INTERGOVERNMENT MEMO

To: Caln Township Board of Commissioners
Cc: Don Vymazal – Township Manager

From: Lisa Swan – Finance Director

Subject: 2026 MMO Resolutions

These reports have been completed using the actuarial results for Caln Township. The MMO must be submitted to the governing body of the Municipality by September 30, 2025.

These MMO calculations will be listed as an expense in the 2026 budget. This expense is offset in portion by State Aid to be received in 2026. This revenue amount will be included as a revenue in the 2026 budget.

The funds used to satisfy the MMO include State Aid and local revenues. The entire MMO amount will be deposited into the Plans by December 31, 2026.

The Resolutions will be presented for approval at the Caln Township Board of Commissioner's Legislative Meeting on September 25, 2025.

Please let me know if you have any questions.

CALN TOWNSHIP POLICE PENSION PLAN
FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL OBLIGATION
FOR 2026 MUNICIPAL BUDGET

A. Normal Cost		
1. Normal Cost as a Percent of Payroll		19.470%
2. Estimated 2025 Payroll for Active Participants	$	2,390,350
3. Normal Cost (A1 x A2)	$	465,401
B. Financial Requirement		
1. Normal Cost (A3)	$	465,401
2. Anticipated Insurance Premiums		0
3. Anticipated Administrative Expense		131,469
4. Amortization Payment, if any		0
5. Financial Requirement (B1 + B2 + B3 + B4)	$	596,870
C. Minimum Municipal Obligation		
1. Financial Requirement (B5)	$	596,870
2. Anticipated Employee Contributions (5.0% of Estimated Payroll)		119,518
3. Funding Adjustment, if any		65,021
4. Minimum Municipal Obligation (C1 - C2 - C3)	$	412,331

NOTES:

1. 2026 General Municipal Pension System State Aid may be used to fund part or all of the municipal obligation and must be deposited within 30 days of receipt. Any remaining balance must be paid from municipal funds.
2. Deposit into the Plan's assets must be made by December 31, 2026 to avoid an interest penalty.
3. Any delinquent Minimum Municipal Obligation from prior years must be included in the 2026 budget along with an interest penalty.

I hereby certify that the above calculations, to the best of my knowledge, are true, accurate, and conform with the provisions of Chapter 3 of Act 205 of 1984.

Certified By:

Chief Administrative Officer _____ Date _____

Prepared using the January 1, 2023 Valuation.

The Minimum Municipal Obligation Worksheet (MMO)
Caln Township Pension Plan (15-012-4 N)

for Plan Year 2026

CHARGES

Estimated 2025 W-2 Payroll For Covered Plan Members:	(A)	2,431,764.00	
PMRS Determined Normal Cost Expressed as a Decimal:	(B)	0.1212	
RESULT: (A) * (B) =			(C) 294,729.80
Administrative Charge (PMRS Determined) # of Plan Members times $20:			(D) 1,140.00
Amortization of Unfunded Liability (PMRS Determined)			(E) 69,469.00
TOTAL CHARGES: (C) + (D) + (E) =			(F) 365,338.80

CREDITS

Repeat Estimated 2025 W-2 Payroll For Covered Plan Members:	(A)	2,431,764.00	
Employee Contribution Rate Expressed as a Decimal (PMRS Determined)	(G)	0.0000	
RESULT: (A) * (G) =			(H) 0.00
Amortization of the Actuarial Surplus (PMRS Determined)			(I) 0.00
TOTAL CREDITS: (H) + (I) =			(J) 0.00

MINIMUM MUNICIPAL OBLIGATION

(Based on 1/1/2023 Actuarial Valuation) **(MMO)** 365,338.80

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

Prepared By: Lisa Swan (Name) Lisa Swan (Signature)

Finance Director (Title) (610) 384 - 1513 (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.