

Form 5500-SF

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500-SF.

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: [X] a single-employer plan [] a multiple-employer plan (not multiemployer) (Pension Plan filers checking this box must attach Schedule MEP. Other plans must attach a list of participating employer information in accordance with the form instructions.)
B This return/report is [] the first return/report [] the final return/report [] an amended return/report [] a short plan year return/report (less than 12 months)
C Check box if filing under: [X] Form 5558 [] automatic extension [] DFVC program [] special extension (enter description)
D If the plan is a collectively-bargained plan, check here []
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here []

Part II Basic Plan Information—enter all requested information

1a Name of plan: RETIREMENT PLAN FOR THE UPPER PENINSULA STATE BANK
1b Three-digit plan number (PN): 001
1c Effective date of plan: 01/01/1964
2a Plan sponsor's name (employer, if for a single-employer plan): UPPER PENINSULA STATE BANK
2b Employer Identification Number (EIN): 38-1067360
2c Sponsor's telephone number: 906-789-7000
2d Business code (see instructions): 522110
3a Plan administrator's name and address: [X] Same as Plan Sponsor.
3b Administrator's EIN
3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report.
4b EIN
4d PN
5a Total number of participants at the beginning of the plan year: 95
5b Total number of participants at the end of the plan year: 99
5c(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)
5c(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)
5d(1) Total number of active participants at the beginning of the plan year: 50
5d(2) Total number of active participants at the end of the plan year: 51
5e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested: 6

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established. Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Row 1: Filed with authorized/valid electronic signature, 09/04/2025, SCOTT M. BEAUDRY. Row 2: Signature of employer/plan sponsor, Date, Enter name of individual signing as employer or plan sponsor.

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) Yes No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) Yes No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? Yes No Not determined
- If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year: 554658. (See instructions.)

Part III Financial Information			
7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	9519546	10227875
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	9519546	10227875
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	0	
(2) Participants	8a(2)	0	
(3) Others (including rollovers)	8a(3)	0	
b Other income (loss)	8b	1025824	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		1025824
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	251277	
e Certain deemed and/or corrective distributions (see instructions) .	8e	0	
f Administrative service providers (salaries, fees, commissions)	8f	66218	
g Other expenses	8g	0	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		317495
i Net income (loss) (subtract line 8h from line 8c)	8i		708329
j Transfers to (from) the plan (see instructions)	8j	0	

Part IV Plan Characteristics	
9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: <u>1A</u>
b	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions				
10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		500000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below. Yes No

a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 **11a** 0

b PBGC missed contribution reporting requirements. If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

Yes.

No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

No. Other. Provide explanation _____

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above. Yes No

a If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year **12b**

c Enter the amount contributed by the employer to the plan for this plan year **12c**

d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d**

e Will the minimum funding amount reported on line 12d be met by the funding deadline? Yes No N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? Yes No

a If "Yes," enter the amount of any plan assets that reverted to the employer this year. **13a**

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? Yes No

c If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Part VIII IRS Compliance Questions

14a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

14b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

- Design-based safe harbor method
- "Prior year" ADP test
- "Current year" ADP test
- N/A

15 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 11 / 02 / 2015 (MM/DD/YYYY) and the Opinion Letter serial number J501715A.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

▶ **Round off amounts to nearest dollar.**
 ▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>RETIREMENT PLAN FOR THE UPPER PENINSULA STATE BANK</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>UPPER PENINSULA STATE BANK</u>	D Employer Identification Number (EIN) <u>38-1067360</u>	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

Part I Basic Information

1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2024</u>		
2	Assets:		
	a Market value	2a	<u>9519546</u>
	b Actuarial value	2b	<u>9758415</u>
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	<u>25</u>	<u>2628475</u>
	b For terminated vested participants	<u>20</u>	<u>783453</u>
	c For active participants	<u>50</u>	<u>3880521</u>
	d Total	<u>95</u>	<u>7292449</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	<u>5.25 %</u>
6	Target normal cost		
	a Present value of current plan year accruals	6a	<u>359400</u>
	b Expected plan-related expenses	6b	<u>0</u>
	c Target normal cost	6c	<u>359400</u>

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		
	Signature of actuary	<u>07/03/2025</u>
	<u>TROY A. SCHNABEL, ASA, MAAA</u>	Date
	Type or print name of actuary	<u>23-06116</u>
	<u>WATKINS ROSS</u>	Most recent enrollment number
	Firm name	<u>616-456-9696</u>
	<u>200 OTTAWA AVENUE N.W.</u> <u>SUITE 600</u> <u>GRAND RAPIDS, MI 49503-2426</u>	Telephone number (including area code)
	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	1184436
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	1184436
10	Interest on line 9 using prior year's actual return of <u>13.68</u> %	0	162031
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.33</u> %		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1346467

Part III Funding Percentages			
14	Funding target attainment percentage	14	113.48 %
15	Adjusted funding target attainment percentage	15	131.65 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	119.90 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a	Contributions allocated toward unpaid minimum required contributions from prior years	19a 0
b	Contributions made to avoid restrictions adjusted to valuation date	19b 0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 0
20	Quarterly contributions and liquidity shortfalls:	
a	Did the plan have a "funding shortfall" for the prior year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c	If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
(4) 4th		

Part V Assumptions Used to Determine Funding Target and Target Normal Cost			
21 Discount rate:			
a Segment rates:	1st segment: 4.75 %	2nd segment: 4.96 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)			21b 0
22 Weighted average retirement age			22 65
23 Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

Part VI Miscellaneous Items			
24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
26 Demographic and benefit information			
a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....			27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years			
28 Unpaid minimum required contributions for all prior years			28 0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....			29 0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....			30 0

Part VIII Minimum Required Contribution For Current Year			
31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6c)			31a 359400
b Excess assets, if applicable, but not greater than line 31a			31b 359400
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	0		0
b Waiver amortization installment.....	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount			33
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....			34 0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	1346467	1346467
36 Additional cash requirement (line 34 minus line 35)			36 0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)			37 0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)			38a 0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances.....			38b 0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)			39 0
40 Unpaid minimum required contributions for all years			40 0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)			
41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input type="checkbox"/> 2021			

ADDITIONAL INFORMATION

Retirement Plan for the Upper Peninsula State Bank

EIN/PN: 38-1067360/001

Schedule SB, Line 26 – Active Participant Data

Participant Age and Service Data

Years of Service										
Age	Under 1	1 – 4	5 – 9	10 – 14	15 - 19	20 - 24	25 - 29	30 – 34	35 – 39	40 & up
0 – 24		3								
25 – 29		8								
30 – 34		1	1	1						
35 – 39		4	2	1						
40 – 44			1	1	1					
45 – 49		2	2							
50 – 54		2	3	1						
55 – 59		1	2	1	1	3	1			
60 – 64		2	2			1			1	
65 – 69										1
70 & Up										

ACTUARIAL COST METHODS AND ASSUMPTIONS

Retirement Plan for the Upper Peninsula State Bank

EIN/PN: 38-1067360/001

Schedule SB, Part V – Actuarial Assumption Methods

Traditional Unit Credit Cost Method – The actuarial cost method used to calculate the minimum required contribution is the traditional unit credit cost method. The normal cost is the sum of all the individual normal costs for each participant. The individual normal cost is the present value of the benefit expected to be earned during the year being valued. For non-active participants, the normal cost is zero. The actuarial accrued liability is the sum of the individual accrued liabilities for all participants. The individual accrued liability is the present value of the accrued benefit as of the valuation date. The unfunded liability is equal to the actuarial accrued liability less the valuation assets, and is referred to as the “shortfall”.

Projected Unit Credit Cost Method – The projected unit credit cost method is used for computing pension liabilities used in FASB ASC 715 pension accounting and in the calculation of the maximum deductible contribution. Under this method, the normal cost is the sum of the individual normal costs for all participants. The individual normal cost is the present value of the benefit expected to be earned during the year being valued, assuming the benefit as of the beginning of the year and as of the end of the year are calculated with final average salary. For a non-active participant, the normal cost is zero. The actuarial accrued liability is the sum of the individual accrued liabilities for all plan participants. The individual accrued liability is the present value of the accrued benefit based on service as of the valuation date, calculated using final average salary. For non-active participants, the individual accrued liability is the present value of their benefit. The unfunded liability is equal to the actuarial accrued liability less the valuation assets.

Actuarial Valuation Asset Method – The asset method is based on Internal Revenue Notice 2009-22 using an average of three values: the fair market value on the valuation date and the adjusted market value on the previous two valuation dates. Adjustments are made for contributions, benefits, non-investment related expenses and assumed earnings based on the lesser of 6.00% and the PPA third segment interest rate per applicable year. The result is subject to a minimum of 90% and maximum of 110% of the current market value.

Mandated Discount Rates – Adjusted Under ARPA/HATFA

	Current Year	Prior Year
Segment 1 – Payments within 5 years	4.75%	4.75%
Segment 2 – Payments between 5 and 20 years	4.96%	5.00%
Segment 3 – Payments after 20 years	5.59%	5.74%
Effective Rate	5.25%	5.33%

Mandated Discount Rates – IRC §430 Unadjusted Rates

	Current Year	Prior Year
Segment 1 – Payments within 5 years	4.37%	2.13%
Segment 2 – Payments between 5 and 20 years	4.96%	3.62%
Segment 3 – Payments after 20 years	4.95%	3.93%
Effective Rate	4.93%	3.74%

ACTUARIAL COST METHODS AND ASSUMPTIONS

Retirement Plan for the Upper Peninsula State Bank
EIN/PN: 38-1067360/001
Schedule SB, Part V – Actuarial Assumption Methods

Retirement Rates – 100% of participants are assumed to retire at age 65.
Rationale – Based on the normal retirement age for the plan.

Salary Scale – 4% per year was assumed.
Rationale – The rates were chosen based on this plan’s historical experience and future expectations advised by the plan sponsor.

Expenses – None assumed.

Termination Rates – None assumed.

Mortality Rates Generational Tables (as prescribed by law) – PRI-2012 total dataset adjusted to 2012 base mortality rates projected with 2024 IRS Adjusted Improvement Scale MP-2021
Rationale – Required under PPA

Percent Married – 100% of males and 100% of females were assumed to be married.
Rationale – Based on plan experience.

Age of Spouse – The female spouse is assumed to be 4 years younger than the male spouse.
Rationale – Based on plan experience.

Probability of Payment Form – 100% choose a monthly annuity form of payment; 0% choose a lump sum payment
Rationale – This assumption was chosen because historically participants have chosen the monthly annuity payment upon retirement/termination

Changes in Assumptions Since Prior Valuation

- **Discount Rates** – Changed as prescribed by law
- **Mortality Rates** – Changed as prescribed by law
- **Other** – The salary scale assumption was increased from 3% to 4% based on employer expectations.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

▶ **Round off amounts to nearest dollar.**
 ▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RETIREMENT PLAN FOR THE UPPER PENINSULA STATE BANK	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Upper Peninsula State Bank	D Employer Identification Number (EIN) 38-1067360	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2024</u>			
2 Assets:			
a Market value	2a	9,519,546	
b Actuarial value	2b	9,758,415	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	25	2,628,475	2,628,472
b For terminated vested participants	20	783,453	783,453
c For active participants	50	3,880,521	4,000,303
d Total	95	7,292,449	7,412,228
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	<input type="checkbox"/>		
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	5.25%	
6 Target normal cost			
a Present value of current plan year accruals	6a	359,400	
b Expected plan-related expenses	6b	0	
c Target normal cost	6c	359,400	

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	 Signature of actuary	<u>07/03/2025</u> Date
	TROY A. SCHNABEL, ASA, MAAA Type or print name of actuary	<u>2306116</u> Most recent enrollment number
	WATKINS ROSS Firm name	<u>616-456-9696</u> Telephone number (including area code)
	200 OTTAWA AVENUE N.W. SUITE 600 GRAND RAPIDS MI 49503-2426 Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:	1st segment: 4.75 %	2nd segment: 4.96 %	3rd segment: 5.59 %	<input type="checkbox"/> N/A, full yield curve used
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b Applicable month (enter code)..... **21b** 0

22 Weighted average retirement age **22** 65

23 Mortality table(s) (see instructions) Prescribed - combined Prescribed - separate Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... Yes No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. Yes No

26 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. Yes No

b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ... Yes No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment..... **27**

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years **28** 0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... **29** 0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6c).....	31a	359,400
b Excess assets, if applicable, but not greater than line 31a	31b	359,400

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33**

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)..... **34** 0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	1,346,467	1,346,467

36 Additional cash requirement (line 34 minus line 35)..... **36** 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 0

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0

40 Unpaid minimum required contributions for all years **40** 0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. 2019 2020 2021

SUMMARY OF PLAN PROVISIONS

Retirement Plan for the Upper Peninsula State Bank
EIN/PN: 38-1067360/001
Schedule SB, Part V – Summary of Plan Provisions

Plan name Retirement Plan for the Upper Peninsula State Bank

Plan documents:

Document type Volume Submitter

Drafted by Miller Johnson

Latest determination letter November 29, 2011

Plan effective date January 1, 1964

Most recent restated Plan Document effective date (execution date) January 1, 2010 (July 29, 2020)

Eligibility provisions:

Participation Age 21 with 1 year of service

Normal retirement Age 65

Early retirement Age 55 with 5 years of service

Late retirement Retirement after normal retirement

Vesting schedule 100% after 5 years of vesting service

Disability Age 50 with 15 years of service and eligible for a disability benefit under the Federal Social Security Act

Pre-retirement death:

 Annuity to surviving spouse Death after becoming eligible for a nonforfeitable benefit

Benefit amounts:

Normal retirement: The sum of 2% multiplied by years of credited service prior to January 1, 2015 and 1.25% multiplied by years of credited service after December 31 2014, multiplied by average monthly compensation. In no event will the credited service exceed 33.75 years.

Early retirement: Accrued benefit payable at normal retirement date; or a benefit reduced ½ of 1% for each month early retirement precedes normal retirement

SUMMARY OF PLAN PROVISIONS

Retirement Plan for the Upper Peninsula State Bank
EIN/PN: 38-1067360/001
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Late retirement	Participant commences receiving payments as though actually retired; accrued benefit at the end of each plan year is based on compensation and service to date, offset by the actuarial value of total prior benefit distributions
Vested termination	Applicable percentage of accrued benefit payable at normal retirement date
Disability	Accrued benefit unreduced for early payment
Pre-retirement death:	
Annuity to spouse	50% of the benefit that would have been payable to the participant at the participant's early retirement age under the Joint and 50% Survivor form of payment, had the participant terminated employment the date before death occurred

Definitions:

Accrued Benefit	An amount equal to the normal retirement benefit calculated using average monthly compensation and benefit service at date of determination
Actuarial Equivalence	
Optional forms of payment:	
Mortality Table	Unisex Pension – 1984
Interest rate	6% per year
Lump Sum:	
Mortality Table	The applicable mortality table prescribed by the Secretary of Treasury under Section 417(e) (3)(B) of the Code as required by PPA
Interest rate	The applicable segment rates defined by Section 417 (e)(3)(D) for the November before the plan year of distribution as required by PPA
Compensation	The regular annual base salary or wage for services rendered to the employer, excluding bonuses and overtime, as determined by the employer on the first day of each plan year; compensation for each month in a plan year will be deemed to be one-twelfth of the participant's compensation determined as of the first day of each plan year

SUMMARY OF PLAN PROVISIONS

Retirement Plan for the Upper Peninsula State Bank

EIN/PN: 38-1067360/001

Schedule SB, Part V – Summary of Plan Provisions

Average monthly compensation	The monthly average of the participant's compensation during the 60 highest paid consecutive months preceding his termination of employment; however, for a participant who has worked in covered employment for less than 60 consecutive months, average monthly compensation means the monthly average of the participant's compensation prior to his termination of employment
Entry Dates	The first January 1 after completion of eligibility (or first January 1 after Date of Hire if age 21 with 1,000 hours service by that date)
Years of Service for:	
Eligibility purposes	12-month period commencing on date of employment in which 1,000 hours are credited; subsequent periods shall be the plan year
Vesting purposes	Any plan year in which 1,000 hours are credited
Benefit purposes	A year of benefit service is earned for each plan year in which a participant has at least 1,000 hours of service; a participant shall receive no benefit service for any full plan year during which the participant completes fewer than 1,000 hours of service; notwithstanding the preceding sentence, in the plan year which includes the participant's date of hire or termination of employment, the participant will receive one-twelfth of a year of benefit service, up to one year of benefit service, for each 165 hours of service
Unreduced payment form	120 months certain and life thereafter annuity
Optional payment forms	Life annuity, contingent annuitant (50%, 75% or 100% generally), and lump sums under \$5,000 in value
Changes since prior valuation	None
Other qualified retirement plans	401(k) Savings Plan for all eligible employees

ACTUARIAL COST METHODS AND ASSUMPTIONS

Retirement Plan for the Upper Peninsula State Bank
EIN/PN: 38-1067360/001
Schedule SB, line 24 – Change in Actuarial Assumptions

Retirement Rates – 100% of participants are assumed to retire at age 65.
Rationale – Based on the normal retirement age for the plan.

Salary Scale – 4% per year was assumed.

Rationale – The rates were chosen based on this plan's historical experience and future expectations advised by the plan sponsor.

Expenses – None assumed.

Termination Rates – None assumed.

Mortality Rates Generational Tables (as prescribed by law) – PRI-2012 total dataset adjusted to 2012 base mortality rates projected with 2024 IRS Adjusted Improvement Scale MP-2021

Rationale – Required under PPA

Percent Married – 100% of males and 100% of females were assumed to be married.

Rationale – Based on plan experience.

Age of Spouse – The female spouse is assumed to be 4 years younger than the male spouse.

Rationale – Based on plan experience.

Probability of Payment Form – 100% choose a monthly annuity form of payment; 0% choose a lump sum payment

Rationale – This assumption was chosen because historically participants have chosen the monthly annuity payment upon retirement/termination

Changes in Assumptions Since Prior Valuation

- **Discount Rates** – Changed as prescribed by law
- **Mortality Rates** – Changed as prescribed by law
- **Other** – The salary scale assumption was increased from 3% to 4% based on employer expectations.