



Executive Update

November 1, 2024

Dear Employers,

On October 31, 2024, a special Board of Directors meeting was held to review the excess interest distribution and regular interest rate. Our board conducts an annual review of PMRS' investments. When the rate of return exceeds expectations, a formula is applied to determine if PMRS is financially robust enough to allocate excess interest or adjust the interest rate.

Based on our financial performance in 2023, our Board of Directors voted to allocate more than \$50.5 million in excess interest proportionally to all plans. PMRS will send an official letter notifying each plan of their excess interest amount.

Plans funded at 95% or higher will have the option to deposit the amount in their municipal reserves or distribute a portion to their members and/or retirees. For those who are under 95% funded, the monies will go directly into their municipal reserve, helping to reduce the unfunded liability and improve your funded status.

Additionally, the Board of Directors has elected to raise the interest rate by 0.25%, from 5.25% to 5.50% on January 1, 2025. This increase will benefit plans by boosting their funding ratios. For defined benefit plans, this change will decrease the Minimum Municipal Obligation (MMO), regardless of any changes in plan provisions or demographics. With this 0.25% interest rate increase, it will foster growth in municipal reserves and members will see growth in their pension accounts.

Our goal, along with our Board of Directors, is to maintain a healthy pension and provide stable retirement benefits for all of plans and members. We are pleased to be able to provide the allocation of excess interest and increased interest rate. Measures like these reinforce our commitment to supporting the financial growth and ensuring long-term stability of your pension plans.

Thank you for your continued trust and ongoing support.

Sincerely,

A handwritten signature in black ink that reads "Timothy Reese". The signature is written in a cursive style with a large, sweeping initial "T".

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Timothy A. Reese
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