

2024 Annual Comprehensive Financial Report

Pennsylvania Municipal Retirement System
Commonwealth of Pennsylvania
Fiscal years ended December 31, 2024 and 2023

years



2024 PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal years ending December 31, 2024 and 2023

Barry L. Sherman, Chairman
Pennsylvania Municipal Retirement Board

Cory S. Adams, Vice Chairman
Pennsylvania Municipal Retirement Board

Timothy A. Reese, Chief Executive Officer
Pennsylvania Municipal Retirement Board

Report prepared by the Investment and Financial Management Division of the Pennsylvania Municipal Retirement System.

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Introduction





June 11, 2025

Dear PMRS Participants,

On behalf of the Pennsylvania Municipal Retirement System (PMRS) and the Board of Trustees, I am pleased to present the Annual Comprehensive Financial Report (ACFR), for the years ended December 31, 2024, and 2023. This report provides a detailed overview of PMRS' financial performance as of December 31, 2024.

Established in 1974 by the Pennsylvania Legislature, PMRS spent 50 years administering pension plans for local governments across the state. Over the decades, we made tremendous strides, implementing computer hardware and software, expanding benefit options, and enhancing enrollment processes that have strengthened our ability to serve municipalities and members efficiently.

As Pennsylvania's largest single administrator of local government public pension plans, PMRS plays a crucial role in securing retirement benefits for our municipalities. We proudly serve more than 1,060 plans and support over 20,000 members and beneficiaries.

Our 11-member appointed board remains dedicated to upholding our fiduciary responsibility, ensuring the prudent management and protection of Pennsylvania's local government employees' retirement assets.

Despite economic challenges such as high interest rates and shifting inflation, the global economy demonstrated resilience in 2024. By the fourth quarter, the U.S. economy exceeded expectations, driven by steady consumer spending. PMRS continues to take a long-term investment approach, maintaining a diversified portfolio across asset classes. By year-end, our portfolio achieved a 9.2% gain, adding \$300 million and closing at \$3.52 billion in assets. PMRS remains among the top 5% of fully funded public pension plans nationwide.

In recognition of our commitment to financial transparency, PMRS was awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for the year ended December 31, 2023. This national award highlights our adherence to the highest standards in financial reporting, ensuring clarity, accuracy, and accessibility in this report.

In 2024, PMRS celebrated 50 years of service, reflecting on how far we've come since our founding in 1974. Through innovation, diligence, and unwavering commitment to Pennsylvania's local government employees, PMRS remained focused on securing strong retirement futures for its members.

In closing, I want to express my sincere gratitude to my fellow PMRS Board of Trustees, the executive leadership team, and our dedicated staff for their unwavering commitment to serving our employers and members. I also extend my appreciation to our members for their public service and continued support of PMRS.

As always, we value your feedback and encourage you to reach out with your questions and comments regarding this report.

Sincerely,

A handwritten signature in black ink, reading "Barry L. Sherman".

Barry L. Sherman

PMRS Board Chairman

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PMRS BOARD OF TRUSTEES

as of December 31, 2024



**Barry Sherman,
Chair**

*Represents retired
members enrolled in
PMRS*



**Tom Deitzler,
Vice Chair**

*Represents Pennsylvania
Municipal Authorities
Association*



**Stacy Garrity
State Treasurer
(ex-officio)**



**Al Schmidt
Secretary of
Commonwealth of PA
(ex-officio)**



Jessica Seiders

*Represents
Pennsylvania State
Association of
Boroughs*



Cory S. Adams

*Represents PA State
Association of
Township Commissioners*



Robert McCarron

*Represents active
police officers enrolled
in PMRS*



Amy Rockwell

*Represents Pennsylvania
Municipal League*



Randy Phiel

*Represents
Pennsylvania State
Association of County
Commissioners*



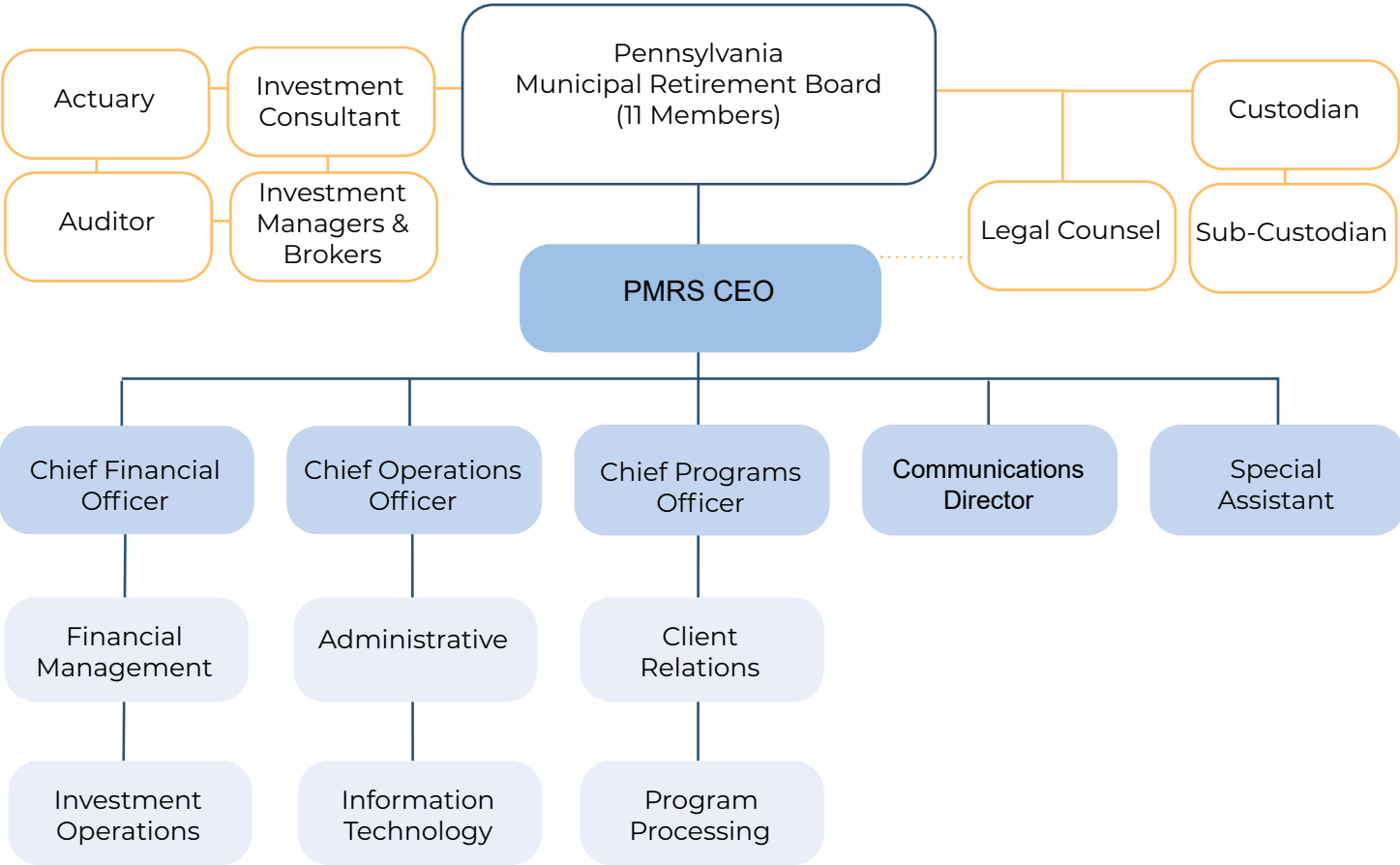
Jody Rebarchak

*Represents
Pennsylvania
State Association
of Township
Commissioners*



Joshua Hull

*Represents active
firefighters enrolled in
PMRS*



PMRS VISION & MISSION

VISION

To be Pennsylvania local governments' pension administrator of choice.

MISSION

The Pennsylvania Municipal Retirement System seeks to help Pennsylvania's local governments, regardless of size or resources, secure the future retirement of their employees by providing comprehensive, cost-efficient, and professional pension administration services through a pension plan tailored to the participants' and sponsors' requirements.

PMRS EXECUTIVE STAFF

As of December 31, 2024

Timothy A. Reese,

Chief Executive Officer

Richard Cardamone, CPA, CGMA

Chief Financial Officer

Christopher Trump,

Chief Programs Officer

Mark Darok,

Chief Operations Officer

Carey Miller,

Director of Communications

Sean Christine,

Special Assistant to the Secretary

PMRS

1721 North Front Street Harrisburg, Pennsylvania 17102-2315

Mailing Address

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PROFESSIONAL CONSULTANTS

Actuary

Cheiron, McLean, VA

Karen Zangara, FSA, MAAA, EA, Principal Consulting Actuary

Auditor

Zelenkofske Axelrod LLC, Harrisburg, PA

Cory Johnson, CPA, Partner

Investment Consultant

Marquette, Chicago, IL

Lee Martin, PH.D., Managing Director

Custodian/Sub-Custodian

Pennsylvania Treasury

BNY Mellon, Pittsburgh, PA

Allison Charest, Senior Vice President, CGNP Service Directors

INVESTMENT MANAGERS

Ares Management, Chicago, IL

William Lee, Principal, Relationship Management

Copeland Capital Management, Conshohocken, PA

Mark Giovanniello, CFA Chief Investment Officer

Dana Investment Advisors, New York, NY

Lynda Leslie, Managing Director, Marketing & Client Services

Emerald Advisers, Leola, PA

Kenneth Mertz II, CFA, President/Chief Investment Officer

Federated Investors, Pittsburgh, PA

Carol Borrelli, Director, Global Advisory Management

Forest Investment Associates, Atlanta, GA

Jamie Ulmer, Director, Portfolio Management

Hardman Johnston Global Advisors, Stamford, CT

James Pontone, Director and Portfolio Manager

Hudson Edge Investment Partners, Jersey City, NJ

Matthew Kosara, CFA, Client Portfolio Manager

MFS Institutional Advisors, Boston, MA

Peggy Donahue, Client Service Manager

Northern Trust Asset Management, Chicago, IL

Ashley Alson, Director, Public Funds & Taft Hartley - Asset Management

Nuveen Real Estate, New York, NY

Cindy Chen, Managing Director, Portfolio Management

PGIM Real Estate, Madison, NJ

Larry Teitelbaum, Managing Director, Business Development

Polen Capital Management, Boca Raton, FL

Brian Smith, CFA, Head of Institutional Business Development

RhumbLine Advisers, Boston, MA

Denise D'Entremont, Chief Executive Officer, General Partner

State Street Global Advisors, Boston, MA

Michael Barnes, Assistant Vice President, Institutional Client Group

Xponance, Inc., Philadelphia, PA

Clarissa Parker, Vice President, Client Services & Consulting Relations

LETTER OF TRANSMITTAL

June 11, 2025

Members of the Retirement System

Members of the Governing Boards of PMRS' Employers

Pennsylvania Municipal Retirement System Board of Trustees

Dear Members, Employers' Governing Board Members, and PMRS Board of Trustees:

We are pleased to present the Pennsylvania Municipal Retirement System's (PMRS) Annual Comprehensive Financial Report (ACFR) for the years ended December 31, 2024 and 2023. This report is intended to provide financial, investment, actuarial, and statistical information in a single publication. The management of PMRS is solely responsible for the accuracy and completeness of this report. As required by the Pennsylvania Municipal Retirement Law, Act of 1974, P.L. 34, No. 15 (the Act) as amended, PMRS makes available the ACFR to our governing board, the members of the General Assembly of Pennsylvania, each participating municipal employer, and all other interested parties upon request. The ACFR is also published on the PMRS website (www.pmrspa.gov).

PMRS OVERVIEW

PMRS is an agent multiple-employer system, headquartered in Harrisburg, Pennsylvania. It is a state-affiliated agency created by an act of the Pennsylvania General Assembly in 1974. Responsibility for the organization and administration of PMRS is vested in the 11-member Pennsylvania Municipal Retirement Board (the board). PMRS administers sound, cost-effective pension plans on a contracted basis for local government employees throughout the Commonwealth. Our services include accounting services, actuarial valuations, employee consultation, record keeping, and asset management. Any Pennsylvania county, city, town, township, borough, municipal authority, or institution supported and maintained by a municipality may participate. The Statistical Section of this report lists all participating plans as of December 31, 2024.

PMRS offers two types of retirement plans: defined benefit (traditional pension) and cash balance; either plan can be used alone or in combination with the other. Plan sponsors determine key plan provisions allowable within federal guidelines and commonwealth law. These plan sponsor elections, combined with PMRS' standard plan provisions, determine each plan's unique design tailored to the plan sponsor's specific needs.

The plan design determines the type of plan and benefit options, the general level of plan funding requirements, the cost-sharing between the employee and employer along with the employer's administrative complexity. For example, a standard comparative measure of a plan's retirement benefit level is income replacement, which is the percentage of an employee's final average salary that will be replaced by a plan's annual retirement benefits. Income replacement in PMRS plans ranges from 15% to 80% for employees with 30 years of service. Another comparative measure is total plan costs as a percentage of the total salary of a plan's active employees. PMRS plan costs range from 2% to 30% of the total salary. Finally, plan design determines the plan cost sharing, which is the percentage of total plan costs paid by employers versus those paid by employees. Plan cost sharing for employees ranges from 0% to 60% of the plan's total cost while employer costs range from 40% to 100% of the plan's total cost.

INTERNAL CONTROLS

PMRS' management is responsible for internal controls which are designed to provide reasonable assurances for the safeguarding of assets and the reliability of financial records.

A system of internal controls provides reasonable, but not absolute, assurance that assets are properly safeguarded and that financial statements are reliable. The concept of reasonable assurance recognizes that first, the cost of a control should not exceed the benefits likely to be derived, and second, the valuation of the cost and benefits requires estimates and judgments by management.

PMRS has established internal control policies and procedures for the review and verification of all receipts and payments made to and from PMRS. PMRS staff prepares a yearly budget which must be adopted by

the board. In addition, the budget is presented to and reviewed by the local government committees of the Pennsylvania legislature at least two months before the beginning of the year. The committees can approve the budget, reject it, or take no action by the end of the year, in which case, the proposed budget becomes final. Budgetary controls include monthly reviews and presentations by management with quarterly board reviews.

ECONOMIC ENVIRONMENT

In 2024, the global economy demonstrated resilience despite persistent macroeconomic headwinds, including elevated interest rates, evolving inflation dynamics, and uneven global demand. The U.S. economy continued to surprise on the upside, sustaining steady growth throughout the year, supported by robust consumer spending, resilient household balance sheets, and expansive fiscal policy. Inflation moderated from its prior peaks, although it remained above the Federal Reserve's long-term target, prompting a cautious but accommodative monetary policy pivot.

Real GDP in the U.S. decelerated from prior quarters, but increased at an annual rate of 1.6% in the first quarter, as underlying domestic demand held steady despite drag from net exports and inventories. The PMRS portfolio achieved a net return of 4.4% in the first quarter, driven by strong performance across all equities and opportunistic credit. Fixed income and real estate were notable detractors. Investment gains totaled \$143.2 million.

Economic momentum accelerated in the second quarter, with real GDP growing at a 2.8% annualized rate, reflecting improvements in inventory investment and consumer activity. Despite signs of bifurcation between large and small businesses, U.S. large-cap equities continued to perform well, supported by resilient corporate earnings. The PMRS portfolio earned a net return of 0.5%, with notable gains in large-cap equities and opportunistic credit, though U.S. mid and small-cap equities and real assets underperformed. Investment gains for the quarter totaled \$18.1 million.

The third quarter sustained this trend, with GDP again expanding at 2.8%. An acceleration in consumer spending and increased government spending bolstered growth, while the labor market showed signs of softening, prompting the Federal Reserve to cut interest rates by 50 basis points. Global equities rallied, particularly in emerging markets, which benefited from Chinese policy stimulus. The PMRS portfolio generated a quarterly net return of 5.3%, with strong contributions from global equities, small-cap and value equities, and fixed income. Total investment gains amounted to \$179 million for the quarter.

In the fourth quarter, GDP growth decelerated slightly to 2.3% as business investment slowed. However, strong consumer spending continued to support overall economic activity. Inflation expectations ticked up marginally, prompting a reassessment of the pace of future rate cuts. U.S. equities led global markets, though non-U.S. assets underperformed amid renewed dollar strength. The PMRS portfolio posted a net return of -1.1% in Q4, with positive contributions from U.S. equities and real assets, offset by losses in global and international equities as well as fixed income. Investment losses totaled \$40.3 million.

The PMRS portfolio added \$300 million in 2024 and ended the year at \$3.52 billion, bringing the year-to-date net rate of return to 9.2%.

FINANCIAL INFORMATION

PMRS' financial statements were prepared in accordance with generally accepted accounting principles in the U.S. The financial statements and the required supplementary information in this report have been prepared in accordance with governmental accounting standards. The independent auditor's report is in the Financial Section on page 17 and the Management's Discussion and Analysis commences on page 20.

The accrual basis of accounting is used to record all financial transactions including assets, liabilities, revenues, and expenses. Gains and losses on sales and exchanges of investments are recognized on the trade date. Significant accounting policies are detailed in the Financial Section under Notes to Financial Statements. PMRS' net position was \$3.52 billion on December 31, 2024. PMRS' net position increased by \$232.3 million or 7% from \$3.29 billion at December 31, 2023. Net investment gain (loss) increased the net position by \$299.6 million. Contributions and assessments increased the net position by \$109.3 million. Transfers from other plans increased net position by \$3.9 million. Benefit payments, plan withdrawals, and administrative expenses reduced the net position by \$180.4 million. Additional information is detailed in the Financial Section ("Statement of Fiduciary Net Position" and "Statement of Changes in Fiduciary Net

LETTER OF TRANSMITTAL

Position") located on pages 25 and 26.

ADDITIONS TO FIDUCIARY NET POSITION

PMRS was established by law to pay pension benefits when due. It accumulates sufficient funds to pay benefits through employer contributions, employee contributions, and investment income. The following schedule presents a summary of additions to fiduciary net position for the year ended December 31, 2024, and shows the amount and percentage of increases and decreases compared to the prior year ended December 31, 2023.

Municipal contributions are based on an actuarial valuation, using the Entry Age Normal Actuarial Cost Method, computed as a percentage of the total employee compensation of all active members during the period for which the amount is determined. Member contributions vary according to the type of pension plan.

Municipal and member contributions also include transfers from other plan administrators for new plans.

Contributions increased by \$8.6 million or 8.2% from \$104.6 million in 2023 to \$113.2 million in 2024. Most of the increase is due to an increase in contributions by municipalities due to increased minimum municipal obligations based on the most recent actuarial valuation reports dated January 1, 2023.

SUMMARY OF ADDITIONS TO FIDUCIARY NET POSITION

for the Years December 31, 2024 and 2023

(amounts in thousands)

ADDITIONS TO FIDUCIARY NET POSITION	2024	PERCENTAGE OF TOTAL	2023	DOLLAR INCREASE (DECREASE)	PERCENTAGE INCREASE (DECREASE)
Contributions ¹	\$113,177	27.4%	\$104,566	\$8,611	8.2%
Net investment income (loss)	299,600	72.6%	325,890	(26,290)	-8.1%
Other miscellaneous	1	0.0%	5	(4)	-80.0%
Total	\$412,778	100.0%	\$430,461	\$(17,683)	-4.1%

¹Contributions included additional municipal employer contributions towards unfunded liability of \$3.8 million in 2024 and \$2.6 million in 2023, transfer from other plan administrator of \$3.9 million in 2024 and \$12 thousand in 2023 and transfers in lieu of contributions of \$674 thousand in 2024 and \$326 thousand in 2023.

Each municipality is charged a \$20 assessment per member to help cover administrative expenses incurred by PMRS. Any fluctuation in assessment is caused by the number of members per municipality and can be affected by employee turnover, new plans being added, or existing plans withdrawing from PMRS.

Net investment income (loss) is a combination of appreciation (depreciation) of fair value and earnings from equities, real assets, fixed income, and a short-term cash management fund, less investment expenses. The fair value of PMRS' investment portfolio increased from \$ 3.291 billion on December 31, 2023, to \$3.528 billion on December 31, 2024. The investment portfolio had increased from \$3.028 billion on December 31, 2022, to \$3.291 billion on December 31, 2023. Investment income (loss) is primarily attributable to appreciation (depreciation) in fair values in the equity markets.

A breakdown of PMRS' additions to fiduciary net position, including 10-year historical trend information, is presented in Part I of the Statistical Section of this report.

DEDUCTIONS FROM FIDUCIARY NET POSITION

PMRS' primary deductions from fiduciary net position represent the purpose for which it was created: payment of plan benefits. As a single trust, PMRS can use all available assets to ensure pension payments for all eligible members. The following schedule presents a summary of PMRS' deductions from the

fiduciary net position for the year ended December 31, 2024, and shows the amount and percentage of increases or decreases in relation to the prior year ended December 31, 2023. The major deductions for 2024 were annuity benefits and terminations, which increased by \$9.4 million from \$152.4 million in 2023 to \$161.7 million in 2024.

SUMMARY OF DEDUCTIONS FROM FIDUCIARY NET POSITION

for the Years December 31, 2024 and 2023

(amounts in thousands)

Deductions To Fiduciary Net Position	2024	Percentage Of Total	2023	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Annuity benefits and terminations	\$161,723	89.6%	\$152,361	\$9,362	6.1%
Transfers to other plan administrators	9,451	5.2%	1,929	7,522	389.9%
Administrative expenses	9,268	5.2%	9,170	98	1.1%
Total	\$180,442	100%	\$163,460	\$16,982	10.4%

A breakdown of PMRS' deductions from the fiduciary net position, including 10-year historical trend information, is presented in Part I of the Statistical Section of this report.

ADMINISTRATIVE EXPENSES

The 2024 administrative budget was adopted in September 2023 and set at \$12.8 million, exclusive of investment fees. Administrative expenses, exclusive of investment fees, in 2024 amounted to \$9.3 million. More information on PMRS' expenses is included in the Financial Section of this report (Supplementary Schedule 1 – Administrative Expenses located on page 48).

INVESTMENT HIGHLIGHTS

For the year ended December 31, 2024, the net rate of return for the PMRS' total portfolio was 9.2%, ranking in the 55th percentile of the Investment Metrics (IM) Public DB Net Return Universe. For the five years that ended December 31, 2024, the net rate of return was 6.4%, ranking in the top 50th percentile. Since its inception in December 1985, the net rate of return for the PMRS' total portfolio was 8.4%. The net rate of return by asset class for the year ended December 31, 2024, and the allocation of assets in the portfolio as of December 31, 2024, are as follows: U.S. equity returned 19.5% (35.8% of the portfolio); global equity returned 12.5% (5.1% of the portfolio); non-U.S. equity returned 5.4% (16.8% of the portfolio); real assets returned 1.3% (14% of the portfolio); and fixed income returned 3.3% (27.3% of the portfolio). On December 31, 2024, the allocation of assets in the portfolio for cash equivalents was 1.5%.

FUNDING

PMRS' level of funding is based on the actuarial reserve method. Funds are derived from the excess of revenues over expenses and are accumulated by PMRS to meet current and future benefit obligations to retirees and beneficiaries. As the funding level increases, the assets accumulate and strengthen the investment income potential. PMRS' net position increased by \$232 million or 7% from \$3.29 billion at December 31, 2023 to \$3.52 billion at December 31, 2024. The "Funded Status of Actuarial Liabilities" was calculated based on the most recent actuarial valuation dated January 1, 2024. The actuarial value of assets funded ratio increased from 98.6% on January 1, 2023, to 98.8% as of the most recent valuation date. As a result, PMRS went from an actuarial unfunded actuarial liability of \$44.2 million as of January 1, 2023, to an unfunded actuarial liability of \$36.8 million as of January 1, 2024. The increase in the funded ratio is primarily due to the actual demographic experience differing from the assumptions. Additional information on PMRS' actuarial value, liabilities, and funding progress can be found in the Actuarial and Financial Sections of this report. As an agent multiple-employer public employee retirement system, PMRS reports to each of the plans it administers, providing the governing authority of plans with complete actuarial, accounting,

LETTER OF TRANSMITTAL

and funding data. Detailed information on PMRS' aggregate plan funding can be found in the Actuarial Section of this report beginning on page 62.

MAJOR INITIATIVES

Plan Administration Software Project

When this software enhancement began in early 2016, it was estimated to be an 18 to 24-month project. The time frame to fully implement the software stretched far beyond the original estimate and is still ongoing. The first phase, which started the use of the enhanced software for the daily administration of the PMRS retirement plan program, began in January 2020. The second phase, which began in 2021, improved the administrative functionality of the enhanced software. This phase included correcting conversion issues, expanding plans' provision options, improving calculation functions, creating a case management workflow, and developing automated communications for members. The second phase was ongoing through 2023 and 2024 and is expected to be completed in 2025. Phase three is intended to focus on the implementation of an employer portal and automating the transfer of financial data to the accounting system. This phase will provide employers with online access to information and the ability to upload most information currently submitted by paper. This includes employee salary, contributions, and employment status. System requirements are planned to be developed in late 2025 or 2026 and evaluation of solutions and proof of concepts are planned for 2027-2028. The final phase is to implement a member portal that enables members to change personal information, such as addresses, banking information, and beneficiaries online. The final phase timeline is yet to be determined as it is dependent on the successful completion of the earlier phases.

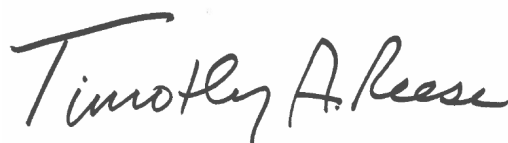
PROFESSIONAL SERVICES

Professional consultants are appointed by the board to perform services essential to the efficient operations of PMRS. An annual financial statement audit performed by an independent certified public accounting firm, an annual System and Organization Controls (SOC) 1 Type II audit performed by an independent certified public accounting firm, and an annual valuation by an actuarial consultant attests to the financial and actuarial soundness of PMRS. The investment performance of the portfolio is reviewed by an investment consultant every quarter. The consultants providing services to PMRS are listed in the Consultants and Managers section on page 9 in this report.

ACKNOWLEDGMENTS

The preparation of this report reflects the combined efforts of PMRS' staff under the direction of the PMRS board. It is intended to provide complete and reliable information in conformance with accepted standards and to document responsible stewardship of the system's assets.

Respectfully submitted,



Timothy A. Reese
Chief Executive Officer



Richard M. Cardamone, CPA, CGMA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Pennsylvania Municipal Retirement System

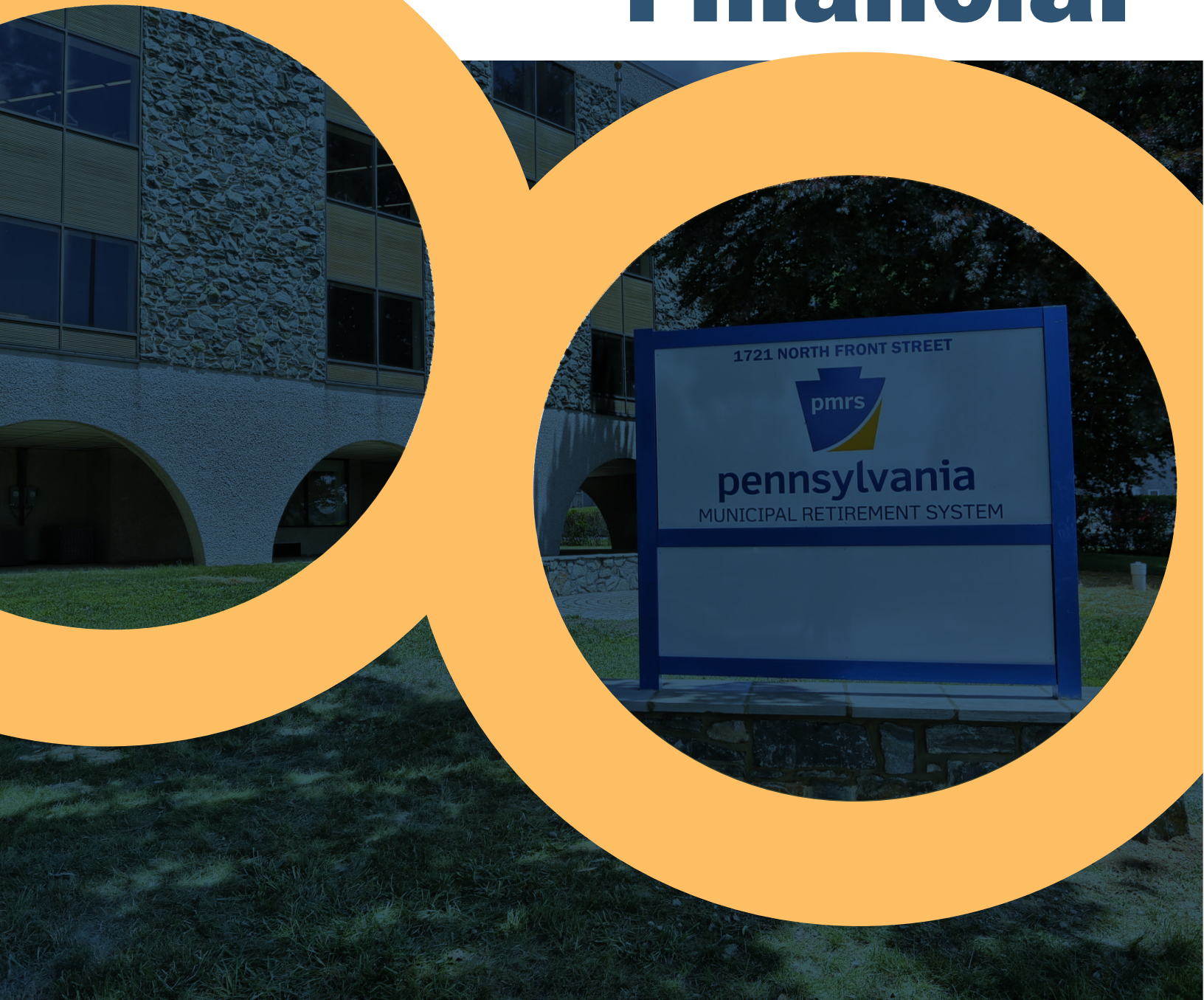
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

Financial





Zelenkofske Axelrod LLC
CERTIFIED PUBLIC ACCOUNTANTS
 EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Pennsylvania Municipal Retirement Board
 Pennsylvania Municipal Retirement System
 Harrisburg, Pennsylvania

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Pennsylvania Municipal Retirement System (the "System"), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the System, as of December 31, 2024 and 2023, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The System's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 210 Tollgate Hill Road, Greensburg, PA 15601

www.zallc.org



Zelenkofske Axerrod LLC

CERTIFIED PUBLIC ACCOUNTANTS
EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Pennsylvania Municipal Retirement Board
Pennsylvania Municipal Retirement System
Harrisburg, Pennsylvania

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of investment returns, allocated share of the net pension liability, allocated share of the net OPEB liability, and pension and OPEB contributions, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the System's financial statements. Schedule 1 – Administrative Expenses, Schedule 2 – Investment Expenses, and Schedule 3 – Payments to Consultants ("supplementary schedules") are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Pennsylvania Municipal Retirement Board
Pennsylvania Municipal Retirement System
Harrisburg, Pennsylvania

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information in the annual comprehensive financial report. The other information comprises the introduction, investment, actuarial, and statistical sections, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Zelenkofske Axelrod LLC

ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania
June 11, 2025

MANAGEMENT'S DISCUSSION & ANALYSIS

This section presents management's discussion and analysis of PMRS' financial performance for the years ended December 31, 2024, 2023, and 2022. It is presented as required supplementary information to the financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

PMRS administers sound, cost-effective pension plans on a contracted basis for local governments. Our services include accounting, actuarial valuations, employee consultation, record keeping, and asset management. Any Pennsylvania county, city, town, township, borough, municipal authority, or institution supported and maintained by a municipality may participate. The Statistical Section of this report lists all participating plans as of December 31, 2024.

The Statement of Fiduciary Net Position provides a snapshot of the financial position of PMRS on December 31, 2024, including comparative amounts for the prior year. The Statement of Changes in Fiduciary Net Position summarizes PMRS' financial activities for the year ended December 31, 2024, including comparative amounts for the prior year.

The Notes to Financial Statements provide additional information essential for a full understanding of the financial statements. The notes are an integral part of the financial statements and include detailed information not readily evident in the financial statements.

The Required Supplementary Information following the Notes to the Financial Statements provides schedules of investment returns, pension liability, and net other post-employment benefits (OPEB) liability.

The remaining supplementary schedules provide additional detailed information concerning administrative expenses, investment expenses, and payments to consultants. Supplementary information is considered useful in understanding and evaluating the financial activities of PMRS.

FINANCIAL HIGHLIGHTS

- PMRS' net position increased by \$232.3 million or 7.0% from \$3.29 billion at December 31, 2023, to \$3.52 billion at December 31, 2024. PMRS' net position increased by \$267 million or 8.8% from \$3.02 billion at December 31, 2022, to \$3.29 billion at December 31, 2023. Changes in fair value are recognized as part of the net appreciation/depreciation in the fair value of investments.
- The actuarial value of assets funded ratio was 98.8% as of the last valuation dated January 1, 2024. This was an increase from 98.6% on January 1, 2023, which was preceded by a decrease from 100.2% on January 1, 2022. PMRS went from an unfunded actuarial surplus of \$7.1 million on January 1, 2022, to an unfunded actuarial liability of \$44.2 million on January 1, 2023, followed by a decrease to an unfunded actuarial liability of \$36.8 million on January 1, 2024.
- The fair value of assets funded ratio was 103.5% as of the last valuation date of January 1, 2024. This was an increase from 98.2% on January 1, 2023, preceded by a decrease from 120.7% on January 1, 2022. The surplus had decreased from \$605.8 million on January 1, 2022, to \$55.2 million on January 1, 2023, followed by an increase in surplus to \$112.2 million on January 1, 2024. The changes were primarily due to equity market gains and losses.
- The fair value of assets was \$11 million less than reserves as of January 1, 2023. As of January 1, 2024, the fair value of assets had increased by \$160 million resulting in the fair value of assets exceeding the reserves by \$149 million. Upon publication of the 2023 Annual Comprehensive Financial Report, the actuary presented the calculations defined in Board Policy Statement 05-2 related to excess interest to the board for evaluation. The board authorized a distribution of excess interest of \$50.6 million to be distributed in 2025.
- The portfolio net rate of return for the year ended December 31, 2024, was 9.2% compared to 10.8% and (12.8)% for the years ended December 31, 2023 and 2022, respectively.
- Contributions increased by \$8.6 million or 8.2% from \$104.6 million in 2023 to \$113.2 million in 2024 primarily due to increased municipal contributions that were driven by increased payrolls. Contributions increased by \$11 million from \$93.6 million in 2022 to \$104.6 million in 2023 representing an 11.8% increase from the prior year due to updated valuations for non-county plans that resulted in larger minimum municipal obligations.
- Annuity benefits and terminations increased \$9.4 million or 6.1% from \$152.4 million in 2023 to \$161.7 million in 2024. Annuity benefits and terminations increased \$8.1 million or 5.6% from \$144.3 million in 2022 to \$152.4 million in 2023. The fluctuations in annuity benefits and terminations from 2022 to 2023 and again from 2023 to 2024 were primarily due to an increased number of retirees and annuity benefits as well as annuity increases (cost-of-living adjustments) that may be applied each year.

- Transfers to other plan administrators were \$1.4 million in 2022, which increased in 2023 to \$1.9 million, followed by a further increase to \$9.5 million in 2024. PMRS experienced one plan withdrawal in 2022 and 2023 and three plan withdrawals in 2024.
- Administrative expenses increased by \$98 thousand to \$9.3 million or 1.1% in 2024 from \$9.2 million in 2023 due to salary increases for personnel. Administrative expenses increased by \$677 thousand to \$9.2 million or 8% in 2023 from \$8.5 million in 2022 due to filling vacant positions and salary increases for personnel. Administrative expenses were within PMRS' budgeted amounts for all three years.

FUNDED STATUS

PMRS uses an actuarial reserve method of funding that is financed by member contributions, employer contributions, and earnings from invested assets. Actuarial valuations are performed biennially for PMRS' member municipalities as prescribed by Act 205 (Act 293 for county plans).

The municipal (i.e., non-county) defined benefit plans are explicitly valued every odd year and are based on the January 1, 2023 measurement date and rolled forward to December 31, 2023. The liabilities for the cash balance plans are based on the member and municipal account balances as of December 31, 2023, as provided by PMRS to our actuary, as well as the explicit liabilities associated with retirees for these plans. The county plans are explicitly valued every even calendar year and are based on the January 1, 2024 measurement date.

In the off-valuation year, defined benefit plan liabilities are rolled forward using actual benefit payments and reflecting new retirements. These liabilities reflect any material changes that may have occurred since the prior actuarial valuation, such as new actuarial assumptions and material plan provision changes. When the retiree liabilities are explicitly calculated, the rolled forward active and deferred vested liabilities are proportionally adjusted based on the prior year's liabilities net of liabilities attributable to participants in pay status.

As part of a valuation, the progress toward funding pension obligations of the retirement system is measured by comparing the actuarial value of assets to the actuarial accrued liability. This measurement is referred to as the funded ratio or funded status. The most recent actuarial valuation reports PMRS is 98.8% funded as of January 1, 2024.

INVESTMENTS

PMRS is a long-term investor, and the board manages the assets with long-term objectives in mind. A primary element of PMRS' investment philosophy is that diversification among various asset classes is the best way to achieve its goals. PMRS makes estimates of future long-term market returns and establishes an asset allocation plan considering the risk associated with each asset class as well as the financial objectives of the fund.

For the year ended December 31, 2024, the PMRS' net rate of return was 9.2%. The net rate of return over the past three and five years ended December 31, 2024, was 1.8% and 6.4%, respectively.

SHORT TERM

Short-term investments increased by \$1.9 million or 3.7% from \$53 million at December 31, 2023 to \$55 million at December 31, 2024. This was preceded by Short-term investments increasing by \$14.8 million or 38.8% from \$38.2 million at December 31, 2022 to \$53 million at December 31, 2023. The annual fluctuations represent the normal cash flow necessary to meet benefit obligations and operating expenses.

FIXED INCOME

Fixed income increased by \$79.4 million or 9.1% from \$875.3 million at December 31, 2023 to \$954.7 million at December 31, 2024. The increase is due to the positive performance of the holdings, particularly the opportunistic credit portion that increased by \$17.9 million or 10.2%. Fixed income increased by \$40.9 million or 4.9% from \$834.4 million at December 31, 2022 to \$875.3 million at December 31, 2023.

EQUITIES

Equities, including global and international equities, increased by \$184.6 million or 9.8% from \$1.84 billion on December 31, 2023, to \$2.02 billion on December 31, 2024, primarily due to positive performance in the domestic equities which saw an increase of \$157 million or 14.3%. Equities, including global and international equities, increased by \$254.2 million or 16% from \$1.59 billion on December 31, 2022, to \$1.84 billion on December 31, 2023.

REAL ASSETS

Real assets decreased by \$29.1 million or (5.6)% from \$523.4 million at December 31, 2023, to \$494.3 million at December 31, 2024, primarily due to the sale of property and reallocation of the proceeds to other asset classes. Real assets decreased by \$46.8 million or (8.2)% from \$570.2 million at December

MANAGEMENT'S DISCUSSION & ANALYSIS

31, 2022, to \$523.4 million at December 31, 2023, primarily due to changes in fair value.

CONTRIBUTIONS AND INVESTMENT INCOME

Total contributions increased by \$8.6 million or 8.2% from \$104.6 million on December 31, 2023 to \$113.2 million on December 31, 2024. Most of the increase was due to increased contributions by municipalities toward their Minimum Municipal Obligation (MMO) contributions and transfers from other plan administrators. Total contributions increased by \$11 million or 11.8% from \$93.6 million at December 31, 2022 to \$104.6 million at December 31, 2023. Most of the increase in total contributions is due to increased MMO contributions by municipalities based on the most recent valuation reports dated January 1, 2023.

Member contributions increased by \$1.7 million or 5.7% from \$30 million at December 31, 2023 to \$31.7 million at December 31, 2024. The increase in contributions is due to an increase in required contributions based on higher salaries and optional member contributions. Member contributions increased by \$1.4 million or 4.7% from \$28.6 million at December 31, 2022 to \$30 million at December 31, 2023. The increase in contributions is due to an increase in both required and optional member contributions.

Net investment income was \$299.6 million in 2024, compared to \$325.9 million in 2023 and net investment income of \$(448.6) million in 2022. Investment income (loss) is primarily attributable to appreciation (depreciation) in fair values in the equity markets.

Investment expenses were relatively flat at \$10.1 million in 2024 compared to \$10 million in 2023. Investment expenses increased by \$800 thousand or 8.6% from \$9.2 million in 2022 to \$10 million in 2023. The investment expenses are based on the fair value of the quarterly average balance of investments under management by each investment manager.

PENSION PLAN BENEFITS AND EXPENSES

Annuity benefits and refunds were \$161.7 million in 2024 compared to \$152.4 million in 2023 and \$144.3 million in 2022. Annuity benefits and terminations increased in all three years primarily due to an increased number of retirees and annuity benefits as well as annuity increases (cost-of-living adjustments) that may be applied each year. Annuity benefits excluding death payments were \$147.9 million in 2024 compared to \$132.9 million in 2023 and \$127.2 million in 2022.

Transfers from other plan administrators increased

by \$3.91 million in 2024 to \$3.93 million compared to \$12.2 thousand in 2023 and \$2 million in 2022. The fluctuations were based on new plan admissions to PMRS. Transfers to other plan administrators increased in 2024 to \$9.45 million in 2024 compared to \$1.9 million in 2023 and \$1.4 million in 2022. Fluctuations were due to three plans withdrawing from PMRS in 2024, compared to one plan withdrawing in 2023 and one plan in 2022.

Administrative expenses were relatively flat at \$9.3 million in 2024 compared to \$9.2 million in 2023, preceded by \$8.5 million in 2022.



SUMMARY OF FIDUCIARY NET POSITION

as of December 31, 2024, 2023, and 2022

(amounts in thousands)

	2024	2023	2022
Assets			
Receivables	\$5,854	\$8,497	\$8,908
Investments	3,528,143	3,291,373	3,028,223
Capital assets	54	66	61
Prepaid assets	80	94	72
Total Assets	3,534,131	3,300,030	3,037,264
Deferred outflows of resources	5,068	6,300	5,149
Liabilities	18,216	17,472	19,052
Deferred inflows of resources	2,226	2,436	3,940
Fiduciary net position	\$3,518,757	\$3,286,422	\$3,019,421

INVESTMENT BALANCES BY ASSET CLASS

as of December 31, 2024, 2023, and 2022

(amounts in thousands)

Asset class	2024	Percentage of Portfolio	2023	Percentage of Portfolio	2022	Percentage of Portfolio
Short-term investments	\$54,970	1.6%	\$53,079	1.6%	\$38,246	1.3%
Fixed income	223,471	6.3%	220,068	6.7%	239,996	7.9%
Common and preferred stock	785,424	22.3%	691,925	21.0%	587,185	19.4%
Real assets	494,274	14.0%	523,410	15.9%	570,203	18.8%
Collective trust funds	1,970,089	55.8%	1,802,598	54.8%	1,592,573	52.6%
Other investments	(85)	0.0%	293	0.0%	20	0.0%
Total investments	\$3,528,143	100.0%	\$3,291,373	100.0%	\$3,028,223	100.0%

CONDENSED FINANCIAL INFORMATION

SUMMARY OF CHANGES IN FIDUCIARY NET POSITION

for the Years ended December 31, 2024, 2023, and 2022

(amounts in thousands)

	2024	2023	2022
Beginning fiduciary net position	\$3,286,422	\$3,019,421	\$3,528,592
Additions			
Contributions	113,177	104,566	93,554
Net investment income (loss)	299,600	325,890	(448,614)
Miscellaneous income	1	5	1
Total additions	412,778	430,461	(355,059)
Deductions			
Annuity benefits and terminations	161,724	152,361	144,254
Transfers to other plan administrators	9,451	1,929	1,364
Administrative expenses	9,268	9,170	8,494
Total deductions	180,443	163,460	154,112
Changes in fiduciary net position	232,335	267,001	(509,171)
Ending fiduciary net position	\$3,518,757	\$3,286,422	\$3,019,421

STATEMENT OF FIDUCIARY NET POSITION

as of December 31, 2024 and 2023

	2024	2023
Assets		
Receivables		
Plan members	\$1,918,787	\$2,274,506
Municipal employers	149,934	1,585,659
Accrued investment income	3,715,823	3,753,096
Investment sales receivables	52,698	867,172
Other receivables	16,720	16,720
Total receivables	5,853,962	8,497,153
Investments, at fair value		
Short-term investments	54,970,009	53,079,315
Fixed income	223,471,266	220,068,175
Common and preferred stocks	785,423,766	691,924,364
Real assets	494,273,426	523,409,778
Collective trust funds	1,970,088,665	1,802,597,923
Other investments	(84,605)	292,950
Total investments	3,528,142,527	3,291,372,505
Capital assets (net of accumulated depreciation Of \$179,272 and \$159,930 at 2024 and 2023 respectively)	54,946	65,687
Prepaid assets	79,945	94,214
Total assets	3,534,131,380	3,300,029,559
Deferred outflows of resources	5,068,416	6,300,029
Liabilities		
Accounts payable and accrued expenses	6,269,345	4,876,031
Net pension liability	7,342,026	8,265,913
Net other post employment benefit obligation liability	3,710,000	3,786,000
Investment purchases payables	894,845	543,681
Total liabilities	18,216,216	17,471,625
Deferred inflows of resources	2,226,201	2,436,330
Net position restricted for pensions	\$3,518,757,379	\$3,286,421,633

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

for the Years ended December 31, 2024 and 2023

	2024	2023
Additions		
Contributions		
Municipal Employers	\$77,255,598	\$74,321,630
Plan Members	31,691,192	29,956,519
Transfers from other plan administrators	3,925,858	12,205
Assessments	304,308	275,718
Total Contributions	113,176,956	104,566,072
Investment income		
From investing activities:		
Net appreciation (depreciation) in fair value of investments	263,084,488	290,036,870
Interest	12,057,728	10,808,105
Dividends	20,305,692	17,893,068
Real estate	14,247,570	17,203,302
Total investment income (loss)	309,695,478	335,941,345
Investment expenses	(10,095,794)	(10,051,631)
Total net investment income (loss)	299,599,684	325,889,714
Miscellaneous income	1,354	4,741
Total additions	412,777,994	430,460,527
Deductions		
Annuity benefits and terminations	161,723,683	152,361,378
Transfers to other plan administrators	9,450,715	1,928,400
Administrative expenses	9,267,850	9,170,004
Total deductions	180,442,248	163,459,782
Net increase (decrease)	232,335,746	267,000,745
Net position restricted for pensions		
Balance, beginning of year	3,286,421,633	3,019,420,888
Balance, end of year	\$3,518,757,379	\$3,286,421,633

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

1. ORGANIZATION AND DESCRIPTION OF PMRS ORGANIZATION

The Pennsylvania Municipal Retirement System (PMRS) was created by the Pennsylvania General Assembly in 1974 with the passage of the Pennsylvania Municipal Retirement Law, Act of 1974, P.L. 34, No. 16 (the Act). PMRS acts as an agent multiple-employer system, and its designated purpose is to administer sound, cost-effective pensions for local government employees. Responsibility for the organization and administration of PMRS, including the investment of its assets, is vested in the 11-member Pennsylvania Municipal Retirement Board. PMRS relies on services from several external consultants and investment professionals that can be found on page 9.

Under the Act, each municipality has the authority to establish or amend its respective benefits and employee contribution rates, subject to PMRS' board approval. Employer contributions are actuarially determined by PMRS' actuary. As a single trust, PMRS is responsible for administering benefit benefits to all eligible plan members and may use any of the accumulated assets to fund both Defined Benefit Plan and Cash Balance Plan members' benefits.

Membership in PMRS is optional for Pennsylvania's local governments. When a municipality joins PMRS, its full-time employees contractually become members. Part-time, seasonal, and temporary employees, as well as elected officials, may also become members through a contractual agreement. The following tables reflect municipal membership as of December 31, 2024, and December 31, 2023, as well as individual membership as of January 1, 2024, and 2023.

INDIVIDUAL MEMBERSHIP

	2024	2023
ACTIVE MEMBERS		
Defined Benefit Plans		
Municipal	7,070	6,848
Police	973	908
Firefighters	142	139
TOTAL	8,185	7,895
Cash Balance Plans		
Municipal	1,757	1,657
Police	34	30
Firefighters	44	38
TOTAL	1,835	1,725
Total Active Members	10,020	9,620
RETIREES AND BENEFICIARIES		
Retirees	6,719	6,461
Beneficiaries	777	777
Total Retirees and Beneficiaries	7,496	7,238
INACTIVE PARTICIPANTS WITH RIGHTS TO DEFERRED PENSION (VESTED)		
Defined Benefit	1,094	1,092
Cash Balance	410	399
Total Vested	1,504	1,491
Defined Benefit	873	619
Cash Balance	123	136
Total Non-Vested	996	755
Total Individual Memberships	20,016	19,104

PARTICIPATING LOCAL GOVERNMENT EMPLOYERS

as of December 31, 2024 and 2023

Employer Type	2024		2023	
	Defined Benefit	Cash Balance	Defined Benefit	Cash Balance
Authority and other units	166	89	168	86
Borough	144	66	145	65
City	18	0	18	0
County	4	1	4	1
Firefighters	10	3	10	3
Police	189	20	190	20
Township of the first class	19	4	19	4
Township of the second class	168	160	168	160
Total	718	343	722	339

PENSION BENEFITS

PMRS has the broad authority to allow a municipality to design its retirement benefit structure. Alternatively, PMRS has two basic benefit structures: one for municipal employees (Article II of the Act) and one for uniformed employees – police and firefighters (Article III of the Act). Certain elected officials are not permitted to become PMRS members, as outlined in individual municipal ordinances. Under these two structures, members are eligible for monthly retirement benefits upon reaching the age of 65 and 55, under Articles II and III, respectively, or upon accumulating 24 years of service. Under Articles II and III of the Act, vesting occurs after 12 years of service. Such benefits under Articles II and III are generally equal to (a) the actuarial value of the members' contributions and (b) the municipal annuity that is based on a percentage of a member's salary or compensation. The benefit structures also provide death, disability, and early retirement benefits. These benefit provisions and all other requirements are established under Articles II and III of the Act. Under Article IV of the Act, municipalities may provide benefits different from those available under Articles II and III. Vesting provisions, if any, under Article IV may vary.

Automatic post-retirement benefit increases are optional in plan contracts. Some member municipalities include the automatic increase; others occasionally grant an ad hoc cost-of-living (COLA) increase. A post-retirement benefit increase may also be granted through PMRS' excess interest award (see Note 3 for an explanation of excess interest).

Member municipalities wishing to amend benefits contact PMRS staff to discuss desired amendments and to obtain an actuarial cost study. Amendments are drafted by PMRS' staff, reviewed by the chief counsel's office, adopted by the municipality, and submitted to PMRS' board for formal approval.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

PMRS' financial statements are prepared on the accrual basis of accounting. Employee and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable following the terms of each plan. Expenses are recorded when the corresponding liabilities are incurred.

USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

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

INVESTMENTS

Investments are reported at fair value. Fair value is the amount that one can reasonably expect to

receive for an investment in a current sale between a willing buyer and a willing seller, that is, other than in a forced or liquidation sale. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Equity index funds are valued at the net asset value of units held based on the value of the underlying investments as determined by quoted market prices. Fixed-income index funds are valued at the net asset value of units held based on yields currently available on comparable securities of issuers with similar credit ratings of the underlying investments. Real estate investments are valued at the net asset value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on an accrual basis and dividends are recorded on the ex-dividend date.

CAPITAL ASSETS

Capital assets consist of office furniture and equipment, software, and leasehold improvements. All assets with a purchased cost exceeding \$5,000 and an estimated useful life of more than one year are capitalized. Normal repair and maintenance expenses are not capitalized because they neither add value to the asset nor materially prolong its useful life. Capital assets are recorded at cost and depreciated using the straight-line method over the following useful lives:

	Useful Life in Years
Office Furniture	7 years
Office Equipment	4 years
Software	3 years
Leasehold Improvements	10 years

PENSIONS FOR EMPLOYEES OF PMRS

Employees of PMRS are members of the Pennsylvania State Employees' Retirement System (SERS).

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense information about the fiduciary net position of SERS and additions to/deductions from SERS' fiduciary net position have been determined on the same basis as they are reported by SERS (see Note 5 for additional information regarding SERS). PMRS' net pension liability, deferred outflows of resources, and deferred

inflows of resources are reported on the Statement of Fiduciary Net Position. The pension expense is reported in administrative expenses on the Statement of Changes in Fiduciary Net Position and is detailed on the Schedule of Administrative Expenses Supplementary Schedule.

POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

PMRS participates in the Commonwealth's Retired Employee Health Program. For purposes of measuring the Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense information about the fiduciary net position of the Commonwealth and additions to/deductions from the Commonwealth's fiduciary net position have been determined on the same basis as they are reported by the Commonwealth (see Note 6 for additional information). PMRS' net OPEB liability, deferred outflows of resources, and deferred inflows of resources are reported on the Statement of Fiduciary Net Position. The OPEB expense is reported in administrative expenses on the Statement of Changes in Fiduciary Net Position and is detailed on the Schedule of Administrative Expenses Supplementary Schedule in the Retiree Health Benefits account.

COMPENSATED ABSENCES

PMRS uses the accrual basis of accounting for measuring vacation leave, sick leave, and other compensated absence liabilities. Employees of PMRS are paid for accumulated vacation leave upon termination or retirement. Retiring employees of PMRS who meet service, age, or disability requirements are paid between 30% and 50% of sick days available at retirement, up to 161 maximum days paid. As of December 31, 2024, the compensated absences liability increased by \$102,071 to \$593,489 from \$491,418 on December 31, 2023. The liability is accrued for unused vacation and sick leave for PMRS' employees and included in accounts payable and accrued expenses on the Statement of Fiduciary Net Position.

FEDERAL INCOME TAXES

PMRS is a qualified trust fund under Section 401(a) of the Internal Revenue Code (IRC). As a result of the qualified status, the trust fund is entitled to an exemption, under Section 501 (a) of the IRC, from federal income taxation on its investment earnings. Additionally, the trust fund and any benefits accruing to the members of PMRS are exempt from Pennsylvania state and municipal taxes.

It should be noted that the Internal Revenue Service

NOTES TO FINANCIAL STATEMENTS

(IRS) announced and initiated a renewed focus on the tax qualification of public pension funds in 2008. In response to that action, PMRS has implemented a six-year continuous review cycle of all plans to proactively address this IRS initiative with the next cycle occurring in 2024. PMRS prepared a revised base plan document and was notified by the IRS that they are not accepting submissions until early 2026. PMRS will submit the updated documentation when the IRS begins accepting them again.

ADOPTION OF NEW ACCOUNTING STANDARDS

PMRS reviews all new GASB pronouncements and assesses the potential impact on the system. There was one new GASB Statement that was implemented early for the fiscal year ending December 31, 2024.

GASB Statement No. 102, Certain Risk Disclosures

Effective date: The statement is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

The objective of the statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact.

3. CONTRIBUTIONS AND RESERVES CONTRIBUTIONS

Contributions to PMRS are made by members and municipalities. Under Articles II and III of the Act, members are required to contribute 3% to 8% of their salaries. The amount a member contributed under Article IV of the Act is based upon a contracted plan provision and is principally expressed as a percent of compensation or salary. The contributions required of municipalities are based upon an actuarial valuation, using the Entry Age Normal Actuarial Cost Method, computed as a percentage of the total compensation of all active members during the period for which the amount is determined. The required contributions from municipalities for the years ended December 31, 2024, and 2023 consisted of the following:

	2024	2023
Municipality normal cost ¹	\$77,514,916	\$74,598,708
Amortization of unfunded actuarial accrued liability	(11,294,223)	(9,523,444)
Total ²	\$66,220,693	\$65,075,264
¹ Municipality normal cost includes additional municipal employer contributions towards unfunded liability of \$3.8 million and \$2.6 million in 2024 and 2023 respectively.		
² Total does not include \$20 per member assessment fee to municipalities.		

The actual contributions were 117.1% of the required contributions in 2024 and 114.6% of the required contributions in 2023.

The total contributions to PMRS in 2024 were \$113.2 million of which \$77.3 million and \$31.7 million were made by municipal employers and plan members, respectively. Included in the total contributions are \$3.9 million in transfers from other plan administrators and \$304 thousand from assessments. The total contributions to PMRS in 2023 were \$104.6 million of which \$74.3 million and \$30 million were made by municipal employers and plan members, respectively. Included in the total contributions are \$12.2 thousand in transfers from other plan administrators and \$276 thousand from assessments.

The difference between the municipalities’ required and actual contributions is generally due to various factors including additional contributions towards unfunded liability, plan takeovers, and the municipalities transferring state aid money to PMRS as required under the Municipal Pension Plan Funding Standard and Recovery Act of 1984 (Act 205).

PMRS charges each municipality a \$20 assessment fee per member to help cover administrative expenses incurred by PMRS. The remaining costs of administering the plan are financed by investment income.

CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

PMRS’ funding policy mandates actuarially determined required annual contributions of PMRS member municipalities at rates that accumulate sufficient assets to pay benefits when due. PMRS’ actuary used the Entry Age Normal Cost Actuarial Method to determine plan liabilities and normal cost. Under this method, a normal cost is calculated that would fund each employee’s benefits during the employee’s career as a level percentage of pay.

At each valuation date, the unfunded actuarial accrued liability is calculated as the present value of all plan benefits, less the present value of future normal cost accruals, less current assets (actuarial value).

The normal cost rate is applied to the projected payroll and projected employee contributions are deducted. Actuarial gains (or losses) are reflected by decreases (or increases) in the actuarial accrued liability. Under Act 205, and amended under Act 44¹, an unfunded accrued liability is amortized as a level dollar amount over the lesser of:

1. a. 30 years with respect to the initial liability as of 1/1/1985 (or first valuation);
- b. 20 years with respect to actuarial gains and losses;
- c. 15 years with respect to changes due to actuarial assumptions;
- d. 20 years with respect to changes due to plan provisions (if state-mandated);
- e. 10 years with respect to changes in benefits for currently active members, and one year for retired members (if local benefit changes), or,

2. The average assumed working lifetime of active employees as of the date the liability was established. If there are no active employees, the unfunded liability is amortized one year after the liability was established.

Significant actuarial assumptions used to compute the actuarially determined contribution requirement include (a) an investment rate of return of 5.25% per year (net of investment expenses and certain administrative expenses) compounded annually, (b) projected salary increases ranging from 2.2% to 6.22%, including 2.2% per year compounded annually for inflation, with an additional age-based component to reflect merit/seniority, (c) post-retirement cost-of-living increases of 2.2% per year until the maximum is reached (optional in contracts), (d) pre-retirement mortality based on PUB-2010 General Employees male table for males and PUB-2010 General Employees female table for females, (e) healthy post-retirement mortality based on RP-2006 annuitant male table for males and RP-2006 annuitant female table for females, and (f) disabled post-retirement mortality based on the RP-2006 disabled annuitant male table for males and RP-2006 disabled annuitant female table for females.

Mortality improvement: All base mortality is projected from the applicable base year to 2023 using the Mortality Improvement Scale MP-2018.

The actuarial assumptions used have been adopted by the system's board based on the most recent review of the system's experience for the period January 1, 2014, through December 31, 2018, and completed in 2020. Effective January 1, 2021, the board updated the demographic actuarial assumptions as noted above. The January 1, 2017, through January 1, 2020 valuation results are based on actuarial assumptions used for the January 1, 2016 valuation and the updated investment rate of return assumption. The January 1, 2016, valuation results reflect a 5.5% interest rate of return assumption, while the January 1, 2017, through January 1, 2024 valuation results reflect the 5.25% interest rate of return assumption adopted by the PMRS board in November 2016.

The amortization method uses level dollar for plan bases and average for aggregate gain/loss, 10% of the surplus is credited against aggregate cost where applicable.

RESERVE ACCOUNTS

As of December 31, 2024, and 2023, the reserve account balances were as follows:

	2024	2023
Members' Reserve Account	\$549,940,518	\$540,576,312
Municipal Reserve Account	1,022,215,963	1,010,623,022
Retired Members' Reserve Account	1,655,845,942	1,573,643,308
DROP Participant Reserve Account	2,888,507	2,904,073
Disability Reserve Account	941,920	947,102
Undistributed Earnings Reserve Account	286,924,529	157,727,816
Total	\$3,518,757,379	\$3,286,421,633

The Act defines the following funds to be maintained by PMRS:

Members' Reserve Account

The Members' Reserve Account is credited with all contributions made by active members of PMRS.

¹ Act 44 of 2009 made amendments to Act 205 which changes certain amortization periods. These changes affect the cost calculations for PMRS' plans as of January 1, 2011.

NOTES TO FINANCIAL STATEMENTS

Interest is credited to each member's account at an annual rate determined by the board. PMRS' regular interest rate for the years ended December 31, 2024 and 2023 was 5.25%. In addition to regular interest, PMRS may also award excess interest. PMRS' board authorized an excess interest distribution of \$50.6 million based on the results of the 2023 ACFR. The award will be distributed in 2025 in accordance with Board Policy Statement 05-2. PMRS did not award excess interest for 2022.

Upon retirement or disability of an active member, the member's accumulated contributions plus interest are transferred to the Retired Members' Reserve for subsequent benefit payments. Withdrawals of contributions for members not eligible for benefits are paid from this reserve.

Municipal Reserve Accounts

Separate municipal accounts are maintained for each municipality. The Municipal Reserve Account is credited with each municipality's contributions toward the superannuation retirement and death benefits of its members. Interest is credited to each separate municipal account at an annual rate determined by the board. PMRS' regular interest rate for the years ended December 31, 2024 and 2023 was 5.25%. In addition to regular interest, PMRS' board authorized an excess interest distribution of \$50.6 million based on the results of the 2023 ACFR. The award will be distributed in 2025 in accordance with Board Policy Statement 05-2. PMRS did not award excess interest for 2022.

Upon retirement or disability of an active member, an amount actuarially determined to be sufficient to pay all future benefits for the member is calculated and transferred to the Retired Members' Reserve for subsequent benefit payments.

Retired Members' Reserve Account

The Retired Members' Reserve Account represents the amounts transferred from the Members' Reserve Account, the Municipal Reserve Accounts, and the Disability Reserve Account, where applicable. All retirement benefits and retirees' death benefits are paid from this reserve. Interest is credited to the Retired Members' Account at an annual rate determined by the board. PMRS' regular interest for the years ended December 31, 2024 and 2023 was 5.25%.

In addition to regular interest, PMRS' board authorized an excess interest distribution of \$50.6 million based on the results of the 2023 ACFR. The award will be distributed in 2025 in accordance with Board Policy Statement 05-2. PMRS did not award excess interest for 2022.

Based on the most recent actuarial valuation, the account was fully funded on January 1, 2024.

DROP Participant Reserve Account

Deferred Retirement Option Program (DROP) is an optional form of payment upon a member's retirement. The DROP Participant Reserve Account is credited with all monthly annuity payments payable to a DROP participant. The monthly DROP interest is dependent on the monthly rate of return credited to the Liquid Asset Pool as determined by the Pennsylvania State Treasurer. The DROP interest credited each month shall not be less than 0% nor more than the Act 205 statutory limit of 4.5% annually. The average monthly yield for 2024 was 4.5%. The average monthly yield for 2023 ranged from 3.98% to 4.5% with 4.43% as the average for the 12 months.

Disability Reserve Account

The Disability Reserve Account is credited with the contributions made by municipalities toward the disability retirement of member employees. The disability reserves are limited to 150% of the largest value of transfers to the Retired Members' Reserve Account over the most recent three years. Interest is credited to the disability account at an annual rate determined by the board. PMRS' regular interest rate for the years ended December 31, 2024 and 2023 was 5.25%.

Undistributed Earnings Reserve Account

The Undistributed Earnings Reserve Account is the investment earnings that the system has earned over the regular interest rate credited to plans less administrative costs. In addition to regular interest, PMRS may also award excess interest. Excess interest is investment earnings on PMRS' assets above that required for allocation to regular interest and administrative expenses. When applicable, the excess interest award is a transfer from the Undistributed Earnings Account to the Municipal, Members', and Retired Members' Reserve Accounts. Excess interest awards are determined annually by the board with advice from PMRS' actuary and following Board Policy Statement 05-2. The excess interest is distributed to the Members' Reserve Accounts, the Municipal Reserve Accounts, and the Retired Members' Reserve Accounts as defined in each plan's documents. PMRS' board authorized an excess interest distribution of \$50.6 million based on the results of the 2023 ACFR. The award will be distributed in 2025 in accordance with Board Policy Statement 05-2. PMRS did not award excess interest for 2022.

4. INVESTMENTS

Members of the board are trustees of PMRS' assets. They have exclusive responsibility for the management of such assets and have full power to invest PMRS' assets, subject to the terms, conditions, limitations, and restrictions imposed by the Commonwealth law upon fiduciaries. The board is governed by the "prudent investor" rule in establishing investment policy. The "prudent investor" rule requires the exercise of that degree of judgment, skill, and care under the circumstances then prevailing which investors of prudence, discretion, and intelligence, who are familiar with such matters, exercise in the management of their affairs, not regarding speculation, but regarding the permanent disposition of the funds, considering the probable income to be derived therefrom, as well as safety of their capital.

The board has adopted its Statement of Investment Policy to formally document investment objectives and responsibilities. This policy, as well as applicable state law, establishes guidelines for permissible investments of PMRS. The pension plan's policy regarding the allocation of invested plan assets is established and may be amended by the board. The board established its allocation goals as follows:

Domestic equities	32.5%
Fixed income	29.0%
International equities	17.5%
Global equities	5.0%
Real estate	10.0%
Timber	5.0%
Cash and cash equivalents	1.0%

The board prohibits (1) purchasing collectibles, letter stock, and other unregistered securities, commodities, or commodity contracts where the funds are a counterpart, short sales, and margin transactions. (2) derivatives, options, futures, or any other investment for the sole purpose of leveraging are prohibited. Unleveraged derivatives used to dampen risk, execute an unleveraged strategy, or reallocate assets within a portfolio quickly may be used by a manager provided the exposure to derivatives does not exceed 5% of the manager's portfolio at fair value. (3) direct ownership of oil, gas, or mineral rights (except for the mineral rights that come with the purchase of timber lands) and warrants (except those previously authorized). Notwithstanding the above, warrants received in corporate restructuring may be retained at the manager's discretion.

The board achieves day-to-day management of the investment portfolio through investment managers. Restrictions concerning diversification within each manager and among managers are provided by the adopted investment policy.

MONEY-WEIGHTED RATE OF RETURN

For the years ended December 31, 2024, and 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.22% and 10.98%, respectively. The money-weighted return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

FAIR VALUE OF INVESTMENTS

PMRS measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- **Level 1 inputs:** Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price for an identical asset or liability in an active market (e.g., an equity security traded on a major exchange) provides the most reliable fair value measurement and, if available, is used to measure the fair value in that particular market.
- **Level 2 inputs:** The categorization of an asset/liability as Level 1 requires that it be traded in an active market. If an instrument is not traded in an active market, it may fall to Level 2. Level 2 inputs are inputs that are observable, either directly or indirectly but do not qualify as Level 1.
- **Level 3 inputs:** Reporting entities may use unobservable inputs to measure fair value, if relevant observable inputs are not available, thereby allowing for situations in which there is little if any market activity for the asset or liability at the measurement date. These unobservable inputs are considered Level 3.

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Fixed Income securities classified in Level 2 valuations are based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets.

Investments valued at the net asset value (NAV) per share (or its equivalent) include investments

NOTES TO FINANCIAL STATEMENTS

considered to be Alternative Investments defined by the American Institute of Certified Public Accountants (AICPA). The definition includes investments for which a readily determinable fair value does not exist (that is, investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not available from sources such as financial publications, exchanges, or NASDAQ). These types of investments include real estate and commingled index funds and can be held within any of the asset classes used by PMRS based on underlying portfolio holdings and analysis of risk and return relationships. The commingled index funds are open-ended funds and may be used in equity or fixed-income asset classes. They are funds made up of underlying securities that have readily available fair values (publicly traded

stocks and bonds). PMRS owns units of these funds rather than individual securities. Contributions or withdrawals from these funds can be made as needed, generally with daily or monthly liquidity, with a notice period of one to fifteen days.

PMRS has short-term and other investments that are not measured at fair value or NAV. PMRS invests in the Commonwealth's Treasury Department Pool 924 short-term investment pool. The pool consists exclusively of Fixed-income securities, primarily of short duration, which are held either directly or through the Consolidated Cash Pool, an investment instrument used to invest short-term monies. PMRS' portion is valued at cost plus accrued interest, which approximates fair value.



NOTES TO FINANCIAL STATEMENTS

On December 31, 2024 and 2023, PMRS had the following investments:

INVESTMENTS

as of December 31, 2024

	Amount	LEVEL 1	LEVEL 2	LEVEL 3
Equities				
Domestic	\$785,423,766	\$785,423,766	\$-	\$-
International	-	-	-	-
Fixed Income				
U.S. government and agency obligations	64,301,883	61,038,273	3,263,610	-
Corporates	95,883,105	-	95,883,105	-
Asset-backed and mortgage-backed securities	63,286,278	-	63,286,278	-
Other Investments				
Other Investments	(84,605)	(84,605)	-	-
Total investments by Fair Value Level	\$1,008,810,427	\$846,377,434	\$162,432,993	\$-
Investments measured at Net Asset Value (NAV)		UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY	REDEMPTION NOTICE PERIOD
Collective trust funds - domestic equities	467,166,657	-	Daily, monthly	Same Day
Collective trust funds - global equities	771,592,129	-	Daily, monthly	1-10 days
Collective trust funds - fixed income	731,329,879	-	Daily, monthly	1-45 days
Real estate	328,568,673	-	Quarterly, NA	1 quarter, NA
Timber	165,704,753	-	NA	NA
Total investments measured at NAV	2,464,362,091	-		
Investments at other than Fair Value				
Short-term investments - TGIF	45,736,761	-		
Short-term investments - Other	9,233,248	-		
Total investments at other than Fair Value	54,970,009	-		
Total investments	\$3,528,142,527	\$-		

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INVESTMENTS

as of December 31, 2023

	Amount	LEVEL 1	LEVEL 2	LEVEL 3
Equities				
Domestic	\$691,924,364	\$691,924,364	\$-	\$-
International	-	-	-	-
Fixed Income				
U.S. government and agency obligations	88,550,852	85,377,997	3,172,855	-
Corporates	86,194,097	-	86,194,097	-
Asset-backed and mortgage-backed securities	45,323,225	-	45,323,225	-
Other Investments				
Other Investments	292,950	292,950	-	-
Total investments by Fair Value Level	\$912,285,488	\$777,595,311	\$134,690,177	\$-
Investments measured at Net Asset Value (NAV)		UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY	REDEMPTION NOTICE PERIOD
Collective trust funds - domestic equities	403,495,378	-	Daily, monthly	Same Day
Collective trust funds - global equities	744,153,578	-	Daily, monthly	1-10 days
Collective trust funds - fixed income	654,948,968	-	Daily, monthly	1-45 days
Real estate	375,028,483	-	Quarterly, NA	1 quarter, NA
Timber	148,381,295	-	NA	NA
Total investments measured at NAV	2,326,007,702	-		
Investments at other than Fair Value				
Short-term investments - TGIF	46,342,267	-		
Short-term investments - Other	6,737,048	-		
Total investments at other than Fair Value	53,079,315	-		
Total investments	\$3,291,372,505	\$-		

DEPOSIT AND INVESTMENT RISKS

PMRS' deposits and investments may be subject to various risks. Among these risks are credit risk, concentration of credit risk, custodial credit risk, interest rate risk, and foreign currency risk. Due to the level of risk associated with certain investments, it is possible that changes in the values of investments may occur in the near term and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

CUSTODIAL CREDIT RISK – DEPOSITS

Custodial credit risk for deposits is the risk that, in the event of a financial institution failure, PMRS would not be able to recover the value of the deposits. The Commonwealth's Treasury Department is the custodian of PMRS' funds. The Commonwealth's Treasury Department deposits must be held in insured depositories approved by the Commonwealth's Board of Finance and Revenue and must be fully collateralized.

CUSTODIAL CREDIT RISK – INVESTMENTS

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, PMRS would not be able to recover the value of investments or collateral securities that are in the possession of an outside party. Under a contractual relationship between the Commonwealth's Treasury Department and its custodial agent, substantially all investments, where securities are used as evidence of the investment, are held by the custodian in book-entry form in PMRS' name. Those investments are defined as insured or registered investments for which the securities are held by PMRS or its agent and, therefore, have a very minimal level of custodial credit risk. The remaining investments, which do not have securities that are used as evidence of the investment, are primarily in commingled funds, which include real estate.

CONCENTRATION OF CREDIT RISK

The concentration of credit risk is the risk of loss attributed to the magnitude of PMRS' investments in a single issuer. As of December 31, 2024, and 2023, PMRS had no single issuer that exceeded 5% of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments were excluded.

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is

measured by nationally recognized statistical rating organizations (NRSRO) such as Moody's Investors Service (Moody's), Standard and Poor's (S&P), and Fitch Ratings (Fitch). PMRS' investment guidelines indicated that only bonds issued by the federal government and its agencies or foreign government bonds denominated in U.S. dollars rated "AA" or higher and only corporate bonds which are rated, and which ratings are no lower the "A" or better by at least two of the three NRSRO listed above shall be purchased. Should any bond drop below investment quality ("BA" or lower), the investment manager shall divest the holding or report in writing to PMRS within thirty (30) days from the day the security's rating has fallen below the acceptable rating as to why the security remains a safe investment for the portfolio. When an index fund is used to meet PMRS' commitment to the fixed-income allocation, the underlying securities of the index do not have to comply with the specific requirements of this paragraph.

For securities exposed to credit risk in the fixed-income portfolio, the following table discloses aggregate fair value by credit quality rating category on December 31, 2024, and 2023.

CREDIT RISK		
	2024	2023
Quality Rating	Fair Value	Fair Value
AAA	\$35,684,009	\$23,058,523
AA	28,708,040	19,872,482
A	27,459,423	30,387,980
BAA	65,395,939	57,896,707
BA & Below	5,185,582	3,474,486
NR ¹	786,299,888	708,028,283
Total exposed to credit risk	948,732,881	842,718,461
U.S. Government Guaranteed ²	61,038,273	85,377,996
Total	\$1,009,771,154	\$928,096,457

¹ Not Rated securities include short-term and other investments.

² Comprised of U.S. government and agency obligations explicitly guaranteed by the U.S. government and not considered to have credit risk.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a fixed-

NOTES TO FINANCIAL STATEMENTS

income instrument. PMRS measures interest rate risk using duration. Duration is a measure of the sensitivity of the price (the value of principal) of a fixed-income instrument to a change in interest rates and is expressed as a number of years. The higher the duration, the greater the changes in fair value when interest rates change.

On December 31, 2024, and 2023, PMRS' fixed-income portfolio had the following effective duration:

INTEREST RATE RISK

2024		
Investment Type	Fair Value	Effective Duration
U.S. government and agency obligations	\$64,301,883	7.3
Corporates	95,883,105	6.2
Asset-backed and mortgage-backed securities	63,286,278	2.6
Collective trust funds - fixed income	731,329,879	4.8
Short-term investments - TGIF	45,736,761	0.1
Short-term investments - Other	9,233,248	0.0
Total	\$1,009,771,154	
2023		
Investment Type	Fair Value	Effective Duration
U.S. government and agency obligations	\$88,550,852	7.3
Corporates	86,194,097	6.5
Asset-backed and mortgage-backed securities	45,323,225	3.2
Collective trust funds - fixed income	654,948,968	5.0
Short-term investments - TGIF	46,342,267	0.1
Short-term investments - Other	6,737,048	0.0
Total	\$928,096,457	

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that fluctuations in the exchange rates will adversely affect the fair value of an investment. As part of PMRS' program to manage risk and enhance returns, PMRS may invest in non-U.S. markets.

On December 31, 2024, and 2023, PMRS did not have any non-U.S. currency exposure.

5. PENSION PLAN FOR EMPLOYEES OF PMRS

PMRS contributes to the State Employees' Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan established by the Commonwealth to provide pension benefits for employees of the state government and certain independent agencies. SERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund.

Membership in SERS is mandatory for most state employees. Article II of the Commonwealth's constitution assigns the authority to establish and amend the benefit provision of the plan to the general assembly.

SERS' BENEFITS PROVIDED TO EMPLOYEES OF PMRS

SERS provides pension plans, including retirement, death, and disability benefits, for employees of state government and certain independent agencies. SERS member retirement benefits may consist of defined benefit and/or defined contribution plans. The member's benefits are mainly derived from their class of service, which is generally determined at the original date of hire. For defined benefit plans, the benefits are determined by taking years of credited service, multiplied by the final average salary, multiplied by 2%, and multiplied by the class of service multiplier.

Alternatively, SERS provides a hybrid plan which is a mix of a defined benefit pension plan and a defined-contribution investment plan. The defined benefit plan provides member benefits based on years of service and salary.

The defined contribution plan allows the member to pick the investment vehicle and assume the associated risk. The amount of retirement depends on the accumulated contributions and investment returns.

According to the State Employees' Retirement Code (SERC), all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

CONTRIBUTIONS TO SERS

Section 5507 of the SERC (71 Pa C.S. §5507) requires the Commonwealth and other employers whose employees are SERS members to make contributions to the fund on behalf of all active members and annuitants necessary to fund the liabilities and provide the annuity reserves required to pay benefits. SERS funding policy, as set by the board, provides for periodic active member contributions at statutory rates. The SERS funding policy also provides for periodic employer contributions at actuarially determined rates based on SERS funding valuation, expressed as a percentage of annual retirement covered payroll, such that they, along with employee contributions and an actuarially determined rate of investment return are adequate to accumulate assets to pay benefits.

SERS' PENSION PLAN INVESTMENTS

The long-term expected real rate of return on pension plan investments is determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of manager fees, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adjusting for expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in SERS current and target asset allocation as of December 31, 2023, and 2022 are summarized in the

following tables:

LONG-TERM EXPECTED REAL RATE OF RETURN

2023

Asset class	Target allocation	Long-term real rate of return
Private equity	16.00%	6.00%
Real estate	7.00	4.80
U.S. equity	31.00	4.85
International developed markets equity	14.00	4.75
Emerging markets equity	5.00	4.95
Fixed income	22.00	1.75
Inflation protection (TIPS)	3.00	1.50
Cash	2.00	0.25
Total	100.00%	

2022

Asset class	Target allocation	Long-term real rate of return
Private equity	16.00%	5.75%
Real estate	7.00	5.12
U.S. equity	31.00	4.35
International developed markets equity	14.00	4.25
Emerging markets equity	5.00	4.65
Fixed income	22.00	(0.50)
Inflation protection (TIPS)	3.00	(1.00)
Cash	2.00	(1.05)
Total	100.00%	

PROPORTIONATE SHARE OF SERS' NET PENSION LIABILITY, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

PMRS' proportion of the net pension liability was calculated using a projected-contribution method. PMRS' proportionate share of the SERS' net pension liability was measured as of December 31, 2023, and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation on December 31, 2023, and 2022.

The following methods and assumptions were used



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in the actuarial valuation on December 31, 2023, and 2022:

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial cost method	entry age
Investment rate of return	6.875% net of manager fees including inflation
Projected salary increases	Average of 4.55% with range of 3.30%-6.95% including inflation
Asset valuation method	Fair value
Inflation	2.50%
Mortality rate	Projected PubG-2010 and PubNS-2010 Mortality Tables adjusted for actual plan experience and future improvement for retirees, beneficiaries, and survivors and rates determined by SERS' actuaries using actual SERS experience for pre-retirement active members
Cost of living adjustments	None (ad hoc)

The 19th Investigation of Actuarial Experience covering the period 2015-2019 was released and approved by the SERS Board in July 2020, with the recommended assumption changes effective with the December 31, 2020 valuation. The study can be viewed at www.SERS.pa.gov.

On December 31, 2024, PMRS reported a net pension liability of \$7.3 million and \$8.3 million on December 31, 2023, for its proportionate share of the net pension liability for the SERS plan on the Statement of Fiduciary Net Position. The net pension liability was measured as of December 31, 2023, and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that measurement date. On December 31, 2023, PMRS' proportion was 0.03473703%, and 0.03617744%, on December 31, 2022.

For the years ended December 31, 2024, and 2023, PMRS recognized pension expenses of \$1,261,852 and \$1,516,396, respectively, in administrative expenses on the Statement of Changes in Fiduciary Net Position.

On December 31, 2024, and 2023, PMRS reported deferred outflows of resources and deferred inflows

of resources from the following sources:

SCHEDULE OF DEFERRED OUTFLOWS AND INFLOWS

	2024	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$207,293	\$14,923
Changes of assumptions	316,406	-
Differences between projected and actual investment earnings on pension plan investments	576,854	-
Difference between employer contributions and proportionate share of contributions	33,147	30,594
Changes in proportion	919,610	207,684
Contributions subsequent to measurement date	1,012,354	-
Total	\$3,065,664	\$253,201
	2023	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$120,125	\$22,940
Changes of assumptions	557,496	-
Differences between projected and actual investment earnings on pension plan investments	1,122,765	-
Difference between employer contributions and proportionate share of contributions	-	\$45,390
Changes in proportion	1,382,608	-
Contributions subsequent to measurement date	871,185	-
Total	\$4,054,179	\$68,330

The amount reported as deferred outflows of resources on December 31, 2024, and 2023 includes contributions after the measurement date of \$1,012,354 and \$871,185, respectively, which are recognized as a reduction of the net pension liability in the years ended December 31, 2025, and 2024. The amounts reported as deferred outflows of resources and deferred inflows of resources on December 31, 2024, will be recognized in pension expense as follows:

Year Ended December 31	Deferred
2025	\$688,001
2026	559,107
2027	670,135
2028	(115,965)
2029	(1,169)
Total	\$1,800,109

SENSITIVITY OF PMRS' PROPORTIONATE OF SERS' NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents PMRS' proportionate share of the SERS' net pension liability as well as what PMRS' proportional share of the SERS' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

SENSITIVITY OF PMRS' PROPORTIONATE SHARE OF SERS' NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

2024

	1% Decrease to	Discount rate of	1% Increase to
	5.875%	6.875%	7.875%
Net Pension Liability	\$9,635,133	\$7,342,026	\$5,405,572

2023

	1% Decrease to	Discount rate of	1% Increase to
	5.875%	6.875%	7.875%
Net Pension Liability	\$10,595,655	\$8,265,913	\$6,298,288

SERS' PENSION PLAN FIDUCIARY NET POSITION

Detailed information about SERS' fiduciary net position is available in the SERS' Annual Comprehensive Financial Report which can be found on the SERS' website at www.SERS.pa.gov.

6. POST-EMPLOYMENT

HEALTHCARE PLAN FOR EMPLOYEES OF PMRS

PMRS participates in the Commonwealth's Retired Employees Health Program (REHP). The REHP is a single-employer defined benefit OPEB plan that includes Commonwealth agencies and some component units. The REHP is established as a trust equivalent arrangement. The REHP is administered by the Pennsylvania Employees Benefit Trust Fund (PEBTF), which acts as a third-party administrator under an administrative agreement with the Commonwealth. The REHP is provided as part of collective bargaining agreements with most Commonwealth labor unions. All policy decisions and types and levels of benefits for the REHP fall under the purview of the Commonwealth's Executive Board, and the Secretary of Administration. The REHP does not have a governing board.

BENEFITS PROVIDED

The Commonwealth sponsors the REHP for eligible retirees and their dependents to receive subsidized health coverage for the retiree's lifetime.

CONTRIBUTIONS TO COMMONWEALTH

REHP employer contribution requirements are established by the Commonwealth's Office of Administration and the Office of the Budget. All employing agencies and certain plan members contributed \$275 per bi-weekly pay period for each current REHP-eligible active employee during the fiscal year ended June 30, 2024, and \$120 per bi-weekly pay period during the fiscal year ended June 30, 2023. Plan members who retired after June 30, 2005, contribute to the plan based on a percentage of their final gross base salary at the time of retirement. Plan member contribution rates vary based on their REHP enrollment date.

COMMONWEALTH'S REHP INVESTMENTS

The assets of the REHP are managed by the Commonwealth's Treasury Department in an investment pool. The REHP investments are made based upon an interagency agreement, dated June 17, 2008, and the "prudent investor" standard set forth in the Commonwealth of Pennsylvania fiscal code 72P.S. §30.1, an amendment to the fiscal code, the principles of Prudent Investors Standards.

NOTES TO FINANCIAL STATEMENTS

The long-term expected rate of return on REHP plan investments is determined using a risk premium review. This review compares the current relationship between fixed income and equity and their relationship over long periods to come up with an expected rate of return. Other variables considered in the expected rates of return are a reversion to the mean for each asset class. Best estimates of arithmetic real rates of return for each asset class included in the target asset allocation as of June 30, 2024, and 2023 are summarized in the following table:

LONG-TERM EXPECTED REAL RATE OF RETURN

2024		
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US equities	42.0%	5.0%
Non-US equities	22.00	5.1
US fixed income	22.00	2.4
Public REITS	4.00	-
Infrastructure	4.00	4.3
Core real estate	4.00	3.8
Cash equivalents	1.00	1.2
Private Equity	1.00	8.8
Total	100%	

2023		
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US equities	42.0%	5.1%
Non-US equities	22.00	5.5
US fixed income	22.00	1.8
Public REITS	4.00	-
Infrastructure	4.00	5.0
Core real estate	4.00	4.8
Cash equivalents	1.00	1.0
Private Equity	1.00	8.4
Total	100%	

On December 31, 2024, PMRS reported a net OPEB liability of \$3.7 million for its proportionate share of the net OPEB liability on the Statement of Fiduciary Net Position and \$3.8 million on December 31, 2023. The net OPEB liability was measured as of June 30,

2024, and 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that measurement date. On June 30, 2024, PMRS' proportion of the net OPEB liability was 0.053246%, and 0.048688% on June 30, 2023.

CHANGE OF ASSUMPTIONS

- The discount rate increased from 5.65% as of June 30, 2023, to 6.09% as of June 30, 2024.
- Per capita claims costs were updated based on changes in the underlying claims and benefit provisions.
- The trend rates were updated based on the SOA-Getzen trend rate model version 2024_1b. The short-term trend assumptions were based on industry surveys and the Commonwealth's emerging experience, separately for non-Medicare and Medicare benefits. In addition, short-term adjustments were made to the 2024 trend to separately account for a recent sharp increase in general inflation and the impact of the Inflation Reduction Act (IRA).

PROPORTIONATE SHARE OF COMMONWEALTH'S NET OPEB LIABILITY, OPEB EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCE

PMRS' proportionate share of the Commonwealth's net OPEB liability was measured as of June 30, 2024, and 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated October 2024 and September 2023, respectively.

The total OPEB liability in the June 30, 2024, and 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

REHP RATES

Assumptions	June 30, 2024	June 30, 2023
Discount rate	6.09%	5.65%
Investment rate of return	6.75%	6.75%
Inflation	2.50%	2.50%
Initial medical trend rate	8.2% / 8.2%	8.9% / 9.0%
Ultimate medical trend rate	3.90%	3.90%
Year ultimate trend rate reached	2075	2075

of resources from the following sources:

SCHEDULE OF DEFERRED OUTFLOWS AND INFLOWS

2024

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$116,000	\$892,000
Changes of assumptions	111,000	957,000
Differences between projected and actual earnings on plan investments	-	21,000
Change in proportionate share and differences between actual and proportionate share of employer contributions	1,616,000	103,000
Contributions subsequent to measurement date	159,752	-
Total	\$2,002,752	\$1,973,000

2023

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$144,000	\$1,146,000
Changes of assumptions	264,000	1,000,000
Differences between projected and actual earnings on plan investments	4,000	-
Change in proportionate share and differences between actual and proportionate share of employer contributions	1,693,000	222,000
Contributions subsequent to measurement date	140,850	-
Total	\$2,245,850	\$2,368,000

For consistency with the pension plan of which these participants are members, these assumptions are based on those disclosed in SERS' 19th Investigation of Actuarial Experience covering the period 2015-2019 released and approved by the SERS Board in July 2020.

For the years ended December 31, 2024, and 2023, PMRS recognized OPEB expenses of \$75,125 and \$(427,704), respectively, in administrative expenses on the Statement of Changes in Fiduciary Net Position.

On December 31, 2024, and 2023 PMRS reported deferred outflows of resources and deferred inflows



NOTES TO FINANCIAL STATEMENTS

The amount reported as deferred outflows of resources on December 31, 2024, and 2023 includes contributions after the measurement date of \$159,752 and \$140,850, respectively, which are recognized as a reduction of the net OPEB liability in the years ended December 31, 2025, and 2024. The amounts reported as deferred inflows and outflows of resources on December 31, 2024, will be recognized in OPEB expense as follows:

Year Ended June 30	Deferred
2025	\$90,000
2026	(16,000)
2027	(30,000)
2028	(178,000)
2029	4,000
Thereafter	-
Total	\$(130,000)

SENSITIVITY OF PMRS' PROPORTIONATE SHARE OF THE COMMONWEALTH'S NET OPEB LIABILITY TO CHANGE IN THE DISCOUNT RATE AND HEALTHCARE COST TREND RATES

The following presents PMRS' proportionate share of the Commonwealth's net OPEB liability as well as what PMRS' proportionate share of the Commonwealth's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

SENSITIVITY OF PMRS' PROPORTIONATE SHARE OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

2024			
	1% Decrease to 5.09%	Discount rate of 6.09%	1% Increase to 7.09%
Net OPEB liability	\$4,160,000	\$3,710,000	\$3,323,000
2023			
	1% Decrease to 4.65%	Discount rate of 5.65%	1% Increase to 6.65%
Net OPEB liability	\$4,256,000	\$3,786,000	\$3,385,000

The following presents PMRS' proportionate share of the Commonwealth's net OPEB liability as well as what PMRS' proportionate share of the Commonwealth's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is a one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGE IN THE HEALTHCARE COST TREND RATE

2024			
	1% Decrease to (7.2% / 7.2% grading to 2.9%)	Healthcare Cost Trend Rates (8.2% / 8.2% grading to 3.9%)	1% Increase to (9.2% / 9.2% grading to 4.9%)
Net OPEB liability	\$3,235,000	\$3,710,000	\$4,280,000
2023			
	1% Decrease to (7.9% / 8.0% grading to 2.9%)	Healthcare Cost Trend Rates (8.9% / 9.0% grading to 3.9%)	1% Increase to (9.9% / 10.0% grading to 4.9%)
Net OPEB liability	\$3,298,000	\$3,786,000	\$4,375,000

COMMONWEALTH'S ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

The REHP is reported in the Commonwealth's Annual Comprehensive Report (ACFR) as a Pension (and Other Employee Benefit) Trust. The REHP is reported using the economic resources measurement focus and the accrual basis of accounting. The ACFR is an audited financial statement and is available at www.budget.pa.gov.

7. RELATIONSHIPS WITH OTHER COMMONWEALTH AGENCIES

Responsibility for the organization and administration of PMRS is vested in the 11-member Pennsylvania Municipal Retirement Board. The Pennsylvania Treasurer and the Secretary of the Commonwealth serve on the board by virtue of statute. Eight board members are also appointed

by the governor after being nominated by their respective organizations. One member each represents the Pennsylvania Municipal League, Pennsylvania Municipal Authorities Association, Pennsylvania State Association of Boroughs, Pennsylvania State Association of County Commissioners, Pennsylvania State Association of Township Commissioners, Pennsylvania State Association of Township Supervisors, the active police officers, and the active firefighters. In addition, one board position is filled by a retired member of PMRS. Interested individuals apply, and the governor makes an appointment from the list of applicants.

PMRS is not included as a component unit of the Commonwealth for financial reporting purposes because PMRS is not financially accountable to the Commonwealth as there is no imposition of will, no financial benefit/burden, nor fiscal dependency associated with PMRS toward the Commonwealth.

8. PLAN TERMINATION

Member municipalities may withdraw from PMRS if the conditions for withdrawal under the act have been met. Requirements include a minimum of five years of membership, approval of a minimum of 75% of the plan's active, vested, and retired members, and approval of PMRS' board. In the event of withdrawal, a municipality is entitled to receive a net refund of the amount then standing to the credit of the municipality in the municipal account, the members' account, and the present value of the retired members' pension benefits. In no event shall the municipality refund exceed the pro-rata interest of the withdrawing municipality in the net position of the entire fund based on the fair value of the fund investments as of the date of receipt of the application for permission to withdraw. Liability for any continuation of retirement or disability benefits being paid from PMRS shall be attached to the withdrawing municipality.

9. RISK MANAGEMENT

Exposure to PMRS through board or staff activity is covered by various means. PMRS acts under the cover of sovereign immunity, participation in the Employee Liability Self-Insurance Program of the Commonwealth of Pennsylvania, the Commonwealth's fidelity bond, and the State Insurance Fund. The board also adopted a self-insurance indemnification policy in 2004. There have been no significant reductions in insurance coverage from the prior year. Settlements did not exceed insurance coverage for the past two years.

LITIGATION AND CONTINGENCIES

PMRS is subject to various threatened and pending lawsuits. These lawsuits include issues related to benefit calculations and eligibility. It is the opinion of management that the ultimate liability arising from such threatened and pending litigation will not have a material effect on the financial position of PMRS. PMRS is exposed to various other liabilities and risks related to the fiduciary responsibilities of directors and officers.

COMMITMENTS

PMRS entered an operating lease for an office building effective July 1, 2017, and expiring June 30, 2027, with two five-year renewal options. The lease may be terminated for convenience with a six-month notice and the payment of a three-month rental rate early termination fee. Annual rent for the first year (including parking) was \$290 thousand with annual increases up to a maximum of 5%. Office space rental expenses for the years ended December 31, 2024, and 2023 were \$347 thousand and \$337 thousand, respectively.

RISK AND UNCERTAINTIES

Investments are exposed to various risks such as interest rates, market, and credit risks. Due to the level of risk associated with certain investments, changes in the values of investment securities may occur in the near term and such changes could materially affect the amounts reported in the financial statements.

PMRS' investment policy is to allow contracted external managers to decide what action to take regarding their respective portfolio's foreign currency exposures. PMRS has no specific policies for interest rate risk and foreign currency risk.

SUBSEQUENT EVENTS

PMRS has evaluated subsequent events through June 11, 2025, the date the financial statements were available to be issued. No material events were identified by PMRS.

SCHEDULE 1

**Schedule of Investment Returns Annual
money-weighted rate of return,
net of investment expense**

Year Ended December 31	Annual Rate
2024	9.22%
2023	10.98
2022	(12.83)
2021	13.34
2020	13.80
2019	20.90
2018	(4.57)
2017	17.84
2016	8.23
2015	(0.27)

SCHEDULE 2

Schedule of Allocated Share of Net Pension Liability

Measurement Year Ended	Allocation Percentage	Allocated Share of Net Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2023	0.035%	\$7,342,026	\$2,704,216	271.50%	65.3%
12/31/2022	0.036%	8,265,913	2,788,661	296.41%	61.5%
12/31/2021	0.031%	4,470,553	2,336,925	191.30%	76.0%
12/31/2020	0.029%	5,230,891	2,123,782	246.30%	67.0%
12/31/2019	0.025%	4,500,579	1,735,081	259.39%	63.1%
12/31/2018	0.023%	4,781,405	1,535,688	311.35%	56.4%
12/31/2017	0.023%	3,937,967	1,507,109	261.30%	63.0%
12/31/2016	0.023%	4,475,356	1,479,180	302.60%	57.8%
12/31/2015	0.026%	4,692,967	1,651,026	284.20%	58.9%
12/31/2014	0.025%	3,777,141	1,566,464	241.10%	64.8%

SCHEDULE 3

Schedule of Allocated Share of Net OPEB Liability

Measurement Year Ended	Allocation Percentage	Allocated Share of Net OPEB Liability	Covered Payroll	Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
6/30/2024	0.053%	\$3,710,000	\$2,413,000	153.80%	11.6%
6/30/2023	0.049%	3,786,000	2,375,000	159.40%	8.8%
6/30/2022	0.050%	4,920,000	1,932,000	254.70%	5.9%
6/30/2021	0.038%	3,866,000	1,567,000	246.70%	6.1%
6/30/2020	0.033%	4,055,000	1,650,000	245.80%	3.7%
6/30/2019	0.033%	3,332,000	1,432,000	232.70%	3.8%
6/30/2018	0.035%	5,197,000	1,438,000	361.40%	2.2%
6/30/2017	0.034%	6,768,000	1,428,000	473.90%	1.4%
6/30/2016	0.034%	7,327,000	Not available	Not available	Not available

Note: Allocated share of net pension liability results for the required 10-year time frame will be added as available

SCHEDULE 4

Schedule of Pension Contributions

	2024	2023	2022	2021	2020
Contractually determined contribution	\$1,012,354	\$871,185	\$793,464	\$670,627	\$576,308
Contributions in relation to the contractually determined contribution	1,012,354	871,185	793,464	670,627	576,308
Contribution deficiency (excess)	\$-	\$-	\$-	\$-	\$-
Covered payroll	\$3,326,052	\$2,885,312	\$2,721,746	\$2,336,925	\$2,123,782
Contributions as a percentage of covered payroll	30.44%	30.19%	29.15%	28.70%	27.14%
	2019	2018	2017	2016	2015
Contractually determined contribution	\$514,987	\$476,919	\$452,537	\$371,833	\$343,460
Contributions in relation to the contractually determined contribution	514,987	476,919	452,537	371,833	343,460
Contribution deficiency (excess)	\$-	\$-	\$-	\$-	\$-
Covered payroll	\$1,735,081	\$1,535,688	\$1,507,109	\$1,479,180	\$1,651,026
Contributions as a percentage of covered payroll	29.68%	31.06%	30.03%	25.14%	20.80%

Changes of assumptions: The SERS board approved a reduction in the annual investment return assumption from 7.125% to 7.000% as well as numerous other actuarial assumption changes implemented with the December 31, 2020 actuarial valuation. The Board reduced the annual investment return assumption from 7.000% to 6.875% during its 2022 review for the December 31, 2022 valuations. Previously the Board maintained the annual investment return assumption at 7.000% during its 2021 review.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 5

Schedule of Other Post Employee Benefit Obligations

	2024	2023	2022	2021	2020
Contractually determined contribution	\$303,027	\$211,376	\$136,310	\$70,723	\$165,415
Contributions in relation to the contractually determined contribution	303,027	211,376	136,310	70,723	165,415
Contribution deficiency (excess)	\$-	\$-	\$-	\$-	\$-
Covered payroll	\$3,326,052	\$2,885,312	\$2,721,746	\$2,336,925	\$2,123,782
Contributions as a percentage of covered payroll	9.11%	7.33%	5.01%	3.03%	7.79%
	2019	2018	2017		
Contractually determined contribution	\$172,698	\$164,355	\$228,982		
Contributions in relation to the contractually determined contribution	172,698	164,355	228,982		
Contribution deficiency (excess)	\$-	\$-	\$-		
Covered payroll	\$1,735,081	\$1,535,688	\$1,507,109		
Contributions as a percentage of covered payroll	9.95%	10.70%	15.19%		

In accordance with GASB Statement No. 75, this schedule will accumulate each year until sufficient information to present a ten-year trend is available.

Change of assumptions: The discount rate changed from 5.65% as of 06/30/23 to 6.09% as of 6/30/2024. The discount rate was updated from 4.67% as of 6/30/22 to 5.65% as of 6/30/23. The discount rate was updated to 4.67% as of 06/30/2022 from 3.63% as of 6/30/21, which was preceded by a discount rate of 2.21% as of 06/30/20 and a rate of 3.5% as of 06/30/19.

SCHEDULE 1 - ADMINISTRATIVE EXPENSES**Comparative Two-Year Schedule**

for the Years Ended December 31, 2024 and 2023

	2024	2023
Personnel Expenses		
Salaries and wages	\$3,503,646	\$2,953,885
Social security contributions	246,516	216,175
Pension expense	1,261,852	1,516,396
OPEB expense	75,125	(427,704)
Insurance expenses	726,438	621,307
Other employee benefits	22,351	25,398
Total personnel expenses	5,835,928	4,905,457
Professional Services		
IT consultants	31,171	586,495
Actuarial	970,355	1,034,635
Audit	134,560	130,600
Legal	63,303	59,577
Contracted personnel	101,868	522,800
Miscellaneous professional	223,573	188,400
Data processing	97,241	81,879
Total professional expenses	1,622,071	2,604,386
Communication		
Telephone	33,417	37,179
Travel and conferences	52,509	34,583
Printing and Postage	35,753	42,576
Advertising	1,654	292
Total communication expenses	123,333	114,630
Other Services and Charges		
Contracted EDP services	1,179,121	1,088,987
Office space rental	347,347	337,507
Equipment leasing	42,430	41,042
Dues and subscriptions	17,736	16,849
Supplies	32,939	9,800
Maintenance	12,952	2,051
Bonding and insurance, net	34,653	32,917
Total other services	1,667,178	1,529,153
Depreciation	19,340	16,378
Total administrative expenses	\$9,267,850	\$9,170,004

SCHEDULE 2 - INVESTMENT EXPENSES

Comparative Two-Year Schedule

for the Years Ended December 31, 2024 and 2023

	2024	2023
Investment management fees	\$9,678,460	\$9,636,339
Investment consultants	300,000	285,000
Custodial fees	89,470	88,857
Divestiture services	9,639	23,213
Proxy voting services	18,225	18,222
Total investment expenses	\$10,095,794	\$10,051,631

SCHEDULE 3 - PAYMENTS TO CONSULTANTS

Comparative Two-Year Schedule

for the Years Ended December 31, 2024 and 2023

Firm Name	Nature of Service	2024	2023
Cheiron	Actuary	\$970,355	\$1,034,635
Zelenkofske Axelrod LLC	Auditor	134,560	130,600
Bravo Group	Communication & Public Relations Services	38,400	32,900
Ernst & Young	Consulting Services	49,739	-
Marquette Associates	Investment consultant	300,000	285,000
OST, Inc.	IT consultants	117,780	300,589
Sapient Corporation	IT consultants	-	179,014
CPAS Systems	IT consultants	-	105,571
Unisys	IT Consultants	4,614	1,320
Keymark IMR	IT consultants	-	-
Institutional Shareholder Services	Proxy voting services	18,226	18,222
IMR Digital (formerly Keystone Digital Imaging Inc.)	Records management services	4,385	3,760
Total		\$1,638,059	\$2,091,611

Investments



BASIS OF PRESENTATION

The data presented in the Investments Section was prepared by PMRS' independent investment consultant and has been prepared by using a time-weighted rate of return methodology based on fair values. The Investments Section includes only those investments under the management of advisors that are under contract with PMRS. These investments are valued in a manner consistent with information presented in the Financial Section, except for the recognition of accrued income and pending sales and purchases. The difference between the investment balance of \$3,528,142,527 presented in the Financial Section and the balance of \$3,523,888,102 reported in this section as of December 31, 2024 results in a difference in the net investment gain of \$309,695,478 presented in the Financial Section and the investment gain of \$300,108,207 reported in this section for the year ended December 31, 2024.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals every three years. In years for which an appraisal is not performed, real estate investments and investments that do not have an established fair value are reported at estimated fair values. Purchases and sales of investments are recorded on a trade-date basis.

Returns for active and passive funds presented throughout the Investments Section are net of external manager fees.

INVESTMENT RETURN

As of December 31, 2024, the board's investment portfolio was valued at \$3,523,888,102 which was an increase of \$233,774,339 from December 31, 2023, ending value of \$3,290,113,763. For the year ended December 31, 2024, the fund had net withdrawals of \$66,333,868 and an investment gain of \$300,108,207.

For the five years that ended December 31, 2024, PMRS had net withdrawals of \$268,540,099 and an investment return of \$991,613,864. PMRS' investment portfolio increased from \$2,800,814,336 as of December 31, 2019, to \$3,523,888,102 as of December 31, 2024.

Over the past ten years, PMRS had net withdrawals of \$466,540,875 and an investment return of \$1,942,464,947. PMRS' investment portfolio increased from \$2,047,964,029 as of December 31, 2014, to \$3,523,888,102 as of December 31, 2024.

If PMRS had earned an annualized compound rate

of 5.25% since December 31, 2014, the portfolio would have been worth \$2,801,193,556 or \$722,694,546 less than the actual value as of December 31, 2024.



INTRODUCTION

The following represents highlights from the board's investment guidelines. These guidelines, which set forth the board's expectations, restrictions, and policy decisions, were developed to assist PMRS' staff and consultants in the daily management of PMRS' assets. The system's investment policy is available on the PMRS website at www.pmr.pa.gov.

BACKGROUND

PMRS experienced negative cash flow in 2024 and expects this trend to continue as the portfolio is invested for long-term asset growth with limited income cash flows. PMRS monitors the asset allocation and maintains a cash and cash equivalent balance necessary to fund benefit payments and administrative expenses.

PHILOSOPHY

The board considers itself a conservative fiduciary, placing the greatest emphasis on the quality of investments and consistency in returns. Despite this conservative posture, the board still believes that the five-year rate of return on investments should exceed the recognized market indices for the various asset vehicles. The board established its allocation goals as follows:

	Target %
Equities	55.0
Domestic	32.5
Global	5.0
International	17.5
Fixed income	29.0
Investment grade	24.0
Opportunistic credit	5.0
Real assets	15.0
Real estate	10.0
Timber	5.0
Cash & cash equivalents	1.0

OBJECTIVE

The board's investment objective is to benefit PMRS' member municipalities by adding value to their assets. Recognizing that inflation can erode value, the board's goal is to have PMRS earn at least 2% more annually than the average inflation rate over

a long period of time. While this is the overall goal, individual investment managers' performance measures rely on other characteristics that are included in the individual contractual service agreement.

PORTFOLIO CONSTRUCTION

Short-Term Considerations

The board desires to remain as fully invested as possible. Therefore, any manager in a cash or cash equivalent position must invest in vehicles authorized by PMRS. The manager must use PMRS' depository relationship with the Commonwealth's Treasury Department who, as custodian of PMRS' investments, will invest all cash daily in a short-term fund. No management fees are charged to PMRS for the portion of a manager's average assets more than 5% remaining in cash equivalents at the Commonwealth's Treasury Department after the end of any quarter.

Fixed-Income Considerations

The board seeks to bring income and stability to the overall portfolio through fixed-income instruments. The bond portfolio must be invested in quality vehicles and is expected to be diversified from a geographic and industrial standpoint. Except for U.S. Treasury bonds, no single holding of an investment manager is to account for more than 5% of the fair value of their bond portfolio. PMRS shall not hold assets more than 10% of any one bond issue, nor more than 5% of any single issuing agent. Corporate bonds of any given industry are not to account for more than 25% of the fair value of the bond portfolio. When an index fund is used to meet PMRS' commitment to the fixed income allocation, the underlying securities of the index shall not have to comply with the specific requirements of this paragraph.

EQUITY INVESTMENT POLICY

PMRS' equity portfolio reflects the board's desire to include growth through market appreciation. The board requires an equity portfolio with diversification, quality issuance, and underlying value. Active investment managers are limited to no single equity holding accounting for more than 7.5% of the fair value of their assigned portfolio. Generally, no single sector should account for more than 20% of the value of an individual manager's portfolio. The cumulative holdings of a manager for all clients shall account for no more than 10% of the outstanding voting common stock of a corporation.

REAL ESTATE POLICY

The board believes that diversification in investment

INVESTMENT ACTIVITY

vehicles should enhance the potential return on investments without significantly altering the overall risk of the portfolio. Investment decisions regarding the real estate portfolio shall be guided by the objective to preserve capital, maximize cash distributions and income, achieve a total return competitive with other asset classes, and maintain a broad diversification of assets and managers. Real estate vehicles may be in direct equity participation in commingled funds that involve equity participation, Real Estate Investment Trusts (REITs), or closed-end private real estate commingled funds with consideration given to types of properties and geographic location. The investment process and specific limitations shall be detailed in each real estate manager's contract.

PROHIBITED TRANSACTIONS

The board prohibits (1) purchasing of commodities, mineral rights, and warrants except those previously authorized; (2) short selling and the purchasing of securities on margin; and (3) selling or buying options or futures contracts on either fixed income or equity instruments. Leveraged derivatives of any nature or the use of derivatives to create leverage are strictly prohibited.

EXECUTION AND OPERATION

PMRS uses the Commonwealth's Treasury Department as custodian and the Bank of New York Mellon as the sub-custodian.

Investment managers are directed to execute orders on the best net execution/price basis. Transactional costs and the rate of turnover are monitored. Active equity managers are expected to execute trades on the auction market at a rate close to the execution-only cost.

The investment managers may enter into agreements with certain brokerage houses to participate in a recapture program whereby a designated percentage of PMRS' trades handled by these brokerage firms will be returned as cash to PMRS and treated as new income for the benefit of the membership. It is expected that under such an arrangement, the average execution cost of all trades will approximate the execution-only price.

The board assumes full responsibility for exercising the voting privilege contained in proxy solicitations generated by companies domiciled in the U.S. and has adopted specific guidelines for staff guidance. Proxy solicitations by non-U.S. domiciled companies are handled by the investment manager who holds the security of that company in their portfolio.

COMMUNICATIONS

The board expects an open and constant line of communication between PMRS' staff and investment managers. Reports required of investment managers to the board and staff include a timely confirmation of all transactions, a quarterly statement of asset values at cost and fair value, any explanation of contemplated major shifts in investment strategy or manager style before implementation, and an explanation of major changes in organization or the personnel associated with PMRS' account. Active equity managers are required to report quarterly, the average commission price per share traded during the quarter. In addition to the written reports, the investment managers are obligated to appear before the board periodically when requested by the board. Investment managers' fees are based on the fair value of the firm's quarterly average balance in PMRS' portfolio. For the years ended December 31, 2024, and 2023, the total investment managers' fees based upon the average monthly net asset values of the PMRS' total investment portfolio were 28 basis points and 31 basis points, respectively.

MONITORING

PMRS monitors the performance of its investment managers through the direct involvement of the board, PMRS staff, and any consultant hired for this purpose by the board.

REPORT ON INVESTMENT ACTIVITY RELATIVE PERFORMANCE

Total Fund

For the year ended December 31, 2024, the net rate of return for PMRS' total portfolio was 9.2%, which was 0.3% less than the policy index¹ return of 9.5% and ranked in the 55th percentile of the Investment Metrics (IM) Public DB universe. For the five years that ended December 31, 2024, the net rate of return for PMRS' total portfolio was 6.4%, which was 0.4% less than the policy index return of 6.8%, and ranked in the 50th percentile. Since inception, the net rate of return for PMRS' total portfolio was 8.4%, compared to the policy index¹ return of 8.9%.

¹ The policy index is a customized index created by PMRS' investment consultant. It is constructed at the asset class level with corresponding bench-mark allocations matching the portfolio

Domestic Equity

For the year ended December 31, 2024, the net rate of return for the domestic equity portfolio was 19.5%, which was 4.3% less than the Russell 3000 Index return of 23.8%, and ranked in the 70th percentile. For the five years that ended December 31, 2024, the net rate of return for the domestic equity portfolio

was 12.2%, which was 1.7% less than the Russell 3000 Index return of 13.9%, and ranked in the 72nd percentile.

Global Equity

For the year ended December 31, 2024, the net rate of return for the global equity portfolio was 12.5%, which was 1.1% more than the Global Equity Policy Index return of 11.4% and ranked in the 22nd percentile. The global equity portfolio was a new investment in 2022.

International Equity

For the year ended December 31, 2024, the net rate of return for the international equity portfolio was 5.4%, which was 0.2% more than the MSCI ACWI ex-USA Index return of 5.2% and ranked in the 40th percentile. For the five years that ended December 31, 2024, the net rate of return for the international equity portfolio was 4.6%, which was 0.5% more than the MSCI ACWI ex-USA Index return of 4.1% and ranked in the 29th percentile.

Real Assets

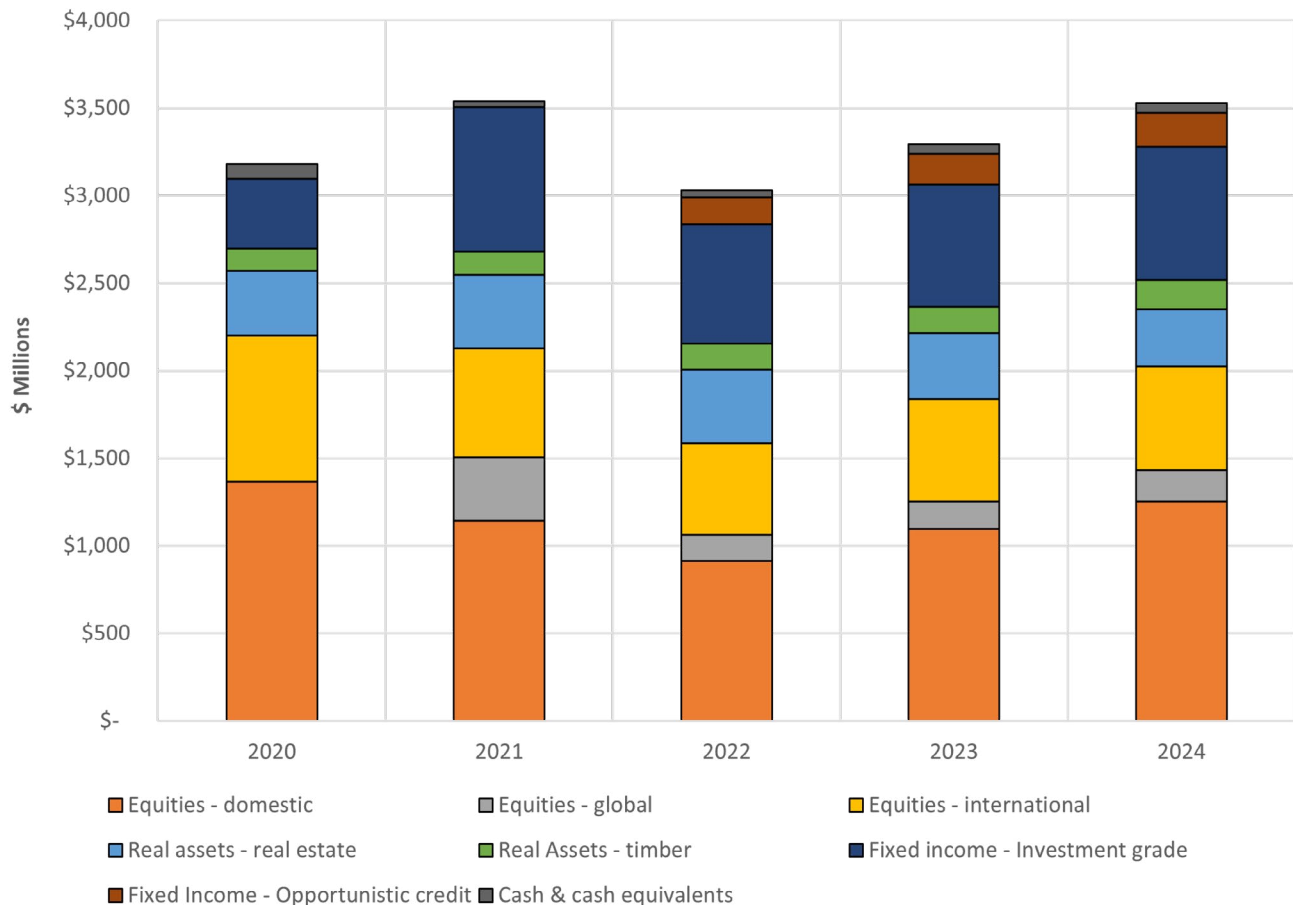
For the year ended December 31, 2024, the net rate of return for the real assets portfolio was 1.3%, which was 0.6% more than the Real Assets Policy Index of 0.7%. For the five years that ended December 31, 2024, the net rate of return for the real assets portfolio was 2.9%, which was 1.7% less than the Real Assets Policy Index return of 4.6%.

Fixed Income

For the year ended December 31, 2024, the net rate of return for the fixed-income portfolio was 3.3%, which was 2.1% more than the Bloomberg US Aggregate TR Index return of 1.2% and ranked in the 16th percentile. For the five years ended December 31, 2024, the net rate of return for the fixed-income portfolio was 0.2%, which was 0.5% more than the Bloomberg U.S. Aggregate TR Index return of (0.3)% and ranked in the 63rd percentile.

The following graph shows PMRS' five-year trend of asset allocation as of December 31, 2024.

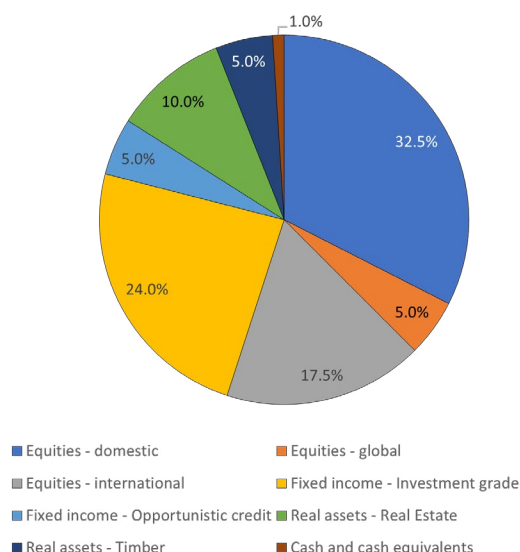
**Portfolio Distribution
Five-Year Trend**



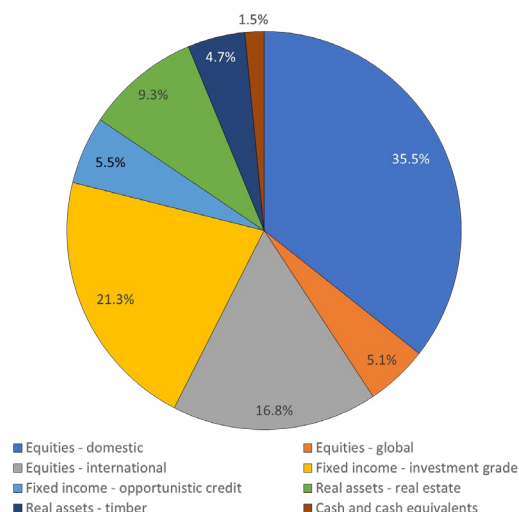
ASSET ALLOCATION

ASSET ALLOCATION

The board established its allocation goals as follows:



PMRS' portfolio allocation on December 31, 2024 was as follows:



The following table shows the allocation of assets on December 31, 2024.

Asset Allocation

as of December 31, 2024

(amounts in thousands)

Type	Percentage of Portfolio	Amount
Domestic	35.5%	\$1,252,591
Global	5.1%	178,915
International	16.8%	592,677
Total equities	57.4%	2,024,183
Investment grade	21.6%	760,850
Opportunistic	5.5%	193,866
Total fixed income	27.1%	954,716
Real Estate	9.3%	328,569
Timber	4.7%	165,705
Total real assets	14.0%	494,274
Cash and cash equivalents ¹	1.5%	54,970
Total portfolio	100.0%	\$3,528,143

¹ Cash and cash equivalents include funds held by the Pennsylvania Treasury Department

PMRS' actual asset allocation on December 31, 2024, was \$1.25 billion committed to domestic equities, \$179 million to global equities, \$593 million to international equities, \$955 million to fixed-income instruments, \$329 million to real estate, \$166 million to timber, and \$55 million to cash and cash equivalents.

The following table shows the actual allocation of assets compared to the board-established allocation on December 31, 2024.

ASSET ALLOCATION VARIANCE

as of December 31, 2024

(amounts in thousands)

Sector	Target Percentage Allocation	Target Dollar Allocation	Percentage of Portfolio	Current Dollar Allocation	Dollar Variance	Percentage Variance
Domestic	32.5%	\$1,146,646	35.5%	\$1,252,591	\$105,945	3.0%
Global	5.0%	176,407	5.1%	178,915	2,508	0.1%
International	17.5%	617,425	16.8%	592,677	(24,748)	-0.7%
Total equities	55.0%	1,940,478	57.4%	2,024,183	83,705	2.4%
Investment grade	24.0%	846,754	21.6%	760,850	(85,904)	-2.4%
Opportunistic	5.0%	176,407	5.5%	193,866	17,459	0.5%
Total fixed income	29.0%	1,023,161	27.1%	954,716	(68,445)	-1.9%
Real Estate	10.0%	352,814	9.3%	328,569	(24,245)	-0.7%
Timber	5.0%	176,407	4.7%	165,705	(10,702)	-0.3%
Total real assets	15.0%	529,221	14.0%	494,274	(34,947)	-1.0%
Cash and cash equivalents ¹	1.0%	35,283	1.5%	54,970	19,687	0.5%
Total portfolio	100.0%	\$3,528,143	100.0%	\$3,528,143	\$-	0.0%

¹ Cash and cash equivalents include funds held by the Pennsylvania Treasury Department

INVESTMENT SUMMARY

PORTFOLIO RATES OF RETURN

The following table compares the net rates of return for PMRS' total investment portfolio as of December 31, 2024, with standard indexes for one year, three years, five years, ten years, and since inception. The calculations of yields were prepared using a time-weighted rate of return methodology based on fair values. PMRS' returns have been competitive with other professionally managed funds.

PERFORMANCE SUMMARY

	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
Total Portfolio	9.2%	1.8%	6.4%	7.2%	8.4%	Jan-86
InvMetrics Public DB Net Rank	55	62	50	29	35	
Policy Index	9.5%	2.5%	6.8%	7.1%	8.9%	
U.S. Equity Composite	19.5%	6.2%	12.2%	11.5%	9.5%	Jan-06
InvMetrics Public DB US Eq Net Rank	70	80	72	54	56	
Russell 3000	23.8%	8.0%	13.9%	12.5%	10.4%	
Global Equity Composite	12.5%	1.7%	-	-	1.7%	Dec-21
InvMetrics Public DB Gbl Eq Net Rank	22	97	-	-	97	
Global Equity Policy Index	11.4%	1.3%	-	-	1.3%	
Non-U.S. Equity Composite	5.4%	0.4%	4.6%	5.80	6.8%	May-12
InvMetrics Public DB ex-US Eq Net Rank	40	36	29	18	27	
MSCI ACWI ex USA IMI	5.2%	0.5%	4.1%	4.9%	6.3%	
Real Assets Composite	1.3%	0.1%	2.9%	5.0%	7.0%	Apr-93
Real Assets Policy Index	0.7%	1.1%	4.6%	6.3%	7.2%	
Total Fixed Income Composite	3.3%	-1.5%	0.2%	1.6%	5.6%	Jan-86
InvMetrics Public DB US Fix Inc Net Rank	16	59	63	85	-	
Bloomberg US Aggregate TR	1.2%	-2.4%	-0.3%	1.3%	5.5%	

SUMMARY OF INVESTMENT EXPENSES

for the years ended December 31, 2024 and 2023

Firm name	2024	2023
Domestic equities managers		
MFS Institutional Advisers	\$520,778	\$491,350
Polen Capital Management	604,145	510,911
Emerald Advisers	256,691	213,409
Smith, Graham & Co.	242,450	329,172
Channing Capital Management	111,119	-
Copeland Capital Management	292,550	256,920
Northern Trust Investments, Inc	31,110	25,579
Xponance, Inc	64,826	53,148
	2,123,669	1,880,489
Global equities managers		
Rhumblin Advisers Limited Partnership	112,459	98,693
	112,459	98,693
International equities managers		
HGK Asset Management, Inc.	819,691	820,847
Hardman Johnston Global Advisors	699,271	632,799
State Street Global Advisors	156,723	139,684
	1,675,685	1,593,330
Investment-grade fixed income managers		
Federated Investment Counseling	378,022	361,491
State Street Global Advisors	48,230	44,416
	426,252	405,907
Opportunistic credit fixed income managers		
Ares Global Multi-asset Credit	638,650	565,935
	638,650	565,935
Real assets managers		
Nuveen Real Estate	1,718,195	1,989,410
Prudential Financial, Inc.	1,759,403	2,011,083
Forest Investment Associates	1,224,147	1,091,492
	4,701,745	5,091,985
Total Investment Management Fees	9,678,460	9,636,339
Investment Consultant - Marquette	300,000	285,000
Custodial Fees - BNY Mellon	89,470	88,857
Divestiture Services	9,639	23,213
Proxy Voting Services	18,225	18,222
Total Investment Expenses	\$10,095,794	\$10,051,631

INVESTMENT SUMMARY

The following list presents the ten largest common stock holdings and the ten largest fixed-income holdings by descending order of fair value. Information on the complete holdings of the system is available on the PMRS website at www.pMrs.pa.gov.

TEN LARGEST COMMON STOCK HOLDINGS

as of December 31, 2024

Stock	Shares	Fair Value	Percentage Of Portfolio
Apple Inc	129,483	\$32,425,133	0.92%
Microsoft Corp	75,535	31,838,003	0.91%
Amazon.com Inc	110,342	24,207,931	0.69%
NVIDIA Corp	167,591	22,505,795	0.64%
JPMorgan Chase & Co	51,072	12,242,469	0.35%
Alphabet Inc - Class C	63,560	12,104,366	0.34%
Visa Inc	36,953	11,678,626	0.33%
Alphabet Inc - Class A	55,956	10,592,471	0.30%
Mastercard Inc	18,840	9,920,579	0.28%
Netflix Inc	10,315	9,193,966	0.26%

TEN LARGEST FIXED INCOME HOLDINGS

as of December 31, 2024

Description	Shares	Fair Value	Percentage of Portfolio
U.S. Treasury Note, 4.250% November 15, 2034	14,600,000	\$14,223,612	0.40%
U.S. Treasury Note, 4.125% October 31, 2029	7,345,000	7,259,504	0.21%
U.S. Treasury Bond, 2.875% May 15, 2052	8,500,000	5,954,675	0.17%
U.S. Treasury Note, 3.125% August 31, 2027	6,000,000	5,826,540	0.17%
U.S. Treasury Note, 4.000% July 31, 2029	5,600,000	5,510,512	0.16%
U.S. Treasury Bond, 4.500% November 15, 2054	4,425,000	4,226,583	0.12%
U.S. Treasury Note, 4.250% November 30, 2026	4,000,000	3,998,920	0.11%
Federal Home Loan Bank Consolidated Bond, 1.020% February 24, 2027	3,500,000	3,263,610	0.09%
U.S. Treasury Bond, 4.125% August 15, 2053	2,800,000	2,498,020	0.07%
U.S. Treasury Note, 4.125% July 31, 2028	2,350,000	2,333,480	0.07%

PORTFOLIO SUMMARY

as of December 31, 2024

(amounts in thousands)

Type of Investment	Cost	Fair Value	Percentage of Total Fair Value
Equities			
Domestic	\$986,941	\$1,252,591	35%
Global	486,254	592,677	17%
International	162,909	178,915	5%
Total	1,636,104	2,024,183	57%
Fixed income			
Investment grade	\$746,250	\$760,850	22%
Opportunistic credit	155,000	193,866	5%
Total	901,250	954,716	27%
Other investments			
Real Assets	351,137	494,274	14%
Cash and cash equivalents ¹	54,970	54,970	2%
Total	406,107	549,244	16%
Total portfolio	\$2,943,461	\$3,528,143	100%

¹Cash and cash equivalents include funds held by the Pennsylvania Treasury Department

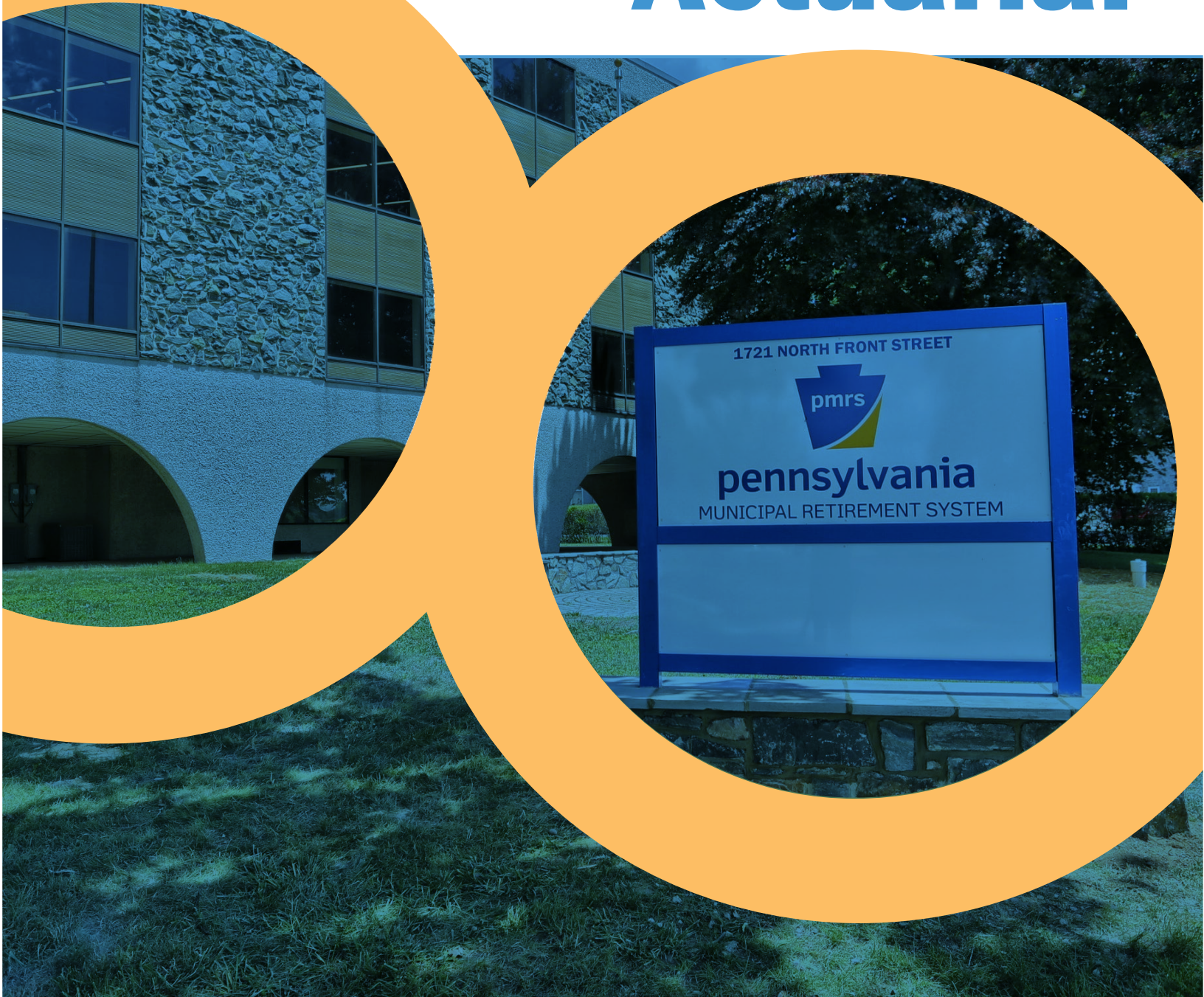
SUMMARY OF COMMISSIONS

SUMMARY OF COMMISSIONS PAID TO BROKERS

for the Fiscal Year Ended December 31, 2024

Broker Name	Commissions Paid	Shares	Average Commission Per Share
Citigroup	\$28,396	166,238	\$0.171
Jefferies	13,814	572,935	0.024
Royal Bank of Canada	11,318	517,609	0.022
JP Morgan Chase	8,651	334,398	0.026
Goldman Sachs	5,693	211,174	0.027
Stifel	5,525	179,507	0.031
Barclays	5,069	418,429	0.012
Instinet	4,942	143,202	0.035
Piper Sandler	4,304	140,571	0.031
Bank Of America	3,925	142,602	0.028
Raymond James	3,538	167,825	0.021
Wells Fargo	2,381	73,352	0.032
Liquidnet	1,962	69,619	0.028
Societe Generale	1,935	91,490	0.021
The Bank of New York Mellon	1,754	69,912	0.025
Loop Capital	1,726	63,475	0.027
Apex Fintech Solutions	1,151	50,410	0.023
Janney Montgomery Scott	1,140	38,001	0.030
Morgan Stanley	1,132	87,100	0.013
Siebert Williams Shank	1,112	44,480	0.025
D.A. Davidson	1,041	33,840	0.031
All other brokers (less than \$1,000)	10,718	510,984	0.021
Total	\$121,227	4,127,153	0.029

Actuarial





Via Electronic Mail

April 25, 2025

Pennsylvania Municipal Retirement Board of the
Pennsylvania Municipal Retirement System
c/o Timothy A. Reese, Chief Executive Officer
P.O. Box 1165
Harrisburg, Pennsylvania 17108-1165

Dear Board Members:

The following tables from the annual Actuarial Valuation Report of the Pennsylvania Municipal Retirement System (the System) as of January 1, 2024 will be published in the end-of-year Annual Comprehensive Financial Report (ACFR). These tables were determined based on the results of the valuation as outlined in our actuarial valuation report. The figures and data disclosed in these tables, as presented in the actuarial valuation report, were provided by Cheiron.

1. Required Supplemental Information (detailed as "Note to Required Supplementary Information" in Section V of Actuarial Valuation Report)
2. Solvency Test which shows the portion of the Actuarial Liability covered by Assets
3. Funded Status of Actuarial Liabilities
4. Schedule of Retirees and Beneficiaries
5. Schedule of Total Membership by Status
6. Schedule of Total Membership and Salary
7. Schedule of Active Member Valuation Data (components of which are contained in Section V of Actuarial Valuation Report)
8. Individual Membership Table (in Appendix A)
9. Actuarial Methods and Significant Assumptions (noted in the Actuarial Valuation Report Appendix B)

As provided in the Funded Status of Actuarial Liabilities table, the System, as of January 1, 2024, is 98.8% funded on an actuarial asset value basis. The funded ratio on a fair value basis is 103.5%.

In addition, while Cheiron did not explicitly provide the exhibit outlining the required employer contributions provided in the ACFR, it is our understanding that this schedule was determined based on information Cheiron provides in the annual valuation reports. This includes the Normal Cost percentage and the employers' anticipated payroll for each participating plan. It also includes the amortization payment calculated by the actuary or the over-funding credit required under Pennsylvania State Law, Act 205 of 1984. The composite figure is assembled by the agency's staff and has not been reviewed by Cheiron.

Pennsylvania Municipal Retirement Board of the
Pennsylvania Municipal Retirement System
April 25, 2025
Page 2

The Pennsylvania Municipal Retirement System is defined as an agent multiple-employer retirement system for participating municipalities and counties under Governmental Accounting Standards Board Statements No. 67 and 68. Assets and liabilities are separately accounted for and reported to the Department of the Auditor General of the Commonwealth of Pennsylvania. The table excerpts provided for the ACFR reflect aggregate valuation results for the System and provide statistics on employer contribution levels for the defined benefit portion of the municipal plans participating in the system as of the valuation date.

The assumptions used in preparing the individual municipal valuation results were reflected in the January 1, 2024 actuarial valuation and based on the assumptions reviewed and adopted by the Board from the experience study issued by Cheiron in September 2020. The actuarial assumptions reflect the Board's understanding of the likely future experience of the System. The assumptions, both individually and in aggregate, represent the best estimate for the future experience of the System. The investment return assumption for the 2024 actuarial valuation was based on the Board's adopted procedure to annually review and set the interest rate assumption.

These assumptions were analyzed in accordance with the Actuarial Standards of Practice (ASOP) No. 27 (Selection of Economic Assumptions for Measuring Pension Obligations) and No. 35 (Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations) to perform actuarial valuations for retirement systems. Methods to measure the pension liabilities and normal cost, to review data quality, and to provide actuarial communications comply with the relative ASOP Nos. 4, 23, and 41. The actuarial value of assets used for funding purposes follows Pennsylvania Municipal Law, which is not required to comply with ASOP No. 44 (Selection and Use of Asset Valuation Methods for Pension Valuations). Although the resulting asset values fall within a reasonable range of fair value of assets (consistent with ASOP No. 44, Section 3.3 b.1), the method does not necessarily recognize differences from fair value of assets within a reasonable time period (ASOP No. 44, Section 3.3 b.2). Our disclosure that the actuarial value of assets was prepared under applicable law, with the noted deviation from ASOP No. 44, fulfills the requirements of this ASOP (Section 4.4.1). Please refer to the Actuarial Assumptions and Methods Appendix of the actuarial valuation report for more detailed information on this, if needed.

No new methods were effective as of January 1, 2024 actuarial valuation. The actuarial methods were adopted effective January 1, 1985 unless otherwise indicated. The funding method applied provides for an annual normal cost as a level percent of pay and amortization of unfunded and/or surplus over a fixed period in accordance with provisions of Act 205.

In preparing our report, we relied on information (some oral and some written) supplied by the System's staff. This information includes, but is not limited to, plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data by plan for all the traditional defined benefit plans and in aggregate for the cash balance plans for reasonableness and consistency in accordance with ASOP No. 23 (Data Quality).



ACTUARY'S CERTIFICATION LETTER

Pennsylvania Municipal Retirement Board of the
Pennsylvania Municipal Retirement System
April 25, 2025
Page 3

The results of our report are dependent on future experience conforming to these assumptions. To the extent that plan experience differs from that anticipated by the assumptions, there are changes in assumptions or plan provisions, or changes to applicable law, the true cost for each of the plans could vary from our results. Future valuation reports may differ significantly from the current results presented in this document due to such factors as: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law.

Our report and its contents were prepared for PMRS for the purposes of the ACFR herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of our report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Finally, our report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in our report. Our report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Should you have any questions, please do not hesitate to contact us.

Sincerely,
Cheiron



Karen Zangara, FSA, EA, MAAA
Principal Consulting Actuary



Anthony Bucci, FCA, EA, MAAA
Consulting Actuary

cc: Richard Cardamone, CPA
Jonathan Chipko, Cheiron



ACTUARIAL SUPPLEMENTAL INFORMATION

The information presented in the supplementary schedules was determined as part of the actuarial valuation as of January 1, 2024. Additional information as of the latest actuarial valuation is as follows:

Valuation date	January 1, 2024 – County Plans (active and vested terminated accounts)
	January 1, 2023 – Non-County Plans and Cash Balance (CB) and retiree liabilities
Measurement date	January 1, 2024
Actuarial cost method	Entry age normal
Amortization method	Level dollar for Plan Bases and an average for Aggregate Gain/Loss, 10% of surplus is credited against aggregate cost where applicable
Actuarial assumption:	
Investment rate of return (*)	5.25%
Projected salary increases (*)	2.2% - 6.22% based on age and service
(*) Includes inflation at	2.2%
Cost of living adjustments	2.2% per year up to plan maximum

The actuarial assumptions used have been reviewed by the actuary and adopted by the PMRS' board based on the most recent review of PMRS' experience study for the period January 1, 2014, through December 31, 2018, completed in 2020.

The rate of employer contributions to PMRS is composed of the normal cost, amortization of the unfunded actuarial liability, and an allowance for administrative expenses. The normal cost is a level percent of payroll cost which, along with member contributions, will pay for projected benefits at retirement for the average plan participant. The actuarial liability is the difference between the present value of future benefits and the present value of future normal costs. The unfunded actuarial liability or surplus is the difference between the actuarial liability and the actuarial value of assets.

The allowance for administrative expenses is based on PMRS' actual administrative expenses.

SOLVENCY TEST
Aggregate Accrued Liabilities

Valuation Date January 1,	Active Member Contributions ¹	Retirees, Beneficiaries & Vested Terminations	Active Member Employer Financed Contributions	Actuarial Value Of Reported Assets	Portion Of Accrued Liabilities Covered By Reported Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
2024	\$540,576,312	\$1,755,400,709	\$878,293,654	\$3,137,461,781	100%	100%	96%
2023	523,080,932	1,682,880,929	868,706,126	3,030,510,553	100%	100%	95%
2022	508,436,602	1,575,137,867	839,241,639	2,929,944,455	100%	100%	101%
2021	494,275,157	1,495,048,974	841,964,053	2,827,402,985	100%	100%	100%
2020	485,374,472	1,315,859,327	800,247,415	2,631,849,434	100%	100%	104%
2019	474,930,885	1,258,545,895	786,667,534	2,528,939,742	100%	100%	101%
2018	460,805,568	1,175,715,217	764,391,135	2,404,498,404	100%	100%	100%
2017	451,613,188	1,114,835,472	754,316,724	2,270,278,691	100%	100%	93%
2016	435,834,498	999,866,637	715,640,331	2,153,625,821	100%	100%	100%
2015	427,736,008	938,380,470	701,148,372	2,081,439,591	100%	100%	102%

¹Includes the sum of the active member employee contribution balances, the member separate annuity account balances, the municipal for member separate annuity account balances, and the excess interest allocations

FUNDED STATUS OF ACTUARIAL LIABILITIES

Valuation Date January 1,	Actuarial Value Of Assets ¹	Actuarial Liability (AL) Entry Age	Unfunded AL (Surplus)	Funded Ratio	Discount Rate
	(A)	(B)	(B-A)	(A/B)	
2024	\$3,137,461,781	\$3,174,270,675	\$36,808,894	98.8%	5.25%
2023	3,030,510,553	3,074,667,986	44,157,433	98.6%	5.25%
2022	2,929,944,455	2,922,816,108	(7,128,347)	100.2%	5.25%
2021	2,827,402,985	2,831,288,184	3,885,199	99.9%	5.25%
2020	2,631,849,434	2,601,481,214	(30,368,220)	101.2%	5.25%
2019	2,528,939,742	2,520,144,314	(8,795,428)	100.4%	5.25%
2018	2,404,498,404	2,400,911,920	(3,586,484)	100.1%	5.25%
2017	2,270,278,691	2,320,765,384	50,486,693	97.8%	5.25%
2016	2,153,625,821	2,151,341,466	(2,284,355)	100.1%	5.50%
2015	2,081,439,591	2,067,264,850	(14,174,741)	100.7%	5.50%

¹The Actuarial Value of Assets (AVA) were determined based on the methodology outlined in PMRS Policy Statement 05-2. The 1/1/21 AVA was based on the reserves published by PMRS in the ACFR for the years ended December 31, 2020 and 2019, adjusted for \$67.8 million and \$6.5 million, respectively, that transferred from the Undistributed Earnings Reserve Account to the Retired Members' Account to fully fund the retiree reserve as required by opinion of legal counsel.

The actuarial assumptions as of January 1, 2024, are shown in the assumptions and methods section. The above information was derived from the following membership data and the number of pension plans, as provided by PMRS.

VALUATION OF LIABILITIES

Valuation Date January 1,	Number of Plans		
	Complete Valuation	Roll Forward	Cash Balance Plans ¹
2024	4	718	336
2023	719	4	329
2022	4	718	322
2021	720	4	327
2020	4	724	328
2019	719	4	323
2018	4	726	314
2017	718	4	311
2016	4	718	294
2015	717	4	286

SCHEDULE OF RETIREES AND BENEFICIARIES

Added or Removed from Rolls 10-Year Trend

Added to Rolls		Removed from Rolls		Rolls - Valuation Date		Percentage Change		
Valuation Date January 1,	Number	Average Annual Annuities	Number	Average Annual Annuities	Number	Annual Annuities	Increase / (Decrease) in Number	Increase / (Decrease) in Annuities
2024	415	\$19,476	157	\$12,638	7,496	\$137,056,342	-5.0%	4.9%
2023	437	22,692	202	11,829	7,238	130,702,823	6.8%	6.5%
2022	409	21,174	150	14,441	7,003	122,707,214	-5.8%	6.1%
2021	434	21,588	125	10,350	6,744	115,697,265	13.9%	7.6%
2020	381	19,656	135	11,392	6,435	107,504,808	-11.2%	6.0%
2019	429	19,572	146	8,147	6,189	101,399,088	12.0%	7.8%
2018	383	18,912	176	9,325	5,906	94,073,168	-14.3%	6.5%
2017	447	18,744	108	8,174	5,699	88,360,677	31.9%	9.5%
2016	339	18,888	87	18,915	5,360	80,729,221	-13.5%	6.3%
2015	392	17,908	227	10,494	5,108	75,936,364	-9.0%	6.6%

SCHEDULE OF TOTAL MEMBERSHIP BY STATUS

10-Year Trend

Valuation date January 1,	Active members:		Retirees	Beneficiaries	Deferred pensions	Inactive members*	Total
	Defined Benefit	Cash Balance					
2024	8,185	1,835	6,719	777	1,504	996	20,016
2023	7,895	1,725	6,461	777	1,491	755	19,104
2022	7,969	1,650	6,295	708	1,343	40	18,005
2021	7,860	1,486	6,050	694	1,284	47	17,421
2020	7,970	1,502	5,781	654	1,205	47	17,159
2019	7,949	1,446	5,550	639	1,168	40	16,792
2018	7,868	1,387	5,307	599	1,090	35	16,286
2017	7,728	1,303	5,099	600	1,150	28	15,908
2016	7,698	1,274	4,784	576	1,173	7	15,512
2015	7,580	1,214	4,566	542	1,027	8	14,937

*Inactive members represent inactive non-vested participants with employee contribution account balances. This increased substantially in 2023 due to improved reporting from the system.

SCHEDULE OF TOTAL MEMBERSHIP AND SALARY¹

As of January 1,

	2024	2023	2022	2021	2020
a. Retirees currently receiving benefits	6,719	6,461	6,295	6,050	5,781
b. Beneficiaries currently receiving benefits	777	777	708	694	654
c. Terminated vested employees entitled to future benefits from Defined Benefit Plans	1,094	1,092	957	933	882
d. Terminated non-vested employees entitled to contribution refunds from Defined Benefit Plan	996	755	40	47	47
e. Active employees in defined benefit plans ²	8,185	7,895	7,969	7,860	7,970
i. Aggregate Salary ³	\$536,974,651	\$508,976,064	\$497,193,829	\$476,970,336	\$465,906,342
ii. Vested ⁴	4,007	4,017	4,224	4,281	4,388
iii. Non-vested	4,178	3,878	3,745	3,579	3,582
f. Non-Retired Participants in cash balance plans	2,245	2,124	2,036	1,837	1,825
i. Aggregate Salary ⁵	\$95,431,331	\$90,591,358	\$79,029,741	\$71,553,094	\$69,134,048
ii. Active	1,835	1,725	1,650	1,486	1,502
iii. Inactive	410	399	386	351	323

As of January 1,

	2019	2018	2017	2016	2015
a. Retirees currently receiving benefits	5,550	5,307	5,099	4,784	4,566
b. Beneficiaries currently receiving benefits	639	599	600	576	542
c. Terminated vested employees entitled to future benefits from Defined Benefit Plans	853	797	834	872	779
d. Terminated non-vested employees entitled to contribution refunds from Defined Benefit Plan	40	35	28	7	8
e. Active employees in defined benefit plans ²	7,949	7,868	7,728	7,698	7,580
i. Aggregate Salary ³	\$455,352,355	\$434,554,380	\$422,621,214	\$394,133,120	\$384,270,155
ii. Vested ⁴	4,470	4,553	4,573	4,676	4,726
iii. Non-vested	3,479	3,315	3,156	3,022	2,854
f. Non-Retired Participants in cash balance plans	1,761	1,680	1,619	1,575	1,462
i. Aggregate Salary	\$63,302,730	\$60,013,152	\$53,998,354	\$51,642,049	\$47,537,851
ii. Active	1,446	1,387	1,303	1,274	1,214
iii. Inactive	315	293	316	301	248

¹Represents entire system

²Increase in 2023 is due to improved reporting from the System of inactive participants with account balances

³Annualized salary paid during the prior plan year for Traditional Defined Benefit plan participants and actual salary for active cash balance participants.

⁴Count of vested participants estimated based on service as of the valuation date.

⁵Actuary Updated 2023 Cash Balance Pay to better reflect prior year actual pay.

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

10-Year Trend

DEFINED BENEFIT PLANS

Valuation Date January 1,	Number of Active Members	Percentage Change in Membership	Number of Participating Employers	Percentage Increase/ (Decrease) in Number of Participating Employers	Total Annual Payroll	Percentage Increase/ (Decrease) in Payroll	Average Annual Salary	Percentage Increase/ (Decrease) in Average Annual Salary
2024	8,185	3.5%	722	-0.1%	\$536,974,651	5.5%	\$65,605	1.8%
2023	7,895	-0.9%	723	0.1%	508,976,064	2.4%	64,468	3.3%
2022	7,969	1.4%	722	-0.3%	497,193,829	4.2%	62,391	2.8%
2021	7,860	-1.4%	724	-0.6%	476,970,336	2.4%	60,683	3.8%
2020	7,970	0.3%	728	0.7%	465,906,342	2.3%	58,458	2.0%
2019	7,949	1.0%	723	-1.0%	455,352,355	4.8%	57,285	3.7%
2018	7,868	1.8%	730	1.1%	434,554,380	2.8%	55,231	1.0%
2017	7,728	0.4%	722	0.0%	422,621,214	7.2%	54,687	6.8%
2016	7,698	1.5%	722	0.1%	394,133,120	2.6%	51,199	1.0%
2015	7,580	-1.3%	721	0.7%	384,270,155	-1.3%	50,695	-0.1%

CASH BALANCE PLANS

Valuation Date January 1,	Number of Active Members	Percentage Change in Membership	Number of Participating Employers	Percentage Increase/ (Decrease) in Number of Participating Employers	Total Annual Payroll ⁵	Percentage Increase/ (Decrease) in Payroll	Average Annual Salary	Percentage Increase/ (Decrease) in Average Annual Salary
2024	1,835	6.4%	336	2.1%	\$95,431,331	8.8%	\$52,006	-1.0%
2023	1,725	4.5%	329	2.2%	87,705,525	14.6%	52,517	9.6%
2022	1,650	11.0%	322	-1.8%	79,029,741	10.4%	47,897	-0.5%
2021	1,486	-1.1%	328	0.0%	71,553,094	3.5%	48,151	4.6%
2020	1,502	3.9%	328	1.5%	69,134,048	9.2%	46,028	5.1%
2019	1,446	4.3%	323	2.9%	63,302,730	5.5%	43,778	1.2%
2018	1,387	6.4%	314	1.0%	60,013,152	11.1%	43,268	4.4%
2017	1,303	2.3%	311	5.8%	53,998,354	4.6%	41,442	2.2%
2016	1,274	4.9%	294	2.8%	51,642,049	8.6%	40,535	3.5%
2015	1,214	2.4%	286	6.7%	47,537,851	5.2%	39,158	2.7%

⁵ Actuary Updated 2023 Cash Balance Pay to better reflect prior year actual pay.

ACTUARIAL ASSUMPTIONS AND METHODS

The PMRS demographic actuarial assumptions were revised by the board effective January 1, 2021. The Regular Interest Rate (investment return assumption) was approved by the board effective January 1, 2017. The assumptions are as follows:

A. Healthy Life Mortality Rates:

The mortality assumptions, inclusive of the projected mortality improvements, was selected

as a reasonable representation of the ultimate projected payout of benefits from the plan using nationally available mortality tables as well as data provided by PMRS.

Pre-Retirement Mortality Rates
Type of Death:

a) 20% of pre-retirement deaths are assumed to be service-related for municipal plans, and

b) 70% of pre-retirement deaths are assumed to be service-related for uniform plans.

Age	Healthy Pre-Retirement	
	Male	Female
20	0.000360	0.000134
25	0.000307	0.000102
30	0.000454	0.000187
35	0.000624	0.000293
40	0.000785	0.000410
45	0.000968	0.000548
50	0.001350	0.000787
55	0.002066	0.001261
60	0.003227	0.001934
65	0.004670	0.002824
70	0.006542	0.004354

Source: PUB-2010 General Employees tables with Mortality Improvement Scale MP-2018 Sex distinct to 2023

Post-Retirement Mortality Rates

Age	Healthy Post-Retirement	
	Male	Female
50	0.004075	0.002711
55	0.005670	0.003801
60	0.008061	0.005801
65	0.011723	0.008535
70	0.017246	0.012827
75	0.026952	0.020699
80	0.044949	0.035475
85	0.078639	0.063789

Source: RP-2006 healthy annuitant tables with Mortality Improvement Scale MP-2018 Sex distinct to 2023

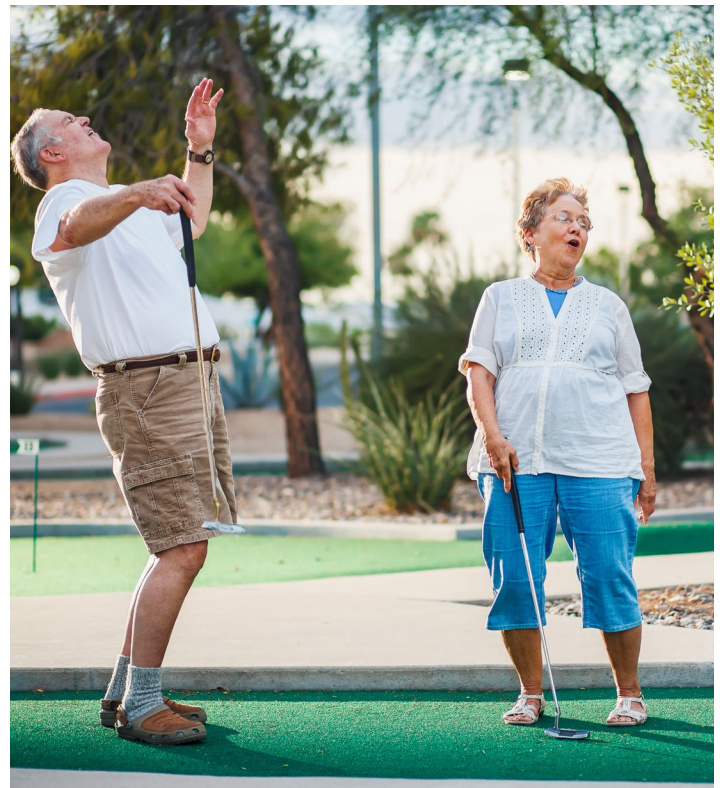
Disabled Life Mortality Rates

Age	Disabled Post-Retirement	
	Male	Female
30	0.010266	0.003635
40	0.014112	0.006863
50	0.020450	0.011664
60	0.027597	0.018997
70	0.041494	0.028114
80	0.077005	0.062142

Source: RP-2006 disabled annuitant tables with Mortality Improvement Scale MP-2018 Sex distinct to 2023

Mortality Improvement

All base mortality tables described above are projected from the applicable table's base year to 2023 using the Mortality Improvement Scale MP-2018.



B. Termination Rates Before Retirement

Rates are based on the number of active members in the pension plan, years of service, and the type of plan participants (non-uniform or uniform).

ACTUARIAL SUPPLEMENTAL INFORMATION

TERMINATION RATES BEFORE RETIREMENT

Number of Active Members in Plan

Years of Service	MUNICIPAL PARTICIPANTS (NON-UNIFORM)		Years of Service	UNIFORMED PARTICIPANTS
	<25	25+		
LESS THAN 1	11.0%	12.0%		
1	11.0%	12.0%		
2	10.0%	11.0%		
3	9.0%	10.0%		
4	8.0%	9.0%	LESS THAN 4	10.0%
5	7.0%	7.5%	5	5.0%
6	8.0%	7.5%	6	4.0%
7	6.0%	7.0%	7	4.0%
8	5.0%	6.0%	8	4.0%
9	4.0%	5.0%	9	3.0%
10+	3.0%	3.5%	10+	3.0%

C. Disability Incident Rates

50% of the 2017 CalPERS Public Miscellaneous Group disability rates for males. Sample rates are:

DISABILITY INCIDENCE RATES	
Age	Rate
25	0.0085%
35	0.0245%
45	0.0955%
55	0.1105%
65	0.1050%

Type of Disability:

(a). 20% of disablements are assumed to be service-related for municipal plans, and

(b). 70% of disablements are assumed to be service-related to uniform plans

D. Workers Compensation

Service-related disability benefits payable from municipal plans are offset by 25% of the final average salary.

E. Salary Scale

Includes a rate of 2.2% inflation plus merit-based increases as shown below for the select ages:

SALARY RATES

Age	Total Rate ¹ (Including Inflation)
25	6.22%
30	5.16%
35	4.49%
40	4.14%
45	3.82%
50	3.55%
55	3.28%
60	3.11%
65	2.79%

¹Add 3% for each of the first two years of service, 2% for years three and four, and 1% for years five and six

For 2021 and 2022, merit-based increases are assumed to be 0%.



F. Rates of Retirement

Members are assumed to retire over a range of ages. No early retirement is assumed. Specific assumptions regarding retirement age are:

1) Municipal Members:

a. Members are assumed to retire over a range of ages as shown below.

RETIREMENT RATES FOR MUNICIPAL MEMBERS (NON-UNIFORM)

Age	Current Rate Of Normal Retirement ¹
<55	33%
55	30%
56-57	12%
58-59	14%
60	18%
61	10%
62	20%
63	18%
64	15%
65-67	25%
68-70	20%
71-73	22%
74	20%
75	100%

¹Rates indicated are adjusted by adding 10% for ages 61-63 and 5% for ages 64-70 for the year in which the member is first eligible for normal retirement.

2) Uniformed Members:

a. Retirement rates are reflected in the chart below.

RETIREMENT RATES FOR UNIFORMED MEMBERS

Age	Current Rate Of Normal Retirement
<49	0%
50	25%
51-53	10%
54-55	15%
56-58	17%
59-60	15%
61	20%
62	28%
63	22%
64	25%
65	35%
66	30%
67+	100%

For any members participating in a Deferred Retirement Option Program (DROP), the participant's date of entry into the DROP is considered the retirement date.

G. Deferred Retirement Option Program (DROP) or In-Service Distribution Plan:

For plans with these options, at the Participant's Normal Retirement Age, the retirement rate is multiplied by the following factors:

1) Uniform: 130%

2) Non-uniform: 115%

H. Marital State and Spouse's Age¹:

For plans with 50% joint and survivor form of payment, 85%/65% of active male/female members are assumed to be married. Male spouses are assumed to be three years older than female spouses.

I. Social Security Projections¹:

1) The Social Security Taxable Wage Base will

¹ If applicable

ACTUARIAL SUPPLEMENTAL INFORMATION

increase by 2.7% compounded annually;

2) The Consumer Price Index will increase by 2.2% compounded annually;

3) The Average Total Wages of All Workers will increase by 2.7% compounded annually.

J. Post-Retirement Cost-of-Living Increases¹:

Cost-of-living increases are assumed to be 2.2% per year, subject to plan limitations.

K. Investment Return Assumption:

Investment returns are assumed to be 5.25% compounded annually (net of investment expenses) for funding purposes.

L. Administrative Expenses

System-wide Actuarial Value of Assets: The expense assumption is based on the previous year's actual expenses.

Municipalities: The expense assumption is based on the expected expenses for the current year, as reported on the Act 205 forms.

M. Rationale for Assumptions: An experience study is completed every five years for PMRS. The assumptions outlined above were reviewed and adopted by the board based on the most recent experience study for the period covering January 1, 2014 – December 31, 2018.

ACTUARIAL ASSUMPTIONS AND METHODS

Contribution requirements are individually determined for each participating municipality, on an actuarial basis as described below in the Funding of the Unfunded Actuarial Liability section, at least biennially. The frequency of the actuarial valuation is determined by applicable Commonwealth statutes (Act 205 of 1984 and Act 293 of 1972). The following actuarial methods were adopted effective January 1, 1985, unless indicated otherwise.

ACTUARIAL VALUE OF ASSETS²

PMRS' Actuarial Value of Assets (AVA) equals the sum of all audited reserve accounts as of the valuation date, including member, municipal, retired, disability, and DROP reserves, and a one-year administration expense reserve, plus any additional adjustments as made during the year by the Board of Trustees without reflecting any excess interest based on the PMRS' Board Policy Statement 05-2. In

years where an excess interest distribution occurs, the following year's valuation will incorporate the updated information once the type and amount of distribution to each plan have been determined.

Each year, municipalities may receive an excess interest allocation derived as a portion of the new surplus created during the prior year based on the current financial standing of PMRS. "Surplus" refers to the excess of fair value over the AVA. Once the preliminary AVA has been determined, a formula is used to allocate the new surplus. Generally, depending on the relative size of the surplus to fair value, between 10% and 90% of the new surplus may become available for possible distribution as excess interest based on PMRS' Board Policy Statement 05-2 and board approval. For an excess interest distribution to occur the System's actuarial value of assets would not be less than 90 percent of fair value.

The AVA is set to equal reserves under PMRS based on the unique legislative structure of PMRS, which are increased annually at a rate agreed on by the board named "Regular Interest" as defined under the Pennsylvania Municipal Retirement Law. Therefore, these assets do not necessarily relate directly or indirectly to the current fair value of assets as required under Actuarial Standard of Practice Statement No. 44 which states under Section 3.3:

"...the actuary should select an asset valuation method that is designed to produce actuarial values of assets that bear a reasonable relationship to the corresponding fair values. The qualities of such an asset valuation method include the following:

a. The asset valuation method is likely to produce actuarial values of assets that are sometimes greater than and sometimes less than the corresponding fair values.

b. The asset valuation method is likely to produce actuarial values of assets that, in the actuary's professional judgment, satisfy both of the following:

1) The asset values fall within a reasonable range around the corresponding fair values. For example, there might be a corridor centered at fair value, outside of which the actuarial value of assets may not fall, in order to assure that the difference from fair value is not greater than the actuary deems reasonable.

² The Actuarial Value of Assets (AVA) was determined based on the methodology outlined in PMRS' Board Policy Statement 05-2. The 1/1/24 AVA was based on the reserves published by PMRS in the ACFR for the years ended December 31, 2023, and 2022.

2) Any differences between the actuarial value of assets and the fair value are recognized within a reasonable period of time. For example, the actuary might use a method where the actuarial value of assets converges toward fair value at a pace that the actuary deems reasonable, if the investment return assumption is realized in future periods.

In lieu of satisfying both (1) and (2) above, an asset valuation method could satisfy section 3.3(b) if, in the actuary's professional judgment, the asset valuation method either (i) produces values within a sufficiently narrow range around fair value or (ii) recognizes differences from fair value in a sufficiently short period."

The administrative rules adopted by the board in conjunction with the Pennsylvania Municipal Retirement Law, which are not subject to comply with Actuarial Standards of Practice (ASOP), when defining the Actuarial Value of Assets, do not necessarily meet the requirement of ASOP 44 Selection and Use of Asset Valuation Methods for Pension Valuations. The Actuarial Value of Assets provided within this report follows the Pennsylvania Municipal Retirement System Law and PMRS policy statement.

ACTUARIAL COST METHOD

The Entry Age Normal Actuarial Cost Method was used for active employees, whereby the normal cost is computed as the level annual percentage of pay required to fund the retirement benefits between each member's date of hire and assumed retirement. Entry age is defined as attained age less credited service. The normal cost is based on taking the value, as of entry age into the plan, of each member's projected future benefits. This value is then divided by the value, also at entry age, of each member's expected future salary producing a normal cost rate as a percent of salary. The normal cost rate is multiplied by the current salary to determine each member's normal cost. If a plan provides for a Separate Member Annuity through required member contributions, this contribution rate is then added to the total normal cost rate to determine the final total normal cost rate. Within the minimum municipal obligation calculation, the normal cost is reduced by the required member contribution to produce the employer's normal cost to be paid.

The Actuarial Liability is the difference between the present value of future benefits and the present value of future normal cost. The unfunded actuarial

liability is the difference between the actuarial liability and the actuarial value of assets.

FUNDING OF THE UNFUNDED ACTUARIAL LIABILITY

Actuarial gains (or losses), including the effect of contributions greater or lesser than the previously determined actuarial level, are reflected by decreases (or increases) in the unfunded actuarial liability. Under Act 205 of 1984, and updated by Act 44, the unfunded actuarial liability for each plan is amortized as a level dollar amount over the lesser of:

- 1) (i) 30 years, with respect to the initial liability as of 1/1/85 (or first valuation);
- (ii) 20 years, with respect to actuarial gains and losses;
- (iii) 15 years, with respect to changes due to actuarial assumptions;
- (iv) 20 years, with respect to changes due to plan provisions (if state-mandated);
- (v) 10 years, with respect to changes in benefits for currently active members and 1 year for retired members (if local benefit changes); or

- 2) The average assumed working lifetime of active employees as of the date the liability was established. If there are no active employees, the unfunded liability is amortized one year after the liability was established.

With the two exceptions that follow, the funding method is applied individually with respect to each municipality:

- 1) Retired and disabled members are paid monthly benefits from PMRS' Retired Member's Reserve account, which at the time of retirement receives a transfer from the municipal and member accounts in an amount actuarially determined to be sufficient to pay all future benefits for the member (and, if applicable, a surviving beneficiary). Thus, post-retirement experience is pooled within PMRS.
- 2) A disabled member's pension is met in part from the amount that can be provided by the value of that portion of the member's accrued benefit attributable to municipal contributions, with the balance of the pension being provided by the appropriate transfer from the Disability Reserve Account. The amount of annual transfer from the accumulated municipal contributions to the Disability Reserve Account is determined on a one-year term cost basis, i.e., the expected cost of disabilities in the coming year.

If a plan is in a surplus position, then 10% of the surplus is credited against the aggregate cost of the plan.

METHOD TO ESTIMATE ROLL FORWARD LIABILITIES

The non-county defined benefit pension plans are explicitly valued every odd calendar year. The county defined benefit pension plans are valued explicitly every even calendar year. Cash balance plans are valued every year for the active and terminated vested accounts while the retiree liabilities are explicitly valued every odd calendar year.

In the off-valuation year, defined benefit plan liabilities are rolled forward using actual benefit payments and reflecting new retirements. These liabilities reflect any material changes that may have occurred since the prior actuarial valuation, such as new actuarial assumptions and material plan provision changes. When the retiree liabilities are explicitly calculated, the rolled forward active and deferred vested liabilities are proportionally adjusted based on the prior year's liabilities net of liabilities attributable to participants in pay.

CHANGES IN ACTUARIAL ASSUMPTIONS AND METHODS

There have been no changes in assumptions or methods this year.

INTRODUCTION

PMRS offers a variety of pension plan benefit structures. Municipalities may design their own benefit structures that meet the individual needs of the municipality and its employees.

SUPERANNUATION AND EARLY ANNUITY ELIGIBILITY BENEFITS

Under an optional plan design, a municipality may choose any age or service requirement permitted under its particular municipal code. Early retirement under the optional plan may also be designed to meet the needs of the municipality. There are two approaches to accumulating retirement benefits.

Under the cash balance approach, the benefit accrues based on the level of contributions and the investment earnings credited to the fund. The defined benefit approach is a formula-based structure based on the years of service to the municipality, the benefit accrual rate, and the final average salary of the employee.

DISABILITY ANNUITY ELIGIBILITY BENEFITS

Most plans have a disability benefit that allows a member who is unable to work because of serious injury or illness to apply for a disability annuity. The application and required medical documentation will be reviewed by the board and PMRS medical examiners to determine whether the member is eligible for the disability benefit.

A disability caused directly by a job-related activity is classified as a service-connected disability. A disability that is not caused by job activity is termed a nonservice disability. Conditions for disability benefits are defined in the municipality's contract. PMRS basic plans provide for

(1) a service-connected disability annuity of 50% of the disabled individual's final average salary offset by payments under the Pennsylvania Workmen's Compensation Act, and

(2) a non-service disability with a minimum of 10 years' service and a 30% final average salary annuity.

VESTING ANNUITY ELIGIBILITY BENEFITS

Conditions for vesting are defined in the municipality's plan document. A member who terminates service before retirement and is eligible to vest may elect to leave their accumulated contributions in PMRS and defer receipt of benefits until normal or early retirement age. Then, when the member receives the vested benefits, the payment will include the member contributions and the

municipal contributions.

BENEFIT PAYMENT OPTIONS

Depending on the municipality's contractual agreement, employees may elect to receive their monthly retirement allowance from a list of options.

Typical options include:

- Single-life annuity provides a continual income throughout the annuitant's lifetime with no beneficiary benefit
- Reduced lifetime benefit with remaining lump sum value of the account to a beneficiary
- Joint and 100% survivorship annuity
- Joint and 50% survivorship annuity
- 10-year certain single life annuity
- 20-year certain single life annuity
- Lump-sum payment of member contribution account

DEATH BENEFIT ELIGIBILITY

A death benefit provides some continuation of payment or presentation of benefits to a beneficiary given certain eligibility requirements of the covered individual. If an active member or vestee who satisfies death benefit eligibility dies, the death benefit goes into effect provided the municipality has included this feature in its plan.

TERMINATION OF SERVICE

A member always receives the accumulated deductions and interest earned at the regular interest rate, which is currently 5.25%. Depending upon the municipality's benefit structure, the member might also receive excess investment monies upon withdrawal. If a member terminates employment and goes to work for another municipality that is a member of PMRS, the employee may transfer the service credits unimpaired to the new municipal employer.

Statistical



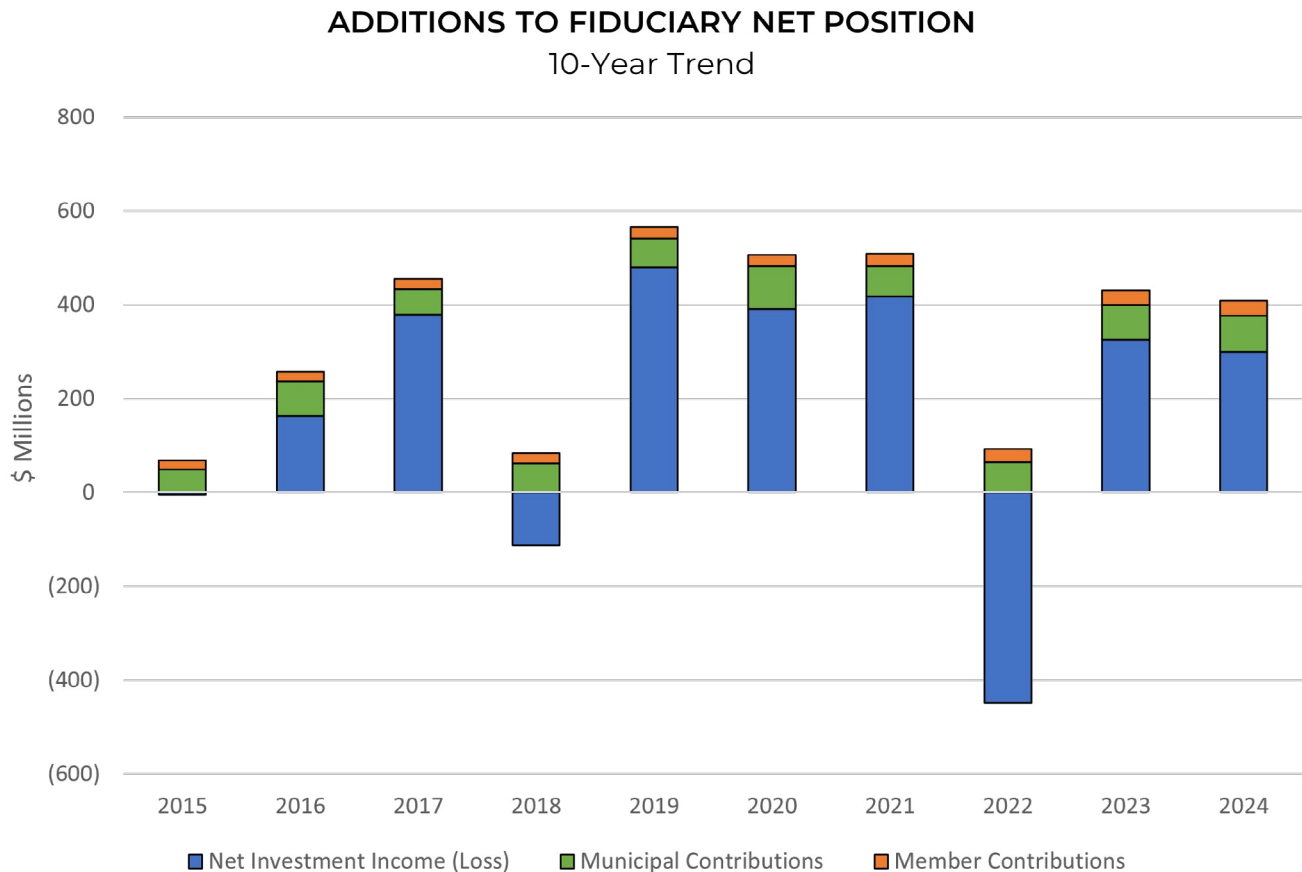
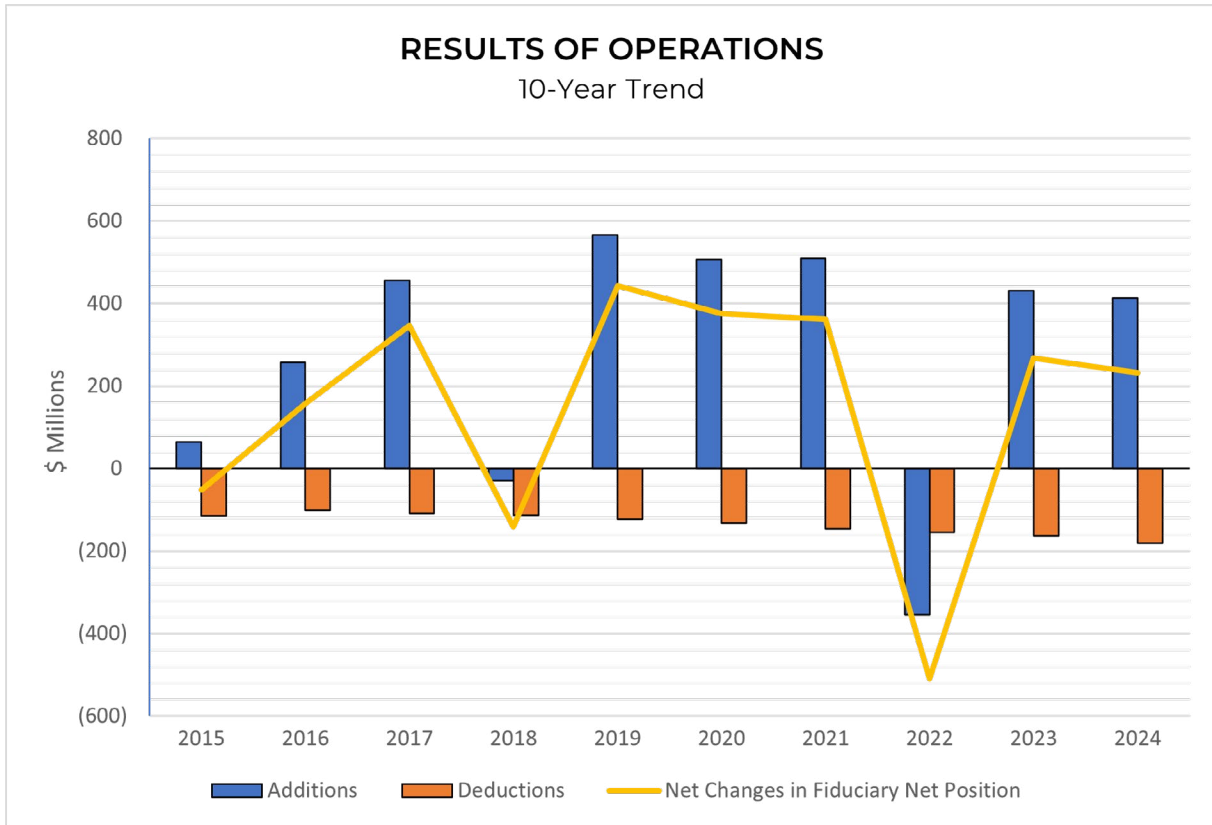
The Statistical Section of the Annual Comprehensive Financial Report provides additional information in order to promote a more comprehensive understanding of the financial statements, note disclosures and supplemental information.

The Governmental Accounting Standards Board (GASB) established standardized reporting requirements that provides multi-year trend information to facilitate an understanding of how an organization has changed over time.

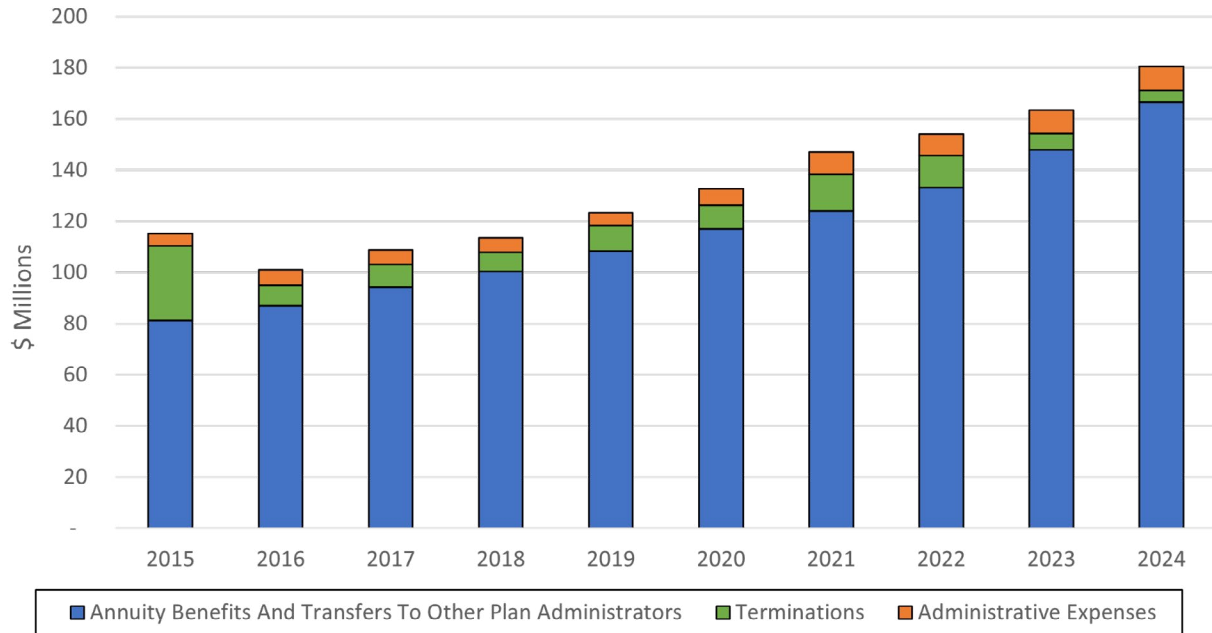
The graphs and schedules beginning on page 82 provide information relative to financial trends. The graphs and schedules provide detailed information about PMRS' net position and how it has changed over time.

The graphs and schedules beginning on page 87 provide information relative to membership. The graphs and schedules reflect changes in active and retired members of PMRS. The information is intended to provide contextual information about PMRS' membership and framework for the ratio of funding versus obligations. The schedules beginning on page 90 provide information relative to pension payments and pensions awarded. The information is intended to provide contextual information about the payment trends of PMRS.

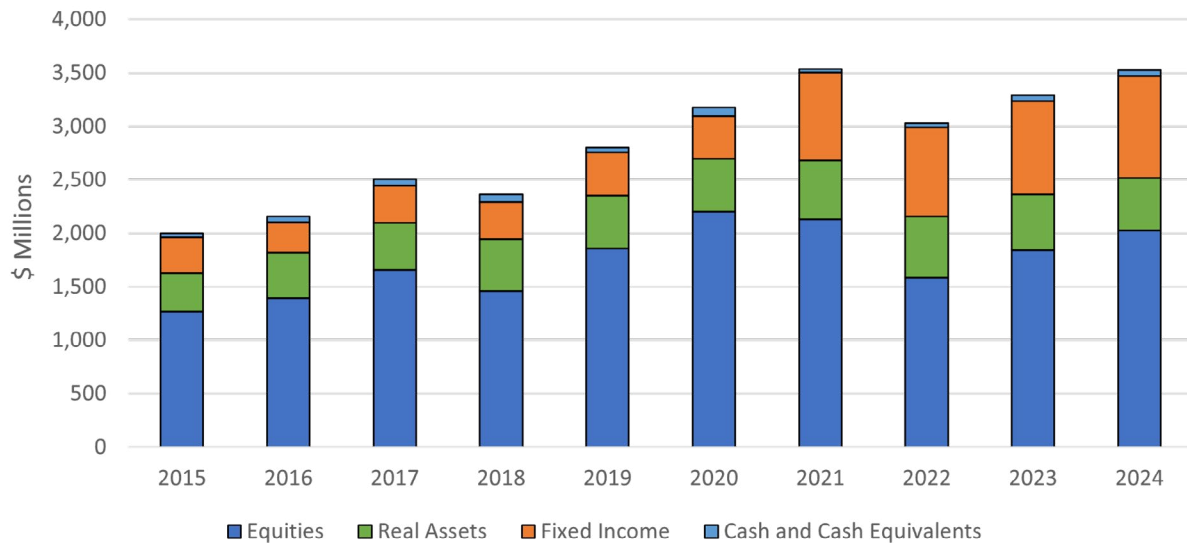




DEDUCTIONS FROM FIDUCIARY NET POSITION 10-Year Trend



INVESTMENTS BY TYPE 10-Year Trend



CHANGES IN FIDUCIARY NET POSITION

10-Year Trend

Year	Contributions	Net Investment Income (Loss) And Miscellaneous Income	Annuity Benefits And Terminations And Transfers To Other Plan Administrators	Administrative Expenses	Change In Fiduciary Net Position
2024	\$113,176,956	\$299,601,038	\$171,174,398	\$9,267,850	\$232,335,746
2023	104,566,072	325,894,455	154,289,778	9,170,004	267,000,745
2022	93,554,382	(448,613,437)	145,618,589	8,493,399	(509,171,043)
2021	91,142,190	417,791,414	138,304,329	8,737,064	361,892,211
2020	116,632,667	390,643,231	126,343,576	6,301,742	374,630,580
2019	85,683,337	480,282,330	118,409,245	4,867,058	442,689,364
2018	84,554,720	(113,220,485)	107,803,587	5,770,601	(142,239,953)
2017	75,412,160	380,140,930	103,077,938	5,498,575	346,976,577
2016	93,999,086	379,933,759	95,013,418	5,834,448	373,084,979
2015	68,740,888	163,735,825	110,303,677	4,983,399	117,189,637

ADDITIONS TO FIDUCIARY NET POSITION

10-Year Trend

Year	Member Contributions	Municipal Contributions And Transfers From Other Plan Administrators ¹	Municipal Assessments ²	Net Investment Income (Loss) And Miscellaneous Income	Additions To Fiduciary Net Position, Net Of Investment Losses
2024	\$31,691,192	\$81,181,456 ³	\$304,308	\$299,601,038	\$412,777,994
2023	29,956,519	74,333,835 ⁴	275,718	325,894,455	430,460,527
2022	28,623,819	64,661,294 ⁵	269,269	(448,613,437)	(355,059,055)
2021	26,573,783	64,316,462 ⁶	251,945	417,791,414	508,933,604
2020	25,199,715	91,184,063 ⁷	248,889	390,643,231	507,275,898
2019	24,332,531	60,994,306 ⁸	356,500	480,282,330	565,965,667
2018	23,008,066	61,288,746 ⁹	257,908	(113,220,485)	(28,665,765)
2017	21,717,564	53,446,315	248,281	379,933,759	455,345,919
2016	20,776,539	72,995,245 ¹⁰	227,302	163,735,825	257,734,911
2015	19,472,225	49,062,549	206,114	(4,943,521)	63,797,367

¹Contributions were made in accordance with actuarially determined contribution requirements.²Municipal assessments are receipts but not assets of the plans³Municipal contributions for 2024 include additional contributions towards unfunded liability of \$3.8 million and transfers from other plan administrators of \$3.9 million.⁴Municipal contributions for 2023 include additional contributions towards unfunded liability of \$2.6 million and transfers from other plan administrators of \$12.2 thousand.⁵Municipal contributions for 2022 include additional contributions towards unfunded liability of \$1.3 million and transfers from other plan administrators of \$2.1 million.⁶Municipal contributions for 2021 include additional contributions towards unfunded liability of \$2.1 million and transfers from other plan administrators of \$1.9 million.⁷Municipal contributions for 2020 include additional contributions towards unfunded liability of \$2.1 million and transfers from other plan administrators of \$31.9 million.⁸Municipal contributions for 2019 include transfers from other plan administrators of \$4.7 million.⁹Municipal contributions for 2018 include additional contributions towards unfunded liability of \$8.6 million.¹⁰Municipal contributions for 2016 include transfers from other plan administrators of \$21.4 million.

DEDUCTIONS FROM FIDUCIARY NET POSITION

10-Year Trend

Benefits and Refunds

Year	Annuity	Refunds	Administrative Expenses	Deductions From Fiduciary Net Position
2024	\$153,311,843	\$17,862,555	\$9,267,850	\$180,442,248
2023	135,578,809	18,710,969	9,170,004	163,459,782
2022	129,466,839	16,151,750	8,493,399	154,111,988
2021	122,150,117	16,154,212	8,737,064	147,041,393
2020	114,291,794	12,051,782	6,301,742	132,645,318
2019	108,465,916	9,943,329	4,867,058	123,276,303
2018	100,465,963	7,337,624	5,770,601	113,574,188
2017	94,172,167	8,905,771	5,498,575	108,576,513
2016	87,046,730	7,966,688	5,834,448	100,847,866
2015	81,299,398	29,004,279	4,983,399	115,287,076

SCHEDULE OF BENEFIT DEDUCTIONS FROM FIDUCIARY NET POSITION

10-Year Trend

Annuity Benefit by Type

Year	Normal	Early	Disability	Survivor	Death	Drop	Transfer And Other	Total Annuity
2024	\$95,551,823	\$31,370,278	\$1,938,305	\$11,136,785	\$1,897,325	\$1,966,610	\$9,450,715	\$153,311,843
2023	87,770,758	32,172,562	1,805,907	10,884,267	684,447	332,468	1,928,400	135,578,809
2022	81,562,036	33,056,109	1,743,445	10,017,883	952,220	770,920	1,364,225	129,466,838
2021	74,539,451	33,421,882	1,842,404	9,222,971	1,090,143	509,751	1,523,515	122,150,117
2020 ¹	66,892,692	33,990,328	1,514,134	7,906,547	1,484,134	773,643	1,730,317	114,291,795
2019	86,559,982	9,085,439	1,569,152	8,022,306	2,860,130	368,908	-	108,465,916
2018	82,214,203	7,545,194	1,498,518	5,728,724	2,456,344	1,022,980	-	100,465,963
2017	76,325,433	7,925,396	1,534,891	5,014,321	2,733,583	638,543	-	94,172,167
2016	70,441,634	7,998,536	983,325	4,477,493	2,742,076	403,666	-	87,046,730
2015	64,508,631	8,698,618	1,036,807	3,900,315	2,614,938	460,751	79,338	81,299,398

¹There is a noted increase in the 2020 Early category of payments due to CPAS recognition of categories. CPAS 5.8 identifies the category of payment as "Early" for those annuitant retiring early with no benefit reductions. CPAS 5.3 classified this group as normal.

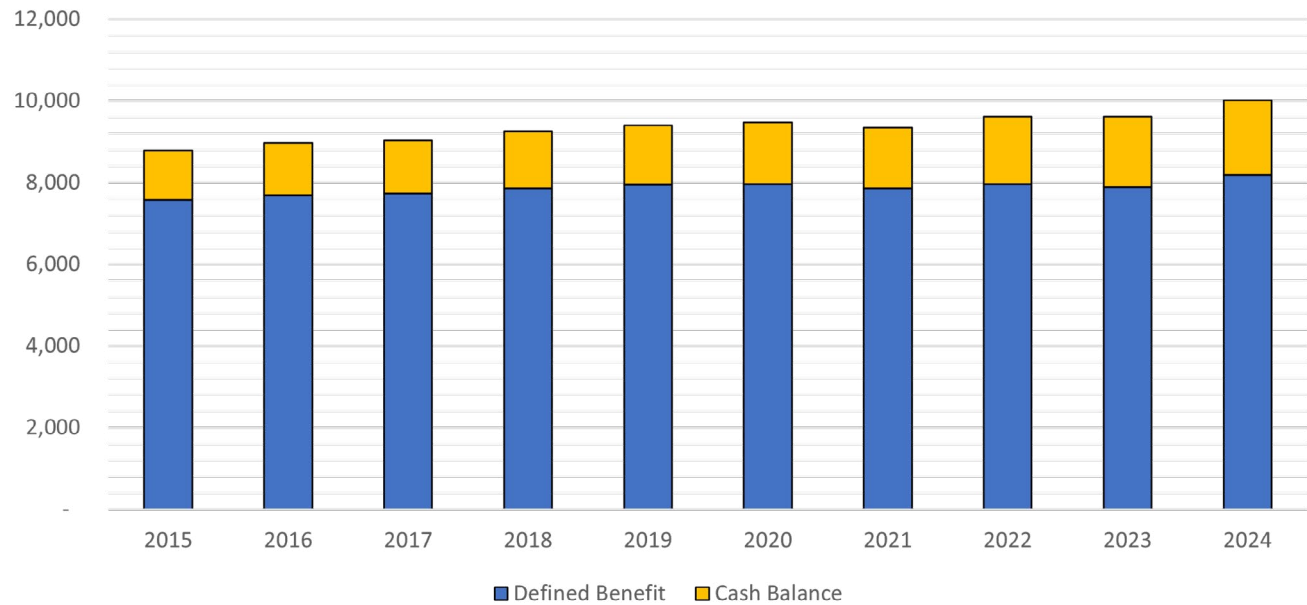
**SCHEDULE OF REFUND DEDUCTIONS FROM FIDUCIARY NET
POSITION BY TYPE**

10-Year Trend

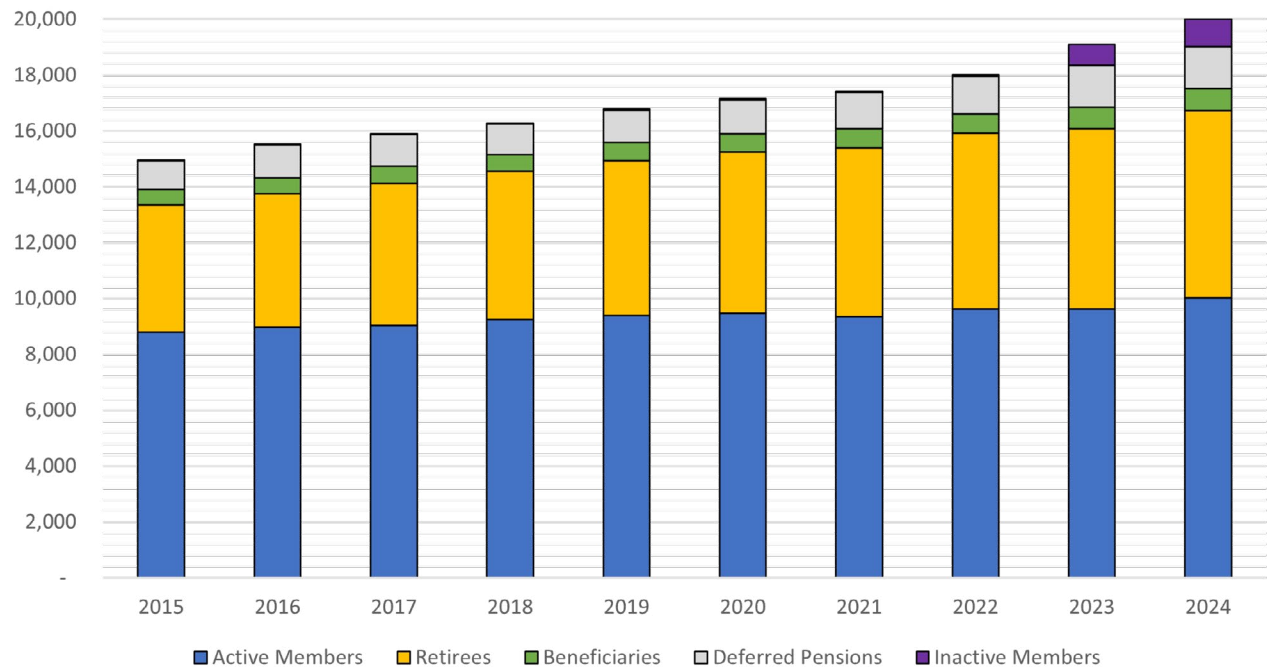
Refunds by Type

Year	Terminations	Lump Sum	Total Refunds
2024	\$2,520,558	\$15,341,997	\$17,862,555
2023	5,664,848	13,046,120	18,710,968
2022	1,450,217	14,701,533	16,151,750
2021	2,840,063	13,314,149	16,154,212
2020	3,978,743	8,073,039	12,051,782
2019	3,513,448	6,429,881	9,943,329
2018	2,869,673	4,467,951	7,337,624
2017	2,424,733	6,481,038	8,905,771
2016	2,757,092	5,209,596	7,966,688
2015	2,838,347	26,165,932	29,004,279

ACTIVE MEMBERS BY PLAN TYPE
10-Year Trend
(as of January 1)



TOTAL MEMBERSHIP
10-Year Trend
(as of January 1)



SCHEDULE OF TOTAL MEMBERSHIP

10-Year Trend

Valuation Day January 1,	Active Members		Retirees	Beneficiaries	Deferred Pensions ¹	Inactive Members ²	Total
	Defined Benefit	Cash Balance					
2024	8,185	1,835	6,719	777	1,504	996	20,016
2023	7,895	1,725	6,461	777	1,491	755	19,104
2022	7,969	1,650	6,295	708	1,343	40	18,005
2021	7,860	1,486	6,050	694	1,284	47	17,421
2020	7,970	1,502	5,781	654	1,205	47	17,159
2019	7,949	1,446	5,550	639	1,168	40	16,792
2018	7,868	1,387	5,307	599	1,090	35	16,286
2017	7,728	1,303	5,099	600	1,150	28	15,908
2016	7,698	1,274	4,784	576	1,173	7	15,512
2015	7,580	1,214	4,566	542	1,027	8	14,937

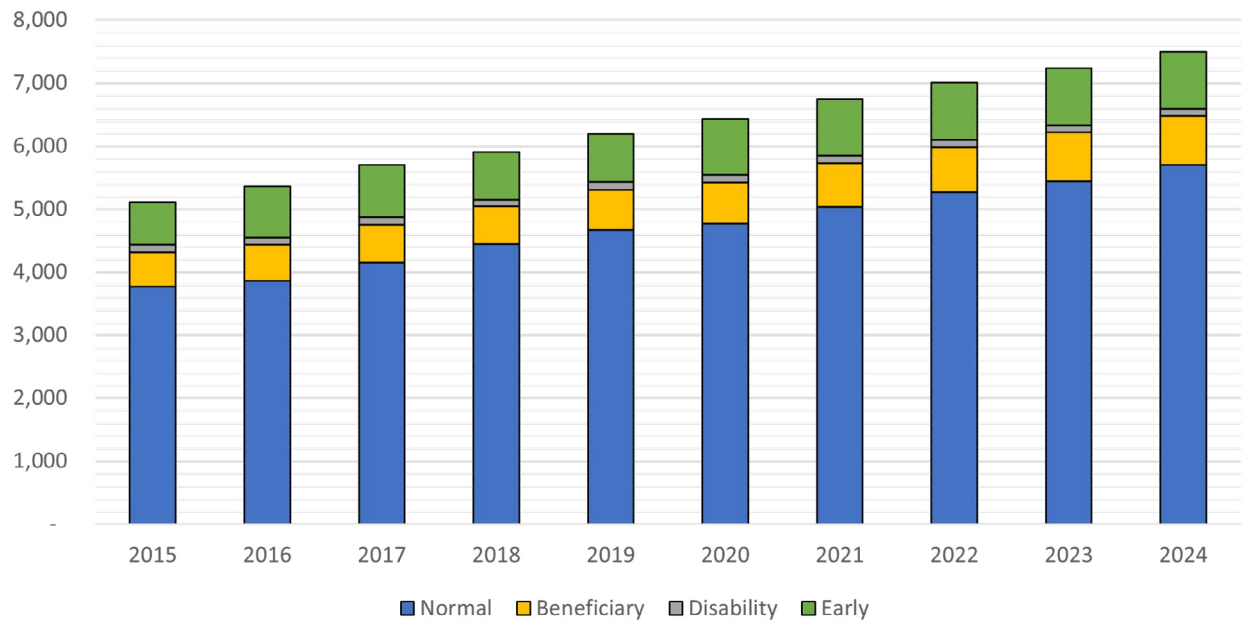
¹Inactive participants with rights to deferred pension (vested)

²Inactive participants with rights to return of contributions (non-vested). This increased substantially in 2023 due to improved reporting from the System.

RETIRED MEMBERS BY TYPE

10-Year Trend

(as of January 1)



DISTRIBUTION OF ACTIVE MEMBERS

Counts by Age/Service

as of January 1, 2024

Years of Service

Age	1 Year or less	1 to 2	2 to 3	3 to 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 & UP	Total
Under 20	19	5	1	0	0	0	0	0	0	0	25
20 - 24	157	94	49	23	3	0	0	0	0	0	326
25 - 29	208	158	98	163	144	1	0	0	0	0	772
30 - 34	189	169	127	185	274	70	5	0	0	0	1,019
35 - 39	180	152	92	153	312	147	76	4	0	0	1,116
40 - 44	154	116	75	130	279	162	141	62	1	0	1,120
45 - 49	139	118	70	114	214	126	128	165	26	4	1,104
50 - 54	118	96	98	110	264	137	163	180	117	63	1,346
55 - 59	119	89	76	110	260	157	177	182	138	161	1,469
60 - 64	43	39	28	63	209	132	162	134	99	219	1,128
65 & up	17	22	17	45	118	69	67	68	57	115	595
Total	1,343	1,058	731	1,096	2,077	1,001	919	795	438	562	10,020

DISTRIBUTION OF ACTIVE MEMBERS

Average Salary by Age/Service

as of January 1, 2024

Years of Service

Age	1 Year or less	1 to 2	2 to 3	3 to 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 & UP	Average
Under 20	\$39,019	\$34,681	\$40,116	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$38,195
20 - 24	38,222	50,182	49,798	55,085	41,564	-	-	-	-	-	44,631
25 - 29	41,305	54,670	55,343	61,283	65,186	84,487	-	-	-	-	54,551
30 - 34	42,960	53,585	58,949	64,908	68,834	73,632	80,976	-	-	-	59,950
35 - 39	42,664	60,251	54,624	63,191	70,801	72,573	78,133	70,130	-	-	63,179
40 - 44	46,587	57,662	55,159	57,126	68,558	73,775	80,432	79,677	90,617	-	65,069
45 - 49	46,078	51,601	59,564	61,327	64,836	69,431	77,100	85,858	78,512	62,362	65,764
50 - 54	43,382	51,309	55,397	62,270	65,318	66,244	74,930	79,603	80,642	79,786	66,602
55 - 59	43,912	54,549	56,476	56,179	59,949	64,618	66,199	70,622	76,888	83,367	64,593
60 - 64	44,924	49,895	60,327	60,041	66,580	63,292	65,463	70,350	70,732	78,393	67,218
65 & up	43,558	61,052	63,208	43,715	59,722	65,420	57,792	72,607	65,819	70,496	62,781
Average	\$42,985	\$54,432	\$56,371	\$60,337	\$66,084	\$68,627	\$71,775	\$76,645	\$75,187	\$78,244	\$63,114

PENSIONS IN PAYMENT

by Monthly Amount and Type

as of January 1, 2024

Monthly Amount	Type Of Pension					Total
	Normal	Involuntary Early	Voluntary Early	Service Disability	Non-Service Disability	
Under \$100	258	21	20	1	1	301
\$100 - \$199	319	29	31	1	0	380
200 - 299	292	28	31	0	0	351
300 - 399	289	24	36	3	2	354
400 - 499	305	25	30	1	2	363
500 - 599	285	8	32	1	5	331
600 - 699	237	15	38	2	0	292
700 - 799	268	15	36	1	2	322
800 - 899	266	11	32	1	8	318
900 - 999	229	7	31	5	6	278
1000 - 1199	474	16	67	5	12	574
1200 - 1399	366	10	60	7	3	446
1400 - 1599	361	8	43	7	4	423
1600 - 1799	307	6	33	2	3	351
1800 - 1999	288	2	35	3	3	331
2000 - 2199	260	2	17	4	3	286
2200 - 2399	228	4	21	2	0	255
2400 - 2599	198	1	18	1	1	219
2600 - 2799	163	0	12	2	2	179
2800 - 2999	131	0	7	0	1	139
3000 - 3499	313	1	17	1	1	333
3500 - 3999	230	0	13	1	0	244
4000 and over	410	0	15	0	1	426
Total	6,477	233	675	51	60	7,496

PENSIONS AWARDED BY TYPE AND AMOUNT

10-Year Trend

Valuation Day January 1,	Normal		Voluntary Early		Involuntary Early		Disability			Total	
	Count	Average Monthly Amount	Count	Average Monthly Amount	Count	Average Monthly Amount	Count*		Average Monthly Amount	Count	Average Monthly Amount
2024	389	\$1,643	18	\$1,399	5	\$828	3	(2)	\$1,589	415	\$1,623
2023	406	\$1,888	23	\$2,080	5	\$1,491	3	(2)	\$1,529	437	\$1,891
2022	371	\$1,762	21	\$1,589	6	\$493	11	(5)	\$2,869	409	\$1,764
2021	406	\$1,797	22	\$1,790	1	\$2,312	5	(3)	\$1,931	434	\$1,799
2020	341	\$1,644	27	\$1,887	8	\$781	5	(5)	\$1,247	381	\$1,638
2019	382	\$1,651	33	\$1,475	9	\$963	5	(4)	\$2,277	429	\$1,631
2018	342	\$1,616	8	\$822	29	\$1,350	4	(1)	\$1,311	383	\$1,576
2017	397	\$1,600	11	\$627	28	\$1,428	11	(3)	\$1,485	447	\$1,562
2016	309	\$1,593	4	\$562	22	\$1,569	4	(2)	\$1,113	339	\$1,574
2015	341	\$1,524	14	\$825	29	\$1,575	8	(2)	\$1,022	392	\$1,492

*Number of service-related disability pensions shown in parentheses



SCHEDULE OF ACTIVE MEMBER VALUATION DATA

10-Year Trend

Defined Benefit Plans

Valuation Day January 1,	Number of Active Members	Percentage Change in Membership	Number Of Participating Employers	Percentage Increase In Number Of Participating Employers	Total Annual Payroll	Percentage Increase in Payroll	Average Annual Salary	Percentage Increase in Average Annual Salary
2024	8,185	3.7%	722	-0.3%	\$536,974,651	5.5%	\$65,605	1.8%
2023	7,895	-0.9%	723	-0.3%	508,976,064	2.4%	64,468	3.3%
2022	7,969	1.4%	722	-0.3%	497,193,829	4.2%	62,391	2.8%
2021	7,860	-1.4%	724	-0.6%	476,970,336	2.4%	60,683	3.8%
2020	7,970	0.3%	728	0.7%	465,906,342	2.3%	58,458	2.1%
2019	7,949	1.0%	723	-1.0%	455,352,355	4.8%	57,284	3.7%
2018	7,868	1.8%	730	1.1%	434,554,380	2.8%	55,231	1.0%
2017	7,728	0.4%	722	0.0%	422,621,214	7.2%	54,687	6.8%
2016	7,698	1.6%	722	0.1%	394,133,120	2.6%	51,199	1.0%
2015	7,580	-1.3%	721	0.7%	384,270,155	-1.3%	50,695	-0.1%

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

10-Year Trend

Cash Balance Plans

Valuation Day January 1,	Number of Active Members	Percentage Change in Membership	Number Of Participating Employers	Percentage Increase In Number Of Participating Employers	Total Annual Payroll	Percentage Increase in Payroll	Average Annual Salary	Percentage Increase in Average Annual Salary
2024	1,835	6.4%	336	2.1%	\$95,431,331	8.8%	\$52,006	-1.0%
2023	1,725	4.5%	329	2.2%	87,705,525	14.6%	52,517	9.6%
2022	1,650	11.0%	322	-1.8%	79,029,741	10.4%	47,897	-0.5%
2021	1,486	-1.1%	328	0.0%	71,553,094	3.5%	48,151	4.6%
2020	1,502	3.9%	328	1.6%	69,134,048	9.2%	46,028	5.1%
2019	1,446	4.3%	323	2.9%	63,302,730	5.5%	43,778	1.2%
2018	1,387	6.4%	314	1.0%	60,013,152	11.1%	43,268	4.4%
2017	1,303	2.3%	311	5.8%	53,998,354	4.6%	41,442	2.2%
2016	1,274	4.9%	294	2.8%	51,642,049	8.6%	40,535	3.5%
2015	1,214	2.4%	286	6.7%	47,537,851	5.2%	39,158	2.7%

SCHEDULE OF AVERAGE NEW MONTHLY BENEFIT PAYMENTS FROM DEFINED BENEFIT PLANS

10-Year Trend

Retirement Effective Date	Years Credited Service						
	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30+
2024							
Average monthly benefit	\$196	\$588	\$1,107	\$1,730	\$2,406	\$3,176	\$3,975
Average final average salary	\$47,193	\$57,236	\$61,308	\$67,390	\$74,075	\$84,686	\$81,285
Number of retired members	16	49	50	51	66	48	77
2023							
Average monthly benefit	\$161	\$633	\$1,109	\$1,279	\$2,035	\$3,018	\$3,074
Average final average salary	\$34,972	\$55,041	\$57,578	\$55,986	\$60,597	\$77,586	\$70,425
Number of retired members	9	44	53	54	74	38	71
2022							
Average monthly benefit	\$215	\$493	\$1,080	\$1,411	\$2,350	\$2,883	\$3,318
Average final average salary	\$48,759	\$51,256	\$59,835	\$56,136	\$72,378	\$77,929	\$74,239
Number of retired members	22	30	49	45	73	58	88
2021							
Average monthly benefit	\$349	\$506	\$862	\$1,345	\$2,224	\$2,735	\$2,989
Average final average salary	\$41,028	\$51,960	\$49,304	\$53,802	\$65,993	\$74,326	\$65,467
Number of retired members	12	28	54	55	68	47	95
2020							
Average monthly benefit	\$606	\$581	\$878	\$2,453	\$1,786	\$2,605	\$3,027
Average final average salary	\$47,749	\$49,244	\$46,184	\$55,891	\$63,780	\$68,255	\$67,356
Number of retired members	11	33	51	62	50	55	85
2019							
Average monthly benefit	\$391	\$587	\$819	\$1,364	\$1,853	\$2,272	\$3,242
Average final average salary	\$40,467	\$44,214	\$49,034	\$47,161	\$51,461	\$55,448	\$67,055
Number of retired members	12	45	43	58	39	37	90
2018							
Average monthly benefit	\$310	\$667	\$933	\$1,251	\$1,860	\$2,870	\$3,674
Average final average salary	\$59,831	\$43,076	\$49,018	\$49,312	\$52,479	\$60,231	\$64,982
Number of retired members	13	32	60	49	55	47	97
2017							
Average monthly benefit	\$457	\$578	\$955	\$1,512	\$1,915	\$2,744	\$3,501
Average final average salary	\$44,940	\$37,684	\$46,433	\$50,159	\$53,564	\$61,510	\$61,257
Number of retired members	14	28	53	44	52	52	82
2016							
Average monthly benefit	\$374	\$694	\$895	\$1,336	\$2,003	\$2,660	\$3,460
Average final average salary	\$31,616	\$49,321	\$41,023	\$45,681	\$53,708	\$56,706	\$58,295
Number of retired members	12	36	64	65	64	58	108
2015							
Average monthly benefit	\$184	\$601	\$901	\$1,328	\$1,876	\$2,542	\$3,841
Average final average salary	\$53,428	\$47,415	\$40,968	\$43,550	\$52,415	\$55,956	\$66,231
Number of retired members	18	35	46	58	42	65	57

SCHEDULE OF AVERAGE NEW MONTHLY BENEFIT PAYMENTS FROM CASH BENEFIT PLANS

10-Year Trend

Retirement Effective Date	Years Credited Service						
	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30+
2024							
Average monthly benefit	\$127	\$346	\$778	\$409	\$1,025	\$1,823	\$2,343
Number of retired members	10	14	10	5	8	5	14
2023							
Average monthly benefit	\$125	\$389	\$402	\$907	\$952	\$955	\$1,315
Number of retired members	5	11	10	6	11	8	18
2022							
Average monthly benefit	\$128	\$274	\$477	\$1,060	\$899	\$1,568	\$1,470
Number of retired members	5	15	8	9	11	5	8
2021							
Average monthly benefit	\$156	\$310	\$485	\$840	\$592	\$1,335	\$1,151
Number of retired members	3	9	9	12	6	10	13
2020							
Average monthly benefit	\$196	\$177	\$472	\$961	\$902	\$1,382	\$630
Number of retired members	5	11	13	5	11	11	8
2019							
Average monthly benefit	\$40	\$256	\$506	\$790	\$756	\$810	\$1,350
Number of retired members	6	14	5	13	7	5	9
2018							
Average monthly benefit	\$81	\$332	\$628	\$431	\$1,390	\$1,515	\$1,974
Number of retired members	5	11	13	6	8	4	17
2017							
Average monthly benefit	\$149	\$222	\$289	\$732	\$948	\$495	\$1,334
Number of retired members	6	6	7	6	6	4	11
2016							
Average monthly benefit	\$47	\$220	\$499	\$650	\$1,124	\$1,595	\$1,385
Number of retired members	3	13	11	9	10	8	10
2015							
Average monthly benefit	\$131	\$189	\$239	\$823	\$1,071	\$713	\$1,914
Number of retired members	3	10	5	8	9	4	6

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2024

AUTHORITY AND OTHER UNITS			
Allegheny Valley Joint Sewage Authority	Bucks County Water and Sewer Authority (CB Plan)	Connellsville Municipal Authority	Erie County Gaming Revenue Authority
Ambridge Borough Municipal Authority	Burrell Township Sewage Authority	Connellsville Redevelopment Authority	Erie County Housing Authority
Armstrong Conservation District	Cambria County Conservation & Recreation Authority	Conshohocken Borough Authority	Everett Area Municipal Authority
B.A.R.T.A.	Cambria County Conservation District	Coolspring, Jackson & Lake Latonka Joint Authority	Fairfield Municipal Authority
Bangor Borough Sewer Department	Cambria Township Sewer Authority	Coplay-Whitehall Sewer Authority	Fawn Township Sewage Authority
Bath Borough Authority	Cambria Township Water Authority	Cressona Borough Authority	Fawn-Frazer Joint Water Authority
Bedford Township Municipal Authority	Capital Region Water	Creswell Heights Joint Authority	Fayette County Conservation District
Belle Vernon Municipal Authority	Carbon County Conservation District	Cumberland-Franklin Joint Municipal Authority	Frackville Area Municipal Authority
Bethlehem Authority	Carmichaels-Cumberland Joint Sewer Authority	Curwensville Municipal Authority	Franklin City Housing Authority
Bethlehem City Redevelopment Authority	Carroll Township Authority	Delaware Valley Municipal Management Association	Franklin Township Municipal Sanitary Authority
Bethlehem Parking Authority	Catawissa Borough Municipal Water Authority	Delaware Valley Municipal Management Association (CB Plan)	Franklin Township Sewer Authority
Blair Township Water and Sewer Authority	Centerville Borough Sanitary Authority	Derry Township Municipal Authority	Frazer Transportation Authority
Bloomfield Township Sewage Authority	Central Carbon Municipal Authority	Derry Township Sanitary Sewer Authority	Fredericksburg Sewer & Water Authority
Bradford City Water Authority	Central City Sewer Authority	DuBois City Redevelopment Authority	Freeland Borough Municipal Authority
Bradford Regional Airport Authority	Central Indiana County Joint Sanitary Authority	East Berlin Area Joint Authority	Glendale Valley Municipal Authority
Brighton Township Municipal Authority	Centre County Library & Historical Museum	East Norriton-Plymouth-Whitpain Joint Sewer Authority	Greater Lebanon Refuse Authority
Brighton Township Sewage Authority	Clarion County Housing Authority	Eastern Snyder County Regional Authority	Greenville Municipal Authority
Brockway Area Sewage Authority	Clarion County Housing Authority (CB Plan)	Economy Borough Municipal Authority	Guilford Township Authority
Brockway Borough Municipal Authority	Clearfield Co. Conservation District	Elizabeth Borough Municipal Authority	Guilford Water Authority
Brodhead Creek Regional Authority	Coaldale-Lansford-Summit Hill Sewer Authority	Elizabeth Township Sanitary Authority	Harrison Township Water Authority
Brookville Municipal Authority	Collier Township Sewer Department	Elizabethville Area Authority	Hawley Area Authority
Bucks County Redevelopment Authority	Columbia County Conservation District		Hellertown Borough Authority
Bucks County Water & Sewer Authority			Hilltown Township Water & Sewer Authority
			Horsham Water and Sewer Authority

PART 2: MEMBERSHIP

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2024

Hughesville-Wolf Township Joint Municipal Authority	London Grove Township Municipal Authority	Monroe County Control Center	Nesquehoning Borough Authority
Hyndman Borough Municipal Authority	Lower Bucks County Joint Municipal Authority	Monroe County Redevelopment Authority	New Kensington Municipal Sanitary Authority
Indiana County Conservation District	Lower Bucks County Joint Municipal Authority Supervisors	Montgomery County Sewer Authority	New Kensington Redevelopment Authority
Indiana County Solid Waste Authority	Lower Indiana County Municipal Authority	Montour County Conservation District	Newport Borough Water Authority
Jackson Township Water Authority	Lower Mahanoy Township Municipal Authority	Montrose Municipal Authority	North & South Shenango Joint Municipal Authority
Jefferson Conservation District	Luzerne Conservation District	Moon Township Municipal Authority	North Coventry Municipal Authority
Jefferson County Solid Waste Authority (Jefferson County)	Luzerne County Flood Protection Authority	Mount Joy Township Authority	North Huntingdon Township Municipal Authority
Jenner Area Joint Sewer Authority	Mahanoy Township Authority	Mount Lebanon Parking Authority	North Middleton Authority
Johnsonburg Municipal Authority	Maidencreek Township Authority	Mount Pleasant Township Municipal Authority	North Strabane Township Municipal Authority
Johnstown Redevelopment Authority	Manheim Area Water and Sewer Authority	Mount Pocono Municipal Authority	Northampton Borough Municipal Authority
Juniata County Conservation District	Manor Township Joint Municipal Authority	Municipal Authority of the Borough of Kittanning	Northampton Borough Municipal Authority (CB Plan)
Kiskiminetas Township Municipal Authority	Mary Meuser Memorial Library	Municipal Authority of the Borough of Matamoras	Northern Lancaster County Authority
Kittanning Suburban Joint Water Authority	McKean County Solid Waste Authority	Municipal Authority of the Borough of Morrisville	Northern York County Regional Police NU
Kulpmont-Marion Heights JMA	Mercer County Regional Planning Commission	Municipal Authority of the Borough of Portage Water Department	Northwest Regional Lancaster County Police NU
Lancaster City Parking Authority	Mid Mon Valley Water Authority	Municipal Authority of Westmoreland County of COJMA	Oil City Housing Authority
Lansford - Coaldale Joint Water Authority	Middlesex Township Municipal Authority	Municipal Authority of Westmoreland County of WFMSA	Parker Area Authority
Lebanon City Authority	Middletown Township Sewer Authority	Myerstown Community Library Association	Parker Area Authority (CB Plan)
Lebanon City Authority (CB Plan)	Mifflin County Regional Police NU	Nanty Glo Sanitary Sewer Authority	Parks Township Municipal Authority
Lebanon Community Library	Mifflintown Municipal Authority	Nanty Glo Water Authority	Penn Township Sewage Authority
Leetsdale Borough Municipal Authority	Milford Water Authority		Pennridge Regional Police N-U
Lehigh County Authority	Millcreek - Richland Joint Authority		Pennridge WasteWater Treatment Authority
Lehighon Water Authority	Millersburg Area Authority		Pennsylvania Municipal
Linesville Pine Joint Municipal Authority	Mon Valley Sewage Authority		

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2024

League	Sharon Sanitary Authority	Authority	Plan)
Perkasie Regional Authority	Sheffield Township Municipal Authority	Upper Allegheny Joint Sanitary Authority	White Run Regional Municipal Authority
Peters Creek Sanitary Authority	Slippery Rock Municipal Authority	Upper Montgomery Joint Authority	Whitehall Township Authority
Peters Township Municipal Authority	Smithfield Sewer Authority	Upper Southampton Municipal Authority	Williamstown Borough Authority
Pleasant Hills Authority	Smithton Borough Municipal Authority	Vanport Township Municipal Authority	Womelsdorf-Robeson Joint Authority
Pocono Mountains Municipal Airport Authority (CB)	Snake Spring Township Municipal Authority	Vernon Township Sanitary Authority	Wyoming Valley Sanitary Authority
Point Township Sewer Authority	Snyder County Housing Authority	Vernon Township Water Authority	York Area United Fire and Rescue Administrative
Portage Area Sewer Authority	Somerset Conservation District	Warren County Housing Authority	York County Planning Commission
Possum Valley Municipal Authority	South Fayette Township Municipal Authority	Warren County Solid Waste Authority	York County Regional Police - Non-Uniform
Redevelopment Authority of the City of Corry	South Middleton Township Municipal Authority	Warwick Township Municipal Authority	York County Regional Police Department
Reynoldsville Water Authority	Southern Police Commission NU	Washington Area COG	
Riverview Sanitary Authority	Southwestern Pa Water Authority	Washington Township Municipal Authority (Berks County)	BOROUGH
Robesonia-Wernersville Municipal Authority	Spring Grove Borough Police NU	Washington Township Municipal Authority (Fayette County)	Adamstown Borough
Robinson Township Municipal Authority	St. Marys Area Water Authority	Waterford Borough Municipal Authority	Apollo Borough
Rochester Area Joint Sewer Authority	Stormwater Authority of the City of Chester	Wayne County Redevelopment Authority	Ashland Borough
Rochester Area Joint Sewer Authority (CB)	Summit Hill Water Authority	Wayne Library Authority	Atglen Borough
Rostraver Township Sewer Authority	Sunbury Municipal Authority	Wernersville Municipal Authority	Atglen Borough (CB Plan)
Saxton Borough Municipal Authority	Swatara Township Authority	West Carroll Water Authority	Avondale Borough
Schuylkill Conservation District	Swatara Township Authority CB	West Hanover Township Water & Sewer Authority (CB)	Avonmore Borough
Seward/St. Clair Township Sanitary Authority	Tower City Borough Authority	Western Butler County Authority	Bally Borough
Sewer Authority of Twp of Pittston	Township of Falls Authority	Western Clinton County Municipal Authority	Bangor Borough
Shade-Central City Joint Authority	Tri-County COG IBC	Western Westmoreland Municipal Authority	Bangor Borough (CB Plan)
Shannock Valley General Services Authority	Tri-County Joint Municipal Authority	Western Westmoreland Municipal Authority (CB	Bedford Borough
	Twin Boroughs Sanitary		Bedford Borough (CB)
			Bellefonte Borough
			Bellefonte Borough (CB Plan)
			Bellwood Borough
			Bentleyville Borough
			Berlin Borough
			Berlin Borough (CB Plan)
			Big Beaver Borough
			Biglerville Borough

PART 2: MEMBERSHIP

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2024

Biglerville Borough (CB Plan)	Duncannon Borough	Johnsonburg Borough	Mount Union Borough
Bloomfield Borough	Duncansville Borough	Jonestown Borough	Nanty Glo Borough
Bowmanstown Borough	East Berlin Borough	Kenhorst Borough	Narberth Borough
Brackenridge Borough	East Greenville Borough	Kennett Square Borough	Nesquehoning Borough
Bridgeville Borough	East Rochester Borough	Kittanning Borough CB	New Eagle Borough
Bridgewater Borough	East Stroudsburg Borough	Kittanning Borough	New Florence Borough
Brockway Borough	East Stroudsburg Borough (CB Plan)	Knox Borough	New Stanton Borough
Brookville Borough	East Washington Borough	Kulpmont Borough	Newport Borough
California Borough	Emlenton Borough	Kutztown Borough	Newtown Borough
Cambridge Springs Borough	Emporium Borough	Larksville Borough	Norristown Borough
Camp Hill Borough	Etna Borough	Lehighton Borough	North East Borough
Camp Hill Borough (CB Plan)	Everett Borough	Lewistown Borough	North Wales Borough
Carnegie Borough	Factoryville Borough	Liberty Borough	Northumberland Borough
Carroll Valley Borough	Falls Creek Borough	Linesville Borough	Orwigsburg Borough
Carrolltown Borough	Ferndale Borough	Lykens Borough	Palmerton Borough
Centerville Borough	Ford City Borough	Marcus Hook Borough	Palmyra Borough
Central City Borough	Forest City Borough	Mars Borough	Pen Argyl Borough
Charleroi Borough	Forest City Borough	Martinsburg Borough	Perkasie Borough
Christiana Borough (Lancaster County)	Fountain Hill Borough	Marysville Borough	Pine Grove Borough
Claysville Borough	Fountain Hill Borough (CB)	Matamoras Borough	Portage Borough
Cleona Borough	Franklin Borough	Mayfield Borough	Pringle Borough
Clymer Borough	Franklintown Borough	Mercer Borough	Prospect Borough
Coaldale Borough	Freeburg Borough	Meyersdale Borough	Prospect Park Borough
Cochranon Borough	Freedom Borough (Beaver County)	Middleburg Borough	Richland Borough
Cokeburg Borough	Freeland Borough	Midway Borough	Ridley Park Borough
Collegeville Borough	Freeport Borough	Millersburg Borough	Roaring Spring Borough
Collingdale Borough	Greenville Borough	Millerstown Borough	Rochester Borough
Conneautville Borough	Hollidaysburg Borough	Millville Borough	Rouseville Borough
Conshohocken Borough	Homer City Borough	Minersville Borough	Rural Valley Borough
Conway Borough	Homer City Borough (CB)	Monaca Borough	Salisbury Borough
Cressona Borough	Hughestown Borough	Monroeville Municipality	Sandy Lake Borough
Dalton Borough	Hummelstown Borough	Mont Alto Borough	Saxton Borough
Deemston Borough	Huntingdon Borough	Montrose Borough	Schuylkill Haven Borough
Delmont Borough	Hyndman Borough	Moosic Borough	Selinsgrove Borough
Derry Borough	Jamestown Borough	Moosic Borough (CB Plan)	Sellersville Borough
Dravosburg Borough	Jessup Borough	Morrisville Borough	Seven Fields Borough
Dublin Borough	Jim Thorpe Borough	Moscow Borough	Seven Fields Borough (CB Plan)
Duboistown Borough		Mount Gretna Borough	Shamokin Dam Borough
		Mount Jewett Borough	
		Mount Pleasant Borough	

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2024

Sharpsburg Borough	City of Sharon	Firefighters	Carroll Valley Borough Police
Sharpsville Borough	Clairton City	Wilson Borough Firemen	Carrolltown Borough Police
Shenandoah Borough	Connellsville City	York Area United Fire and Rescue	Central City Borough Police
Shippingport Borough	Easton City	POLICE	Centre Township (Berks County) Police
Smithton Borough	Farrell City	Allegheny Regional Police Department	Clairton Police
South Waverly Borough	Greensburg City	Apollo Borough Police	Clymer Borough Police
Southmont Borough	Harrisburg City	Ashley Borough Police	Cochranton Borough Police
Springdale Borough	Hermitage City	Bally Borough Police	Colebrookdale Township Police
Stewartstown Borough	Jeannette City	Beaver Meadows Borough Police	Conneaut Lake Regional Police
Summit Hill Borough	Latrobe City	Bedminster Township Police	Covington Township Police
Tarentum Borough	Lebanon City	Bellwood Borough Police	Crescent Township Police
Tatamy Borough (CB)	Lower Burrell City	Bentleyville Borough Police	Danville Borough Police
Telford Borough	Nanticoke City	Bentleyville Borough Police (CB Plan)	Darlington Township Police
Thornburg Borough	New Kensington City	Bessemer Borough Police	Decatur Township Police
Topton Borough	Sunbury City	Big Beaver Borough Police	Delmont Borough Police
Trafford Borough	Uniontown City	Biglerville Borough Police	Donegal Township Police (Washington County)
Trainer Borough	COUNTY	Birmingham Township Police	Douglass Township Police (Montgomery County)
Turbotville Borough	Adams County	Blair Township Police	Douglass Township Police (Berks County)
Turtle Creek Borough	Erie County Diversity Equity Inclusion Commission	Brecknock Township Police	Dublin Borough Police
Verona Borough	Forest County	Briar Creek Township Police	Duboistown Borough Police
Versailles Borough	Jefferson County	Bridgewater Borough Police	Dunbar Borough Police
Waterford Borough	Sullivan County	Buckingham Township Police	Duncannon Borough Police
Waynesburg Borough	FIREFIGHTERS	California Borough Police	Duncansville Borough Police
West Grove Borough	Clairton Firefighters	Cambria Township Police	East Bangor Borough Police
West Middlesex Borough	Farrell City Firefighters	Cambridge Springs Borough Police	East Berlin Borough Police
West Newton Borough	Greenville Borough Firemen	Camp Hill Borough Police	East Coventry Township Police
West Reading Borough	Harrisburg Fire	Carroll Township Police	
Wheatland Borough	Larksville Borough Firemen		
White Haven Borough	Manchester Township Firefighters		
Williamsburg Borough	Manchester Township Firefighters (CB Plan)		
Williamstown Borough	North Strabane Township Fire		
Wilmerding Borough	North Strabane Township Fire (CB)		
Wilson Borough	South Strabane Township Fire		
Windsor Borough	Upper Moreland		
Yardley Borough			
Yoe Borough			
York Springs Borough			
Youngwood Borough			
CITY			
Allentown City			
Bethlehem City			

PART 2: MEMBERSHIP

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2024

East Deer Township Police	Police	Police (Montour County)	North Hopewell Township Police
East Fallowfield Township Police	Greenville Borough Police	Manor Borough Police	North Huntingdon Township Police
East Franklin Township Police	Hamiltonban Township Police	Mars Borough Police	North Middleton Township Police
East Greenville Borough Police	Harveys Lake Borough Police	Martinsburg Borough Police	North Sewickley Township Police
East Marlborough Township Police	Heidelberg Township Police	Marysville Borough Police	North Woodbury Township Police
East Pennsboro Township Police	Hellam Township Police	Mayfield Borough Police	Northumberland Borough Police
East Washington Borough Police	Hemlock Township Police	Mead Township Police	Orange Township Police
Elizabeth Township (Allegheny County) Police	Hilltown Township Police	Mercer Borough Police	Orwigsburg Borough Police
Emlenton Borough Police	Honey Brook Borough Police	Middleburg Borough Police	Paxtang Borough Police
Emporium Borough Police	Hummelstown Borough Police	Middlesex Township Police	Penbrook Borough Police
Everett Borough Police	Independence Township Police	Millcreek Township Police	Pennridge Regional Police Dept
Factoryville Borough Police	Jackson Township Police (Luzerne County)	Millersburg Borough Police	Pequea Township Police
Fairview Township Police	Jamestown Borough Police	Millville Borough Police	Perkasie Borough Police
Falls Creek Borough Police	Johnsonburg Borough Police	Montour Township Police	Pine Grove Borough Police
Farrell City Police	Kennett Township Police	Moore Township Police	Point Township Police
Forest City Borough Police	Knox Borough Police	Moosic Borough Police	Polk Borough Police
Forward Township Police	Lancaster Township (Butler County) Police	Morrisville Borough Police	Pulaski Township Police
Franklin Borough Police	Larksville Borough Police	Moscow Borough Police	Pymatuning Township Police
Franklin Township Police (Beaver County)	Lewistown Borough Police	Mount Jewett Borough Police	Quarryville Borough Police
Frazer Township Police	Liberty Borough Police	Mount Pleasant Borough Police	Red Lion Police
Freedom Township Police	Linesville Borough Police	Mount Union Borough Police	Redstone Township Police
Freeland Borough Police	Locust Township Police	New Castle Township Police	Richland Borough Police
German Township Police	Lower Windsor Township Police	New Garden Township Police	Richland Township Police
Gilpin Township Police	Lower Yoder Township Police	New Wilmington Borough Police	Roaring Brook Township Police
Greene County Regional Police, Greene County (DB)	Lycoming Regional Police Department	Newport Borough Police	Roaring Spring Borough Police
Greenfield Township (Blair County) Police	Lykens Borough Police	Newtown Borough Police	Rochester Township Police
Greenfield Township	Mahoning Township Police (Lawrence County)	Nockamixon Township Police	Rye Township Police
	Mahoning Township	North Coventry Township Police	Sadsbury Township Police

as of December 31, 2024

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PART 2: MEMBERSHIP

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2024

Cherrytree Township	East Coventry Township (CB Plan)	Franklin Township (Carbon County)	(Lebanon County)
Chippewa Township	East Fallowfield Township	Franklin Township (Greene County)	Jackson Township (Luzerne County)
Clarion Township	East Finley Township	Franklin Township (Susquehanna Co)	Jackson Township (Snyder County)
Clay Township	East Hanover Township	Frazer Township	Jackson Township (Susquehanna County)
Clearfield Township	East Huntingdon Township	Freedom Township	Jackson Township (Venango County)
Columbus Township	East Manchester Township	Freehold Township	Jefferson Township (Washington County)
Concord Township	East Marlborough Township	Frenchcreek Township	Jenks Township
Conemaugh Township	East Rockhill Township	Girard Township	Jenner Township
Conewago Township	East Rockhill Township (CB Plan)	Glade Township	Jones Township
Cook Township	Eaton Township	Greene Township	Keating Township
Coolspring Township	Eldred Township (Jefferson County)	Greenfield Township (Blair County)	Kennett Township
Cornplanter Township	Eldred Township (Monroe County)	Greenfield Township (Erie County)	Lancaster Township (Butler County)
Corydon Township	Eldred Township (Warren County)	Greenfield Township (Lackawanna County)	Lancaster Township (Lancaster County)
Covington Township	Elizabeth Township (Lancaster County)	Hamilton Township	Latimore Township
Cranberry Township	Elizabeth Township (Lancaster County) (CB Plan)	Hamiltonban Township	LeBoeuf Township
Cross Creek Township	Elk Creek Township	Hamlin Township	Lehman Township
Cussewago Township	Elk Township	Hanover Township (Beaver County)	Liberty Township (McKean County)
Darlington Township	Fairfield Township	Hanover Township (Lehigh County)	Liberty Township (Tioga County)
Delaware Township	Fairview Township	Haycock Township	Limestone Township (Clarion County)
Derry Township (Dauphin County)	Falls Township	Hemlock Township	Limestone Township (Lycoming County)
Derry Township (Westmoreland County)	Farmington Township (Clarion County)	Henderson Township	Limestone Township (Union County)
Dickinson Township	Farmington Township (Warren County)	Hilltown Township	Lincoln Township
Dingman Township	Forks Township	Hopewell Township (Cumberland County)	Liverpool Township
Donegal Township (Butler County)	Forks Township (CB Plan)	Hopewell Township (Washington County)	London Britain Township
Donegal Township (Washington County)	Forward Township	Hopewell Township (York County)	London Grove Township
Donegal Township (Westmoreland County)	Foster Township	Horsham Township	Lower Mahanoy Township
Dorrance Township	Franklin Township (Beaver County)	Howe Township	Lower Towamensing Township
Douglass Township (Montgomery County)	Franklin Township (Butler County)	Hunlock Township	Lower Towamensing Township (CB Plan)
Drumore Township		Huntington Township	Lower Yoder Township
East Allen Township		Huston Township	Loyalhanna Township
East Carroll Township		Jackson Township (Greene County)	
East Coventry Township		Jackson Township	

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2024

Loyalhanna Township (CB Plan)	Township	Preston Township	Township
Mahanoy Township	North Strabane Township	Price Township	South Manheim Township
Mahoning Township	North Strabane Township (CB Plan)	Providence Township	South Middleton Township
Manchester Township	Nottingham Township	Pulaski Township	South Pymatuning Township
Manchester Township (CB Plan)	Oakland Township	Pymatuning Township	South Strabane Township
McKean Township	Oakland Township NU CB	Raccoon Township	Southampton Township
Mead Township	Oil Creek Township (Crawford County)	Rice Township	Southwest Township
Middle Smithfield Township	Oil Creek Township (Venango County)	Richhill Township	Spring Creek Township
Middlesex Township	Old Lycoming Township	Richland Township (Bucks County)	Springfield Township
Milford Township (Bucks County)	Oliver Township (Jefferson County)	Richland Township (CB Plan)	Stonycreek Township
Milford Township (Pike County)	Oliver Township (Mifflin County)	Richland Township (Venango County)	Sugar Grove Township
Millcreek Township	Orange Township	Ridgway Township	Sullivan Township
Monongahela Township	Paint Township	Rome Township	Summit Township
Monroe Township (Snyder County)	Paradise Township	Rose Township	Susquehanna Township
Monroe Township (Wyoming County)	Penn Township	Rutland Township	Tinicum Township
Montour Township	Pennsbury Township	Rye Township	Towamensing Township
Moore Township	Perry Township	Rye Township (Perry County) (CB Plan)	Tredyffrin Township
Morris Township (Greene County)	Peters Township	Salford Township	Tunkhannock Township
Morris Township (Tioga County)	Peters Township (CB Plan)	Salisbury Township	Union Township (Berks County)
Morris Township (Washington County)	Pike Township	Sewickley Township	Union Township (Lebanon County)
Mount Joy Township	Pine Creek Township	Shade Township	Union Township (Snyder County)
Mount Pleasant Township	Pine Grove Township (Schuylkill County)	Sheffield Township	Union Township (Washington County)
Muncy Creek Township	Pine Grove Township (Warren County)	Shippensburg Township	Unity Township
New Garden Township	Pittsfield Township	Shrewsbury Township	Upper Burrell Township
New Sewickley Township	Pleasant Township	Slippery Rock Township	Upper Frederick Township
Nockamixon Township	Plum Township	Smithfield Township	Upper Milford Township
North Buffalo Township	Plumcreek Township	Snake Spring Township	Upper Nazareth Township
North Coventry Township	Plumstead Township	Solebury Township	Valley Township
North Franklin Township	Plymouth Township	Solebury Township (CB Plan)	Wallace Township
North Newton Township (CB)	Pocopson Township	South Abington Township	Warrington Township
North Sewickley	Point Township	South Abington Township (CB Plan)	Warsaw Township
	Portage Township	South Beaver Township	Warwick Township
	Porter Township	South Bend Township	Washington Township (Berks County)
		South Franklin Township	
		South Hanover Township	
		South Huntingdon	

PART 2: MEMBERSHIP

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2024

Washington Township (Cambria County)	Wiconisco Township
Washington Township (Dauphin County)	Williams Township
Washington Township (Erie County)	Wilmington Township
Washington Township (Fayette County)	Windsor Township
Washington Township (Greene County)	Wright Township
Washington Township (Jefferson County)	Wrightstown Township
Washington Township (Northampton County - CB Plan)	Zerbe Township
Washington Township (Northampton County)	
Washington Township (Schuylkill County)	
Washington Township (Westmoreland County)	
Washington Township (Wyoming County)	
Waverly Township	
Wayne Township	
West Bradford Township	
West Brunswick Township	
West Caln Township	
West Carroll Township	
West Fallowfield Township	
West Lampeter Township	
West Pennsboro Township	
West Rockhill Township	
West Sadsbury Township	
West Salem Township	
West Wheatfield Township	
Westtown Township	
Wetmore Township	
White Township	
Whiteley Township	



Office Location

1721 North Front Street
Harrisburg, PA 17102-2315

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