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NOTE 6. PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUSTS FUNDS (Continued)

Electric Power Board of Chattanooga Retirement Plan (Continued)

Employees covered by benefit terms – The following employees were covered by the benefit terms as of June 30, 2025:

Inactive plan members or beneficiaries currently receiving benefits	19
Inactive plan members entitled to but not yet receiving benefits	197
Active plan members	476
	692

Benefits provided – The Plan provides retirement and death benefits. The normal monthly retirement benefit formula provides that each participant will receive a monthly payment in the form of a single life annuity with sixty monthly guaranteed payments. The monthly payments are computed at the rate of 2% of final monthly salary for the first twenty years of service; 1.25% of final monthly salary for the ten years of service; 0.5% of final monthly salary for the next five years of service (maximum 35 years).

A participant who has completed five or more years of credited service and who has attained age fifty-five may be entitled to receive an early retirement benefit. The early retirement benefit is equal to the amount of the accrued benefit reduced by 0.4% for each month by which the early retirement date precedes the normal retirement date.

The death benefit shall be a lump sum distribution equal to the discounted present value of 50% of the early retirement accrued benefit, if the employee had not yet reached normal retirement age, or 50% of the normal retirement accrued benefit if the employee had reached normal retirement age, computed on the day before death. After retirement, the death benefit shall be determined by the form of benefit payment the employee elected upon retirement.

Final monthly salary is the three-year average of base salary on the actual retirement date and the two previous August 1sts. The normal retirement date is the first day of the month, coincident with the participant's 65th birthday or having five years of participation in the plan.

Contributions – Plan members are not required to contribute to the Plan. EPB's contributions are calculated based on an actuarially determined rate, which is currently 17.7% of annual covered payroll as of August 1, 2024.

b) Plan Investments

Asset Class	Target Allocation
Domestic equity	25 – 40 %
International equity	12 – 24
Fixed income	15 – 30
Real estate	0 – 45
Cash	0

c) Net Pension Liability

The components of the net pension liability for EPB at June 30, 2025 were as follows:

Total pension liability	$ 110,616,000
Plan fiduciary net position	(80,058,000)
Net OPEB liability	$ 30,558,000
Plan fiduciary net position as a percentage of the total OPEB liability	72.37%

(Continued)