

**MARYLAND TRANSIT ADMINISTRATION PENSION PLAN**

**Financial Statements and Supplementary Information  
Together with Report of Independent Public Accountants**

**For the Year Ended June 30, 2025**

# **MARYLAND TRANSIT ADMINISTRATION PENSION PLAN**

## **Financial Statements and Supplementary Information Together with Report of Independent Public Accountants**

**JUNE 30, 2025**

### **CONTENTS**

<b>REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4
<b>FINANCIAL STATEMENTS</b>	
Statement of Fiduciary Net Position	8
Statement of Changes in Fiduciary Net Positions	9
Notes to Financial Statements	10
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Changes in Net Pension Liability and Related Ratios	27
Schedule of Employer Contributions	28
Schedule of Investment Returns	29



## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Plan Administrator and Deputy Administrator, Finance and Administration Maryland  
Transit Administration Pension Plan

### **Opinion**

We have audited the accompanying financial statements of the Maryland Transit Administration Pension Plan (the Plan), a component unit of the Maryland Department of Transportation, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2025, and the changes in its fiduciary net position for the year 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan 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**

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 controls 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 Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' 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 auditors' report that includes our opinion. 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 controls. 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.

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 controls 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 Plan's internal controls. 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 Plan'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 management's discussion and analysis, the schedules of changes in the net pension liability and related ratios, schedule of employer contributions, and schedule of investment returns be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Owings Mills, Maryland  
January 27, 2025

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Management's Discussion and Analysis For the Year Ended June 30, 2025 and 2024

This discussion and analysis of the Maryland Transit Administration's (MTA) Pension Plan's (the Plan) financial performance provides an overview of the Plan's financial activities for the years ended June 30, 2025 and 2024. Please read this discussion and analysis in conjunction with the Plan's financial statements, which follow this section.

### Financial Highlights

- The Plan's net position increased by \$65.6 million during the year from \$533.7 million as of June 30, 2024, to \$599.3 million as of June 30, 2025. The increase in the Plan's net position is due primarily to increased net appreciation of the fair value of investments and contributions exceeding benefit payments.
- The Plan had net investment income and changes in market value of \$53.0 million for the year ended June 30, 2025, compared to \$33.6 million for the year ended June 30, 2024, an increase of \$19.4 million. Employer contributions were \$56.6 million for the year ended June 30, 2025, compared to \$56.1 million for the year ended June 30, 2024, an increase of \$0.5 million

### Overview of the Financial Statements

This financial report consists of the statement of fiduciary net position and the statement of changes in fiduciary net position. These statements provide information about the financial position and activities of the Plan as a whole. These amounts are included in the statement of fiduciary net position in the Maryland Department of Transportation's financial statements, available at <https://mdot.maryland.gov/tso/pages/Index.aspx?PageId=53>.

### Notes to the Financial Statements

The accompanying notes to the financial statements provide additional information that is essential for a comprehensive understanding of the Plan's financial condition and financial performance. The notes to the financial statements can be found on pages 10-25 of this report.

### Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the Plan's net pension liability as well as contributions required and made to the Plan as of and for the year ended June 30, 2025. Required supplementary information can be found on pages 27-29 of this report.

## MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

### Management's Discussion and Analysis For the Year Ended June 30, 2025 and 2024

#### Analysis of Financial Position and Financial Performance

The Plan's overall funding objective is to accumulate sufficient assets over time to meet its long-term benefit obligations as they become due. Accordingly, collecting employer and employee contributions as well as earning an adequate long-term rate of return on its investments are essential components of the Plan for accumulating the funds needed to finance future retirement benefits.

#### Fiscal Year 2025 Compared to 2024

Cash and cash equivalents and investments, at fair value, comprised 98% of the total assets held in trust restricted for benefits as of June 30, 2025 and 99% as of June 30, 2024.

The following schedule depicts the balances of the Plan's investments and the change from fiscal year 2024 to fiscal year 2025. The comparison reflects changes to the strategic asset allocation for bonds and alternative investments and changes in market values of Plan investments in the fiscal year ended June 30, 2025.

	Dollar Amounts in Thousands			
	As of June 30,			
	2025	2024	Increase (Decrease)	% Change
<b>Assets</b>				
Cash and cash equivalents	\$ 20,231	\$ 15,110	\$ 5,121	34%
U.S. Government obligations	48,855	46,694	2,161	5%
Domestic corporate obligations	23,263	22,186	1,077	5%
International obligations	14,099	13,482	617	5%
Domestic stocks	98,242	85,620	12,622	15%
International stocks	96,027	78,779	17,248	22%
Mortgages and mortgage related securities	17,797	15,453	2,344	15%
Alternative investments	278,130	258,178	19,952	8%
Collateral for loaned securities	41,988	32,185	9,803	30%
<b>Total cash, cash equivalents and investments</b>	<b>\$ 638,632</b>	<b>\$ 567,687</b>	<b>\$ 70,945</b>	<b>12%</b>

## MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

### Management's Discussion and Analysis For the Year Ended June 30, 2025 and 2024

#### Fiscal Year 2025 Compared to 2024 (continued)

As depicted in the schedule below, net investment income increased \$19.4 million compared to the year ended June 30, 2024 due primarily due to more favorable market conditions. Employer contributions increased by \$0.5 million. The employer contribution was equal to the actuarially determined contribution (ADC) by for the year ended June 30, 2025, and above the ADC in the year ended June 30, 2024 by \$1.7 million. Employee contributions increased \$2.8 million primarily due to annual contractual Union wage increases. Benefit payments increased \$3.4 million due to both increases in the number of beneficiaries and the average benefit amount.

	Dollar Amounts in Thousands			
	As of June 30,			
	2025	2024	Increase (Decrease)	% Change
<b>Additions</b>				
Net investment income	\$ 52,997	\$ 33,630	\$ 19,367	58%
Employer contributions	56,615	56,110	505	1%
Employee contributions	12,934	10,104	2,830	28%
<b>Total Additions</b>	<b>122,546</b>	<b>99,844</b>	<b>22,702</b>	<b>23%</b>
<b>Deductions</b>				
Benefit payments	56,769	53,342	3,427	6%
Administrative expenses	198	173	25	14%
<b>Total Deductions</b>	<b>56,967</b>	<b>53,515</b>	<b>3,452</b>	<b>6%</b>
<b>Net Increase in Plan Net Position</b>	<b>\$ 65,579</b>	<b>\$ 46,329</b>	<b>\$ 19,250</b>	<b>42%</b>

#### Analysis of Net Pension Liability (Amounts in Thousands)

	Year Ended June 30,			Percent Change
	2025	2024	Variance	
Total Pension Liability	\$ 1,250,463	\$ 1,294,887	\$ (44,424)	-3.4%
Plan Fiduciary Net Position	599,274	533,695	65,579	12.3%
Net Pension Liability	<b>\$ 651,189</b>	<b>\$ 761,192</b>	<b>\$ (110,003)</b>	<b>-14.5%</b>
Funded Ratio	47.92%	41.22%		

The total pension liability decreased by \$44.4 million from fiscal year 2024 to fiscal year 2025, primarily due to an actuarial gain from the increase in the discount rate from 5.35% to 6.08% during the measurement period. The plan fiduciary net position increased by \$65.6 million from fiscal year 2024 to fiscal year 2025 primarily due to investment returns. These two events when netted decreased the net pension liability by \$110.0 million from fiscal year 2024 to fiscal year 2025.

# **MARYLAND TRANSIT ADMINISTRATION PENSION PLAN**

## **Management's Discussion and Analysis For the Year Ended June 30, 2025 and 2024**

### **Requests for Information**

The MTA Pension Board of Trustees, including members from MTA's Benefits Division and senior management are fiduciaries of the pension trust fund and, as such, are charged with the responsibility of ensuring that the Plan's assets are used exclusively for the benefit of the Plan's participants and their beneficiaries. This financial report is designed to provide an overview of the Plan's finances and to demonstrate accountability for the resources entrusted to the Plan for the benefit of all the Plan's stockholders. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Maryland Transit Administration Pension Plan  
Attention: Plan Administrator  
6 St. Paul Street  
Baltimore, Maryland 21202-1614

## MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

### Statement of Fiduciary Net Position (Amounts in Thousands) As of June 30, 2025

<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 20,231</u>
<b>Investments:</b>	
U.S. Government obligations	48,855
Domestic corporate obligations	23,263
International obligations	14,099
Domestic stocks	98,242
International stocks	96,027
Mortgages and mortgage related securities	17,797
Alternative investments	<u>278,130</u>
Total investments	<u>576,413</u>
Receivables:	
Accrued investment income	2,884
Investment sales proceeds	<u>7,232</u>
Total receivables	<u>10,116</u>
Collateral for loaned securities	<u>41,988</u>
<b>Total Assets</b>	<u><b>648,748</b></u>
<b>LIABILITIES</b>	
Obligation for collateral for loaned securities	41,988
Manager fees payable	121
Investment purchases payable	<u>7,365</u>
Total Liabilities	<u>49,474</u>
<b>Net Position Held in Trust for Pension Benefits</b>	<u><b>\$ 599,274</b></u>

The accompanying notes are an integral part of this financial statement.

## MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

### Statement of Changes in Fiduciary Net Position (Amounts in Thousands) For the Year Ended June 30, 2025

#### ADDITIONS

Investment income:	
Interest and dividend income	\$ 26,900
Net appreciation in fair value of investments	30,026
Less: investment expenses	(4,108)
Net income from securities lending activities	179
Total Net Investment Income	<u>52,997</u>

#### Contributions:

Employer	56,615
Employees	12,934
Total contributions	<u>69,549</u>
<b>Total Additions</b>	<u>122,546</u>

#### DEDUCTIONS

Benefit payments and refunds	56,769
Administrative expenses	198
<b>Total Deductions</b>	<u>56,967</u>

Net change	65,579
Net position held in trust for pension benefits, beginning of year	533,695
<b>Net Position Held in Trust for Pension Benefits, End of Year</b>	<u>\$ 599,274</u>

The accompanying notes are an integral part of this financial statement.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 1. PLAN DESCRIPTION

The Maryland Transit Administration (MTA) Pension Board of Trustees, including members from MTA’s Benefits Division and senior management are fiduciaries of the pension trust fund and, as such, are charged with the responsibility of ensuring that the Plan’s assets are used exclusively for the benefit of the Plan’s participants and their beneficiaries.

The following description of the Maryland Transit Administration Pension Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

#### General

The Plan is a contributory defined benefit pension plan established by the MTA (or Plan Sponsor) of the Maryland Department of Transportation (MDOT), under the State Personnel and Pensions Article of the Annotated Code of Maryland. The Plan is a single-employer public employee retirement plan covering all employees of MTA who are covered by the Local 2 or Local 1300 collective bargaining agreements (CBAs), non-sworn officers covered by the Local 1859 CBA, and those management employees who transferred from positions covered by one of those collective bargaining agreements. Membership in the Plan consisted of the following as of June 30, 2025:

Retirees and beneficiaries receiving payments (includes QDRO participants)	2,237
Terminated vested plan members	591
Active members	<u>2,609</u>
<b>Total Membership</b>	<b><u>5,437</u></b>

#### Vesting

The following table summarizes the vesting requirements for each bargaining unit:

<u>Years of Service</u>	<u>Local 1300 &amp; Management</u>	<u>Local 2</u>	<u>Police Local 1859</u>
5	Hired before 5/18/2013	Hired before 7/1/2012	Hired before 1/1/2012
7	Hired on or after 5/18/2013 and before 7/1/2016	Hired on or after 7/1/2012 and before 7/1/2016	Hired on or after 1/1/2012 and before 10/27/2017
10	Hired on or after 7/1/2016	Hired on or after 7/1/2016	Hired on or after 10/27/2017

Participants are considered 100% vested upon the attainment of early or normal retirement eligibility.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 1. PLAN DESCRIPTION (continued)

#### Contributions

The Plan Sponsor contributes to the Plan on an annual basis. For the fiscal year ended June 30, 2025, the Plan Sponsors contribution was based on the actuarially determined contribution by the plans actuary.

Effective July 1, 2016 for Local 2 and Local 1300 and effective October 27, 2017 for Local 1859, employees started contributing to the Plan via payroll deductions at a rate of 2% of pensionable earnings. Local 1300 employee contributions increased to 3% effective July 1, 2019; to 4% on July 1, 2020; to 5% on January 8, 2023; and will increase to 6% effective July 1, 2024. Local 2 employee contributions increased to 3% effective July 1, 2020; to 4% on July 1, 2021; and to 6% effective November 6, 2022. Local 1859 employee contributions increased to 3% February 1, 2020 and to 4% effective December 26, 2021. Contributions shall continue until such time as the Plans actuary certifies that the market value funded ratio equals or exceeds 100%.

#### Pension Benefits

The Plan provides for early, normal and late retirement benefits. Normal retirement is at age 65 with five years of credited service or age 52 with 30 years of credited service. Early retirement may occur at age 55 if the total of the participants age and credited years of service are equal to at least 85. Effective September 8, 2002 for Local 1300 and February 25, 2004 for Local 2 and Local 1859, credited service includes up to four years of active military service prior to employment by the MTA. A participant may retire after the established normal retirement date. Under late retirement, the monthly benefit is adjusted to reflect the additional years of service. The normal form of payment is paid over the life of the participant. The Plan also provides benefits for disability and to surviving spouses or other named beneficiaries on the death of participants receiving benefits.

#### Plan Termination

In the event of termination of the Plan, the Plan administrator will determine the share of the Plan's assets allocable to each participant based upon their actuarially determined liability to the total liabilities, as outline in the Plan provisions.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Measurement Focus and Basis of Accounting

The Plan's financial statements are prepared using the economic resource measurement focus and on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, investment purchases and sales are recorded as of their respective trade dates. Employer and employee contributions are recognized in the period when due, pursuant to statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Interest and dividend income is recognized when earned. Capital gains and losses are recognized on a trade date basis.

#### Investments and Valuation

The investments of the Plan are held and invested on behalf of the Plan by the Maryland State Retirement and Pension System (MSRPS). The investments are limited to those allowed for by the MSRPS. The State Personnel and Pensions Article of the Annotated Code of Maryland authorizes the MSRPS to invest the Plan assets in stocks, bonds, notes, certificates of indebtedness, mortgage notes, real estate, debentures or other obligations, subject to the terms, conditions, limitations and restrictions imposed by the Board of Trustees of the MSRPS. Additional information on the investment activity of the MSRPS can be found in their annual comprehensive financial report, available at <https://sra.maryland.gov/annual-financial-reports>.

#### Administrative and Investment Expenses

The Plan incurs administrative and investment expenses in proportion to its share of each investment pool for which it is involved. The Plan's investment expenses are funded from investment income. The administrative expenses are assessed by MSRPS. MTA absorbs all internal administration costs related to the Plan. Administrative expenses paid directly by MTA are excluded from these financial statements.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, additions, deductions, and disclosures of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

#### Tax Status

The Plan qualifies under Section 401(a) of the Internal Revenue Code (the Code) and is exempt from Federal income taxes under Section 501(a) of the Code.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 3. NET PENSION LIABILITY

#### Net Pension Liability of the Maryland Transit Administration

The components of the net pension liability of the Plan as of June 30, 2025, were as follows (amounts in thousands):

Total Pension Liability	\$	1,250,463
Plan Fiduciary Net Position		599,274
Net Pension Liability	\$	<u>651,189</u>

As of June 30, 2025, the Plan's fiduciary net position as a percentage of the total pension liability is 47.92%.

Significant methods and assumptions underlying the actuarial valuation in determining the total pension liability as of June 30, 2025, were as follows:

Actuarial cost method	Entry-age Level-Percent-of-Payroll Normal Cost
Wage Inflation	2.75%
Salary increases	2.75% to 10.55% including inflation
Investment rate of return	6.80%
Municipal bond rate	5.20%
Single discount rate	6.08%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	Pre-retirement: The fully generational Pri-2012 Amount-Weighted Blue Collar Er mortality table, sex distinct, with generational mortality improvements from 2012 scale MP-2021 Post-retirement Healthy lives: The fully generational Pri-2012 Amount-Weighted Collar Healthy Retiree mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021. Post-retirement Disabled lives: The fully generational Pri-2012 Amount-Weighted Disabled Retiree mortality table, sex distinct, with generational mortality improve: from 2012 using scale MP-2021.

#### Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 3. NET PENSION LIABILITY (continued)

#### Long-term Expected Rate of Return (continued)

For each major asset class that is included in the target asset allocation as of June 30, 2025, these best estimates are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Public Equity	34%	5.90%
Private Equity	16%	8.50%
Rate Sensitive	20%	3.00%
Credit Opportunity	9%	5.40%
Real Assets	15%	5.90%
Absolute Return	6%	3.80%
Total	<u>100%</u>	

The above was the Board of MSRPS adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2025.

#### Long-term Expected Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 9.83%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Discount Rate

The single discount rate used to measure the total pension liability as of June 30, 2025 was 6.08%, an increase from the prior year rate of 5.35%. The Plan's long-term expected net rate of investment return of 6.80% has been blended with the 5.20% yield corresponding to the 20-year maturity on a municipal general obligation AA bond yield curve published on Fidelity's Fixed Income Market Data webpage as of June 30, 2025. U.S. GAAP requires that the Plan first allocate these contributions to the normal cost for future hires. Based on these assumptions, the Plan is expected to become insolvent in 2054. The Plan has determined the present value of payments through 2053 using the expected rate of return of assets 6.80% as the discount rate, and present value of benefit payments after 2053 using the June 30, 2025 bond rate of 5.20% as a discount rate. The equivalent single rate is 6.08%.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 3. NET PENSION LIABILITY (continued)

#### Discount Rate (continued)

The projected benefits for purposes of this report include expected Cost-of-Living Adjustments (COLAs) to benefits for pensioners and beneficiaries of 2.0% per year. Although there is not a firm promise to provide COLAs, there is a pattern of providing annual increases and, as such, they have been included as part of the substantive plan.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

#### Sensitivity of the Net Pension Liability

Changes in the discount rate affect the measurement of the total pension liability (TPL). Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the net pension liability (NPL) can be very significant for a relatively small change in the discount rate. The following presents the net pension liability, calculated using the discount rate of 6.08%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower (5.08%) or 1-percentage-point higher (7.08%) than the current rate.

	<b>Dollar Amounts in Thousands</b>		
	<b>1% Decrease 5.08%</b>	<b>Discount Rate 6.08%</b>	<b>1% Increase 7.08%</b>
Net Pension Liability	<u>\$ 815,159</u>	<u>\$ 651,189</u>	<u>\$ 514,481</u>

### 4. CASH DEPOSITS AND INVESTMENTS

The cash deposits and investments of the Plan are commingled with MSRPS cash deposits. MSRPS indicated that they do not have any funds or deposits that are not covered by depository insurance, which are either uncollateralized, collateralized with securities held by the pledging financial institution's trust department or agent, but not in MSRPS' name. Nor does the MSRPS have any investments that are not registered in their name and are either held by the counterparty or the counterparty's trust department or agent but are not in MSRPS' name. As of June 30, 2025, the Plan has no investments in a single issuer that exceeds 5% of fiduciary net position. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 4. CASH DEPOSITS AND INVESTMENTS (continued)

The investments included in the investment pools by MSRPS included U.S. government obligations, domestic corporate obligations, mortgage-related securities, domestic stocks, international obligations and international stocks. For a complete summary of the investments risk disclosure refer to the MSRPS' separately issued financial statements.

#### **Fair Value Measurements**

The Plan follows the fair value measurement and disclosure guidance under U.S. GAAP, which establishes a hierarchical disclosure framework. This framework prioritizes and ranks the level of market price observability used in measuring investments at fair value. U.S. GAAP also allows investments to be valued at cost or net asset value (NAV). The three levels are defined as follows:

Level 1 – observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible on the measurement date.

Level 2 – inputs-other than quoted prices included within Level 1 – that are observable for the asset or liability, either directly or indirectly (for example, quoted prices for similar assets or liabilities in active markets). These inputs may be derived principally from, or corroborated by, observable market data through correlation or by other means.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement, including situations where there is little market activity.

MSRPS categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a combination of prevailing market prices and interest payments that are discounted at prevailing interest rates for similar instruments. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 4. CASH DEPOSITS AND INVESTMENTS (continued)

#### Fair Value Measurement (continued)

As of June 30, 2025, the Plan had the following recurring fair value measurements (in thousands):

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
<b>Debt Securities</b>				
U.S. Government obligations	\$ 48,855	\$ 48,855	\$ -	\$ -
Domestic corporate obligations	23,263	-	23,263	-
International obligations	7,401	-	7,401	-
Emerging markets debt	6,584	-	6,584	-
Mortgages & mortgage related securities	17,797	-	-	17,797
<b>Total debt securities</b>	<u>103,900</u>	<u>48,855</u>	<u>37,248</u>	<u>17,797</u>
<b>Equity Securities</b>				
Domestic stocks (including REITs)	69,721	69,721	-	-
International stocks (including REITs)	68,305	68,305	-	-
<b>Total equity securities</b>	<u>138,026</u>	<u>138,026</u>	<u>-</u>	<u>-</u>
<b>Alternative Investment</b>	3,307	3,307	-	-
<b>Total investment by fair value level</b>	<u>\$ 245,233</u>	<u>\$ 190,188</u>	<u>\$ 37,248</u>	<u>\$ 17,797</u>
<b>Investment measured at the net asset value (NAV)</b>				
Equity open-end fund	58,622			
Real estate-open ended	42,353			
Private Funds (includes equity, real estate, credit, energy, infrastructure and timber)	190,829			
Multi-asset	2,398			
<b>Hedge Funds</b>				
Equity long/short	8,790			
Event-driven	2,930			
Global macro	7,030			
Relative value	17,032			
Opportunistic	1,196			
<b>Total investment measured at the NAV</b>	<u>331,180</u>			
<b>Total</b>	<u>\$ 576,413</u>			

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 4. CASH DEPOSITS AND INVESTMENTS (continued)

#### Fair Value Measurement (continued)

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is presented on the following table.

#### Investments measured at net asset value (NAV)

\$ in Thousands

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Private funds (includes equity, energy, credit, infrastructure, timber, commodity and real estate (1))	\$ 190,829	\$ 78,212	Illiquid	N/A
Real estate open-end fund (3)	42,353	-	Quarterly	45 - 90 days
Equity open-end fund (2)	29,748	-	Daily	1 day
	22,199	-	Monthly	5 - 30 days
	6,674	-	Triennially	150 days
Multi-asset (9)	2,398	-	Monthly	5 days
<b>Hedge Funds</b>				
Equity long/short (5)	8,042	-	Monthly	30 - 45 days
	748	-	Quarterly	60 days
Event-driven (6)	722	-	N/A	Liquidating
	1,654	-	N/A	Liquidating
	415	-	N/A	Liquidating
	138	-	N/A	Liquidating
Global macro (4)	-	-	Monthly	5 - 30 days
	3,395	-	Monthly	60 - 90 days
	3,635	-	Quarterly	60 - 90 days
Relative value (7)	1,231	-	Monthly	90 days
	1,884	-	Quarterly	30 days
	4,742	-	Quarterly	45 - 90 days
	9,176	-	N/A	Liquidating
Opportunistic (8)	1,187	-	N/A	Liquidating
	10	-		
	<u>\$ 331,180</u>	<u>\$ 78,212</u>		

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 4. CASH DEPOSITS AND INVESTMENTS (continued)

#### Fair Value Measurement (continued)

1. Private funds (includes equity, real estate, credit, energy, infrastructure, commodities, and timber): This type includes 426 Global private funds, which cannot be redeemed. Instead, distributions are received through the liquidation of the underlying assets of the fund. These funds are valued based on individual, audited financial statements and assumptions used by fund managers.
2. Real estate-open ended: This type includes nine domestic open-ended real estate funds, which can be liquidated. The fair values of the funds within this type have been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets.
3. Equity Open-End Fund: This type includes investments in institutional investment funds, which invest in one international developing equity, seven emerging market and three domestic equities. The fair values of the funds within this type have been determined using the net asset value (NAV) per share, which has been valued by the fund based on the characteristics of the underlying assets. Six funds have a 5 to 30 days liquidity structures and one fund is redeemable in five months with triennial redemption restrictions.
4. Multi-asset: This category includes one diversified fund. The fair value of the fund within this type has been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets.
5. Equity long/short: This type includes investments in three hedge funds that invest both long and short primarily in U.S. and Asian common stocks. Management of each hedge fund has the ability to shift investment from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the funds within this type have been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets. One fund has a two-year rolling (hard) lockup period with custom withdrawal periods on 60 days' notice, while the other requires a 60-day notice for quarterly redemption proceeds. Another fund has a one-year soft lock-up and requires a 30 to 45-day notice.
6. Event-driven: This type includes five investments, two of which two are credit hedge funds. These funds invest in equities and bonds of companies and governments at risk of or in the process of reorganizing to profit from economic, political, corporate, and government-driven events. The other three are focused on merger arbitrage and assets across the capital structure. The fair values of the funds within this type have been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets. The other funds have a 15 to 90-day liquidity structure.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 4. CASH DEPOSITS AND INVESTMENTS (continued)

#### Fair Value Measurement (continued)

7. Global macro: This category includes five hedge funds that invest in over 100 financial markets. The funds are diversified and take long, short and spread positions. The fair values of the funds within this type have been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets. These assets have a liquidity structure which ranges from 5 to 90 days.
8. Relative value: This category includes ten hedge funds with a liquidity structure between 30 and 90 days. Additionally, the category includes one drawdown-style fund with a discreet fund life. These funds invest in a wide range of strategies. The fair values of the funds within this type have been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets.
9. Opportunistic: Currently there are three hedge funds in this category, which invests in re-insurance for catastrophe risk (mostly hurricane and earthquake). The funds have a quarterly redemption with a 90-day notice. The fair value of these funds has been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets.

The Plan's cash deposits and investments are commingled with MSRPS. MSRPS does not separately trust or manage the Plan's cash and investments. The Plan does not own an individual interest in specific assets. Full disclosure on the risks over cash deposits and investments can be found in the cash and investment footnote in MSRPS' annual comprehensive financial report, available at <https://sra.maryland.gov/annual-financial-reports>.

The Plan may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities may occur in the near term, and that such changes could materially affect the amounts reported in the statement of net assets held in trust available for plan benefits.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 4. CASH DEPOSITS AND INVESTMENTS (continued)

#### Interest Rate Risk

Interest rate is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2025, the Plan had the following fixed income investments allocated by year of maturity except for the Commingled Funds, which are based on their average maturity:

Investment Type	Fair Value (in thousands)	As of June 30, 2025 Investment Maturities (in years)			
		Less than 1	1 thru 5	5 thru 10	More than 10
Asset Backed Securities	\$ 1,002	\$ 2	\$ 191	\$ 287	\$ 522
Bank Loans	98	2	39	57	-
Collateralized Mortgage Obligations	3,184	1	107	174	2,902
Credit/debt Commingled Funds	18,403	1,500	13,563	2,487	854
Domestic Corporate Obligations	21,377	335	10,162	7,006	3,874
International Obligations	3,072	34	1,165	1,007	867
Mortgage Pass-throughs	14,494	-	14	152	14,329
Municipals	359	1	35	70	253
Options	30	6	-	24	-
Short Term	13,603	1,554	-	12,049	-
Swaps	139	1	8	18	112
U.S. Government Agency	176	-	11	85	80
U.S. Treasury Inflation Linked	19,639	-	9,881	6,107	3,651
U.S. Treasury Notes/Bonds	27,784	39	327	488	26,930
U.S. Treasury Strips	876	4	18	33	822
Yankee Bonds	10,622	206	3,549	3,742	3,125
<b>Total</b>	<b>\$ 134,860</b>	<b>\$ 3,683</b>	<b>\$ 39,068</b>	<b>\$ 33,788</b>	<b>\$ 58,322</b>

Markets or interest rate risk is the greatest risk faced by an investor in the fixed income market. The price of a fixed income security typically moves in the opposite direction of the change in interest rates. Derivative securities, variable rate investments with coupon multipliers greater than one, and securities with long terms to maturity are examples of investments whose fair values may be highly sensitive to interest rate changes. These securities are reported at fair value in the Statement of Fiduciary Net Position.

Securities that would qualify as “highly interest rate sensitive” include interest only, principal only and inverse floaters, of which the Plan had no significant holdings as of June 30, 2025.

As of June 30, 2025, the Plan had \$14,494 (in thousands), invested in mortgage pass-through securities issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. These investments are moderately sensitive to changes in interest rates because they are backed by mortgage loans in which the borrowers have the option of prepaying.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 4. CASH DEPOSITS AND INVESTMENTS (continued)

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. This is measured by the assignment of ratings by nationally recognized statistical rating organizations. The ratings used to determine the quality of the individual securities in the table below are the ratings provided by Moody's and Standard & Poor's Global Inc. The listed ratings are based on the most conservative rating when multiple ratings were offered. Obligations issued or guaranteed by the U.S. government or government-sponsored agencies are eligible without limit. MSRPS may invest in an unrated security if the security is comparable in quality to other rated securities that are eligible for purchase. The notation NR represents those securities that are not rated for which the rating disclosure requirements are not applicable, such as commingled short term and credit funds, mortgage securities, foreign sovereign bonds and bank loans which by nature do not have credit quality ratings. The current policy regarding credit risk is determined by each investment manager's mandate.

As of June 30, 2025, the credit ratings of fixed income securities are shown below as a percentage of total investments:

**Credit Quality Distribution for Debt Securities**  
(Expressed in Thousands)

<b>Rating</b>	<b>2025 Fair Value</b>	<b>% of Total Investments</b>
AAA	\$ 454	0.076%
AA	1,104	0.184%
A	5,662	0.945%
BBB	10,538	1.758%
BB	8,506	1.419%
B	6,218	1.037%
CCC	832	0.139%
CC	18	0.003%
D	43	0.007%
NR*	<u>53,186</u>	8.873%
Total Exposed to Credit Risk	<u>86,561</u>	
US Government Guaranteed**	<u>48,299</u>	
Total Fixed Income and Short-Term Investments	<u>\$ 134,860</u>	

\*NR represents securities not rated.

\*\*Comprised of U.S. government and agency obligations explicitly guaranteed by the U.S. Government.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 4. CASH DEPOSITS AND INVESTMENTS (continued)

#### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan's investment exposure in foreign currency risk as of June 30, 2025, is shown below:

<b>International Investment Securities - At Fair Value as of June 30, 2025</b>					
<i>(U.S. Dollars in Thousands)</i>					
<b>Currency</b>	<b>Equity</b>	<b>Fixed Income</b>	<b>Cash</b>	<b>Alternative Investments</b>	<b>Total Exposure</b>
Australian Dollar	\$ 2,272	\$ 12	\$ 76	\$ 1,042	\$ 3,402
Brazilian Real	250	(10)	-	-	240
Canadian Dollar	4,309	11	10	2,192	6,522
Chilean Peso	7	-	-	-	7
Colombian Peso	-	-	-	-	-
Czech Koruna	982	-	2	-	984
Danish Krone	164	-	-	-	164
Egyptian Pound	17,704	966	424	14,794	33,888
Euro Currency	2,127	-	5	405	2,537
Hong Kong Dollar	10	-	-	-	10
Hungarian Forint	228	-	5	-	233
Indonesian Rupiah	9,517	105	62	166	9,850
Japanese Yen	13	-	-	-	13
Malaysian Ringgit	332	-	2	-	334
Mexican Peso	265	-	1	-	266
New Israeli Sheqel	528	-	-	-	528
New Taiwan Dollar	56	96	7	78	237
New Zealand Dollar	549	-	1	-	550
Norwegian Krone	14	-	-	-	14
Philippine Peso	-	-	-	-	-
Polish Zloty	44	-	1	-	45
Pound Sterling	6,638	207	125	2,055	9,025
Qatari Rial	-	-	-	-	-
Romanian Leu	-	-	-	-	-
Russian Ruble	-	-	-	-	-
Singapore Dollar	599	-	4	-	603
Sol	-	61	5	-	66
South African Rand	605	40	(4)	-	641
South Korean Won	838	-	2	-	840
Swedish Krona	1,138	-	5	-	1,143
Swiss Franc	3,800	-	16	53	3,869
Thailand Baht	102	-	-	-	102
Turkish Lira	12	-	-	-	12
Uae Dirham	301	-	-	-	301
Yuan Renminbi	180	-	2	-	182
Total foreign currency risk	53,584	1,488	751	20,785	76,608
Other holdings with potential exposure to foreign currency risk	45,249	10,731	-	17,250	73,230
<b>Total investments subject to foreign currency risk*</b>	<b>\$ 98,833</b>	<b>\$ 12,219</b>	<b>\$ 751</b>	<b>\$ 38,035</b>	<b>\$ 149,838</b>

\*Includes Derivatives

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 4. CASH DEPOSITS AND INVESTMENTS (continued)

#### Security Lending Transactions

The following table details the net income from securities lending for MTA for the year ended June 30, 2025 (in thousands):

	<u>Amounts</u>
Interest Income	\$ 2,181
Less: Interest expense	<u>2,002</u>
Net Income from Securities Lending	<u>\$ 179</u>

The Board of Trustees has authorized MSRPS to lend its securities to broker-dealers with a simultaneous agreement to return the collateral for the same securities in the future. Deutsche Bank, pursuant to a written agreement, is permitted to lend long-term securities to authorized broker-dealers subject to the receipt of acceptable collateral. MSRPS lends securities for collateral in the form of either cash or other securities. The types of securities on loan as of June 30, 2025 included long-term U.S. government obligations, domestic and international equities, as well as domestic and international debt obligations. At the initiation of a loan, borrowers are required to provide collateral amounts of 102% (domestic securities and foreign securities that are denominated in the same currency as the collateral provided by the counterparty) and 105% (foreign securities that are not denominated in the same currency as the collateral provided by the counterparty). In the event the collateral fair value falls below 100% for domestic securities and foreign securities that are denominated in the same currency as the collateral or 103% on foreign securities not denominated in the same currency as the collateral provided by the counterparty, the borrower is required to provide additional collateral to the original levels by the end of the next business day. Deutsche Bank is obligated to indemnify the client if there are any losses of securities, collateral, or investments of the client in the Bank's custody arising out of or related to the negligence or dishonesty of the Bank.

MSRPS maintains the right to terminate the securities lending transactions upon notice. The lending agent reinvests the cash collateral received on each loan utilizing indemnified repurchase agreements (repos). As of June 30, 2025, such repos had average days to maturity of 44.77 days. MSRPS cannot pledge or sell collateral securities received unless (and until) a borrower defaults. At year-end, MSRPS had no credit risk exposure to borrowers because the amount MSRPS owed the borrowers exceeded the amount the borrowers owed MSRPS. The fair value of securities on loan and cash value of collateral held as of June 30, 2025 (in thousands) was \$41,094 and \$41,988, respectively.

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Notes to the Financial Statements

June 30, 2025

### 4. CASH DEPOSITS AND INVESTMENTS (continued)

#### Security Lending Transactions (continued)

The following table presents the fair values of the underlying securities, and the value of the collateral pledged as of June 30, 2025 for the MTA plan (in thousands):

<u>Securities Lent</u>	<u>As of June 30, 2025</u>		
	<u>Fair Value Loaned Securities</u>	<u>Collateral Fair Value</u>	<u>Percent Collateralized</u>
<b>Lent for Cash collateral</b>			
U.S. Government and Agency	\$ 28,318	\$ 28,911	102.09%
Domestic bond & Equity	12,609	12,903	102.33%
International Fixed	64	65	101.56%
International Equity	103	109	105.83%
<b>Total Securities Lent</b>	<b>\$ 41,094</b>	<b>\$ 41,988</b>	<b>102.18%</b>

There were no significant under-collateralization events as of June 30, 2025.

### 5. RISKS AND UNCERTAINTIES

The Plan's contributions are made, and the actuarial present value of accumulated plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. It is at least reasonably possible that changes in these assumptions in the near term could materially affect the amounts reported and disclosed in the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

# MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

## Schedule of Changes in Net Pension Liability and Related Ratios Last Ten Fiscal Years (Amounts in Thousands)

Fiscal year ending June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>										
Service Cost	\$ 35,063	\$ 31,691	\$ 29,389	\$ 50,802	\$ 44,827	\$ 42,308	\$ 36,027	\$ 37,195	\$ 36,334	\$ 48,499
Interest on the Total Pension Liability	68,696	65,255	62,495	51,485	56,406	55,831	56,519	54,904	57,881	31,181
Benefit Changes	-	-	-	-	-	208	(203)	3,106	2,133	82,510
Difference between Expected and Actual Experience	25,245	22,080	21,902	(50,063)	(11,809)	(17,140)	(8,528)	17,385	(20,741)	(15,024)
Assumption Changes	(116,659)	3,207	(29,238)	(390,469)	140,735	101,716	(58,176)	(36,903)	(162,606)	338,950
Benefit Payments, including refunds of contributions	(56,769)	(53,342)	(50,465)	(47,454)	(44,736)	(44,432)	(42,724)	(37,203)	(39,062)	(35,283)
<b>Net Change In Total Pension Liability</b>	<b>(44,424)</b>	<b>68,891</b>	<b>34,082</b>	<b>(385,699)</b>	<b>185,423</b>	<b>138,492</b>	<b>(17,085)</b>	<b>38,483</b>	<b>(126,062)</b>	<b>450,833</b>
<b>Total Pension Liability - Beginning</b>	<b>1,294,887</b>	<b>1,225,996</b>	<b>1,191,914</b>	<b>1,577,613</b>	<b>1,393,190</b>	<b>1,254,698</b>	<b>1,271,782</b>	<b>1,233,299</b>	<b>1,359,361</b>	<b>908,528</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 1,250,463</b>	<b>\$ 1,294,887</b>	<b>\$ 1,225,996</b>	<b>\$ 1,191,914</b>	<b>\$ 1,578,613</b>	<b>\$ 1,393,190</b>	<b>\$ 1,254,698</b>	<b>\$ 1,271,782</b>	<b>\$ 1,233,299</b>	<b>\$ 1,359,361</b>
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 56,615	\$ 56,111	\$ 54,648	\$ 68,606	\$ 59,280	\$ 43,250	\$ 41,597	\$ 40,997	\$ 40,997	\$ 41
Employee Contributions	12,934	10,104	8,302		7,311	4,610	3,006	3,316	45,725	
Pension Plan Net Investment Income	52,997	33,630	14,786	(10,986)	93,213	12,832	31,024	20,550	27,741	12,768
Benefit Payments, including refunds of contributions	(56,769)	(53,342)	(50,465)	(47,454)	(44,736)	(44,432)	(42,724)	(37,203)	(39,062)	(35,283)
Pension Plan Administrative Expense	(198)	(173)	(146)	(41)	(3,602)	(2,652)	(2,325)	(2,213)	(1,914)	(1,967)
Other	-	-	-	-	-	-	(6,720)	-	(2,631)	-
<b>Net Change In Plan Fiduciary Net Position</b>	<b>65,579</b>	<b>46,329</b>	<b>27,124</b>	<b>12,864</b>	<b>111,466</b>	<b>13,608</b>	<b>23,858</b>	<b>25,447</b>	<b>28,225</b>	<b>16,515</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>533,695</b>	<b>487,366</b>	<b>460,242</b>	<b>447,378</b>	<b>335,912</b>	<b>322,304</b>	<b>298,447</b>	<b>273,000</b>	<b>244,776</b>	<b>228,261</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 599,274</b>	<b>\$ 533,695</b>	<b>\$ 487,366</b>	<b>\$ 460,242</b>	<b>\$ 447,378</b>	<b>\$ 335,912</b>	<b>\$ 322,304</b>	<b>\$ 298,447</b>	<b>\$ 273,000</b>	<b>\$ 244,776</b>
<b>Net Pension Liability Ending (a) - (b)</b>	<b>\$ 651,189</b>	<b>\$ 761,192</b>	<b>\$ 738,630</b>	<b>\$ 731,672</b>	<b>\$ 1,131,235</b>	<b>\$ 1,057,278</b>	<b>\$ 932,394</b>	<b>\$ 973,335</b>	<b>\$ 960,299</b>	<b>\$ 1,114,585</b>
<b>Plan Fiduciary Net Position as a Position as a Percentage of Total Pension Liability</b>	47.92%	41.22%	39.75%	38.61%	28.34%	24.11%	25.69%	23.47%	22.14%	18.01%
<b>Covered Payroll</b>	\$ 209,590	\$ 187,150	\$ 170,004	\$ 163,102	\$ 164,553	\$ 149,768	\$ 148,445	\$ 145,834	\$ 137,154	\$ 137,427
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	310.70%	406.73%	434.48%	448.60%	687.46%	705.94%	628.11%	667.43%	700.16%	811.04%

Due to rounding, numbers presented here may not add up precisely to the totals shown.

### Notes:

Changes of assumptions: FY25 reflects an increase to the single discount rate from 5.35% to 6.08%.

Employee Contribution changes: All Local 1300 were contributing 5% of earnings to the Plan as of January 8, 2023. All Local 2 were contributing 6% as of November 6, 2022. Local 1300 contributions increased to 6% as of July 1, 2024.

## MARYLAND TRANSIT ADMINISTRATION PENSION PLAN

### Schedule of Employer Contributions Last Ten Fiscal Years (Amounts in Thousands)

Significant methods and assumptions underlying the July 1, 2024 actuarial valuation in determining the actuarially determined contribution for the fiscal year ending June 30, 2025, were as follows:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 56,615	\$ 54,407	\$ 55,926	\$ 53,639	\$ 58,842	\$ 55,213	\$ 64,649	\$ 66,495	\$ 62,217	\$ 44,736
Contributions in relation of the actuarially determined contribution	56,601	56,110	54,648	68,606	59,280	43,250	41,597	41,597	40,997	40,997
<b>Contribution Deficiency (Excess)</b>	<b>\$ 14</b>	<b>\$ (1,703)</b>	<b>\$ 1,278</b>	<b>\$ (14,967)</b>	<b>\$ (438)</b>	<b>\$ 11,963</b>	<b>\$ 23,052</b>	<b>\$ 24,898</b>	<b>\$ 21,220</b>	<b>\$ 3,739</b>
Covered Payroll	\$209,590	\$187,150	\$170,004	\$163,102	\$164,553	\$149,768	\$148,445	\$145,834	\$137,154	\$137,427
Contributions as a Percentage of Covered Payroll	27.01%	29.98%	32.15%	42.06%	36.02%	28.88%	28.02%	28.52%	29.89%	29.83%

Actuarial cost method	Entry-Age Level Dollar Normal Cost -
Amortization method	Level dollar, closed
Remaining amortization period	2-20 years
Asset valuation method	5-Year smoothed market for funding
Inflation	2.75%
Salary increases	2.75% to 10.55% including inflation
Investment rate of return	6.80%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	Pre-retirement: The fully generational Pri-2012 Amount-Weighted Blue Collar Employee mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021. Post-retirement Healthy lives: The fully generational Pri-2012 Amount-Weighted Blue Collar Healthy Retiree mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021. Post-retirement Disabled lives: The fully generational Pri-2012 Amount-Weighted Total Disabled Retiree mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021.

**MARYLAND TRANSIT ADMINISTRATION PENSION PLAN**

**Schedule of Investment Returns**

**Last Ten Fiscal Years (Amounts in Thousands)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expenses	9.83%	6.89%	3.11%	-2.92%	26.69%	3.50%	6.44%	8.08%	10.02%	1.46%