

2025 Annual Comprehensive Financial Report

Pennsylvania Municipal Retirement System

Commonwealth of Pennsylvania

Fiscal years ended December 31, 2025 and
2024



Pennsylvania
**Municipal
Retirement System**



2025 Pennsylvania Municipal Retirement System Annual Comprehensive Financial Report

Fiscal years ending December 31, 2025 and 2024

Barry Sherman, Chairman Pennsylvania Municipal Retirement Board

Tom Dietzler, Vice Chairman Pennsylvania Municipal Retirement Board

Timothy A. Reese, Chief Executive Officer

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



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Introduction



Board Chairman's Report



June 22, 2026

Dear PMRS Participants,

On behalf of the Pennsylvania Municipal Retirement System (PMRS) and the Board of Trustees, I am honored to present the Annual Comprehensive Financial Report (ACFR), for the years ended December 31, 2025, and 2024. This report provides a thorough and transparent overview of PMRS' financial position and performance as of December 31, 2025.

Established in 1974 by the Pennsylvania Legislature, PMRS administers low-cost pension plans for local governments across the commonwealth. As Pennsylvania's multi-employer public pension system for local governments, PMRS plays a vital role in securing retirement benefits for its members. Today, we proudly administer 1,060 plans and support over 20,000 members.

Our 11-member appointed board remains steadfast in its fiduciary responsibility, ensuring the prudent stewardship and protection of retirement assets for Pennsylvania's local government employees. Our commitment to financial transparency was once again recognized with the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for the year ended December 31, 2024. This national honor reflects our dedication to clarity, accuracy, and accountability in financial reporting.

Similar to the prior year, the global and U.S. markets experienced periods of uncertainty. By the fourth quarter, with persistent inflation, the U.S. economy slowed down, illustrating why PMRS maintains a long-term investment approach supported by a diversified, low-risk portfolio across multiple asset classes. The PMRS portfolio ended the year at \$3.96 billion, generating a 14.1 percent year-to-date net return and \$492 million in investment gains. PMRS remains positioned among the top 5 percent of fully funded public pension plans nationwide.

In closing, I extend my sincere appreciation to the PMRS Board of Trustees, our executive leadership team, and our dedicated staff for their commitment to serving our employers and members. Additionally, I want to thank our members for their public service and continued trust in PMRS.

We welcome your feedback and invite you to share your questions and comments regarding this report.

Sincerely,

Robert McCarron
PMRS Board Chairman

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Board of Trustees

As of December 31, 2025



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

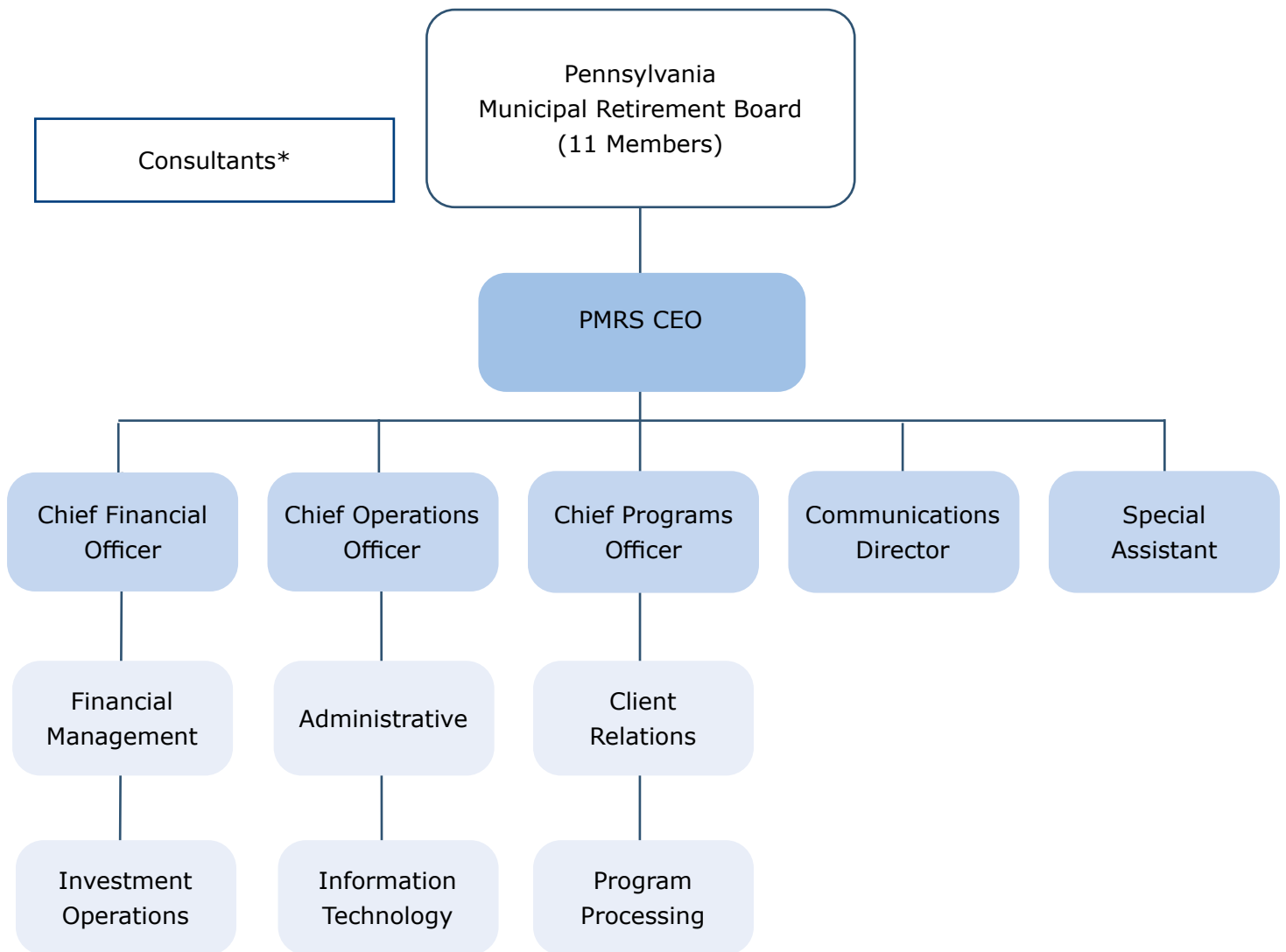


Jody Rebarchak
Represents
Pennsylvania
State Association
of Township
Commissioners



Joshua Hull
Represents active
firefighters enrolled
in PMRS

Organizational Chart



* See the listing of consultants on page 9 and the Summary of Commissions Paid to Brokers, on page 71 in the Investment Section.

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.

Executive Staff

As of December 31, 2025

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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Consultants & Managers

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 MANAGERS

Ares Management, Chicago, IL

Allison Johnston, Vice President

Boston Partners, Boston, MA

Connor Watson, CFA, Public & Taft-Hartley Funds

Channing Capital Management, Chicago, IL

Richard Turnley, III, Director of Institutional Sales & Marketing

Copeland Capital Management, Conshohocken, PA

Mark Giovannello, CFA Chief Investment Officer

Emerald Advisers, Leola, PA

Kenneth Mertz II, CFA, President/Chief Investment Officer

Federated Investment Counseling, 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

INVESTMENT CONSULTANT

Marquette, Chicago, IL

Lee Martin, PH.D., Managing Director

CUSTODIAN/SUB-CUSTODIAN

Pennsylvania Treasury

BNY, Pittsburgh, PA

Allison Charest, Senior Vice President, CGNP Service Directors

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, Newark, NJ

Sarah McDonald, Vice President, 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 Investment Management, Boston, MA

Michael Barnes, Relationship Manager, Client Coverage Group

Xponance, Inc., Philadelphia, PA

Clarissa Parker, Vice President, Client Services & Consulting Relations

Letter of Transmittal



June 22, 2026

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, 2025 and 2024. 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.pMrs.pa.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 employers 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, 2025.

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

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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 2025, the global economic environment was defined by significant policy uncertainty, most notably the introduction of sweeping U.S. tariff measures that rattled financial markets and weighed heavily on business and consumer confidence early in the year. Despite these headwinds, the U.S. economy demonstrated notable resilience, as robust capital expenditures in the technology sector—largely tied to artificial intelligence infrastructure—helped sustain growth throughout much of the year. The Federal Reserve ("Fed") navigated a complex backdrop of decelerating growth and above-target inflation before resuming its rate-cutting cycle in the second half of the year. Global economies, while facing trade-related headwinds, largely exceeded expectations. The PMRS portfolio ended the year at \$3.9 billion, generating a year-to-date net return of 14.1% and investment gains of \$492 million.

The U.S. economy contracted in the first quarter, with real Gross Domestic Product (GDP) declining at an annualized rate of 0.3%—the first negative GDP reading since the first quarter of 2022. Net exports were a significant drag on growth, detracting 4.8 percentage points, as businesses rushed to import goods ahead of anticipated tariff increases scheduled for early April. Consumer spending decelerated from the prior quarter but nonetheless exceeded economists' forecasts. The sweeping tariff announcements and resulting policy uncertainty caused consumer and corporate confidence to decline sharply during the quarter. Amid these crosscurrents, the Fed held rates steady, adopting a "wait and see" approach while its revised Summary of Economic Projections ("SEP") maintained a base case of 50 basis points ("bps") of cuts for

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2025. Internationally, Germany's approval of a €500 billion spending package marked a historic departure from fiscal austerity and provided a measure of optimism for European economic prospects, even as near-term global growth expectations were revised downward in light of shifting trade policy.

The PMRS portfolio achieved a net return of 0.9% in the first quarter, outperforming the Policy Index return of 0.5%, with investment gains totaling \$32.9 million. Contributors to quarterly performance included Higher Quality Equity, Minimum Volatility Equity, Active International Large Cap Equity, and Real Estate. Detractors from performance included Small Cap Equity, Growth Equity, Timberland, and Opportunistic Credit.

The U.S. economy rebounded sharply in the second quarter, with real GDP growing at an annualized rate of 3.0%. Net exports reversed course from the prior quarter, contributing 5.0 percentage points to growth as the trade picture normalized following significant inventory accumulation ahead of the April tariff announcements. Consumer spending also accelerated, surprising to the upside despite weak sentiment surveys. Tariff revenues surged during the quarter—reaching \$27 billion in June alone, more than three times the prior-year level—though the impact on prices and economic activity remained limited as businesses drew down inventories accumulated in advance of tariff implementation. The labor market softened modestly at the margin, with June Non-Farm Payrolls showing a gain of 147,000 jobs, though the quality of the report was mixed as nearly half of those gains derived from the government sector. The Fed held rates steady amid the dual considerations of a modestly softer labor market and the prospect of tariff-related inflationary pressure in the months ahead. Internationally, the European Central Bank cut rates for the eighth consecutive time, lowering its deposit facility rate to 2.0%, while the euro reached its strongest level against the U.S. dollar in nearly four years.

Global investment markets staged a remarkable recovery in the second quarter, as the announcement of a 90-day pause on reciprocal tariffs ignited a broad-based rally. The S&P 500 Index achieved the fastest recovery from a decline of 15% or greater in more than 70 years, closing the quarter at all-time highs. U.S. equities modestly trailed developed non-U.S. and emerging market peers, while continued U.S. dollar weakness provided an additional tailwind for unhedged international returns. The PMRS portfolio achieved a net return of 6.3% for the quarter, with investment gains of \$222 million. Contributors to quarterly performance included Growth Equity, International Equity, Opportunistic Credit, and Real Assets. Detractors from performance included Value Equity, Defensive Equity, and Real Estate.

The U.S. economy decelerated modestly in the third quarter but continued to expand at a solid pace, with real GDP estimated to have grown at an annualized rate of 2.5%. The resilience of the economy surprised many observers who had anticipated a recession following the April tariff announcements. A primary driver of this strength was capital expenditure activity in the technology sector, where AI-related investment was estimated to have accounted for approximately 40% of year-over-year GDP growth through the second quarter. Despite continued economic expansion, the Fed cut the federal funds rate by 25 bps in September, citing below-consensus payroll reports and large downward revisions to prior months' employment data as justification for what Fed Chair Powell characterized as a "risk management cut." Globally, the International Monetary Fund raised its 2025 economic growth forecasts for most major developed and emerging market economies, attributing the broader-than-expected

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resilience to the private sector's ability to front-load imports and reorganize supply chains in response to shifting trade policy.

Global equity markets continued to advance in the third quarter, with emerging markets leading the way and U.S. equities outperforming developed non-U.S. peers. Fixed income also posted gains as Treasury yields declined across the curve. The PMRS portfolio generated a net return of 4.4% in the third quarter, with investment gains totaling \$162.7 million. Contributors to quarterly performance included Growth Equity, Emerging Market Equity, and Real Estate. Detractors from performance included Higher Quality Equities, U.S. Active Large Cap Growth Equity, and Timberland.

The U.S. economy decelerated in the fourth quarter, with real GDP growing at an annualized rate of 1.4% amid a modest slowdown in consumer spending. A partial federal government shutdown during the quarter is estimated to have reduced headline GDP by between 1.0 and 1.5 percentage points, suggesting underlying economic momentum remained more resilient than the top-line figure implied. The structural drivers of growth—technology sector capital expenditures, accommodative fiscal policy, and consumer spending—remained largely intact. The passage of the One Big Beautiful Bill, with its retroactive tax cuts, was expected to provide an additional boost to consumer balance sheets in the year ahead, with Goldman Sachs estimating U.S. consumers would receive an additional \$100 billion in tax refunds in the first half of 2026. The labor market continued to send mixed signals: the unemployment rate remained low and weekly jobless claims were well-behaved, yet monthly payroll reports reflected a clear deceleration in hiring, and job openings fell to their lowest levels since early 2021. In response, the Fed cut the federal funds rate by an additional 50 bps during the quarter, with its updated SEP projecting one additional 25 bp cut in 2026. Internationally, global economic growth was expected to slow modestly in 2026, weighed by trade policy uncertainty, subdued investment, and ongoing geopolitical tensions.

Global equity markets continued to advance in the fourth quarter, though at a more measured pace than the prior two quarters. U.S. equities posted modest gains, lagging developed non-U.S. and emerging market peers despite U.S. dollar strength. Fixed income also posted positive returns, despite an uptick in longer-dated Treasury yields. The PMRS portfolio posted a net return of 1.9% in the fourth quarter, with investment gains of \$74.3 million. Contributors to quarterly performance included Small Cap Equity and Real Estate. Detractors from performance included Active Large Cap Managers, Higher Quality Equity, Timberland, and Bank Loans.

The PMRS portfolio ended 2025 at \$3.96 billion, generating a year-to-date net rate of return of 14.1% and investment gains of \$492 million.

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 20 and the Management's Discussion and Analysis commences on page 23.

The accrual basis of accounting is used to record all financial transactions, including assets,

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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 \$3.96 billion on December 31, 2025. PMRS' net position increased by \$445.56 million or 12.7% from \$3.52 billion at December 31, 2024. Net investment gain (loss) increased the net position by \$491.8 million. Contributions and assessments increased the net position by \$122.1 million. Transfers from other plans increased net position by \$12.8 million. Benefit payments, plan withdrawals, and administrative expenses reduced the net position by \$181.2 million. Additional information is detailed in the Financial Section ("Statement of Fiduciary Net Position" and "Statement of Changes in Fiduciary Net Position") located on pages 29 and 30.

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, 2025, and shows the amount and percentage of increases and decreases compared to the prior year ended December 31, 2024.

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 \$21.8 million or 19.2% from \$113.2 million in 2024 to \$134.9 million in 2025. Most of the increases are 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 and transfers from other plan administrators.

SUMMARY OF ADDITIONS TO FIDUCIARY NET POSITION

*for the Years December 31, 2025 and 2024
(amounts in thousands)*

ADDITIONS TO FIDUCIARY NET POSITION	2025	PERCENTAGE OF TOTAL	2024	DOLLAR INCREASE (DECREASE)	PERCENTAGE INCREASE (DECREASE)
Contributions ¹	\$134,944	21.5%	\$113,177	\$21,767	19.2%
Net investment income (loss)	491,812	78.5%	299,600	192,212	64.2%
Other miscellaneous	2	0.0%	1	1	100.0%
Total	\$626,758	100.0%	\$412,778	\$213,980	51.8%

¹contributions included additional municipal employer contributions towards unfunded liability of \$2.5 million in 2025 and \$3.8 million in 2024, transfer from other plan administrator of \$12.8 million in 2025 and \$3.9 million in 2024 and transfers in lieu of contributions of \$739 thousand in 2025 and \$674 thousand in 2024.

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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 \$3.528 billion on December 31, 2024, to \$3.968 billion on December 31, 2025. The investment portfolio had increased from \$3.291 billion on December 31, 2023, to \$3.528 billion on December 31, 2024. 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 schedule below presents a summary of PMRS' deductions from the fiduciary net position for the year ended December 31, 2025, and shows the amount and percentage of increases or decreases in relation to the prior year ended December 31, 2024. The major deductions for 2025 were annuity benefits and terminations, which increased by \$7.3 million from \$161.7 million in 2024 to \$169 million in 2025.

SUMMARY OF DEDUCTIONS FROM FIDUCIARY NET POSITION

*for the Years December 31, 2025 and 2024
(amounts in thousands)*

DEDUCTIONS TO FIDUCIARY NET POSITION	2025	PERCENTAGE OF TOTAL	2024	DOLLAR INCREASE (DECREASE)	PERCENTAGE INCREASE (DECREASE)
Annuity benefits and terminations	\$168,959	93.3%	\$161,723	\$7,236	4.5%
Transfers to other plan administrators	1,328	0.7%	9,451	(8,123)	-85.9%
Administrative expenses	10,906	6.0%	9,268	1,638	17.7%
	\$181,193	100%	\$180,442	\$751	0.4%

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 2025 administrative budget was adopted in September 2024 and set at \$12.4 million, exclusive of investment fees. Administrative expenses, exclusive of investment fees, in 2025 amounted to \$10.9 million. More information on PMRS' expenses is included in the Financial Section of this report (Supplementary Schedule 1 – Administrative Expenses located on page 57).

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INVESTMENT HIGHLIGHTS

For the year ended December 31, 2025, the net rate of return for the PMRS' total portfolio was 14.1%, ranking in the 28th percentile of the Performance Analytics and Reporting Information System (PARIS), All Public DB Plans Universe. For the five years that ended December 31, 2025, the net rate of return was 6.4%, ranking in the top 50th percentile. Since its inception in January 1986, the net rate of return for the PMRS' total portfolio was 8.5%. The net rate of return by asset class for the year ended December 31, 2025, and the allocation of assets in the portfolio as of December 31, 2025, are as follows: U.S. equity returned 14.6% (33.4% of the portfolio); global equity returned 11.9% (5.0% of the portfolio); non-U.S. equity returned 35.5% (19.9% of the portfolio); real assets returned 1.7% (12.1% of the portfolio); and fixed income returned 7.2% (27.8% of the portfolio). On December 31, 2025, the allocation of assets in the portfolio for cash equivalents was 1.8%.

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 \$445.6 million or 12.7% from \$3.52 billion at December 31, 2024 to \$3.96 billion at December 31, 2025. The "Funded Status of Actuarial Liabilities" was calculated based on the most recent actuarial valuation dated January 1, 2025. The actuarial value of assets funded ratio increased from 98.8% on January 1, 2024, to 101.7% as of the most recent valuation date. As a result, PMRS went from an actuarial unfunded actuarial liability of \$36.8 million as of January 1, 2024, to an actuarial surplus of \$53.5 million as of January 1, 2025. The increase in the funded ratio is primarily due to a change in the discount rate from 5.25% to 5.5% and an excess interest award of \$50.6 million allocated proportionally to the plans. 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, and funding data. Detailed information on PMRS' aggregate plan funding can be found in the Actuarial Section of this report beginning on page 72.

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 timeframe 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 has been ongoing since 2023 and continues as PMRS works through remaining conversion issues and improves calculation

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functions. Phase three is intended to focus on the implementation of an employer portal. 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 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.

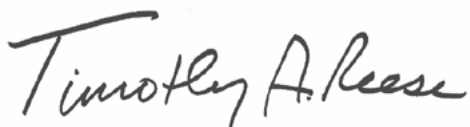
PROFESSIONAL SERVICES

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 of this report on page 9.

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

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For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

Financial





Zelenkofske Axlerod LLC

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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, 2025 and 2024, 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, 2025 and 2024, 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 issuance 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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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.



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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 Axlerod LLC

ZELENKOSKE AXELROD LLC

Harrisburg, Pennsylvania
June 22, 2026

Management's Discussion & Analysis

This section presents management's discussion and analysis of PMRS' financial performance for the years ended December 31, 2025, 2024, and 2023. 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, 2025.

The Statement of Fiduciary Net Position provides a snapshot of the financial position of PMRS on December 31, 2025, 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, 2025, 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 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 \$445.6 million or 12.7% from \$3.52 billion at December 31, 2024, to \$3.96 billion at December 31, 2025. This was followed by an increase in net position of \$232.3 million or 7.0% from \$3.29 billion at December 31, 2023, to \$3.52 billion at December 31, 2024. 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 101.7% as of the last valuation dated January 1, 2025. This was an increase from 98.8% on January 1, 2024, which was preceded by an increase from 98.6% on January 1, 2023. PMRS went from an unfunded actuarial liability of \$44.2 million on January 1, 2023, to an unfunded actuarial liability of \$36.8 million on January 1, 2024, followed by an increase to an actuarial surplus of \$53.5 million on January 1, 2025.
- The fair value of assets funded ratio was 108.7% as of the last valuation date of January 1, 2025. This was an increase from 103.5% on January 1, 2024, preceded by an increase from 98.2% on January 1, 2023. The surplus at January 1, 2025, was \$281 million. This was preceded by an increase in the surplus to \$112.2 million on January 1, 2024, and an increase to \$55.2 million on January 1, 2023. 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

Management's Discussion & Analysis

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, which was distributed in 2025. The board did not approve an excess interest award related to the January 1, 2024, valuation results.

- The portfolio net rate of return for the year ended December 31, 2025, was 14.1% compared to 9.2% and 10.8% for the years ended December 31, 2024 and 2023, respectively.
- Contributions increased by \$21.7 million or 19.2% from \$113.2 million in 2024 to \$134.9 million in 2025, primarily due to increased municipal contributions that were driven by increased payroll and transfers from other plan administrators into PMRS. Previously, 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 payroll.
- Annuity benefits and terminations increased \$7.2 million or 4.5% from \$161.7 million in 2024 to \$169 million in 2025. This was preceded by annuity benefits and terminations increasing \$9.3 million or 6.1% from \$152.4 million in 2023 to \$161.7 million in 2024. The fluctuations in annuity benefits and terminations from 2023 to 2024 and again from 2024 to 2025 were primarily due to an increase in benefits for new retirees due to general wage inflation as well as ad-hoc cost-of-living adjustments that may be applied each year.
- Transfers to other plan administrators

were \$1.9 million in 2023, followed by \$9.5 million in 2024, and \$1.3 million in 2025. PMRS experienced one plan withdrawal in 2023, three plan withdrawals in 2024, and one plan withdrawal in 2025.

- Administrative expenses increased by \$1.6 million to \$10.9 million or 17.7% in 2025 from \$9.3 million in 2024 due to filling of vacant positions and salary increases for personnel. 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 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, 2025, measurement date. The liabilities for the cash balance plans are based on the member and municipal account balances as of December 31, 2024, 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

Management's Discussion & Analysis

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 101.7% funded as of January 1, 2025.

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, 2025, the PMRS' net rate of return was 14.1%. The net rate of return over the past three and five years ended December 31, 2025, was 11.4% and 6.4%, respectively.

SHORT TERM

Short-term investments increased by \$16.8 million or 30.6% from \$55 million at December 31, 2024, to \$71.8 million at December 31, 2025. This was preceded by Short-term investments increasing by \$1.9 million or 3.7% from \$53 million at December 31, 2023, to \$55 million at December 31, 2024. For the year ended December 31, 2025, PMRS had a large transfer from other plan administrators

in the third quarter that increased the short-term investments and brought the allocation closer to target. The annual fluctuations for prior years represented the normal cash flow necessary to meet benefit obligations and operating expenses.

FIXED INCOME

Fixed income increased by \$146.2 million or 19% from \$954.7 million at December 31, 2024, to \$1.1 billion at December 31, 2025. The increase is due to the positive performance of the holdings and an increased allocation to fixed income assets. 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.

EQUITIES

Equities, including global and international equities, increased by \$289.3 million or 14.3% from \$2.02 billion on December 31, 2024, to \$2.3 billion on December 31, 2025, primarily due to positive performance across all types. 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.

REAL ASSETS

Real assets decreased by \$12.5 million or (2.5)% from \$494.3 million at December 31, 2024, to \$481.7 million at December 31, 2025, primarily due to lower property valuations. 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.

Management's Discussion & Analysis

CONTRIBUTIONS AND INVESTMENT INCOME

Total contributions increased by \$21.8 million or 19.2% from \$113.2 million on December 31, 2024, to \$134.9 million on December 31, 2025. 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 \$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.

Member contributions increased by \$2.5 million or 8% from \$31.7 million at December 31, 2024, to \$34.2 million at December 31, 2025. The increase in contributions is due to an increase in required contributions based on higher salaries and optional member contributions. Member contributions increased by \$1.7 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.

Net investment income was \$491.8 million in 2025, compared to \$299.6 million in 2024 and net investment income of \$325.9 million in 2023. Investment income (loss) is primarily attributable to strong appreciation in fair values in the equities and fixed-income markets.

Investment expenses increased by \$700 thousand in 2025 from \$10.1 million in 2024 to \$10.8 million in 2025. The investment expenses are based on the fair value of the quarterly average balance of investments under management by each investment

manager. The increase in 2025 was driven by positive performance across the portfolio and larger investment balances. Investment expenses were relatively flat at \$10.1 million in 2024 compared to \$10 million in 2023.

PENSION PLAN BENEFITS AND EXPENSES

Annuity benefits and refunds were \$169 million in 2025 compared to \$161.7 million in 2024 and \$152.4 million in 2023. 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 \$150.2 million in 2025 compared to \$142 million in 2024 and \$133 million in 2023.

Transfers from other plan administrators increased by \$8.9 million in 2025 to \$12.8 million compared to \$3.93 million in 2024 and \$12.2 thousand in 2023. The fluctuations were based on new plan admissions to PMRS. Transfers to other plan administrators decreased in 2025 by \$8.12 million to \$1.33 million, compared to \$9.45 million in 2024 and \$1.9 million in 2023. Fluctuations were due to one plan withdrawing from PMRS in 2025, compared to three plans withdrawing in 2024 and one plan in 2023.

Administrative expenses increased by \$1.6 million in 2025 to \$10.9 million due to the filling of vacant positions. Prior years were relatively flat at \$9.3 million in 2024, preceded by \$9.2 million in 2023.

Condensed Financial Information

SUMMARY OF FIDUCIARY NET POSITION

As of December 31, 2025, 2024 and 2023

(amounts in thousands)

	2025	2024	2023
Assets			
Receivables	\$12,494	\$5,854	\$8,497
Investments	3,967,925	3,528,143	3,291,373
Capital assets	48	54	66
Prepaid assets	80	80	94
Total Assets	3,980,547	3,534,131	3,300,030
Deferred outflows of resources	5,357	5,068	6,300
Liabilities	19,091	18,216	17,472
Deferred inflows of resources	2,491	2,226	2,436
Fiduciary net position	\$3,964,322	\$3,518,757	\$3,286,422

INVESTMENT BALANCES BY ASSET CLASS

As of December 31, 2025, 2024, and 2023

(Amounts in Thousands)

Asset class	Percentage of Portfolio		Percentage of Portfolio		Percentage of Portfolio	
	2025		2024		2023	
Short-term investments	\$71,800	1.8%	\$54,970	1.6%	\$53,079	1.6%
Fixed income	318,271	8.0%	223,471	6.3%	220,068	6.7%
Common and preferred stock	843,646	21.3%	785,424	22.3%	691,925	21.0%
Real assets	481,746	12.1%	494,274	14.0%	523,410	15.9%
Collective trust funds	2,252,660	56.8%	1,970,089	55.8%	1,802,598	54.8%
Other investments	(198)	0.0%	(85)	0.0%	293	0.0%
Total investments	\$3,967,925	100.0%	\$3,528,143	100.0%	\$3,291,373	100.0%

Condensed Financial Information

SUMMARY OF CHANGES IN FIDUCIARY NET POSITION

for the Years ended December 31, 2025, 2024, and 2023

(Amounts in Thousands)

	2025	2024	2023
Beginning fiduciary net position	\$3,518,757	\$3,286,422	\$3,019,421
Additions			
Contributions	134,944	113,177	104,566
Net investment income (loss)	491,812	299,600	325,890
Miscellaneous income	2	1	5
Total additions	626,758	412,778	430,461
Deductions			
Annuity benefits and terminations	168,959	161,724	152,361
Transfers to other plan administrators	1,328	9,451	1,929
Administrative expenses	10,906	9,268	9,170
Total deductions	181,193	180,443	163,460
Changes in fiduciary net position	445,565	232,335	267,001
Ending fiduciary net position	\$3,964,322	\$3,518,757	\$3,286,422

Financial Statements

STATEMENT OF FIDUCIARY NET POSITION

As of December 31, 2025 and 2024

	2025	2024
Assets		
Receivables		
Plan members	\$2,685,657	\$1,918,787
Municipal employers	5,310,352	149,934
Accrued investment income	4,337,380	3,715,823
Investment sales receivables	143,845	52,698
Other receivables	16,720	16,720
Total receivables	12,493,954	5,853,962
Investments, at fair value		
Short-term investments	71,800,197	54,970,009
Fixed income	318,270,603	223,471,266
Common and preferred stocks	843,646,182	785,423,766
Real assets	481,746,175	494,273,426
Collective trust funds	2,252,659,556	1,970,088,665
Other investments	(198,122)	(84,605)
Total investments	3,967,924,591	3,528,142,527
Capital assets (net of accumulated depreciation of \$203,820 and \$179,272 at 2025 and 2024 respectively)	48,247	54,946
Prepaid assets	80,010	79,945
Total assets	3,980,546,802	3,534,131,380
Deferred outflows of resources	5,356,817	5,068,416
Liabilities		
Accounts payable and accrued expenses	5,054,907	6,269,345
Net pension liability	8,589,753	7,342,026
Net other post employment benefit obligation liability	3,228,000	3,710,000
Investment purchases payables	2,218,056	894,845
Total liabilities	19,090,716	18,216,216
Deferred inflows of resources	2,490,975	2,226,201
Net position restricted for pensions	\$3,964,321,928	\$3,518,757,379

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

Financial Statements

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

for the Years ended December 31, 2025 and 2024

	2025	2024
Additions		
Contributions		
Municipal employers	\$87,513,649	\$77,255,598
Plan members	34,233,416	31,691,192
Transfers from other plan administrators	12,817,865	3,925,858
Assessments	378,782	304,308
Total Contributions	134,943,712	113,176,956
Investment income		
From investing activities:		
Net appreciation (depreciation) in fair value of investments	452,918,555	263,084,488
Interest	15,182,642	12,057,728
Dividends	20,646,083	20,305,692
Real estate	13,858,280	14,247,570
Total investment income (loss)	502,605,560	309,695,478
Investment expenses	(10,793,181)	(10,095,794)
Total net investment income (loss)	491,812,379	299,599,684
Miscellaneous income	1,481	1,354
Total additions	626,757,572	412,777,994
Deductions		
Annuity benefits and terminations	168,958,834	161,723,683
Transfers to other plan administrators	1,328,520	9,450,715
Administrative expenses	10,905,669	9,267,850
Total deductions	181,193,023	180,442,248
Net increase (decrease)	445,564,549	232,335,746
Net position restricted for pensions		
Balance, beginning of year	3,518,757,379	3,286,421,633
Balance, end of year	\$3,964,321,928	\$3,518,757,379

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

Notes to 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 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 individual membership as of January 1, 2025, and 2024, as well as municipal membership as of December 31, 2025, and December 31, 2024.

INDIVIDUAL MEMBERSHIP

	2025	2024
ACTIVE MEMBERS		
Defined Benefit Plans		
Municipal	7,060	7,070
Police	963	973
Firefighters	135	142
TOTAL	8,158	8,185
Cash Balance Plans		
Municipal	1,786	1,757
Police	26	34
Firefighters	46	44
TOTAL	1,858	1,835
Total active members	10,016	10,020
RETIREES AND BENEFICIARIES		
Retirees	6,924	6,719
Beneficiaries	814	777
Total Retirees and Beneficiaries	7,738	7,496
INACTIVE PARTICIPANTS WITH RIGHTS TO DEFERRED PENSION (VESTED)		
Defined benefit	1,188	1,094
Cash balance	457	410
Total vested	1,645	1,504
Defined benefit	719	873
Cash balance	226	123
Total non-vested	945	996
Total Individual Memberships	20,344	20,016

Notes to Financial Statements

PARTICIPATING LOCAL GOVERNMENT EMPLOYERS

AS OF DECEMBER 31, 2025 AND 2024

Employer Type	2025		2024	
	Defined Benefit	Cash Balance	Defined Benefit	Cash Balance
Authority and other units	166	90	166	89
Borough	143	66	144	66
City	18	0	18	0
County	4	1	4	1
Firefighters	10	3	10	3
Police	188	20	189	20
Township of the first class	19	4	19	4
Township of the second class	168	160	168	160
Total	716	344	718	343

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

Notes to Financial Statements

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

Notes to Financial Statements

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, 2025, the compensated absences liability increased by \$101,520 to \$695,009 from \$593,489 on December 31, 2024. 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 (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 most recent 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. No new GASB Statements were implemented for the fiscal year ending December 31, 2025.

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

Notes to Financial Statements

contributions from municipalities for the years ended December 31, 2025, and 2024 consisted of the following:

	2025	2024
Municipality normal cost ¹	\$87,818,124	\$77,514,916
Amortization of unfunded actuarial accrued liability	(10,635,772)	(11,294,223)
Total²	\$77,182,352	\$66,220,693

¹Municipality normal cost includes additional municipal employer contributions towards unfunded liability of \$2.5 million and \$3.8 million in 2025 and 2024 respectively.

²Total does not include \$20 per member assessment fee to municipalities.

The actual contributions were 113.8% of the required contributions in 2025 and 117.1% of the required contributions in 2024.

The total contributions to PMRS in 2025 were \$134.9 million of which \$87.5 million and \$34.2 million were made by municipal employers and plan members, respectively. Included in the total contributions are \$12.8 million in transfers from other plan administrators and \$379 thousand from assessments. 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 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

¹Act 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.

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);

Notes to Financial Statements

- 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 5.5% per year (net of investment expenses and certain administrative expenses) compounded annually as of January 1, 2025. (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, and the valuation results dated January 1, 2025 reflect a 5.5% interest rate of return assumption.

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, 2025, and 2024, the reserve account balances were as follows:

	2025	2024
Members' Reserve Account	\$574,185,661	\$549,940,518
Municipal Reserve Account	1,091,143,710	1,022,215,963
Retired Members' Reserve Account	1,753,823,847	1,655,845,942
DROP Participant Reserve Account	2,387,909	2,888,507
Disability Reserve Account	1,193,026	941,920
Undistributed Earnings Reserve Account	541,587,775	286,924,529
Total	\$3,964,321,928	\$3,518,757,379

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

Notes to Financial Statements

MEMBERS' RESERVE ACCOUNT

The Members' Reserve Account is credited with all contributions made by active members of PMRS. Interest is credited to each member's account at an annual rate determined by the board. PMRS' regular interest rate was 5.5% and 5.25% for the years ended December 31, 2025, and December 31, 2024, respectively. 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 was distributed in 2025 in accordance with Board Policy Statement 05-2. PMRS did not award excess interest for 2024.

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 was 5.5% and 5.25% for the years ended December 31, 2025, and December 31, 2024, respectively. 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 was distributed in 2025 in accordance with Board Policy Statement 05-2. PMRS did not award excess interest for 2024.

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. The amount, less any member reserve balances, is then 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 rate was 5.5% and 5.25% for the years ended December 31, 2025, and December 31, 2024, respectively.

Based on the most recent actuarial valuation, the account was fully funded on January 1, 2025.

DROP PARTICIPANT RESERVE ACCOUNT

The 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 2025 ranged from 3.97% to 4.5%, with 4.28% as the average for the 12 months. The average monthly yield for 2024 was 4.5%.

DISABILITY RESERVE ACCOUNT

The Disability Reserve Account is credited with the contributions made by municipalities toward the disability retirement of member

Notes to Financial Statements

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 was 5.5% and 5.25% for the years ended December 31, 2025, and December 31, 2024, respectively.

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 was distributed in 2025 in accordance with Board Policy Statement 05-2. PMRS did not award excess interest for 2024.

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 counterparty, 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

Notes to Financial Statements

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, 2025, and 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.12% and 9.22%, 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 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

Notes to Financial Statements

(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.

On December 31, 2025 and 2024, PMRS had the following investments:

INVESTMENTS

as of December 31, 2025

	Amount	LEVEL 1	LEVEL 2	LEVEL 3
Equities				
Domestic	\$843,646,182	\$843,646,182	\$-	\$-
International	-	-	-	-
Fixed Income				
U.S. government and agency obligations	108,593,710	105,191,885	3,401,825	-
Corporates	120,449,051	-	120,449,051	-
Asset-backed and mortgage-backed securities	89,227,842	-	89,227,842	-
Other Investments				
Other Investments	(198,122)	(198,122)	-	-
Total investments by Fair Value Level	\$1,161,718,663	\$948,639,945	\$213,078,718	\$-

Investments measured at Net Asset Value (NAV)	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY	REDEMPTION NOTICE PERIOD	
Collective trust funds - domestic equities	479,968,653	-	Daily, monthly	Same Day
Collective trust funds - global equities	989,844,668	-	Daily, monthly	1-10 days
Collective trust funds - fixed income	782,846,235	-	Daily, monthly	1-45 days
Real estate	315,442,461	-	Quarterly, NA	1 quarter, NA
Timber	166,303,714	-	NA	NA
Total investments measured at NAV	2,734,405,731	-		
Investments at other than Fair Value				
Short-term investments - TGIF	57,427,825	-		
Short-term investments - Other	14,372,372	-		
Total investments at other than Fair Value	71,800,197	-		
Total investments	\$3,967,924,591	\$-		

Notes to Financial Statements

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	\$-		

Notes to Financial Statements

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, 2025, and 2024, 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

Notes to Financial Statements

rating category on December 31, 2025, and 2024.

CREDIT RISK

Quality Rating	2025 Fair Value	2024 Fair Value
AAA	\$44,379,450	\$35,684,009
AA	48,327,087	28,708,040
A	40,199,295	27,459,423
BAA	75,093,100	65,395,939
BA & Below	4,252,229	5,185,582
NR ¹	855,473,990	786,299,888
Total exposed to credit risk	1,067,725,151	948,732,881
U.S. Government Guaranteed ²	105,191,885	61,038,273
Total	\$1,172,917,036	\$1,009,771,154

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

²Comprised 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-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, 2025, and 2024, PMRS' fixed-income portfolio had the following effective duration:

INTEREST RATE RISK

2025		
Investment Type	Fair Value	Effective Duration
U.S. government and agency obligations	\$108,593,711	4.3
Corporates	120,449,051	6.5
Asset-backed and mortgage-backed securities	89,227,842	2.0
Collective trust funds - fixed income	782,846,235	4.9
Short-term investments - TGIF	57,427,825	0.1
Short-term investments - Other	14,372,372	0.0
Total	\$1,172,917,036	

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	

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.

Notes to Financial Statements

On December 31, 2025, and 2024, 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 members' 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

Notes to Financial Statements

of return for each major asset class included in SERS current and target asset allocation as of December 31, 2024, and 2023 are summarized in the following tables:

LONG-TERM EXPECTED REAL RATE OF RETURN

2024

Asset class	Target allocation	Long-term real rate of return
Private equity	16.00%	6.25%
Real estate	7.00	5.15
U.S. equity	37.00	5.15
International developed markets equity	14.00	5.00
Emerging markets equity	2.00	5.20
Fixed income	19.00	2.85
Inflation protection (TIPS)	3.00	2.55
Cash	2.00	0.50
Total	100.00%	

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%	

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, 2024, and 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation on December 31, 2024, and 2023. The following methods and assumptions were used in the actuarial valuation on December 31, 2024, and 2023:

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 4.58% 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 actuarial experience study 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.

Notes to Financial Statements

On December 31, 2025, PMRS reported a net pension liability of \$8.6 million and \$7.3 million on December 31, 2024, 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, 2024, and 2023, 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, 2024, PMRS' proportion was 0.046615315%, and 0.037932623%, on December 31, 2023.

For the years ended December 31, 2025, and 2024, PMRS recognized pension expenses of \$1,834,323 and \$1,261,852, respectively, in administrative expenses on the Statement of Changes in Fiduciary Net Position.

On December 31, 2025, and 2024, PMRS reported deferred outflows of resources and deferred inflows of resources from the following sources:



SCHEDULE OF DEFERRED OUTFLOWS AND INFLOWS 2025

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$389,330	\$9,589
Changes of assumptions	151,287	-
Differences between projected and actual investment earnings on pension plan investments	252,184	-
Difference between employer contributions and proportionate share of contributions	25,062	73,357
Changes in proportion	1,647,979	157,029
Contributions subsequent to measurement date	1,132,442	-
Total	\$3,598,284	\$239,975

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

Notes to Financial Statements

The amount reported as deferred outflows of resources on December 31, 2025, and 2024 includes contributions after the measurement date of \$1,132,442 and \$1,012,354, respectively, which are recognized as a reduction of the net pension liability in the years ended December 31, 2026, and 2025. The amounts reported as deferred outflows of resources and deferred inflows of resources on December 31, 2025, will be recognized in pension expense as follows:

Year Ended December 31	Deferred
2026	\$851,999
2027	1,009,360
2028	83,258
2029	219,475
2030	61,775
Total	\$2,225,867

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

2025

	1% Decrease to 5.875%	Discount rate of 6.875%	1% Increase to 7.875%
Net Pension Liability	\$11,478,999	\$8,589,753	\$6,150,415

2024

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

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. For disclosure purposes the plan is presented as a cost-sharing plan. 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.

Notes to Financial Statements

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 \$251 per bi-weekly pay period for each current REHP-eligible active employee during the fiscal year ended June 30, 2025, and \$275 per bi-weekly pay period during the fiscal year ended June 30, 2024. 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 inter-agency 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.

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, 2025, and 2024 are summarized in the following table:

LONG-TERM EXPECTED REAL RATE OF RETURN 2025

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US equities	42.0%	4.9%
Non-US equities	22.00	10.6
US fixed income	22.00	2.5
Public REITS	3.00	-
Infrastructure	4.00	4.3
Core real estate	5.00	3.8
Cash equivalents	1.00	0.9
Private equities	1.00	8.7
Total	100%	

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 equities	1.00	8.8
Total	100%	

On December 31, 2025, PMRS reported a net OPEB liability of \$3.2 million for its proportionate share of the net OPEB liability on the Statement of Fiduciary Net Position and \$3.7 million on December 31, 2024. The net OPEB liability was measured as of June 30, 2025, and 2024, 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, 2025, PMRS' proportion of the net OPEB liability was 0.058148%, and 0.053246% on June 30, 2024.

Notes to Financial Statements

CHANGE OF ASSUMPTIONS

- The discount rate increased from 6.09% as of June 30, 2024, to 6.68% as of June 30, 2025.
- Per capita claims costs were updated based on changes in the underlying claims and benefit provisions.
- The 2025 trend assumptions were updated to reflect expected calendar year 2026 medical rates.
- The trend assumptions for 2026+ were updated based on the SOA-Getzen trend rate model version 2025_1b. The short-term trend assumptions were based on industry surveys and the Commonwealth’s emerging experience, separately for non-Medicare and Medicare benefits. The Medicare trend assumption was also updated to reflect the negotiated \$0 premium rate guarantee in 2027 for the REHP Aetna Medicare Advantage Plan.

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, 2025, and 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated October 2025 and October 2024, respectively.

The total OPEB liability in the June 30, 2025, and 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

REHP RATES

Assumptions	June 30, 2025	June 30, 2024
Discount rate	6.68%	6.09%
Investment rate of return	6.75%	6.75%
Inflation	2.50%	2.50%
Initial medical trend rate	8.6% / -8.5%	8.2% / 8.2%
Ultimate medical trend rate	3.90%	3.90%
Year ultimate trend rate reached	2075	2075

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

For the years ended December 31, 2025, and 2024, PMRS recognized OPEB expenses of \$352,462 and \$75,125, respectively, in administrative expenses on the Statement of Changes in Fiduciary Net Position.



Notes to Financial Statements

On December 31, 2025, and 2024, PMRS reported deferred outflows of resources and deferred inflows of resources from the following sources:

SCHEDULE OF DEFERRED OUTFLOWS AND INFLOWS

2025

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$81,000	\$1,449,000
Changes of assumptions	72,000	683,000
Differences between projected and actual earnings on plan investments	-	43,000
Change in proportionate share and differences between actual and proportionate share of employer contributions	1,440,000	76,000
Contributions subsequent to measurement date	165,533	-
Total	\$1,758,533	\$2,251,000



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

The amount reported as deferred outflows of resources on December 31, 2025, and 2024 includes contributions after the measurement date of \$165,533 and \$159,752, respectively, which are recognized as a reduction of the net OPEB liability in the years ended December 31, 2026, and 2025. The amounts reported as deferred outflows of resources on December 31, 2025, will be recognized in OPEB expense as follows:

Year Ended June 30	Deferred
2026	\$(136,000)
2027	(135,000)
2028	(273,000)
2029	(72,000)
2030	(42,000)
Thereafter	-
Total	\$(658,000)

Notes to Financial Statements

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

	2025		
	1% Decrease to 5.68%	Discount rate of 6.68%	1% Increase to 7.68%
Net OPEB liability	\$3,611,000	\$3,228,000	\$2,895,000

	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

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 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

	2025		
	1% Decrease to (7.6% / -9.5% grading to 2.9%)	Healthcare Cost Trend Rates (8.6% / -8.5% grading to 3.9%)	1% Increase to (9.6% / -7.5% grading to 4.9%)
Net OPEB liability	\$2,809,000	\$3,228,000	\$3,725,000

	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

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

Notes to Financial Statements

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, 2025, and 2024 were \$357 thousand and \$347 thousand, respectively.

Notes to Financial Statements

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 22, 2026, the date the financial statements were available to be issued. No material events were identified by PMRS.



Required Supplementary Information

SCHEDULE 1

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

Year Ended December 31	Annual Rate
2025	14.12%
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

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
12/31/2024	0.043%	\$8,589,753	\$3,486,533	246.37%	67.7%
12/31/2023	0.035%	7,342,026	2,704,216	271.50%	65.3%
12/31/2022	0.036%	8,265,914	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	261.29%	63.0%
12/31/2016	0.023%	4,475,356	1,479,180	302.56%	57.8%
12/31/2015	0.026%	4,692,967	1,651,026	284.25%	58.9%

Required Supplementary Information

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
6/30/2025	0.058%	\$3,228,000	\$2,716,000	118.90%	16.4%
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

SCHEDULE 4

Schedule of Pension Contributions

	2025	2024	2023	2022	2021
Contractually determined contribution	\$1,132,442	\$1,012,354	\$871,185	\$793,464	\$670,627
Contributions in relation to the contractually determined contribution	1,132,442	1,012,354	871,185	793,464	670,627
Contribution deficiency (excess)	\$-	\$-	\$-	\$-	\$-
Covered payroll	\$3,740,469	\$3,326,052	\$2,885,312	\$2,721,746	\$2,336,925
Contributions as a percentage of covered payroll	30.28%	30.44%	30.19%	29.15%	28.70%
	2020	2019	2018	2017	2016
Contractually determined contribution	\$576,308	\$514,987	\$476,919	\$452,537	\$371,833
Contributions in relation to the contractually determined contribution	576,308	514,987	476,919	452,537	371,833
Contribution deficiency (excess)	\$-	\$-	\$-	\$-	\$-
Covered payroll	\$2,123,782	\$1,735,081	\$1,535,688	\$1,507,109	\$1,479,180
Contributions as a percentage of covered payroll	27.14%	29.68%	31.06%	30.03%	25.14%

Changes of assumptions: The SERS Board approved a decrease in the annual investment return assumption from 7.000% to 6.875% during its 2022 review for the December 31, 2022 valuations and has maintained it since. The Board maintained the annual investment return assumption at 7.000% during its 2021 review. Before that, the 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.

Required Supplementary Information

SCHEDULE 5

SCHEDULE OF OTHER POST EMPLOYEE BENEFIT OBLIGATIONS

	2025	2024	2023	2022	2021
Contractually determined contribution	\$312,243	\$303,027	\$211,376	\$136,310	\$70,723
Contributions in relation to the contractually determined contribution	312,243	303,027	211,376	136,310	70,723
Contribution deficiency (excess)	\$-	\$-	\$-	\$-	\$-
Covered payroll	\$3,740,469	\$3,326,052	\$2,885,312	\$2,721,746	\$2,336,925
Contributions as a percentage of covered payroll	8.35%	9.11%	7.33%	5.01%	3.03%
	2020	2019	2018	2017	
Contractually determined contribution	\$165,415	\$172,698	\$164,355	\$228,982	
Contributions in relation to the contractually determined contribution	165,415	172,698	164,355	228,982	
Contribution deficiency (excess)	\$-	\$-	\$-	\$-	
Covered payroll	\$2,123,782	\$1,735,081	\$1,535,688	\$1,507,109	
Contributions as a percentage of covered payroll	7.79%	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 was increased from 6.09% on June 30, 2024, to 6.68% as of June 30, 2025. Previously, the discount rate changed from 5.65% as of June 30, 2023, to 6.09% as of June 30, 2024. The discount rate was updated from 4.67% as of June 30, 2022, to 5.65% as of June 30, 2023. Before that, the discount rate was revised to 4.67% as of June 30, 2022, from 3.63% as of June 30, 2021, which was preceded by a discount rate of 2.21% as of June 30, 2020, and a rate of 3.5% as of June 30, 2019.

Supplementary Information

SCHEDULE 1 - Administrative Expenses

Comparative Two-Year Schedule
for the Years Ended December 31, 2025 and 2024

	2025	2024
Personnel expenses		
Salaries and wages	\$3,901,445	\$3,503,646
Social security contributions	276,083	246,516
Pension expense	1,834,323	1,261,852
OPEB expense	352,462	75,125
Insurance expenses	822,063	726,438
Other employee benefits	15,149	22,351
Total personnel expenses	7,201,525	5,835,928
Professional services		
IT consultants	196,795	31,171
Actuarial	1,303,598	970,355
Audit	141,580	134,560
Legal	45,053	63,303
Contracted personnel	84,834	101,868
Miscellaneous professional	147,160	223,573
Data processing	91,601	97,241
Total professional expenses	2,010,621	1,622,071
Communication		
Telephone	33,420	33,417
Travel and conferences	65,018	52,509
Printing and postage	42,305	35,753
Advertising	1,804	1,654
Total communication expenses	142,547	123,333
Other services and charges		
Contracted EDP services	1,023,174	1,179,121
Office space rental	357,959	347,347
Equipment leasing	33,807	42,430
Dues and subscriptions	14,031	17,736
Supplies	55,946	32,939
Maintenance	7,720	12,952
Bonding and insurance, net	33,793	34,653
Total other services	1,526,430	1,667,178
Depreciation	24,546	19,340
Total administrative expenses	\$10,905,669	\$9,267,850

Supplementary Information

SCHEDULE 2 -Investment Expenses

*Comparative Two-Year Schedule
for the Years Ended December 31, 2025 and 2024*

	2025	2024
Investment management fees	\$10,323,585	\$9,678,460
Investment consultants	300,000	300,000
Custodial fees	89,543	89,470
Divestiture services	(1,729)	9,639
Other investment administrative expenses	81,782	18,225
Total investment expenses	\$10,793,181	\$10,095,794

SCHEDULE 3 - Payments to Consultants

*Comparative Two-Year Schedule
for the Years Ended December 31, 2025 and 2024*

Firm Name	Nature of Service	2025	2024
Cheiron	Actuary	\$1,303,598	\$970,355
Zelenkofske Axelrod LLC	Auditor	141,580	134,560
Bravo Group	Communication & public relations services	6,940	38,400
Ernst & Young	Consulting Services	-	49,739
Marquette Associates	Investment consultant	300,000	300,000
CPAS Systems	IT consultants	40,796	-
Insight Public Sector	IT consultants	259	-
OST, Inc.	IT consultants	218,913	117,780
Sapient Corporation	IT consultants	21,660	-
Unisys	IT consultants	-	4,614
Institutional Shareholder Services	Proxy voting services	18,218	18,226
IMR Digital (formerly Keystone Digital Imaging Inc.)	Records management services	4,822	4,385
	Total	\$2,056,786	\$1,638,059

Investments



Basis of Presentation

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 \$3,967,924,591 presented in the Financial Section and the balance of \$3,958,407,227 reported in this section as of December 31, 2025, results in a difference in the net investment gain of \$502,605,560 presented in the Financial Section and the investment gain of \$492,242,986 reported in this section for the year ended December 31, 2025.

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, 2025, the system's

investment portfolio was valued at \$3,958,407,227, which was an increase of \$434,519,125 from the December 31, 2024, ending value of \$3,523,888,102. For the year ended December 31, 2025, the fund had net withdrawals of \$57,723,861 and an investment gain of \$492,242,986.

For the five years that ended December 31, 2025, PMRS had net withdrawals of \$303,473,690 and an investment return of \$1,086,070,222. PMRS' investment portfolio increased from \$3,175,810,695 as of December 31, 2020, to \$3,958,407,227 as of December 31, 2025.

Over the past ten years, PMRS has had net withdrawals of \$263,044,046 and an investment return of \$2,224,878,771. PMRS' investment portfolio increased from \$1,996,572,502 as of December 31, 2015, to \$3,958,407,227 as of December 31, 2025.

If PMRS had earned an annualized compound rate of 5.25% since December 31, 2015, the portfolio would have been worth \$2,715,541,778 or \$1,242,865,449 less than the actual value as of December 31, 2025.

Investment Guidelines

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.pmrspa.gov.

BACKGROUND

PMRS experienced negative cash flow in 2025 and 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, which, 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.



Investment Guidelines

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 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) the purchase of commodities, mineral rights, and warrants except those previously authorized; (2) short selling and the purchase 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 BNY 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

Investment Guidelines

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, 2025, and 2024, the total investment managers' fees based upon the average monthly net asset values of the PMRS' total investment portfolio were 27 basis points and 28 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, 2025, the net rate of return for PMRS' total portfolio was 14.1%, which was 0.1% less than the policy index¹ return of 14.2% and ranked in the 28th percentile of the Performance Analytics and Reporting Information System (PARis) All Public DB Plans universe. For the five years that ended December 31, 2025, the net rate of return for PMRS' total portfolio was 6.4%, which was 0.7% less than the policy index return of 7.1%, and ranked in the 50th percentile. Since inception, the net rate of return for PMRS' total portfolio was 8.5%, compared to the policy index¹ return of 9.0%.

Domestic Equity

For the year ended December 31, 2025, the net rate of return for the domestic equity portfolio was 14.6%, which was 2.5% less than the Russell 3000 Index return of 17.1%, and ranked in the 63rd percentile. For the five years that ended December 31, 2025, the net rate of return for the domestic equity portfolio was 11.1%, which was 2% less than the Russell 3000 Index return of 13.1%, and ranked in the 77th percentile.

Global Equity

For the year ended December 31, 2025, the net rate of return for the global equity portfolio was 11.9%, which was 1.3% more than the Global Equity Policy Index return of 10.6% and ranked in the 99th percentile. The global equity portfolio was a new investment in 2022.

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

Investment Guidelines

International Equity

For the year ended December 31, 2025, the net rate of return for the international equity portfolio was 35.5%, which was 3.5% more than the MSCI ACWI ex-USA Index return of 32% and ranked in the 7th percentile. For the five years that ended December 31, 2025, the net rate of return for the international equity portfolio was 7.6%, which was 0.2% less than the MSCI ACWI ex-USA Index return of 7.8% and ranked in the 46th percentile.

Real Assets

For the year ended December 31, 2025, the net rate of return for the real assets portfolio was 1.7%, which was 1.8% less than the Real Assets Policy Index of 3.5%. For the five years that ended December 31, 2025, the net rate of

return for the real assets portfolio was 3.0%, which was 2.3% less than the Real Assets Policy Index return of 5.3%.

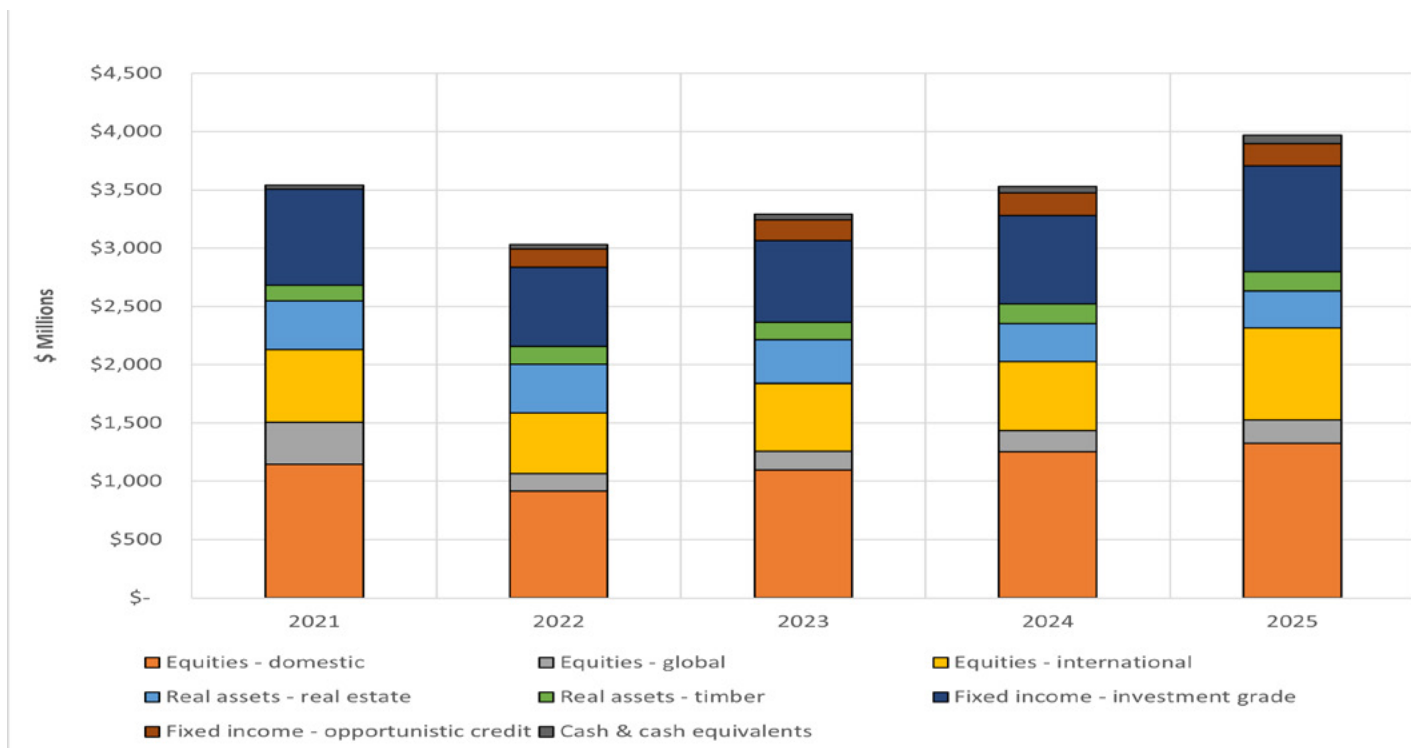
Fixed Income

For the year ended December 31, 2025, the net rate of return for the fixed-income portfolio was 7.2%, which was 0.1% less than the Bloomberg US Aggregate TR Index return of 7.3% and ranked in the 68th percentile. For the five years ended December 31, 2025, the net rate of return for the fixed-income portfolio was 0.2%, which was 0.6% more than the Bloomberg U.S. Aggregate TR Index return of (0.4)% and ranked in the 74th percentile.

The following graph shows PMRS' five-year trend of asset allocation as of December 31, 2025.

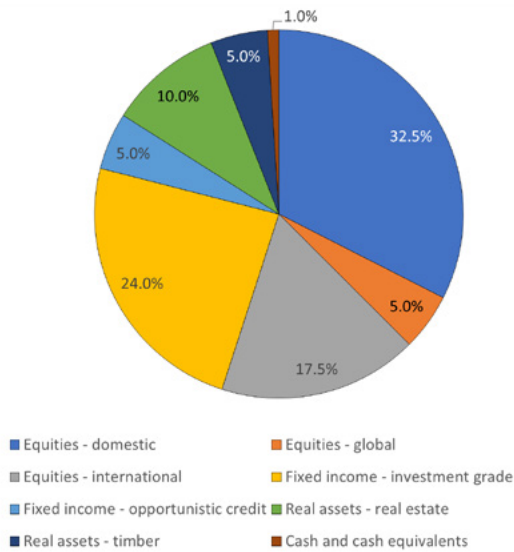
PORTFOLIO DISTRIBUTION

Five-Year Trend

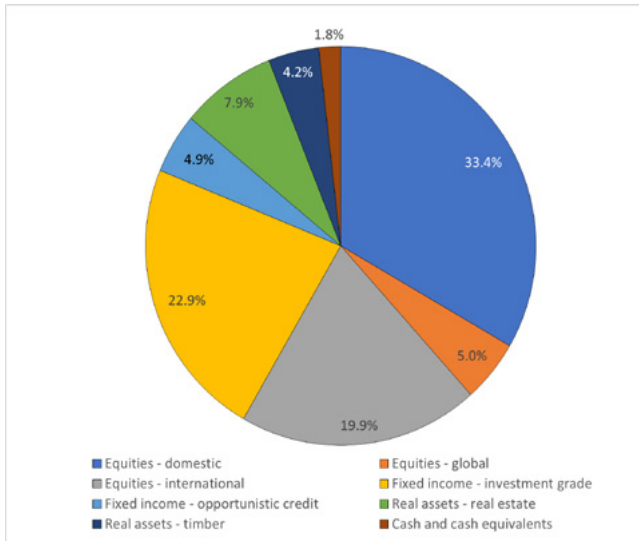


Asset Allocation

The board established its allocation goals as follows:



PMRS' portfolio allocation on December 31, 2025 was as follows:



The following table shows the allocation of assets on December 31, 2025.

ASSET ALLOCATION

as of December 31, 2025
(Amounts in Thousands)

Type	Percentage of Portfolio	Amount
Domestic	33.4%	\$1,323,615
Global	5.0%	200,254
International	19.9%	789,591
Total equities	58.3%	2,313,460
Investment grade	22.9%	907,496
Opportunistic credit	4.9%	193,423
Total fixed income	27.8%	1,100,919
Real Estate	7.9%	315,442
Timber	4.2%	166,304
Total real assets	12.1%	481,746
Cash and cash equivalents ¹	1.8%	71,800
Total portfolio	100.0%	\$3,967,925

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

PMRS' actual asset allocation on December 31, 2025, was \$1.32 billion committed to domestic equities, \$200.3 million to global equities, \$789.6 million to international equities, \$1.1 billion to fixed-income instruments, \$315.4 million to real estate, \$166.3 million to timber, and \$71.8 million to cash and cash equivalents.

Asset Allocation

The following table shows the actual allocation of assets compared to the board-established allocation on December 31, 2025.

ASSET ALLOCATION VARIANCE

as of December 31, 2025

(Amounts in Thousands)

Sector	Target Percentage Allocation	Target Dollar Allocation	Percentage of Portfolio	Current Dollar Allocation	Dollar Variance	Percentage Variance
Domestic	32.5%	1,289,575	33.4%	\$1,323,615	\$34,040	0.9%
Global	5.0%	198,396	5.0%	200,254	1,858	0.0%
International	17.5%	694,387	19.9%	789,591	95,204	2.4%
Total equities	55.0%	2,182,358	58.3%	2,313,460	131,102	3.3%
Investment grade	24.0%	952,302	22.9%	907,496	(44,806)	-1.1%
Opportunistic credit	5.0%	198,396	4.9%	193,423	(4,973)	-0.1%
Total fixed income	29.0%	1,150,698	27.8%	1,100,919	(49,779)	-1.2%
Real estate	10.0%	396,793	7.9%	315,442	(81,351)	-2.1%
Timber	5.0%	198,396	4.2%	166,304	(32,092)	-0.8%
Total real assets	15.0%	595,189	12.1%	481,746	(113,443)	-2.9%
Cash and cash equivalents ¹	1.0%	39,680	1.8%	71,800	32,120	0.8%
Total portfolio	100.0%	\$3,967,925	100.0%	\$3,967,925	\$-	0.0%

¹Cash 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, 2025, 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	14.1%	11.4%	6.4%	8.6%	8.5%	Jan-86
Policy Index	14.2%	11.9%	7.1%	8.5%	9.0%	
PARis All Public DB Plans Rank	28	52	50	23	27	
U.S. Equity Composite	14.6%	19.0%	11.1%	13.2%	9.8%	Jan-06
Russell 3000	17.1%	22.2%	13.1%	14.3%	10.8%	
PARis All Public DB Plans US Equity Rank	63	65	77	46	78	
Global Equity Composite	11.9%	10.6%	-	-	4.2%	Jan-22
Global Equity Policy Index	10.6%	9.9%	-	-	3.50%	
PARis All Public DB Plans Global Equity Rank	99	100	-	-	100	
Non-U.S. Equity Composite	35.5%	18.0%	7.6%	9.9%	8.7%	Jun-12
MSCI ACWI ex USA IMI	32.0%	17.1%	7.8%	8.4%	8.0%	
PARis All Public DB Plans-Developed Markets Rank	7	20	46	18	34	
Real Assets Composite	1.7%	-1.0%	3.0%	4.1%	6.8%	Apr-93
Real Assets Policy Index	3.5%	-0.6%	5.3%	5.3%	7.1%	
Total Fixed Income Composite	7.2%	5.8%	0.2%	2.3%	5.6%	Feb-86
Bloomberg US Aggregate TR	7.3%	4.7%	-0.4%	2.0%	5.5%	
PARis All Public DB Plans Fixed Income Rank	68	52	74	89	-	

Investment Summary

SUMMARY OF INVESTMENT EXPENSES

for the Years Ended December 31, 2025 and 2024

Firm name	2025	2024
Domestic equities managers		
MFS Institutional Advisers	\$566,259	\$520,778
Polen Capital Management	649,172	604,145
Emerald Advisers	303,251	256,691
Smith, Graham & Co.	-	242,450
Channing Capital Management	331,802	111,119
Copeland Capital Management	287,607	292,550
Northern Trust Investments, Inc	31,561	31,110
Xponance, Inc	64,420	64,826
	2,234,072	2,123,669
Global equities managers		
Rhumblin Advisers Limited Partnership	126,587	112,459
	126,587	112,459
International equities managers		
HGK Asset Management, Inc.	883,886	819,691
Hardman Johnston Global Advisors	799,232	699,271
Boston Partners	524,866	-
State Street Global Advisors	140,146	156,723
	2,348,130	1,675,685
Investment-grade fixed income managers		
Federated Investment Counseling	454,522	378,022
State Street Global Advisors	53,395	48,230
	507,917	426,252
Opportunistic credit fixed income managers		
Ares Global Multi-asset Credit	668,557	638,650
	668,557	638,650
Real assets managers		
1721 North Front Street Holdings, Inc.	75,290	-
Nuveen Real Estate	1,363,793	1,718,195
Prudential Financial, Inc.	1,751,448	1,759,403
Forest Investment Associates	1,247,791	1,224,147
	4,438,322	4,701,745
Total Investment Management Fees	10,323,585	9,678,460
Investment Consultant - Marquette	300,000	300,000
Custodial Fees - BNY Mellon	89,543	89,470
Divestiture Services	(1,729)	9,639
Other Investment Administrative Expenses	81,782	18,225
TOTAL INVESTMENT EXPENSES	\$10,793,181	\$10,095,794

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.pmrsp.pa.gov.

TEN LARGEST COMMON STOCK HOLDINGS

as of December 31, 2025

Stock	Shares	Fair Value	Percentage of Portfolio
Microsoft Corp	68,621	\$33,186,488	0.84%
NVIDIA Corp	177,651	33,131,912	0.84%
Apple Inc	88,413	24,035,958	0.61%
Amazon.com Inc	100,089	23,102,543	0.58%
Broadcom Inc	51,296	17,753,546	0.45%
Alphabet Inc - Class C	52,104	16,350,235	0.41%
JPMorgan Chase & Co	42,671	13,749,450	0.35%
Eli Lilly & Co	12,717	13,666,706	0.35%
Alphabet Inc - Class A	34,763	10,880,819	0.28%
Visa Inc	30,706	10,768,901	0.27%

TEN LARGEST FIXED INCOME HOLDINGS

as of December 31, 2025

Description	Shares	Fair Value	Percentage of Portfolio
U.S. Treasury Note, 3.625% August 31, 2027	11,500,000	\$11,526,565	0.29%
U.S. Treasury Note, 4.250% December 31, 2026	11,050,000	11,127,240	0.28%
U.S. Treasury Note, 3.750% April 30, 2027	7,750,000	7,774,490	0.20%
U.S. Treasury Note, 4.000% March 31, 2030	7,500,000	7,601,100	0.19%
U.S. Treasury Note, 3.500% September 30, 2027	7,000,000	7,002,170	0.18%
U.S. Treasury Inflation Index Note, 1.625% April 15, 2030	6,648,005	6,687,561	0.17%
U.S. Treasury Bond, 2.875% May 15, 2052	8,500,000	5,966,915	0.15%
U.S. Treasury Note, 4.125% October 31, 2029	5,645,000	5,745,086	0.15%
U.S. Treasury Note, 4.000% July 31, 2029	5,600,000	5,675,488	0.14%
U.S. Treasury Inflation Index Note, 1.875% July 15, 2035	4,562,775	4,558,030	0.12%

Investment Summary

PORTFOLIO SUMMARY

AS OF DECEMBER 31, 2025
(AMOUNTS IN THOUSANDS)

Type of Investment	Cost	Fair Value	Percentage of Total Fair Value
Equities			
Domestic	\$945,075	\$1,323,615	33%
Global	162,909	200,254	5%
International	504,199	789,591	20%
Total	1,612,183	2,313,460	58%
Fixed income			
Investment grade	850,812	907,496	23%
Opportunistic credit	145,208	193,423	5%
Total	996,020	1,100,919	26%
Other investments			
Real Assets	339,376	481,746	12%
Cash and cash equivalents ¹	71,800	71,800	2%
Total	411,176	553,546	14%
Total portfolio	\$3,019,379	\$3,967,925	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, 2025

Broker Name	Commissions Paid	Shares	Average Commission Per Share
Cabrera Capital	\$36,441	77,807	\$0.468
Jefferies	15,789	658,671	0.024
Royal Bank of Canada	12,675	645,392	0.020
BNY	8,254	318,688	0.026
JP Morgan Chase	7,810	310,214	0.025
Instinet	5,822	180,450	0.032
Raymond James	5,089	213,171	0.024
Siebert Williams Shank	4,884	195,373	0.025
Loop Capital	4,608	177,925	0.026
Barclays	4,582	432,180	0.011
Stifel	4,558	163,196	0.028
Piper Sandler	4,405	158,608	0.028
Goldman Sachs	3,421	134,264	0.025
Societe Generale	2,778	131,236	0.021
Bank Of America	2,114	102,672	0.021
Baird	2,089	71,646	0.029
Liquidnet	2,083	96,736	0.022
Apex Fintech Solutions	2,019	81,179	0.025
Cabrera Capital	1,371	54,824	0.025
Needham & Company	1,300	43,340	0.030
BMO	1,289	65,488	0.020
Morgan Stanley	1,264	66,966	0.019
Fidelity	1,092	52,213	0.021
JonesTrading	1,068	47,375	0.023
Oppenheimer	1,064	47,234	0.023
All other brokers (less than \$1,000)	16,227	657,694	0.025
Total	\$154,096	5,184,542	0.030

Actuarial





Via Electronic Mail

May 26, 2026

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, 2025 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 Supplementary 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, 2025, is 101.7% funded on an actuarial asset value basis. The funded ratio on a fair value basis is 108.7%.

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
May 26, 2026
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, 2025 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, were representative of the best estimate for the future experience of the System as of January 1, 2025. The investment return assumption for the 2025 actuarial valuation, which increased from 5.25% in the prior year to 5.50% for the current year, 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 Standard of Practice (ASOP) No. 27 (Selection of 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 relevant 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, fulfills both the requirements of ASOP No. 44, Section 4.4.1 and ASOP No. 41, Section 4.4. 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, 2025 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
May 26, 2026
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, 2025. 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, 2025 – Non-County Plans and Cash Balance (CB) and retiree liabilities
Measurement date	January 1, 2025
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 (*)	5.50%
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.

Actuarial Supplemental Information

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)
2025	\$557,265,518	\$1,814,550,351	\$865,915,583	\$3,291,257,902	100%	100%	106%
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%

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
2025	\$3,291,257,902	\$3,237,731,452	\$(53,526,450)	101.7%	5.50%
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%

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

Actuarial Supplemental Information

VALUATION OF LIABILITIES

Number of Plans

Valuation Date January 1,	Complete Valuation	Roll Forward	Cash Balance Plans¹
2025	714	4	342
2024	4	718	336
2023	719	4	329
2022	4	718	322
2021	720	4	328
2020	4	724	328
2019	719	4	323
2018	4	726	314
2017	718	4	311
2016	4	718	294

¹Explicit valuation for active and terminated vested accounts

SCHEDULE OF RETIREES AND BENEFICIARIES

Added or Removed from Rolls 10-Year Trend

Valuation Date January 1,	Added to Rolls		Removed from Rolls		Rolls - Valuation Date		Percentage Change	
	Number	Average Annual Annuities	Number	Average Annual Annuities	Number	Annual Annuities	Increase / (Decrease) in Number	Increase / (Decrease) in Annuities
2025	450	\$23,052	208	\$11,490	7,738	\$145,251,238	8.4%	6.0%
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%

Actuarial Supplemental Information

SCHEDULE OF TOTAL MEMBERSHIP BY STATUS

10-Year Trend

Active members:

Valuation date January 1,	Defined Benefit	Cash Balance	Retirees	Beneficiaries	Deferred pensions	Inactive members*	Total
2025	8,158	1,858	6,924	814	1,645	945	20,344
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

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

Actuarial Supplemental Information

SCHEDULE OF TOTAL MEMBERSHIP AND SALARY¹

	As of January 1,				
	2025	2024	2023	2022	2021
a. Retirees currently receiving benefits	6,924	6,719	6,461	6,295	6,050
b. Beneficiaries currently receiving benefits	814	777	777	708	694
c. Terminated vested employees entitled to future benefits from Defined Benefit Plans	1,188	1,094	1,092	957	933
d. Terminated non-vested employees entitled to contribution refunds from Defined Benefit Plan	945	996	755	40	47
e. Active employees in defined benefit plans ²	8,158	8,185	7,895	7,969	7,860
i. Aggregate Salary ³	\$562,019,212	\$536,974,651	\$508,976,064	\$497,193,829	\$476,970,336
ii. Vested ⁴	3,961	4,007	4,017	4,224	4,281
iii. Non-vested	4,197	4,178	3,878	3,745	3,579
f. Non-Retired Participants in cash balance plans	2,315	2,245	2,124	2,036	1,837
i. Aggregate Salary ⁵	\$105,287,152	\$95,431,331	\$87,705,525	\$79,029,741	\$71,553,094
ii. Active	1,858	1,835	1,725	1,650	1,486
iii. Inactive	457	410	399	386	351

	As of January 1,				
	2020	2019	2018	2017	2016
a. Retirees currently receiving benefits	5,781	5,550	5,307	5,099	4,784
b. Beneficiaries currently receiving benefits	654	639	599	600	576
c. Terminated vested employees entitled to future benefits from Defined Benefit Plans	882	853	797	834	872
d. Terminated non-vested employees entitled to contribution refunds from Defined Benefit Plan	47	40	35	28	7
e. Active employees in defined benefit plans ²	7,970	7,949	7,868	7,728	7,698
i. Aggregate Salary ³	\$465,906,342	\$455,352,355	\$434,554,380	\$422,621,214	\$394,133,120
ii. Vested ⁴	4,388	4,470	4,553	4,573	4,676
iii. Non-vested	3,582	3,479	3,315	3,156	3,022
f. Non-Retired Participants in cash balance plans	1,825	1,761	1,680	1,619	1,575
i. Aggregate Salary	\$69,134,048	\$63,302,730	\$60,013,152	\$53,998,354	\$51,642,049
ii. Active	1,502	1,446	1,387	1,303	1,274
iii. Inactive	323	315	293	316	301

¹Represents entire system. ²Increase in 2023 in non-vested members 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 in defined benefit plans is estimated based on service as of the valuation date. ⁵Actuary Updated 2023 Cash Balance Pay to better reflect prior year actual pay.

Actuarial Supplemental Information

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
2025	8,158	-0.3%	718	-0.6%	\$562,019,212	4.7%	\$68,892	5.0%
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%

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
2025	1,858	1.3%	342	1.8%	\$105,287,152	10.3%	\$56,667	9.0%
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%

⁵Actuary 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) of 5.25% was approved by the board effective January 1, 2017 and increased to 5.5% by the board effective January 1, 2025. The assumptions are as

Actuarial Supplemental Information

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:

- 20% of pre-retirement deaths are assumed to be service-related for municipal plans, and
- 70% of pre-retirement deaths are assumed to be service-related for uniform plans.

Age	Healthy Pre-Retirement	
	Male	Female
20	0.000	0.000
25	0.000	0.000
30	0.000	0.000
35	0.001	0.000
40	0.001	0.000
45	0.001	0.001
50	0.001	0.001
55	0.002	0.001
60	0.003	0.002
65	0.005	0.003
70	0.007	0.004

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	0.004	0.003
55	0.006	0.004
60	0.008	0.006
65	0.012	0.009
70	0.017	0.013
75	0.027	0.021
80	0.045	0.035
85	0.079	0.064

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	0.010	0.004
40	0.014	0.007
50	0.020	0.012
60	0.028	0.019
70	0.041	0.028
80	0.077	0.062

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)		UNIFORMED PARTICIPANTS
	<25	25+	
LESS THAN 1	11.0%	12.0%	10.0%
1	11.0%	12.0%	10.0%
2	10.0%	11.0%	10.0%
3	9.0%	10.0%	10.0%
4	8.0%	9.0%	10.0%
5	7.0%	7.5%	5.0%
6	8.0%	7.5%	4.0%
7	6.0%	7.0%	4.0%
8	5.0%	6.0%	4.0%
9	4.0%	5.0%	3.0%
10+	3.0%	3.5%	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	0.01%
35	0.02%
45	0.10%
55	0.11%
65	0.11%

Type of Disability:

- 20% of disablements are assumed to be service-related for municipal plans, and
- 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 (INCLUSIVE OF INFLATION)

Age	Years of Service			
	Under 3	3 and 4	5 and 6	7 or more
25	9.29%	8.26%	7.24%	6.22%
30	8.23%	7.20%	6.18%	5.16%
35	7.56%	6.53%	5.51%	4.49%
40	7.21%	6.18%	5.16%	4.14%
45	6.89%	5.86%	4.84%	3.82%
50	6.62%	5.59%	4.57%	3.55%
55	6.35%	5.32%	4.30%	3.28%
60	6.18%	5.15%	4.13%	3.11%
65	5.86%	4.83%	3.81%	2.79%

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



Actuarial Supplemental Information

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	First Year of Normal Retirement Eligibility	After First Year of Normal Retirement Eligibility
<55	33%	33%
55	30%	30%
56-57	12%	12%
58-59	14%	14%
60	18%	18%
61	20%	10%
62	30%	20%
63	28%	18%
64	20%	15%
65-67	30%	25%
68-70	25%	20%
71-73	22%	22%
74	20%	20%
75	100%	100%

2. Uniformed Members:

a. Retirement rates are reflected in the chart below.

RETIREMENT RATES FOR UNIFORMED MEMBERS

Age	All Years of Normal Retirement Eligibility ¹
<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%

¹For any members participating in a Deferred Retirement Option Program (DROP), the member's date of entry into the DROP is considered the retirement date.

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%

Actuarial Supplemental Information

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 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 5.5% 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 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) is the sum of all audited reserve accounts as of the valuation date, including Members', Municipal, Retired Members', Disability, and DROP Participant Reserves, as provided in the December 31, 2024 ACFR, 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. 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 has been determined.

The actuarial value can never be less than 90 percent of fair market value.

Each year, municipalities may receive an excess interest allocation derived as a portion of new surplus created during the prior year based on the current financial standing of

¹ If Applicable

² The Actuarial Value of Assets (AVA) was determined based on the methodology outlined in PMRS' Board Policy Statement 05-2. The 1/1/25 AVA was based on the reserves published by PMRS in the ACFR for the years ended December 31, 2024, and 2023.

Actuarial Supplemental Information

the System. "Surplus" refers to the excess of fair market 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 surplus to fair market value, between 10 percent and 90 percent of the new surplus will become available for possible distribution as excess interest pending Board approval.

The AVA is set equal to reserves under the System based on the unique legislative structure of PMRS. These reserves are increased annually at a set rate agreed on by the Board named "Regular Interest" as defined under the Pennsylvania Municipal Retirement Law. These assets do not relate directly or indirectly with the current market 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) 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,

Actuarial Supplemental Information

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,

Actuarial Supplemental Information

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

The Regular Interest Rate was increased by the Board effective January 1, 2025 from 5.25% to 5.50%.



Summary of Plan Provisions

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 non-service 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

Summary of Plan Provisions

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 was increased to 5.5% on January 1, 2025 from 5.25% in 2024. 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



Introduction

INTRODUCTION

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.

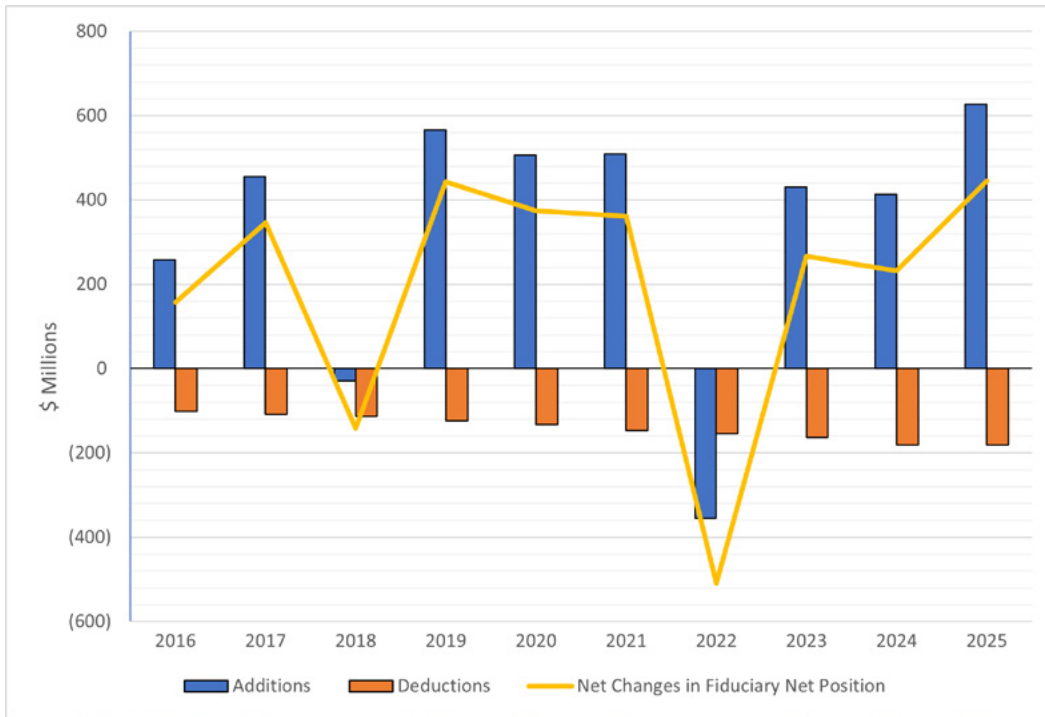
The graphs and schedules beginning on page 93 provide information relative to financial trends. The graphs and schedules provide detailed information about PMRS' net position and how it has changed over time.

The graphs and schedules beginning on page 98 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 102 provide information relative to pension payments and pensions awarded. The information is intended to provide contextual information about the payment trends of PMRS.



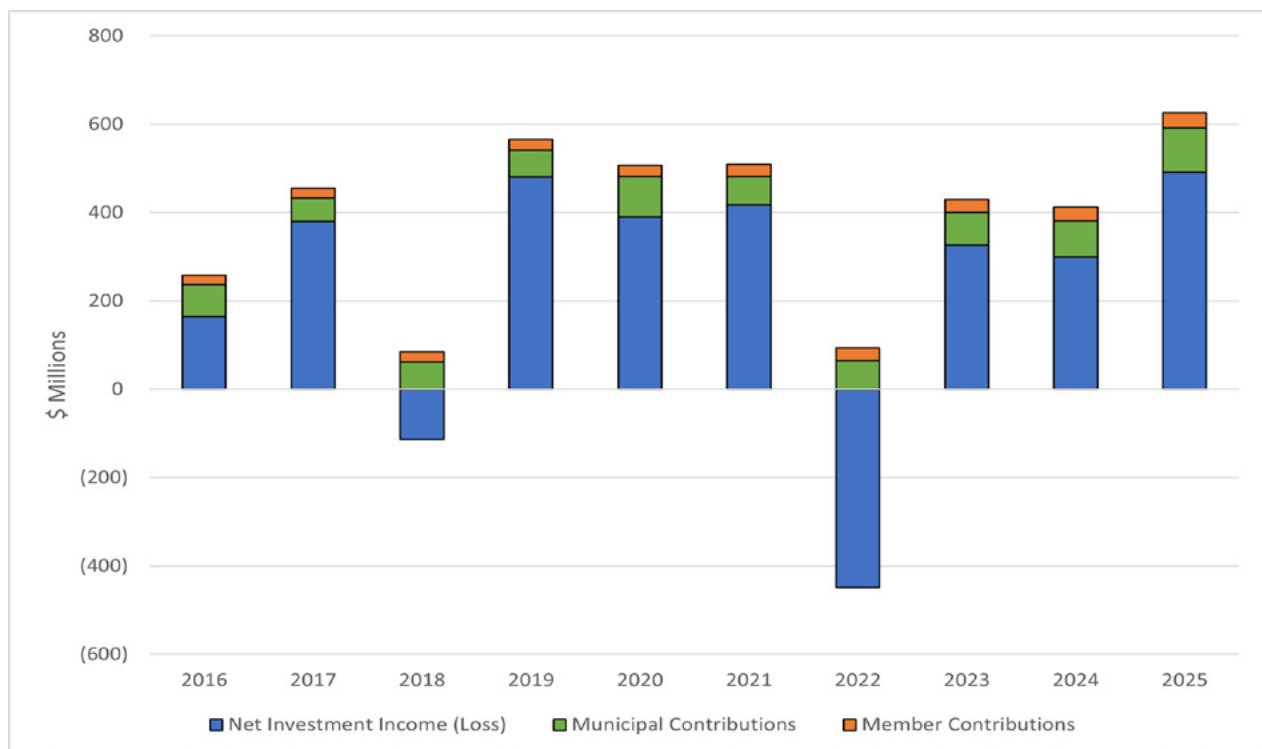
RESULTS OF OPERATIONS

10-Year Trend



ADDITIONS TO FIDUCIARY NET POSITION

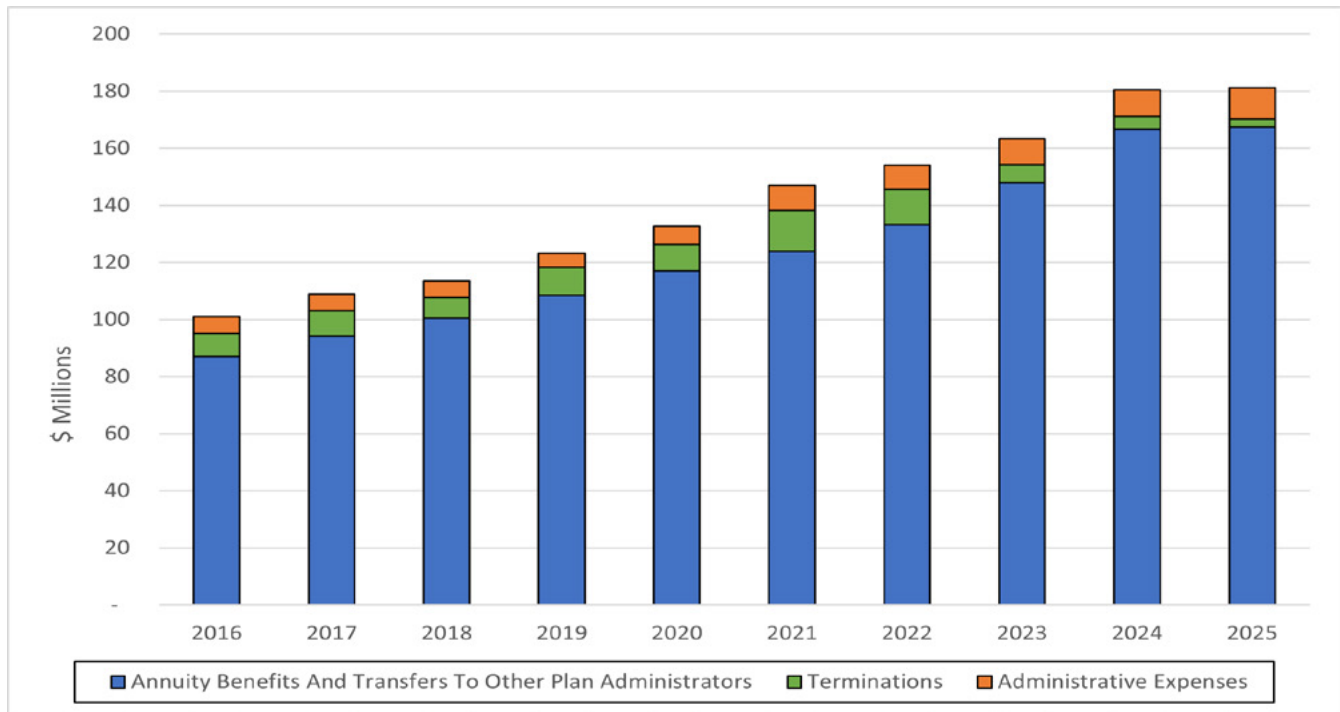
10-Year Trend



Part 1 - Financial

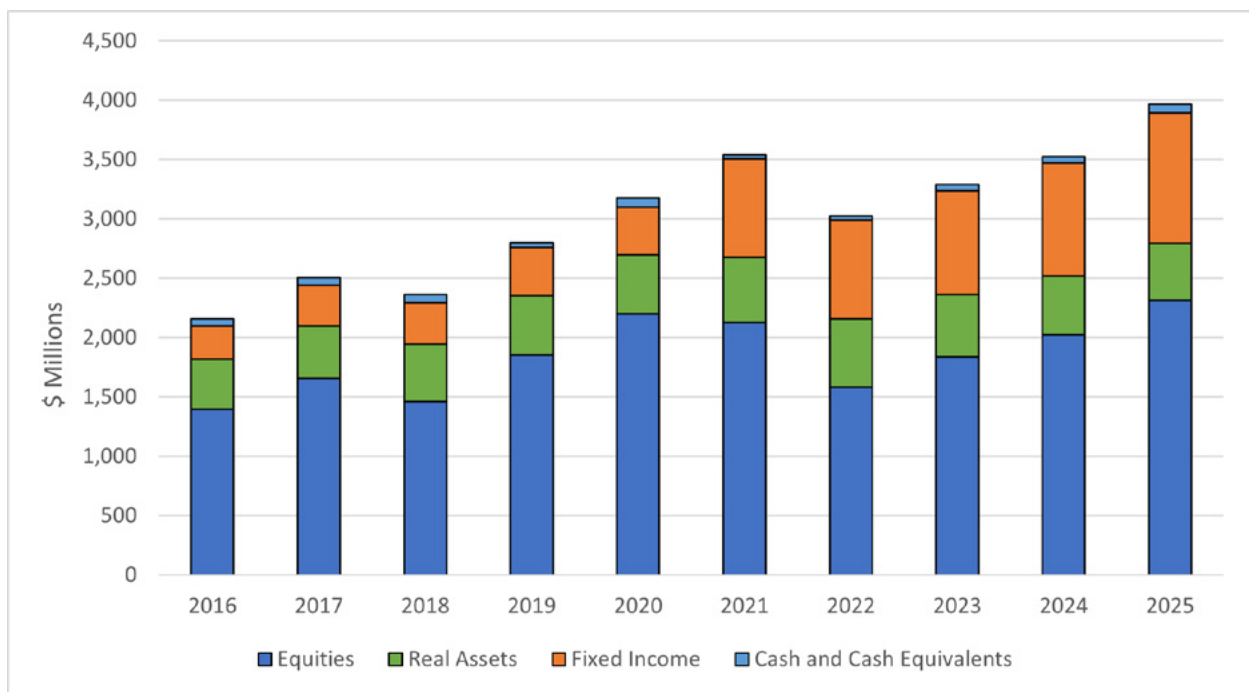
DEDUCTIONS FROM FIDUCIARY NET POSITION

10-Year Trend



INVESTMENTS BY TYPE

10-Year Trend



Part 1 - Financial

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
2025	\$134,943,712	\$491,813,860	\$170,287,354	\$10,905,669	\$445,564,549
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

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
2025	\$34,233,416	\$100,331,514 ³	\$378,782	\$491,813,860	\$626,757,572
2024	31,691,192	81,181,456 ⁴	304,308	299,601,038	412,777,994
2023	29,956,519	74,333,835 ⁵	275,718	325,894,455	430,460,527
2022	28,623,819	64,661,294 ⁶	269,269	(448,613,437)	(355,059,055)
2021	26,573,783	64,316,462 ⁷	251,945	417,791,414	508,933,604
2020	25,199,715	91,184,063 ⁸	248,889	390,643,231	507,275,898
2019	24,332,531	60,994,306 ⁹	356,500	480,282,330	565,965,667
2018	23,008,066	61,288,746 ¹⁰	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 ¹¹	227,302	163,735,825	257,734,911

¹Contributions were made in accordance with actuarially determined contribution requirements.

²Municipal assessments are receipts but not assets of the plans

³Municipal contributions for 2025 include additional contributions towards unfunded liability of \$2.5 million and transfers from other plan administrators of \$12.8 million.

⁴Municipal contributions for 2024 include additional contributions towards unfunded liability of \$3.8 million and transfers from other plan administrators of \$3.9 million.

⁵Municipal contributions for 2023 include additional contributions towards unfunded liability of \$2.6 million and transfers from other plan administrators of \$12.2 thousand.

⁶Municipal contributions for 2022 include additional contributions towards unfunded liability of \$1.3 million and transfers from other plan administrators of \$2.1 million.

⁷Municipal contributions for 2021 include additional contributions towards unfunded liability of \$2.1 million and transfers from other plan administrators of \$1.9 million.

⁸Municipal contributions for 2020 include additional contributions towards unfunded liability of \$2.1 million and transfers from other plan administrators of \$31.9 million.

⁹Municipal contributions for 2019 include transfers from other plan administrators of \$4.7 million.

¹⁰Municipal contributions for 2018 include additional contributions towards unfunded liability of \$8.6 million.

¹¹Municipal contributions for 2016 include transfers from other plan administrators of \$21.4 million.

Part 1 - Financial

DEDUCTIONS FROM FIDUCIARY NET POSITION

10-Year Trend

Benefits and Refunds

Year	Annuity	Refunds	Administrative Expenses	Deductions From Fiduciary Net Position
2025	\$153,002,141	\$17,285,213	\$10,905,669	\$181,193,023
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

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
2025	\$103,311,868	\$31,092,290	\$1,965,026	\$11,506,379	\$1,473,341	\$2,324,717	\$1,328,520	\$153,002,141
2024	95,551,823	31,370,278	1,938,306	11,136,785	1,897,325	1,966,611	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	129,466,839
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	114,291,794
2019	86,559,982	9,085,439	1,569,152	8,022,306	2,860,130	368,908	-	108,465,917
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

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**

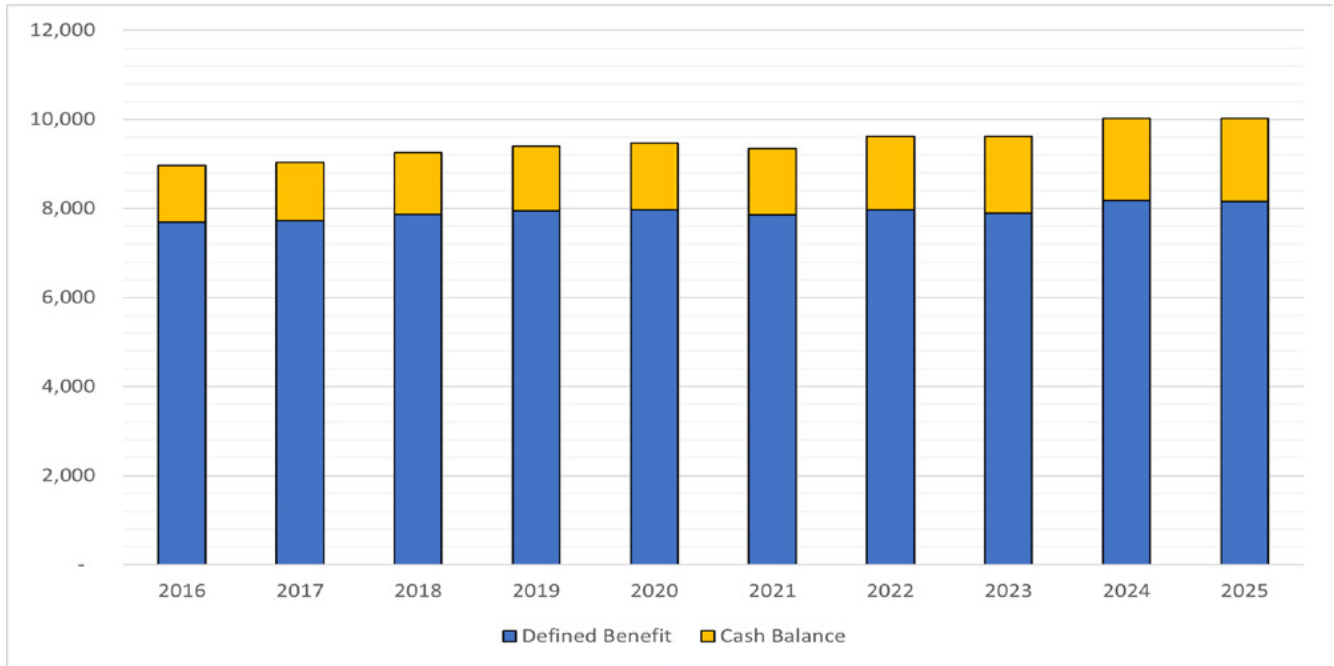
10-Year Trend

Year	Refunds by Type		Total Refunds
	Terminations	Lump Sum	
2025	\$1,291,104	\$15,994,109	\$17,285,213
2024	2,520,558	15,341,997	17,862,555
2023	5,664,849	13,046,120	18,710,969
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

Part 2 - Membership

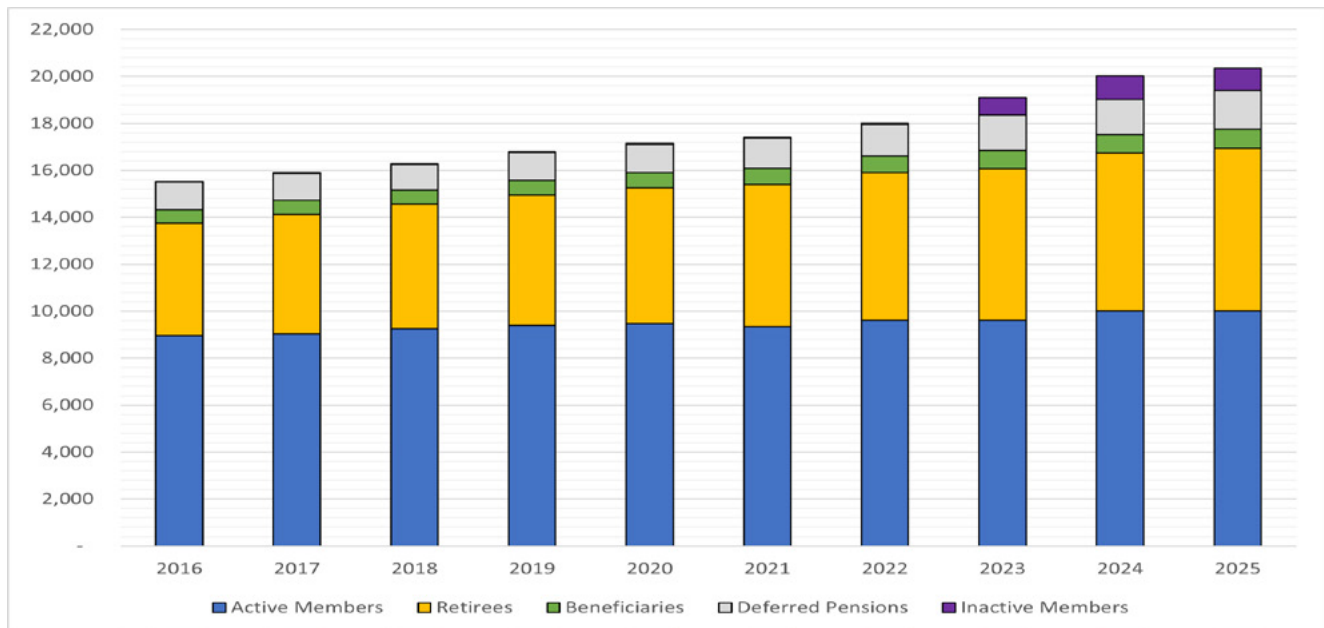
ACTIVE MEMBERS BY PLAN TYPE

10-Year Trend
(as of January 1)



TOTAL MEMBERSHIP

10-Year Trend
(as of January 1)



Part 2 - Membership

TEN LARGEST EMPLOYERS

*(based on number of reported members)
as of December 31, 2025*

Name	Number of Members	Percentage of Total
Adams County	657	5.63%
Allentown City	564	4.84%
Bethlehem City	366	3.14%
Harrisburg City	352	3.02%
Jefferson County	281	2.41%
Wyoming Valley Sewer Authority	197	1.69%
Lehigh County Authority	189	1.62%
Capital Region Water	173	1.48%
Easton City	154	1.32%
Monroeville Municipality	130	1.11%

TEN LARGEST EMPLOYERS

*(based on number of reported members)
as of December 31, 2016*

Name	Number of Members	Percentage of Total
Adams County	514	5.07%
Allentown City	431	4.25%
Bethlehem City	317	3.12%
Harrisburg City	211	2.08%
Jefferson County	172	1.70%
Lehigh County Authority	149	1.47%
Wyoming Valley Sanitary Authority	139	1.37%
Easton City	122	1.20%
Capital Region Water	118	1.16%
Bucks County Water & Sewer Authority	117	1.15%

Part 2 - Membership

SCHEDULE OF TOTAL MEMBERSHIP

10-Year Trend

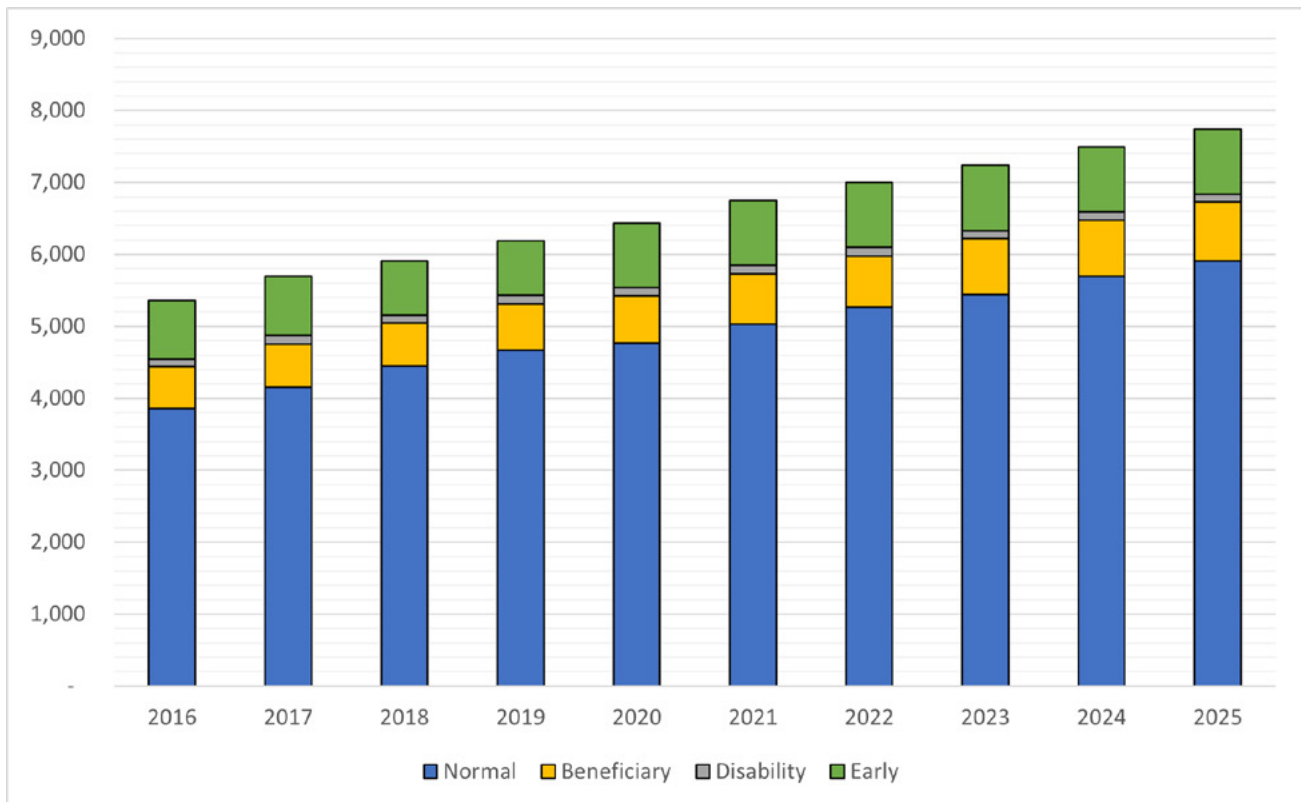
Valuation Date	Active Members		Retirees	Beneficiaries	Deferred Pensions ¹	Inactive Members ²	Total
	Defined Benefit	Cash Balance					
January 1, 2025	8,158	1,858	6,924	814	1,645	945	20,344
2024	8,185	1,835	6,719	777	1,504	996	20,016
2023	7,895	1,725	6,461	777	1,491	755	19,104
2022	7,969	1,650	6,295	708	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

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)



Part 2 - Membership

DISTRIBUTION OF ACTIVE MEMBERS

*Counts by Age/Service
as of January 1, 2025*

Age	Years of Service										Total
	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	
Under 20	22	3	1	0	0	0	0	0	0	0	26
20 - 24	174	107	50	35	5	0	0	0	0	0	371
25 - 29	182	168	120	150	126	6	0	0	0	0	752
30 - 34	181	142	132	166	301	69	4	0	0	0	995
35 - 39	164	142	133	156	316	175	60	2	0	0	1,148
40 - 44	139	127	103	114	283	158	154	48	2	0	1,128
45 - 49	100	115	97	119	233	134	130	165	33	1	1,127
50 - 54	111	97	94	116	267	146	160	154	106	58	1,309
55 - 59	114	108	73	108	252	165	151	166	140	141	1,418
60 - 64	58	49	43	61	192	144	137	134	105	220	1,143
65 & up	15	16	19	47	120	74	69	74	56	109	599
Total	1,260	1,074	865	1,072	2,095	1,071	865	743	442	529	10,016

DISTRIBUTION OF ACTIVE MEMBERS

*Average Salary by Age/Service
as of January 1, 2025*

Age	Years of Service										Average
	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	
Under 20	\$33,377	\$47,275	\$36,688	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$35,108
20 - 24	41,331	47,276	54,625	55,105	56,930	-	-	-	-	-	46,347
25 - 29	41,739	55,431	60,571	63,927	69,062	83,494	-	-	-	-	57,140
30 - 34	46,834	59,227	62,663	67,732	72,700	77,871	78,814	-	-	-	64,295
35 - 39	46,937	57,470	64,551	66,400	76,383	78,969	77,055	93,594	-	-	67,569
40 - 44	46,753	58,837	61,871	61,311	72,112	77,346	85,870	82,998	107,687	-	68,604
45 - 49	48,512	59,405	57,310	64,414	68,974	76,763	81,629	89,131	95,792	55,411	70,807
50 - 54	50,718	55,916	57,141	62,723	69,198	72,846	76,773	87,082	85,154	86,318	70,695
55 - 59	45,543	61,181	53,184	61,358	62,069	68,503	70,574	76,098	77,148	86,465	67,373
60 - 64	43,899	57,236	61,970	60,440	68,213	70,180	69,803	69,530	71,899	84,064	69,841
65 & up	37,870	50,703	66,278	53,803	62,353	67,883	63,665	79,859	64,958	73,288	66,112
Average	\$45,224	\$56,829	\$60,119	\$63,332	\$69,776	\$74,013	\$75,920	\$80,952	\$77,807	\$82,676	\$66,624

Part 2 - Membership

PENSIONS IN PAYMENT

*By Monthly Amount and Type
as of January 1, 2025*

Monthly Amount	Type Of Pension					Total
	Normal	Involuntary Early	Voluntary Early	Service Disability	Non-Service Disability	
Under \$100	255	21	17	1	1	295
\$100 - \$199	324	28	32	1	0	385
200 - 299	291	28	30	0	0	349
300 - 399	304	22	35	3	2	366
400 - 499	330	23	30	1	2	386
500 - 599	287	9	32	1	5	334
600 - 699	241	15	37	2	0	295
700 - 799	261	13	34	1	0	309
800 - 899	262	12	35	1	8	318
900 - 999	234	8	28	6	5	281
1000 - 1199	490	15	67	5	13	590
1200 - 1399	395	12	59	7	4	477
1400 - 1599	356	6	40	7	4	413
1600 - 1799	320	7	33	3	2	365
1800 - 1999	304	3	34	3	4	348
2000 - 2199	272	2	17	2	2	295
2200 - 2399	243	4	23	4	0	274
2400 - 2599	212	1	18	1	2	234
2600 - 2799	164	0	12	2	2	180
2800 - 2999	141	0	8	0	1	150
3000 - 3499	326	1	18	0	1	346
3500 - 3999	244	0	13	1	0	258
4000 and over	471	0	17	0	2	490
Total	6,727	230	669	52	60	7,738

Part 2 - Membership

PENSIONS AWARDED BY TYPE AND AMOUNT

10-Year Trend

Valuation Date 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
2025	421	\$1,943	15	\$1,737	5	\$621	9 (4)	\$1,918	450	\$1,921
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	29	\$1,350	8	\$822	4 (1)	\$1,311	383	\$1,576
2017	397	\$1,600	28	\$1,428	11	\$627	11 (3)	\$1,485	447	\$1,562
2016	309	\$1,593	22	\$1,569	4	\$562	4 (2)	\$1,113	339	\$1,574

*Number of service-related disability pensions shown in parentheses

Part 2 - Membership

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 In Number Of Participating Employers	Total Annual Payroll	Percentage Increase in Payroll	Average Annual Salary	Percentage Increase in Average Annual Salary
2025	8,158	-0.3%	718	-0.6%	\$562,019,212	4.7%	\$68,892	5.0%
2024	8,185	3.7%	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	-0.5%	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%	57,284	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%

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

10-Year Trend

Cash Balance Plans

Valuation Date 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
2025	1,858	1.3%	342	1.8%	\$105,287,152	10.3%	\$56,667	9.0%
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	11.0%	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%

Part 2 - Membership

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+
2025							
Average monthly benefit	\$212	\$611	\$1,175	\$1,513	\$2,663	\$3,440	\$3,648
Average final average salary	\$49,833	\$55,015	\$65,247	\$56,440	\$70,399	\$83,388	\$82,686
Number of retired members	27	44	61	40	53	51	102
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

Part 2 - Membership

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+
2025							
Average monthly benefit	\$145	\$324	\$668	\$868	\$1,202	\$907	\$2,074
Number of retired members	8	20	14	5	7	6	16
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

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Adams County	County
Adamstown Borough	Borough
Allegheny Township (Westmoreland County)	Township of the Second Class
Allegheny Valley Joint Sewage Authority	Authority and other units
Allegheny Valley Regional Police	Police
Allentown City	City
Ambridge Borough Municipal Authority	Authority and other units
Antrim Township	Township of the Second Class
Apollo Borough	Borough
Apollo Borough Police	Police
Armstrong Conservation District	Authority and other units
Ashland Borough	Borough
Ashley Borough Police	Police
Atglen Borough	Borough
Atglen Borough (CB Plan)	Borough
Athens Township	Township of the Second Class
Avondale Borough	Borough
Avonmore Borough	Borough
B.A.R.T.A.	Authority and other units
Bald Eagle Township	Township of the Second Class
Bally Borough	Borough
Bally Borough Police	Police
Bangor Borough	Borough
Bangor Borough (CB Plan)	Borough
Bangor Borough Sewer Department	Authority and other units
Bath Borough Authority	Authority and other units
Beaver Meadows Borough Police	Police
Beaver Township	Township of the Second Class
Bedford Borough	Borough
Bedford Borough (CB)	Borough
Bedford Township Municipal Authority	Authority and other units
Bedminster Township	Township of the Second Class
Bedminster Township Police	Police
Bell Township	Township of the Second Class
Belle Vernon Municipal Authority	Authority and other units
Bellefonte Borough	Borough
Bellefonte Borough (CB Plan)	Borough
Bellwood Borough	Borough
Bellwood Borough Police	Police
Bentleyville Borough	Borough
Bentleyville Borough Police	Police

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Bentleyville Borough Police (CB Plan)	Police
Berlin Borough	Borough
Berlin Borough (CB Plan)	Borough
Bessemer Borough Police	Police
Bethel Township	Township of the Second Class
Bethlehem Authority	Authority and other units
Bethlehem City	City
Bethlehem City Redevelopment Authority	Authority and other units
Bethlehem Parking Authority	Authority and other units
Big Beaver Borough	Borough
Big Beaver Borough Police	Police
Biglerville Borough	Borough
Biglerville Borough (CB Plan)	Borough
Biglerville Borough Police	Police
Birmingham Township	Township of the Second Class
Birmingham Township Police	Police
Black Creek Township	Township of the Second Class
Blair Township	Township of the Second Class
Blair Township Police	Police
Blair Township Water and Sewer Authority	Authority and other units
Bloomfield Borough	Borough
Bloomfield Township	Township of the Second Class
Bloomfield Township Sewage Authority	Authority and other units
Blooming Grove Township	Township of the Second Class
Boggs Township (Centre County)	Township of the Second Class
Boggs Township (Clearfield County)	Township of the Second Class
Bowmanstown Borough	Borough
Brackenridge Borough	Borough
Bradford City Water Authority	Authority and other units
Bradford Regional Airport Authority	Authority and other units
Brecknock Township	Township of the Second Class
Brecknock Township (Berks County) (CB Plan)	Township of the Second Class
Brecknock Township Police	Police
Briar Creek Township	Township of the Second Class
Briar Creek Township Police	Police
Bridgeville Borough	Borough
Bridgewater Borough	Borough
Bridgewater Borough Police	Police
Brighton Township	Township of the Second Class
Brighton Township Municipal Authority	Authority and other units

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Brighton Township Sewage Authority	Authority and other units
Bristol Township	Township of the First Class
Broad Top Township	Township of the Second Class
Brockway Area Sewage Authority	Authority and other units
Brockway Borough	Borough
Brockway Borough Municipal Authority	Authority and other units
Brodhead Creek Regional Authority	Authority and other units
Brokenstraw Township	Township of the Second Class
Brookville Borough	Borough
Brookville Municipal Authority	Authority and other units
Brothersvalley Township	Township of the Second Class
Brown Township	Township of the Second Class
Buckingham Township	Township of the Second Class
Buckingham Township Police	Police
Bucks County Redevelopment Authority	Authority and other units
Bucks County Water & Sewer Authority	Authority and other units
Bucks County Water and Sewer Authority (CB Plan)	Authority and other units
Buffalo Township	Township of the Second Class
Burnside Township	Township of the Second Class
Burrell Township	Township of the Second Class
Burrell Township Sewage Authority	Authority and other units
Butler Area Public Library	Township of the Second Class
Caernarvon Township	Township of the Second Class
California Borough	Borough
California Borough Police	Police
Caln Township	Township of the First Class
Cambria County Conservation & Recreation Authority	Authority and other units
Cambria County Conservation District	Authority and other units
Cambria Township	Township of the Second Class
Cambria Township Police	Police
Cambria Township Sewer Authority	Authority and other units
Cambria Township Water Authority	Authority and other units
Cambridge Springs Borough	Borough
Cambridge Springs Borough Police	Police
Cambridge Township	Township of the Second Class
Camp Hill Borough	Borough
Camp Hill Borough (CB Plan)	Borough
Camp Hill Borough Police	Police
Canal Township	Township of the Second Class
Canton Township	Township of the Second Class

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Capital Region Water	Authority and other units
Carbon County Conservation District	Authority and other units
Carmichaels-Cumberland Joint Sewer Authority	Authority and other units
Carnegie Borough	Borough
Carroll Township Authority	Authority and other units
Carroll Township Police	Police
Carroll Valley Borough	Borough
Carroll Valley Borough Police	Police
Carrolltown Borough	Borough
Carrolltown Borough Police	Police
Cass Township	Township of the Second Class
Catawissa Borough Municipal Water Authority	Authority and other units
Center Township (Greene County)	Township of the Second Class
Center Township (Indiana County)	Township of the Second Class
Center Township (Snyder County)	Township of the Second Class
Centerville Borough	Borough
Centerville Borough Sanitary Authority	Authority and other units
Central Carbon Municipal Authority	Authority and other units
Central City Borough	Borough
Central City Borough Police	Police
Central City Water Authority	Authority and other units
Central Indiana County Joint Sanitary Authority	Authority and other units
Centre County Library & Historical Museum	Authority and other units
Centre Township (Berks County)	Township of the Second Class
Centre Township (Berks County) Police	Police
Centre Township (Perry County)	Township of the Second Class
Charleroi Borough	Borough
Cherrytree Township	Township of the Second Class
Chippewa Township	Township of the Second Class
Christiana Borough (Lancaster County)	Borough
Clairton City	City
Clairton Firefighters	Firefighters
Clairton Police	Police
Clarion County Housing Authority	Authority and other units
Clarion County Housing Authority (CB Plan)	Authority and other units
Clarion Township	Township of the Second Class
Clay Township	Township of the Second Class
Claysville Borough	Borough
Clearfield Co. Conservation District	Authority and other units
Clearfield Township	Township of the Second Class

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Cleona Borough	Borough
Clymer Borough	Borough
Clymer Borough Police	Police
Coaldale Borough	Borough
Coaldale-Lansford-Summit Hill Sewer Authority	Authority and other units
Cochranton Borough	Borough
Cochranton Borough Police	Police
Cokeburg Borough	Borough
Colebrookdale Township Police	Police
Collegetown Borough	Borough
Collier Township	Township of the First Class
Collier Township Sewer Department	Authority and other units
Collingdale Borough	Borough
Columbia County Conservation District	Authority and other units
Columbus Township	Township of the Second Class
Concord Township	Township of the Second Class
Conemaugh Township	Township of the Second Class
Conewago Township	Township of the Second Class
Conneaut Lake Regional Police	Police
Conneautville Borough	Borough
Connellsville City	City
Connellsville Municipal Authority	Authority and other units
Connellsville Redevelopment Authority	Authority and other units
Conshohocken Borough	Borough
Conshohocken Borough Authority	Authority and other units
Conway Borough	Borough
Cook Township	Township of the Second Class
Coolspring Township	Township of the Second Class
Coolspring, Jackson & Lake Latonka Joint Authority	Authority and other units
Coplay-Whitehall Sewer Authority	Authority and other units
Cornplanter Township	Township of the Second Class
Corydon Township	Township of the Second Class
Covington Township	Township of the Second Class
Covington Township Police	Police
Cranberry Township	Township of the Second Class
Crescent Township	Township of the First Class
Crescent Township Police	Police
Cressona Borough	Borough
Cressona Borough Authority	Authority and other units
Creswell Heights Joint Authority	Authority and other units

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Cross Creek Township	Township of the Second Class
Cumberland-Franklin Joint Municipal Authority	Authority and other units
Curwensville Municipal Authority	Authority and other units
Cussewago Township	Township of the Second Class
Dalton Borough	Borough
Danville Borough Police	Police
Darlington Township	Township of the Second Class
Darlington Township Police	Police
Decatur Township Police	Police
Deemston Borough	Borough
Delaware Township	Township of the Second Class
Delaware Valley Muni. Mgt. Assoc. (CB Plan)	Authority and other units
Delaware Valley Municipal Management Association	Authority and other units
Delmont Borough	Borough
Delmont Borough Police	Police
Derry Borough	Borough
Derry Township (Dauphin County)	Township of the Second Class
Derry Township (Dauphin County) (CB Plan)	Township of the Second Class
Derry Township (Mifflin County)	Township of the Second Class
Derry Township (Westmoreland County)	Township of the Second Class
Derry Township Municipal Authority	Authority and other units
Derry Township Sanitary Sewer Authority	Authority and other units
Dickinson Township	Township of the Second Class
Dingman Township	Township of the Second Class
Donegal Township (Butler County)	Township of the Second Class
Donegal Township (Washington County)	Township of the Second Class
Donegal Township (Westmoreland County)	Township of the Second Class
Donegal Township Police (Washington County)	Police
Dorrance Township	Township of the Second Class
Douglass Township (Montgomery County)	Township of the Second Class
Douglass Township (Montgomery County) Police	Police
Douglass Township Police (Berks County)	Police
Dravosburg Borough	Borough
Drumore Township	Township of the Second Class
Dublin Borough	Borough
Dublin Borough Police	Police
DuBois City Redevelopment Authority	Authority and other units
Duboistown Borough	Borough
Duboistown Borough Police	Police
Dunbar Borough Police	Police

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Duncannon Borough	Borough
Duncannon Borough Police	Police
Duncansville Borough	Borough
Duncansville Borough Police	Police
East Allen Township	Township of the Second Class
East Bangor Borough Police	Police
East Berlin Area Joint Authority	Authority and other units
East Berlin Borough	Borough
East Berlin Borough Police	Police
East Carroll Township	Township of the Second Class
East Coventry Township	Township of the Second Class
East Coventry Township (CB Plan)	Township of the Second Class
East Coventry Township Police	Police
East Deer Township	Township of the First Class
East Deer Township Police	Police
East Fallowfield Township	Township of the Second Class
East Fallowfield Township Police	Police
East Finley Township	Township of the Second Class
East Franklin Township Police	Police
East Greenville Borough	Borough
East Greenville Borough Police	Police
East Hanover Township	Township of the Second Class
East Huntingdon Township	Township of the Second Class
East Manchester Township	Township of the Second Class
East Marlborough Township	Township of the Second Class
East Marlborough Township Police	Police
East Norriton-Plymouth-Whitpain Joint Sewer Authority	Authority and other units
East Pennsboro Township Police	Police
East Rochester Borough	Borough
East Rockhill Township	Township of the Second Class
East Rockhill Township (CB Plan)	Township of the Second Class
East Stroudsburg Borough	Borough
East Stroudsburg Borough (CB Plan)	Borough
East Washington Borough	Borough
East Washington Borough Police	Police
Eastern Snyder County Regional Authority	Authority and other units
Easton City	City
Eaton Township	Township of the Second Class
Economy Borough Municipal Authority	Authority and other units
Eldred Township (Jefferson County)	Township of the Second Class

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Eldred Township (Monroe County)	Township of the Second Class
Eldred Township (Warren County)	Township of the Second Class
Elizabeth Borough Municipal Authority	Authority and other units
Elizabeth Township (Allegheny County)	Township of the First Class
Elizabeth Township (Allegheny County) Police	Police
Elizabeth Township (Lancaster County)	Township of the Second Class
Elizabeth Township (Lancaster County) (CB Plan)	Township of the Second Class
Elizabeth Township Sanitary Authority	Authority and other units
Elizabethville Area Authority	Authority and other units
Elk Creek Township	Township of the Second Class
Elk Township	Township of the Second Class
Emlenton Borough	Borough
Emlenton Borough Police	Police
Emporium Borough	Borough
Emporium Borough Police	Police
Erie Co. Diversity Equity Inclusion Commission	County
Erie County Gaming Revenue Authority	Authority and other units
Erie County Housing Authority	Authority and other units
Etna Borough	Borough
Everett Area Municipal Authority	Authority and other units
Everett Borough	Borough
Everett Borough Police	Police
Factoryville Borough	Borough
Factoryville Borough Police	Police
Fairfield Municipal Authority	Authority and other units
Fairfield Township	Township of the Second Class
Fairview Township	Township of the Second Class
Fairview Township Police	Police
Falls Creek Borough	Borough
Falls Creek Borough Police	Police
Falls Township	Township of the Second Class
Farmington Township (Clarion County)	Township of the Second Class
Farmington Township (Warren County)	Township of the Second Class
Farrell City	City
Farrell City Firefighters	Firefighters
Farrell City Police	Police
Fawn Township Sewage Authority	Authority and other units
Fawn-Frazer Joint Water Authority	Authority and other units
Fayette County Conservation District	Authority and other units
Ferndale Borough	Borough

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Ford City Borough	Borough
Forest City Borough	Borough
Forest City Borough Police	Police
Forest County	County
Forks Township	Township of the Second Class
Forks Township (CB Plan)	Township of the Second Class
Forward Township	Township of the Second Class
Forward Township Police	Police
Foster Township	Township of the Second Class
Fountain Hill Borough	Borough
Fountain Hill Borough (CB)	Borough
Frackville Area Municipal Authority	Authority and other units
Franklin Borough	Borough
Franklin Borough Police	Police
Franklin City Housing Authority	Authority and other units
Franklin Township (Beaver County)	Township of the Second Class
Franklin Township (Butler County)	Township of the Second Class
Franklin Township (Carbon County)	Township of the Second Class
Franklin Township (Greene County)	Township of the Second Class
Franklin Township (Susquehanna Co)	Township of the Second Class
Franklin Township Municipal Sanitary Authority	Authority and other units
Franklin Township Police (Beaver County)	Police
Franklin Township Sewer Authority	Authority and other units
Franklinton Borough	Borough
Frazer Township	Township of the Second Class
Frazer Township Police	Police
Frazer Transportation Authority	Authority and other units
Fredericksburg Sewer & Water Authority	Authority and other units
Freeburg Borough	Borough
Freedom Borough (Beaver County)	Borough
Freedom Township	Township of the Second Class
Freedom Township Police	Police
Freehold Township	Township of the Second Class
Freeland Borough	Borough
Freeland Borough Municipal Authority	Authority and other units
Freeland Borough Police	Police
Freeport Borough	Borough
Frenchcreek Township	Township of the Second Class
German Township Police	Police
Gilpin Township Police	Police

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Girard Township	Township of the Second Class
Glade Township	Township of the Second Class
Glendale Valley Municipal Authority	Authority and other units
Greater Lebanon Refuse Authority	Authority and other units
Greene County Regional Police Commission	Police
Greene Township	Township of the Second Class
Greenfield Township (Blair County)	Township of the Second Class
Greenfield Township (Blair County) Police	Police
Greenfield Township (Erie County)	Township of the Second Class
Greenfield Township (Lackawanna County)	Township of the Second Class
Greenfield Township Police	Police
Greensburg City	City
Greenville Borough	Borough
Greenville Borough Firemen	Firefighters
Greenville Borough Police	Police
Greenville Municipal Authority	Authority and other units
Guilford Township Authority	Authority and other units
Guilford Water Authority	Authority and other units
Hamilton Township	Township of the Second Class
Hamilton Township (McKean Co.)	Township of the Second Class
Hamiltonban Township	Township of the Second Class
Hamiltonban Township Police	Police
Hamlin Township	Township of the Second Class
Hanover Township (Beaver County)	Township of the Second Class
Hanover Township (Lehigh County)	Township of the Second Class
Harrisburg City	City
Harrisburg Fire	Firefighters
Harrison Township	Township of the First Class
Harrison Township Water Authority	Authority and other units
Harveys Lake Borough Police	Police
Hawley Area Authority	Authority and other units
Haycock Township	Township of the Second Class
Heidelberg Township Police	Police
Hellam Township Police	Police
Hellertown Borough Authority	Authority and other units
Hemlock Township	Township of the Second Class
Hemlock Township Police	Police
Henderson Township	Township of the Second Class
Hermitage City	City
Hilltown Township	Township of the Second Class

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Hilltown Township Police	Police
Hilltown Township Water & Sewer Authority	Authority and other units
Hollidaysburg Borough	Borough
Homer City Borough	Borough
Homer City Borough (CB)	Borough
Honey Brook Borough Police	Police
Hopewell Township (Beaver County)	Township of the First Class
Hopewell Township (Cumberland County)	Township of the Second Class
Hopewell Township (Washington County)	Township of the Second Class
Hopewell Township (York County)	Township of the Second Class
Horsham Township	Township of the Second Class
Horsham Water and Sewer Authority	Authority and other units
Howe Township	Township of the Second Class
Hughestown Borough	Borough
Hughesville-Wolf Township Joint Municipal Authority	Authority and other units
Hummelstown Borough	Borough
Hummelstown Borough Police	Police
Hunlock Township	Township of the Second Class
Huntingdon Borough	Borough
Huntingdon Township	Township of the Second Class
Huston Township	Township of the Second Class
Hyndman Borough	Borough
Hyndman Borough Municipal Authority	Authority and other units
Independence Township Police	Police
Indiana County Conservation District	Authority and other units
Indiana County Solid Waste Authority	Authority and other units
Jackson Township (Greene County)	Township of the Second Class
Jackson Township (Lebanon County)	Township of the Second Class
Jackson Township (Luzerne County)	Township of the Second Class
Jackson Township (Snyder County)	Township of the Second Class
Jackson Township (Susquehanna County)	Township of the Second Class
Jackson Township (Venango County)	Township of the Second Class
Jackson Township Police (Luzerne County)	Police
Jackson Township Water Authority	Authority and other units
Jamestown Borough	Borough
Jamestown Borough Police	Police
Jeannette City	City
Jefferson Conservation District	Authority and other units
Jefferson County	County
Jefferson County Solid Waste Authority (Jefferson County)	Authority and other units

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Jefferson Township (Washington County)	Township of the Second Class
Jenks Township	Township of the Second Class
Jenner Area Joint Sewer Authority	Authority and other units
Jenner Township	Township of the Second Class
Jessup Borough	Borough
Jim Thorpe Borough	Borough
Johnsonburg Borough	Borough
Johnsonburg Borough Police	Police
Johnsonburg Municipal Authority	Authority and other units
Johnstown Redevelopment Authority	Authority and other units
Jones Township	Township of the Second Class
Jonestown Borough	Borough
Juniata County Conservation District	Authority and other units
Keating Township	Township of the Second Class
Kenhorst Borough	Borough
Kennett Square Borough	Borough
Kennett Township	Township of the Second Class
Kennett Township Police	Police
Kiskiminetas Township Municipal Authority	Authority and other units
Kittanning Borough	Borough
Kittanning Borough CB	Borough
Kittanning Suburban Joint Water Authority	Authority and other units
Knox Borough	Borough
Knox Borough Police	Police
Kulpmont Borough	Borough
Kulpmont-Marion Heights JMA	Authority and other units
Kutztown Borough	Borough
Lancaster City Parking Authority	Authority and other units
Lancaster Township (Butler County)	Township of the Second Class
Lancaster Township (Butler County) Police	Police
Lancaster Township (Lancaster County)	Township of the Second Class
Lansford - Coaldale Joint Water Authority	Authority and other units
Larksville Borough	Borough
Larksville Borough Firemen	Firefighters
Larksville Borough Police	Police
Latimore Township	Township of the Second Class
Latrobe City	City
Lebanon City	City
Lebanon City Authority	Authority and other units
Lebanon City Authority (CB Plan)	Authority and other units

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Lebanon Community Library	Authority and other units
LeBoeuf Township	Township of the Second Class
Leetsdale Borough Municipal Authority	Authority and other units
Lehigh County Authority	Authority and other units
Lehighon Borough	Borough
Lehighon Water Authority	Authority and other units
Lehman Township	Township of the Second Class
Lewistown Borough	Borough
Lewistown Borough Police	Police
Liberty Borough	Borough
Liberty Borough Police	Police
Liberty Township (McKean County)	Township of the Second Class
Liberty Township (Tioga County)	Township of the Second Class
Limestone Township (Clarion County)	Township of the Second Class
Limestone Township (Lycoming County)	Township of the Second Class
Limestone Township (Union County)	Township of the Second Class
Lincoln Township	Township of the Second Class
Linesville Borough	Borough
Linesville Borough Police	Police
Linesville Pine Joint Municipal Authority	Authority and other units
Liverpool Township	Township of the Second Class
Locust Township Police	Police
London Britain Township	Township of the Second Class
London Grove Township	Township of the Second Class
London Grove Township Municipal Authority	Authority and other units
Lower Bucks County Joint Municipal Authority	Authority and other units
Lower Bucks County Joint Municipal Authority Supervisors	Authority and other units
Lower Burrell City	City
Lower Indiana County Municipal Authority	Authority and other units
Lower Mahanoy Township	Township of the Second Class
Lower Mahanoy Township Municipal Authority	Authority and other units
Lower Towamensing Township	Township of the Second Class
Lower Towamensing Township (CB Plan)	Township of the Second Class
Lower Windsor Township Police	Police
Lower Yoder Township	Township of the Second Class
Lower Yoder Township Police	Police
Loyalhanna Township	Township of the Second Class
Luzerne Conservation District	Authority and other units
Luzerne County Flood Protection Authority	Authority and other units
Lycoming Regional Police	Police

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Lykens Borough	Borough
Lykens Borough Police	Police
Mahanoy Township	Township of the Second Class
Mahanoy Township Authority	Authority and other units
Mahoning Township	Township of the Second Class
Mahoning Township Police (Lawrence County)	Police
Mahoning Township Police (Montour County)	Police
Maidencreek Township Authority	Authority and other units
Manchester Township	Township of the Second Class
Manchester Township (CB Plan)	Township of the Second Class
Manchester Township Firefighters	Firefighters
Manchester Township Firefighters (CB Plan)	Firefighters
Manheim Area Water and Sewer Authority	Authority and other units
Manor Borough Police	Police
Manor Township Joint Municipal Authority	Authority and other units
Marcus Hook Borough	Borough
Mars Borough	Borough
Mars Borough Police	Police
Martinsburg Borough	Borough
Martinsburg Borough Police	Police
Mary Meuser Memorial Library	Authority and other units
Marysville Borough	Borough
Marysville Borough Police	Police
Matamoras Borough	Borough
Mayfield Borough	Borough
Mayfield Borough Police	Police
McKean County Solid Waste Authority	Authority and other units
McKean Township	Township of the Second Class
Mead Township	Township of the Second Class
Mead Township Police	Police
Mercer Borough	Borough
Mercer Borough Police	Police
Mercer County Regional Planning Commission	Authority and other units
Meyersdale Borough	Borough
Mid Mon Valley Water Authority	Authority and other units
Middle Smithfield Township	Township of the Second Class
Middleburg Borough	Borough
Middleburg Borough Police	Police
Middlesex Township	Township of the Second Class
Middlesex Township Municipal Authority	Authority and other units

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Middlesex Township Police	Police
Middletown Township Sewer Authority	Authority and other units
Midway Borough	Borough
Mifflin County Regional Police NU	Authority and other units
Mifflintown Municipal Authority	Authority and other units
Milford Township (Bucks County)	Township of the Second Class
Milford Township (Pike County)	Township of the Second Class
Milford Water Authority	Authority and other units
Millcreek - Richland Joint Authority	Authority and other units
Millcreek Township	Township of the Second Class
Millcreek Township Police	Police
Millersburg Area Authority	Authority and other units
Millersburg Borough	Borough
Millersburg Borough Police	Police
Millerstown Borough	Borough
Millville Borough	Borough
Millville Borough Police	Police
Minersville Borough	Borough
Mon Valley Sewage Authority	Authority and other units
Monaca Borough	Borough
Monongahela Township	Township of the Second Class
Monroe County Control Center	Authority and other units
Monroe County Redevelopment Authority	Authority and other units
Monroe Township (Snyder County)	Township of the Second Class
Monroe Township (Wyoming County)	Township of the Second Class
Monroeville Municipality	Borough
Mont Alto Borough	Borough
Montgomery County Sewer Authority	Authority and other units
Montour County Conservation District	Authority and other units
Montour Township	Township of the Second Class
Montour Township Police	Police
Montrose Borough	Borough
Montrose Municipal Authority	Authority and other units
Moon Township Municipal Authority	Authority and other units
Moore Township	Township of the Second Class
Moore Township Police	Police
Moosic Borough	Borough
Moosic Borough (CB Plan)	Borough
Moosic Borough Police	Police
Morris Township (Greene County)	Township of the Second Class

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Morris Township (Tioga County)	Township of the Second Class
Morris Township (Washington County)	Township of the Second Class
Morrisville Borough	Borough
Morrisville Borough Police	Police
Moscow Borough	Borough
Moscow Borough Police	Police
Mount Gretna Borough	Borough
Mount Jewett Borough	Borough
Mount Jewett Borough Police	Police
Mount Joy Township	Township of the Second Class
Mount Joy Township Authority	Authority and other units
Mount Lebanon Parking Authority	Authority and other units
Mount Pleasant Borough	Borough
Mount Pleasant Borough Police	Police
Mount Pleasant Township	Township of the Second Class
Mount Pleasant Township Municipal Authority	Authority and other units
Mount Pocono Municipal Authority	Authority and other units
Mount Union Borough	Borough
Mount Union Borough Police	Police
Muncy Creek Township	Township of the Second Class
Municipal Authority of the Borough of Kittanning	Authority and other units
Municipal Authority of the Borough of Matamoras	Authority and other units
Municipal Authority of the Borough of Morrisville	Authority and other units
Municipal Authority of the Borough of Portage Water Department	Authority and other units
Municipal Authority of Westmoreland County of COJMA	Authority and other units
Municipal Authority of Westmoreland County of WFMSA	Authority and other units
Myerstown Community Library Association	Authority and other units
Myerstown Water Authority	Authority and other units
Nanticoke City	City
Nanty Glo Borough	Borough
Nanty Glo Sanitary Sewer Authority	Authority and other units
Nanty Glo Water Authority	Authority and other units
Narberth Borough	Borough
Nesquehoning Borough	Borough
Nesquehoning Borough Authority	Authority and other units
New Castle Township Police	Police
New Eagle Borough	Borough
New Florence Borough	Borough
New Garden Township	Township of the Second Class

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
New Garden Township Police	Police
New Kensington City	City
New Kensington Municipal Sanitary Authority	Authority and other units
New Kensington Redevelopment Authority	Authority and other units
New Sewickley Township	Township of the Second Class
New Stanton Borough	Borough
New Wilmington Borough Police	Police
Newport Borough	Borough
Newport Borough Police	Police
Newport Borough Water Authority	Authority and other units
Newtown Borough	Borough
Newtown Borough Police	Police
Nockamixon Township	Township of the Second Class
Nockamixon Township Police	Police
Norristown Borough	Borough
North & South Shenango Joint Municipal Authority	Authority and other units
North Buffalo Township	Township of the Second Class
North Coventry Municipal Authority	Authority and other units
North Coventry Township	Township of the Second Class
North Coventry Township Police	Police
North East Borough	Borough
North Franklin Township	Township of the Second Class
North Hopewell Township Police	Police
North Huntingdon Township	Township of the First Class
North Huntingdon Township Municipal Authority	Authority and other units
North Huntingdon Township Police	Police
North Middleton Authority	Authority and other units
North Middleton Township Police	Police
North Newton Township (CB)	Township of the Second Class
North Sewickley Township	Township of the Second Class
North Sewickley Township Police	Police
North Strabane Township	Township of the Second Class
North Strabane Township (CB Plan)	Township of the Second Class
North Strabane Township Fire	Firefighters
North Strabane Township Fire (CB)	Firefighters
North Strabane Township Municipal Authority	Authority and other units
North Versailles Township	Township of the First Class
North Wales Borough	Borough
North Woodbury Township Police	Police
Northampton Borough Municipal Authority	Authority and other units

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Northampton Borough Municipal Authority (CB Plan)	Authority and other units
Northampton County Conservation District	Authority and other units
Northern Lancaster County Authority	Authority and other units
Northern York County Regional Police NU	Authority and other units
Northumberland Borough	Borough
Northumberland Borough Police	Police
Northwest Regional Lancaster County Police NU	Authority and other units
Nottingham Township	Township of the Second Class
Oakland Township (Butler County)	Township of the Second Class
Oakland Township (Venango County)	Township of the Second Class
Oil City Housing Authority	Authority and other units
Oil Creek Township (Crawford County)	Township of the Second Class
Oil Creek Township (Venango County)	Township of the Second Class
Old Lycoming Township	Township of the Second Class
Oliver Township (Jefferson County)	Township of the Second Class
Oliver Township (Mifflin County)	Township of the Second Class
Orange Township	Township of the Second Class
Orange Township Police	Police
Orwigsburg Borough	Borough
Orwigsburg Borough Police	Police
Paint Township	Township of the Second Class
Palmerton Borough	Borough
Palmyra Borough	Borough
Paradise Township	Township of the Second Class
Parker Area Authority	Authority and other units
Parker Area Authority (CB Plan)	Authority and other units
Parks Township Municipal Authority	Authority and other units
Paxtang Borough Police	Police
Pen Argyl Borough	Borough
Penbrook Borough Police	Police
Penn Township	Township of the Second Class
Penn Township Sewage Authority	Authority and other units
Pennridge Regional Police Dept	Police
Pennridge Regional Police N-U	Authority and other units
Pennridge WasteWater Treatment Authority	Authority and other units
Pennsbury Township	Township of the Second Class
Pennsylvania Municipal League	Authority and other units
Pequea Township Police	Police
Perkasie Borough	Borough
Perkasie Borough Police	Police

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Perkasie Regional Authority	Authority and other units
Perry Township	Township of the Second Class
Peters Creek Sanitary Authority	Authority and other units
Peters Township	Township of the Second Class
Peters Township (CB Plan)	Township of the Second Class
Peters Township Municipal Authority	Authority and other units
Pike Township	Township of the Second Class
Pine Creek Township	Township of the Second Class
Pine Grove Borough	Borough
Pine Grove Borough Police	Police
Pine Grove Township (Schuylkill County)	Township of the Second Class
Pine Grove Township (Warren County)	Township of the Second Class
Pittsfield Township	Township of the Second Class
Pleasant Hills Authority	Authority and other units
Pleasant Township	Township of the Second Class
Plum Township	Township of the Second Class
Plumcreek Township	Township of the Second Class
Plumstead Township	Township of the Second Class
Plymouth Township	Township of the Second Class
Pocono Mountains Municipal Airport Authority (CB)	Authority and other units
Pocopson Township	Township of the Second Class
Point Township	Township of the Second Class
Point Township Police	Police
Point Township Sewer Authority	Authority and other units
Polk Borough Police	Police
Portage Area Sewer Authority	Authority and other units
Portage Borough	Borough
Portage Township	Township of the Second Class
Porter Township	Township of the Second Class
Possum Valley Municipal Authority	Authority and other units
Preston Township	Township of the Second Class
Price Township	Township of the Second Class
Pringle Borough	Borough
Prospect Borough	Borough
Prospect Park Borough	Borough
Providence Township	Township of the Second Class
Pulaski Township	Township of the Second Class
Pulaski Township Police	Police
Pymatuning Township	Township of the Second Class
Pymatuning Township Police	Police

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Quarryville Borough Police	Police
Raccoon Township	Township of the Second Class
Red Lion Police	Police
Redevelopment Authority of the City of Corry	Authority and other units
Redstone Township Police	Police
Reynoldsville Water Authority	Authority and other units
Rice Township	Township of the Second Class
Richhill Township	Township of the Second Class
Richland Borough	Borough
Richland Borough Police	Police
Richland Township (Bucks County)	Township of the Second Class
Richland Township (CB Plan)	Township of the Second Class
Richland Township (Venango County)	Township of the Second Class
Richland Township Police	Police
Ridgway Township	Township of the Second Class
Ridley Park Borough	Borough
Ridley Township	Township of the First Class
Riverview Sanitary Authority	Authority and other units
Roaring Brook Township Police	Police
Roaring Spring Borough	Borough
Roaring Spring Borough Police	Police
Robesonia-Wernersville Municipal Authority	Authority and other units
Robinson Township Municipal Authority	Authority and other units
Rochester Area Joint Sewer Authority	Authority and other units
Rochester Area Joint Sewer Authority CB	Authority and other units
Rochester Borough	Borough
Rochester Township	Township of the First Class
Rochester Township Police	Police
Rome Township	Township of the Second Class
Rose Township	Township of the Second Class
Ross Township	Township of the First Class
Rostraver Township Sewer Authority	Authority and other units
Rouseville Borough	Borough
Rural Valley Borough	Borough
Rutland Township	Township of the Second Class
Rye Township	Township of the Second Class
Rye Township (Perry County) (CB Plan)	Township of the Second Class
Rye Township Police	Police
Sadsbury Township Police	Police
Salford Township	Township of the Second Class

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Salisbury Borough	Borough
Salisbury Township	Township of the Second Class
Sandy Lake Borough	Borough
Sandy Lake Borough Police	Police
Saxton Borough	Borough
Saxton Borough Municipal Authority	Authority and other units
Saxton Borough Police	Police
Schuylkill Conservation District	Authority and other units
Schuylkill Haven Borough	Borough
Schwenksville Borough Police	Police
Scott Township	Township of the First Class
Scott Township Police	Police
Scottdale Borough Police	Police
Selinsgrove Borough	Borough
Selinsgrove Borough Police	Police
Sellersville Borough	Borough
Seven Fields Borough	Borough
Seven Fields Borough (CB Plan)	Borough
Seward/St. Clair Township Sanitary Authority	Authority and other units
Sewer Authority of the Township of Pittston	Authority and other units
Sewickley Township	Township of the Second Class
Shade Township	Township of the Second Class
Shade Township Police	Police
Shade-Central City Joint Authority	Authority and other units
Shamokin Dam Borough	Borough
Shamokin Dam Borough Police	Police
Shannock Valley General Services Authority	Authority and other units
Sharon City	City
Sharon Sanitary Authority	Authority and other units
Sharpsburg Borough	Borough
Sharpsville Borough	Borough
Sheffield Township	Township of the Second Class
Sheffield Township Municipal Authority	Authority and other units
Sheffield Township Police	Police
Shenandoah Borough	Borough
Shippensburg Township	Township of the Second Class
Shippingport Borough	Borough
Shippingport Borough Police	Police
Shiremanstown Borough Police	Police
Shrewsbury Township	Township of the Second Class

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Sinking Spring Borough Police	Police
Slippery Rock Municipal Authority	Authority and other units
Slippery Rock Township	Township of the Second Class
Smithfield Sewer Authority	Authority and other units
Smithfield Township	Township of the Second Class
Smithton Borough	Borough
Smithton Borough Municipal Authority	Authority and other units
Snake Spring Township	Township of the Second Class
Snake Spring Township Municipal Authority	Authority and other units
Snyder County Housing Authority	Authority and other units
Solebury Township	Township of the Second Class
Solebury Township (CB Plan)	Township of the Second Class
Somerset Conservation District	Authority and other units
South Abington Township	Township of the Second Class
South Abington Township (CB Plan)	Township of the Second Class
South Beaver Township	Township of the Second Class
South Beaver Township Police	Police
South Bend Township	Township of the Second Class
South Centre Township Police	Police
South Fayette Township Municipal Authority	Authority and other units
South Franklin Township	Township of the Second Class
South Hanover Township	Township of the Second Class
South Huntingdon Township	Township of the Second Class
South Manheim Township	Township of the Second Class
South Middleton Township	Township of the Second Class
South Middleton Township Municipal Authority	Authority and other units
South Pymatuning Township	Township of the Second Class
South Pymatuning Township Police	Police
South Strabane Township	Township of the Second Class
South Strabane Township Fire	Firefighters
South Waverly Borough	Borough
South Waverly Borough Police	Police
South Williamsport Borough Police	Police
Southampton Township	Township of the Second Class
Southern Chester County Regional Police Department	Police
Southern Police Commission NU	Authority and other units
Southmont Borough	Borough
Southwest Township	Township of the Second Class
Southwestern Pa Water Authority	Authority and other units
Spring Creek Township	Township of the Second Class

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Spring Grove Borough Police NU	Authority and other units
Springdale Borough	Borough
Springdale Township	Township of the First Class
Springfield Township	Township of the Second Class
St. Marys Area Water Authority	Authority and other units
Stewartstown Borough	Borough
Stonycreek Township	Township of the Second Class
Stormwater Authority of the City of Chester	Authority and other units
Sugar Grove Township	Township of the Second Class
Sullivan County	County
Sullivan Township	Township of the Second Class
Summit Hill Borough	Borough
Summit Hill Borough Police	Police
Summit Hill Water Authority	Authority and other units
Summit Township	Township of the Second Class
Sunbury City	City
Sunbury Municipal Authority	Authority and other units
Susquehanna Township	Township of the Second Class
Swatara Township	Township of the First Class
Swatara Township (CB Plan)	Township of the First Class
Swatara Township Authority	Authority and other units
Swatara Township Authority CB	Authority and other units
Tarentum Borough	Borough
Tatamy Borough (CB)	Borough
Tatamy Borough Police (CB)	Police
Telford Borough	Borough
Telford Borough Police	Police
Thornburg Borough	Borough
Tinicum Township	Township of the Second Class
Tinicum Township Police	Police
Topton Borough	Borough
Towamensing Township	Township of the Second Class
Tower City Borough Authority	Authority and other units
Township of Falls Authority	Authority and other units
Trafford Borough	Borough
Trainer Borough	Borough
Tredyffrin Township	Township of the Second Class
Tri-County COG IBC	Authority and other units
Tri-County Joint Municipal Authority	Authority and other units
Tulpehocken Township Police	Police

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Tunkhannock Township	Township of the Second Class
Tunkhannock Township Police	Police
Turbotville Borough	Borough
Turtle Creek Borough	Borough
Twin Boroughs Sanitary Authority	Authority and other units
Union Township (Berks County)	Township of the Second Class
Union Township (Lebanon County)	Township of the Second Class
Union Township (Snyder County)	Township of the Second Class
Union Township (Washington County)	Township of the Second Class
Uniontown City	City
Unity Township	Township of the Second Class
Upper Allegheny Joint Sanitary Authority	Authority and other units
Upper Burrell Township	Township of the Second Class
Upper Burrell Township Police	Police
Upper Frederick Township	Township of the Second Class
Upper Macungie Township Police	Police
Upper Milford Township	Township of the Second Class
Upper Montgomery Joint Authority	Authority and other units
Upper Moreland Firefighters	Firefighters
Upper Moreland Township	Township of the First Class
Upper Nazareth Township	Township of the Second Class
Upper Southampton Municipal Authority	Authority and other units
Valley Township	Township of the Second Class
Vanport Township	Township of the First Class
Vanport Township Municipal Authority	Authority and other units
Vanport Township Police	Police
Vernon Township Sanitary Authority	Authority and other units
Vernon Township Water Authority	Authority and other units
Verona Borough	Borough
Versailles Borough	Borough
Versailles Borough Police	Police
Wallace Township	Township of the Second Class
Warren County Housing Authority	Authority and other units
Warren County Solid Waste Authority	Authority and other units
Warrington Township	Township of the Second Class
Warsaw Township	Township of the Second Class
Warwick Township	Township of the Second Class
Warwick Township Municipal Authority	Authority and other units
Washington Area COG	Authority and other units
Washington Township (Berks County)	Township of the Second Class

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Washington Township (Cambria County)	Township of the Second Class
Washington Township (Dauphin County)	Township of the Second Class
Washington Township (Erie County)	Township of the Second Class
Washington Township (Fayette County)	Township of the Second Class
Washington Township (Greene County)	Township of the Second Class
Washington Township (Jefferson County)	Township of the Second Class
Washington Township (Northampton County - CB Plan)	Township of the Second Class
Washington Township (Northampton County)	Township of the Second Class
Washington Township (Schuylkill County)	Township of the Second Class
Washington Township (Westmoreland County)	Township of the Second Class
Washington Township (Wyoming County)	Township of the Second Class
Washington Township Municipal Authority (Berks County)	Authority and other units
Washington Township Municipal Authority (Fayette County)	Authority and other units
Washington Township Police (Fayette County)	Police
Washington Township Police (Westmoreland County)	Police
Waterford Borough	Borough
Waterford Borough Municipal Authority	Authority and other units
Waverly Township	Township of the Second Class
Waverly Township Police	Police
Wayne County Redevelopment Authority	Authority and other units
Wayne Library Authority	Authority and other units
Wayne Township	Township of the Second Class
Waynesburg Borough	Borough
Wernersville Municipal Authority	Authority and other units
West Bradford Township	Township of the Second Class
West Brunswick Township	Township of the Second Class
West Caln Township	Township of the Second Class
West Caln Township Police	Police
West Carroll Township	Township of the Second Class
West Carroll Water Authority	Authority and other units
West Fallowfield Township	Township of the Second Class
West Fallowfield Township Police	Police
West Grove Borough	Borough
West Grove Borough Police	Police
West Hanover Township Water & Sewer Authority (CB)	Authority and other units
West Lampeter Township	Township of the Second Class
West Lampeter Township Police	Police
West Middlesex Borough	Borough
West Middlesex Borough Police	Police
West Newton Borough	Borough

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
West Newton Borough Police	Police
West Pennsboro Township	Township of the Second Class
West Pikeland Township Police	Police
West Pottsgrove Township	Township of the First Class
West Pottsgrove Township Police	Police
West Reading Borough	Borough
West Rockhill Township	Township of the Second Class
West Sadsbury Township	Township of the Second Class
West Sadsbury Township Police	Police
West Salem Township	Township of the Second Class
West Vincent Township Police	Police
West Wheatfield Township	Township of the Second Class
Western Butler County Authority	Authority and other units
Western Clinton County Municipal Authority	Authority and other units
Western Lebanon County Regional Police	Police
Western Westmoreland Municipal Authority	Authority and other units
Western Westmoreland Municipal Authority (CB Plan)	Authority and other units
Westfield Borough Police	Police
Westtown Township	Township of the Second Class
Wetmore Township	Township of the Second Class
White Haven Borough	Borough
White Haven Borough Police	Police
White Run Regional Municipal Authority	Authority and other units
White Township	Township of the Second Class
Whitehall Township	Township of the First Class
Whitehall Township (CB Plan)	Township of the First Class
Whitehall Township Authority	Authority and other units
Whiteley Township	Township of the Second Class
Wiconisco Township	Township of the Second Class
Wiconisco Township Police	Police
Wilkins Township	Township of the First Class
Williams Township	Township of the Second Class
Williamsburg Borough	Borough
Williamsburg Borough Police	Police
Williamstown Borough	Borough
Williamstown Borough Authority	Authority and other units
Williamstown Borough Police	Police
Wilmerding Borough	Borough
Wilmington Township	Township of the Second Class
Wilson Borough	Borough

Part 2 - Membership

SCHEDULE OF PARTICIPATING PLANS

as of December 31, 2025

Name	Type
Wilson Borough Firemen	Firefighters
Windsor Borough	Borough
Windsor Township	Township of the Second Class
Windsor Township Police	Police
Womelsdorf-Robeson Joint Authority	Authority and other units
Wright Township	Township of the Second Class
Wrightstown Township	Township of the Second Class
Wyoming Valley Sanitary Authority	Authority and other units
Yardley Borough	Borough
Yardley Borough Police	Police
Yoe Borough	Borough
York Area United Fire and Rescue	Firefighters
York Area United Fire and Rescue Administrative	Authority and other units
York County Planning Commission	Authority and other units
York County Regional Police Department	Authority and other units
York County Regional Police NU	Authority and other units
York Springs Borough	Borough
Youngwood Borough	Borough
Youngwood Borough Police	Police
Zerbe Township	Township of the Second Class

Office Location
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Harrisburg, PA 17102-2315

Mailing Address
P.O. Box 1165
Harrisburg, PA 17108-1165

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