WESCO INTERNATIONAL INC
Form 11-K
June 27, 2014

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

FORM 11-K
(Mark One)

þ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

for the fiscal year ended December 29, 2013

o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

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 offices:

WESCO INTERNATIONAL, Inc.
225 West Station Square Drive
Suite 700
Pittsburgh, Pennsylvania 15219-1122

WESCO Distribution, Inc.
Retirement Savings Plan
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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 statement of net assets available for benefits of the WESCO Distribution, Inc. Retirement Savings Plan (the Plan) as of December 29, 2013, and the related statement of changes in net assets available for benefits for the year then ended. 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 audit.

We conducted our audit 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 audit 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 audit provides 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 29, 2013, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 29, 2013, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ BDO USA, LLP
Pittsburgh, Pennsylvania
June 27, 2014

Report of Independent Registered Public Accounting Firm

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

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In our opinion, such financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 29, 2012, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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/s/ Alpern Rosenthal
Pittsburgh, Pennsylvania
June 27, 2013

WESCO Distribution, Inc.
Retirement Savings Plan
Statements of Net Assets Available for Benefits
December 29, 2013 and 2012

	2013	2012
Investments at fair value (Notes 2, 4, and 5)		
Shares of registered investment companies	$339,704,388	$255,948,593
Common collective trusts	33,676,957	26,680,798
Stock funds and self-directed accounts	32,658,983	25,716,451
Stable Value Fund	136,636,836	146,027,795
RAFI Enhanced Large Company Fund	33,649,263	24,538,548
	576,326,427	478,912,185
Receivables		
Employer discretionary contribution	480,985	16,589,240
Promissory notes from participants (Note 6)	13,088,334	12,655,148
Net assets available for benefits at fair value	589,895,746	508,156,573
Adjustment from fair value to contract value for interest in the Stable Value Fund relating to fully benefit-responsive contracts (Note 5)	(2,321,190)	(10,736,845)
Net assets available for benefits	$587,574,556	$497,419,728

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

WESCO Distribution, Inc.
Retirement Savings Plan
Statements of Changes in Net Assets Available for Benefits
Fiscal Years Ended December 29, 2013 and 2012

	2013	2012
Additions		
Employee contributions	$26,831,959	$26,404,830
Employee rollovers	1,956,847	1,446,515
Employer contributions (including discretionary contributions)	8,978,620	24,977,082
Net appreciation from shares of registered investment companies	64,205,010	26,607,083
Net appreciation from common collective trusts	3,968,373	2,499,649
Net appreciation from stock funds and self-directed accounts	8,055,051	3,709,733
Net appreciation from the Stable Value Fund	4,153,065	4,986,867
Net appreciation from the RAFI Enhanced Large Company Fund	9,406,513	3,047,179
Interest and dividend income	6,881,016	6,364,525
Total additions	134,436,454	100,043,463
Deductions		
Distributions to withdrawing participants	47,489,604	39,415,895
Administrative expenses	809,541	721,700
Total deductions	48,299,145	40,137,595
Net increase	86,137,309	59,905,868
Transfers in from Conney Safety and RS Electronics (Note 8)	4,017,519	5,326,044
Net assets available for benefits		
Beginning of year	497,419,728	432,187,816
End of year	$587,574,556	$497,419,728

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

WESCO Distribution, Inc.
Retirement Savings Plan
Notes to Financial Statements
December 29, 2013 and 2012

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 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 Plan will report on the two-day period beginning on December 30, 2013 and ending on December 31, 2013 as a short plan year, with the December 31, 2014 financial statements.

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 and $17,000 for the Plan's fiscal years ended December 29, 2013 and 2012, respectively. 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 $481,000 and $16,589,000 were made for the Plan's fiscal years ended December 29, 2013 and 2012, 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. A participant's total catch-up contribution cannot exceed $5,500 in 2013 and 2012. 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.

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WESCO Distribution, Inc.
Retirement Savings Plan
Notes to Financial Statements
December 29, 2013 and 2012

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	%
Four years of service	66	%
Five or more years of service	100	%

In conjunction with a leveraged recapitalization of the Company, all active employees as of June 5, 1998 became fully vested.

Distributions

A participant may not withdraw any amount from their vested account balance unless they are age 59½, retire, become deceased or disabled, terminate employment, or experience financial hardship.

A participant who qualifies for a hardship withdrawal is suspended from making contributions to the Plan for six months. Under present IRS rules, a “hardship” means an immediate and heavy need to draw on financial resources to meet obligations related to health, education, housing, or death of a family member.

A participant, upon termination of service, may either receive a lump-sum payment of their vested account balance or transfer their balance to the trustee or custodian of another eligible retirement plan.

Forfeitures

Employer contributions forfeited by participants not vested at their termination date are used to reinstate previously forfeited account balances of former participants who have returned to the Company, reduce employer contributions in accordance with the Plan's provisions or pay Plan expenses. Total forfeitures that reduced employer contributions in both 2013 and 2012 were approximately $1,664,000 and $1,184,000, respectively. As of December 29, 2013, a balance of approximately $68,000 was available to reduce employer contributions in 2014.

Participant Accounts

An account is maintained for each participant, which is credited with the participant's and the employer's matching contributions and an allocation of employer's discretionary contributions, and plan earnings and charged with benefit payments and an allocation of plan losses and administrative expenses. Allocations are based on participant contributions or account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Promissory Notes from Participants

Participants are permitted to borrow against a portion of their vested account balance, pursuant to nondiscriminatory rules established by the Administrative Committee, up to a maximum of $50,000 or 50% of their vested account balance. Each loan is to be repaid over a period not to exceed five years.

WESCO Distribution, Inc.
Retirement Savings Plan
Notes to Financial Statements
December 29, 2013 and 2012

Plan Termination

Although the Company has not expressed any intent to do so, it has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, participants will become 100% vested in their accounts, and all vested assets shall be distributed to the participants in accordance with the terms of the Plan, or in such other manner, not inconsistent with the requirements of any applicable law or regulation, as the Company may in its sole discretion determine.

2. Summary of Significant Accounting Policies