make up to 50% salary deferrals of eligible compensation to the Plan, subject to federal limits. The Plan also allows the Company to make employer profit sharing contributions, which are discretionary. Eligible participants who complete 1,000 hours of service are eligible to receive the employer contribution. Participants may also contribute distributions from other qualified defined benefit or defined contribution plans, and from individual retirement accounts.

***Participant Accounts***

Each participant's account is credited with the participant's contributions, employer contributions and allocation of investment earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. Participants may direct the investment of their account balances into various investment funds offered by the Plan.

***Vesting***

Participants are immediately vested in all employee contributions and eligible rollovers plus actual earnings thereon. Employer profit sharing contributions and any earnings thereon are vested in accordance with the following schedule:

Table of Contents

**Precision Strip, Inc.**  
**Retirement and Savings Plan**

**Notes to Financial Statements**

Years of Service	Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

***Payment of Benefits***

On termination of service, or upon death, disability, or retirement, a participant can receive a lump sum amount equal to the vested value of his or her account. A monthly installment payment option is also available. Other withdrawals from participants' account balances may be made under certain circumstances, as defined in the Plan document.

***Forfeitures***

Forfeitures from nonvested participant accounts are used to reduce future Company contributions. During the year ended December 31, 2014, forfeitures of \$97,159 were used to reduce the Company's contributions. Forfeited nonvested accounts totaled \$879 and \$599 at December 31, 2014 and 2013, respectively.

***Notes Receivable from Participants***

Participants may borrow from their accounts up to the lesser of \$50,000 or 50% of their vested account balance. Loans are secured by the respective participant's vested account balance and are subject to interest charges. Interest rates applicable to new notes are determined by the Plan Administrator on the first day of each calendar quarter based on prevailing market rates. Loans are repaid ratably through periodic payroll deductions over a term not exceeding five years for general purpose loans and up to ten years for the purchase of a primary residence. Interest rates on notes receivable from participants as of December 31, 2014 ranged from 4.25% to 8.25% and mature through October 2024. Interest earned is recorded on an accrual basis as interest income from

notes receivable from participants in the Statement of Changes in Net Assets Available for Benefits.

***Administrative Expenses***

Non-investment costs and administrative expenses of the Plan are paid by the Company, which is a party-in-interest. These expenses, which are not reflected in the accompanying financial statements, constitute exempt party-in-interest transactions under ERISA. Loan establishment, loan maintenance and short-term trading fees are paid by the Plan's participants and all other investment expenses are offset against the related investment income. Fees paid by the Plan participants to the trustee and recordkeeper for administrative expenses amounted to \$27,957 for the year ended December 31, 2014.

Table of Contents

**Precision Strip, Inc.**  
**Retirement and Savings Plan**

**Notes to Financial Statements**

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ( U.S. GAAP ).

As described in the *Plan Accounting Defined Contribution Pension PI*