

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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 17, 2019

SONOCO PRODUCTS COMPANY

Commission File No. 001-11261

**Incorporated under the laws
of South Carolina**

**I.R.S. Employer Identification
No. 57-0248420**

**1 N. Second St.
Hartsville, South Carolina 29550
Telephone: 843/383-7000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
No par value common stock	SON	New York Stock Exchange, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. ☐

Section 1 – Registrant's Business and Operations

Item 1.02 Termination of a Material Definitive Agreement.

On July 17, 2019, the Board of Directors (the “Board”) of Sonoco Products Company (“Sonoco” or the “Company”) approved the termination of the Sonoco Pension Plan for Inactive Participants, a tax-qualified defined benefit plan (the “Inactive Plan”), effective September 30, 2019. This action was taken following the Company’s voluntary contributions to its U.S. defined benefit pension plans in May 2019 totaling \$190 million, which increased the funded status of the Inactive Plan to approximately 97 percent.

In addition, the Board authorized the Company to take the following steps over the next several months to prepare for the termination of the Inactive Plan, including:

- Prepare and execute any necessary plan amendments and/or restatements regarding the plan termination, including amending the Inactive Plan to provide for a limited lump-sum window for eligible participants;
- Prepare and file an Application for Determination for Terminating Plan with the Internal Revenue Service for a determination as to the tax-qualified status of the Inactive Plan at the time of termination;
- Prepare and file all appropriate notices and documents related to the Inactive Plan’s termination and wind-down with the Pension Benefit Guaranty Corporation (the “PBGC”), the U.S. Department of Labor, the Internal Revenue Service, the trustee, and any other appropriate parties.

In 2020, after receiving approval from the IRS and the PBGC, and following completion of the limited lump-sum offering, the Company will make an additional cash contribution in order to fully fund the Inactive Plan on a plan termination basis, followed by the purchase of annuity contracts to transfer its remaining liabilities under the Inactive Plan. These additional cash contributions are expected to range between \$75 million and \$125 million. However, the actual amount of this cash contribution requirement will depend upon the nature and timing of participant settlements, as well as prevailing market conditions. In addition, the Company expects to recognize non-cash pension settlement charges totaling between \$525 million and \$575 million upon settlement of the obligations of the Inactive Plan.

The termination of the Inactive Plan will apply to participants who have separated service from Sonoco and to nonunion active employees who no longer accrue pension benefits. There is no change in the benefit earned by the approximately 11,000 impacted participants as a result of these actions, and the Company will continue to manage the Sonoco Pension Plan (the “Active Plan”), comprised of approximately 600 active participants who continue to earn benefits in accordance with a flat-dollar multiplier formula.

By law, the Company has the right to change the effective date of the Inactive Plan termination or to revoke its decision to terminate the Inactive Plan, but it has no intent to do so at this time.

On July 17, 2019, the Company issued a news release announcing the Board’s approval of the termination of the Inactive Plan effective September 30, 2019. A copy of that release is attached hereto as Exhibit 99.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99 [Registrant's news release dated July 17, 2019, announcing the approval by Sonoco's Board of Directors of the termination of the Sonoco Pension Plan for Inactive Participants effective September 30, 2019.](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SONOCO PRODUCTS COMPANY

Date: July 17, 2019

By: /s/ Julie C. Albrecht

Julie C. Albrecht

Vice President and Chief Financial Officer



NEWS RELEASE

July 17, 2019 Contact: Roger Schrum

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Sonoco to Transition U.S. Defined Benefit Pension Plan

HARTSVILLE, S.C., U.S. - Sonoco (NYSE: SON), one of the largest diversified global packaging companies, today announced its Board of Directors has approved the termination of the Sonoco U.S. Pension Plan for Inactive Participants (the “Inactive Plan”) effective September 30, 2019. This action will not reduce any retirement benefits earned by the approximately 11,000 participants in the Inactive Plan. Sonoco made a contribution earlier this year, bringing the funded level of the Inactive Plan to 97%, and the remaining funding of the Inactive Plan is expected to occur by the end of 2020.

Sonoco previously closed participation in its U.S. defined benefit pension plans, including the Inactive Plan, to new participants and ceased all additional benefit accruals at year-end 2018 (with only limited exceptions). Consistent with the trend of more than 80 percent of other U.S. businesses, Sonoco shifted to providing its employee retirement benefits in the form of defined contribution plans instead. However, the Company continues to be committed to and responsible for funding the large pension obligations that have accumulated over the years. Because these funding obligations are affected by the investment return of pension plan assets and the related unpredictability of market conditions, this led the Company to approve the termination of the Inactive Plan.

When asked about the Board’s action today, John Florence, Vice President of Human Resources and General Counsel said, “Sonoco is committed to protecting the pension benefits earned by its employees and retirees. This commitment is demonstrated by the recent \$190 million voluntary contributions which increased the funded status of the plans, including an increased funding of the Inactive Plan to almost 100 percent. Today’s action by the Board is better described as a ‘transition of obligations and related assets’ which, once executed, will result in the full funding of the Inactive Plan’s benefit obligations. The Company will be taking actions in the coming months to prepare for the transition of the Inactive Plan’s obligations and assets which is expected to occur in 2020. I want to emphasize that these actions will not reduce any retirement benefits earned by the Inactive Plan’s participants and will instead have the impact of making those benefits more secure.”

Impacted Inactive Plan participants are not required to take any action at this time and will be receiving a written letter mailed to their homes with detailed information, answers to frequently asked questions and the required regulatory notices. Once these materials are received, participants who have any questions will be able to contact the Sonoco Pension Transition Center at 866-820-4111 for further information.

About Sonoco

Founded in 1899, Sonoco (NYSE: SON) is a global provider of a variety of consumer packaging, industrial products, protective packaging, and displays and packaging supply chain services. With annualized net sales of approximately \$5.4 billion, the Company has 23,000 employees working in approximately 300 operations in 36 countries, serving some of the world’s best known brands in some 85 nations. Sonoco is committed to creating sustainable products, services and programs for our customers, employees and communities that support our corporate purpose of *Better Packaging. Better Life.* The Company ranked first in the Packaging sector on Fortune’s World’s Most Admired Companies for 2019 as well as Barron’s 100 Most Sustainable Companies. For more information, visit www.sonoco.com.

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