

WEYERHAEUSER CO
Form 11-K
May 20, 2015

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

FORM 11-K

☒ 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: 1-4825

WEYERHAEUSER 401(k) PLAN
WEYERHAEUSER COMPANY
A Washington Corporation

Federal Way, Washington 98063
Telephone: (253) 924-2345

Financial Statements and Exhibit

Item 4: Plan Financial Statements prepared in accordance with the financial reporting requirements of ERISA.

Weyerhaeuser 401(k) Plan statements of net assets available for benefits 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, together with report of Independent Registered Public Accounting Firm.

Exhibit: Consents of Independent Registered Public Accounting Firms

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the members of the Committee who administer the Weyerhaeuser 401(k) Plan have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

WEYERHAEUSER 401(k) PLAN

Date: May 20, 2015

By: /s/ Sharon Dusek
Sharon Dusek
Chairman
Administrative Committee

Report of Independent Registered Public Accounting Firm

The Administrative Committee
Weyerhaeuser Company:

We have audited the accompanying statement of net assets available for benefits of the Weyerhaeuser 401(k) Plan, formerly known as the Weyerhaeuser Salaried and NORPAC 401(k) Plan (the Plan) as of December 31, 2014, 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 31, 2014, and the changes in net assets available for benefits for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

/s/ Moss Adams LLP
Seattle, Washington
May 20, 2015

Report of Independent Registered Public Accounting Firm

The Administrative Committee
Weyerhaeuser Company:

We have audited the accompanying statement of net assets available for benefits of the Weyerhaeuser Salaried and NORPAC 401(k) Plan (the Plan) as of December 31, 2013. This financial statement is the responsibility of the Plan's management. Our responsibility is to express an opinion on this financial statement 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 statement referred to above presents fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Seattle, Washington

June 20, 2014

WEYERHAEUSER 401(k) PLAN

Statements of Net Assets Available for Benefits

December 31, 2014 and 2013

(Dollar amounts in thousands)

	2014	2013
Assets:		
Plan interest in the Weyerhaeuser Company 401(k) and Performance Share Plan Trust:		
Participant directed investments at fair value:		
Weyerhaeuser Company Stock Fund	\$274,207	\$225,240
Shares of registered investment company funds:		
Vanguard Institutional Index Fund Plus Shares	510,545	408,617
Vanguard Extended Market Index Fund Institutional Plus Shares	217,172	197,725
Vanguard Prime Money Market Fund Institutional Shares	43,596	37,438
Vanguard Target Retirement 2010 Trust II	—	5,410
Vanguard Target Retirement 2010 Trust I	5,854	—
Vanguard Target Retirement 2015 Trust II	—	51,273
Vanguard Target Retirement 2015 Trust I	58,798	—
Vanguard Target Retirement 2020 Trust II	—	27,662
Vanguard Target Retirement 2020 Trust I	45,298	—
Vanguard Target Retirement 2025 Trust II	—	63,355
Vanguard Target Retirement 2025 Trust I	78,287	—
Vanguard Target Retirement 2030 Trust II	—	14,189
Vanguard Target Retirement 2030 Trust I	21,531	—
Vanguard Target Retirement 2035 Trust II	—	36,905
Vanguard Target Retirement 2035 Trust I	47,009	—
Vanguard Target Retirement 2040 Trust II	—	7,341
Vanguard Target Retirement 2040 Trust I	10,442	—
Vanguard Target Retirement 2045 Trust II	—	19,671
Vanguard Target Retirement 2045 Trust I	24,119	—
Vanguard Target Retirement 2050 Trust II	—	5,085
Vanguard Target Retirement 2050 Trust I	9,286	—
Vanguard Target Retirement 2055 Trust II	—	1,624
Vanguard Target Retirement 2055 Trust I	3,336	—
Vanguard Target Retirement 2060 Trust II	—	385
Vanguard Target Retirement 2060 Trust I	1,255	—
Vanguard Target Retirement Income Trust II	—	7,317
Vanguard Target Retirement Income Trust I	10,891	—
Vanguard Total Bond Market Index Fund Institutional Shares	95,594	70,311
Vanguard Total International Stock Index Fund Institutional Plus Shares	119,855	113,779
Vanguard Wellesley Income Fund Admiral Shares	236,539	194,410
Weyerhaeuser Stable Value Fund	286,771	238,509
Total investments	2,100,385	1,726,246
Receivables:		
Notes receivable from participants	35	49
Total receivables	35	49
Net assets reflecting investments at fair value	2,100,420	1,726,295
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(7,819)	(5,782)
Net assets available for benefits	\$2,092,601	\$1,720,513

See accompanying notes to financial statements.

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WEYERHAEUSER 401(k) PLAN

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2014

(Dollar amounts in thousands)

Additions:

Contributions:

Company matching	\$13,356
Participant	49,431
Total contributions	62,787
Net investment income from the Weyerhaeuser Company 401(k) and Performance Share Plan Trust	139,061
Total additions	201,848
Deductions:	
Benefits paid to participants	195,757
Net increase prior to plan transfers	6,091
Plan transfers, net	365,997
Net increase	372,088
Net assets available for benefits:	
Beginning of year	1,720,513
End of year	\$2,092,601
See accompanying notes to financial statements.	

WEYERHAEUSER 401(k) PLAN

Notes to Financial Statements

December 31, 2014 and 2013

(1) Description of the Plan

The following description of the Weyerhaeuser 401(k) Plan (the Plan), formerly the Weyerhaeuser Salaried and NORPAC 401(k) Plan, provides only general information. Participants should refer to the summary plan description and plan document for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan and was established April 1, 1968. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Any salaried or hourly employee of Weyerhaeuser Company (the Company) or of a participating subsidiary and any hourly employee of Norpac Resources, Inc., a subsidiary of Weyerhaeuser at its Longview, Washington operations, are eligible to participate in the Plan. The president of the Company designates participating subsidiaries from among the eligible domestic corporations of which the voting stock is owned by the Company or one of its subsidiaries. No person covered by a collective bargaining agreement may participate unless such agreement expressly provides for participation. Newly eligible employees are automatically enrolled in the Plan at a contribution rate of 3% of pay and the rate increases 1% per year up to 7% of pay, unless the employees elect otherwise. Employees may opt out within 60 days of the enrollment kit mailing date and may discontinue contributing to the Plan at any time.

The Plan is administered by the Administrative Committee, which consists of certain employees of the Company. Vanguard Fiduciary Trust Company acts as the trustee, recordkeeper, and investment manager for the Plan. The Vanguard investment transactions qualify as party-in-interest and related party transactions.

The Administrative Committee changed the investment manager for the Weyerhaeuser Stable Value Fund to Invesco Advisers, Inc. on June 19, 2013. All or a portion of the Weyerhaeuser Stable Value Fund investments may be invested in one or more of the collective investment funds of the Invesco Group Trust for Retirement Savings, a group trust for which Invesco National Trust Company serves as trustee and investment manager. As a result, the Invesco investment transactions qualify as party-in-interest transactions. Fees paid to Invesco for the investment management services by the Master Trust amounted to \$316,495 for the year ended December 31, 2014.

(b) Plan Amendments

The Plan was amended to:

1. Merge the assets and liabilities of the Weyerhaeuser Hourly 401(k) Plan into the Plan effective November 21, 2014. The transfer from the Weyerhaeuser Hourly 401(k) Plan into the Plan was \$365,771,737 and is recorded in Plan transfers, net in the financial statements. Prior to the merger, only salaried employees, certain hourly employees eligible for salaried benefits or hourly employees of Norpac Resources Inc. were eligible to participate in the Plan. Allow employees hired or rehired on or after January 1, 2014 to be eligible to participate in the Plan for non-elective employer contribution purposes commencing on the first day of the first full pay period 60 days after such Employee's date of hire or date of rehire, provided that such Employee is not eligible to participate in a defined benefit pension plan. The non-elective employer contribution is an amount equal to 5% of the participant's eligible compensation for such pay period. The non-elective employer contribution will have the same vesting requirements as the regular 401(k) Company matching contribution and will be invested the same as the 401(k) plan deferrals or if the employee does not contribute to the Plan, the contribution will be made to the Target Retirement Trust I option that is closest to the year the employee will reach age 65.
2. Effective July 7, 2014, the Company completed a transaction divesting Weyerhaeuser Real Estate Company (WRECO) through a Reverse Morris Trust transaction, forming a wholly owned subsidiary of TRI Pointe Homes, Inc. (TRI Pointe). Under the terms of the transaction, Company shareholders were allowed to voluntarily exchange shares of Company common stock for shares of WRECO which would be immediately converted into shares of TRI Pointe Homes, Inc common stock (TRI Pointe Stock). TRI Pointe Stock was not available as an investment option under the Plan. As a result of the transaction, certain Plan participants became employees of
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TRI Pointe on the transaction effective date. Accordingly, these participants, as former employees of the Company, can elect to take distributions of their accounts in accordance with Plan provisions.

(c) Weyerhaeuser Company Stock Fund Dividend and Voting Rights

The portion of the Plan invested in the Weyerhaeuser Company Stock Fund is an Employee Stock Ownership Plan. Participants may elect to have any cash dividends due to them reinvested in the Weyerhaeuser Company Stock Fund or paid in cash. To the extent set forth by the terms of the Plan, participants may exercise voting rights by providing instructions to the trustee related to the number of whole shares of stock represented by the units of the Weyerhaeuser Company Stock Fund allocated to their accounts. Shares of stock for which the trustee does not receive instructions from participants are voted in the same proportions - for and against, respectively - as shares for which the trustee receives participant voting instructions.

(d) Contributions

The Plan includes a qualified cash or deferred arrangement described in Section 401(k) of the Internal Revenue Code (IRC) that allows participants to designate any whole percent up to 75% of their eligible compensation to be contributed to the Plan, subject to certain limitations imposed under the IRC.

Participant contributions may be suspended under certain circumstances, at the participant's request or upon a hardship withdrawal.

The Company matching contribution is discretionary as determined by the Weyerhaeuser Company Board of Directors (the Board); the Company matching contribution is approved at a rate of 50% on the first 6% or, for certain hourly employees, 50% on the first 5% of eligible compensation each pay period designated by each participant as the participant's contribution. In addition to the Company matching contribution, a Company discretionary matching contribution can be made by action of the Board. Non-elective contributions are made for employees hired or rehired on or after January 1, 2014. The non-elective contribution is equal to 5% of the participant's eligible compensation. Company matching contributions and non-elective contributions are invested in accordance with each participant's investment direction in effect at the time.

(e) Participant Accounts

An individual account is maintained for each plan participant to reflect his or her share of the Plan's income and losses, participant contributions and Company contributions. Allocations of income and losses are based on the number of units of the various investment funds assigned to each participant's account on a daily basis.

(f) Vesting

Participants are fully vested in their contributions and earnings thereon. The interest of a participant in the Company contributions and earnings thereon becomes fully vested upon the earliest date of one of the following events:

(1) attainment of the requisite vesting service as described below, (2) retirement at normal or early retirement age under the employer's defined benefit pension plan, (3) attaining age 65, (4) death or total and permanent disability while in the employer's employ, (5) termination of service due to a plant closure or (6) upon termination of the Plan. The Plan also provides 100% vesting for all involuntary terminations except for violations of certain Company employee conduct standards as set forth in the Plan.

Employees who are eligible to participate in the Plan vest in their matching contributions and earnings thereon after six years of vesting service according to the following schedule.

Years of vesting service	Percent vested	
Less than two years of service	—	%
Two years of service	20	%
Three years of service	40	%
Four years of service	60	%
Five years of service	80	%
Six or more years of service	100	%

If a participant is not fully vested in matching contributions upon severance of employment and does not return to active employment with the Company within five years, the participant forfeits matching contributions to the extent they are not vested. Forfeited Company contributions are used to reduce future Company contributions. During 2014, approximately \$260,000 of forfeitures were used to reduce Company contributions. There were approximately \$12,000 and \$7,000 of unallocated forfeitures as of December 31, 2014 and 2013, respectively.

(g) Investment Options

Participants are allowed to change their investment election for future contributions at any time. Participants have the option to invest up to 100% of their contributions, in 1% increments, in any of the investment options listed below. If a Plan participant does not specify the investment fund in which to invest deferral or rollover contributions, such contributions will be invested in the Plan's qualified default investment alternative (QDIA) which is the Vanguard Target Retirement Trust I closest to the participant's retirement age, assuming a retirement age of 65.

Effective July 1, 2014, the investment options in the Plan were moved to lower-cost share classes, which are outlined below. The funds' investment type, objective and degree of risk remain unchanged.

2014 Plan Options	2013 Plan Options
Vanguard Target Retirement 2010 Trust I	Vanguard Target Retirement 2010 Trust II
Vanguard Target Retirement 2015 Trust I	Vanguard Target Retirement 2015 Trust II
Vanguard Target Retirement 2020 Trust I	Vanguard Target Retirement 2020 Trust II
Vanguard Target Retirement 2025 Trust I	Vanguard Target Retirement 2025 Trust II
Vanguard Target Retirement 2030 Trust I	Vanguard Target Retirement 2030 Trust II
Vanguard Target Retirement 2035 Trust I	Vanguard Target Retirement 2035 Trust II
Vanguard Target Retirement 2040 Trust I	Vanguard Target Retirement 2040 Trust II
Vanguard Target Retirement 2045 Trust I	Vanguard Target Retirement 2045 Trust II
Vanguard Target Retirement 2050 Trust I	Vanguard Target Retirement 2050 Trust II
Vanguard Target Retirement 2055 Trust I	Vanguard Target Retirement 2055 Trust II
Vanguard Target Retirement 2060 Trust I	Vanguard Target Retirement 2060 Trust II
Vanguard Target Retirement Income Trust I	Vanguard Target Retirement Income Trust II

Participants may reallocate funds in their accounts related to participant and Company contributions among the investment options offered by the Plan on a daily basis.

(h) Valuation Frequency

Account balances are valued on a daily basis.

(i) Payment of Benefits

Participant contributions made before 1983 and earnings thereon may be withdrawn at any time upon request.

Participant contributions made after 1982 and amounts in the rollover portion of accounts may be withdrawn for financial hardship subject to restrictions under the IRC and the Plan. Participant contributions may also be withdrawn after attaining age 59½. The vested interest in Company matching contributions, performance share contributions and rollover portions of the account may be withdrawn two full calendar years after the date of the contribution or rollover, after five years of service or after attaining age 59½. In addition, a participant may elect to receive in cash

any cash dividends paid with respect to units of the Weyerhaeuser Company Stock Fund allocated to the participant's account or to direct payment to the participant's account for reinvestment in the Weyerhaeuser Company Stock Fund. Additional distribution options (as described in the Plan) may be available to participants who participated in a plan that was merged into the Plan.

Participants who have terminated employment and whose vested account balance exceeds \$5,000 shall receive a distribution of their entire interest in the Plan when they so elect or at age 65. Participants whose accounts are valued at \$1,000 or less receive a distribution of their entire interest in the Plan after termination of employment. Participants with balances less than \$5,000 and more than \$1,000 receive a distribution in the form of a rollover to an individual retirement account, unless otherwise elected after termination of employment. The nonvested portions of participants' accounts are forfeited upon distribution of the accounts or after a five-year period of severance, whichever is earlier.

(j) Expenses of the Plan

Participants pay the costs of administering the Plan through a flat fee of \$36 per year. Participants pay an additional fee to process requests for hardship withdrawals and Qualified Domestic Relations Orders. Brokerage fees, stock transfer taxes and other investment management fees directly incurred by the trustee in buying and selling any assets of each fund are paid by Weyerhaeuser Company 401(k) and Performance Share Master Trust (Master Trust) out of such fund as a part of the cost of such assets, or as a reduction of the proceeds received from the sale of such assets. All other administrative expenses, such as professional fees, are paid by the Company on behalf of the Plan.

(2) Summary of Accounting Policies

(a) Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with generally accepted accounting principles in the United States of America.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan 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 Statements of Net Assets Available for Benefits present the fair value of the investment contracts as well as the adjustment to state the fully benefit-responsive investment contracts at contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. See also Note 6: Guaranteed Investment Contracts.

(b) Participation in the Master Trust and Unit Accounting

All of the Plan's investments are held in the Master Trust. The Master Trust held assets of one 401(k) plan of the Company as of December 31, 2014 and assets of two 401(k) plans of the Company as of December 31, 2013. The Master Trust and the Plan use unit accounting for recordkeeping purposes. Each "unit" represents a portion of ownership in a fund. See Note 7: Interest in Master Trust for investment valuation and interest in the Master Trust at fair value.

(c) Income Recognition and Net Investment Income from the Master Trust

Within the Master Trust, purchases and sales of securities are recorded on a trade-date basis. Interest income is accrued when earned. Dividends are recorded on the ex-dividend basis. The change in fair value of assets from one period to the next and realized gains and losses are recorded as net appreciation or depreciation in fair value of investments. Total investment income of the Master Trust as presented in Note 7: Interest in Master Trust was allocated to each plan investing in the Master Trust based on the units of each fund held by the plan.

(d) Risks and Uncertainties

The Master Trust and Plan assets are invested in a variety of investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

(e) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

(f) Payment of Benefits

Benefits are recorded when paid.

(g) Valuation of Master Trust and Plan Investments

The fair value of Master Trust investments are based upon the information available at year end. Master Trust investments are stated at fair value based upon the amount that would be received in an orderly transaction between market participants at the reporting date. Master Trust investments are not valued based upon a forced or distressed sale scenario. Instead, both observable and unobservable inputs that reflect assumptions applied by market participants when setting the exit price of an investment in an orderly transaction within the principal market of that investment are considered.

Master Trust investments are valued based upon the observability of exit pricing inputs and classified based upon the lowest level input that is significant to the fair value measurement of the Master Trust investments in their entirety.

The fair value hierarchy followed is outlined below:

Level 1: Inputs are unadjusted quoted prices for identical assets and liabilities traded in an active market.

Level 2: Inputs are quoted prices in non-active markets for which pricing inputs are observable either directly or indirectly at the reporting date.

Level 3: Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

Investments with readily available quoted prices in an active market or those for which fair value can be measured from actively quoted prices will have a higher degree of market price observability and thus, a lesser degree of judgment applied when measuring fair value than those with unobservable pricing inputs.

(3) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and the IRC. In the event of plan termination, participants will become fully vested in their accounts.

(4) Tax Status

The Plan has received a favorable determination letter from the Internal Revenue Service dated December 6, 2012, stating that the Plan qualifies under Section 401(a) of the IRC. The Plan has subsequently been amended and in 2014 was restated commensurate with the merger, refer to Note 1: Description of the Plan. Management believes the Plan is designed and is currently being operated in compliance with the applicable requirements of Section 401(a) of the IRC, and as a result, is exempt from federal income taxes under Section 501(a) of the IRC. Employees who participate in the Plan are subject to federal income tax on distributions from the Plan in accordance with the provisions of Section 402 of the IRC.

U.S. generally accepted accounting principles require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

(5) Plan Transfers

Plan transfers represent the net amount of participant account balances transferred during the year to the Plan from other plans within the Master Trust as a result of participants changing employment within the Company and related changes in their eligibility status. In 2014, Plan transfers also included \$365,771,737 as a result of merging the Weyerhaeuser Hourly 401(k) Plan into the Plan.

(6) Guaranteed Investment Contracts

Fully benefit-responsive guaranteed investment contracts (GICs) and synthetic guaranteed investment contracts (Synthetic GICs) (the Contracts) included in the Weyerhaeuser Stable Value Fund are valued at fair value and adjusted to contract value, which represents the principal balance of the Contracts, plus accrued interest at the stated contract rate, less payments received and contract charges by the insurance companies. The GICs are issued by a variety of insurance companies. The GIC issuers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan through the Master Trust. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The Synthetic GICs are investments that simulate the performance of a traditional GIC through the use of Invesco fixed income bank collective trust funds and benefit-responsive wrapper contracts issued by insurance companies to provide market and cash flow protection at stated interest rates. The fair value of the Synthetic GICs held in the Master Trust are \$234 million and \$258 million as of December 31, 2014 and 2013, respectively. The contracts do not permit the insurance companies to terminate the agreements prior to the scheduled maturity dates. There are no reserves against contract value for credit risk of the contract issuers or otherwise.

Certain events may limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (a) amendments to plan documents (including complete or partial plan termination or merger with another plan); (b) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions; (c) bankruptcy of the plan sponsor or other plan sponsor events (e.g. divestitures or spin-offs of a subsidiary) which cause a significant withdrawal from the Plan or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with participants, is probable.

Under the terms of the Contracts, the crediting interest rates are determined quarterly based on the insurance companies' applicable rate schedules. The aggregate average yield of the Contracts in the Master Trust for the years ended December 31, 2014 and 2013 was 1.38% and 1.23%, respectively. The aggregate average yield credited to participants in the plans in the Master Trust for the years ended December 31, 2014 and 2013 was 2.06% and 1.87% , respectively.

(7) Interest in Master Trust

(a) Values of Investments Held by the Master Trust

At December 31, 2014 and 2013, the Plan's interest in the net assets of the Master Trust was 100% and 83%, respectively. The following table presents the values of investments held by the Master Trust as of December 31, 2014 and 2013:

	December 31, 2014	December 31, 2013
	(Dollar amounts in thousands)	
Investments:		
Investment in shares of registered investment company funds and Company stock at fair value:		
Weyerhaeuser Company Stock Fund including cash equivalents of \$416 and \$841, respectively	\$274,207	\$280,446
Vanguard Institutional Index Fund Plus Shares	510,545	490,563
Vanguard Extended Market Index Fund Institutional Plus Shares	217,172	230,951
Vanguard Prime Money Market Fund Institutional Shares	43,596	43,290
Vanguard Target Retirement 2010 Trust II	—	6,144
Vanguard Target Retirement 2010 Trust I	5,854	—

Vanguard Target Retirement 2015 Trust II	—	59,945
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Vanguard Target Retirement 2015 Trust I	58,798	—
Vanguard Target Retirement 2020 Trust II	—	32,688
Vanguard Target Retirement 2020 Trust I	45,298	—
Vanguard Target Retirement 2025 Trust II	—	74,212
Vanguard Target Retirement 2025 Trust I	78,287	—
Vanguard Target Retirement 2030 Trust II	—	16,400
Vanguard Target Retirement 2030 Trust I	21,531	—
Vanguard Target Retirement 2035 Trust II	—	42,811
Vanguard Target Retirement 2035 Trust I	47,009	—
Vanguard Target Retirement 2040 Trust II	—	8,908
Vanguard Target Retirement 2040 Trust I	10,442	—
Vanguard Target Retirement 2045 Trust II	—	23,220
Vanguard Target Retirement 2045 Trust I	24,119	—
Vanguard Target Retirement 2050 Trust II	—	6,639
Vanguard Target Retirement 2050 Trust I	9,286	—
Vanguard Target Retirement 2055 Trust II	—	2,281
Vanguard Target Retirement 2055 Trust I	3,336	—
Vanguard Target Retirement 2060 Trust II	—	543
Vanguard Target Retirement 2060 Trust I	1,255	—
Vanguard Target Retirement Income Trust II	—	9,414
Vanguard Target Retirement Income Trust I	10,891	—
Vanguard Total Bond Market Index Fund Institutional Shares	95,594	83,262
Vanguard Total International Stock Index Fund Institutional Plus Shares	119,855	131,890
Vanguard Wellesley Income Fund Admiral Shares	236,539	232,783
Investments in Weyerhaeuser Stable Value Fund at fair value:		
Traditional guaranteed investment contracts	6,007	6,020
Synthetic guaranteed investment contracts:		
Common commingled trust funds	234,003	258,291
Wrapper contracts	134	41
Separate pooled investments	36,501	39,514
Vanguard Prime Money Market Fund	10,243	11,639
Pending trades and other	(82) (282
Total investments at fair value	2,100,420	2,091,613
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(7,819) (7,642
Total investments	\$2,092,601	\$2,083,971

(b) Investment Valuation and Interest in the Master Trust at Fair Value

The interest in the Master Trust at fair value includes the value of fund assets plus any accrued income. Investments in shares of registered investment company and target date funds are reported at fair value based on quoted market prices. The fair value of the Weyerhaeuser Stable Value Fund is calculated by discounting the related cash flows based on the Ryan yield curve and the fair values of the underlying investments and the wrapper contracts. The Weyerhaeuser Company Stock Fund is valued at fair value based on its year-end unit closing price (comprised of year-end market price plus cash equivalent position held if any).

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Master Trust and Plan believe valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Additional fair value information related to the investments held by the Master Trust as of December 31, 2014 and 2013 is provided in the following tables:

Fair Value Measurements for Master Trust at December 31, 2014

	Quoted prices in active markets (Level 1) (Dollar amounts in thousands)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Totals
Registered Investment Company Funds	\$1,223,301			\$1,223,301
Target Date Funds	316,106			\$316,106
Weyerhaeuser Company Stock Fund	274,207	—	—	274,207
Weyerhaeuser Stable Value Fund	10,243	276,563	—	286,806
Totals	\$1,823,857	\$276,563	\$—	\$2,100,420

Fair Value Measurements for Master Trust at December 31, 2013

	Quoted prices in active markets (Level 1) (Dollar amounts in thousands)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Totals
Registered Investment Company Funds	\$1,212,739	—	\$—	\$1,212,739
Target Date Funds	283,205	—	—	\$283,205
Weyerhaeuser Company Stock Fund ⁽¹⁾	280,446	—	—	280,446
Weyerhaeuser Stable Value Fund	11,639	303,584	—	315,223
Totals	\$1,788,029	\$303,584	\$—	\$2,091,613

⁽¹⁾ The Weyerhaeuser Company Stock Fund was categorized as Level 2 in the 2013 financial statements. It was determined that the underlying funds are based on quoted prices in active markets, as such the prior and current year classification was changed to Level 1.

(c) Investment Income of the Master Trust

The following table presents the investment income of the Master Trust for the year ended December 31, 2014 (dollar amounts in thousands):

Investment income:

Net appreciation/(depreciation) in fair value of investments:

Weyerhaeuser Company Stock Fund	\$32,029	
Vanguard Institutional Index Fund Plus Shares	54,244	
Vanguard Extended Market Index Fund Institutional Plus Shares	13,243	
Vanguard Target Retirement 2010 Trust II	305	
Vanguard Target Retirement 2010 Trust I	55	
Vanguard Target Retirement 2015 Trust II	3,195	
Vanguard Target Retirement 2015 Trust I	559	
Vanguard Target Retirement 2020 Trust II	2,330	
Vanguard Target Retirement 2020 Trust I	479	
Vanguard Target Retirement 2025 Trust II	4,715	
Vanguard Target Retirement 2025 Trust I	615	
Vanguard Target Retirement 2030 Trust II	1,216	
Vanguard Target Retirement 2030 Trust I	148	
Vanguard Target Retirement 2035 Trust II	2,935	
Vanguard Target Retirement 2035 Trust I	167	
Vanguard Target Retirement 2040 Trust II	619	
Vanguard Target Retirement 2040 Trust I	16	
Vanguard Target Retirement 2045 Trust II	1,633	
Vanguard Target Retirement 2045 Trust I	31	
Vanguard Target Retirement 2050 Trust II	524	
Vanguard Target Retirement 2050 Trust I	22	
Vanguard Target Retirement 2055 Trust II	161	
Vanguard Target Retirement 2055 Trust I	13	
Vanguard Target Retirement 2060 Trust II	40	
Vanguard Target Retirement 2060 Trust I	7	
Vanguard Target Retirement Income Trust II	460	
Vanguard Target Retirement Income Trust I	114	
Vanguard Total Bond Market Index Fund Institutional Shares	2,495	
Vanguard Total International Stock Index Fund Institutional Plus Shares	(9,067)
Vanguard Wellesley Income Fund Admiral Shares	6,767	
Weyerhaeuser Stable Value Fund	16	
Dividend income	39,555	
Interest income	5,342	
Net investment income	\$164,983	

(8) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net increase prior to plan transfers per the financial statements for the year ended December 31, 2014 to net income per Form 5500 (dollar amounts in thousands):

Statement of changes in net assets available for benefits:

Net increase prior to plan transfers per the financial statements	6,091
Change in adjustment from contract value to fair value for fully benefit-responsive investment contracts	2,037
Net income per Form 5500	\$8,128

(9) Subsequent Events

Subsequent events have been evaluated through the date the financial statements were issued.