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**TO:** President and Members of City Council

**FROM:** Bina Patel, Director of Finance

**DATE:** September 05, 2025

**SUBJECT:** 2026 Minimum Municipal Obligation for the PMRS Pension Plan

Act 205 of 1984 requires that the "Chief Administrative Officer" of the pension plan inform the "governing board" of the municipality of the Minimum Municipal Obligation (MMO) for the following year by the last day in September. This memo is intended to satisfy this legal requirement.

The calculation of the 2026 Minimum Municipal Obligation requires several assumptions relating to projected payroll. The attached 2026 Minimum Municipal Obligation certification details this determination.

Please understand that the MMO is the City's 2026 bill for this pension plan. The calculated obligation must be paid by December 31, 2026. The obligation must be met with general fund monies or with any General State Aid to Municipal Pensions to which we may be entitled under Act 205.

If you have questions regarding our pension cost calculations, they can be addressed either to myself or the Pennsylvania Municipal Retirement System at 800.622.7968.

cc: Matt Tuerk, Mayor  
Rich Cardamone, CFO PMRS

Attachment: 2026 PMRS MMO Worksheet

**The Minimum Municipal Obligation Worksheet (MMO)  
For The PMRS  
Allentown City Pension Plan (39-006-2 N2)  
For Plan Year 2026**

**CHARGES**

Estimated 2025 W-2 Payroll

For Covered Plan Members: (A) 39,278,507 -

PMRS Determined Normal Cost

Expressed as a Decimal: (B) 0.1461

RESULT: (A) \* (B) = (C) 5,738,590

Administrative Charge (PMRS Determined  
# of Plan Members times \$20:

(D) 21,680

Amortization of Unfunded Liability  
(PMRS Determined)

(E) 2,872,651

TOTAL CHARGES: (C) + (D) + (E) = (F) 8,632,921

**CREDITS**

Repeat Estimated 2025 W-2 Payroll

For Covered Plan Members: (A) 39,278,507

Employee Contribution Rate

Expressed as a Decimal: (G) 0.075

RESULT: (A) \* (G) = (H) 2,945,888

Amortization of the Actuarial Surplus  
(PMRS Determined)

(I) -

TOTAL CREDITS: (H) + (I) = (J) 2,945,888

**MINIMUM MUNICIPAL OBLIGATION**

(Based on 01/01/2023 Actuarial Valuation) (MMO) 5,687,033

Equals TOTAL CHARGES Minus

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

Prepared By: Bina Patel (Name)  (Signature)

Director of Finance (Title) (610) 437-7500 (Telephone #)

Please complete the above worksheet with your best estimates and return a copy to the Pennsylvania Municipal Retirement System by October 6. The official copy must be shared with the plan's governing board by the last business day in September.