# Metropolitan Transportation Authority Retiree Welfare Benefits Plan (“Other Postemployment Benefits Plan” or “OPEB Plan”)

(A Fiduciary Component Unit of
the Metropolitan Transportation Authority)

Financial Statements as of and for the Years Ended
December 31, 2025 and 2024, Supplemental Schedules, and
Independent Auditor’s Report

# METROPOLITAN TRANSPORTATION AUTHORITY
# OTHER POSTEMPLOYMENT BENEFITS PLAN

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of
the Metropolitan Transportation Authority Retiree Welfare Benefits Plan

### Opinion

We have audited the accompanying statements of fiduciary net position of the Metropolitan Transportation Authority Retiree Welfare Benefits Plan (the "Plan") as of December 31, 2025 and 2024, and the related statements of changes in fiduciary net position for the years then ended, 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 accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position as of December 31, 2025 and 2024, and the respective changes in 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's 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 audits. 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 control 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 one year after the date that the financial statements are available to be issued.

### Auditor's 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 auditor's 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 control. 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 control 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 control. 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 the Management's Discussion and Analysis, Schedule of Changes in Employers' Net OPEB Liability and Related Ratios-Schedule I, Schedule of Employer Contributions—Schedule II, and Schedule of Investment Returns—Schedule III 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 auditing standards generally accepted in the United States of America, 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.

Deloitte Touche LLP

July 29, 2026

# METROPOLITAN TRANSPORTATION AUTHORITY
# OTHER POSTEMPLOYMENT BENEFITS PLAN

## MANAGEMENT'S DISCUSSION AND ANALYSIS
## FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (UNAUDITED)

The purpose of the Metropolitan Transportation Authority ("MTA") Retiree Welfare Benefits Plan ("Other Postemployment Benefits Plan" or "OPEB Plan" or the "Plan") and the related Trust Fund is to provide a vehicle for the MTA organization to set aside funds to assist it in providing health and other welfare benefits to eligible retirees and their beneficiaries. The Plan and the Trust Agreement are exempt from federal income taxation under Section 115(1) of the Code. The MTA is not required by law or contractual agreement to provide funding for the Plan, other than the "pay-as-you-go" cost of providing current benefits to current eligible retirees, spouses and dependents ("Pay-Go").

This management's discussion and analysis of the Plan's financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2025 and 2024. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the year and the effects of significant changes. This discussion and analysis may contain opinions, assumptions, or conclusions by the MTA's management that should not be considered a replacement for, and is intended to be read in conjunction with, the Plan's financial statements which begin on page 9.

**Overview of Basic Financial Statements**

The following discussion and analysis is intended to serve as an introduction to the financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position**—present the financial position of the Plan at year end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.

- **The Statements of Changes in Fiduciary Net Position**—present the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net realized and unrealized gains in fair value of investments.

- **The Notes to Financial Statements**—provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

- **Required Supplementary Information**—as required by the Governmental Accounting Standards Board ("GASB") is presented after the management discussion and analysis, the statement of fiduciary net position, the statement of changes in fiduciary net position and the notes to the combined financial statements.

The accompanying financial statements of the Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

## Financial Highlights

**Fiduciary Net Position**
**December 31, 2025, 2024 and 2023**
**(Dollars in thousands)**

| | | | | Amount of Change | | Percentage Change | |
|---|---|---|---|---|---|---|---|
| | **2025** | **2024** | **2023** | **(2025–2024)** | **(2024–2023)** | **(2025–2024)** | **(2024–2023)** |
| ASSETS: | | | | | | | |
| Investments | $ 1,494,659 | $ 1,420,535 | $ 1,362,791 | $ 74,124 | $ 57,744 | 5.2 % | 4.2 % |
| Receivables and other assets | 22,552 | 12,262 | 11,708 | 10,290 | 554 | 83.9 | 4.7 |
| Total assets | 1,517,211 | 1,432,797 | 1,374,499 | 84,414 | 58,298 | 5.9 | 4.2 |
| LIABILITIES—Benefits payable and accrued expenses | 248 | 215 | 594 | 33 | (379) | 15.3 | (63.8) |
| Total liabilities | 248 | 215 | 594 | 33 | (379) | 15.3 | (63.8) |
| NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS | $ 1,516,963 | $ 1,432,582 | $ 1,373,905 | $ 84,381 | $ 58,677 | 5.9 % | 4.3 % |

Plan net position is held in trust for the payment of future benefits to members and beneficiaries. The assets of the Plan exceeded its liabilities by $1,517.0 million and $1,432.6 million as of December 31, 2025 and 2024. The net increase in Plan value in 2025 of $84.4 million was due to higher investment appreciation and accrued income compared to 2024.

**Changes in Fiduciary Net Position**
**For the Years Ended December 31, 2025, 2024, and 2023**
**(Dollars in thousands)**

| | | | | Amount of Change | | Percentage Change | |
|---|---|---|---|---|---|---|---|
| | **2025** | **2024** | **2023** | **(2025–2024)** | **(2024–2023)** | **(2025–2024)** | **(2024–2023)** |
| ADDITIONS—Total investment income | $ 85,439 | $ 59,659 | $ 43,596 | $ 25,780 | $ 16,063 | 43.2 % | 36.8 % |
| Less: Investment expenses | 886 | 837 | 565 | 49 | 272 | 5.9 | 48.1 |
| Net investment income | 84,553 | 58,822 | 43,031 | 25,731 | 15,791 | 43.7 | 36.7 |
| Add: | | | | | | | |
| Employer contributions | 878,589 | 877,690 | 2,139,096 | 899 | (1,261,406) | 0.1 | (59.0) |
| Implicit rate subsidy contribution | 63,850 | 66,606 | 62,445 | (2,756) | 4,161 | (4.1) | 6.7 |
| Total additions | 1,026,992 | 1,003,118 | 2,244,572 | 23,874 | (1,241,454) | 2.4 | (55.3) |
| DEDUCTIONS | | | | | | | |
| Benefit payments | 878,589 | 877,690 | 819,815 | 899 | 57,875 | 0.1 | 7.1 |
| Implicit rate subsidy payments | 63,850 | 66,606 | 62,445 | (2,756) | 4,161 | (4.1) | 6.7 |
| Administrative expenses | 172 | 145 | 142 | 27 | 3 | 18.6 | 2.1 |
| Total deductions | 942,611 | 944,441 | 882,402 | (1,830) | 62,039 | (0.2) | 7.0 |
| NET INCREASE/(DECREASE) IN NET POSITION | 84,381 | 58,677 | 1,362,170 | 25,704 | (1,303,493) | 43.8 | (95.7) |
| NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS | | | | | | | |
| Beginning of year | 1,432,582 | 1,373,905 | 11,735 | 58,677 | 1,362,170 | 4.3 | 11,607.8 |
| End of year | $ 1,516,963 | $ 1,432,582 | $ 1,373,905 | $ 84,381 | $ 58,677 | 5.9 % | 4.3 % |

The Plan's net position held in trust is $1,517.0 million and $1,432.6 million in 2025 and 2024, respectively. The change in 2025 of $84.4 million is primarily due to asset appreciation and accrued 2024.

**Investments**

The table below summarizes the Plan's investment measured at fair value.

| **December 31, 2025 (Dollars in thousands)** | **Fair Value** | **Allocation** |
|---|---|---|
| **Type of Investments** | | |
| Investment measured at readily determined fair value | $ 1,494,659 | 100 % |
| | $ 1,494,659 | 100 % |

| **December 31, 2024**<br>**(Dollars in thousands)** | **Fair Value** | **Allocation** |
|---|---|---|
| **Type of Investments** | | |
| Investment measured at readily determined fair value | $ 1,420,535 | 100 % |
| | $ 1,420,535 | 100 % |

**Economic Factors**

***Market Overview 2025***

In 2025, global markets navigated elevated volatility and evolving policy expectations. Geopolitical tensions and tariff disruptions periodically challenged investor sentiment. However, a shift toward monetary easing, complemented by supportive fiscal measures, such as the “Big Beautiful Bill”, reinforced risk appetite. Against this backdrop global equities delivered solid returns, international markets outperformed the United States, and precious metals emerged as standout performers.

United States (“U.S.”) equities started the year strong but experienced a sharp drawdown following the April 2 tariff announcement, dubbed “Liberation Day”. Markets later recovered as negotiations and temporary pauses reduced fears of prolonged trade tensions. The U.S. dollar weakened over the year, reflecting an extended Federal Reserve easing cycle and narrowing interest-rate differentials relative to other developed economies. This weaker dollar supported international equities and commodities, while periods of geopolitical stress provided only brief upward support for the dollar.

European equity markets outperformed most developed market peers, with several indices posting their best annual returns since the early 2000s. Attractive valuations, foreign inflows, currency effects, and relatively stable economic conditions underpinned performance. Across Asia and emerging markets, results were mixed. Policy stimulus in China and semiconductor-driven earnings growth in Taiwan supported returns, while trade uncertainty and uneven global growth created regional dispersion.

U.S. fixed income benefited from multiple Federal Reserve rate cuts aimed at stabilizing inflation and sustaining growth. Broader bond indices delivered positive returns as interest-rate volatility dampened and yields remained attractive. Yield curves steepened as markets anticipated additional easing. European central banks also had an easing policy, supporting rallies in sovereign debt and investment-grade credit. Emerging market debt performed well in both hard and local currencies.

Commodity performance was mixed. Gold and silver posted notable gains as safe-haven assets amid geopolitical uncertainty. Industrial metals rallied early in the year before moderating, while energy prices remained volatile as supply concerns competed with softer demand expectations.

U.S. Fiscal policy provided meaningful support to the markets through targeted measures, including infrastructure spending, tax incentives, and industrial policy initiatives. These measures acted as a late-cycle tailwind, supporting corporate investment, reinforcing labor market stability, and boosting business sentiment during periods of market stress.

*Key Macro Themes of 2025*

- A renewed global monetary easing cycle supporting risk assets
- Tariff volatility and trade policy uncertainty driving market stress
- Fiscal stimulus supporting corporate investment and economic activity
- U.S. dollar weakness reshaping global capital flows

- Strong performance in precious metals amid geopolitical risk
- Continued long-term optimism surrounding AI and structural growth trends

*United States*

U.S. economic growth slowed but remained resilient. Real Gross Domestic Product rose 2.4% in 2025, down from 2.8% in 2024. Fourth-quarter growth fell short of expectations, partly due to an extended government shutdown. Unemployment increased modestly to 4.4% from 4.1% but remained historically low. Inflation continued to ease, with Consumer Price Index ending the year at 2.7% versus 2.9% in 2024, while core inflation declined to 2.6% in 2025 from 3.2% in 2024.

U.S. equities delivered broad gains. Large-cap indices posted double-digit returns (S&P 500: 17.9%, Russell 1000: 17.4%), while mid-caps (S&P 400: 7.5%) and small-caps (Russell 2000: 12.8%) lagged. Growth stocks (Russell 1000 Growth: 18.6%) outperformed value stocks (Russell 1000 Value: 15.9%), and market concentration remained elevated, with the "Magnificent 7" continuing to drive a substantial share of index performance.

Treasury yields were volatile but trended lower as the Federal Reserve implemented three 25 basis point rate cuts. Diversified fixed income (Bloomberg U.S. Aggregate: 7.3%) delivered solid returns, led by convertibles (Bloomberg U.S. Convertibles Index: 16.9%), mortgage-backed securities (Bloomberg MBS Index: 8.6%), high yield bonds (Bloomberg High Yield Index: 8.6%), and Treasury Inflation-Protected Securities (Bloomberg TIPS Index: 7.0%).

*International Developed Markets*

U.S. dollar weakness provided meaningful support to international equities. International developed markets (MSCI EAFE: 31.2%) significantly outperformed U.S. large caps. Europe (MSCI Europe: 35.4%) and the United Kingdom (MSCI United Kingdom: 35.1%) led performance, while Japan (MSCI Japan: 24.6%) also delivered strong gains. International developed small caps (MSCI EAFE Small Cap: 31.8%) posted similarly robust returns.

*Emerging Markets*

Emerging market equities also benefited from the U.S. dollar weakness and capital inflows. The broad emerging markets index (MSCI EM: 33.6%) outperformed U.S. equities and matched developed international equity returns, while emerging market small caps (MSCI EM Small Cap: 18.6%) lagged relative to other international indices.

Emerging Markets fixed income performed well. Hard-currency bonds, which are denominated in U.S. dollars, (JPMorgan EMBI Global Diversified: 14.3%) delivered solid returns but trailed the returns of bonds denominated in local-currencies (JPMorgan GBI-EM Global Diversified: 19.3%).

*Commodities*

Overall commodity returns (Bloomberg Commodity Index: 15.8%) were strong. However, when broken down by sectors, there was mixed performance. Gold (Gold Spot: 64.7%) and silver (Silver Spot: 148.0%), posted very strong gains as safe-haven assets. Energy markets were weaker, with oil (WTI Spot Crude Oil: -20.8%) declining as demand concerns offset supply risks.

***Market Outlook—2026***

The first quarter of 2026 saw equity markets trend modestly lower, with losses generally contained to single digits, marking a shift from the broadly positive returns across most asset classes in 2025. Value equities continued to outperform growth, extending the rotation that developed late last year as higher interest rates and more tempered earnings expectations weighed on growth-oriented sectors. Market volatility increased compared to last year, driven by slowing economic momentum, policy uncertainty, and geopolitical risks.

Fixed income markets generated modest positive returns amid continued uncertainty around the path of future interest rates. Mixed economic data and persistent inflation have pushed expectations for rate cuts toward later in the year. International equities remained a relatively bright spot, building on the strong performance in 2025, supported by accommodative policy in Europe and improving conditions in emerging markets.

A key development in 2026 has been the escalation of geopolitical risk, most notably the outbreak of conflict involving the U.S. and Iran in late February. This has contributed to increased market volatility, upward pressure on energy prices, and added uncertainty to the global growth and inflation outlook. Overall, compared to the resilient and optimistic backdrop of 2025, markets in 2026 are exhibiting greater uncertainty and less directional clarity.

**Contact Information**

This financial report is designed to provide a general overview of the Metropolitan Transportation Authority Other Postemployment Benefits Plan's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Deputy Chief, Controller's Office, Metropolitan Transportation Authority, 2 Broadway, 15th Floor, New York, NY 10004.

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# METROPOLITAN TRANSPORTATION AUTHORITY
# OTHER POSTEMPLOYMENT BENEFITS PLAN

## STATEMENTS OF FIDUCIARY NET POSITION
## AS OF DECEMBER 31, 2025 AND 2024
## (In thousands)

| | 2025 | 2024 |
|---|---|---|
| ASSETS—Investments at fair value (Notes 3 and 4): | | |
| Investments measured at readily determined fair value | $ 1,494,659 | $ 1,420,535 |
| Interest receivable | 22,552 | 12,262 |
| Total assets | 1,517,211 | 1,432,797 |
| LIABILITIES—Benefits payable and accrued expenses | 248 | 215 |
| Total liabilities | 248 | 215 |
| NET POSITION RESTRICTED FOR POSTEMPLOYEMENT BENEFITS OTHER THAN PENSIONS | $ 1,516,963 | $ 1,432,582 |

See notes to financial statements.

# METROPOLITAN TRANSPORTATION AUTHORITY
# OTHER POSTEMPLOYMENT BENEFITS PLAN

## STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
## FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024
## (In thousands)

| | 2025 | 2024 |
|---|---|---|
| ADDITIONS: | | |
| Net realized and unrealized gains | $ 31,909 | $ 12,118 |
| Interest | 53,530 | 47,541 |
| Total investment income | 85,439 | 59,659 |
| Less: Investment expenses | 886 | 837 |
| Total investment income | 84,553 | 58,822 |
| Add: | | |
| Employer contributions | 878,589 | 877,690 |
| Implicit rate subsidy contribution | 63,850 | 66,606 |
| Total additions | 1,026,992 | 1,003,118 |
| DEDUCTIONS: | | |
| Benefit payments | 878,589 | 877,690 |
| Implicit rate subsidy payments | 63,850 | 66,606 |
| Administrative expenses | 172 | 145 |
| Total deductions | 942,611 | 944,441 |
| NET INCREASE IN NET POSITION | 84,381 | 58,677 |
| NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS: | | |
| Beginning of year | 1,432,582 | 1,373,905 |
| End of year | $ 1,516,963 | $ 1,432,582 |

See notes to financial statements.

## 1. BACKGROUND AND ORGANIZATION

The Metropolitan Transportation Authority ("MTA") Retiree Welfare Benefits Plan ("Other Postemployment Benefits Plan" or "OPEB Plan" or the ("Plan")) and the related Trust Fund was established effective January 1, 2009 for the exclusive benefit of The MTA Group's retired employees and their eligible spouses and dependents, to fund some of the OPEB benefits provided in accordance with the MTA's Group's various collective bargaining agreements and MTA policies. The MTA Group is comprised of the following current and former agencies:

- MTA New York City Transit
- MTA Long Island Rail Road
- MTA Metro-North Railroad
- MTA Bridges and Tunnels
- MTA Headquarters ("MTAHQ")
- MTA Long Island Bus
- MTA Staten Island Railway
- MTA Bus Company
- MTA Construction and Development Company
- MTA Grand Central Madison Operating Company

The Trust is tax exempt in accordance with Section 115 of the Internal Revenue Code. The Plan is classified as a single employer plan for Governmental Accounting Standards Board ("GASB") Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74") purposes.

The MTA is not required by law or contractual agreement to provide funding for the Plan, other than the "pay-as-you-go" amount necessary to provide the current benefits to current eligible retirees, spouses and dependents (Pay-Go).

GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, prescribes uniform financial reporting standards for other postemployment benefits ("OPEB") plans of all state and local governments. OPEB refers to postemployment benefits other than pension benefits and includes postemployment healthcare benefits which are covered under The MTA OPEB plan.

**Plan Administration**—The Other Postretirement Plan is administered by the Board of Managers, which is comprised of:

the persons holding the following positions:

(i) the Chairperson of the MTA;
(ii) the MTA Chief Financial Officer; and
(iii) the MTA Director of Labor Relations.

**Designation of Others**—Any member of the Board of Managers, serving as such by virtue of holding a position described above may, by written authorization filed with the Secretary, designate another individual, not then a member, to serve in that member's stead, in accordance with procedures established with the approval of the Executive Director of the MTA. Any such authorization may be revoked by the designating member at any time in writing filed in the same manner.

Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Most OPEB have been funded on a pay-as-you-go basis and have been reported in financial statements when the promised benefits are paid.

**OPEB Funding**—During 2012, MTA funded $250 million into a Trust allocated between MTA Headquarters and MTA New York City Transit and funded an additional $50 million during 2013 allocated between MTA Long Island Rail Road and MTA Metro-North Railroad. During 2023, MTA Headquarters transferred in-kind Treasury securities totaling $1,319.3 million in Trust contributions during the year. Although the asset value increased significantly, the balance would be projected to be depleted after two years of pay-as-you-go payments. Therefore, in accordance with GASB 74, the discount rate is set equal to the municipal bond index. MTA elected the Bond Buyer 20-Bond GO Index. As a result, the discount rates as of December 31, 2025 and 2024 are 4.83% and 4.08%, respectively.

| **Blended and Age-adjusted Premium (In thousands)** | **2025 Retirees** | **2024 Retirees** |
|---|---|---|
| Total blended premiums | $ 878,589 | $ 877,690 |
| Employment payment for retiree healthcare | 63,850 | 66,606 |
| Net payments | $ 942,439 | $ 944,296 |

The $63,850 and $66,606 employer payments for retiree healthcare shown in the preceding table are cash payments in the years 2025 and 2024, respectively. Based on the premium rate structure of NYSHIP, it is part of the employers' payments for active-employee healthcare benefits; and reflects the higher costs among retirees than actives. The $63,850 and $66,606, therefore, is not a payment for active-employee benefits; but rather, represents benefit payments for healthcare coverage for the years 2025 and 2024 for retirees.

## 2. PLAN DESCRIPTION, ELIGIBILITY AND MEMBERSHIP INFORMATION

The benefits provided by the MTA Group include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by MTA agency and relevant collective bargaining agreements. Certain benefits are provided upon retirement. "Retirement" is defined by the applicable pension plan. Certain MTA Group agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of the MTA Group are members of the following pension plans: the MTA Defined Benefit Pension Plan ("MTADBPP"), the MTA Long Island Rail Road Plan for Additional Pensions, the Metro-North Cash Balance Plan, the Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA") Pension Plan, the New York City Employees' Retirement System ("NYCERS") and the New York State and Local Employees' Retirement System ("NYSLERS"). Certain represented employees of Metro-North Railroad participate in the Thrift Plan for Employees of MTA, its Subsidiaries and Affiliates ("401(k) Plan"). Eligible employees of the MTA Group may elect to join the New York State Voluntary Defined Contribution Plan ("VDC").

The MTA Group participates in the New York State Health Insurance Program ("NYSHIP"), and provides medical and prescription drug benefits, including Medicare Part B reimbursements, to many of its retirees. NYSHIP offers a Preferred Provider Organization ("PPO") plan and several Health Maintenance Organization ("HMO") plans. However, represented MTA New York City Transit employees, other MTA New York City Transit former employees who retired prior to January 1, 1996 or January 1, 2001, MTA Staten Island Railway represented employees as of March 1, 2010, June 1, 2010 or January 1, 2013 depending on the union and

MTA Bus Company represented employees do not participate in NYSHIP. These benefits are provided through a self-insured health plan, a fully insured health plan or an HMO.

The MTA is a participating employer in NYSHIP. The NYSHIP financial report can be obtained by writing to the NYS Department of Civil Service, Employee Benefits Division, Alfred E. Smith Office Building, 805 Swan Street, Albany, NY 12239.

GASB 74 requires employers to perform periodic actuarial valuations to determine annual accounting costs, and to keep a running tally of the extent to which these amounts are over or under funded. The valuation must be performed at least biennially. The most recent biennial valuation was performed with a valuation date of July 1, 2025. The total number of plan participants as of July 1, 2025 receiving retirement benefits was approximately 52,955.

**Plan Eligibility**—Generally, to qualify for benefits under the Plan, a former employee of the MTA must:

- Have retired, be receiving a pension (except in the case of the 401(k) Plan and the New York State VDC), and have at least 10 years of credited service as a member of NYCERS, NYSLERS, the MTADBPP, the MaBSTOA Pension Plan, the 401(k) Plan or the VDC and have attained a minimum age requirement (unless within 5 years of commencing retirement for certain members); provided, however, a represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

- Surviving Spouse and Other Dependents:

  (i) Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees.

  (ii) Represented retired employees must follow the guidelines of their collective bargaining agreements regarding continued health coverage for a surviving spouse or domestic partner and surviving dependents. For represented employees of MTA New York City Transit and MTA Staten Island Railway retiring on or after May 21, 2014 for TWU Local 100, September 24, 2014 for ATU Local 726, October 29, 2014 for ATU Local 1056, March, 25, 2015 for TCU and December 16, 2015 for UTU and ATDA, surviving spouse coverage continues until spouse is eligible for Medicare.

  (iii) Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependents of retired uniform members of the MTA Police Department.

  (iv) Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of uniformed members of the MTA Police Department whose death was sustained while in performance of duty.

Benefits are established and amended by the MTA, except to the extent that they have been established by collective bargaining agreement.

**Plan Membership**—As permitted under GASB 74, the Plan has elected to use July 1, 2025 as the valuation date of the OPEB actuarial valuation. The Plan's combined membership consisted of the following at July 1, 2025 and July 1, 2023, the date of the most recent OPEB actuarial valuation:

| | July 1, 2025 | July 1, 2023 |
|---|---|---|
| Active Plan members | $ 73,657 | $ 71,454 |
| Inactive Plan members currently receiving Plan benefit payments | 52,955 | 50,932 |
| Inactive Plan members entitled to but not yet receiving benefit payments | 41 | 41 |
| Total number of participating employees | $ 126,653 | $ 122,427 |

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**—The Plan's financial statements are prepared on the accrual basis of accounting under which deductions are recorded when the liability is incurred and revenues are recognized in the accounting period in which they are earned. Employer contributions are recognized when paid in accordance with the terms of the Plan. Additions to the Plan consist of employer contributions and net investment income. Investment purchases and sales are recorded as of trade date.

The financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America, as prescribed by the Government Accounting Standards Board ("GASB").

GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), requires the Funds to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements.

**New Accounting Standards Adopted**—The Plan adopted the following GASB Statements in 2025:

GASB Statement No. 102, Certain Risk Disclosures ("GASB 102"), aims to enhance financial reporting by requiring disclosure of risks associated with concentrations (lack of diversity in resource inflows or outflows) and constraints (limitations imposed by external parties or internal governance). This statement addresses the need for transparency regarding risks that could substantially affect the level of services provided by governments.

The adoption of this Statement has no material impact on the financial net position of MTA's OPEB Plan.

**Accounting Standards Issued but Not Yet Adopted**

| GASB Statement No. | GASB Accounting Standard | MTA OPEB Plan Required Year of Adoption |
|---|---|---|
| 103 | *Financial Reporting Model Improvements* | 2026 |
| 104 | *Disclosure of Certain Capital Assets* | 2026 |
| 105 | *Subsequent Events* | 2027 |

**Investments**—The Plan's investments are those which are held in the Trust. Investments are reported on the statement of fiduciary net position at fair value based on quoted market prices. Investment income, including changes in the fair value of investments, is reported on the statement of changes in fiduciary net position during the reporting period.

**Benefit Payments**—The Plan Sponsor ("The MTA") makes direct payments of insurance premiums for healthcare benefits to OPEB Plan members or beneficiaries. Payments made directly to the insurers by the Plan Sponsor which bypass the trust are treated as additions and deductions from the Plan's net position. Additionally, premium payments on behalf of retirees have been adjusted to reflect age-based claims cost.

**Administrative Expenses**—Administrative expenses of the Plan are paid for by the Plan.

## 4. INVESTMENTS

**Investment Policy**—The investments of the Trust will be made for the exclusive benefit of the Plan participants and their beneficiaries. Policy guidelines may be amended by the Board of Managers upon consideration of the advice and recommendations of investment professionals.

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on, at least, annually. The following was the Board of Managers adopted asset allocation policy as at December 31, 2025 and 2024.

| Asset Class | Target Allocation (%) | Policy Benchmark |
|---|---|---|
| Global equity | 35.0 | MSCI ACWI |
| Fixed income | 18.0 | Manager specific |
| Global asset allocation* | 30.0 | 50% world equity/<br>50% Citigroup WGBI unhedged |
| Absolute return | 12.0 | Manager specific |
| Real assets | 5.0 | Manager specific |
| Total | 100.0 | |

* The Global Asset Allocation managers will invest across numerous liquid asset classes including: stocks, bonds, commodities, TIPS and REITs.

**Investment Objective**—The investment objective of the Plan is to achieve the actuarial return target with an appropriate risk position.

**Investment Guidelines**—The Board of Managers of the MTA Retiree Welfare Benefits Plan is in the process of creating investment guidelines with the Plan's investment advisor ("NEPC") that will address and execute investment management agreements with professional investment management firms to manage the assets of the Plan.

**Interest Rate Risk**—Interest rate risk is the risk that changes in interest rates will affect the fair value of an investment. Duration is a measure of sensitivity to interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Modified duration is an indicator of bond price's sensitivity to a parallel 100 basis point change in interest rates.

| | 2025 | | 2024 | |
|---|---|---|---|---|
| **Investment Fund** | **Fair Value** | **Duration** | **Fair Value** | **Duration** |
| Blackrock short term duration bond Fund | $ 1,481,566 | 3.21 | $ 1,392,539 | 2.14 |
| | 1,481,566 | | 1,392,539 | |
| Portfolio modified duration | | 3.21 | | 2.14 |
| Investments with no duration reported | 13,093 | | 27,996 | |
| Total investments | $ 1,494,659 | | $ 1,420,535 | |

**Credit Risk**—For investments, custodial credit risk is the risk that in the event of the failure of the Trustee Bank, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to credit risk if the securities are uninsured and are not registered in the name of the Trust. No credit risk was reported for years ended December 31, 2025 and 2024.

**Concentration of Credit Risk**—The Plan places no limit on the amount the Trust may invest in any one issuer or a single issue. In 2025 and 2024, the Plan held a Separately Managed Account with Blackrock, where concentration of credit risk is the full responsibility of the Plan.

**Foreign Currency Risk**—Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Some of the Plan's investment managers will have foreign currency exposure through holdings of foreign securities, currency derivatives or private investments whose revenue will be non-USD based. No credit risk was reported for years ended December 31, 2025 and 2024.

**GASB 72 Disclosure**—In year 2015, the MTA Retiree Welfare Benefits Plan adopted GASB Statement No. 72 ("GASB 72"), Fair Value Measurement and Application. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements. All investments were redeemed and used to pay benefits, other than cash retained to pay expenses. The fair value of investments reported for years ended December 31, 2025 and 2024 were $1,494.7 million and $1,420.5 million, respectively. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan have the following recurring fair value measurements as of December 31, 2025 and 2024:

**Investments measured at readily determined fair value (FV)**
**($ In thousands)**

| | 2025 | | | |
|---|---|---|---|---|
| | | Quoted Price in | | |
| | **December 31, 2025** | **Active Markets for Identical Assets Level 1** | **Significant Other Observable Inputs Level 2** | **Significant Unobservable Inputs Level 3** |
| Debt securities: | | | | |
| Short term bond mutual fund | $ 13,093 | $ 13,093 | $ - | $ - |
| Blacrock short term duration bond fund | 1,481,566 | - | 1,481,566 | - |
| Total debt investments | $ 1,494,659 | $ 13,093 | $ 1,481,566 | - |

**Investments measured at readily determined fair value (FV)**
**($ In thousands)**

| | 2024 | | | |
|---|---|---|---|---|
| | | Quoted Price in | | |
| | December 31, 2024 | Active Markets for Identical Assets Level 1 | Significant Other Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 |
| Debt securities: | | | | |
| Short term bond mutual fund | $ 27,996 | $ 27,996 | $ - | $ - |
| Blacrock short term duration bond fund | 1,392,539 | - | 1,392,539 | - |
| Total debt investments | $ 1,420,535 | $ 27,996 | $ 1,392,539 | - |

## 5. NET OPEB LIABILITY

The components of the net OPEB liability of the Plan for the years ended December 31, 2025 and 2024 were as follows (in thousands):

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Total OPEB liability | $ 23,638,615 | $ 21,007,381 |
| Fiduciary net position | 1,516,963 | 1,432,582 |
| Net OPEB liability | $ 22,121,652 | $ 19,574,799 |
| Fiduciary net position as a percentage of the total OPEB liability | 6.42 % | 6.82 % |

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*.

Covered payroll is based on salary information provided as of the valuation date.

**Additional Important Actuarial Valuation Information**

| | 2025 | 2024 |
|---|---|---|
| Valuation date | July 1, 2025 | July 1, 2023 |
| Measurement date | December 31, 2025 | December 31, 2024 |
| Reporting date | December 31, 2025 | December 31, 2024 |
| Actuarial cost method | Entry Age Normal | Entry Age Normal |
| Normal cost increase factor | 4.25 % | 4.25 % |

**Discount Rate**—4.83% per annum as of December 31, 2025 (Bond Buyer General Obligation 20-Bond Municipal Bond Index) and 4.08% per annum as of December 31, 2024.

| | 2025 | 2024 |
|---|---|---|
| Discount rate | 4.83 % | 4.08 % |
| Long-term expected rate of return, net of investment expense | 4.25 | 4.25 |
| Bond Buyer General Obligation 20-Bond Municipal Bond Index | 4.83 | 4.08 |

The Plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the Plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the Plan's fiduciary net position is not projected to be sufficient.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate**

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 4.83% percent; as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.83 percent) or 1-percentage point higher (5.83 percent) than the current rate:

**2025**
**(In thousands)**

| | 1% Decrease 3.83% | Current Discount Rate r.83% | 1% Increase 5.83% |
|---|---|---|---|
| Net OPEB liability | $ 25,184,166 | $ 22,121,652 | $ 19,571,659 |

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 4.08% percent; as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.08 percent) or 1-percentage point higher (5.08 percent) than the current rate:

**2024**
**(in thousands)**

| | 1% Decrease 3.08% | Current Discount Rate 4.08% | 1% Increase 5.08% |
|---|---|---|---|
| Net OPEB liability | $ 22,313,162 | $ 19,574,799 | $ 17,297,202 |

The following presents the net OPEB liability of the Authority, calculated using the current healthcare cost trend rates as well as what the Authority's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

**2025**
**(in thousands)**

| | 1% Decrease | * Current Trend Rate | 1% Increase |
|---|---|---|---|
| Net OPEB liability | $ 19,101,412 | $ 22,121,652 | $ 25,868,684 |

* See Health Care Cost Trend Rates table on page 30 of report.

The following presents the net OPEB liability of the Authority, calculated using the current healthcare cost trend rates as well as what the Authority's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

**2024**
**(in thousands)**

| | 1% Decrease | * Current Trend Rate | 1% Increase |
|---|---|---|---|
| Net OPEB liability | $ 16,674,836 | $ 19,574,799 | $ 23,200,656 |

* See Health Care Cost Trend Rates table on page 30 of report.

**Calculation on Money-Weighted Rate of Return**

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

**2025 Schedule of Calculations of Money-Weighted Rate of Return**
**(In dollars)**

| | Net External Cash Flows | Periods Invested | Period Weight | Net External Cash Flows with Interest |
|---|---|---|---|---|
| Beginning value—January 1, 2025 | $ 1,432,581,688 | 12.00 | 1.00 | $ 1,517,139,714 |
| Monthly net external cash flows: | | | | |
| January | (14,333) | 11.50 | 0.96 | (15,144) |
| February | (14,333) | 10.50 | 0.88 | (15,074) |
| March | (14,333) | 9.50 | 0.79 | (14,997) |
| April | (14,333) | 8.50 | 0.71 | (14,928) |
| May | (14,333) | 7.50 | 0.63 | (14,860) |
| June | (14,333) | 6.50 | 0.54 | (14,783) |
| July | (14,333) | 5.50 | 0.46 | (14,716) |
| August | (14,333) | 4.50 | 0.38 | (14,648) |
| September | (14,333) | 3.50 | 0.29 | (14,573) |
| October | (14,333) | 2.50 | 0.21 | (14,506) |
| November | (14,333) | 1.50 | 0.13 | (14,440) |
| December | (14,333) | 0.50 | 0.04 | (14,365) |
| Ending value—December 31, 2025 | | | | $ 1,516,962,680 |
| Money-weighted rate of return | 5.90 % | | | |

**2024 Schedule of Calculations of Money-Weighted Rate of Return**
**(in dollars)**

| | Net External Cash Flows | Periods Invested | Period Weight | Net External Cash Flows with Interest |
|---|---|---|---|---|
| Beginning value—January 1, 2024 | $ 1,373,904,575 | 12.00 | 1.00 | $ 1,432,729,900 |
| Monthly net external cash flows: | | | | |
| January | (12,093) | 11.50 | 0.96 | (12,590) |
| February | (12,093) | 10.50 | 0.88 | (12,548) |
| March | (12,093) | 9.50 | 0.79 | (12,500) |
| April | (12,093) | 8.50 | 0.71 | (12,458) |
| May | (12,093) | 7.50 | 0.63 | (12,417) |
| June | (12,093) | 6.50 | 0.54 | (12,370) |
| July | (12,093) | 5.50 | 0.46 | (12,329) |
| August | (12,093) | 4.50 | 0.38 | (12,287) |
| September | (12,093) | 3.50 | 0.29 | (12,241) |
| October | (12,093) | 2.50 | 0.21 | (12,200) |
| November | (12,093) | 1.50 | 0.13 | (12,159) |
| December | (12,093) | 0.50 | 0.04 | (12,113) |
| Ending value—December 31, 2024 | | | | $ 1,432,581,688 |
| Money-weighted rate of return | 4.28 % | | | |

**Calculation on Long-Term Expected Rate of Return**

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2025 and 2024.

**Schedule of Long Term Expected Rate of Return for 2025**

| Asset Class | Index | Target Allocation* | Long-Term Expected Arithmetic Real Rate of Return |
|---|---|---|---|
| US cash | BAML 3-Mon Tbill | 1.50 % | 0.85 % |
| US short (1–3 years) government/credit bonds | Bloomberg US Short Government/Credit Bonds (1–3 Years) Treasury USD | 98.50 | 1.87 |
| Assumed inflation—mean | | | 2.33 |
| Assumed inflation—standard deviation | | | 1.47 |
| Portfolio nominal mean return | | | 4.18 |
| Portfolio standard deviation | | | 2.62 |
| Long-term expected rate of return selected by MTA | | | 4.25 |

* Based on March 2014 Investment Policy

**Schedule of Long Term Expected Rate of Return for 2024**

| Asset Class | Index | Target Allocation* | Long-Term Expected Arithmetic Real Rate of Return |
|---|---|---|---|
| US cash | BAML 3-Mon Tbill | 1.50 % | 0.94 % |
| US short (1–3 years) government/credit bonds | Bloomberg US Short Government/Credit Bonds (1–3 Years) Treasury USD | 98.50 | 1.98 |
| Assumed inflation—mean | | | 2.30 |
| Assumed inflation—standard deviation | | | 1.46 |
| Portfolio nominal mean return | | | 4.27 |
| Portfolio standard deviation | | | 2.68 |
| Long-term expected rate of return selected by MTA | | | 4.25 |

* Based on March 2014 Investment Policy

## 6. OPEB ACTUARIAL COSTS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive OPEB plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The MTA may not be obligated to provide the same types or levels of benefits to retirees in the future.

### Non-Healthcare Related Actuarial Assumptions

The non-healthcare assumptions described have been adopted by the Authority based on an experience study covering the period from January 1, 2018 – December 31, 2023 dated December 6, 2025 for members of the MTA DB Plan and the MaBSTOA Pension Plan. This study also included demographic assumptions (excluding mortality) for MTA employees participating in NYCERS proposed in the *New York City Retirement Systems Part II Experience Study Report—NYCERS* dated January 7, 2025, and the mortality assumptions for members participating in NYCERS and NYSLRS. Demographic assumptions (excluding mortality) for MTA employees participating in NYSLRS are based on the *2025 Annual Report to the Comptroller on Actuarial Assumptions* dated August 2025.

This section details specific assumptions that apply to multiple agencies. Other assumptions are noted in the respective appendices for each Agency.

***Discount Rate:*** 4.83% per annum as of December 31, 2025 and 4.08% per annum as of December 31, 2024 (Bond Buyer General Obligation 20-Bond Municipal Bond Index).

***Investment Return:*** 4.25% per annum as of December 31, 2025 and 2024.

***Mortality:*** All mortality rates (except accidental death for active police members) are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As generational tables, they reflect mortality improvement both before and after the measurement date. The mortality rates vary by employee type:

- Headquarters Non-Police Members: PubG.H-2016 Mortality Table, headcount weighted for general employees for males and females with separate rates for employees, healthy annuitants and disabled annuitants.

- Headquarters Police Members: PubS.H-2016 Mortality Table, headcount weighted for public safety employees for males and females with separate rates for employees, healthy annuitants and disabled annuitants. For accidental death, Active Members for Transit and TBTA Accidental Death rates from NYCERS.

- Rail Members (LIRR, Metro-North, and SIRTOA): Pri.H-2012(BC) Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 97%.

- Transit Members (Bridges and Tunnels, Long Island Bus, MTA Bus, and Transit): Pri.H—2012(BC) Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 92%.

***Vestee Coverage:*** For members that participate in NYSHIP, Vestees (members who have terminated but are not yet eligible to retire) are eligible for NYSHIP benefits provided by the Agency upon retirement, but must maintain NYSHIP coverage at their own expense from termination to retirement. Vestees are assumed to retire at first eligibility and would continue to maintain NYSHIP coverage based on the following percentages. This assumption is based on the June 2024 *New York State Development of Recommended Actuarial Assumptions for Other Post Employment Benefit Plan Actuarial Valuations* report provided to Participating Employers of NYSHIP. These percentages were also applied to current vestees based on age at the valuation date.

| Age at Termination | Percent Electing |
|---|---|
| < 35 | 0 % |
| 35–41 | 5 |
| 42–45 | 10 |
| 46–47 | 15 |
| 48–53 | 35 |
| 54 | 75 |

***Life insurance:*** A 5.5% load is applied to life insurance benefits to account for administrative expenses paid by MTA.

**Actuarial Cost Method**—In accordance with GASB 74 and 75, the Entry Age Normal cost method was used for determining service costs and the Total OPEB liability. Costs are determined as a level percent of pay.

Census data was collected as of July 1, 2025, which is the valuation date. Liabilities as of December 31, 2025 were determined using roll-forward methods, assuming no liability gains and losses. Past and future normal costs were assumed to increase 4.25% per year.

**Changes since Prior Valuation**—

- The discount rate has been changed from 4.08% as of December 31, 2024, to 4.83% as of December 31, 2025, due to changes in the applicable municipal bond index.

- Demographic assumptions, including mortality assumptions for Headquarters and Long Island Bus members, have been updated in accordance with the January 1, 2018 – December 31, 2023 Experience Study for MTA-sponsored retirement plans and OPEB plan, the New York City Retirement Systems Part II Experience Study Report – NYCERS dated January 7, 2025, and the NYSLRS 2025 Annual Report to the Comptroller on Actuarial Assumptions dated August 2025.

- Healthcare-related assumptions, including per capita claim costs, trend and coverage election assumptions, were updated to reflect current expectations and actual NYSHIP, Medicare Advantage, EGWP, dental/vision, and Medicare Part B premiums for 2025 and 2026.

**Healthcare Related Actuarial Assumptions:**

Separate healthcare assumptions are developed for members that participate in the New York State Health Insurance Program (NYSHIP) versus those who participate in plans administered by NYC Transit ("Union Health Plans"). Represented employees of NYC Transit, SIRTOA, and MTA Bus Company are eligible for the Union Health Plans. Information on healthcare assumptions is provided below in accordance with the Actuarial Standard of Practice (ASOP) No. 6 *Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions* effective for measurement dates on or after March 31, 2015.

***Development of Per Capita Claims Cost (PCCC) for NYSHIP members:***

*NYSHIP Medical and Prescription Drug Benefits*

Medical and Prescription Drug benefits are provided through the New York State Health Insurance Program (NYSHIP). Empire PPO plan premium rates paid by Participating Agencies for 2025 were adjusted to reflect differences by age in accordance with ASOP No. 6. Premiums paid by Participating Agencies differ based on Medicare-eligible status whereas premiums paid by Participating Employers (such as MTA) do not. Since the NYSHIP plan coordinates with Medicare, we assumed that Participating Agency premium rates reflect the effect of Medicare coverage within NYSHIP. Retiree and spouse claim costs are based on actual 2025 NYSHIP Empire plan rates effective January 1, 2025. A standard demographic distribution from Milliman's *Health Cost Guidelines™* (HCGs)1 was assumed to represent the demographic distribution of lives under the NYSHIP plan. Factors based on the HCGs were used to adjust the average age cost per life into per life costs over a range of ages, separately by gender and status (retiree and dependent). Pre- and post-65 NYSHIP premium rates were adjusted separately to be consistent with the way in which the premium rates were developed.

Representative 2025 annual costs are as follows:

| Age | With Prescription Drug Benefits | | | | Without Prescription Drug Benefits | | | |
|---|---|---|---|---|---|---|---|---|
| | Retiree | | Spouse | | Retiree | | Spouse | |
| | Male | Female | Male | Female | Male | Female | Male | Female |
| 45 | 19,034 | 29,631 | 17,483 | 22,217 | 14,599 | 23,666 | 13,857 | 18,039 |
| 50 | 22,016 | 27,657 | 20,747 | 25,088 | 17,020 | 21,807 | 16,465 | 20,122 |
| 55 | 25,913 | 27,337 | 24,749 | 27,711 | 20,188 | 21,130 | 19,670 | 21,837 |
| 60 | 30,042 | 30,170 | 29,019 | 30,042 | 23,660 | 23,247 | 23,204 | 23,581 |
| 64 | 35,715 | 33,166 | 34,227 | 32,655 | 29,005 | 26,357 | 28,036 | 26,270 |
| 65 | 7,704 | 7,839 | 7,704 | 7,839 | 4,890 | 5,233 | 4,809 | 5,233 |
| 70 | 8,173 | 8,192 | 8,173 | 8,192 | 6,081 | 6,143 | 6,081 | 6,143 |
| 75 | 8,654 | 8,485 | 8,654 | 8,485 | 7,388 | 6,946 | 7,388 | 6,946 |
| 80 | 9,030 | 8,664 | 9,030 | 8,664 | 8,422 | 7,434 | 8,422 | 7,434 |
| 85 | 9,214 | 8,757 | 9,214 | 8,757 | 8,925 | 7,689 | 8,925 | 7,689 |
| 90 | 9,295 | 8,812 | 9,295 | 8,812 | 9,148 | 7,839 | 9,148 | 7,839 |

*Medicare Part B*

For calendar year 2025, the Medicare Part B premium for all retirees starts at $185.00 per month and increases based on income level. For calendar year 2026, the Medicare Part B premium for all retirees starts at $202.90 per month and increases based on income level. The MTA and its participating agencies only reimburse the Medicare Part B premium at the basic level and there is no additional reimbursement for any income surcharge.

*Dental and Vision Benefits*

Premium rates for dental and vision benefits were used as provided by the Agencies. Age and gender related morbidity factors were not applied to dental and vision claims costs, as permitted under the ASOP 6 practice note. Refer to the plan provision sections of this document for the 2025 and 2026 dental and vision rates.

**NYSHIP Health Cost Trend:** The Society of Actuaries (SOA) developed and regularly updates a long-term medical trend model based on detailed research performed by a committee of economists and actuaries. Milliman uses this model as the foundation for the trend that it recommends to our clients for postretirement healthcare valuations, with certain adjustments designed to produce trends that are appropriate for employer plans. These adjustments include incorporating assumed administrative cost trend where applicable and removing the impact of age-related morbidity (since age-related morbidity assumptions are applied separately in the valuation when applicable). The Medicare Part B inflation rates were based on recent history and expected changes for the near future. Ultimate rates were determined considering historic and projected rates of real growth, long-term inflation and additional growth attributable to technology, and medical costs as a component of gross domestic product (GDP).

NYSHIP, Part B, and dental/vision trends reflect actual premiums for January 1, 2025 and January 1, 2026. Monthly contributions, if any, are assumed to increase at the same rate as the underlying benefit premium.

For purposes of applying the Entry Age Normal cost method, the healthcare trend prior to the valuation date is based on the ultimate rates as described in the table below.

| Year | NYSHIP Trend Pre-65 Trend | NYSHIP Trend Post-65 Trend | TBTA No Rx Trend Pre-65 Trend | TBTA No Rx Trend Post-65 Trend | Medicare Part B Trend | Dental/ Vision Trend |
|---|---|---|---|---|---|---|
| 2025 | 8.7 | 7.8 | 8.3 | 7.6 | 9.7 | - |
| 2026 | 6.7 | 6.5 | 5.7 | 5.4 | 5.9 | 4.0 |
| 2027 | 6.1 | 6.1 | 5.5 | 5.4 | 5.8 | 4.0 |
| 2028 | 5.4 | 5.7 | 5.4 | 5.4 | 7.0 | 4.0 |
| 2029 | 5.3 | 5.5 | 5.2 | 5.2 | 7.0 | 4.0 |
| 2030 | 5.1 | 5.3 | 5.0 | 5.0 | 6.4 | 4.0 |
| 2031 | 4.9 | 5.1 | 4.9 | 4.9 | 6.8 | 4.0 |
| 2032 | 4.7 | 4.9 | 4.7 | 4.7 | 8.3 | 4.0 |
| 2033 | 4.5 | 4.7 | 4.5 | 4.5 | 6.6 | 4.0 |
| 2034 | 4.4 | 4.5 | 4.4 | 4.4 | 6.4 | 4.0 |
| 2035–2038 | 4.1 | 4.3 | 4.1 | 4.1 | 6.4 | 4.0 |
| 2039 | 4.1 | 4.2 | 4.1 | 4.1 | 6.4 | 4.0 |
| 2040–2049 | 4.1 | 4.2 | 4.1 | 4.1 | 4.6 | 4.0 |
| 2050–2054 | 4.1 | 4.2 | 4.1 | 4.1 | 3.9 | 4.0 |
| 2055–2064 | 4.2 | 4.2 | 4.2 | 4.2 | 3.9 | 4.0 |
| 2065–2066 | 4.1 | 4.1 | 4.1 | 4.1 | 3.9 | 4.0 |
| 2067–2068 | 4.0 | 4.0 | 4.0 | 4.0 | 3.9 | 4.0 |
| 2069–2070 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 |
| 2071–2073 | 3.8 | 3.8 | 3.8 | 3.8 | 3.9 | 3.8 |
| 2074+ | 3.7 | 3.7 | 3.7 | 3.7 | 3.8 | 3.7 |

**Medical Coverage Election Rates for NYSHIP members:** The majority of members participating in NYSHIP are assumed to elect coverage in the Empire PPO plan. For certain agencies (Bridges and Tunnels, Tunnels, NYC Transit, and Staten Island Railway), a percentage of the membership is assumed to elect EmblemHealth HIP HMO plan. For Metro-North Railroad, a percentage of the membership is assumed to elect Cigna Health Plan. Details on coverage election rates for these groups can be found in the respective appendices for each Agency. These rates are based on current elections of the eligible group.

**Dependent Coverage for NYSHIP members:** Female spouses are assumed to be 3 years younger than male employees/ retirees and male spouses are assumed to be 3 years older than female employee /retirees. 80% of male and 35% of female eligible members participating in NYSHIP are assumed to elect family coverage upon retirement.

**Development of Per Capita Claims Cost (PCCC) for Union Health Plans:** For the Union Health Plans, per capita costs were determined for 2025 based upon a combination of MTA claim experience, actual gross premium rates, MTA census data, and MTA plan design information. MTA and the carriers provided Milliman with summarized medical (Aetna Basic and Aetna Select plans) and pharmacy claim experience (Employer Group Waiver Plan (“EGWP”) and non-EGWP plan), split between those eligible and not eligible for Medicare, for covered retirees of MTA Bus Company, NYC Transit, and Staten Island Railway for 2024 and trended to 2025. In addition, MTA provided associated premium equivalent rates for each of the plans. Enrollment data was based on covered members provided by MTA as of the valuation date. Factors based on the HCGs were used to adjust the average age cost per life into per life costs over a range of ages, separately by gender and status (retiree and dependent). Assumed costs for child dependents were included in under age 65 spouse per capita costs. Finally, per capita costs were adjusted by an administrative load. Administrative costs for 2025 were provided on a per contract basis by MTA and were

$39.35 per month for Aetna Basic under age 65, $41.23 for Aetna Select and $18.29 for Aetna Basic age 65 and over.

In addition, PCCCs were developed for the Aetna Medicare Advantage plans based on the premium rates provided, inclusive of corresponding dental plan costs. Age and gender related morbidity factors were not applied to Medicare Advantage claims costs, as permitted under the ASOP 6 practice note.

Effective January 1, 2024, TWU Local 100 members are generally no longer eligible for the Aetna Basic Medicare Plan. Medicare-eligible retirees who had not enrolled in both Medicare Parts A and B at the time of transition were permitted to remain in the Aetna Basic Medicare Plan. Separate PCCCs were developed for these members reflecting 2025 claim experience.

The following charts detail the annual 2025 medical PCCCs used in this valuation.

| | Aetna Basic—Other than TWU | | | | Aetna Basic—TWU | | | |
|---|---|---|---|---|---|---|---|---|
| | Retiree | | Spouse | | Retiree | | Spouse | |
| Age | Male | Female | Male | Female | Male | Female | Male | Female |
| 45 | 11,611 | 18,690 | 11,026 | 14,292 | 11,611 | 18,690 | 11,026 | 14,292 |
| 50 | 13,548 | 17,283 | 13,096 | 15,949 | 13,548 | 17,283 | 13,096 | 15,949 |
| 55 | 16,057 | 16,777 | 15,626 | 17,311 | 16,057 | 16,777 | 15,626 | 17,311 |
| 60 | 18,791 | 18,452 | 18,408 | 18,692 | 18,791 | 18,452 | 18,408 | 18,692 |
| 64 | 23,011 | 20,909 | 22,220 | 20,815 | 23,011 | 20,909 | 22,220 | 20,815 |
| 65 | 2,572 | 2,739 | 2,572 | 2,739 | 6,371 | 6,292 | 6,371 | 6,292 |
| 70 | 3,150 | 3,174 | 3,150 | 3,174 | 8,029 | 7,645 | 8,029 | 7,645 |
| 75 | 3,788 | 3,552 | 3,788 | 3,552 | 9,969 | 9,028 | 9,969 | 9,028 |
| 80 | 4,276 | 3,761 | 4,276 | 3,761 | 11,781 | 10,254 | 11,781 | 10,254 |
| 85 | 4,471 | 3,836 | 4,471 | 3,836 | 13,348 | 11,562 | 13,348 | 11,562 |
| 90 | 4,528 | 3,864 | 4,528 | 3,864 | 14,626 | 12,767 | 14,626 | 12,767 |

| | Aetna Select | | | |
|---|---|---|---|---|
| | Retiree | | Spouse | |
| Age | Male | Female | Male | Female |
| 45 | 12,500 | 20,118 | 11,872 | 15,386 |
| 50 | 14,584 | 18,603 | 14,099 | 17,170 |
| 55 | 17,284 | 18,059 | 16,822 | 18,636 |
| 60 | 20,227 | 19,862 | 19,816 | 20,121 |
| 64 | 24,768 | 22,506 | 23,919 | 22,407 |

| Aetna Medicare Advantage | Retiree | Spouse |
|---|---|---|
| Option 1 | 500 | 499 |
| Option 2 | 260 | 259 |

EGWP PCCCs are based on the premium equivalent rates provided reflecting the Medicare subsidies available to this plan. These premium equivalent rates are multiplied by 70% to reflect timing differences in the subsidies and rebates available due to the transition of TWU members to the EGWP effective January 1, 2024. Age and gender related morbidity factors were not applied to EGWP PDP claims costs, as permitted under the ASOP 6 practice note. Non-EGWP PCCCs are based on actual claim experience net of prescription drug rebates. Factors based on the HCGs were used to adjust the average age cost per life into per life costs over a range of ages, separately by gender and status (retiree and dependent). Separate PCCCs were developed for TWU retirees who remain in the Aetna Basic Medicare Plan with basic Rx coverage and have not enrolled in both Medicare Parts A and B.

The following charts detail the annual 2025 Rx PCCCs used in this valuation.

| | Basic Rx Plan—Other than TWU | | | | Basic Rx Plan—TWU | | | |
|---|---|---|---|---|---|---|---|---|
| | Retiree | | Spouse | | Retiree | | Spouse | |
| Age | Male | Female | Male | Female | Male | Female | Male | Female |
| 45 | 3,689 | 5,150 | 3,103 | 3,674 | 3,689 | 5,150 | 3,103 | 3,674 |
| 50 | 4,180 | 4,983 | 3,668 | 4,302 | 4,180 | 4,983 | 3,668 | 4,302 |
| 55 | 4,822 | 5,187 | 4,356 | 4,990 | 4,822 | 5,187 | 4,356 | 4,990 |
| 60 | 5,427 | 5,771 | 5,018 | 5,469 | 5,427 | 5,771 | 5,018 | 5,469 |
| 64 | 5,877 | 5,812 | 5,485 | 5,525 | 5,877 | 5,812 | 5,485 | 5,525 |
| 65 | 13,025 | 11,435 | 13,025 | 11,435 | 32,849 | 28,966 | 32,849 | 28,966 |
| 70 | 14,150 | 11,914 | 14,150 | 11,914 | 35,592 | 30,139 | 35,592 | 30,139 |
| 75 | 15,242 | 12,250 | 15,242 | 12,250 | 38,248 | 30,958 | 38,248 | 30,958 |
| 80 | 15,680 | 11,888 | 15,680 | 11,888 | 39,312 | 30,073 | 39,312 | 30,073 |
| 85 | 14,289 | 10,293 | 14,289 | 10,293 | 35,931 | 26,172 | 35,931 | 26,172 |
| 90 | 12,615 | 8,784 | 12,615 | 8,784 | 31,847 | 22,459 | 31,847 | 22,459 |

| EGWP Rx Plans | Retiree | Spouse |
|---|---|---|
| Standard | 2,302 | 2,302 |
| Option 1 other than TWU | 2,463 | 2,463 |
| Option 1 TWU | 2,476 | 2,476 |
| Option 2 | 2,656 | 2,656 |

**Union Health Plans Health Cost Trend:** The Society of Actuaries (SOA) developed and regularly updates a long-term medical trend model based on detailed research performed by a committee of economists and actuaries. Milliman uses this model as the foundation for the trend that it recommends to our clients for postretirement healthcare valuations, with certain adjustments designed to produce trends that are appropriate for employer plans. These adjustments include incorporating assumed administrative cost trend where applicable and removing the impact of age-related morbidity (since age-related morbidity assumptions are applied separately in the valuation when applicable). Ultimate rates were determined considering historic and projected rates of real growth, long-term inflation and additional growth attributable to technology, and medical costs as a component of gross domestic product (GDP).

The trends for the Union Health Plans for post-65 retirees were developed separately for medical and Rx benefits by plan type. The EGWP trends reflect the estimated impact of the Part D benefit redesign in 2025 due to the Inflation Reduction Act.

The following table provides the healthcare trend assumptions for the Union Health Plans. The trends shown earlier for Medicare Part B reimbursements and dental and vision benefits also apply to members participating in the Union Health Plans, if applicable. The trend for Medicare Part B reimbursements is also used for supplemental Medicare premium reimbursements indexed to the Medicare Part B premium.

The Medicare Advantage (MA) trends reflect actual premiums for January 1, 2025 and January 1, 2026 for Aetna Option 1 and Option 2 plans. The post-65 PDP trends reflect actual premiums for January 1, 2025 and January 1, 2026 for all EGWP plans.

In situations where the member has the future option to elect multiple health plans, a blended trend reflecting available options is applied to the blended per capita claim cost.

For purposes of applying the Entry Age Normal cost method, the healthcare trend prior to the valuation date is based on the ultimate rates as described in the table below.

| | Union Health Plans Medical Trend | | | Union Health Plans Rx Trend | | |
|---|---|---|---|---|---|---|
| **Year** | **Pre-65 Trend** | **Post-65 non-MA Trend** | **Post-65 MA Trend** | **Pre-65 Trend** | **Post-65 Non-PDP Trend** | **Post-65 PDP Trend** |
| 2025 | 5.9 | 5.4 | 77.1 | 12.2 | 8.0 | 15.5 |
| 2026 | 5.8 | 5.4 | 13.3 | 10.0 | 7.2 | 7.1 |
| 2027 | 5.6 | 5.4 | 9.5 | 7.9 | 6.4 | 6.5 |
| 2028 | 5.5 | 5.4 | 5.6 | 5.7 | 5.7 | 5.9 |
| 2029 | 5.3 | 5.3 | 5.5 | 5.5 | 5.5 | 5.7 |
| 2030 | 5.1 | 5.1 | 5.3 | 5.3 | 5.3 | 5.5 |
| 2031 | 4.9 | 4.9 | 5.1 | 5.0 | 5.0 | 5.3 |
| 2032 | 4.7 | 4.7 | 4.9 | 4.8 | 4.8 | 5.1 |
| 2033 | 4.6 | 4.6 | 4.8 | 4.6 | 4.6 | 4.9 |
| 2034 | 4.4 | 4.4 | 4.6 | 4.4 | 4.4 | 4.6 |
| 2035–2039 | 4.1 | 4.1 | 4.3 | 4.1 | 4.1 | 4.4 |
| 2040–2042 | 4.1 | 4.1 | 4.3 | 4.1 | 4.1 | 4.3 |
| 2043–2047 | 4.1 | 4.1 | 4.3 | 4.2 | 4.2 | 4.3 |
| 2048–2049 | 4.2 | 4.1 | 4.2 | 4.2 | 4.2 | 4.3 |
| 2050–2064 | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 |
| 2065–2066 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 |
| 2067–2068 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| 2069–2070 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 |
| 2071 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 |
| 2072–2073 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 |
| 2074+ | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 |

**Medical Coverage Election Rates for Union Health Plans:** For the pre-65 Union Health Medical plans, 60% are assumed to elect Aetna Basic and 40% are assumed to elect Aetna Select for TWU members of NYC Transit and MTA Bus as well as for other members of NYC Transit. For non-TWU members of MTA Bus and all Staten Island Railway members, 80% are assumed to elect Aetna Basic and 20% are assumed to elect Aetna Select for coverage prior to age 65. Actual elections are used for retirees.

Effective January 1, 2024, the Aetna Basic Medicare plan was generally eliminated for TWU Local 100 members of NYC Transit and MTA Bus Company, unless the member had not enrolled in both Medicare Parts A and B. For TWU members, all current retirees in a pre-Medicare plan and future retirees are assumed to elect an Aetna Medicare Advantage Plan with 50% assumed to elect Aetna Option 1 and 50% assumed to elect Aetna Option 2 upon attaining age 65. Actual elections are used for retirees in a Medicare plan. Current TWU retirees reported in the Aetna Basic Medicare plan are assumed to not have enrolled in Medicare and remain in this plan.

For Medicare coverage for other union members, all current and future Aetna Basic members are assumed to maintain Aetna Basic coverage. All current and future Aetna Select members are assumed to elect an Aetna Medicare Advantage Plan. For non-TWU members of NYC Transit, 40% are assumed to elect Aetna Option 1 and 60% are assumed to elect Aetna Option 2 upon attaining age 65. For non-TWU members of MTA Bus and all Staten Island Railway members, 50% are assumed to elect Aetna Option 1 and 50% are assumed to elect Aetna Option 2 upon attaining age 65. Actual elections are used for retirees in a Medicare plan.

For retirees under age 65 who are indicated as having a Medicare-eligible plan, the age 65 per capita cost of the applicable medical plan applies to all ages less than 65. These rates are based on current elections of the eligible group.

**Pharmacy Coverage Election Rates for Union Health Plans:** For the Union Health pharmacy plans, eligible members participate in the basic pharmacy plan prior to age 65.

Effective January 1, 2024, the basic pharmacy plan was generally eliminated for TWU Local 100 members of NYC Transit and MTA Bus Company, unless the member has not enrolled in Medicare. For TWU members, all current retirees in a pre-Medicare plan and future retirees are assumed to elect a TWU EGWP Plan – 50% are assumed to elect Option 1 and 50% are assumed to elect Option 2. Actual elections are used for Medicare-eligible retirees.

For Medicare coverage for other union members, 65% of members are assumed to participate in the Employer Group Waiver Plan (“EGWP”) and 35% are assumed to opt into the commercial pharmacy plan. EGWP elections are assumed to align with the assumed medical plan election (e.g. members assumed to be in the Basic Medicare plan are assumed to be in the EGWP Standard plan). Actual elections are used for Medicare-eligible retirees.

For under age 65 retirees who are indicated as having a Medicare-eligible medical or EGWP plan, the age 65 per capita cost of the applicable pharmacy plan applies to all ages less than 65. These rates are based on current elections of the eligible group.

**Dependent Coverage for Union Health Plans:** Female spouses are assumed to be 3 years younger than male employees/retirees and male spouses are assumed to be 3 years older than female employees/retirees. 65% of male and 25% of female eligible members participating in Union Health Plans are assumed to cover a dependent. Actual coverage elections for current retirees are used. For TWU retirees in a Medicare Advantage plan, coverage for under age 65 spouses is based on the retiree’s pre-Medicare coverage from the prior valuation. If the retiree had elected a Medicare Advantage plan in the prior valuation, the spouse is assumed to have elected the Aetna Select plan.

## 7. TRUSTEE, CUSTODIAL AND OTHER PROFESSIONAL SERVICES

The Plan and the Trust are administered by the MTA, including the day-to-day administration of the collectively bargained Union health insurance program. JP Morgan Chase, the trustee and custodian, makes payments to health insurers and to welfare funds for retiree benefits, and reimbursements of retiree Medicare Part B premiums, as directed by the MTA. The MTA OPEB Board of Managers is advised by NEPC with respect to the investment of Plan assets. Actuarial services were provided to the Plan by Milliman Inc.

## 8. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through July 29, 2026, to ensure that these financial statements include appropriate recognition and disclosure of recognized events in the financial statements as of December 31, 2025. On March 05, 2026 the MTA Chief Financial Officer (“CFO”) authorized the transfer of $1 billion in casino license fee revenues to the OPEB Trust. These funds are expected to be used to support OPEB contributions in 2027 and 2028 as outlined in the February 2026 Financial Plan; provided, however, that nothing restricts the use of such funds, if necessary, in accordance with future financial plans or as authorized by the CFO. The transfer is intended to ensure that sufficient resources are deposited into the OPEB Trust in alignment with the funding strategy and commitments reflected in the current financial plan.

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## REQUIRED SUPPLEMENTARY INFORMATION

## METROPOLITAN TRANSPORTATION AUTHORITY
## OTHER POSTEMPLOYMENT BENEFITS PLAN

**SCHEDULE I**

**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF CHANGES IN THE EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS**
**(In thousands)**

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|
| Total OPEB liability: | | | | | | | | | |
| Service cost | $ 938,861 | $ 1,016,084 | $ 991,091 | $ 1,240,342 | $ 1,250,950 | $ 1,097,051 | $ 928,573 | $ 1,011,981 | $ 876,723 |
| Interest | 876,373 | 722,115 | 855,614 | 530,983 | 535,642 | 610,160 | 840,532 | 758,494 | 757,860 |
| Changes of benefit terms | 420,826 | 51,425 | 74,166 | - | - | - | - | 8,543 | 24,446 |
| Differences between expected and actual experience | - | 291,217 | (3,036,310) | 14,299 | 292,154 | (43,890) | 247,871 | (569,165) | (44,082) |
| Changes of assumptions | 1,337,613 | (1,732,215) | 1,154,349 | (3,449,438) | (738,829) | 1,939,528 | 311,286 | (1,964,746) | 921,007 |
| Benefit payments and withdrawals | (942,439) | (944,296) | (882,260) | (846,299) | (792,984) | (724,741) | (730,677) | (691,122) | (650,994) |
| Net change in total OPEB liability | 2,631,234 | (595,670) | (843,350) | (2,510,113) | 546,933 | 2,878,108 | 1,597,585 | (1,446,015) | 1,884,960 |
| Total OPEB liability—beginning | 21,007,381 | 21,603,051 | 22,446,401 | 24,956,514 | 24,409,581 | 21,531,473 | 19,933,888 | 21,379,903 | 19,494,943 |
| Total OPEB liability—ending (a) | 23,638,615 | 21,007,381 | 21,603,051 | 22,446,401 | 24,956,514 | 24,409,581 | 21,531,473 | 19,933,888 | 21,379,903 |
| Plan fiduciary net position: | | | | | | | | | |
| Employer contributions | 942,439 | 944,296 | 2,201,541 | 846,299 | 792,984 | 387,371 | 730,677 | 691,122 | 650,994 |
| Member contributions | - | - | - | - | - | - | - | - | - |
| Net investment income | 84,553 | 58,822 | 43,031 | 11,828 | - | (77,118) | 63,647 | (18,916) | 47,370 |
| Benefit payments and withdrawals | (942,439) | (944,296) | (882,260) | (846,299) | (792,984) | (724,741) | (730,677) | (691,122) | (650,994) |
| Administrative expenses & Transfer to investments | (172) | (145) | (142) | (176) | (47) | (209) | (200) | (56) | - |
| Net change in plan fiduciary net position | 84,381 | 58,677 | 1,362,170 | 11,652 | (47) | (414,697) | 63,447 | (18,972) | 47,370 |
| Plan fiduciary net position—beginning | 1,432,582 | 1,373,905 | 11,735 | 83 | 130 | 414,827 | 351,380 | 370,352 | 322,982 |
| Plan fiduciary net position—ending (b) | 1,516,963 | 1,432,582 | 1,373,905 | 11,735 | 83 | 130 | 414,827 | 351,380 | 370,352 |
| Employer's net OPEB liability—ending (a)-(b) | $ 22,121,652 | $ 19,574,799 | $ 20,229,146 | $ 22,434,666 | $ 24,956,431 | $ 24,409,451 | $ 21,116,646 | $ 19,582,508 | $ 21,009,551 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 6.42 % | 6.82 % | 6.36 % | 0.05 % | 0.00 % | 0.00 % | 1.93 % | 1.76 % | 1.73 % |
| Covered payroll | $ 8,127,961 | $ 7,677,009 | $ 7,490,519 | $ 6,848,347 | $ 5,501,627 | $ 5,604,690 | $ 5,608,536 | $ 5,394,332 | $ 5,041,030 |
| Employer's net opeb liability as a percentage of covered payroll | 272.17 % | 254.98 % | 270.06 % | 327.59 % | 453.62 % | 435.52 % | 376.51 % | 363.02 % | 416.77 % |

In accordance with GASB No. 74, paragraph 39, such information was not readily available for periods prior to 2017.

# METROPOLITAN TRANSPORTATION AUTHORITY OTHER POSTEMPLOYMENT BENEFITS PLAN

**SCHEDULE II**

## REQUIRED SUPPLEMENTARY INFORMATION
## SCHEDULE OF EMPLOYER CONTRIBUTIONS
## (In thousands)

| Fiscal Year Ending 46387 | Actuarially Determined Contribution | * Actual Employer Contribution | Contribution Deficiency (Excess) | | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|---|---|---|---|---|---|---|
| 2016 | N/A | $ - | N/A | | $ - | N/A |
| 2017 | N/A | 650,994 | N/A | * | 5,041,030 | 12.91 % |
| 2018 | N/A | 691,122 | N/A | | 5,394,332 | 12.81 |
| 2019 | N/A | 730,677 | N/A | | 5,608,536 | 13.03 |
| 2020 | N/A | 387,371 | N/A | | 5,604,690 | 6.91 |
| 2021 | N/A | 792,984 | N/A | | 5,501,627 | 14.41 |
| 2022 | N/A | 846,299 | N/A | | 6,848,347 | 12.36 |
| 2023 | N/A | 2,201,541 | N/A | | 7,490,519 | 29.39 |
| 2024 | N/A | 944,296 | N/A | | 7,677,009 | 12.30 |
| 2025 | N/A | 942,439 | N/A | | 8,127,961 | 11.60 |

* Actual Employer Contribution includes the implicit rate of subsidy adjustment.

** In accordance with GASB No. 74, paragraph 39, such information was not readily available for periods prior to 2017.

## REQUIRED SUPPLEMENTARY INFORMATION
## SCHEDULE OF INVESTMENT RETURNS

The following table displays annual money-weighted rate of return, net of investment expense.

| Fiscal Year Ending December 31 | Net Money-Weighted Rate of Return |
|---|---|
| 2016 | N/A |
| 2017 | 0.1467 % |
| 2018 | (5.11) |
| 2019 | 18.12 |
| 2020 | (32.92) |
| 2021 | 0.03 |
| 2022 | 22,862.10 |
| 2023 | 4.69 |
| 2024 | 4.28 |
| 2025 | 5.90 |

In accordance with GASB No. 74, paragraph 39, such information was not readily available for periods prior to 2017