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INTEROFFICE MEMORANDUM

Date: September 11, 2025

To: Bethlehem Authority Board of Directors

From: Stephen Repasch, Executive Director

Subject: Bethlehem Authority Pension Plan #48-032-8 N
2026 Minimum Municipal Obligation – \$13,245.00

Act 205 of 1984, as amended, governs the funding requirements for all municipal pension plans. The law requires the governing body to be informed of the plan's expected financial obligation for the upcoming year. This memo, provided under the guidance of the Pennsylvania Municipal Retirement System as plan administrator, is intended to satisfy the legal requirements of Act 205.

The calculation of the plan's 2026 Minimum Municipal Obligation (MMO), or cost, requires an estimate of the 2025 wages of the employees covered by the plan. This is indicated on the attached worksheet.

Please understand that the MMO is the Authority's 2026 bill for this plan. The calculated amount must be paid by December 31, 2026. It also must be paid for with general fund monies (authorities and counties are not eligible for State Pension Aid under Act 205).

The 2026 MMO of \$13,245.00 will be included in the Authority's 2026 budget.

Attachment: 2026 MMO Worksheet

**The Minimum Municipal Obligation Worksheet (MMO)
Bethlehem Authority Pension Plan (48-032-8 N)**

for Plan Year 2026

CHARGES

Estimated 2025 W-2 Payroll

For Covered Plan Members:

(A) 189,270.00

PMRS Determined Normal Cost

Expressed as a Decimal:

(B) 0.0982

RESULT: (A) * (B) =

(C) 18,586.00

Administrative Charge (PMRS Determined)

of Plan Members times \$20:

(D) 100.00

Amortization of Unfunded Liability

(PMRS Determined)

(E) 1,184.00

TOTAL CHARGES: (C) + (D) + (E) =

(F) 19,870.00

CREDITS

Repeat Estimated 2025 W-2 Payroll

For Covered Plan Members:

(A) 189,270.00

Employee Contribution Rate

Expressed as a Decimal (PMRS Determined)

(G) 0.0350

RESULT: (A) * (G) =

(H) 6,625.00

Amortization of the Actuarial Surplus

(PMRS Determined)

(I) 0.00

TOTAL CREDITS: (H) + (I) =

(J) 6,625.00

MINIMUM MUNICIPAL OBLIGATION

(Based on 1/1/2023 Actuarial Valuation)

(MMO) 13,245.00

Equals TOTAL CHARGES Minus

TOTAL CREDITS (F) - (J) = **(Please round numbers to dollars)**

Prepared By: Sandy M. Zapf

(Name)

(Signature)

Director of Administration

(Title)

(610) 865 - 2009

(Telephone #)

Please complete the above worksheet with your best estimates and return only one copy to the Pennsylvania Municipal Retirement System by October 6, 2025. Forms can be submitted electronically to RA-RSCOMPLETEDFORMS@pa.gov. The official copy must be shared with the plan's governing board by the last business day in September.