CBS CORP
Form 11-K
June 24, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549-1004

FORM 11-K

(Mark One)

/ X / **Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2013 Commission file number 001-09553

OR

/ / **Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934**

CBS 401(k) PLAN

(Full title of the plan)

CBS CORPORATION

(Name of issuer of the securities held pursuant to the plan)

51 West 52nd Street

New York, New York 10019

(Address of principal executive office)

CBS 401(k) PLAN

FINANCIAL STATEMENTS, SUPPLEMENTAL SCHEDULES AND EXHIBITS

DECEMBER 31, 2013 AND 2012

INDEX

	Pages	
Report of Independent Registered Public Accounting Firm	1	
Financial Statements:		
Statements of Net Assets Available for Benefits at December 31, 2013 and 2012	2	
Statement of Changes in Net Assets Available for Benefits for the Year ended December 31, 2013	3	
Notes to financial statements	4	17
	Schedules	
Supplemental Schedules:		
Schedule H, line 4a Schedule of Delinquent Participant Contributions	S 1	
Schedule H, line 4i Schedule of Assets (Held at End of Year)	S 2	S 28
All other schedules required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted as not applicable or not required.		
Signature	S 29	
Exhibit:		
23.1 Consent of Independent Registered Public Accounting Firm		

Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of the

CBS 401(k) Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the CBS 401(k) Plan (the Plan) at December 31, 2013 and December 31, 2012, and the changes in net assets available for benefits for the year ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. 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 of these statements 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Delinquent Participant Contributions and the Schedule of Assets (Held at End of Year) are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are 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. These supplemental schedules are the responsibility of the Plan s management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PRICEWATERHOUSECOOPERS LLP

New York, New York

June 24, 2014

CBS 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

(In thousands)

	At December 31,	
	2013	**2012**
Assets		
Investments, at fair value	$ 4,539,733	$ 3,955,948
Receivables:		
Notes receivable from participants	34,584	32,235
Employee contributions	2,447	3,067
Employer contributions	3,523	3,701
Interest and dividends	3,697	4,975
Due from broker for securities sold (Note 1)	17,267	201
Total assets	4,601,251	4,000,127
Liabilities		
Accrued expenses	1,551	1,225
Due to broker for securities purchased	1,687	293
Net assets reflecting investments at fair value	4,598,013	3,998,609
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(62,561)	(123,251)
Net assets available for benefits	$ 4,535,452	$ 3,875,358

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

CBS 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

(In thousands)

	Year Ended December 31, 2013
Additions to net assets attributed to:	
Investment income:	
Net appreciation in fair value of investments	$ 738,267
Interest	45,591
Dividends	11,998
Interest income on notes receivable from participants	1,458
Contributions:	
Employee	118,552
Employer	42,559
Rollover	9,580
Total additions	968,005
Deductions from net assets attributed to:	
Benefits paid to participants	(302,995)
Plan expenses	(4,916)
Total deductions	(307,911)
Net increase	660,094
Net assets available for benefits, beginning of year	3,875,358
Net assets available for benefits, end of year	$ 4,535,452

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

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

(Tabular dollars in thousands)

NOTE 1 PLAN DESCRIPTION

The following is a brief description of the CBS 401(k) Plan (the Plan) and is provided for general information only. Participants should refer to the Plan document for more complete information regarding the Plan.

The Plan, sponsored by CBS Corporation (the Company or CBS Corp.), is a defined contribution plan offered on a voluntary basis to eligible employees of the Company and each subsidiary that is included for participation.

Eligible full-time newly hired employees may enroll in the Plan immediately or are automatically enrolled following sixty days after hire or rehire and attainment of age 21, unless they elect not to participate. Part-time employees are automatically enrolled in the Plan on the first day of the month following the attainment of age 21 and completion of one thousand hours of service within a consecutive twelve-month period, unless they already voluntarily enrolled upon meeting the age and service requirements or have elected not to participate. The Plan is subject to the provisions of the Internal Revenue Code of 1986, as amended (the Code), and the Employee Retirement Income Security Act of 1974, as amended (ERISA), and is overseen by a retirement committee designated as the Administrator of the Plan as defined under ERISA (the Plan Administrator) by the Company s Board of Directors (the Board).

The Bank of New York Mellon (the Trustee) is the trustee and custodian and Mercer HR Services, LLC is the recordkeeper of the Plan. Certain Plan investments are shares of funds managed by the Trustee or companies affiliated with the Trustee, or shares of a company affiliated with CBS Corp., and therefore qualify as a party-in-interest transaction. The fair value of these investments was $284 million at December 31, 2013 and $263 million at December 31, 2012 and these investments depreciated by $2 million for the year ended December 31, 2013. In addition, certain Plan investments are shares of CBS Corp. common stock and therefore qualify as a party-in-interest transaction. The fair value of these investments was $744 million at December 31, 2013 and $515 million at December 31, 2012. For the year ended December 31, 2013, these investments appreciated by $326 million and earned dividends of $6 million. During the year ended December 31, 2013, the Plan purchased $4 million of CBS Corp. common stock and sold $96 million of CBS Corp. common stock.

Participant Accounts

Each Plan participant s account is credited with the participant s contributions, the employer matching contributions, if applicable, the participant s share of the investment income (loss) and any realized or unrealized gains or losses of the Plan s assets, net of certain Plan expenses.

Participants have the option of investing their contributions or existing account balances among various investment options. These investment options include common collective funds, registered investment

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

companies (mutual funds), separately managed accounts, which primarily invest in common stocks, a fixed income fund and the CBS Corp. Class B Common Stock Fund.

Within the Plan, the CBS Corp. Common Stock funds are part of an Employee Stock Ownership Plan (ESOP). As a result, the Plan offers an ESOP dividend election under which Plan participants can elect to reinvest any ESOP dividends paid on vested shares back into the ESOP account in CBS Corp. Class B Common Stock or to receive the dividends as a cash payout. If a participant does not make an election, the dividends are reinvested in the ESOP account.

Participants may also elect to open a self-directed brokerage account (SDA). Participants may not contribute directly to the SDA, but may transfer balances to the SDA from other investment funds except the fixed income fund. A participant may transfer up to 25% of his or her account balance (net of loans) to the SDA. The initial transfer to the SDA may not be less than $2,500 and there is no minimum for subsequent individual transfers.

Contributions

The Plan permits participants to contribute up to 50% of eligible annual compensation on a traditional before-tax, Roth 401(k) after-tax or combination basis or 15% on a traditional after-tax basis, subject to the Code limitations set forth below. Roth 401(k) contributions and the related earnings can be withdrawn tax-free if certain requirements are met. The level of employer matching contributions is entirely at the discretion of the Board and is determined annually for all participants in the Plan. For 2013, the Board set the employer s matching contribution at 70% of the first 5% of eligible compensation contributed on a before-tax or Roth 401(k) basis.

Employer matching contributions are initially invested in the CBS Corp. Class B Common Stock Fund. Participants are permitted to immediately transfer their Company matching contributions out of the CBS Corp. Class B Common Stock Fund and into any other investment option.

Upon date of hire and, effective with the 60th day following the date upon which an employee becomes eligible to participate in the Plan, newly hired employees are deemed to have authorized the Company to make before-tax contributions to the Plan in an amount equal to 5% of the employee s eligible compensation. However, a deemed authorization does not take effect if, during the 60-day period the employee elects not to participate in the Plan or to participate at a different contribution rate.

The Code limits the amount of annual participant contributions that can be made on a before-tax or Roth 401(k) basis to $17,500 for 2013. Total compensation considered under the Plan, based on Code limits, may not exceed $255,000 for 2013. The Code also limits annual aggregate participant and employer contributions to the lesser of $51,000 or 100% of compensation in 2013. All contributions made to the Plan

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

on an annual basis may be further limited due to certain non-discrimination requirements prescribed by the Code.

All participants who have attained age 50 before the close of the Plan year (calendar year) are eligible to make catch-up contributions. These contributions are not treated as matchable contributions. Catch-up contributions can be made if the eligible participants make the maximum $17,500 contribution permitted under the Plan for a plan year. The limit for catch-up contributions is $5,500 in 2013.

Vesting

Participants in the Plan are immediately vested in their own contributions and earnings thereon. Employer matching contributions vest at 20% per year of service, becoming fully vested after five years of service. If participants terminate employment prior to being vested in their employer matching contributions, the non-vested portion of their account is forfeited and may be used to reduce future employer matching contributions and to pay administrative expenses. Forfeitures are recorded at the time vested benefits are distributed. During 2013, the Company utilized forfeitures of approximately $5,194,000 to reduce matching contributions and approximately $417,000 to pay administrative expenses. As of December 31, 2013 and 2012, the Company had forfeitures of approximately $1,785,000 and $2,040,000, respectively, available to be used as noted above.

Notes Receivable from Participants

Eligible participants may request a loan for up to the lesser of 50% of the participant s vested account balance or $50,000, reduced by the highest outstanding balance of any Plan loan made to the participant during the twelve-month period ending on the day before the loan is made. The minimum loan available to a participant is $500. The interest rate on participant loans is one percentage point above the annual prime commercial rate (as published in The Wall Street Journal) on the first day of the calendar month in which the loan is approved. Principal and interest is payable through payroll deductions. Only one loan may be outstanding at any time. Participants may elect repayment periods

from 12 to 60 months commencing as soon as administratively possible following the distribution of the loan proceeds to the participant. The Plan allows participants to elect a repayment term of up to 300 months for loans used for the acquisition of a principal residence. Repayments of loan principal and interest are allocated in accordance with the participant s current investment elections.

The loans outstanding carry interest rates ranging from 4.25% to 11.50% as of December 31, 2013.

Due from Broker for Securities Sold

On January 1, 2014, in connection with the Company s planned disposition of CBS Outdoor Americas Inc. (CBS Outdoor), the Company established the Outdoor 401(k) Plan. (See note 9). The increase to Due

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

from broker for securities sold at December 31, 2013, reflects security trades that were initiated, but not yet settled, on December 31, 2013 to enable the Plan to transfer the accounts of CBS Outdoor employees from the Plan to the Outdoor 401(k) Plan in January 2014.

Distributions and Withdrawals

Earnings on employee contributions (other than after-tax contributions) and employer contributions are not subject to income tax until they are distributed or withdrawn from the Plan.

Participants in the Plan, or their beneficiaries, may receive their vested account balances in a lump sum or in installments over a period of up to 20 years in the event of retirement, termination of employment, disability or death. For vested account balances invested in CBS Corp. common stock, participants may elect to receive distributions in cash or whole shares. In the event of termination of employment, participants may also elect a partial lump sum distribution of their account balance. In general, participants must receive a required minimum distribution upon attainment of age 70 1/2 unless they are still employed.

Participants in the Plan may withdraw part or all of their after-tax and rollover contributions and the vested portion of employer matching contributions. Upon attainment of age 59 1/2, participants may also withdraw all or part of their before-tax or Roth 401(k) contributions and earnings thereon. The Plan limits participants to two of the above withdrawal elections in each Plan year.

A participant may obtain a financial hardship withdrawal of the vested portion of employer matching contributions and employee before-tax or Roth 401(k) contributions provided that the requirements for hardship are met and only to the extent required to relieve such financial hardship. There is no restriction on the number of hardship withdrawals permitted.

When a participant terminates employment with the Company, the full value of employee contributions and earnings thereon plus the value of all vested employer matching contributions and earnings thereon are eligible for distribution and can be rolled over to a tax qualified retirement plan or an Individual Retirement Account (IRA) or remain in the Plan rather than being distributed. If the vested account balance is $1,000 or less and the participant does not make an election to rollover the vested account balance, it will be automatically paid in a single lump sum cash payment, and taxes will be withheld from the distribution.

Plan Expenses

The fees for investment of Plan assets are charged to the Plan s investment funds. Certain administrative expenses such as fees for accounting, investment consulting and employee communications may be paid by the Plan using forfeitures or may be paid by the Company. Recordkeeping and trustee fees are paid from participant accounts. For 2013, approximately $417,000 was paid to the Trustee, a party-in-interest, and its affiliates for services provided during the year.

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

In accordance with Financial Accounting Standards Board (FASB) guidance, contract value was determined to be the relevant measurement attribute for the portion of net assets available for benefits 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. As a result, the Statements of Net Assets Available for Benefits present the investments at fair value with a separate adjustment from fair value to contract value for the portion of net assets attributable to each fully benefit-responsive investment contract. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis with respect to the fully benefit-responsive investment contracts.

Investment Valuation

Short-term money market investments are carried at amortized cost which approximates fair value due to the short-term maturity of these investments. Investments in common stock are reported at fair value based on quoted market prices on national security exchanges. Investments in registered investment companies are reported at fair value based on quoted market prices in active markets. The fair value of investments in separately managed accounts is determined by the Trustee based upon the fair value of the underlying securities. The fair values of investments in common collective funds are determined using the Net Asset Value (NAV) provided by the administrator of the fund. The NAV is determined by each fund s trustee based upon the fair value of the underlying assets owned by the fund, less liabilities, divided by the number of outstanding units. The common collective funds have daily redemptions and

one day trading terms. The common collective funds have no unfunded commitments at December 31, 2013. The fair value of fixed income, asset-backed and mortgage-backed securities is determined by independent pricing sources based on quoted market prices, when available, or using valuation models which incorporate certain other observable inputs including recent trading activity for comparable securities and broker quoted prices. Cash and cash equivalents are valued at cost plus accrued interest, which approximates fair value.

Interest rate swaps are recorded at fair value and marked-to-market through the duration of the contract term with an offsetting increase to unrealized appreciation (depreciation). Futures are marked-to-market and settled daily. The daily receipt or payment is recognized as unrealized appreciation (depreciation) until the contract is closed at which time the total fair value of the futures contract is recognized as a realized gain (loss).

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

The Plan invests in fully benefit-responsive traditional and synthetic guaranteed investment contracts through a fixed income fund. The contract value of guaranteed investment contracts and synthetic guaranteed investment contracts represents the aggregate amount of deposits thereto, plus interest at the contract rate, less withdrawals. The fair value of the fixed rate traditional guaranteed investment contracts is determined by discounting the related cash flows, based on the contract duration, using a yield curve interpolated from swap rates and adjusted for liquidity and credit quality. The fair value of synthetic guaranteed investment contracts is determined based on quoted market prices for the underlying assets. The fair value of the wrapper contracts for synthetic guaranteed investment contracts is determined using the replacement cost methodology that incorporates various inputs including the difference between the market rate for wrap fees and the actual wrap fees currently charged.

Security Transactions and Income Recognition

Purchases and sales of securities are recorded on the trade date. The average cost basis is used to determine gains or losses on security dispositions. Interest income is accrued as earned and dividend income is recorded on the ex-dividend date.

Net appreciation or depreciation in the fair value of investments, included in the Statement of Changes in Net Assets Available for Benefits, consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments presented at fair value.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefit payments are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Plan to make estimates and assumptions, such as those regarding fair value of investments, that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

Adoption of New Accounting Standards

Improving Disclosure about Offsetting Assets and Liabilities

In January 2013, the FASB issued guidance that clarifies the scope of the guidance that was issued in December 2011 relating to transactions subject to disclosures about offsetting assets and liabilities. The guidance applies to derivatives, repurchase agreements and reverse repurchase agreements and securities borrowing and securities lending transactions that are offset either in accordance with specific criteria contained in the FASB clarification or subject to master netting arrangements or similar agreements. This guidance is effective for reporting periods beginning January 1, 2013, and applies retrospectively to all comparative periods presented. The adoption of this guidance did not have a material effect on the Plan s financial statements.

NOTE 3 RISKS AND UNCERTAINTIES

The Plan provides for various investment options. Investment securities are exposed to various risks such as interest rate, market and credit risk. Market values of investments could decline for several reasons including changes in prevailing market and interest rates, increases in defaults, and credit rating downgrades. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of such securities, it is at least reasonably possible that changes in investment values in the near term could materially affect participants account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the related Statement of Changes in Net Assets Available for Benefits.

NOTE 4 INVESTMENTS

Individual investments representing 5% or more of the Plan s net assets available for benefits are identified below:

	At December 31,	
	2013	**2012**
CBS Corporation Class B Common Stock Fund	$ 743,282	$ 513,925
BlackRock S&P 500 Index Fund	$ 696,545	$ 549,959
Synthetic guaranteed investment contracts, at contract value:		
Monumental Life Insurance Company MDA00930TR	$ 576,968	$ 568,477
Prudential Insurance Company of America GA-62413	$ 402,800	$ 411,105
Natixis Financial Products, Inc. No. 1222-01 (a)	$	$ 305,895
Bank of Tokyo-Mitsubishi UFJ DAM-CBS 13-1 (b)	$ 293,356	$

(a) The Plan did not participate in the investment in 2013.

(b) The Plan did not participate in the investment in 2012.

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

During the year ended December 31, 2013 the Plan s investments (including gains and losses on investments sold and held during the year) appreciated as follows:

Common collective funds	$	242,235
Separately managed accounts (common stock)		88,004
Common stock		329,681
Mutual funds		78,291
Other		56
Net appreciation in fair value of investments	$	738,267

Investment Contracts

The Plan invests in synthetic guaranteed investment contracts. During 2012, the Plan also invested in guaranteed investment contracts. As described in Note 2, the guaranteed investment contracts are fully benefit-responsive and therefore, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to these contracts. In a guaranteed investment contract, the issuer is contractually obligated to repay the principal and a specified rate of interest to the fund. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

A synthetic guaranteed investment contract provides for the repayment of principal plus a specified rate of interest through benefit-responsive wrapper contracts. A wrapper contract is issued by a third party insurance company, financial institution or bank, and is held in combination with fixed income securities to form a synthetic guaranteed investment contract. The interest crediting rate on synthetic guaranteed investment contracts reflects the yield of the associated fixed income investments, plus the amortization of realized and unrealized gains and losses on those investments, typically over the duration of the investments. Interest crediting rates are reset on a monthly or quarterly basis, and the wrapper contracts provide that adjustments to the interest crediting rate cannot result in a future interest crediting rate that is less than zero. Certain factors can influence the future interest crediting rates including, the level of market interest rates, the amount and timing of participant contributions and withdrawals, and the returns generated by the fixed income investments that are associated with the synthetic guaranteed investment contract.

In certain circumstances, the amounts withdrawn from the investment contracts will be paid at fair value rather than contract value due to employer initiated events. These events include, but are not limited to, Plan termination, a material adverse change to the provisions of the Plan, an employer election to withdraw from the contract to switch to a different investment provider, an employer s bankruptcy, full or partial termination of the Plan, layoffs, plant closings, corporate spin-offs, mergers, divestitures or other workforce restructurings, or if the terms of a successor plan do not meet the contract issuer s underwriting criteria for issuance of a replacement contract with identical terms. The Company does not expect any employer initiated events that may cause premature liquidation of a contract at market value.

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

The contract issuer is permitted to terminate the fully benefit-responsive investment contracts with the Plan and settle at an amount different from contract value in certain events, including loss of the Plan s qualified status, an un-cured material breach of responsibility, or material adverse changes to the provisions of the Plan.

At December 31, 2013, the Plan did not have any investments in guaranteed investment contracts. At December 31, 2012, guaranteed investment contracts at contract value of $15 million had a fair value in the aggregate of $15 million. At December 31, 2013 and 2012, synthetic guaranteed investment contracts at contract value of $1.53 billion and $1.60 billion, respectively, had fair values in the aggregate of $1.60 billion and $1.72 billion, respectively. The fair value of wrapper contracts was $.7 million at both December 31, 2013 and 2012.

The average yields for investment contracts in the fixed income fund were as follows:

	At December 31,	
	2013	**2012**
Based on actual earnings	1.6%	1.1%
Based on interest rate credited to participants	2.4%	3.1%

NOTE 5 - FAIR VALUE MEASUREMENTS

The following tables set forth the Plan s financial assets measured at fair value on a recurring basis at December 31, 2013 and 2012. See Note 2 for the valuation methodology used to measure the fair value of these investments. There have been no changes to the methodologies used to measure the fair value of each asset from December 31, 2012 to 2013. These assets have been categorized according to the three-level fair value hierarchy established by the FASB, which prioritizes the inputs used in measuring fair value. Level 1 is based on quoted prices for the asset in active markets. Level 2 is based on inputs that are observable other than quoted market prices in Level 1, such as quoted prices for the asset in inactive markets or quoted prices for similar assets. Level 3 is based on unobservable inputs reflecting the Plan s own assumptions about the assumptions that market participants would use in pricing the asset. The asset s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and

minimize the use of unobservable inputs.

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

At December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Fixed income fund:				
Money market funds (a)	$	$ 31,344	$	$ 31,344
Assets held under synthetic guaranteed investment contracts:				
Cash and cash equivalents, including net (payables) receivables	(76,470)	3,532		(72,938)
Money market funds (a)		94,838		94,838
Common collective funds (b)		39,979		39,979
U.S. Treasury securities	579,965			579,965
Government related securities		80,942		80,942
Corporate bonds		453,009		453,009
Mortgage-backed and asset-backed securities		418,588		418,588
Futures (c)	297			297
Swaps (c)		1,422		1,422
Wrapper value			660	660
Common collective funds:				
S&P 500 index fund (d)		696,545		696,545
Target date retirement funds (e)		483,622		483,622
Emerging markets equity fund		72,280		72,280
Mid cap equity index fund		143,619		143,619
Bond index fund		135,231		135,231
International equity fund		127,585		127,585
Separately managed accounts:				
Wellington Growth Portfolio (f)	160,296	639		160,935
Dodge & Cox Value Equity Fund (f)	145,254	7,472		152,726
Common stock:				
CBS Corp. common stock	744,388			744,388
Other common stock	24,213			24,213
Registered investment companies (g)	155,898			155,898
Money market funds (a)		14,575		14,575
Other	10			10
Total	$ 1,733,851	$ 2,805,222	$ 660	$ 4,539,733

(a) Primarily invested in U.S. government securities and U.S. government agency securities.

(b) Primarily invested in mortgage-backed and U.S. government fixed income securities.

(c) See Note 6 for asset and liability positions of derivative financial instruments.

(d) Primarily invested in large capitalization equities.

(e) Primarily invested in a mix of equities and bonds based on target retirement year.

(f) Primarily invested in large capitalization equities. Assets categorized as Level 2 reflect investments in mutual funds traded in inactive markets.

(g) Primarily invested in small capitalization equities.

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

At December 31, 2012	Level 1	Level 2	Level 3	Total
Fixed income fund:				
Money market funds (a)	$	$ 45,337	$	$ 45,337
Guaranteed investment contracts			15,261	15,261
Assets held under synthetic guaranteed investment contracts:				
Cash and cash equivalents, including net (payables) receivables	(80,167)	2,796		(77,371)
Money market funds (a)		64,944		64,944
Common collective funds (b)		45,157		45,157
U.S. Treasury securities	620,185			620,185
Government related securities		125,233		125,233
Corporate bonds		428,314		428,314
Mortgage-backed and asset-backed securities		514,147		514,147
Futures (c)	570			570
Wrapper value			709	709
Common collective funds:				
S&P 500 index fund (d)		549,959		549,959
Target date retirement funds (e)		318,902		318,902
Emerging markets equity fund		84,817		84,817
Mid cap equity index fund		91,647		91,647
Bond index fund		139,003		139,003
International equity fund		91,549		91,549
Separately managed accounts:				
Wellington Growth Portfolio (f)	130,413	1,144		131,557
Dodge & Cox Value Equity Fund (f)	107,402	2,878		110,280
Common stock:				
CBS Corp. common stock	514,672			514,672
Other common stock	19,945			19,945
Registered investment companies (g)	111,978			111,978
Money market funds (a)		9,148		9,148
Other	5			5
Total	$ 1,425,003	$ 2,514,975	$ 15,970	$ 3,955,948

(a) Primarily invested in U.S. government securities and U.S. government agency securities.

(b) Primarily invested in mortgage-backed and U.S. government fixed income securities.

(c) See Note 6 for asset and liability positions of derivative financial instruments.

(d) Primarily invested in large capitalization equities.

(e) Primarily invested in a mix of equities and bonds based on target retirement year.

(f) Primarily invested in large capitalization equities. Assets categorized as Level 2 reflect investments in mutual funds traded in inactive markets.

(g) Primarily invested in small capitalization equities.

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

The table below sets forth a summary of changes in the fair value of the Plan s Level 3 assets at December 31, 2013.

	Guaranteed Investment Contracts	Wrapper Value
At January 1, 2013	$ 15,261	$ 709
Actual return on investments:		
Related to investments held at end of year	151	(49)
Purchases, sales, issuances and settlements:		
Settlements	(15,412)	
At December 31, 2013	$	$ 660

NOTE 6 - FINANCIAL INSTRUMENTS

As part of their investment strategy, the managers of the fixed income fund, which invests in synthetic guaranteed investment contracts, may use derivative financial instruments for various purposes including, managing exposure to sector risk or movements in interest rates, extending the duration of the life of the investment portfolio and as a substitute for cash securities. The derivative instruments typically used are interest rate futures, options and swaps. There is exposure to credit loss in the event of nonperformance by counterparties to option and swap transactions. The Plan s investment managers continually monitor the Plan s positions with, and credit quality of, the financial institutions which are counterparties to its derivative instruments. Nonperformance by any of the counterparties is not anticipated.

The notional amount of outstanding futures contracts was $134 million at December 31, 2013 and $28 million at December 31, 2012. The notional amount of outstanding swap contracts was $55 million at December 31, 2013. There were no outstanding swap contracts at December 31, 2012.

The fair value of derivative financial instruments recorded on the Statements of Net Assets Available for Benefits at December 31, 2013 and 2012 was as follows:

	At December 31, 2013	At December 31, 2012	Statement of Net Assets Available for Benefits Account
Asset position:			
Interest rate futures	$ 761	$ 704	Investments, at fair value
Interest rate swaps	$ 1,422	$	Investments, at fair value
Liability position:			
Interest rate futures	$ (464)	$ (134)	Investments, at fair value

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

Net gains recognized on derivative financial instruments were as follows:

	Year Ended December 31, 2013
Interest rate futures	$ 1,450

The gains and losses recognized on derivative instruments are reflected in the fair value of the synthetic guaranteed investment contracts, which is used in determining the interest earned on these contracts.

NOTE 7 - INCOME TAX STATUS

The Internal Revenue Service (IRS) issued a favorable determination letter dated April 18, 2013, indicating that the Plan satisfied the requirements of Section 401(a) of the Code and that the trust thereunder is exempt from federal income taxes under the provisions of Section 501(a) of the Code. The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable provisions of the Code. In addition, the Plan Administrator has concluded that as of December 31, 2013, there are no uncertain tax positions taken or expected to be taken that require recognition of an asset or liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2010.

NOTE 8 TERMINATION PRIORITIES

Although the Company anticipates that the Plan will continue indefinitely, it reserves the right, by action of its Board, or delegates thereof, to amend or terminate the Plan provided that such action does not retroactively reduce earned participant benefits. In the event of termination of the Plan, participants become fully vested. Upon termination, the

Plan provides that the net assets of the Plan would be distributed to participants based on their respective account balances.

NOTE 9 SUBSEQUENT EVENT

On January 1, 2014, in connection with the planned disposition of CBS Outdoor, the Company established the Outdoor 401(k) Plan. In January 2014, net assets of approximately $151,500,000 attributable to CBS Outdoor participants in the CBS 401(k) Plan were transferred to the Outdoor 401(k) Plan. These participants accounts were invested into funds in the Outdoor 401(k) Plan that are similar in nature to the CBS 401(k) Plan s funds.

CBS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

NOTE 10 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	At December 31,	
	2013	**2012**
Net assets available for benefits per the financial statements	$ 4,535,452	$ 3,875,358
Amounts allocated to withdrawing participants	(609)	(410)
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	62,561	123,251
Net assets available for benefits per the Form 5500	$ 4,597,404	$ 3,998,199

The following is a reconciliation of the net increase in net assets available for benefits as reflected in the financial statements to the Form 5500:

	Year Ended December 31, 2013
Net increase in net assets available for benefits per the financial statements	$ 660,094
Less: Amounts allocated to withdrawing participants at December 31, 2013	(609)
Add: Amounts allocated to withdrawing participants at December 31, 2012	410
Add: Adjustment from contract value to fair value for fully benefit- responsive investment contracts at December 31, 2013	62,561
Less: Adjustment from contract value to fair value for fully benefit- responsive investment contracts at December 31, 2012	(123,251)
Net increase in net assets available for benefits per the Form 5500	$ 599,205

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, 2013, but were not paid as of that date.

SCHEDULE H, line 4a

CBS 401 (k) PLAN

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

For the year ended December 31, 2013

(Dollars in thousands)

Participant Contributions Transferred Late to Plan	Total That Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
Check Here If Late Participant Loan Repayments Are Included x	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
$ -	$ -	$ 185	$ -	$ -

SCHEDULE H, line 4i

CBS 401 (k) PLAN

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2013

(Dollars in thousands)

	Identity of issuer, borrower, lessor or similar party	Maturity and Interest Rates	Cost (5)	Current Value	Wrapper Value
	Self Directed Accounts			$ 34,897	$ -
	Corporate Common Stock				
*	CBS Corporation Class A Common Stock			1,106	-
*	CBS Corporation Class B Common Stock			743,282	-
	Total Corporate Common Stock			744,388	-
	Mutual Funds				
	DFA U.S. Small Cap Fund			150,275	-
*	Dreyfus Government Cash Management Fund			40,868	-
	Total Mutual Funds			191,143	-
	Common Collective Funds				
	BlackRock S&P 500 Index Fund			696,545	-
	BlackRock Mid Cap Equity Index Fund			143,619	-
*	BNY Mellon Aggregate Bond Index Fund			135,231	-
	Capital Guardian International Equity Fund			127,585	-
	BlackRock LifePath 2020 Fund			105,106	-
	BlackRock LifePath 2040 Fund			97,814	-
	BlackRock LifePath 2050 Fund			74,222	-
	Capital Guardian Emerging Markets Equity Fund			72,280	-
	BlackRock LifePath 2045 Fund			50,780	-
	BlackRock LifePath Retirement Fund			43,689	-
	BlackRock LifePath 2035 Fund			33,493	-
	BlackRock LifePath 2030 Fund			31,249	-
	BlackRock LifePath 2025 Fund			28,284	-
	BlackRock LifePath 2015 Fund			18,985	-
	Total Common Collective Funds			1,658,882	-

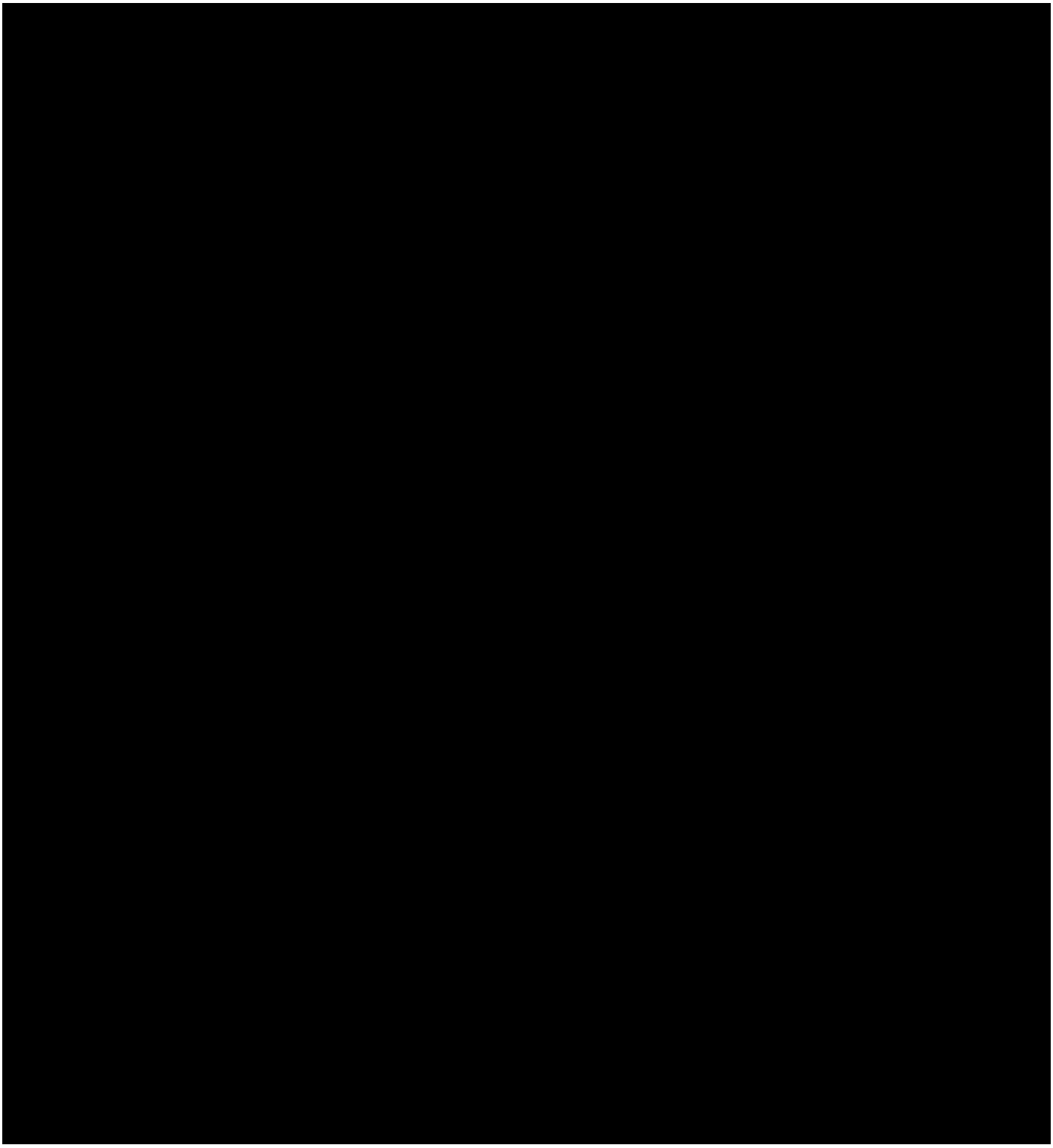
	Separately Managed Accounts (1)			
(2)	Wellington Growth Portfolio		160,935	-
(2)	Dodge & Cox Value Equity Fund		152,726	-
	Total Separately Managed Accounts		313,661	-
	Synthetic Guaranteed Investment Contracts (3)			
(4)	Monumental Life Insurance Company MDA00930TR	evergreen and variable %	602,262	-
(4)	Prudential Insurance Company of America GA-62413	evergreen and variable %	413,860	-
(4)	Bank of Tokyo-Mitsubishi UFJ DAM-CBS13-1	evergreen and variable %	306,783	-
(4)	State Street Bank and Trust Company No. 108002	evergreen and variable %	154,307	-
(4)	Bank of Tokyo-Mitsubishi UFJ DAM-CBS13-2	evergreen and variable %	119,550	-
	Total Synthetic Guaranteed Investment Contracts		1,596,762	-
*	Notes receivable from participants	Maturity dates through 2038 and interest rates ranging from 4.25% to 11.50%	34,584	-
	Wrapper value		-	660
	Total investments, at fair value and notes receivable from participants		**$ 4,574,317**	**$ 660**

* Identified as a party-in-interest transaction to the Plan.

(1) Includes $8 million of investments identified as a party-in-interest transaction to the Plan.
(2) Refer to Attachment A for listing of assets relating to these accounts.
(3) Includes $97 million of investments identified as a party-in-interest transaction to the Plan.
(4) Refer to Attachment B for listing of assets relating to these contracts.
(5) There are no non-participant directed investments.

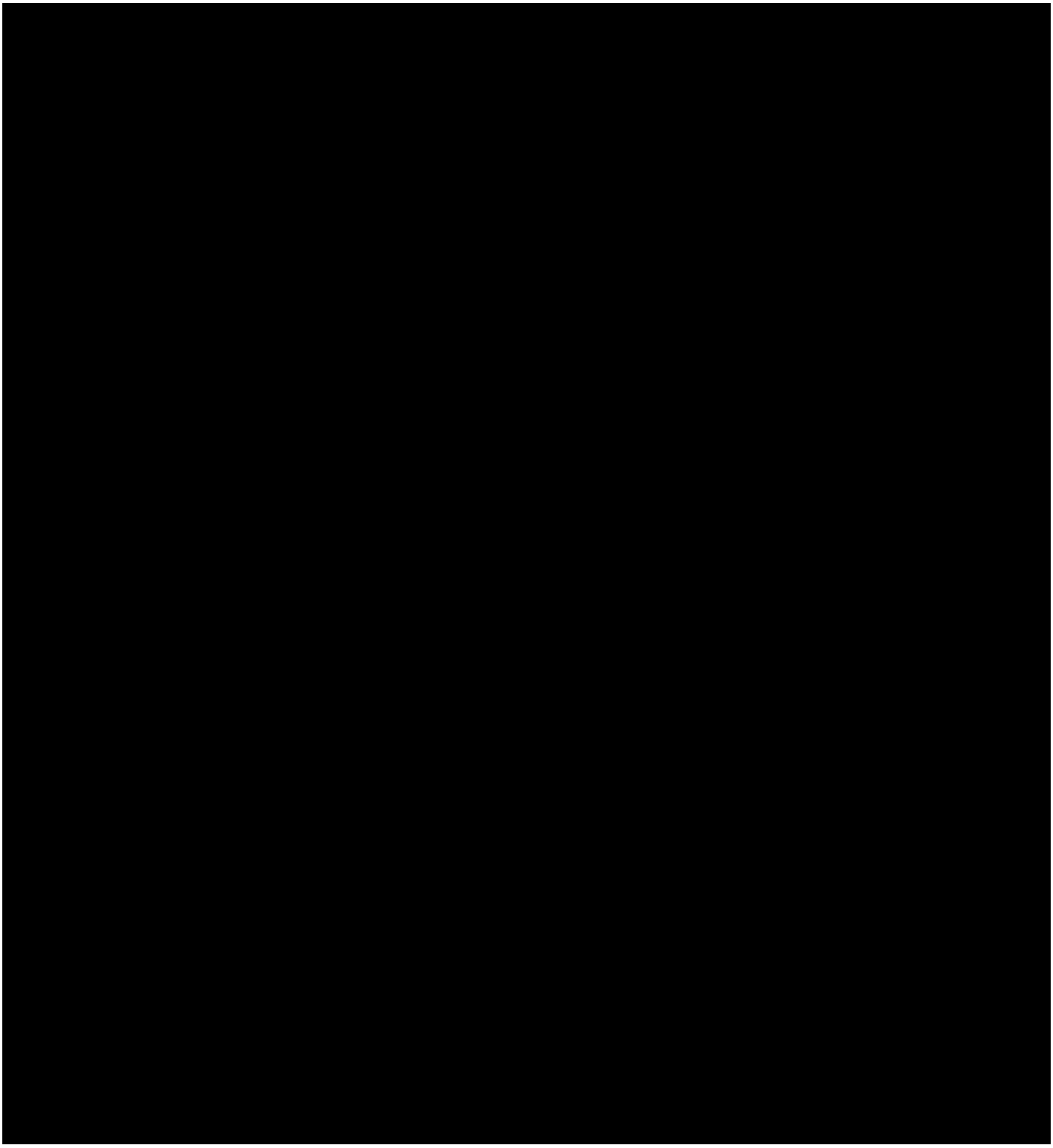
Attachment A

(In thousands)



Attachment A

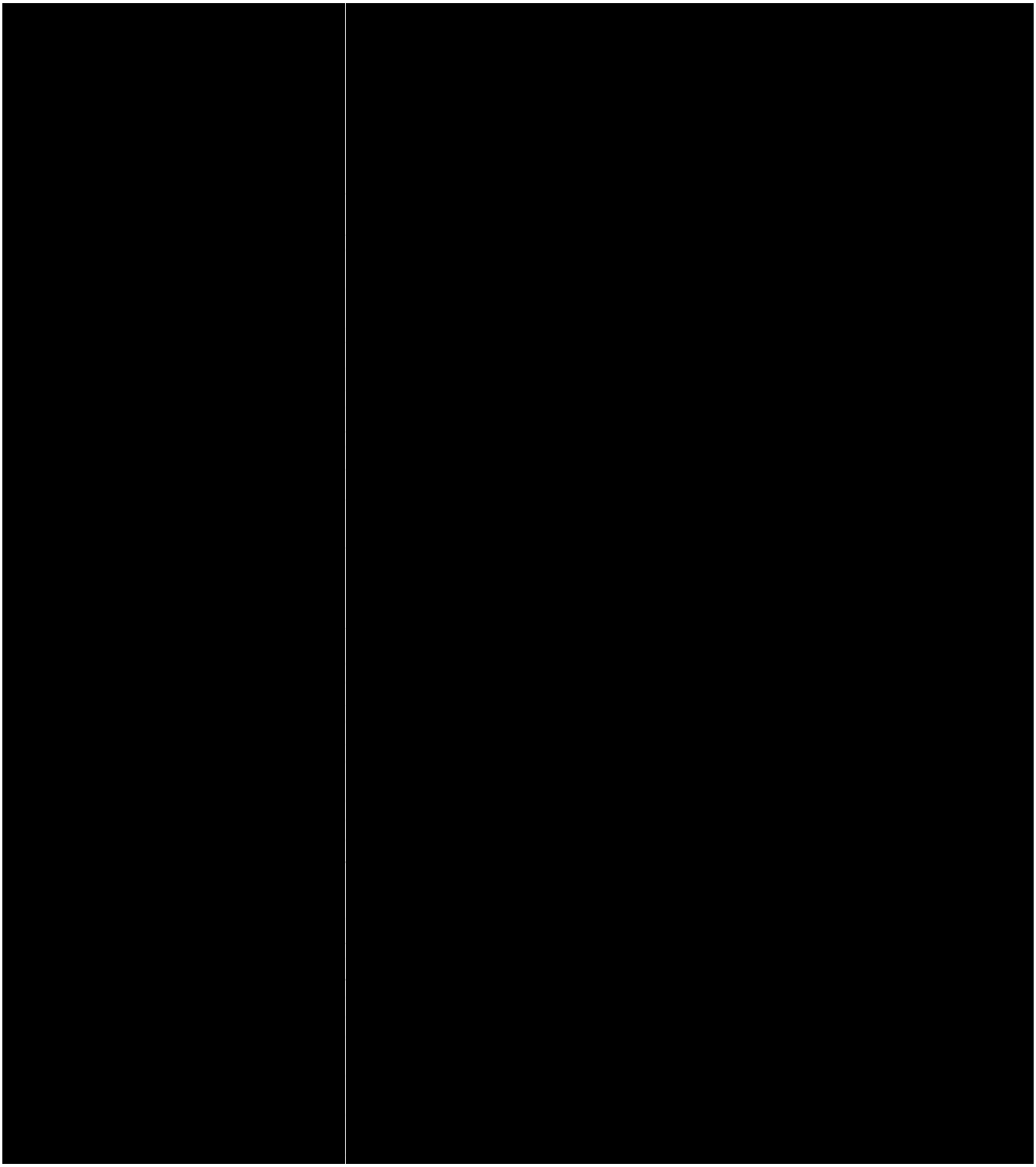
(In thousands)

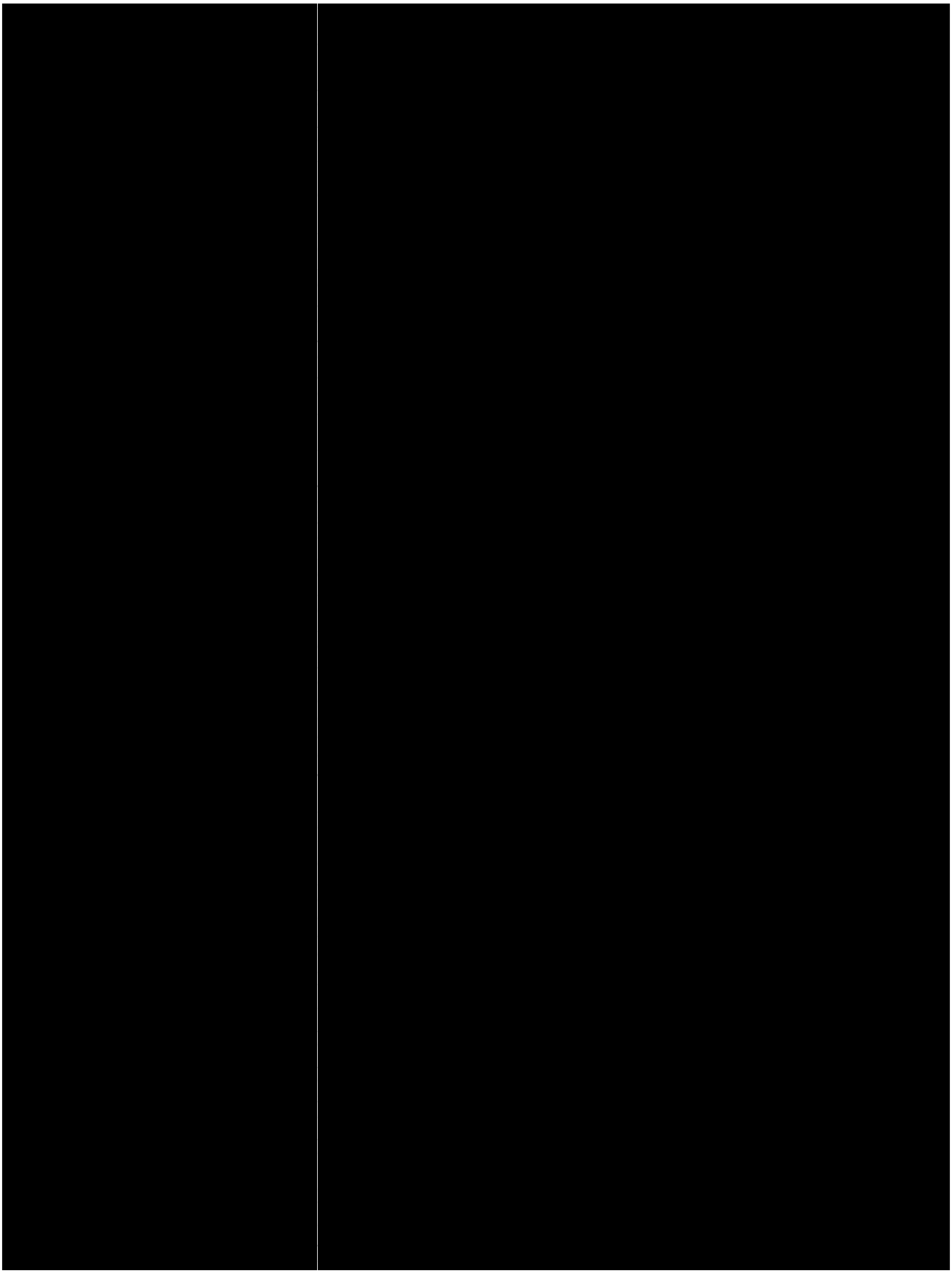


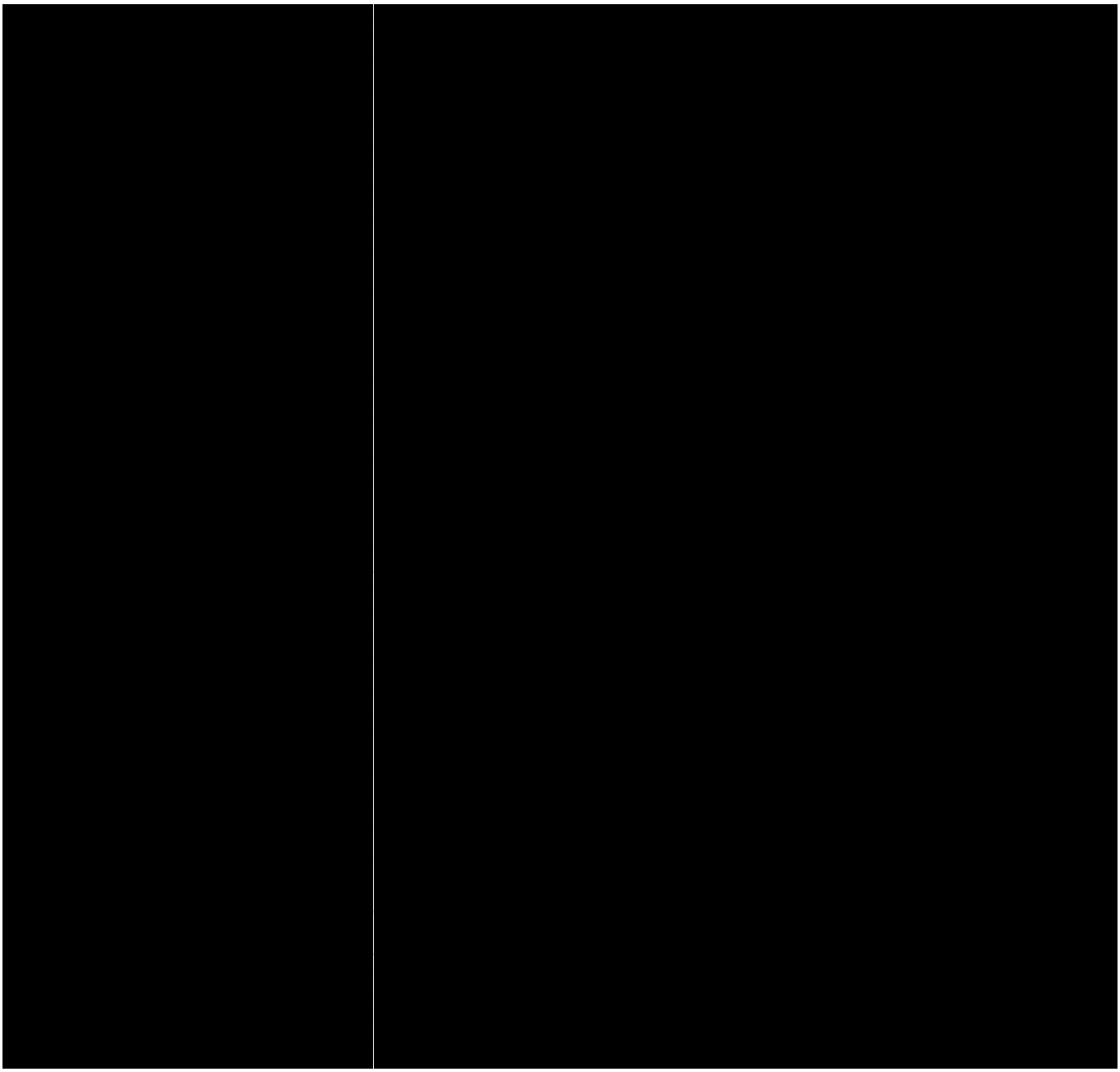
* **Identified as a party-in-interest transaction to the Plan.**

Attachment B

(In thousands)

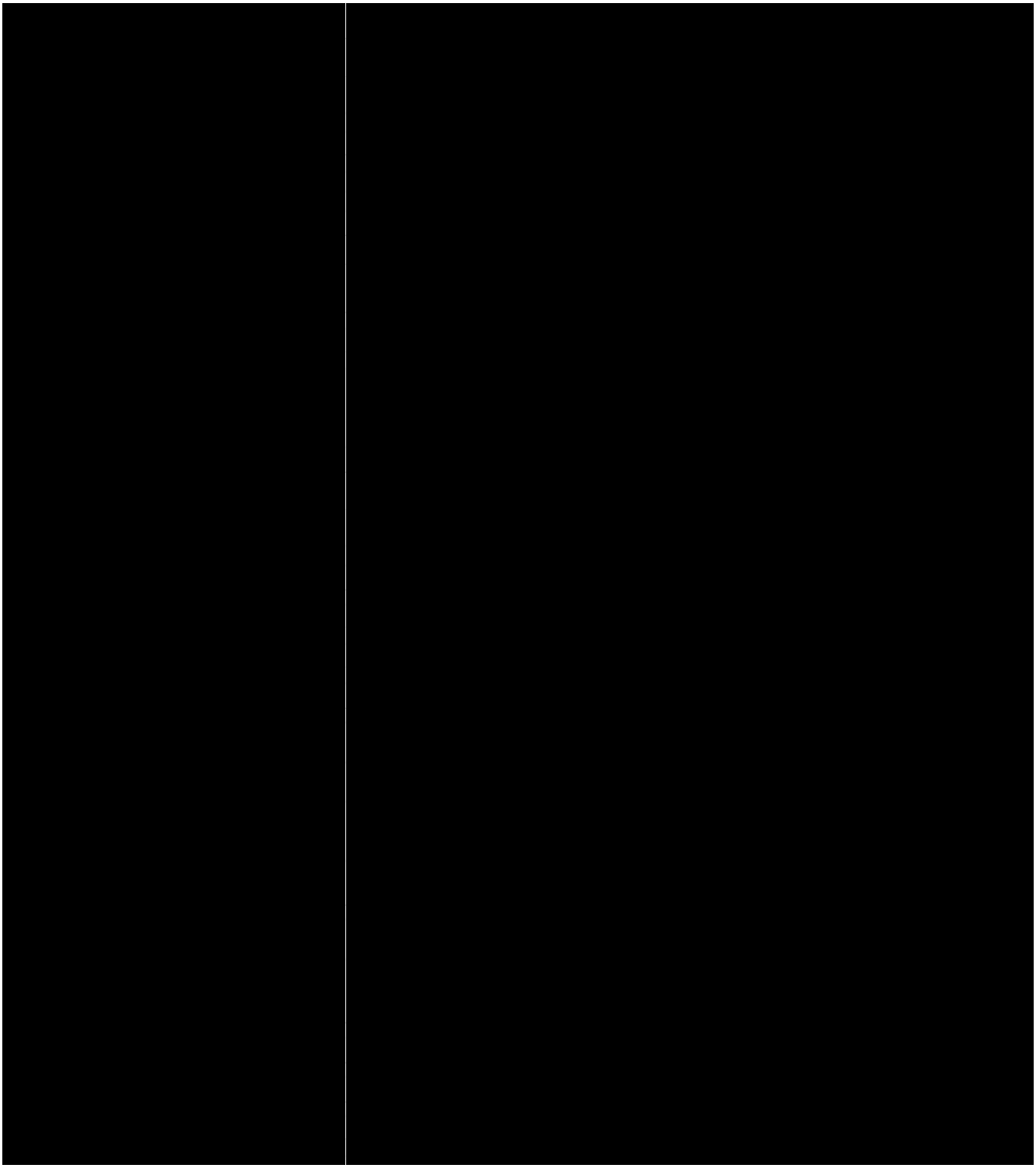


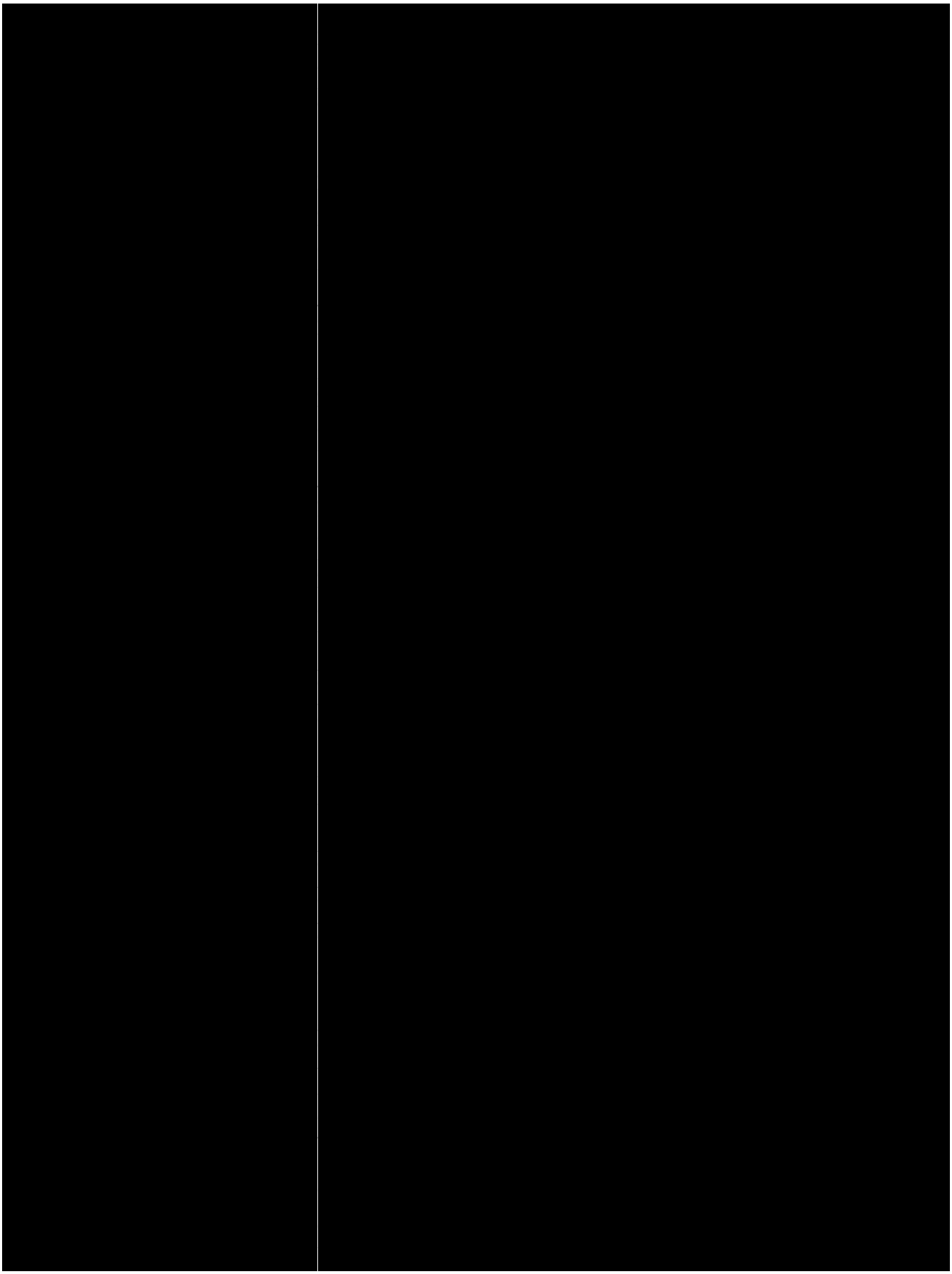


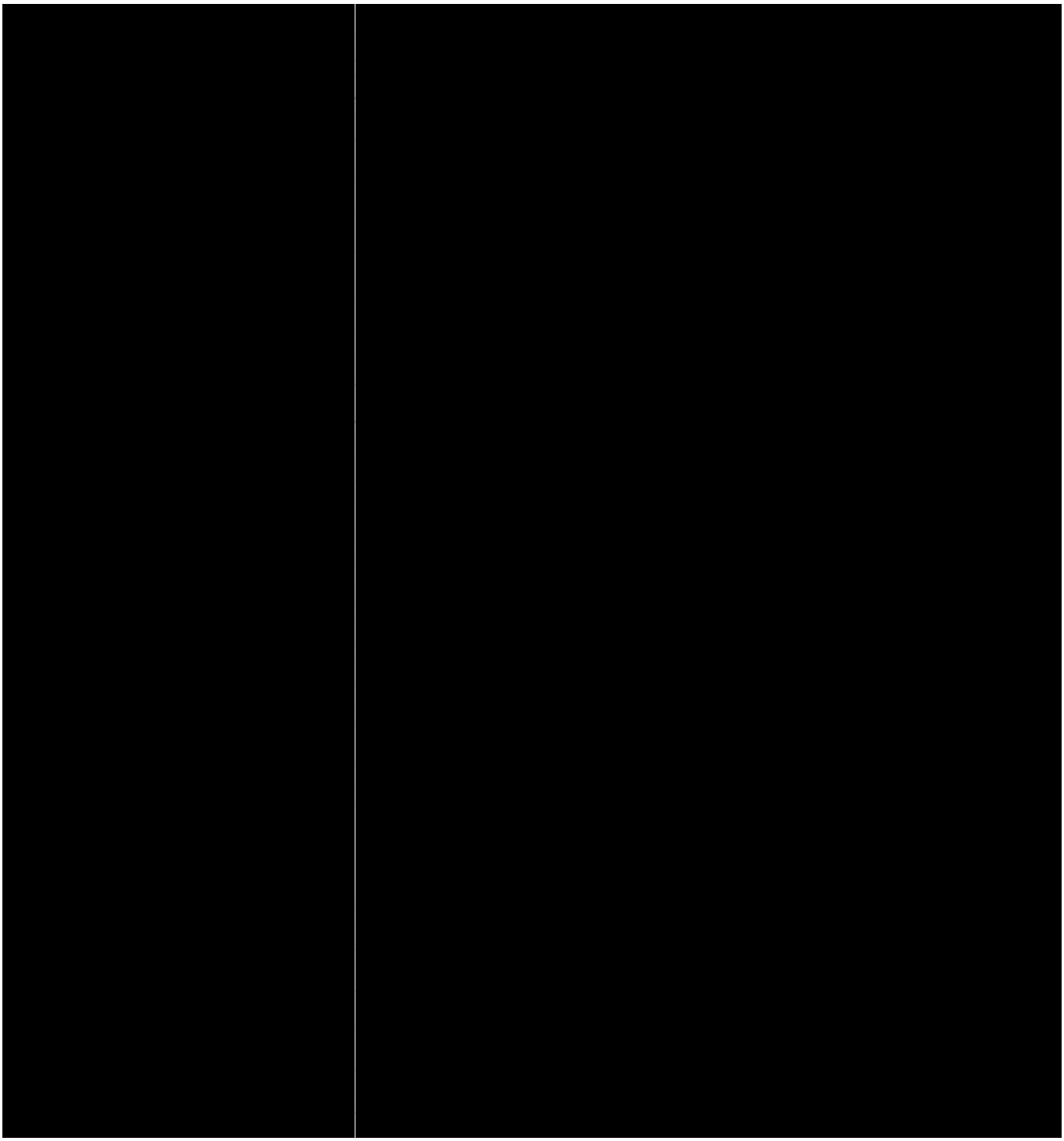


Attachment B

(In thousands)

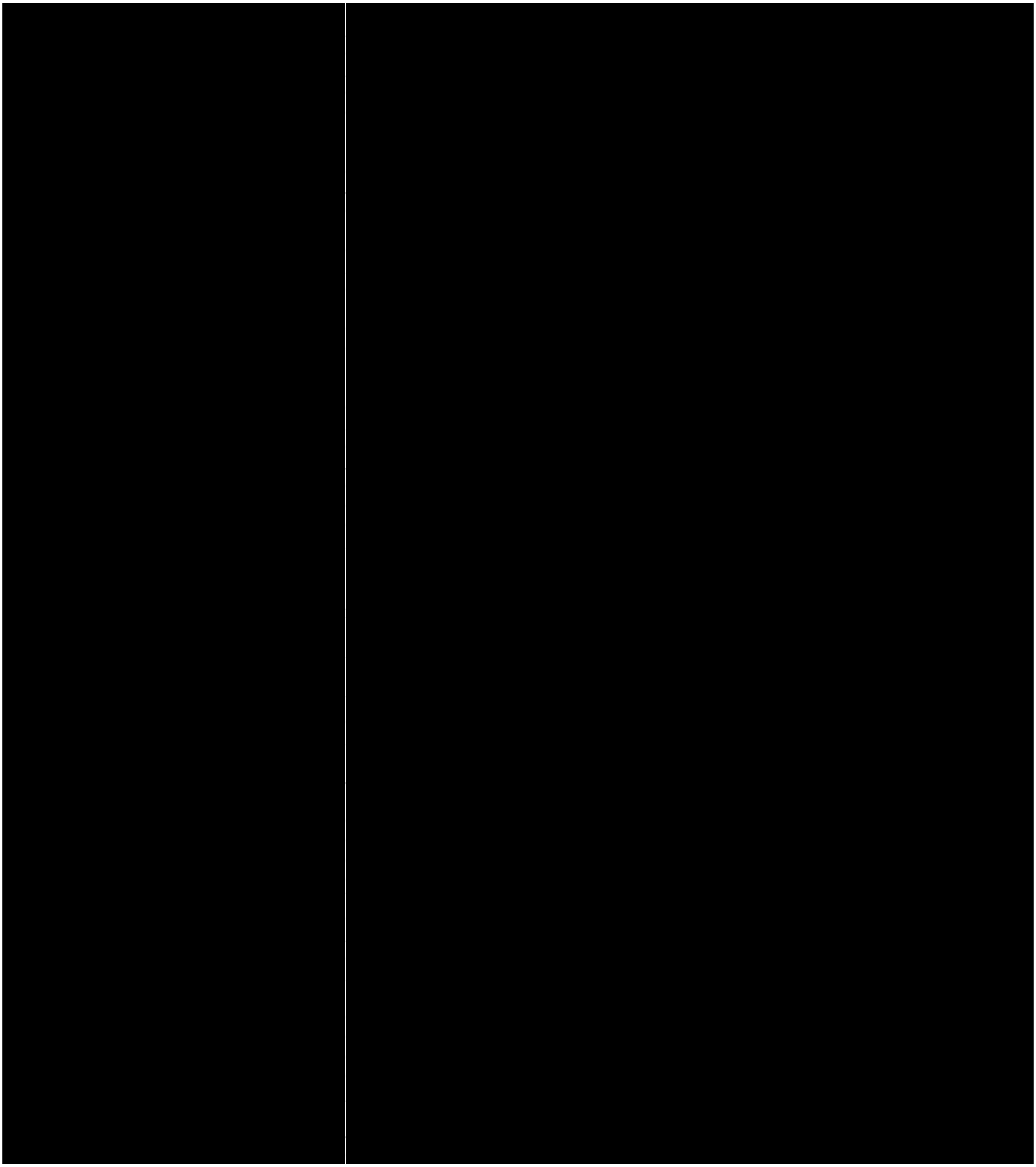


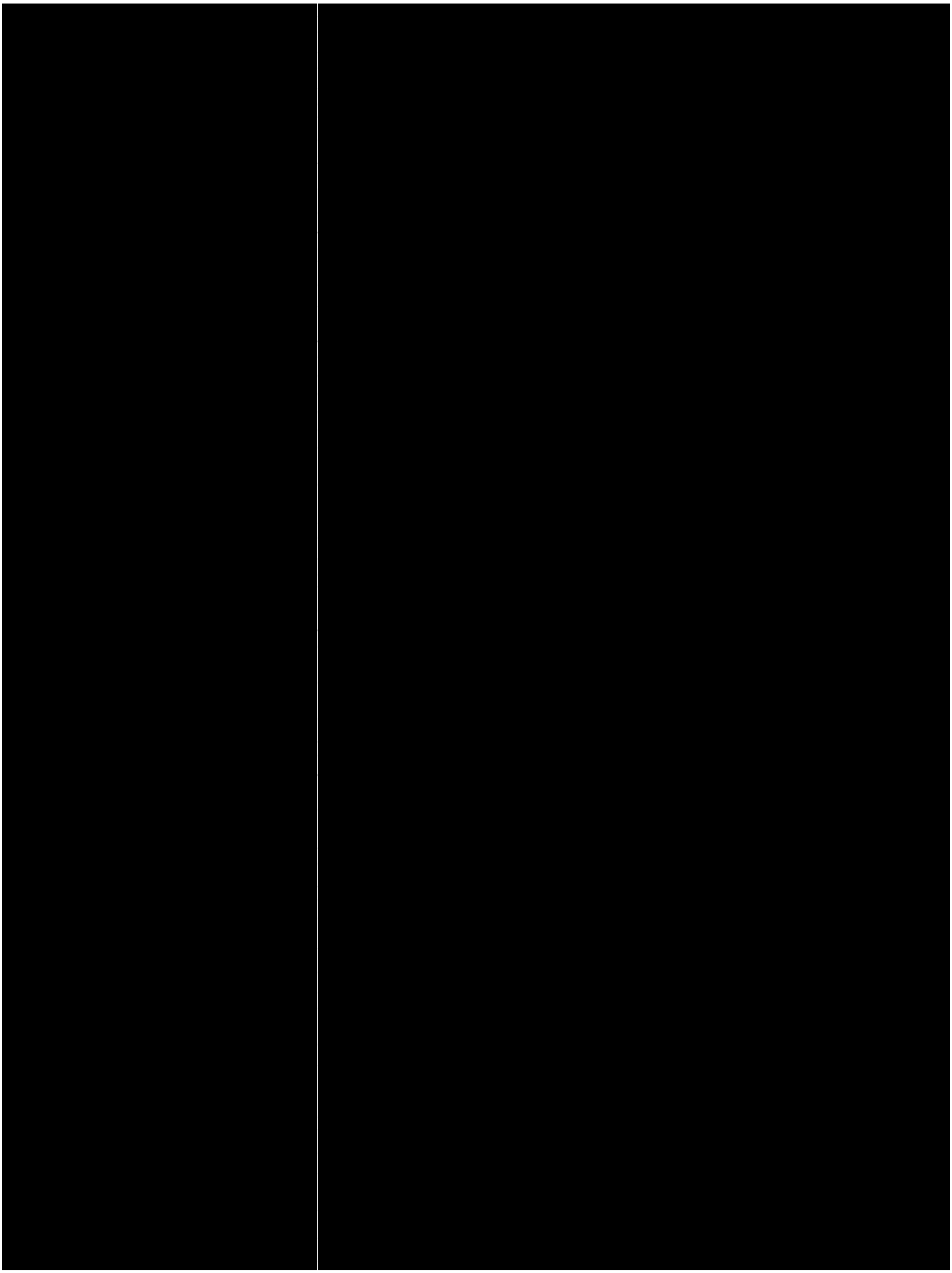


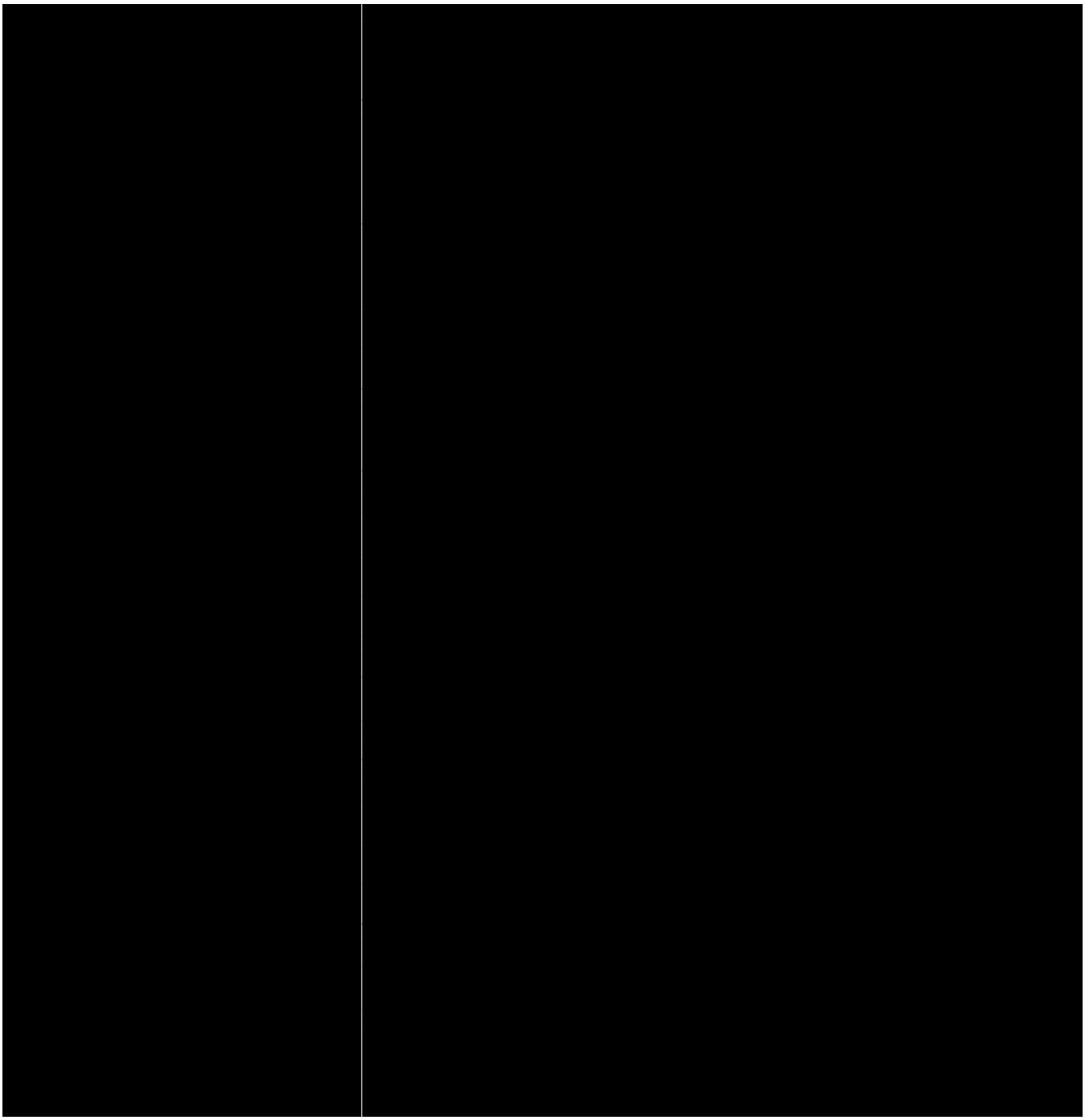


Attachment B

(In thousands)

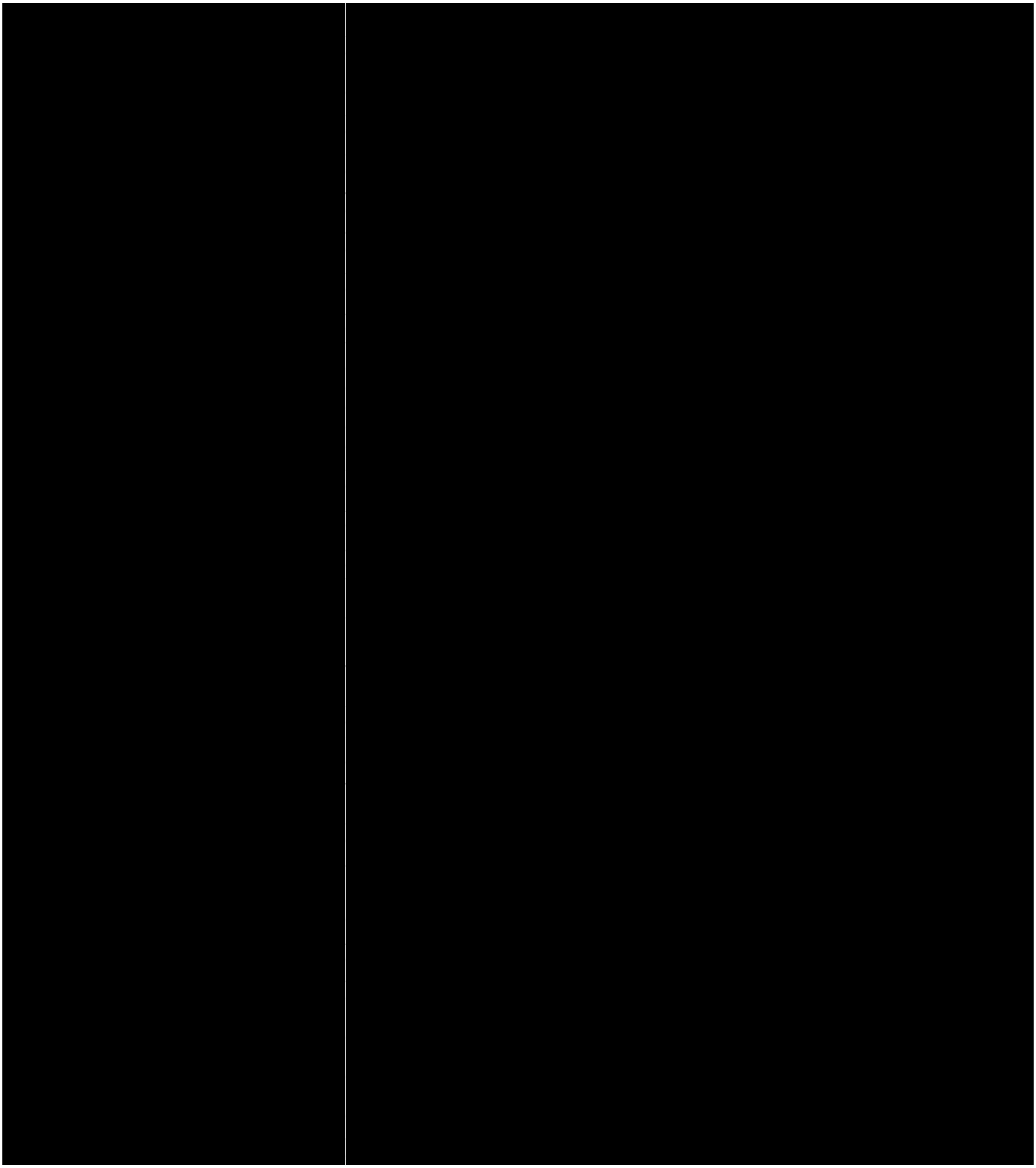


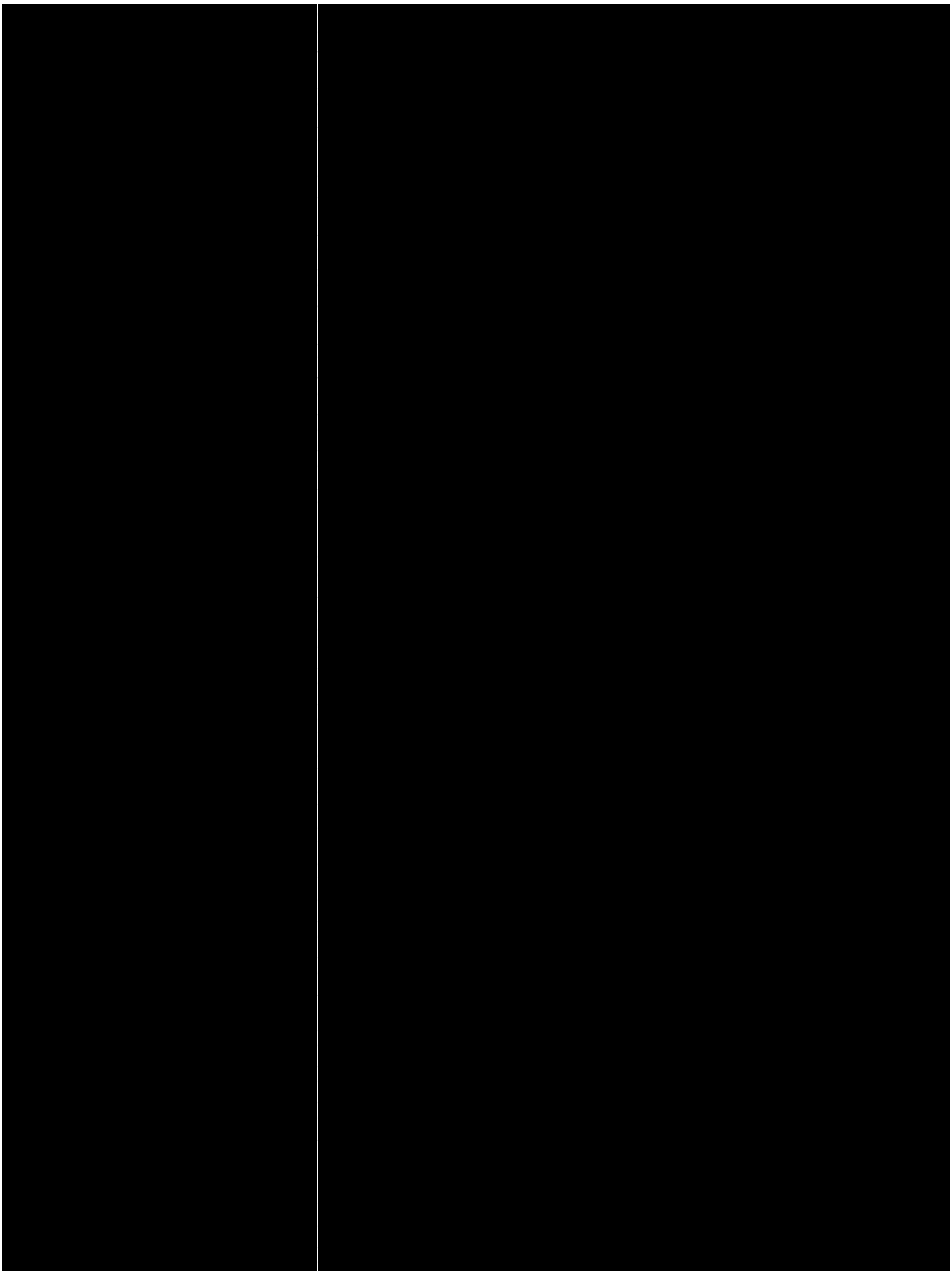


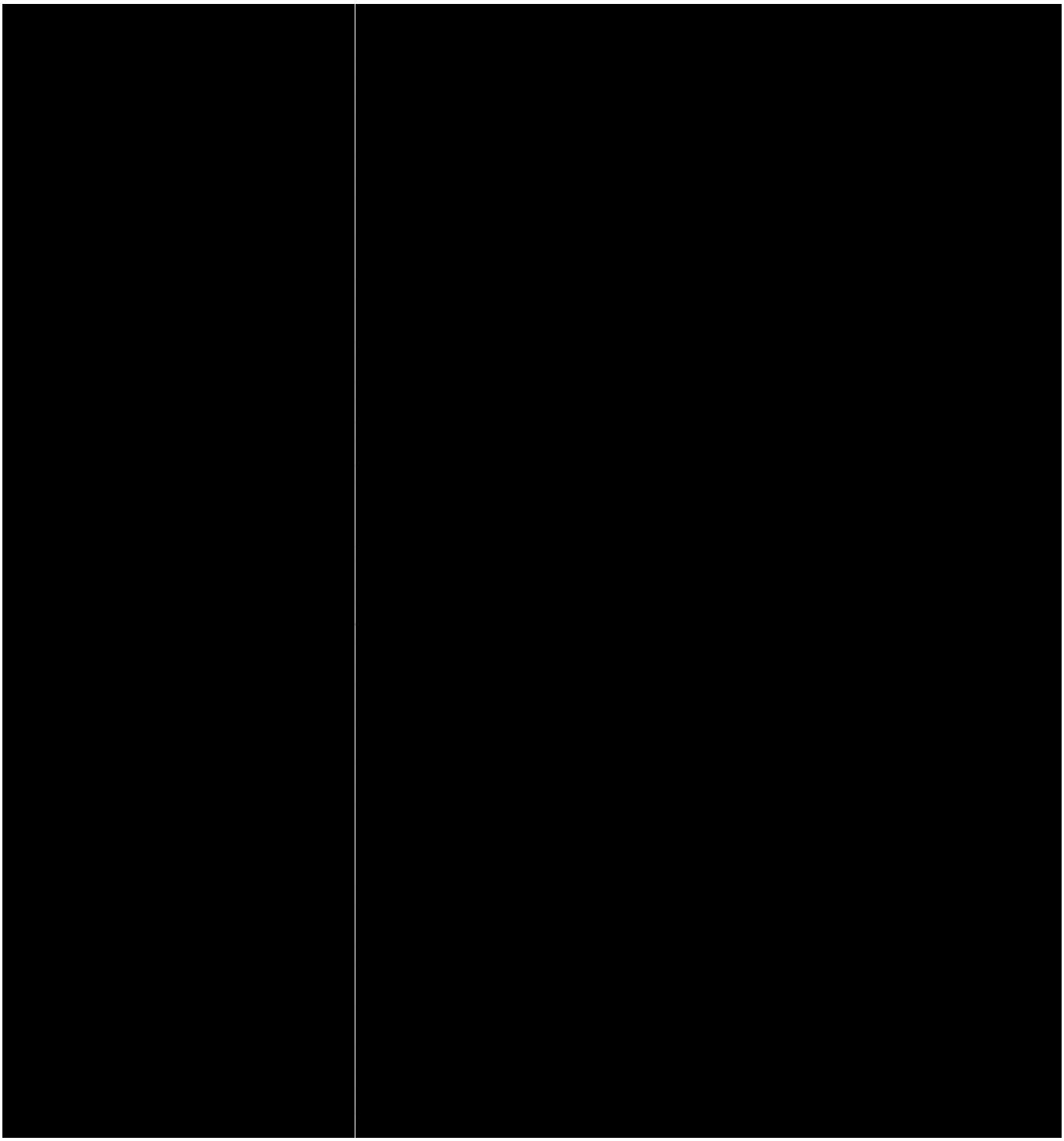


Attachment B

(In thousands)

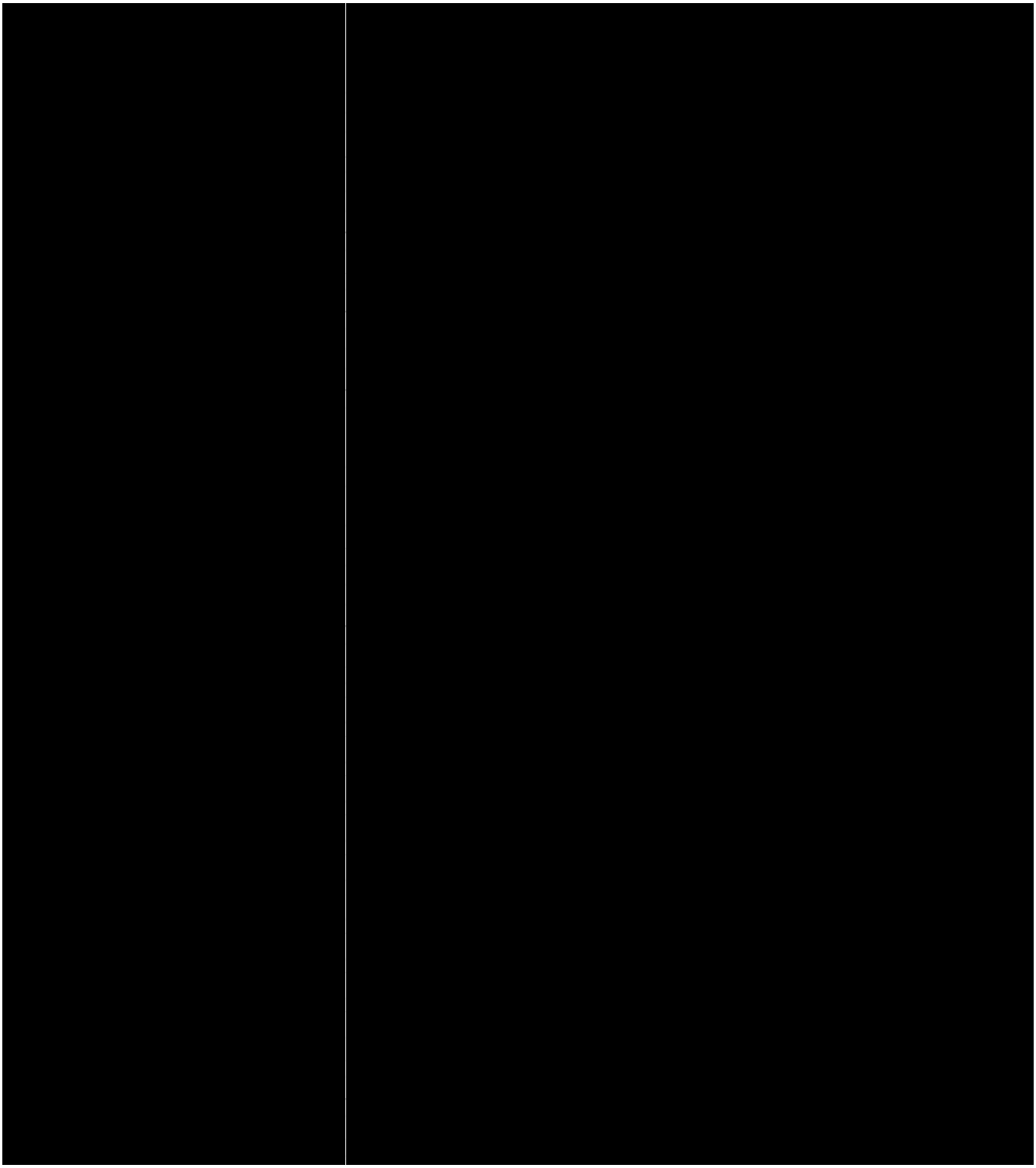


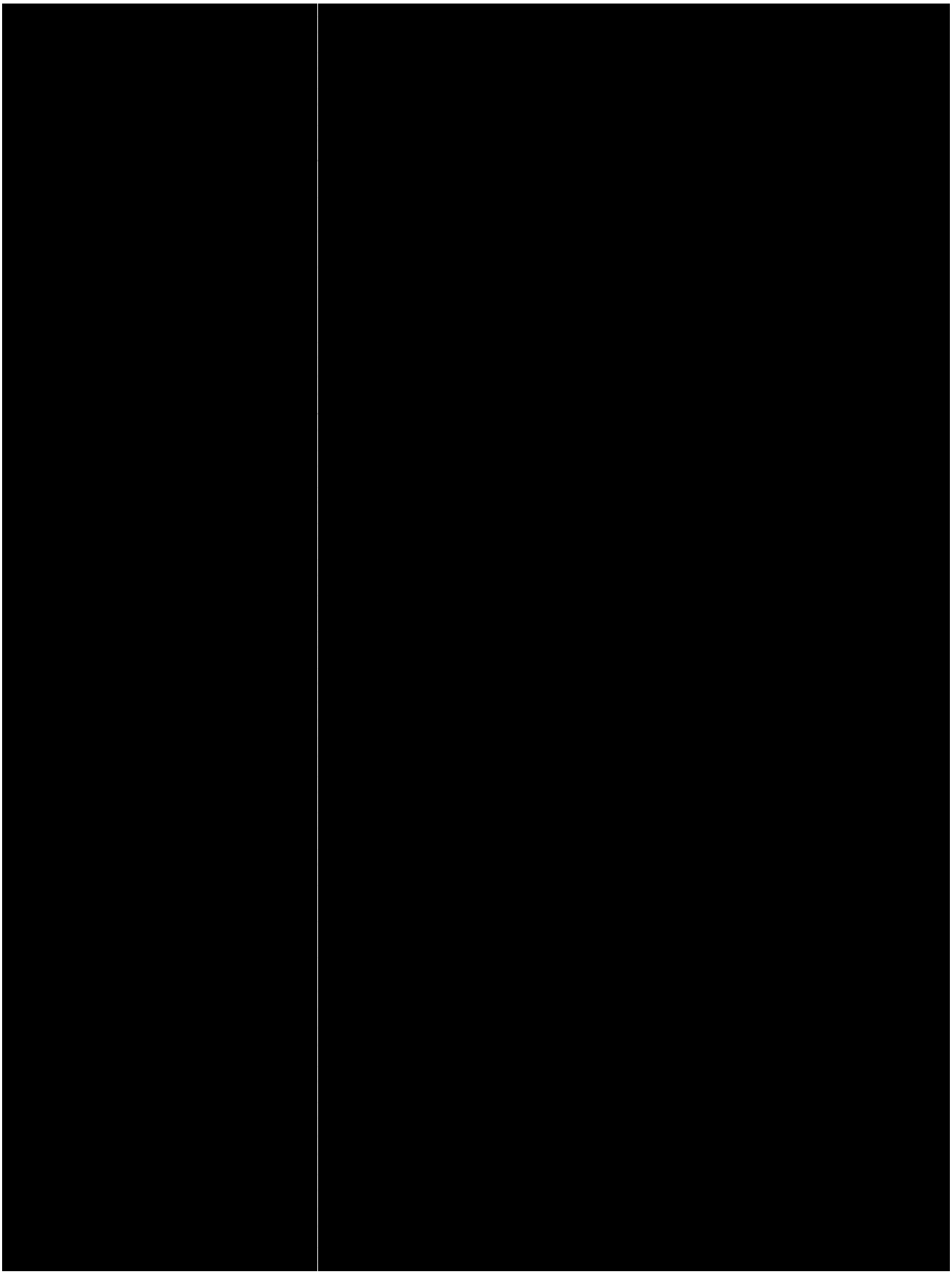


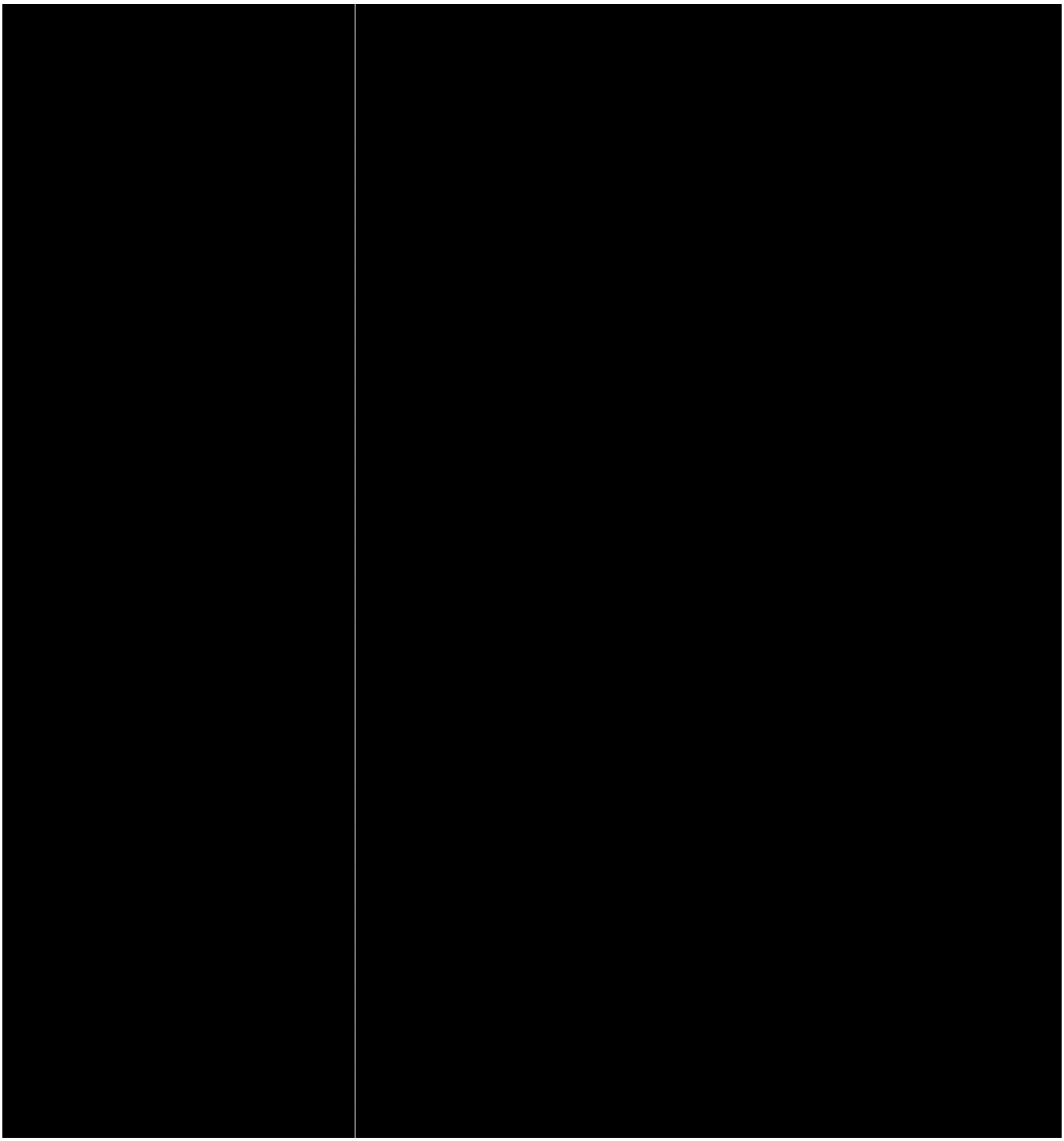


Attachment B

(In thousands)

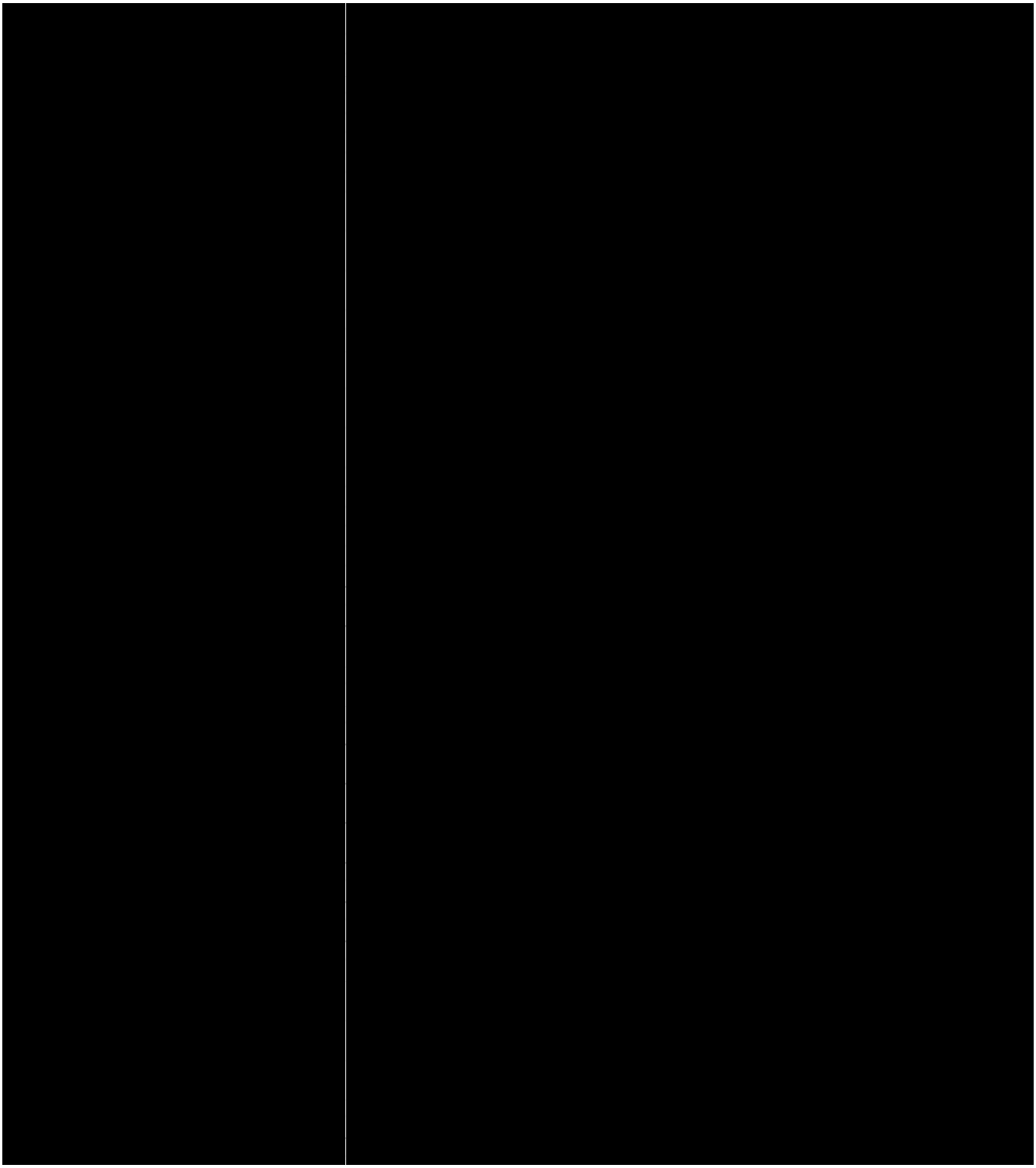


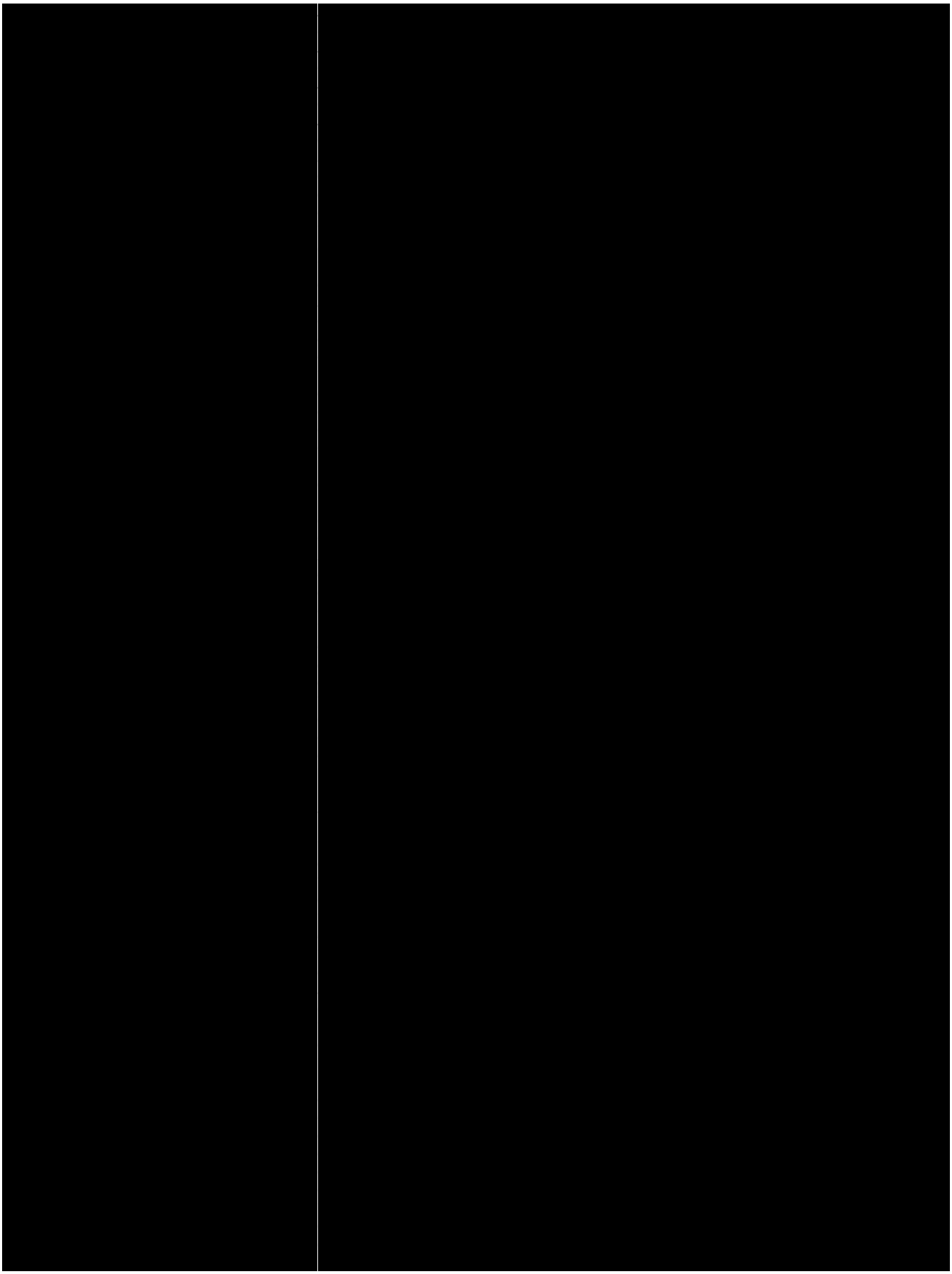


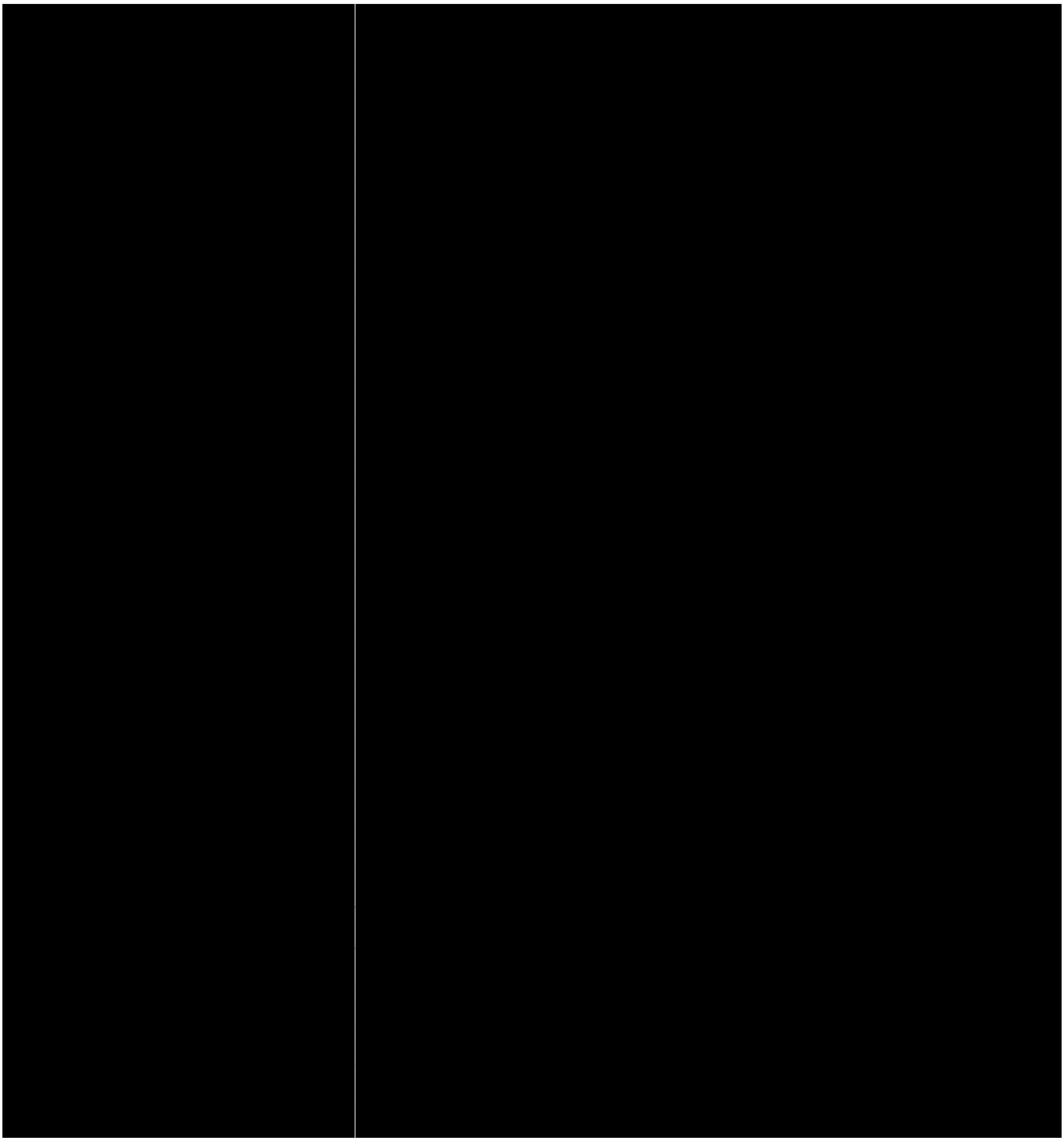


Attachment B

(In thousands)

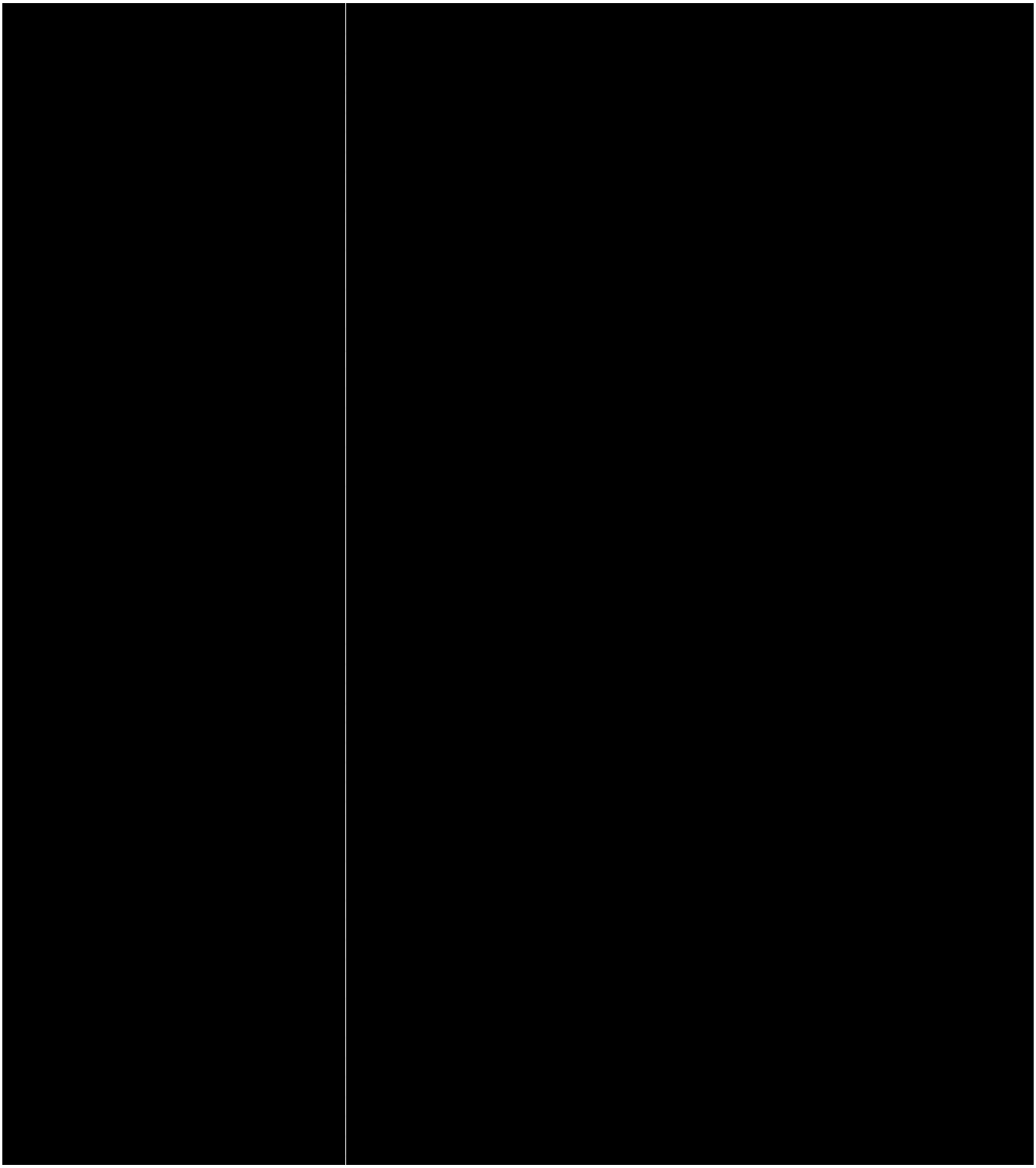


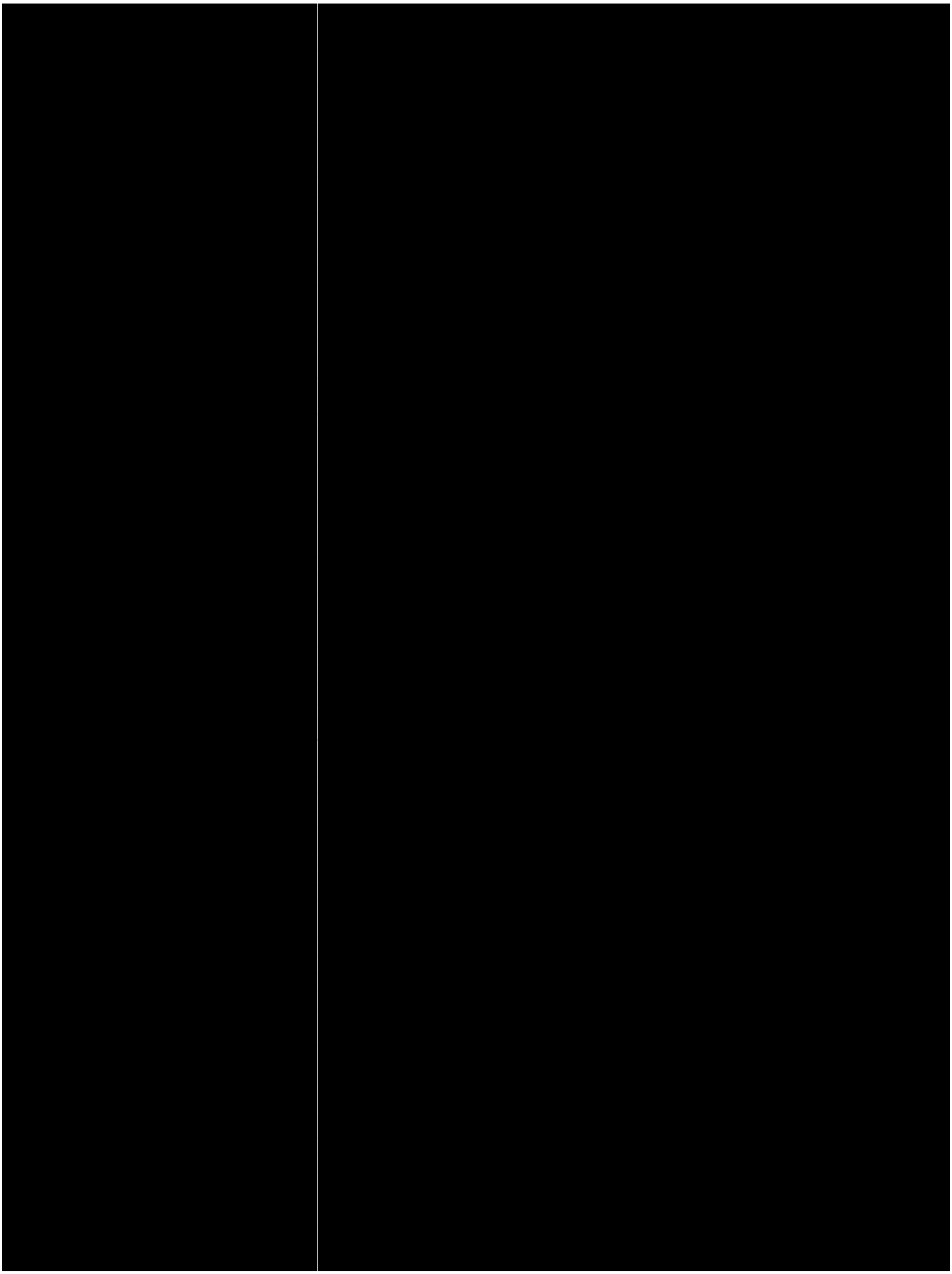


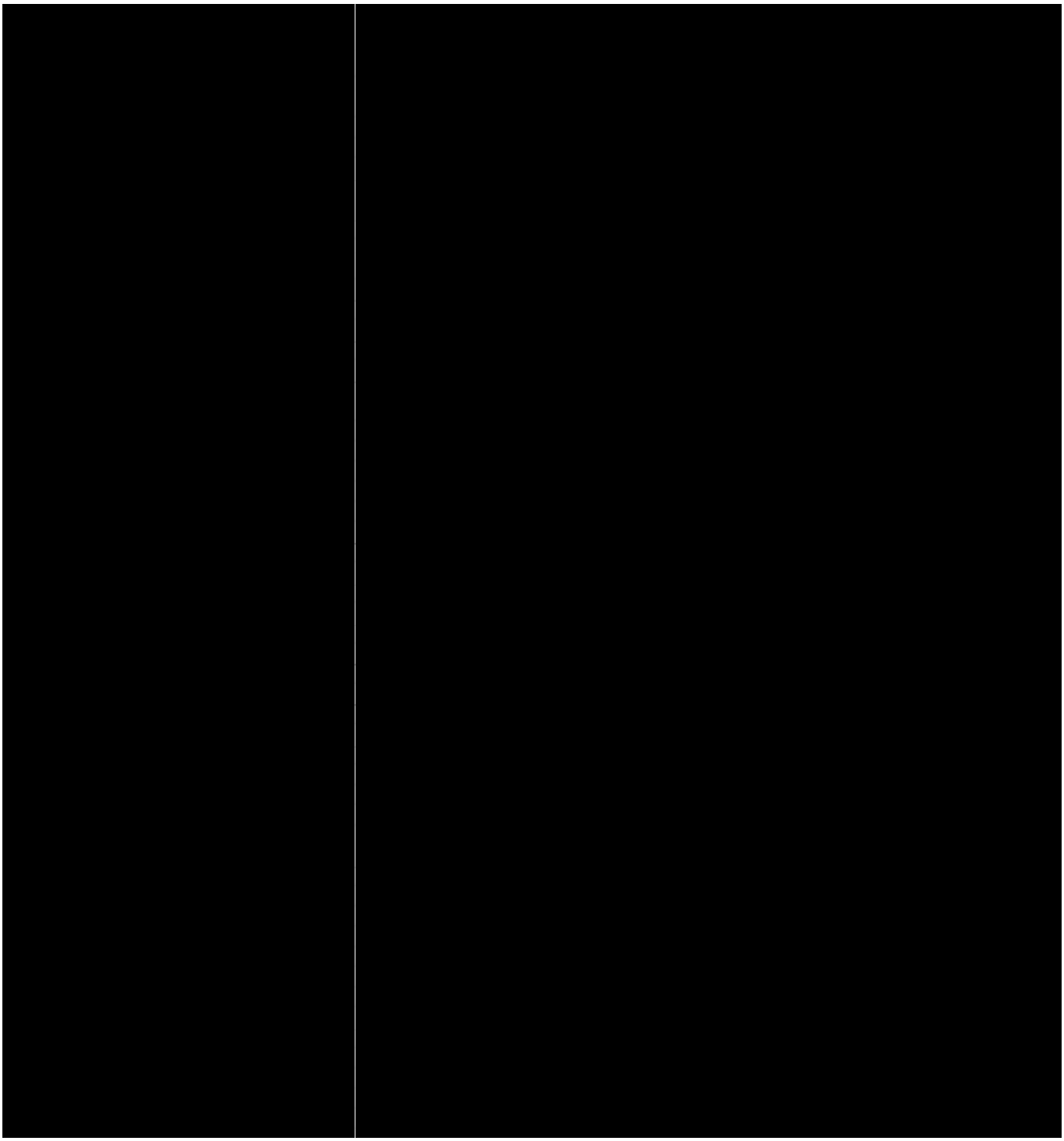


Attachment B

(In thousands)

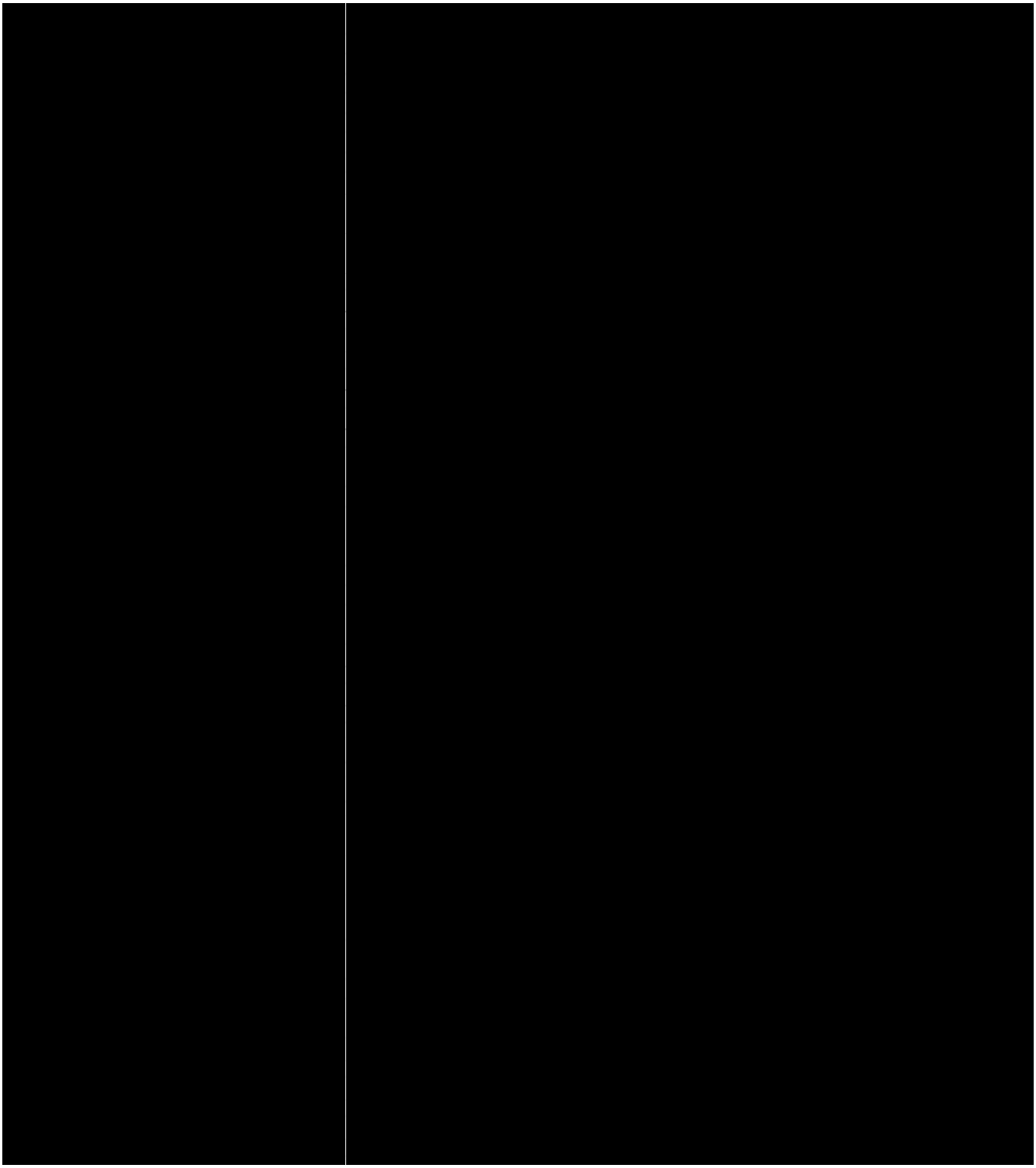


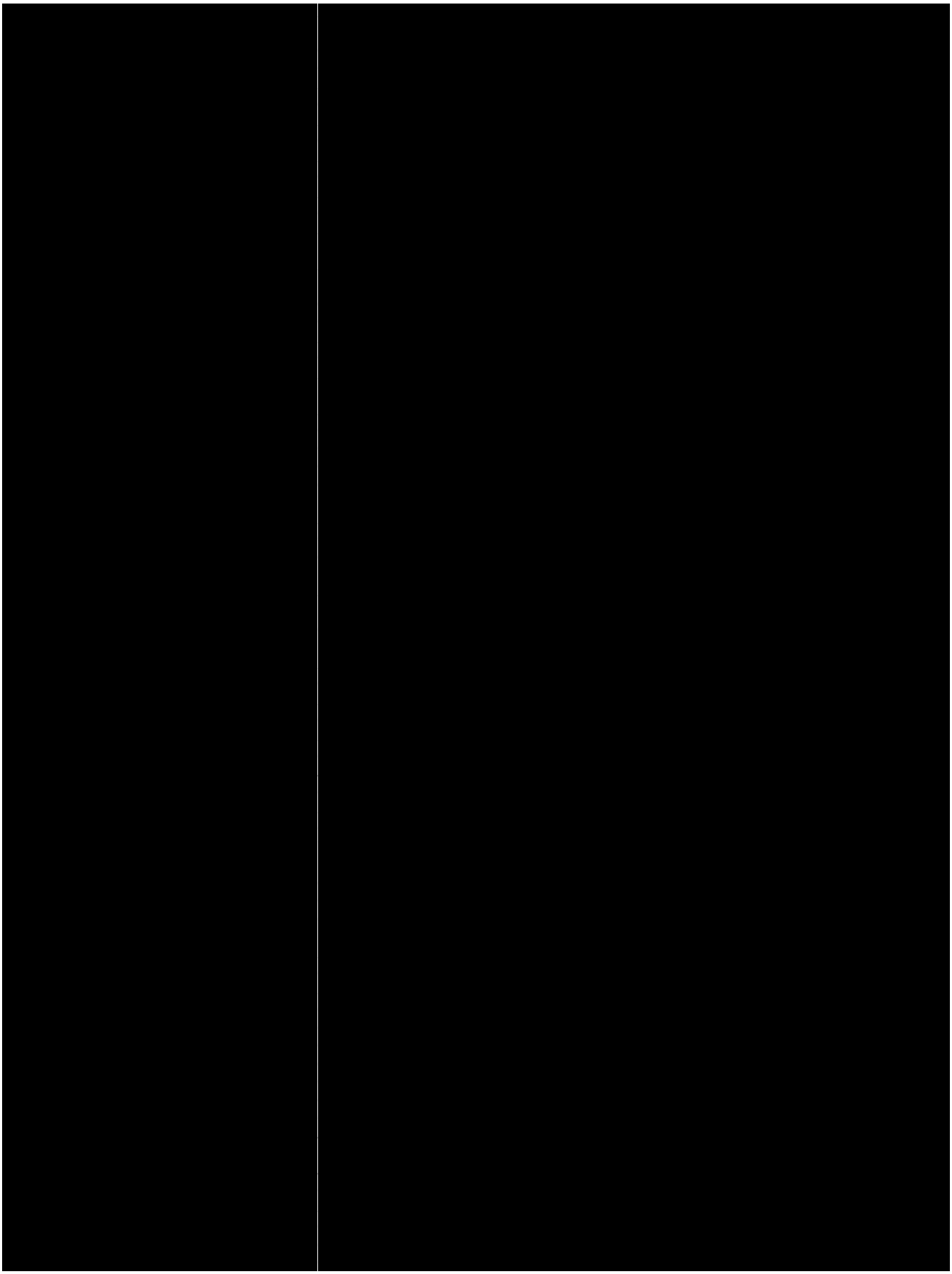


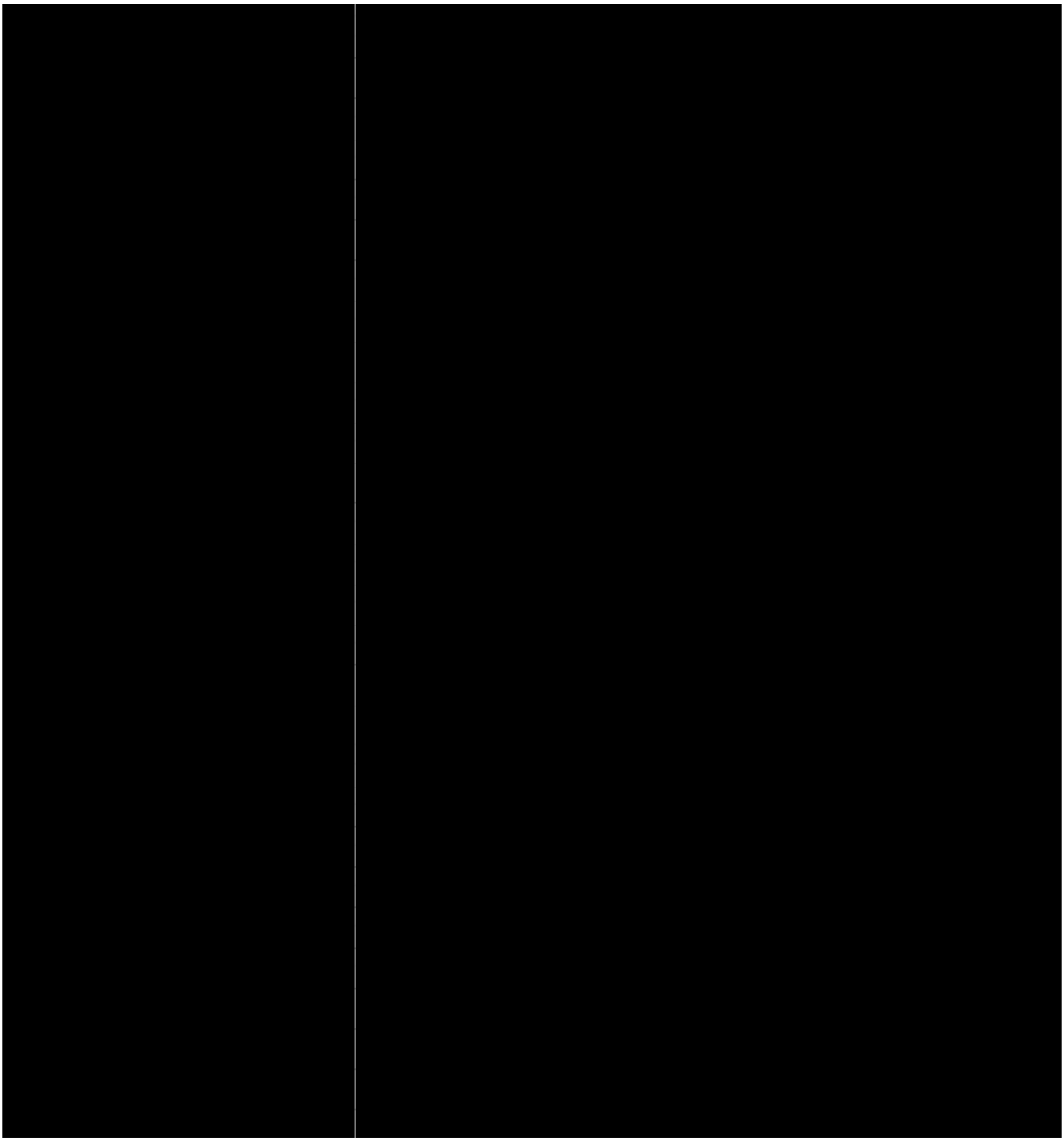


Attachment B

(In thousands)

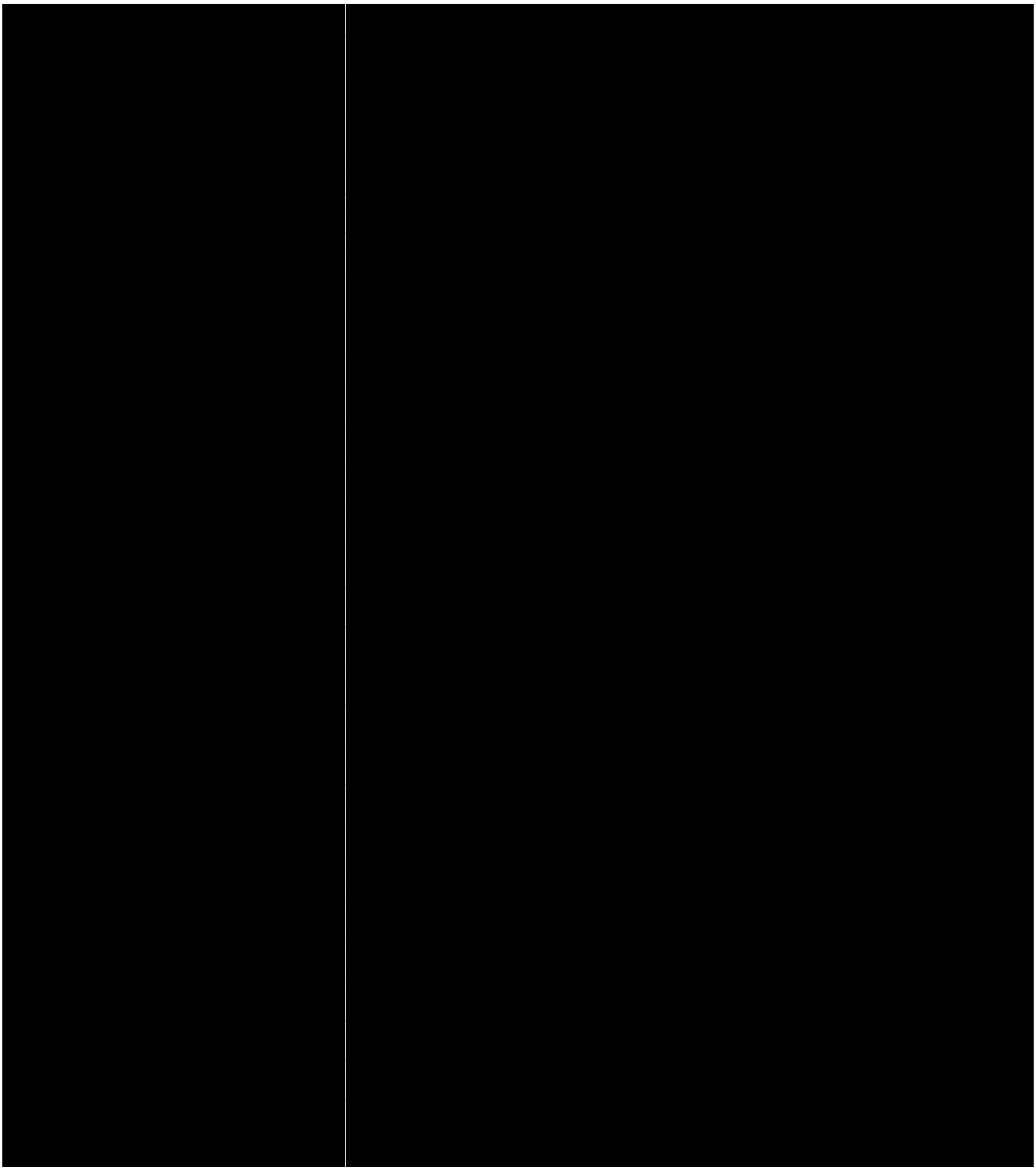


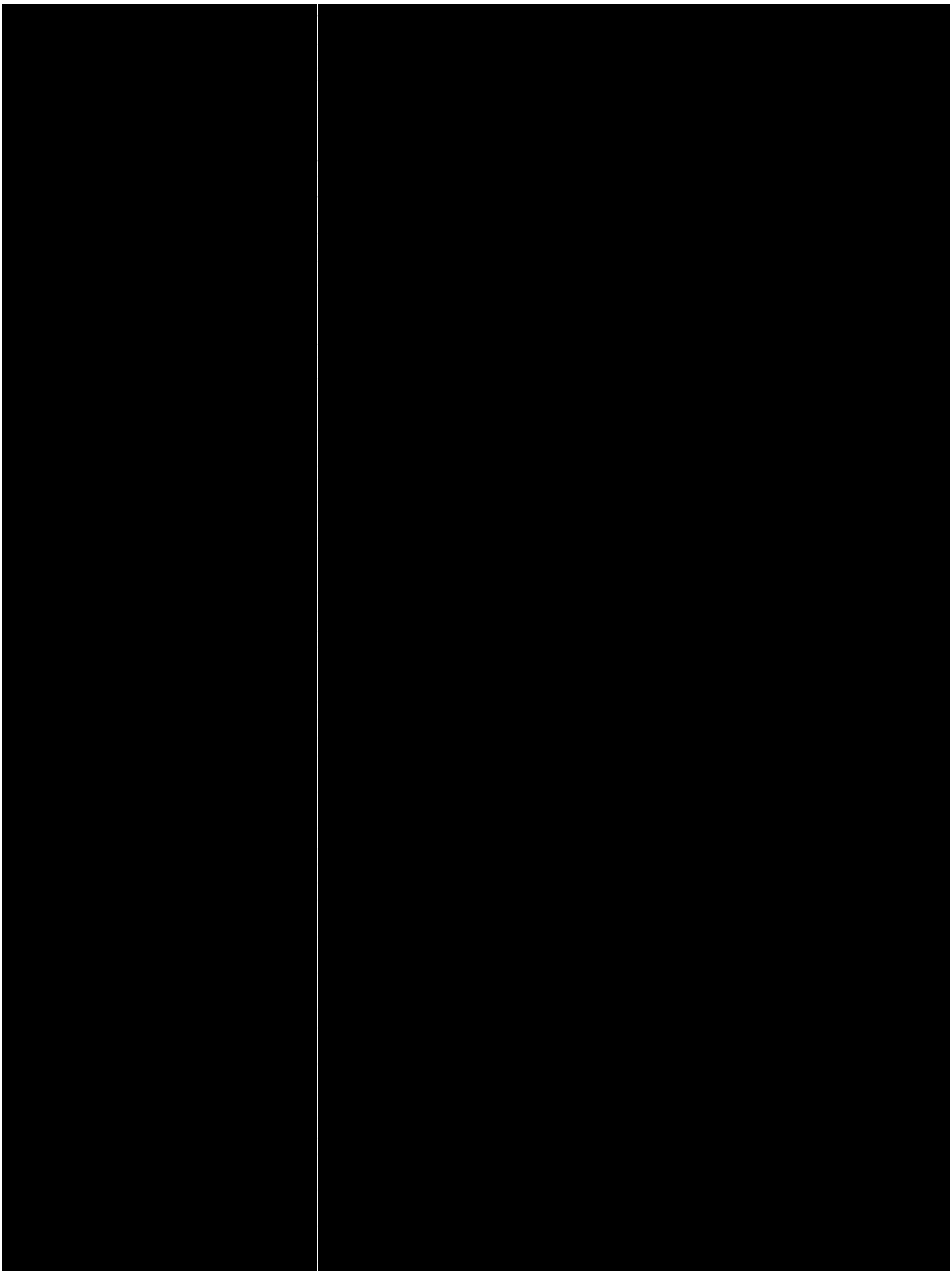


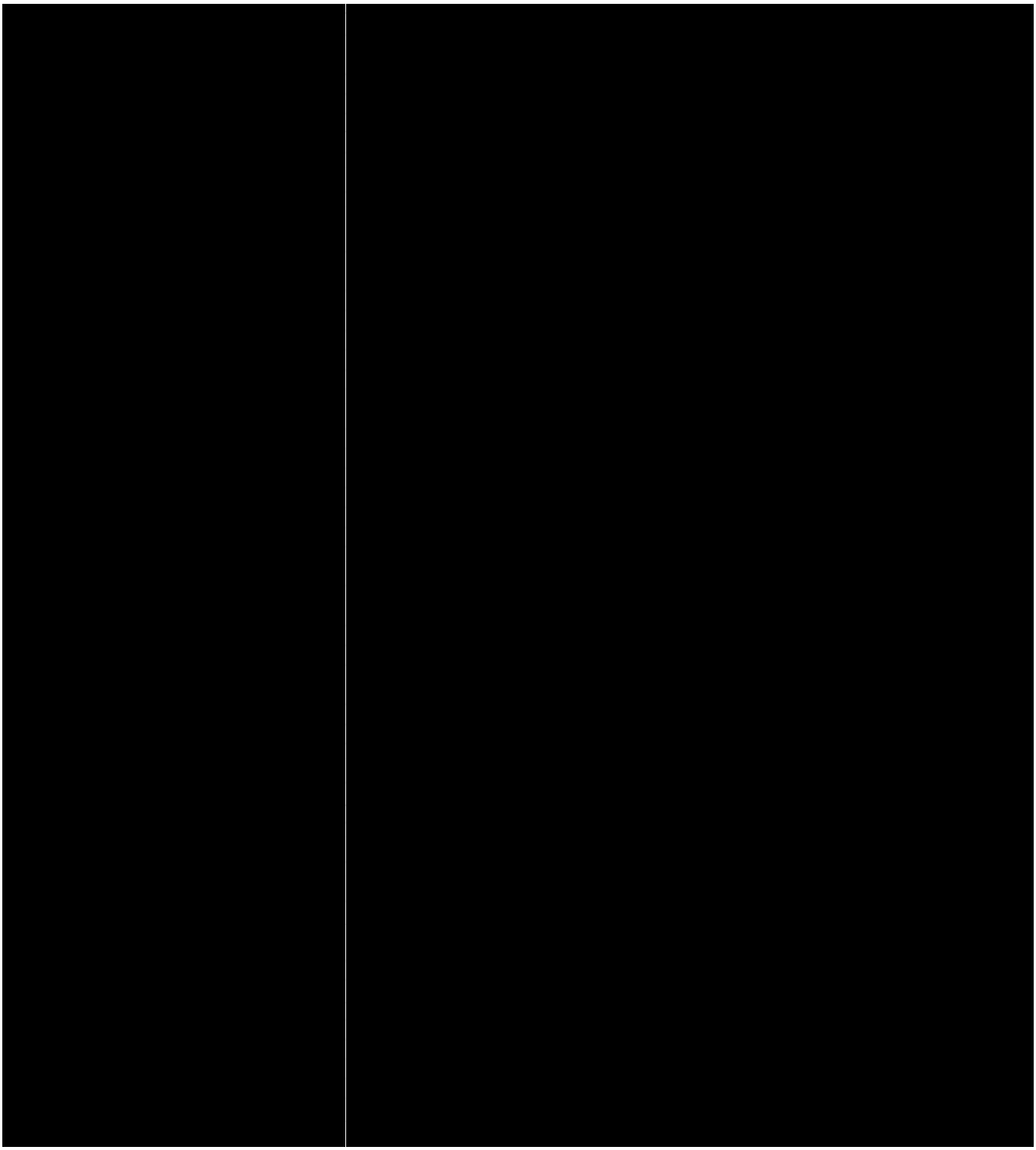


Attachment B

(In thousands)

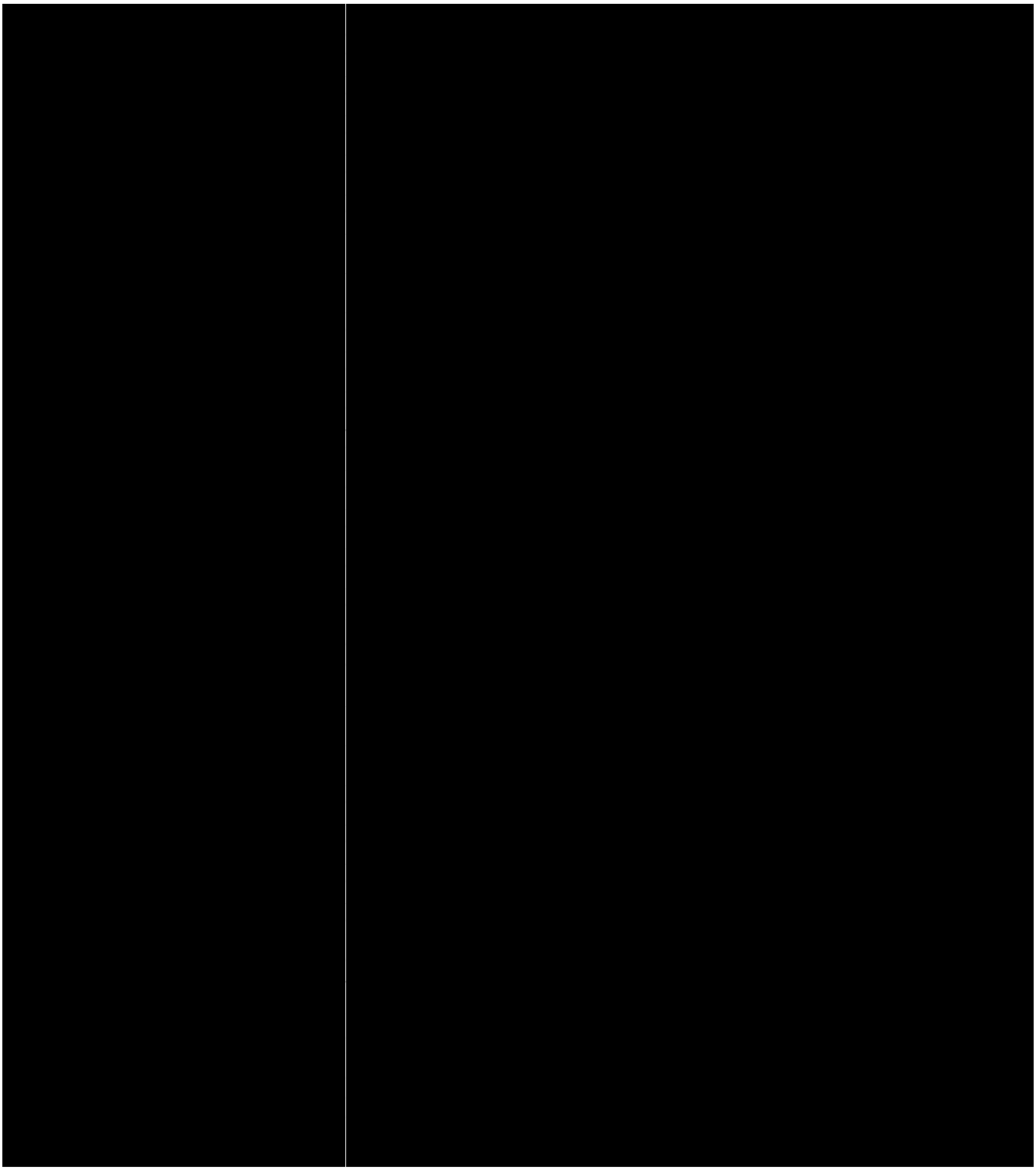


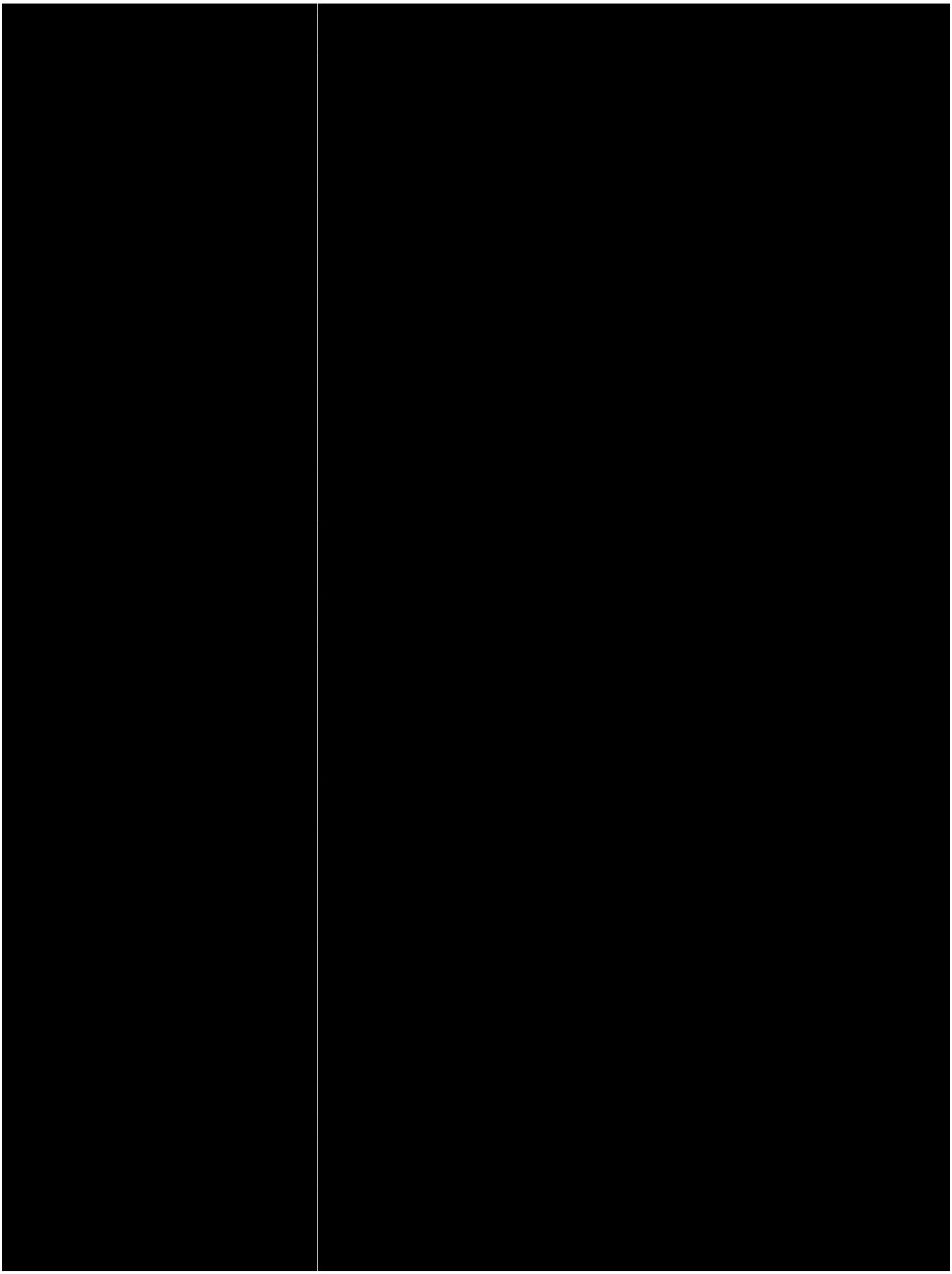


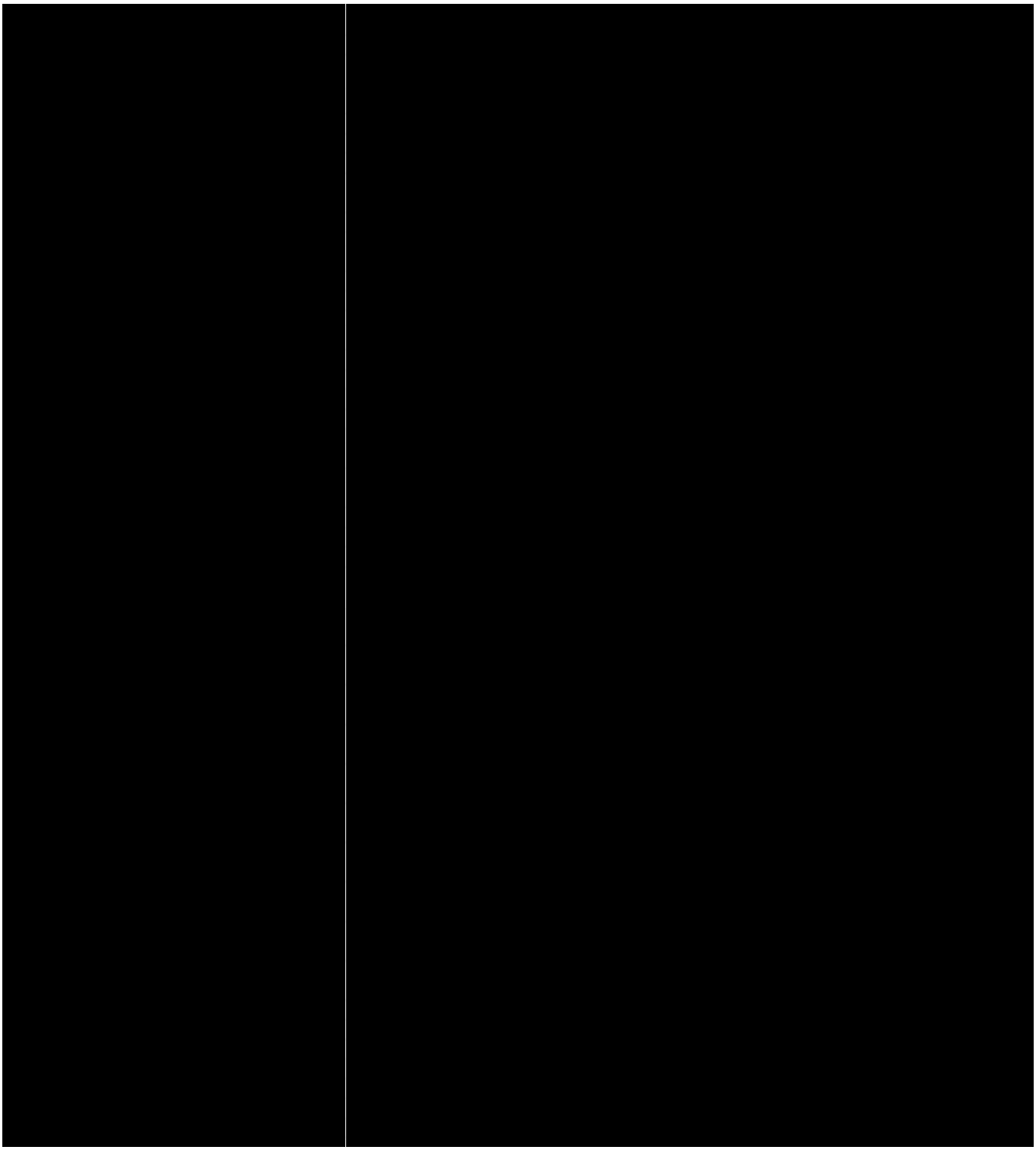


Attachment B

(In thousands)

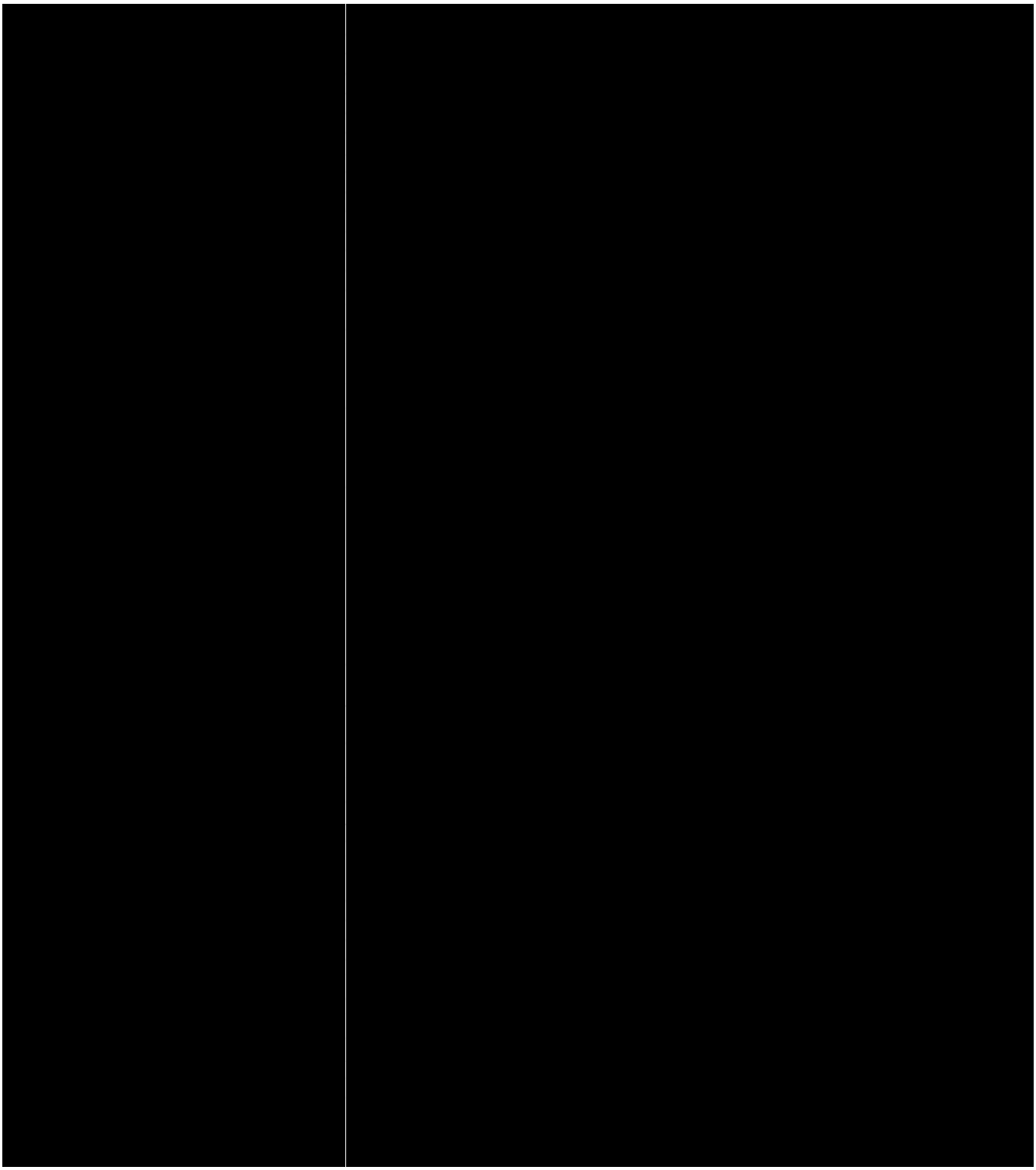


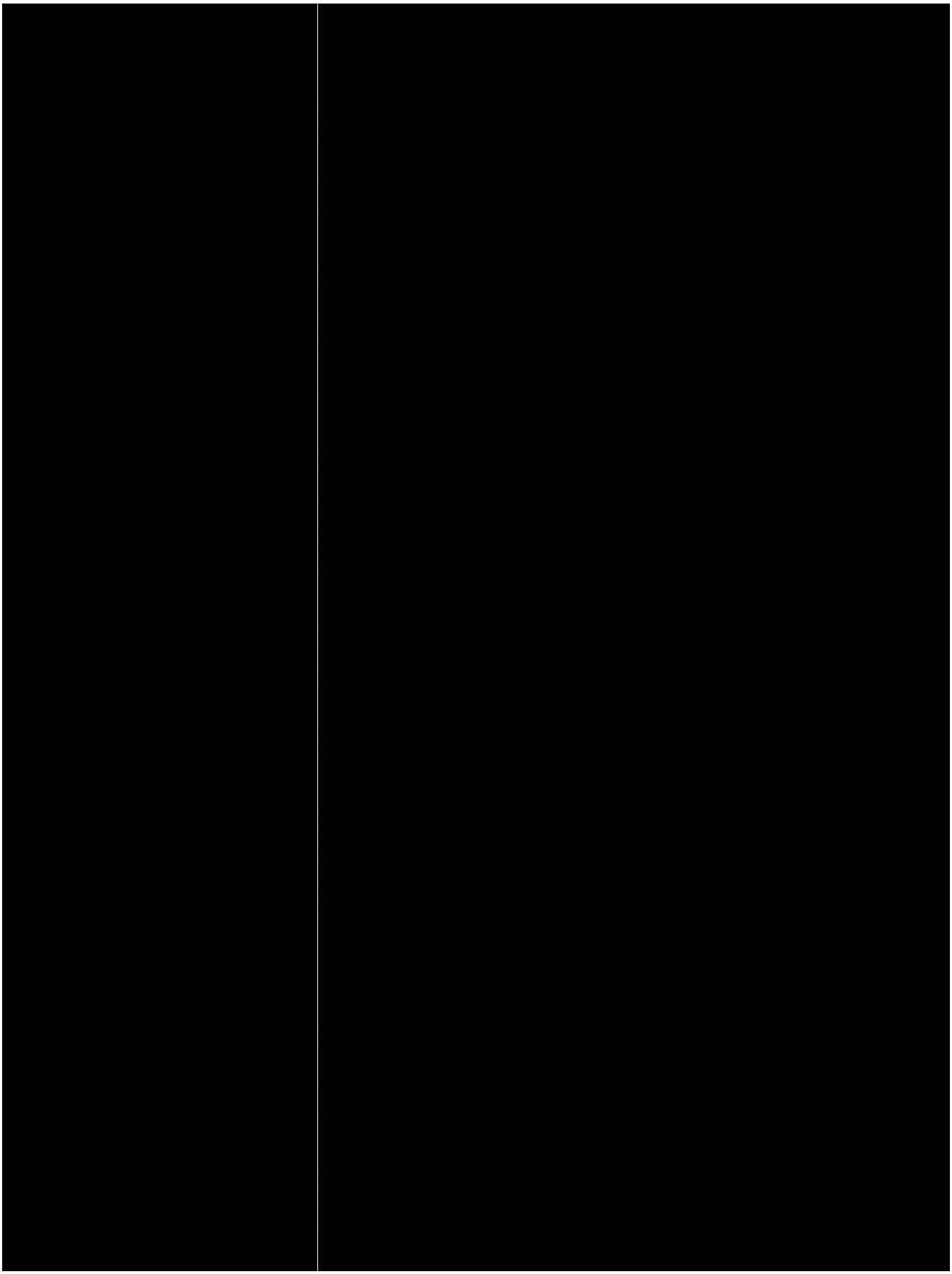


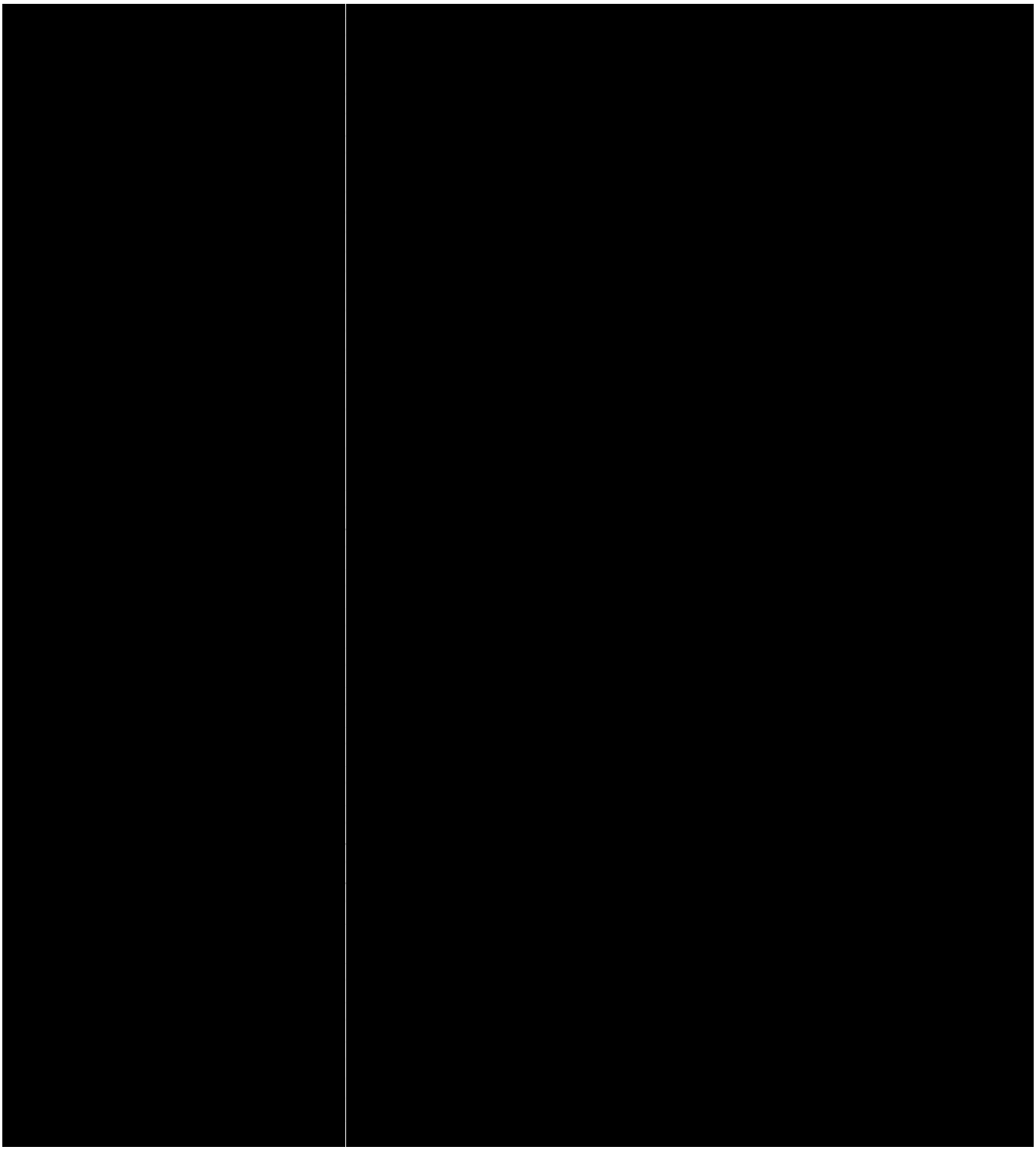


Attachment B

(In thousands)

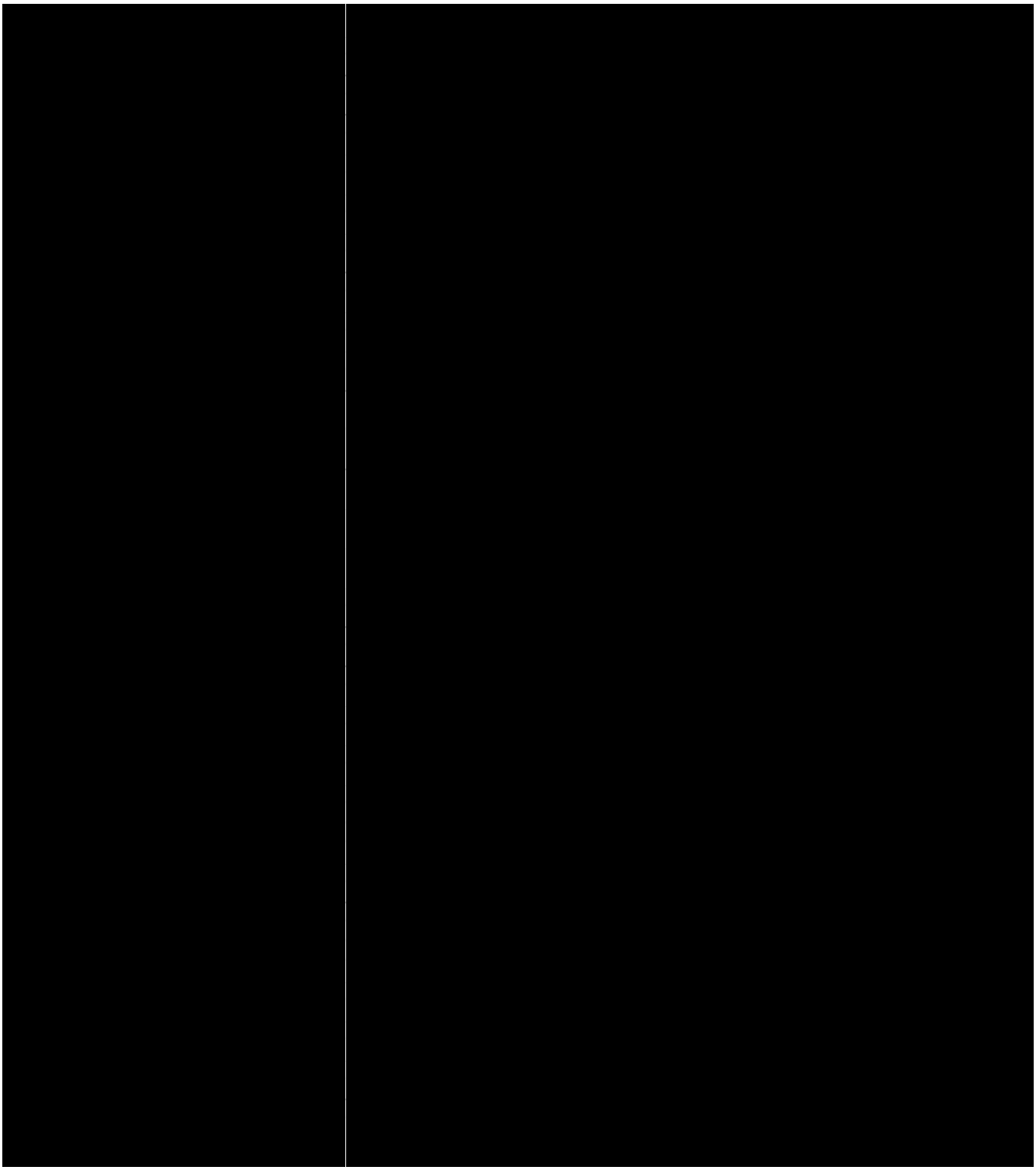


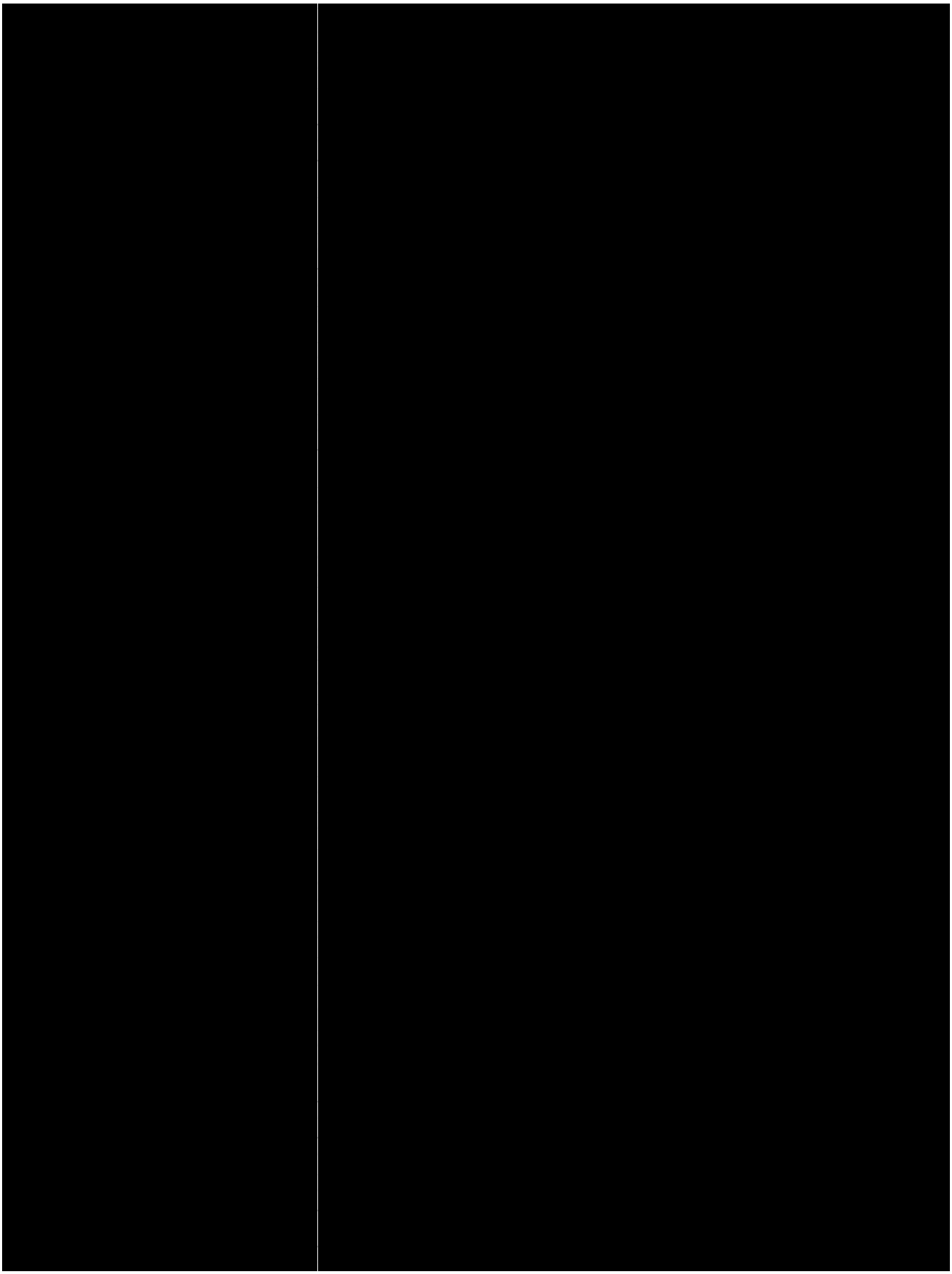


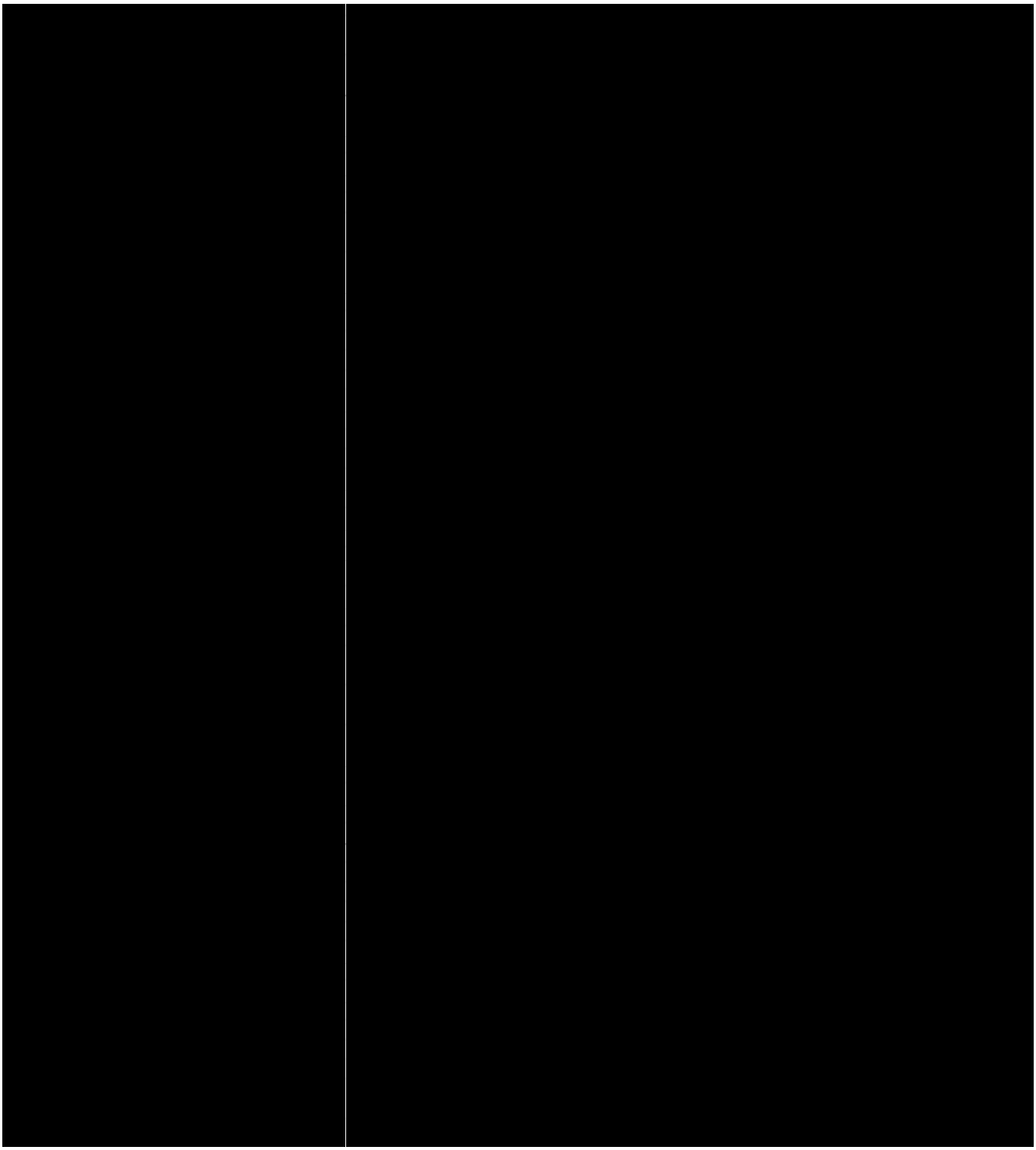


Attachment B

(In thousands)

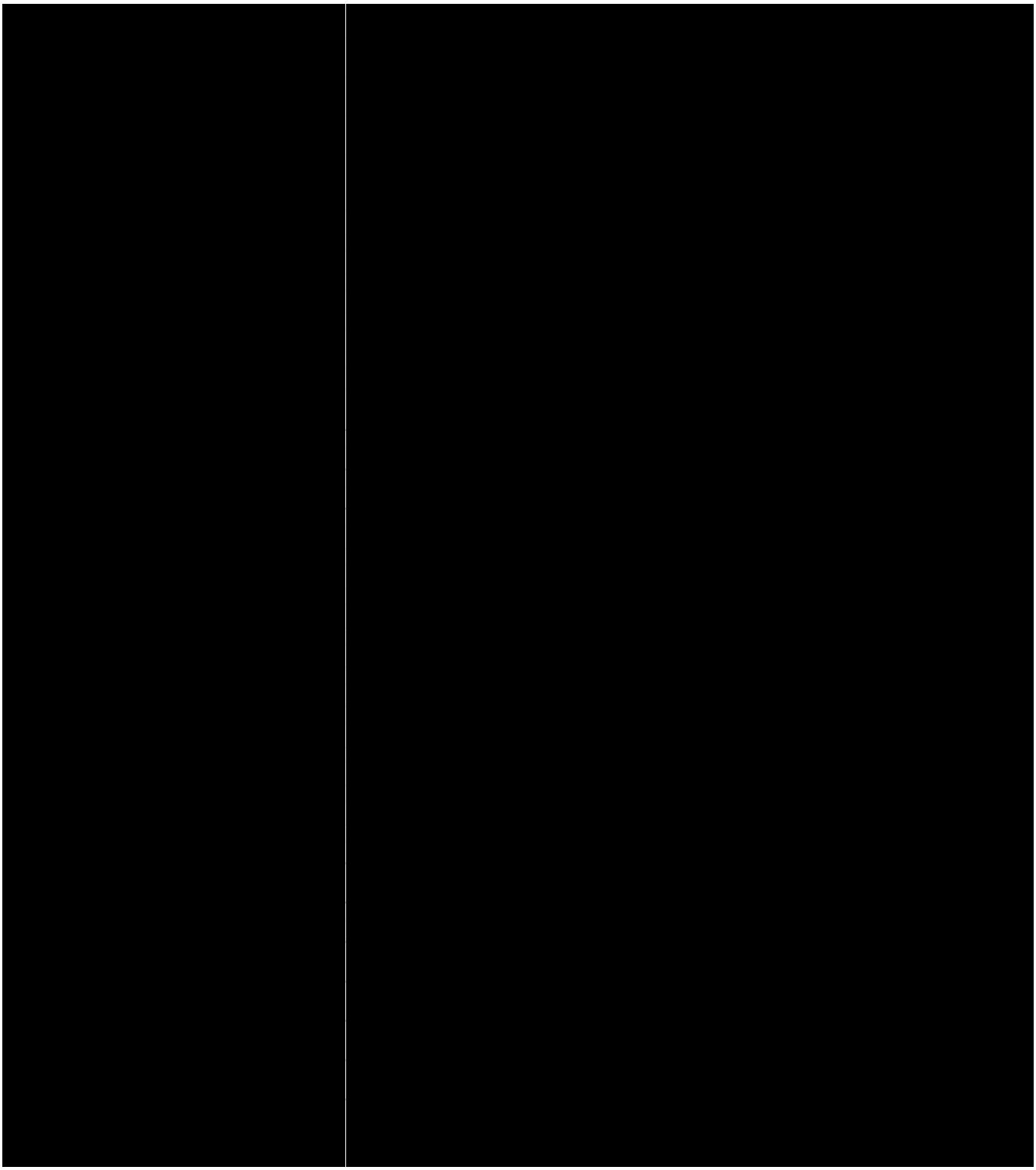


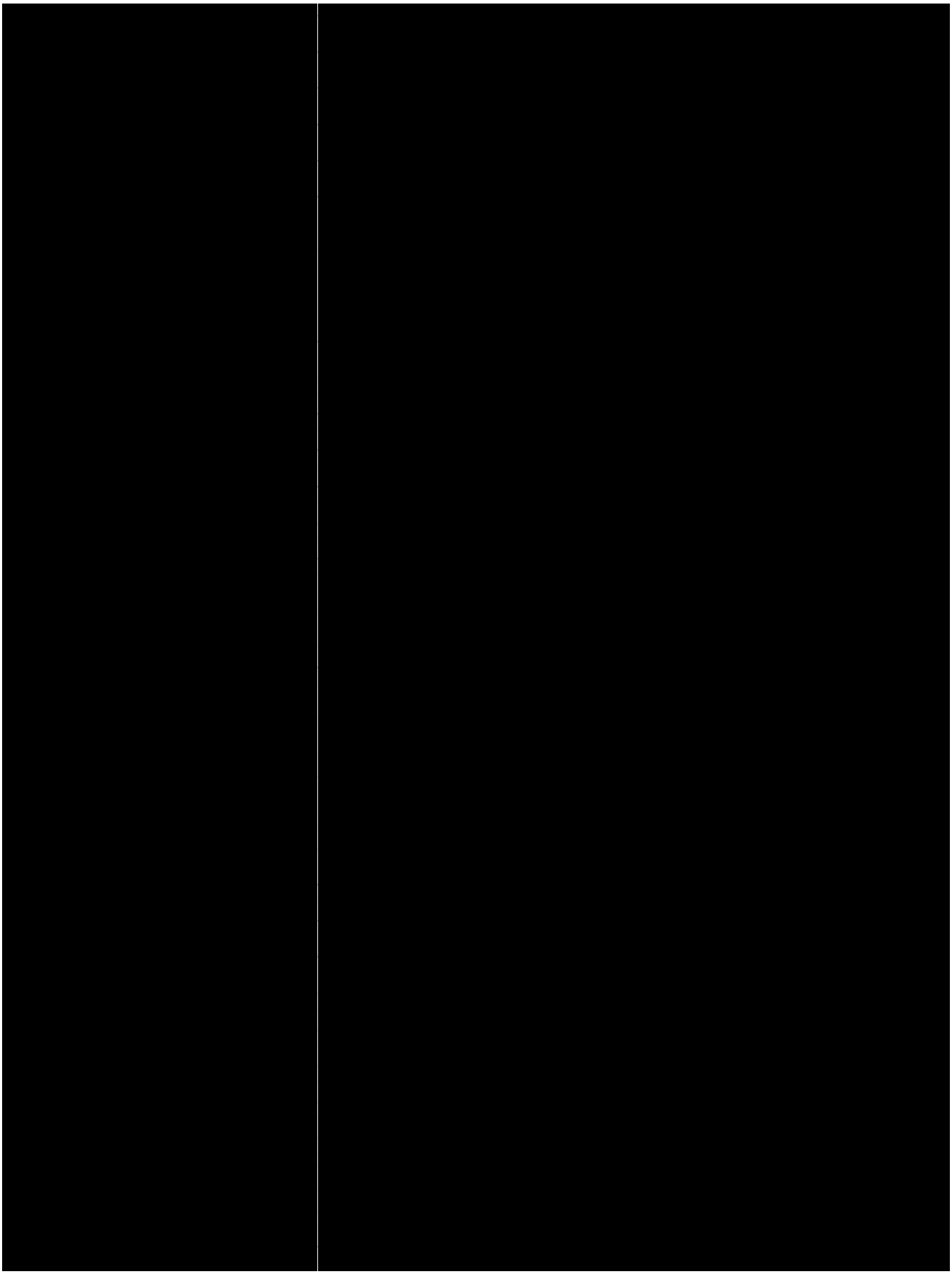


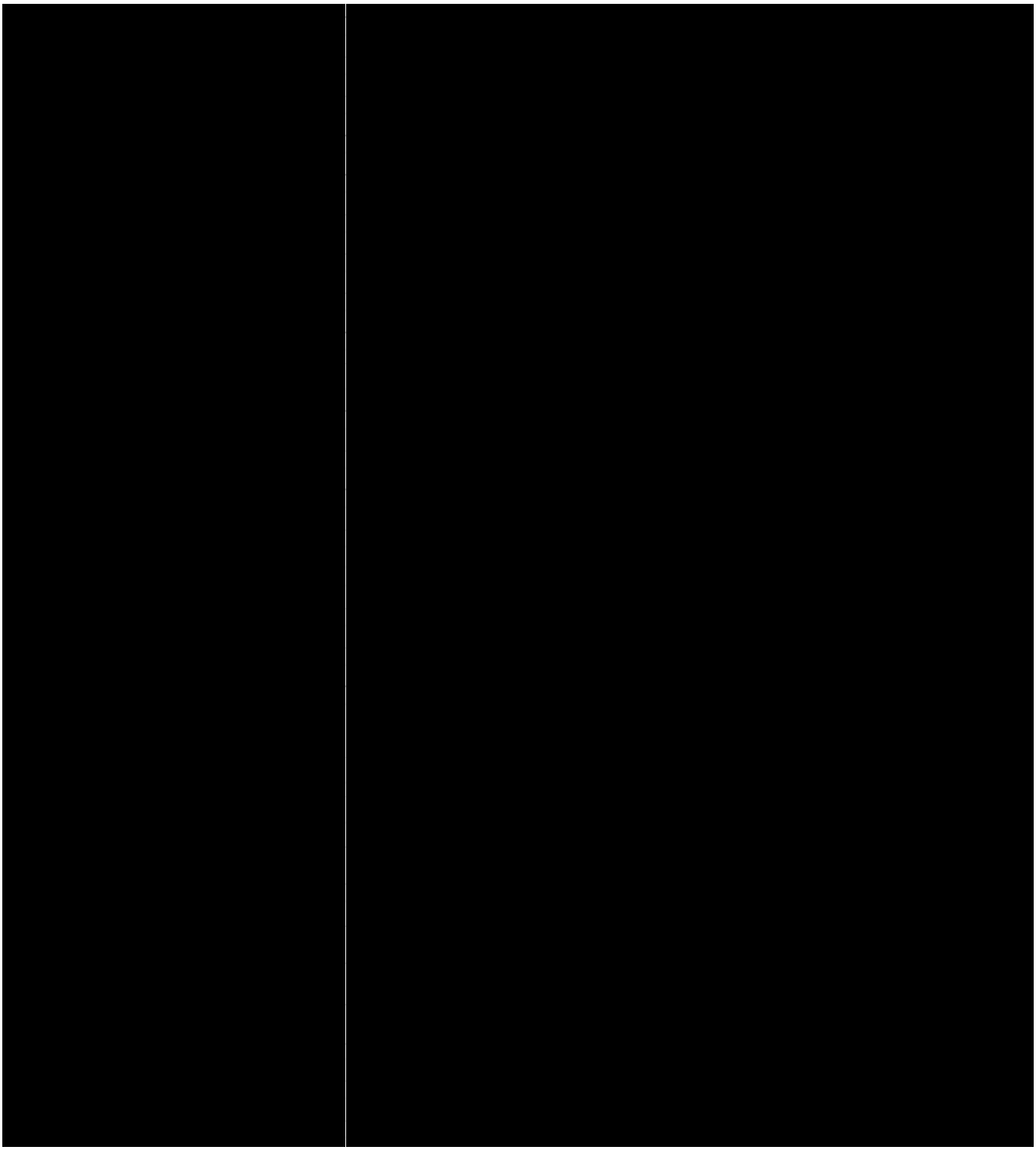


Attachment B

(In thousands)

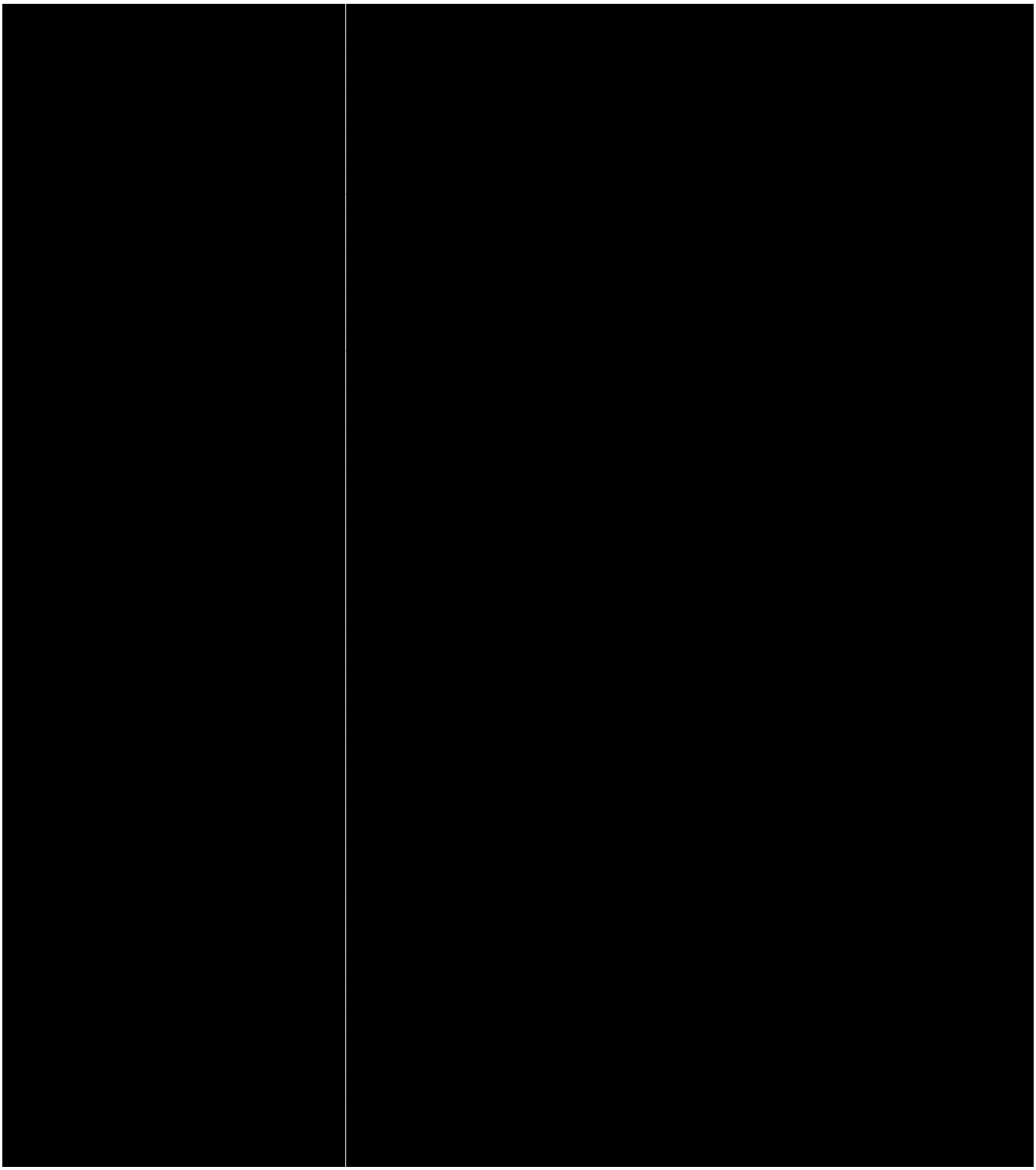


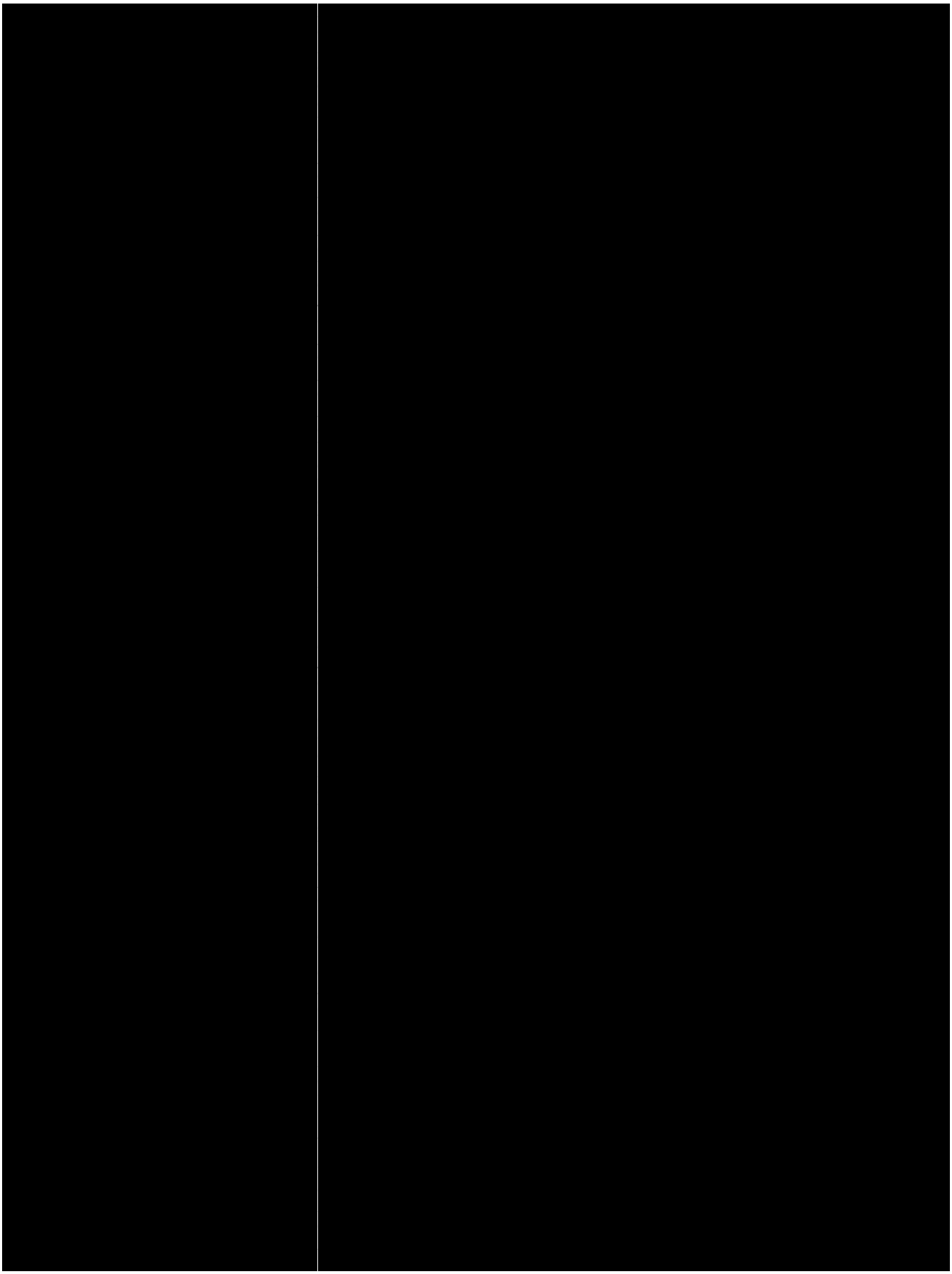


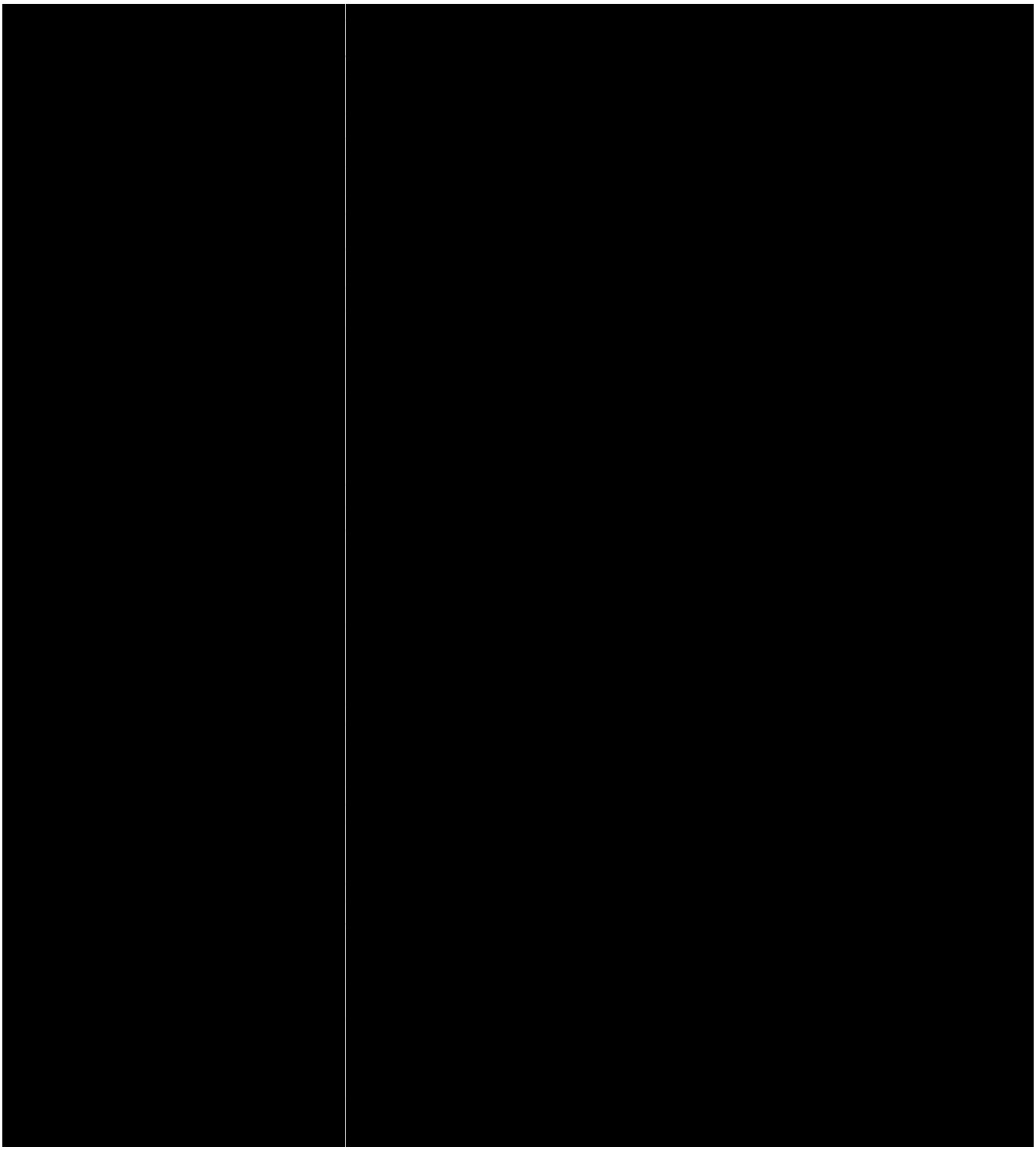


Attachment B

(In thousands)

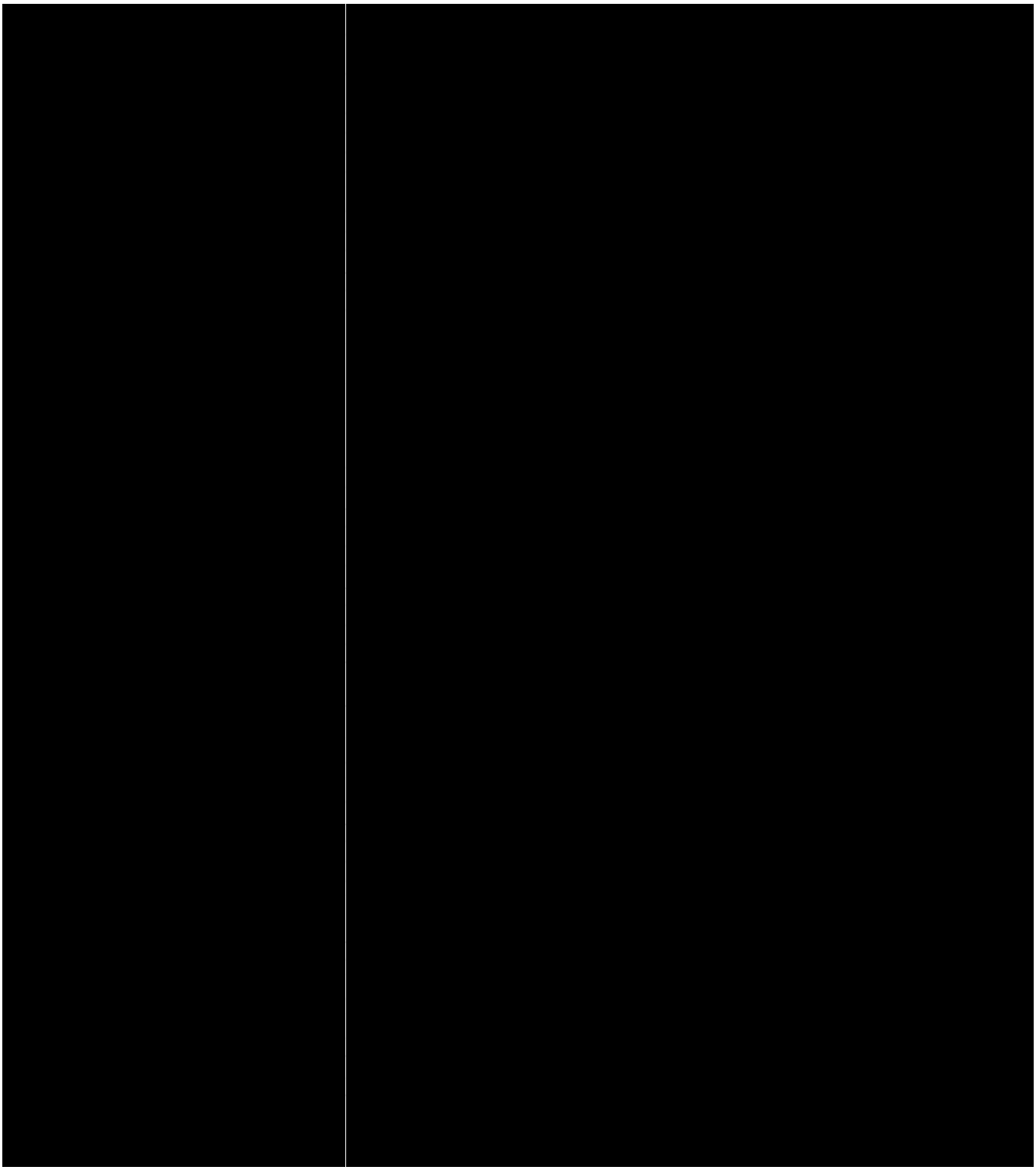


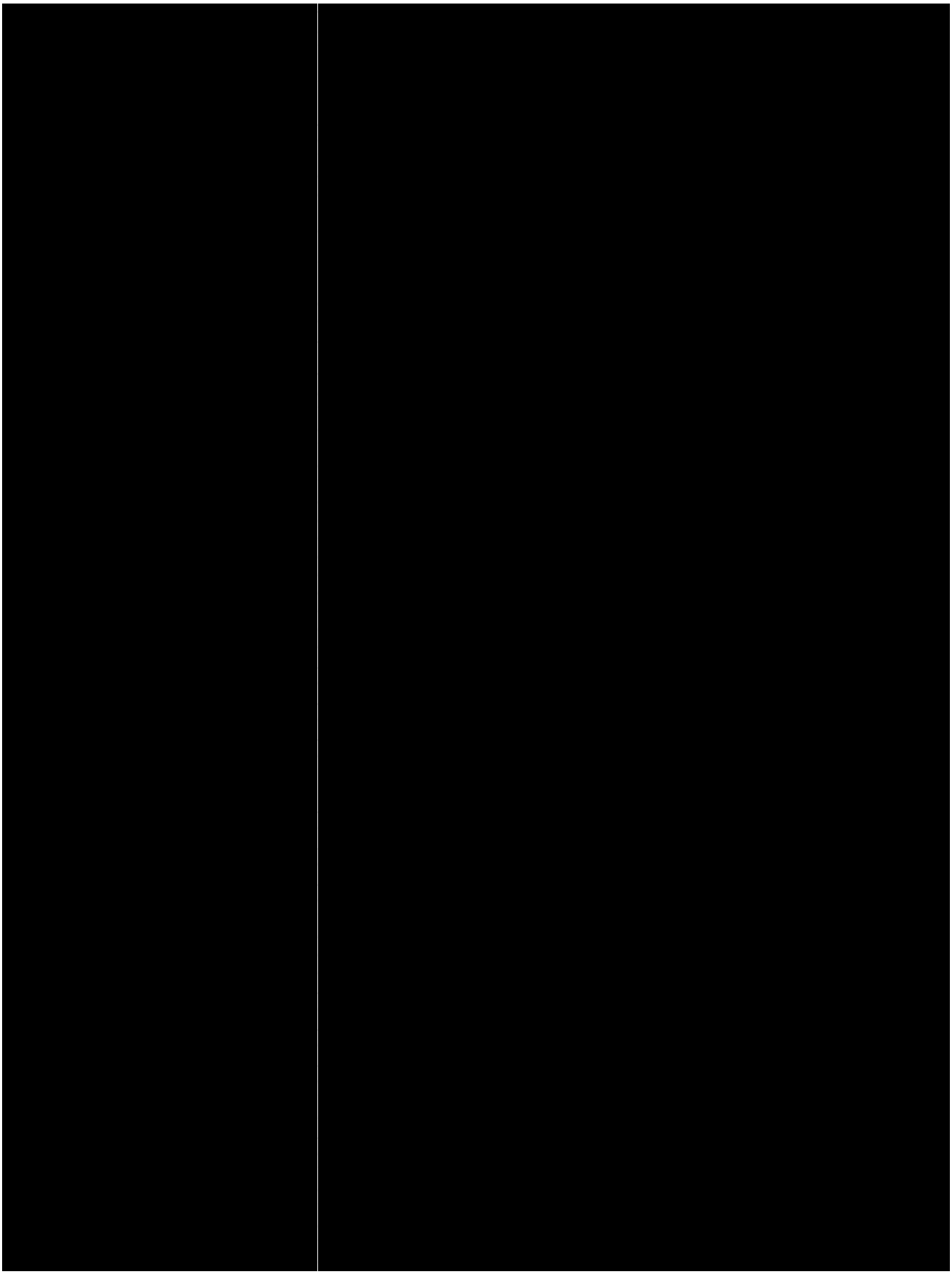


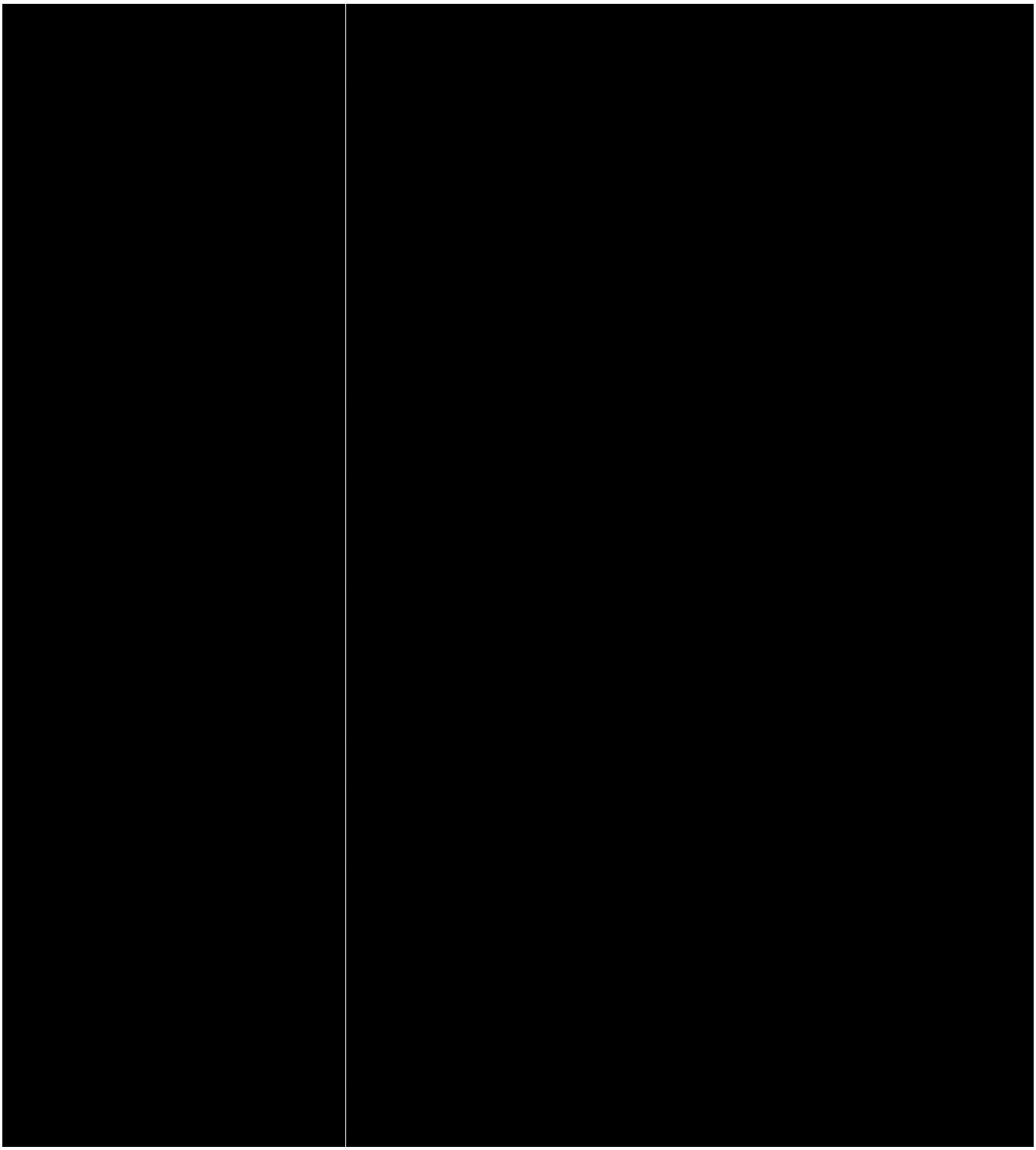


Attachment B

(In thousands)

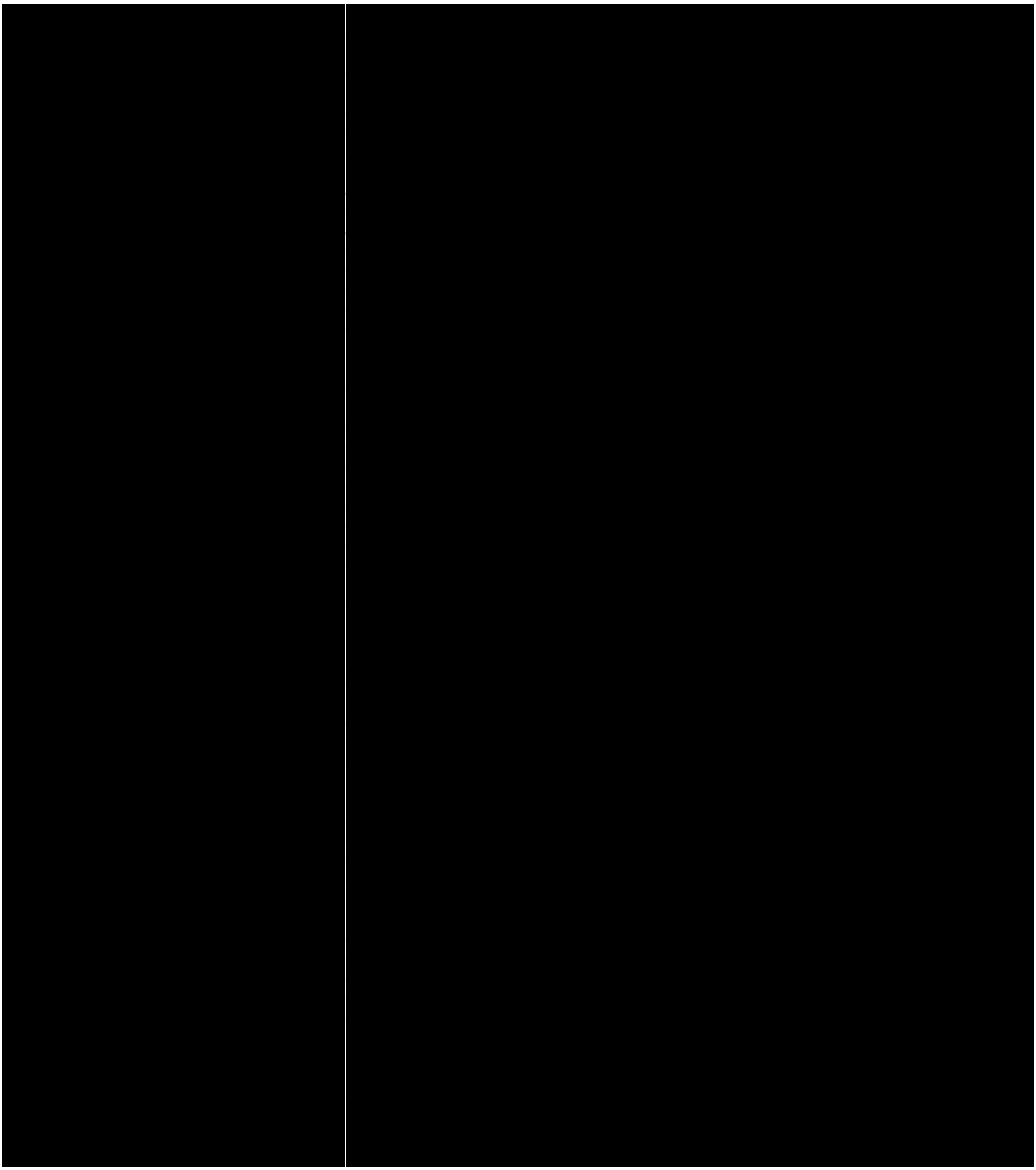


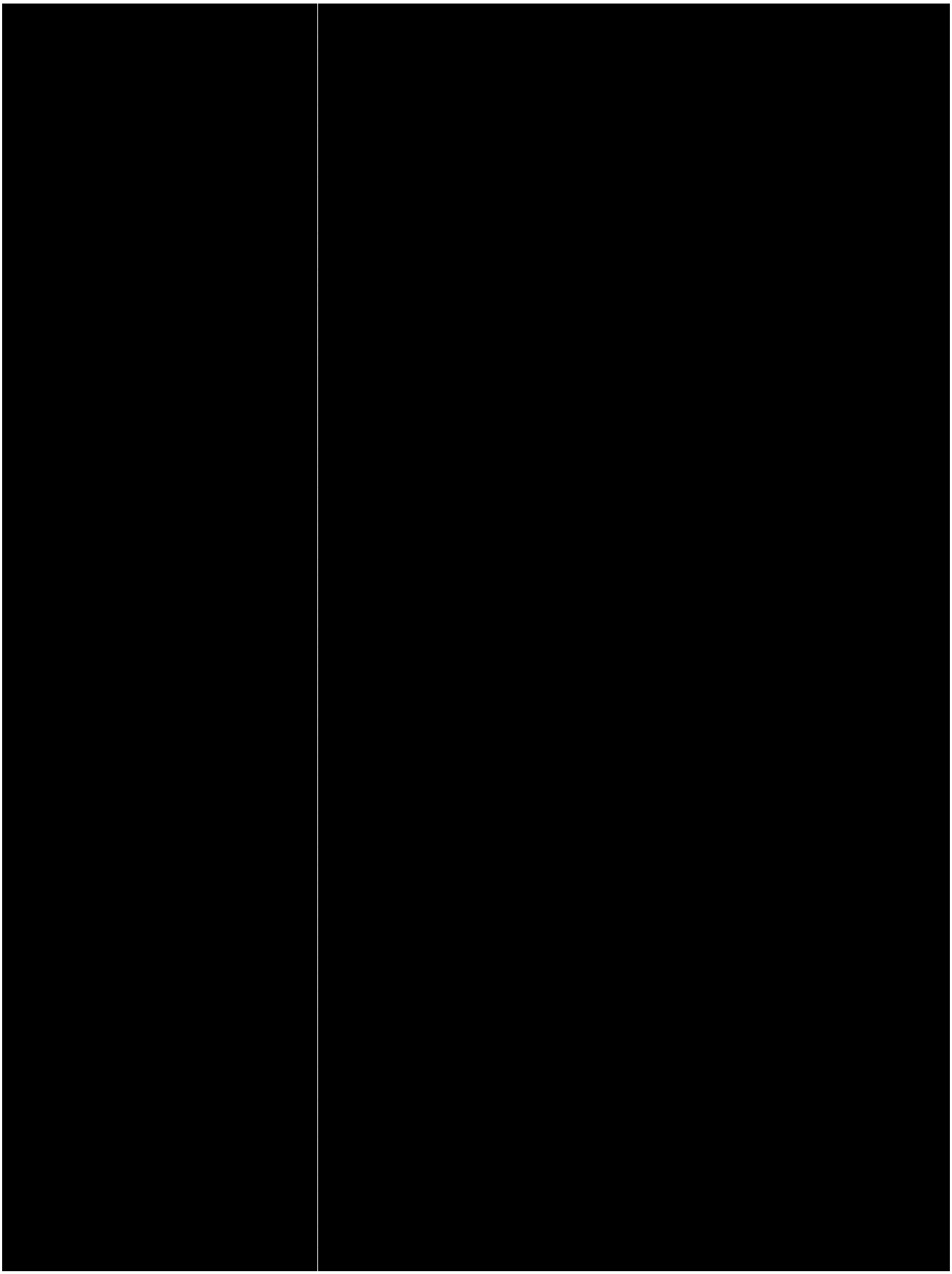


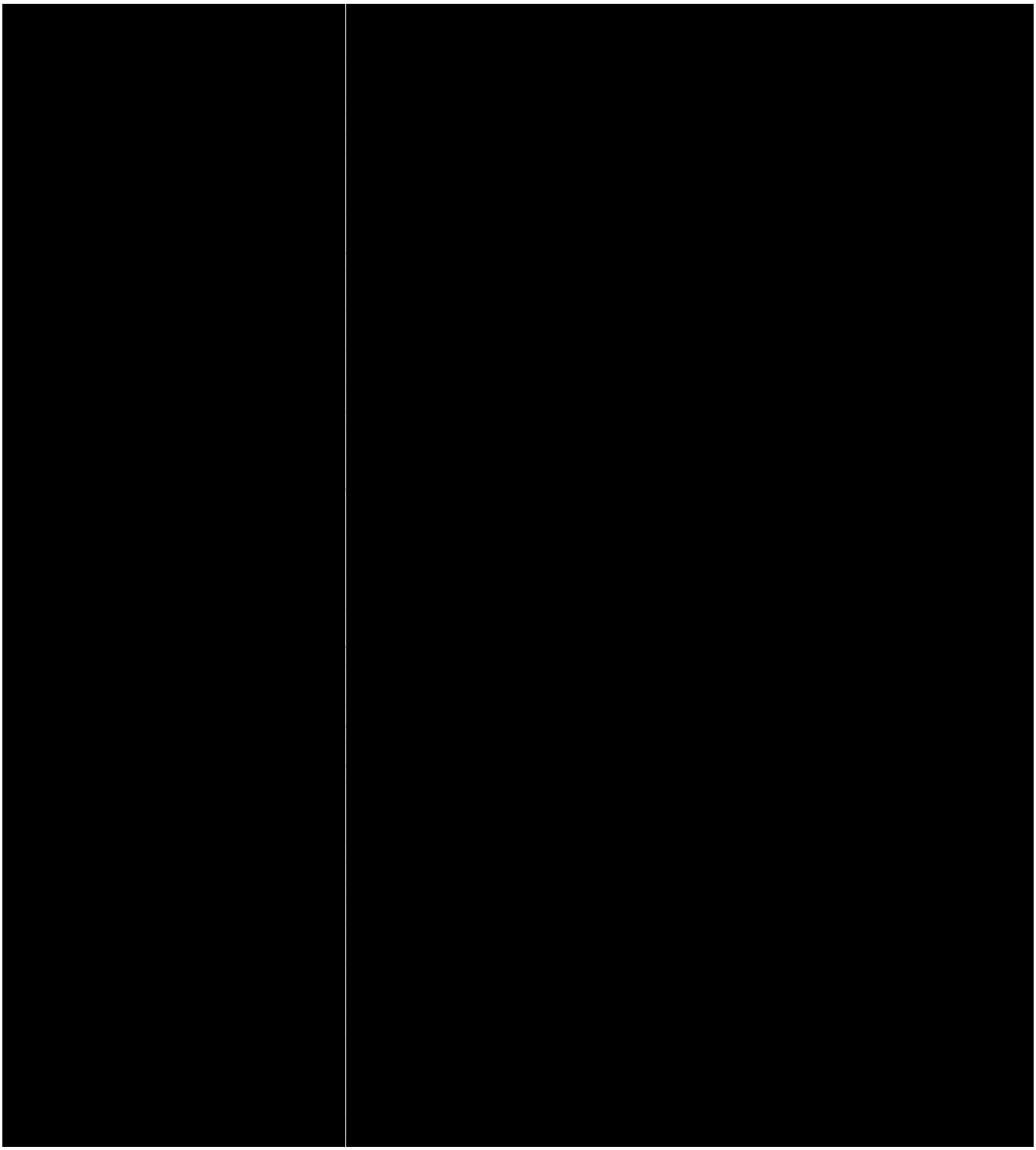


Attachment B

(In thousands)

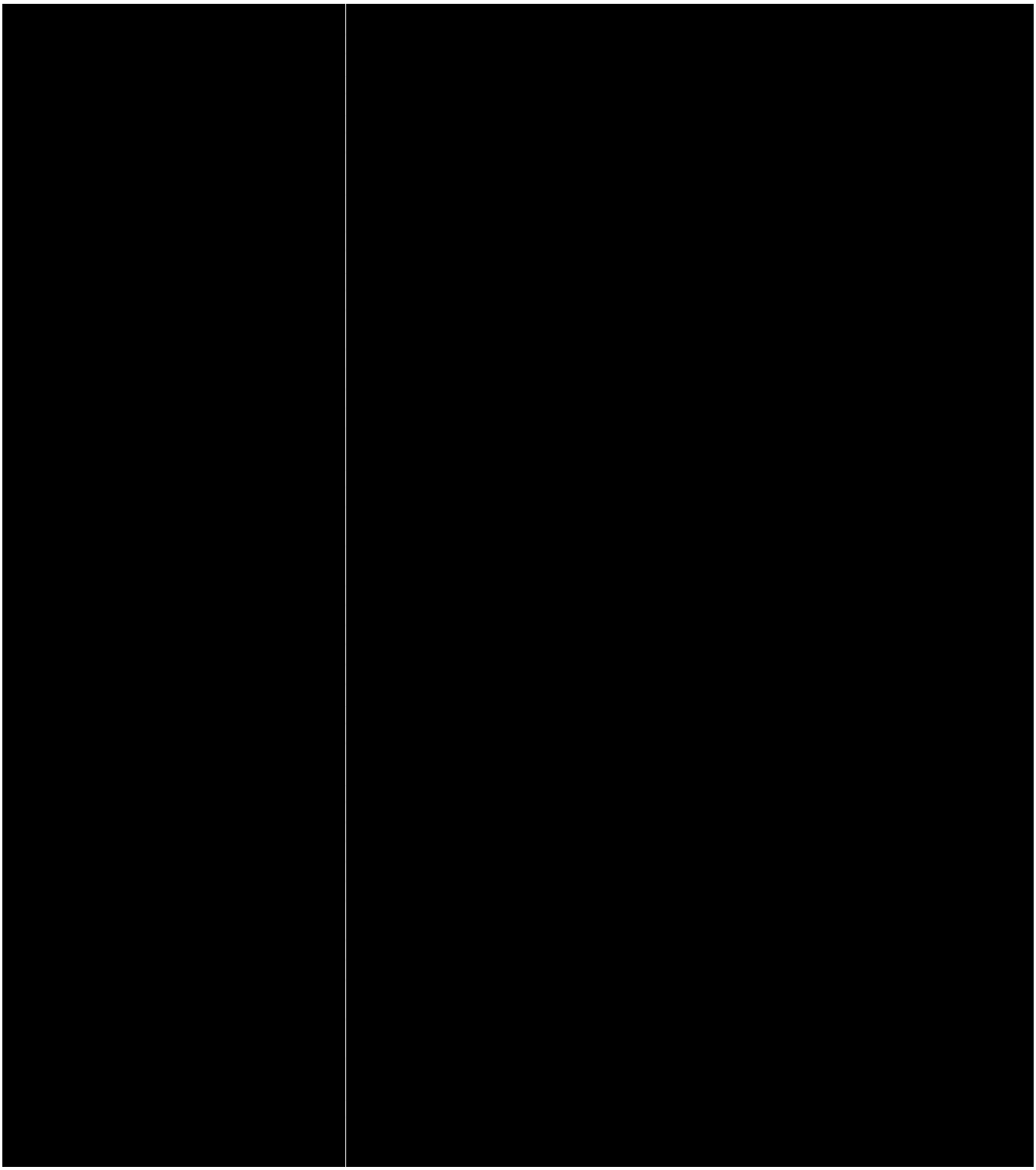


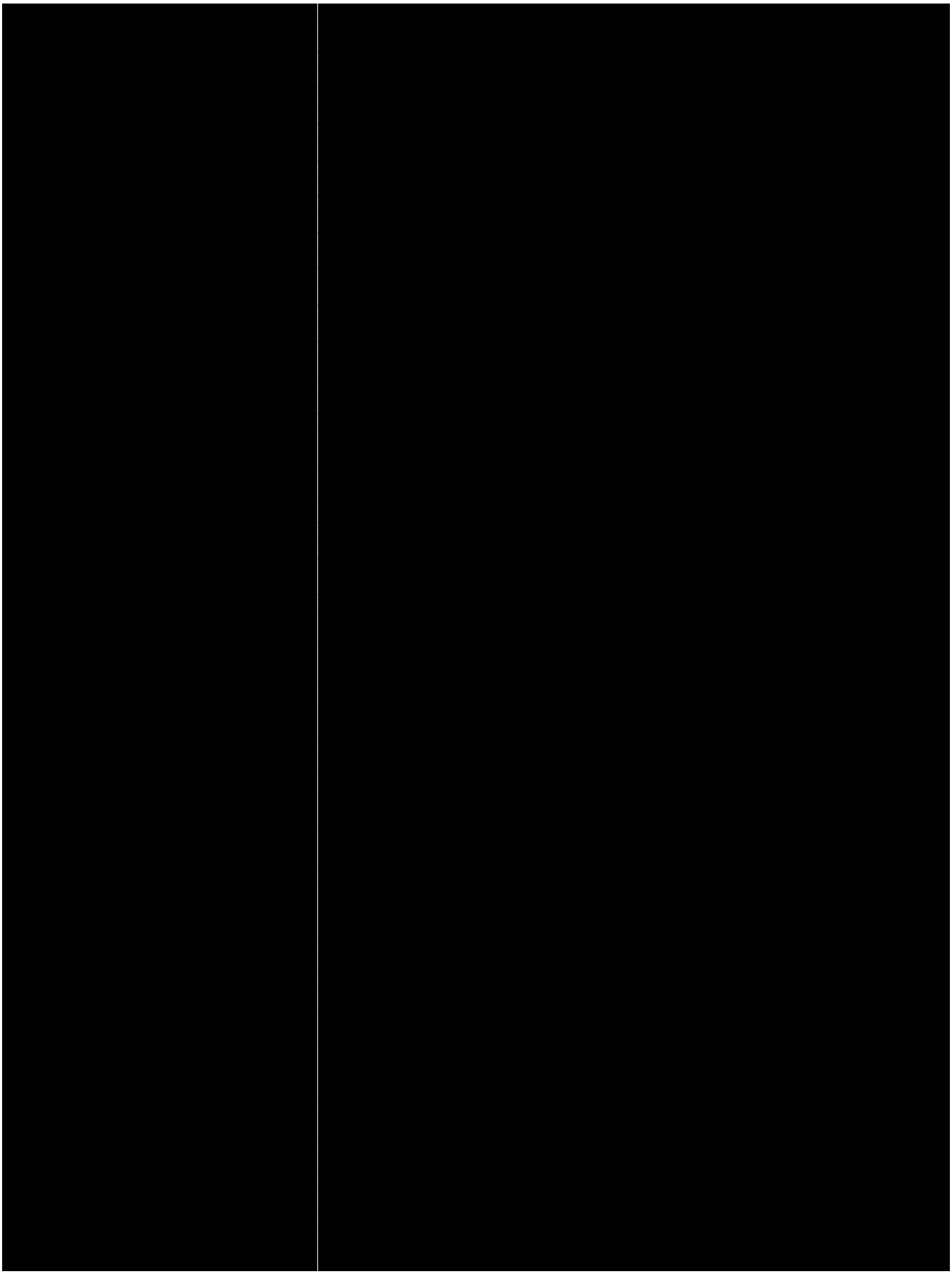


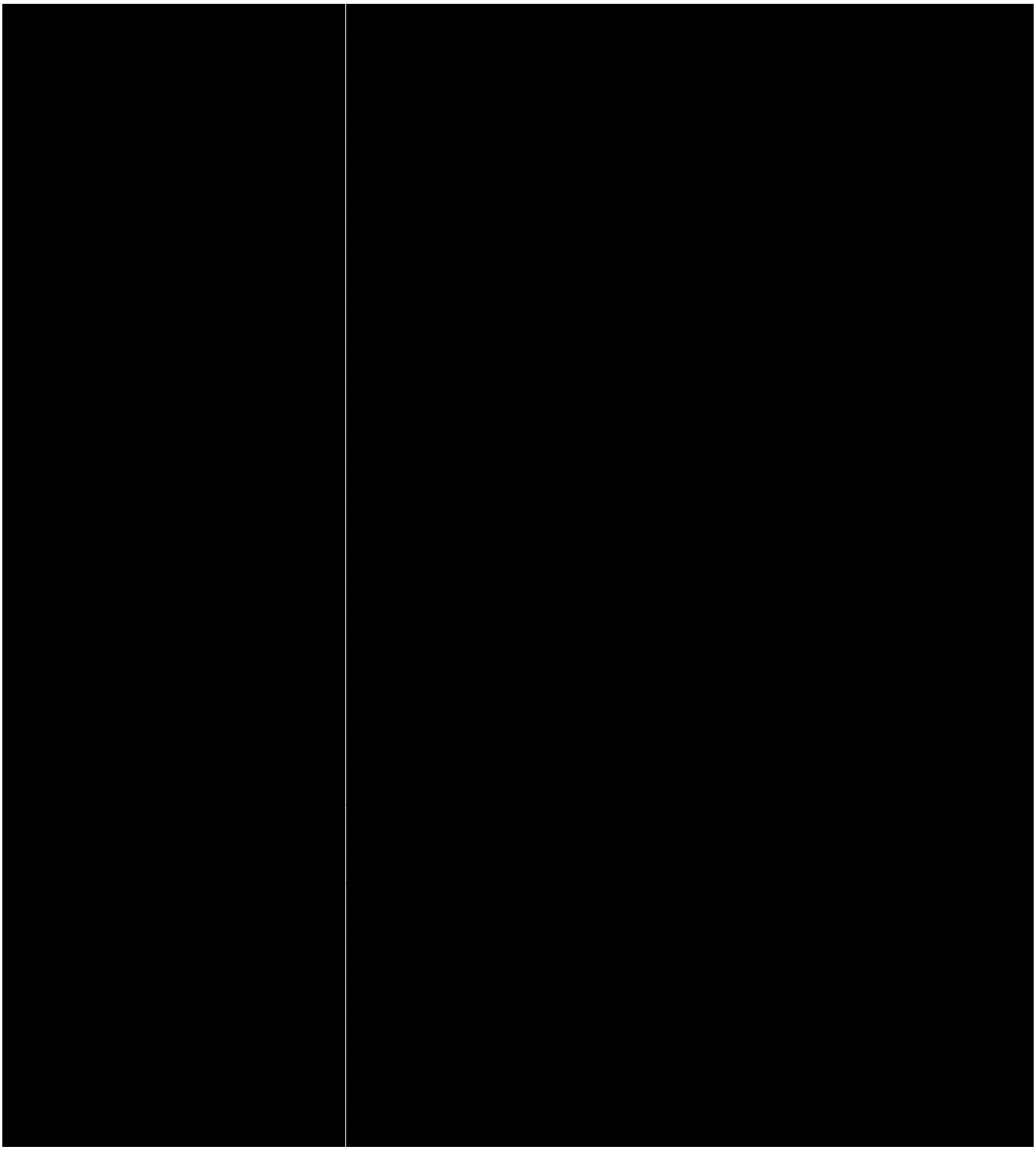


Attachment B

(In thousands)

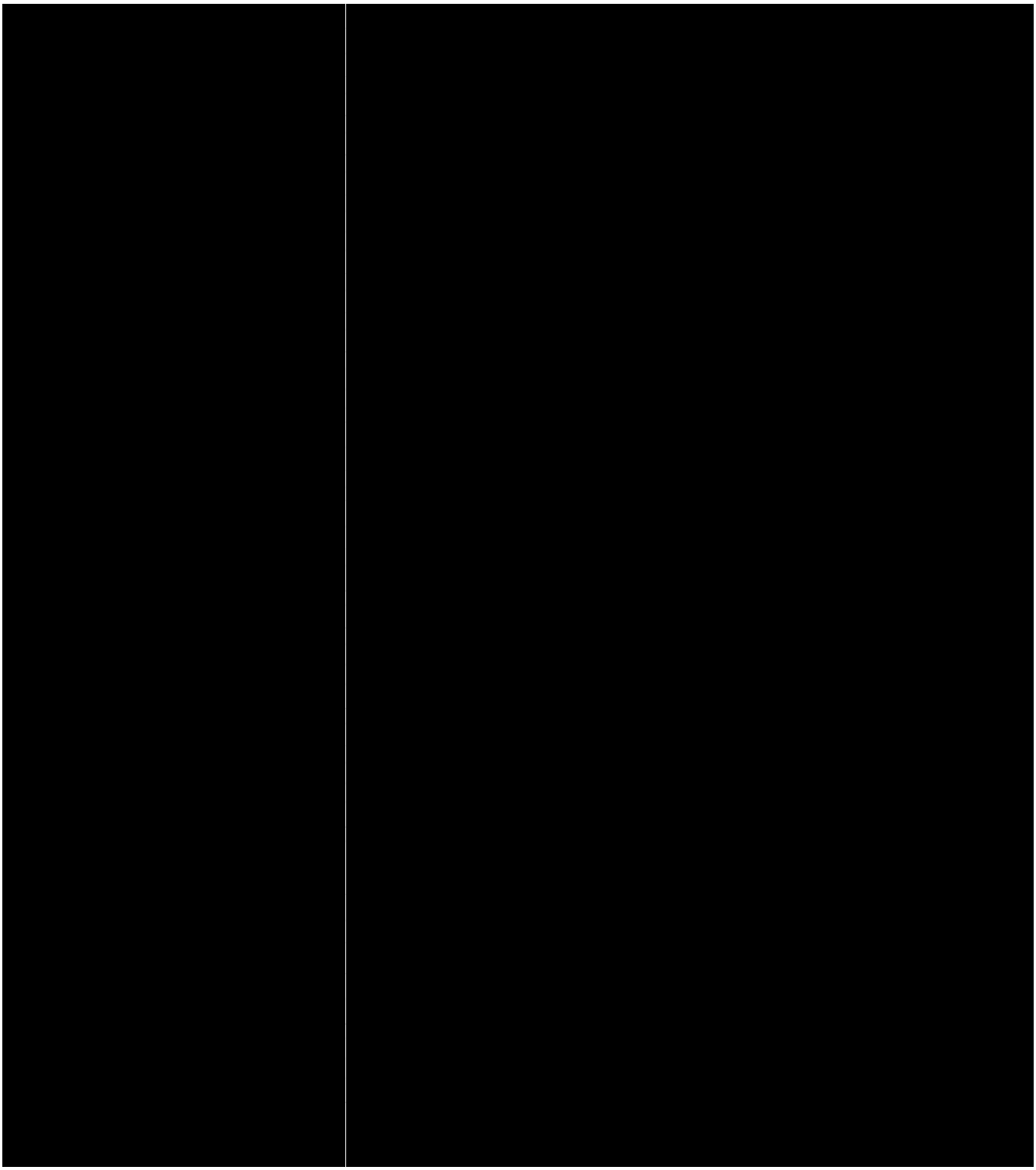


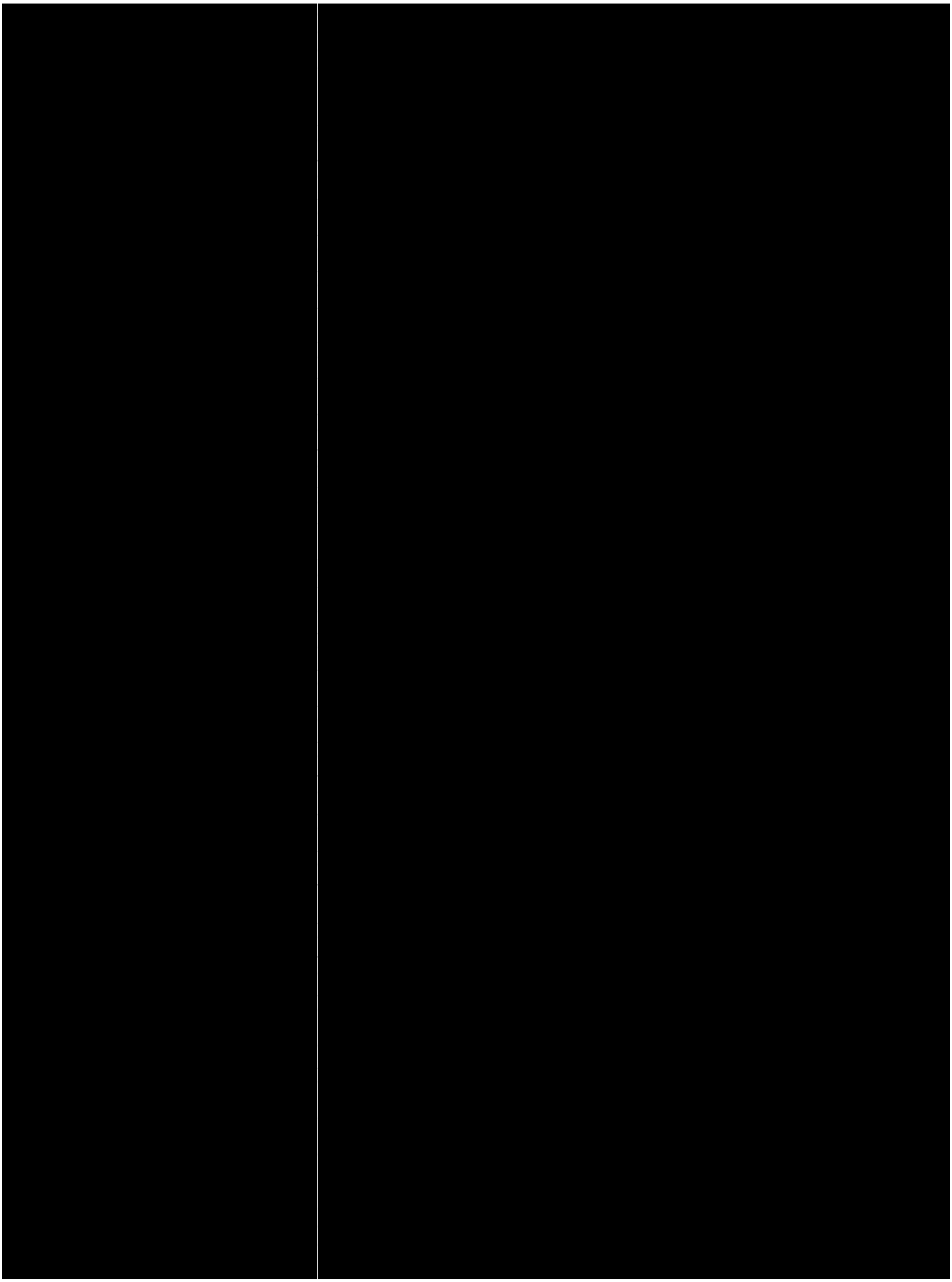


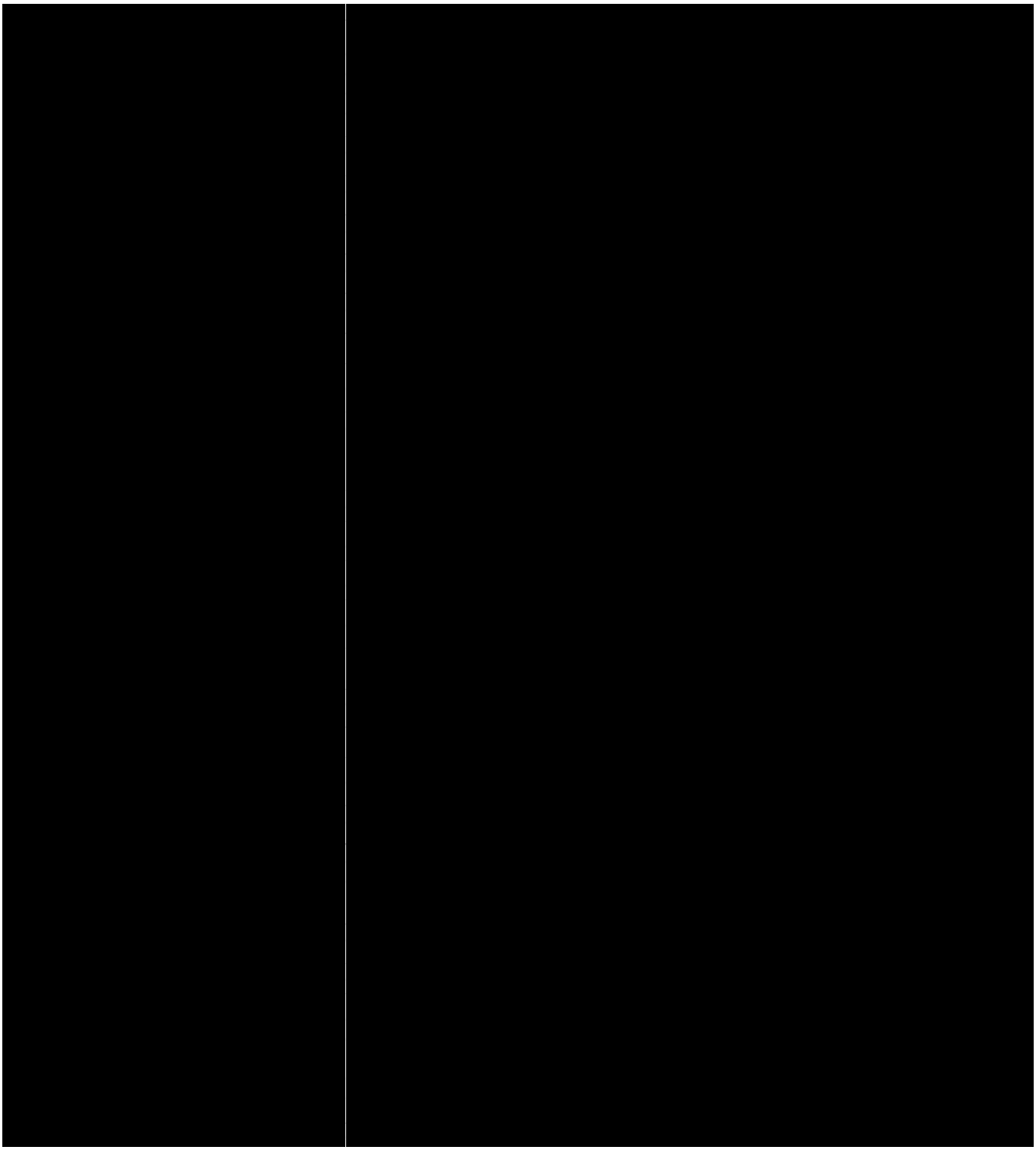


Attachment B

(In thousands)

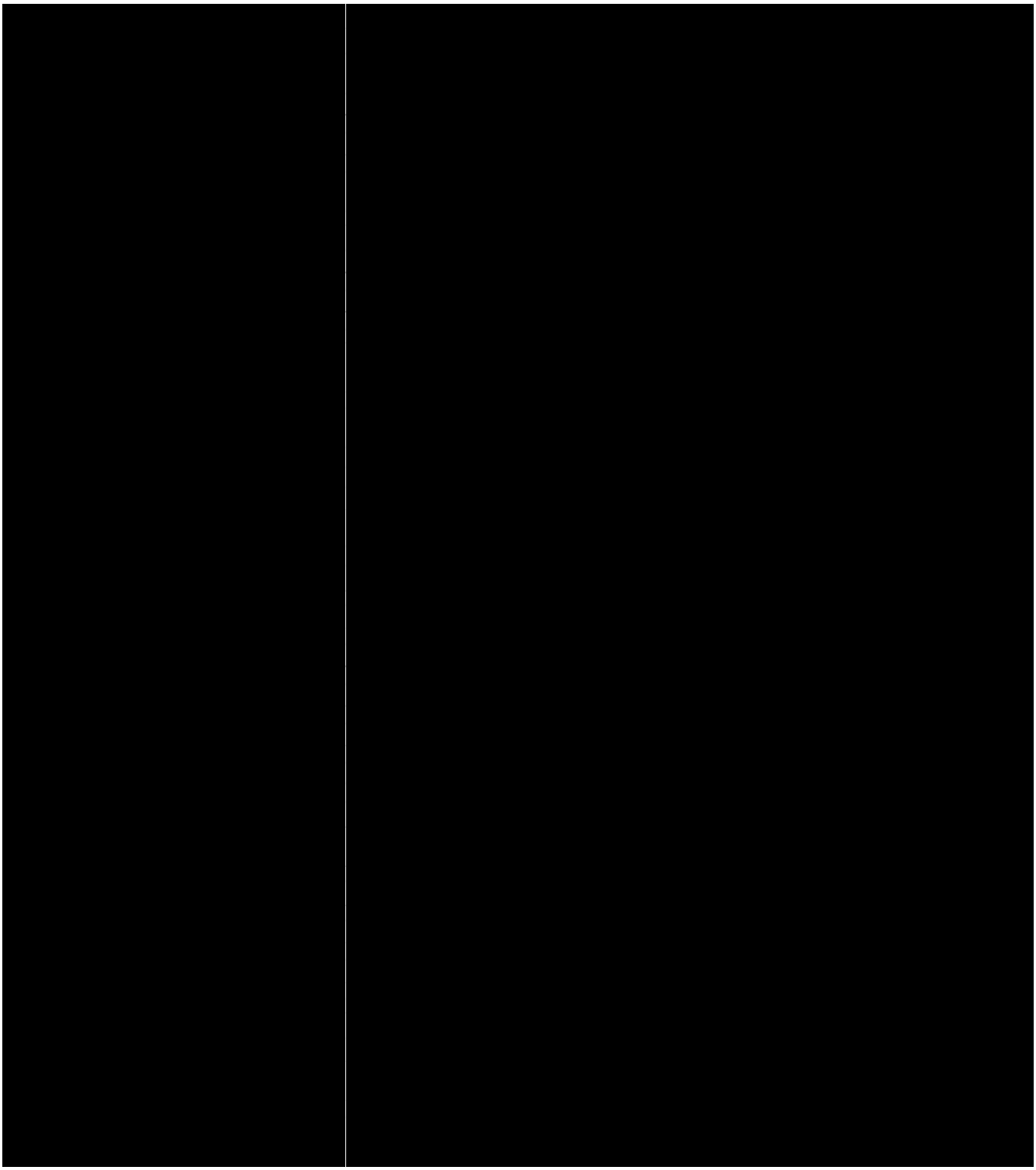


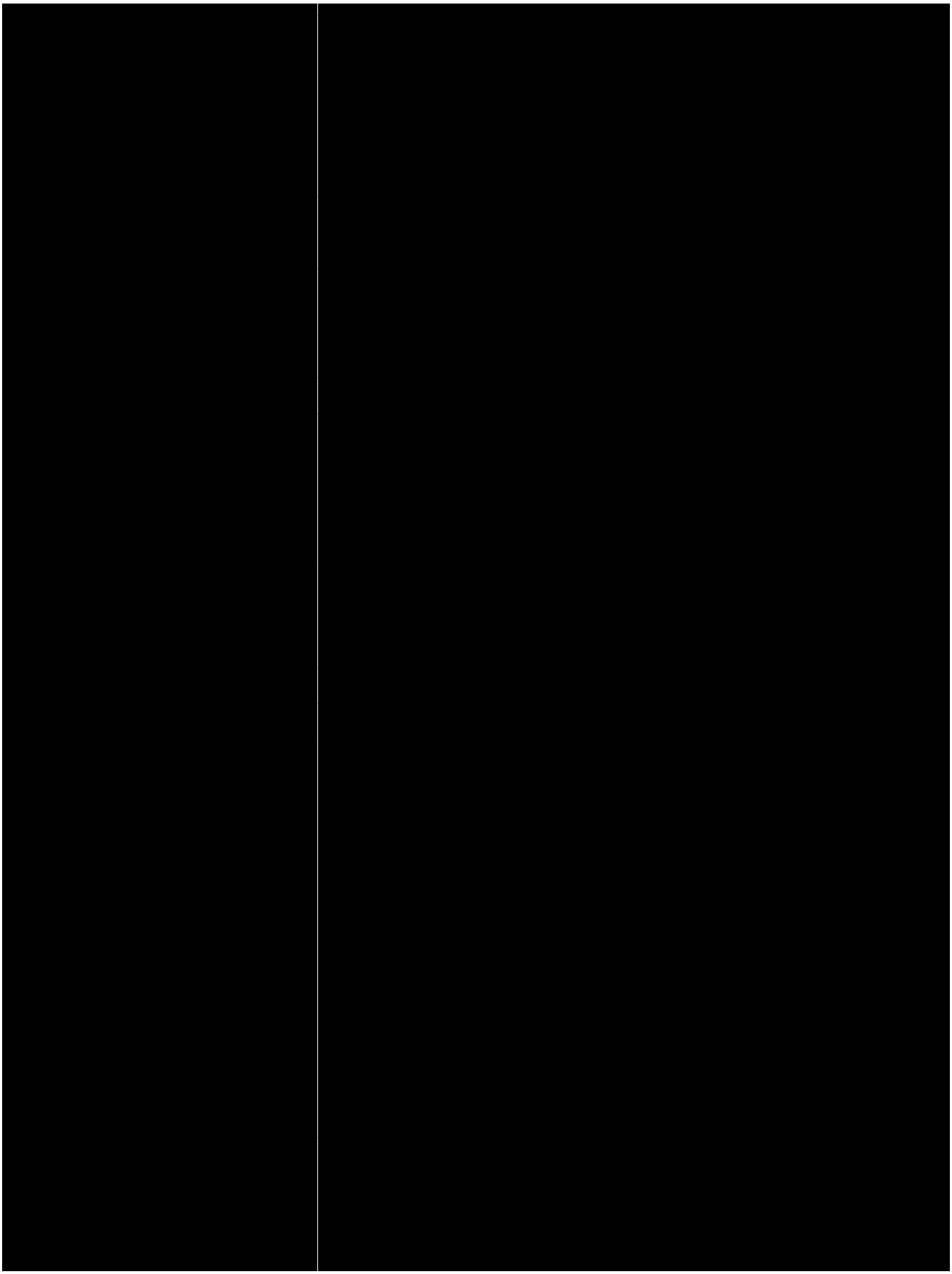


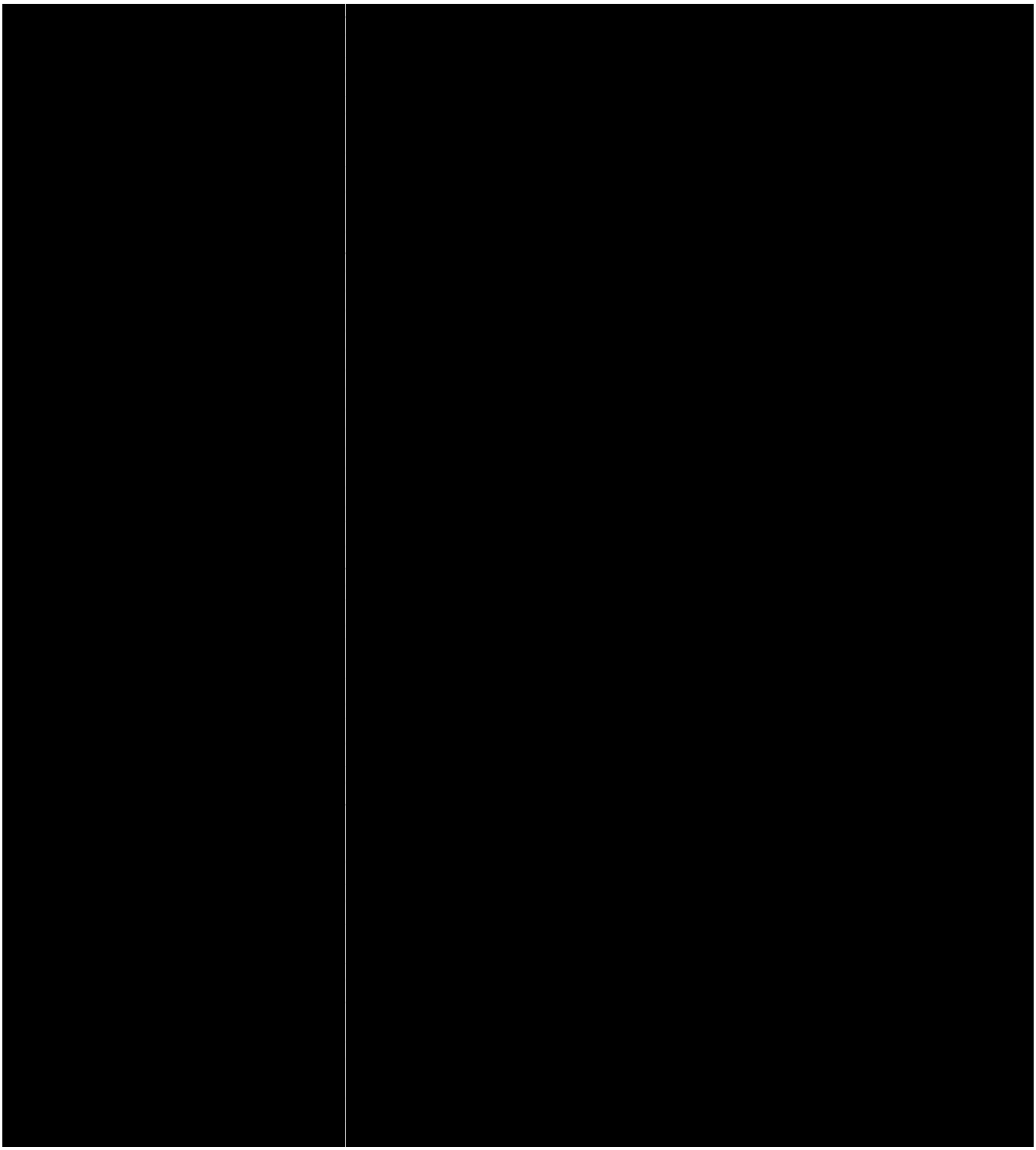


Attachment B

(In thousands)

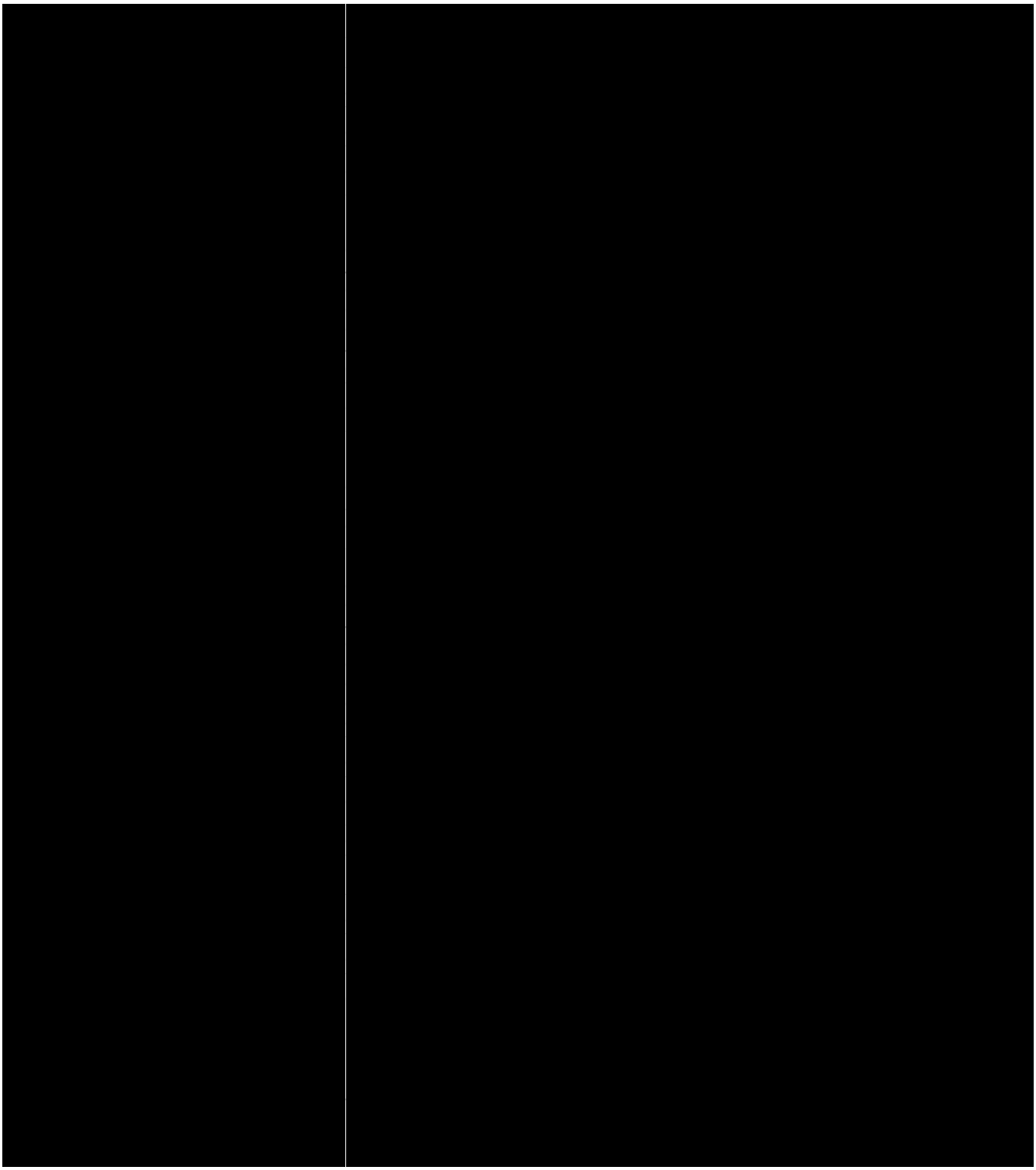


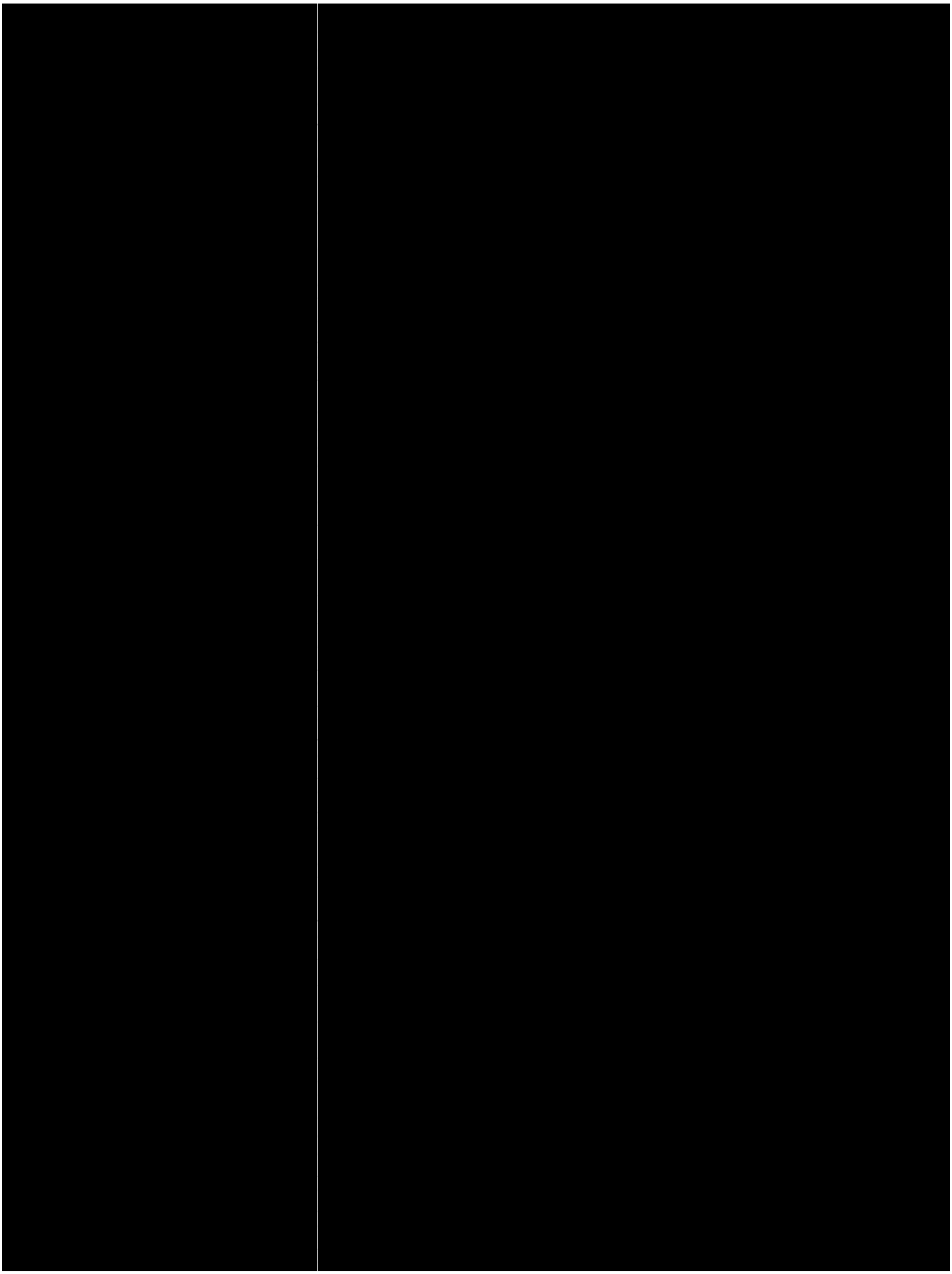


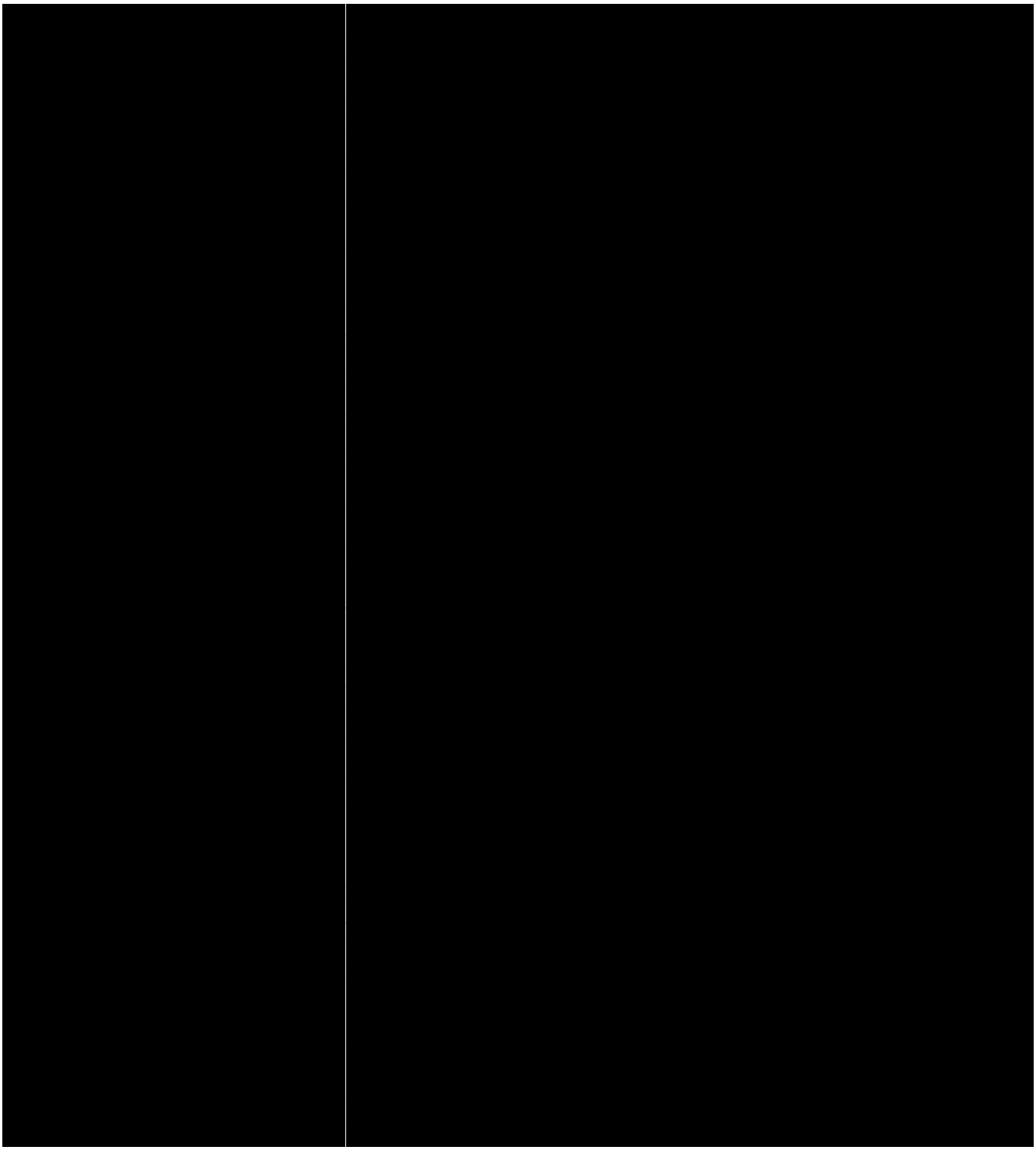


Attachment B

(In thousands)

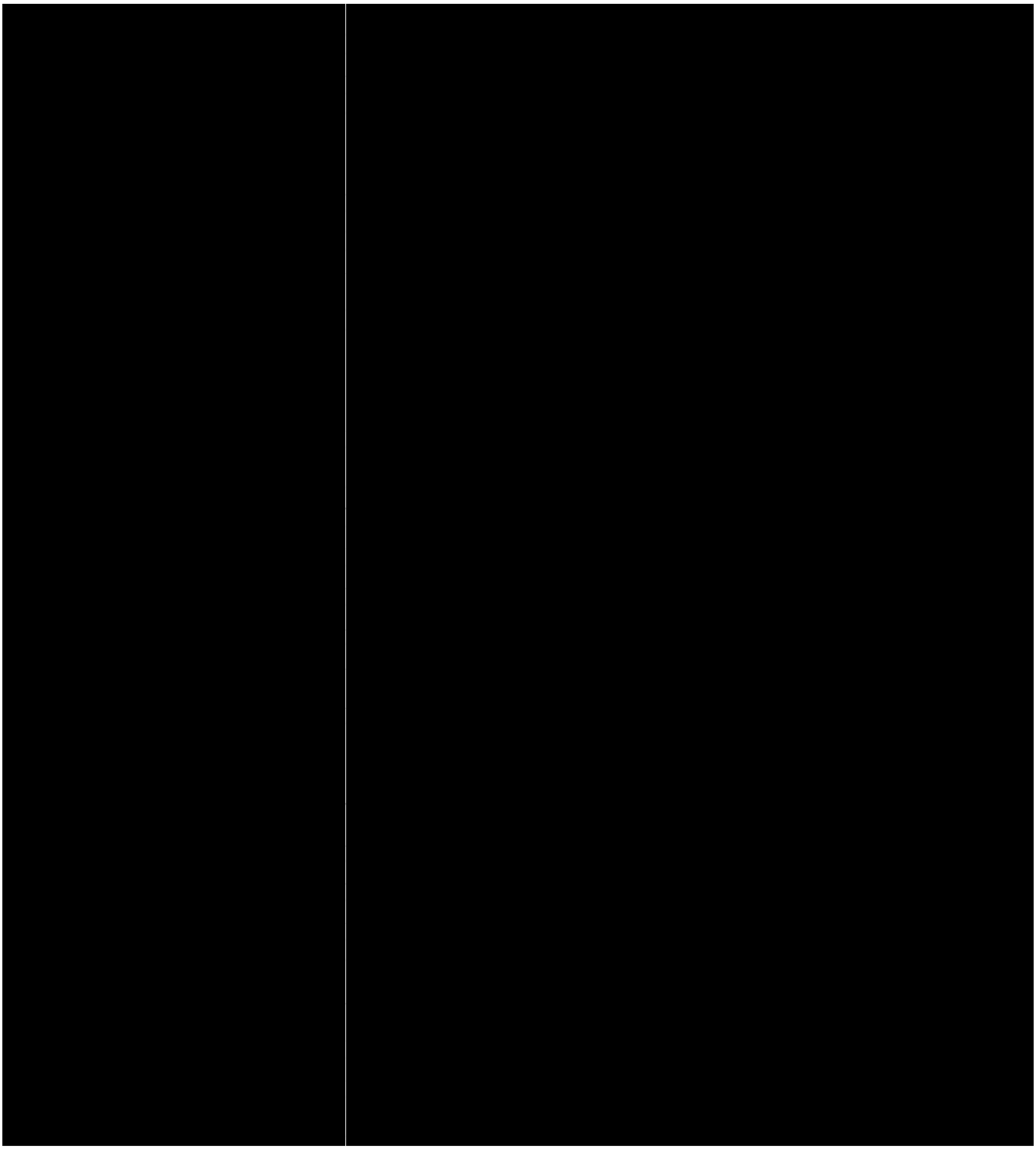


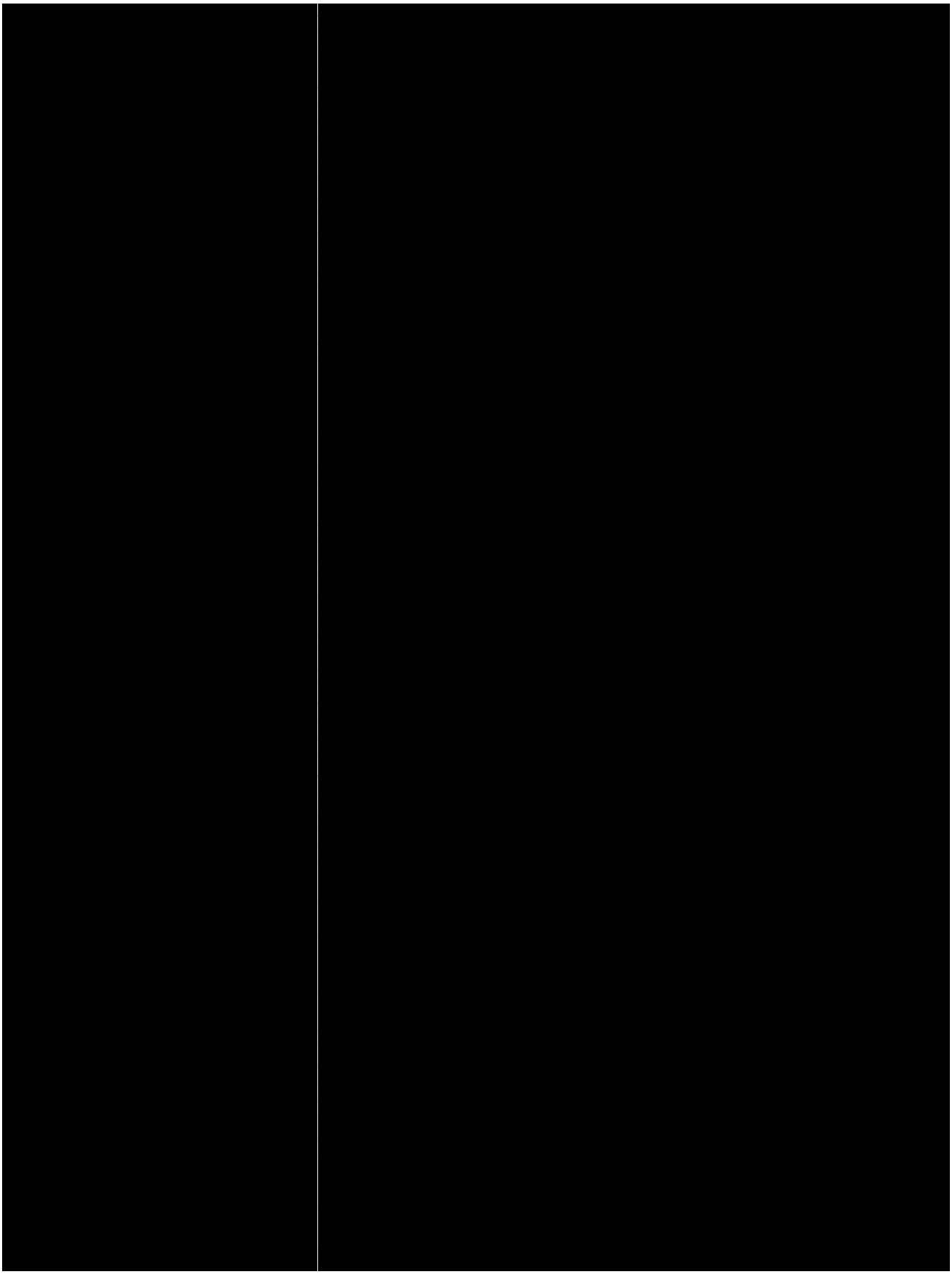


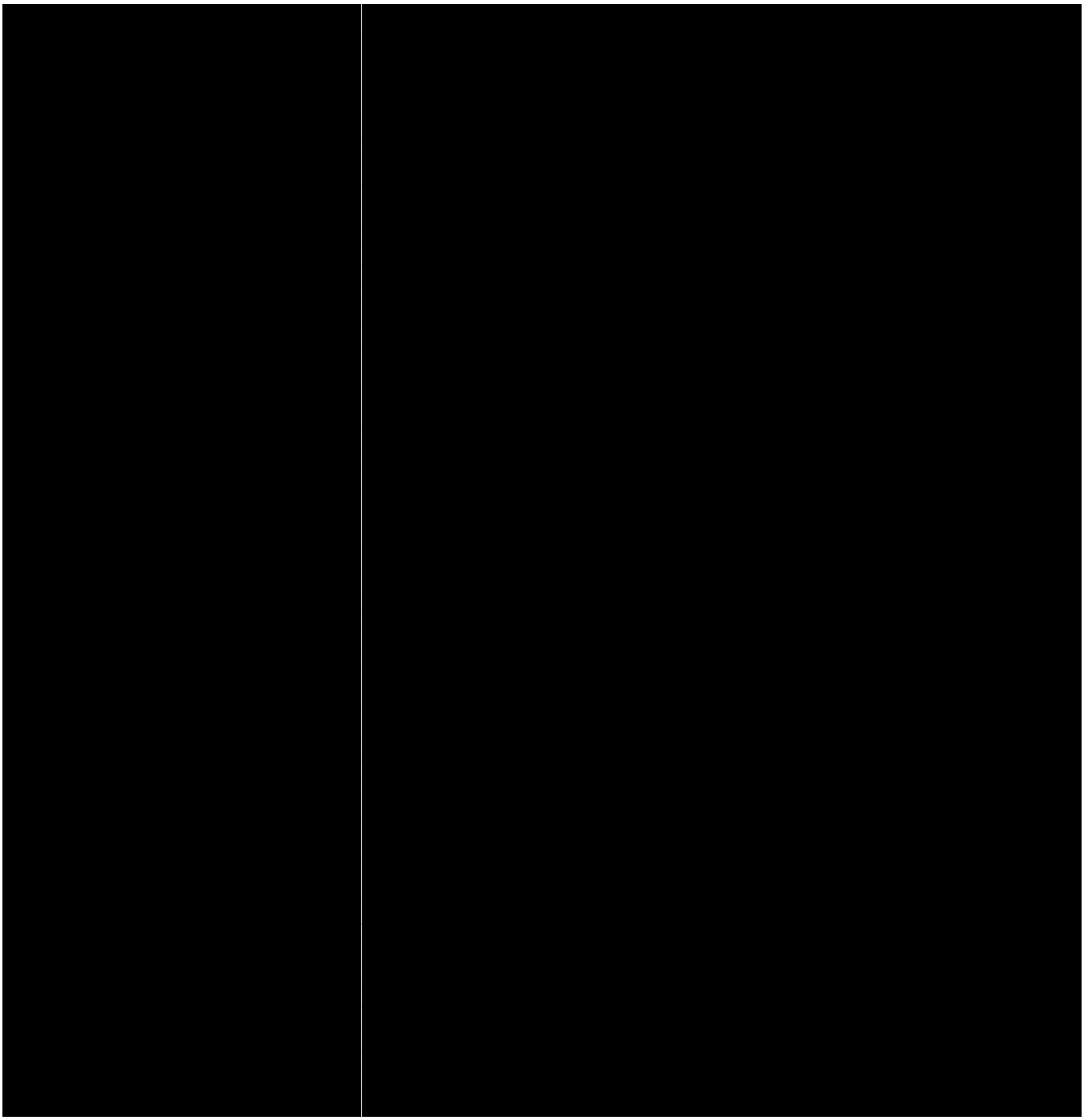


Attachment B

(In thousands)

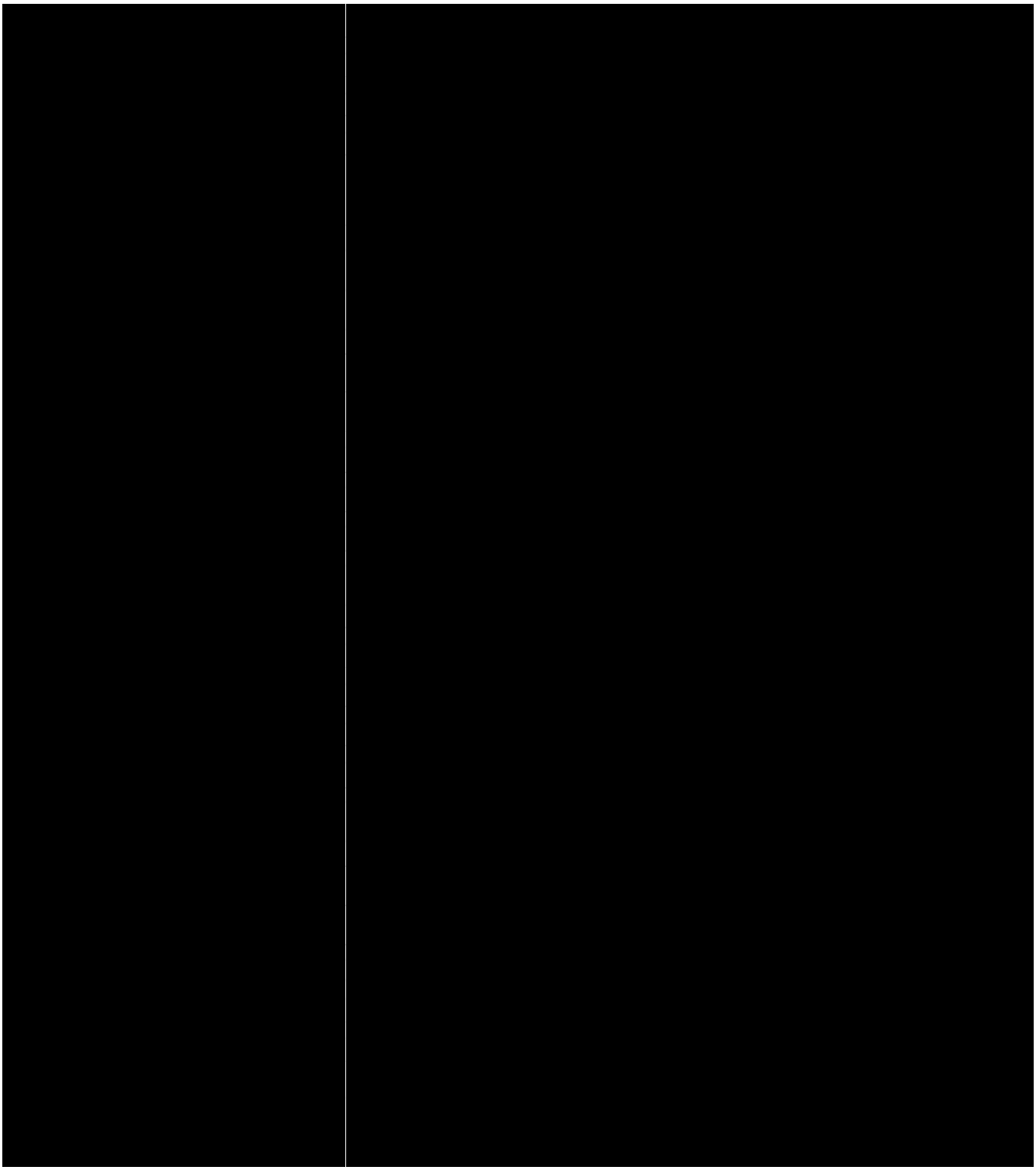


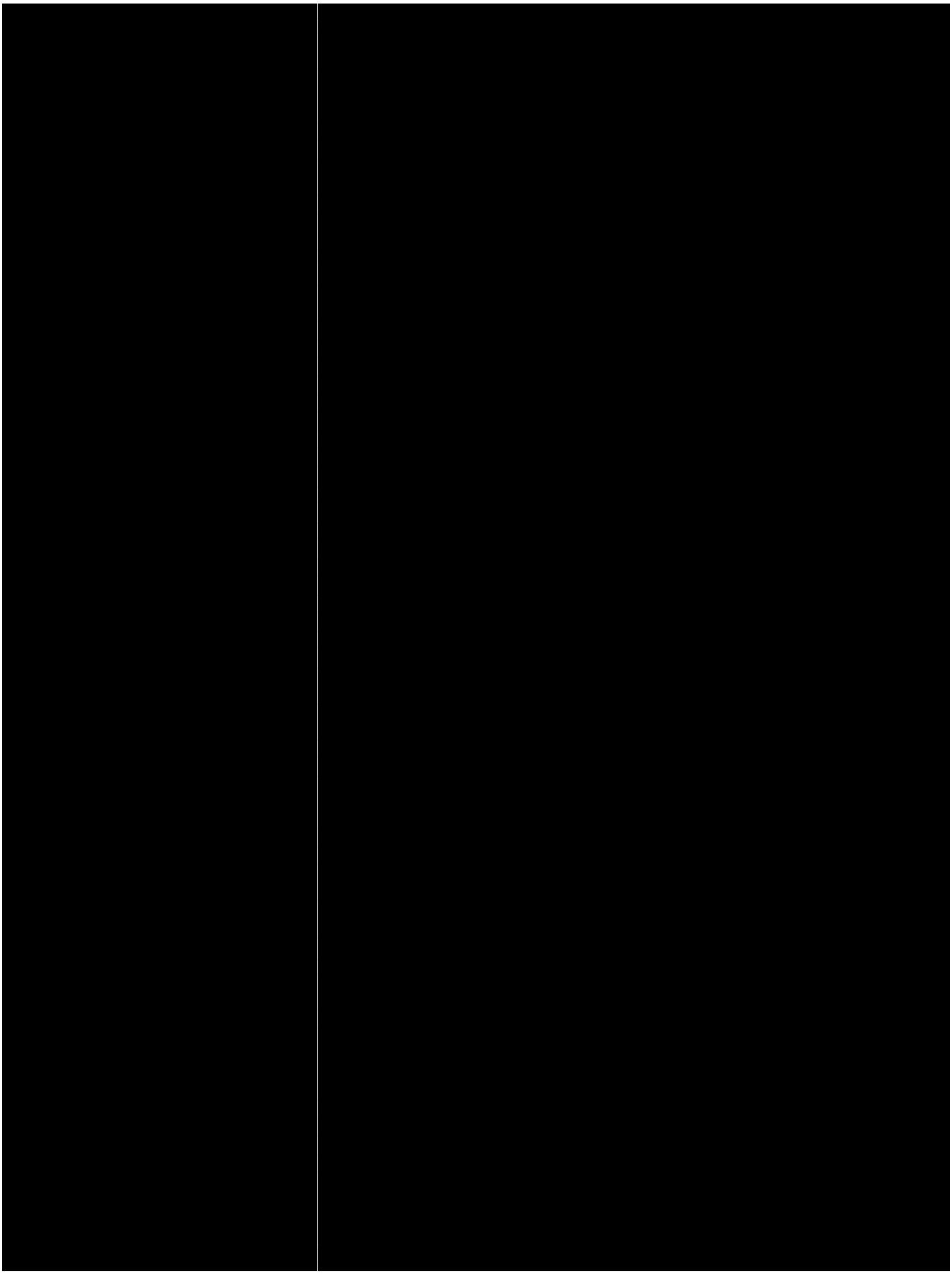


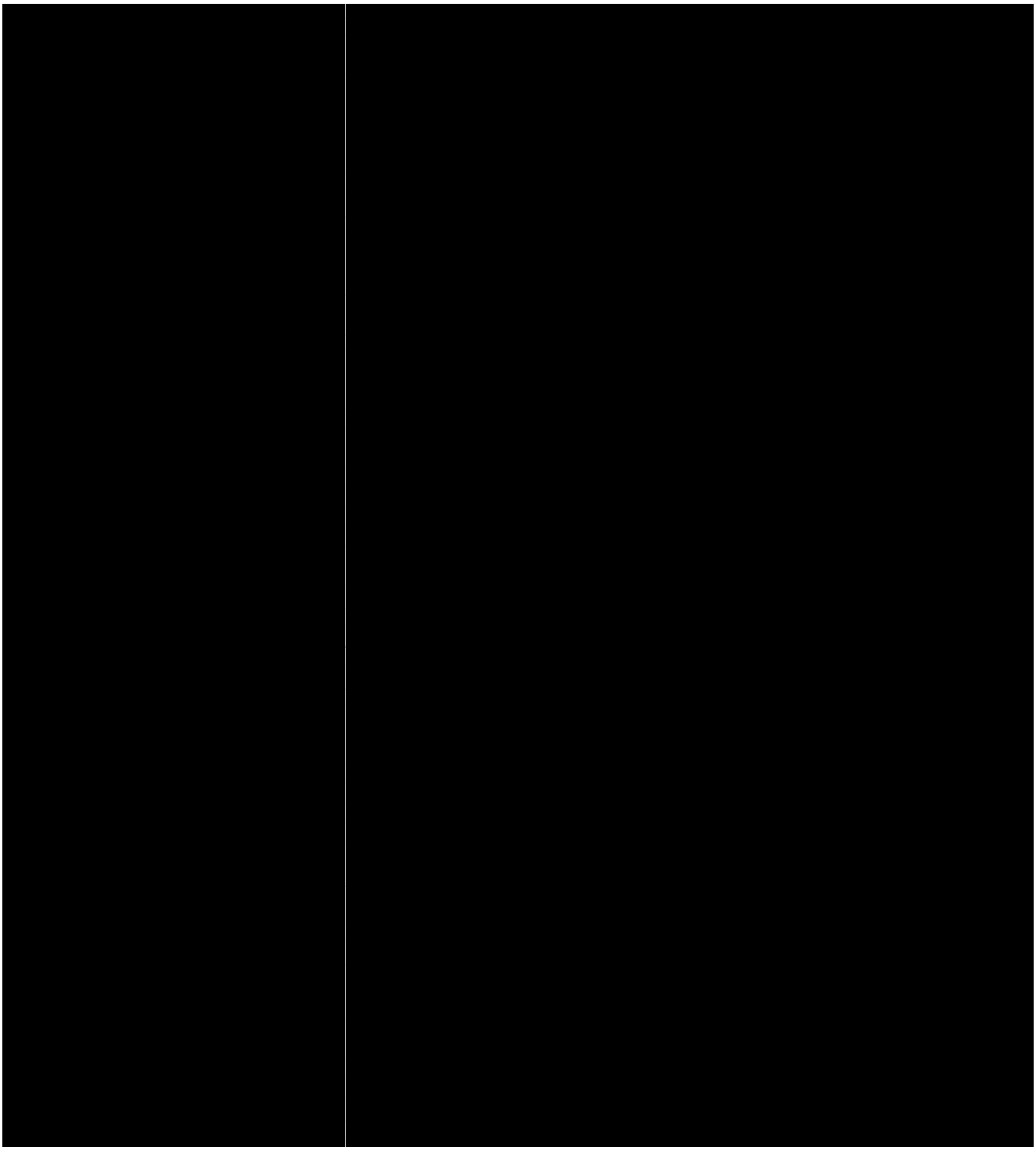


Attachment B

(In thousands)

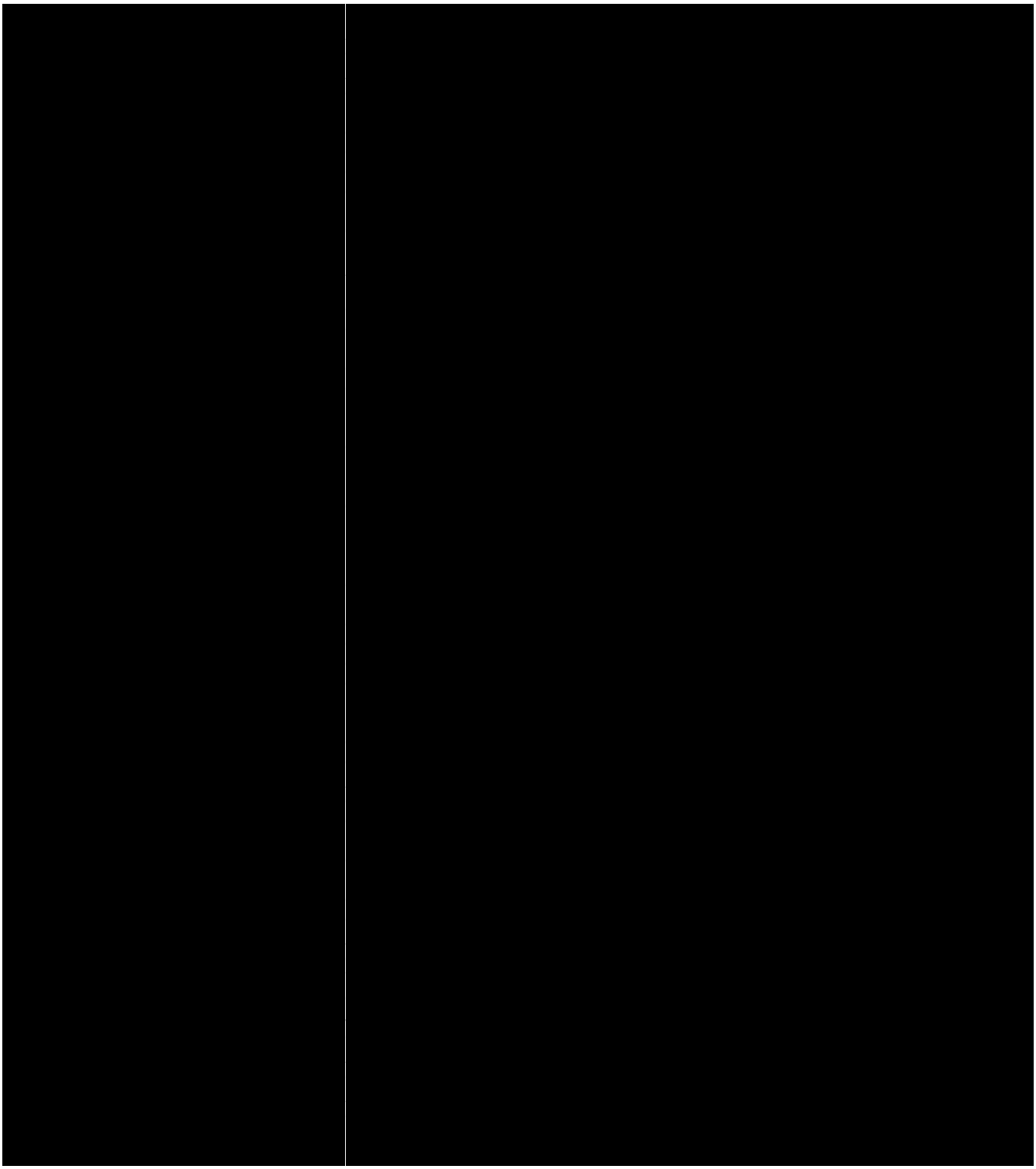


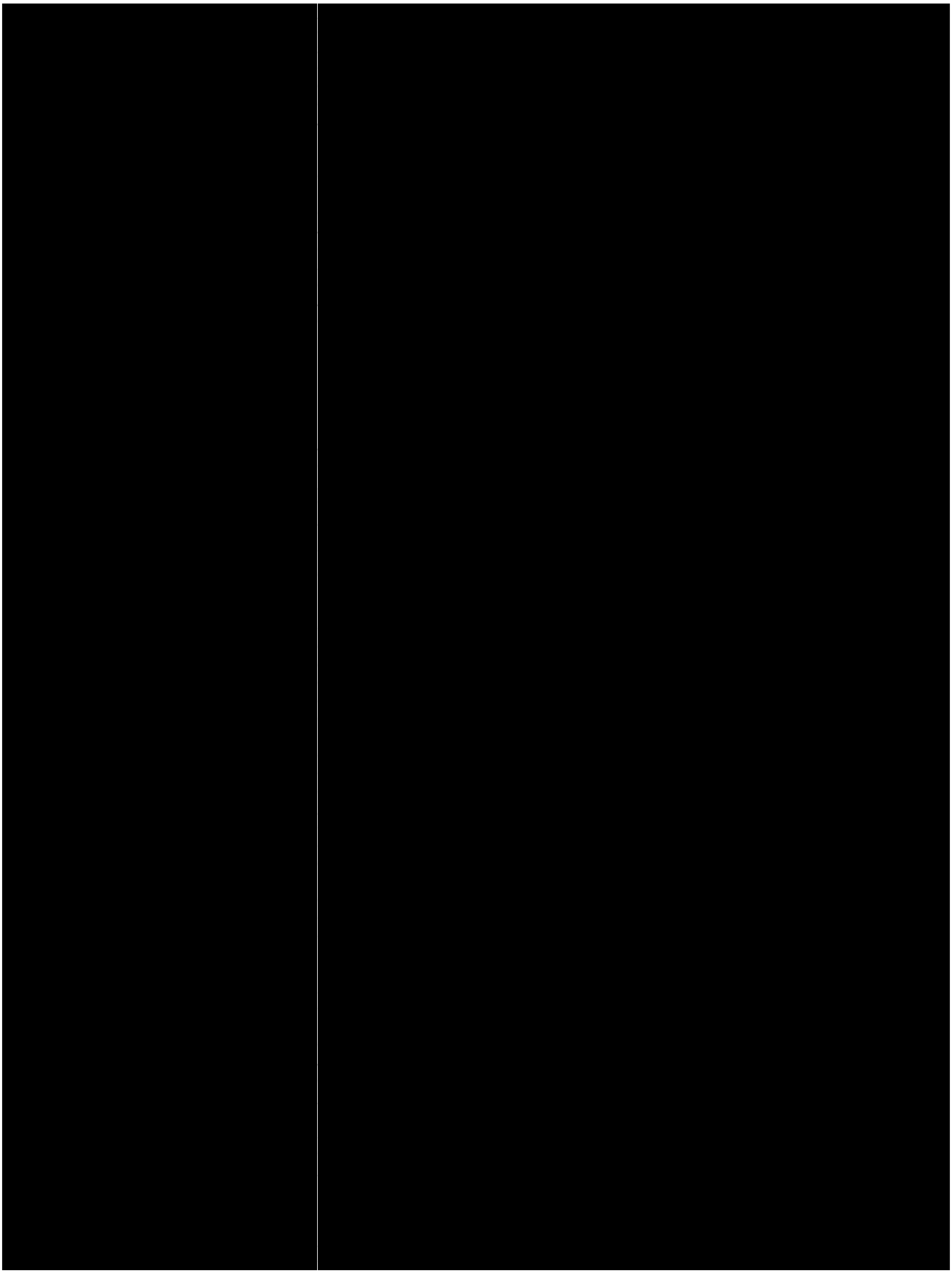


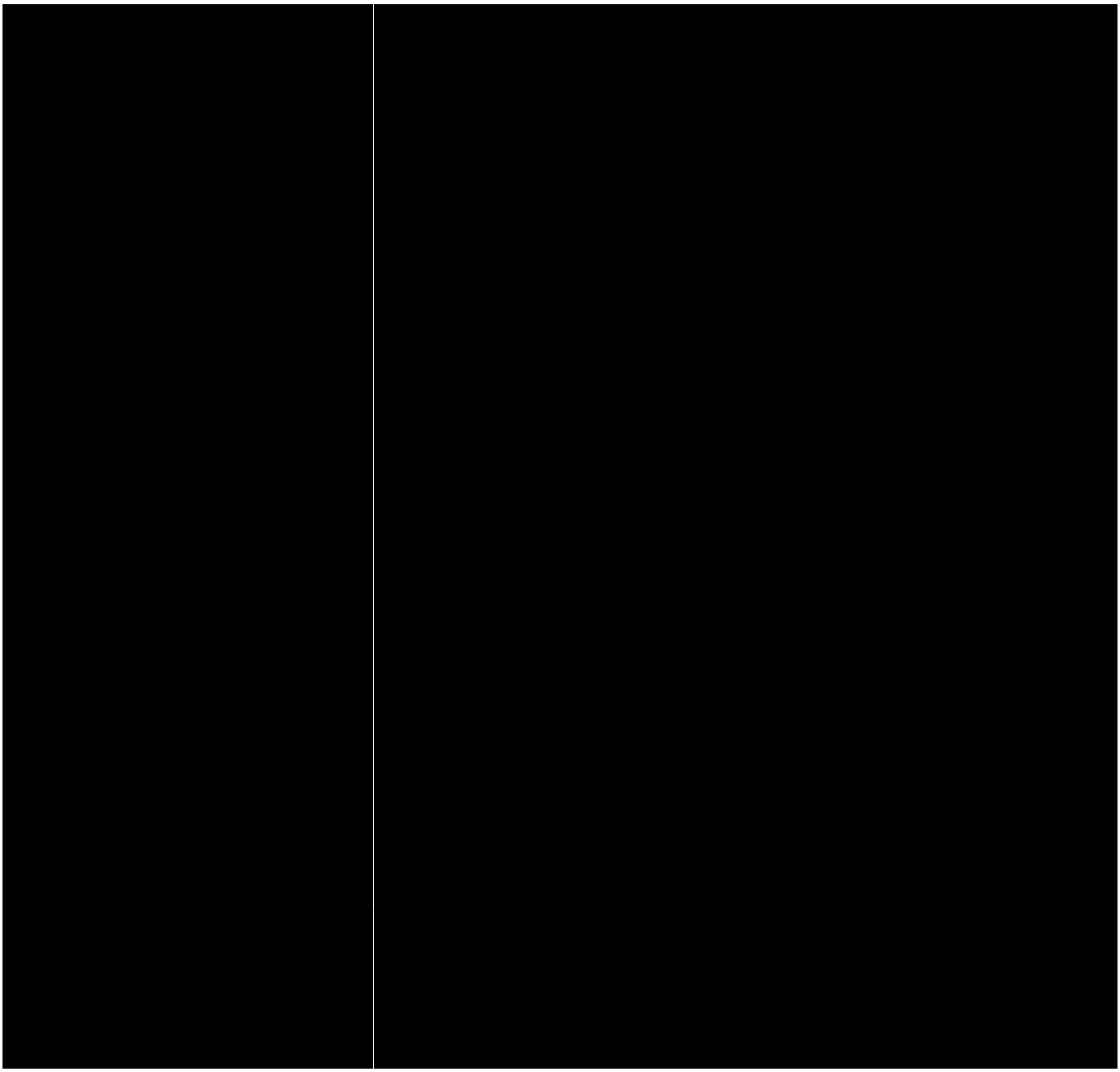


Attachment B

(In thousands)

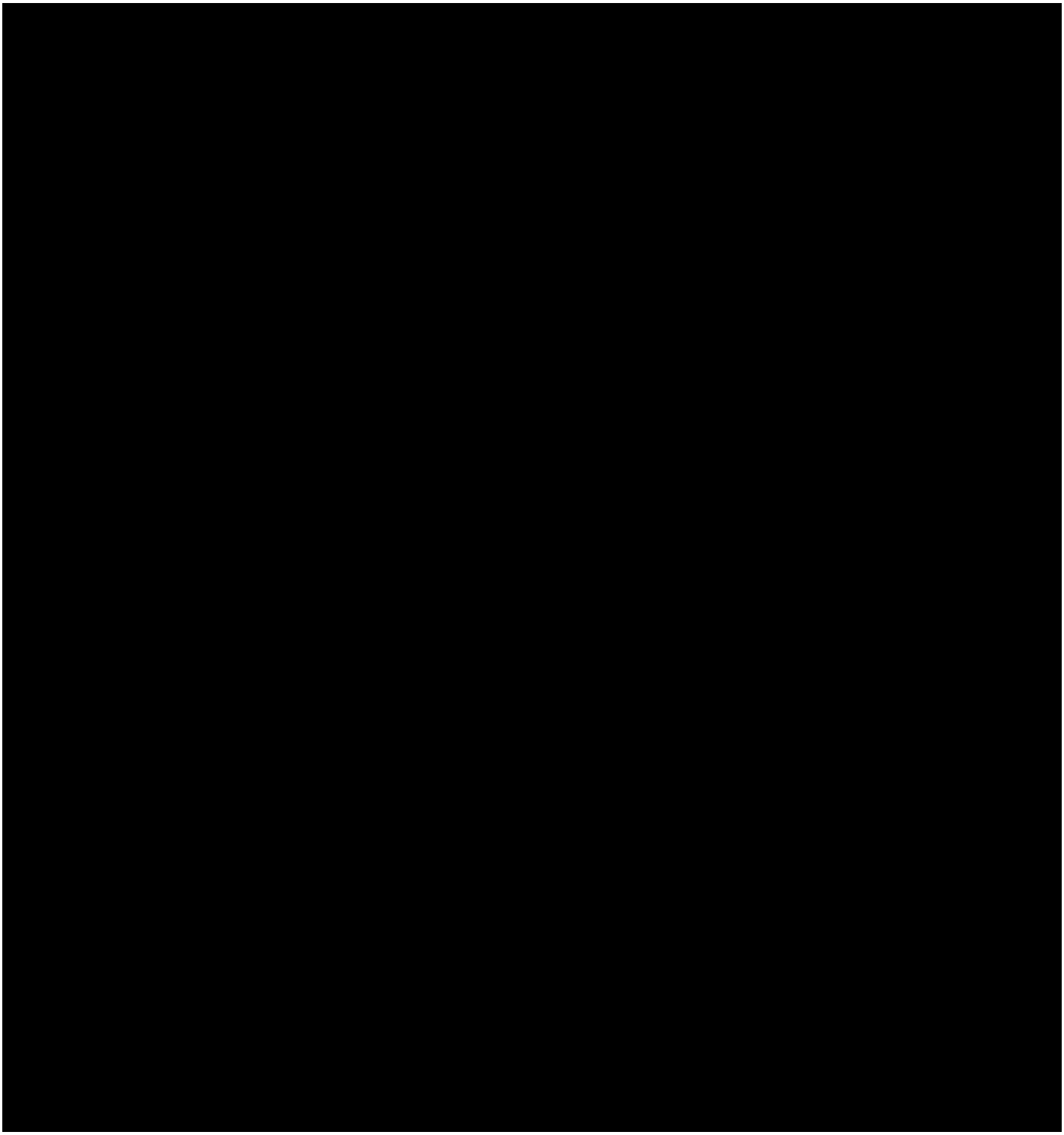






Attachment B

(In thousands)



* Identified as a party-in-interest to the Plan.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the persons who administer the Plan have duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized.

CBS 401(k) PLAN

Date: June 24, 2014 By: /s/ stephen d. mirante

Stephen D. Mirante

Member of the Retirement Committee