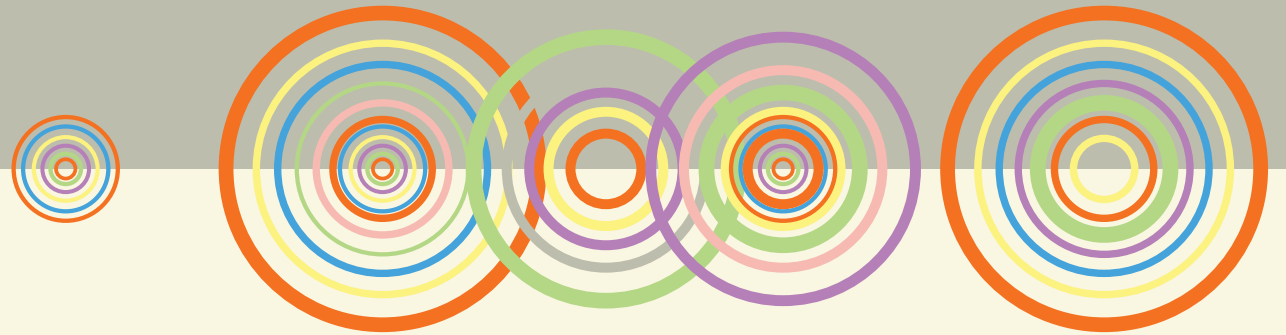


MONITORING REPORT SD-14: RETIREMENT PLAN FUNDING

➤ 04.14.26 ➤



Brad Underwood
Vice President & Chief Financial Officer

SD-14: Retirement Plan Funding

The Retirement Plan Funding Policy is intended to provide guidance for funding and budgeting for pension obligations, demonstrate prudent financial management practices, re-assure bond rating agencies, and provide transparency to stakeholders on how the Retirement Plan (“Plan”) is funded. OPPD intends to provide for systematic funding of future benefit payments for Plan participants and their beneficiaries.

Therefore:

- A nationally recognized actuarial firm should be utilized to perform the analysis to determine the annual required contribution to the Plan.
- The discount rate to be used to determine the Plan’s current funded status and required contribution will be established with the assistance of an investment consultant.
- OPPD intends to achieve long-term full funding of the cost of benefits provided by the Plan by funding the actuarially determined annual required contribution each year.

Actuarial Valuation Report

Omaha Public Power District

Retirement Plan

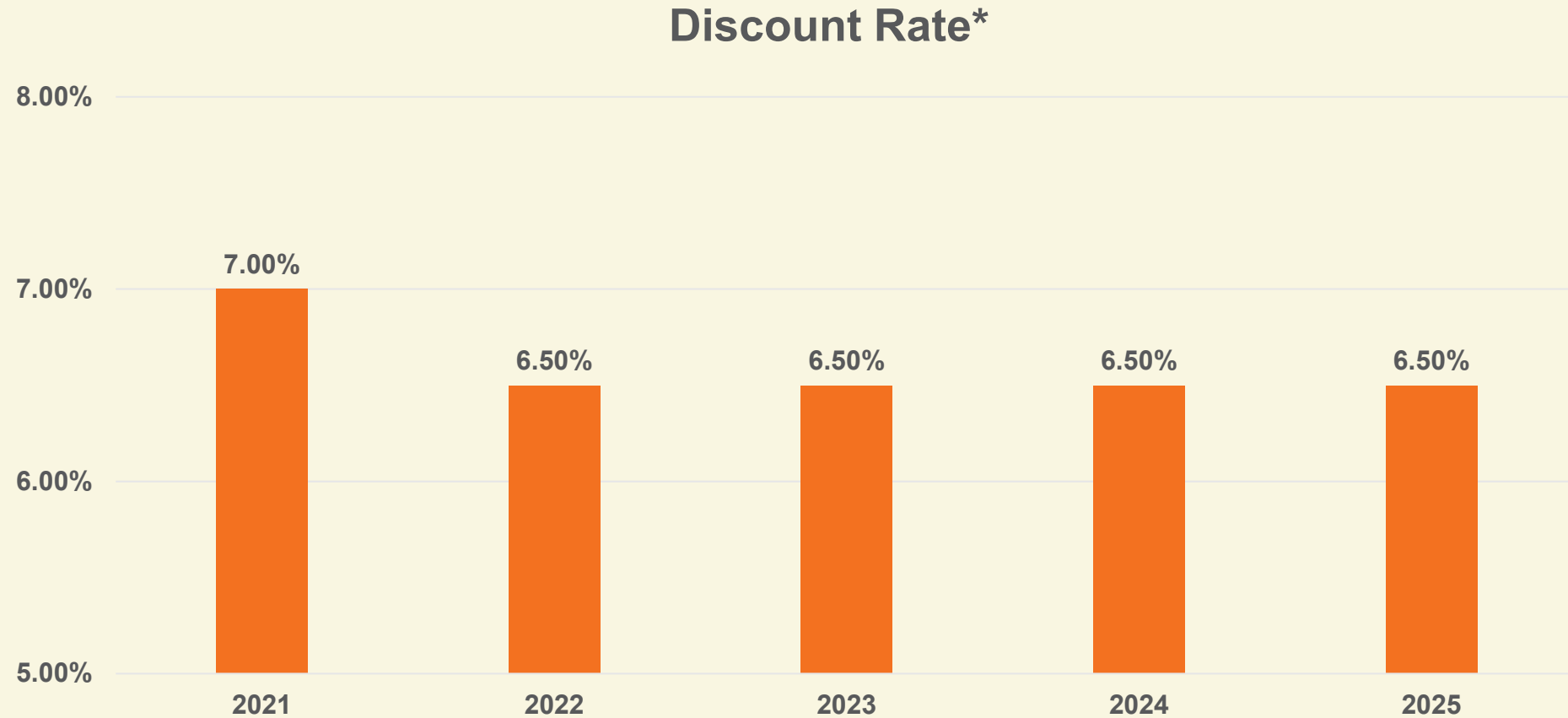
As of January 1, 2025



A nationally recognized actuarial firm should be utilized to perform the analysis to determine the annual required contribution to the Plan

- Established relationship with actuary – Aon
- Annual Actuarial Report documents the actuarial valuations for the Retirement Plan assets and liabilities and determines annual required contribution to achieve a fully funded plan within the actuarial period.
- Valuations are conducted in accordance with generally accepted actuarial principles and practices, including Applicable Standards of Practice as issued by the Actuarial Standards Board.

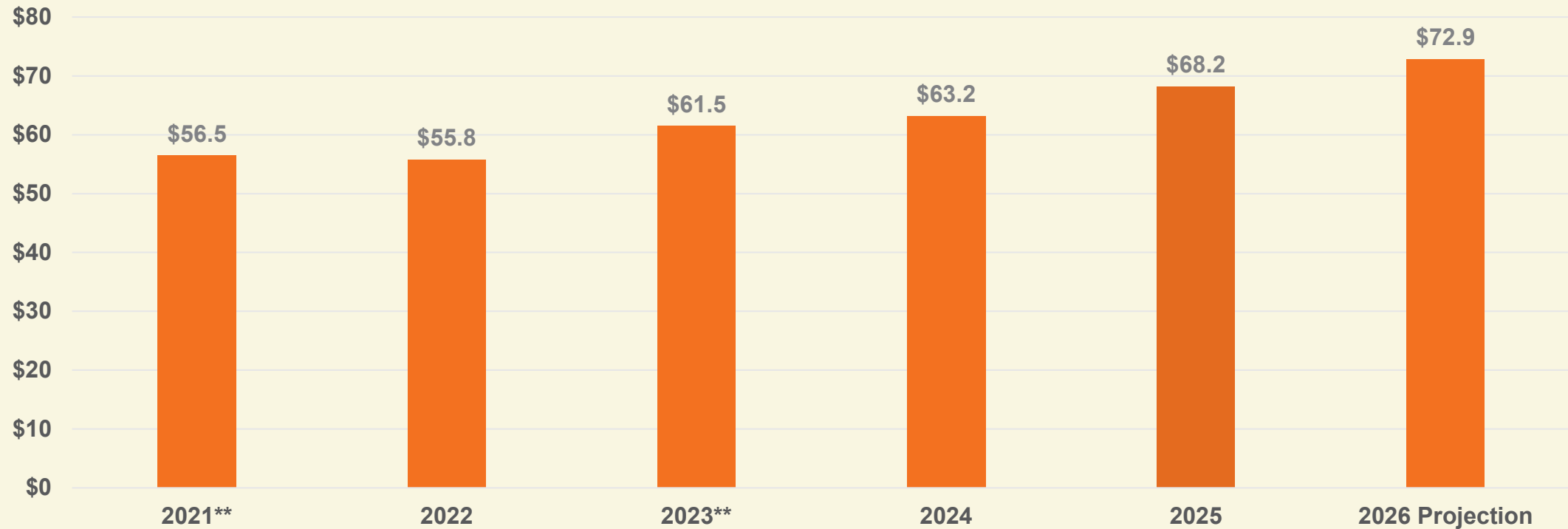
The discount rate to be used to determine the Plan's current funded status and required contribution will be established with the assistance of an investment consultant.



* Discount rates are determined by the District's Investment Consultant, Segal Marco, based on the Retirement Plan's asset allocation and active/passive management. The District updated the Plan's discount rate to 6.5% in 2022 as a result of its most recent asset/liability study.

OPPD intends to achieve long-term full funding of the cost of benefits provided by the Plan by funding the actuarially determined annual required contribution each year.

Annually Required Contributions (ARC)*



* Per policy, the District annually funds Aon’s determined ARC each year

** District made an incremental \$95 million and \$50 million above the Plan ARC in 2021 and 2023, respectively

Retirement Plan Funded Ratio

Year	2021	2022	2023	2024	2025
Funded Ratio*	72.0%	75.5%	73.5%	74.3%	73.2%
Discount Rate	7.0%	6.5%	6.5%	6.5%	6.5%
Retirement Fund Return**	13.3%	6.4%	-14.4%	11.9%	7.6%
Other Factors Affecting the Funded Ratio	Updated the mortality tables. The active retirement rates, withdrawal rates, salary scale and terminated vested commencement age were changed based on a new assumption study. The FCS assumptions were eliminated.	Made an additional contribution of \$95 million into the Retirement Plan from the Decommissioning and Benefit Reserve. Changed the discount rate from 7% to 6.5%. Updated the mortality tables for healthy and disabled participants.	There were no assumption changes. Made an additional contribution of \$50 million into the Retirement Plan from the Decommissioning and Benefit Reserve	There were no assumption changes.	There were no assumption changes.

* Funded Ratio is determined as of January 1 of each year

** Retirement Fund Return as of January 1 of each year. The return as of January 1, 2026 was 13.4%

RECOMMENDATION

The Finance Committee has reviewed and accepted this Monitoring Report for SD-14: Retirement Plan Funding and recommends that the Board finds OPPD to be sufficiently in compliance with Board Policy SD-14.

Any reflections on

➤ **what has been accomplished, challenges and/or strategic implications?**

