

Form 5500

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security  
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans 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.

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: [ ] a multiemployer plan [ ] a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) [X] a single-employer plan [ ] a DFE (specify) \_\_\_\_
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 If the plan is a collectively-bargained plan, check here. [ ]
D Check box if filing under: [X] Form 5558 [ ] automatic extension [ ] the DFVC program [ ] special extension (enter description)
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: PENN ENGINEERING PENSION PLAN
1b Three-digit plan number (PN): 001
1c Effective date of plan: 12/31/1962
2a Plan sponsor's name (employer, if for a single-employer plan): PENN ENGINEERING & MFG. CORP.
2b Employer Identification Number (EIN): 23-0951065
2c Plan Sponsor's telephone number: 215-766-8853
2d Business code (see instructions): 332900

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 accompanying schedules, statements and attachments, 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. Includes rows for employer/plan sponsor and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2024) v. 240311

<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	<b>3b</b> Administrator's EIN	
	<b>3c</b> Administrator's telephone number	
<b>4</b> 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: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN	
	<b>4d</b> PN	
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	434
<b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). <b>a(1)</b> Total number of active participants at the beginning of the plan year ..... <b>a(2)</b> Total number of active participants at the end of the plan year ..... <b>b</b> Retired or separated participants receiving benefits..... <b>c</b> Other retired or separated participants entitled to future benefits ..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> ..... <b>g(1)</b> Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) ..... <b>g(2)</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) ..... <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6a(1)</b>	178
	<b>6a(2)</b>	163
	<b>6b</b>	58
	<b>6c</b>	133
	<b>6d</b>	354
	<b>6e</b>	49
	<b>6f</b>	403
	<b>6g(1)</b>	
<b>6g(2)</b>		
<b>6h</b>		
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>	

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  
1A 1C 1I

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

<b>9a</b> Plan funding arrangement (check all that apply)	<b>9b</b> Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

<b>a Pension Schedules</b>	<b>b General Schedules</b>
(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)
(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)
(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> <b>A</b> (Insurance Information) – Number Attached _____
(4) <input type="checkbox"/> <b>DCG</b> (Individual Plan Information) – Number Attached _____	(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)
(5) <input type="checkbox"/> <b>MEP</b> (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

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**Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)**

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**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

If "Yes" is checked, complete lines 11b and 11c.

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**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

**11c** Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

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<b>SCHEDULE SB</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Single-Employer Defined Benefit Plan</b> <b>Actuarial Information</b>  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).  <b>▶ File as an attachment to Form 5500 or 5500-SF.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection</b>
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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.

<b>A</b> Name of plan <u>PENN ENGINEERING PENSION PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>PENN ENGINEERING &amp; MFG. CORP.</u>	<b>D</b> Employer Identification Number (EIN) <u>23-0951065</u>	
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	<b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input checked="" type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

<b>Part I</b>	<b>Basic Information</b>		
<b>1</b>	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2024</u>		
<b>2</b>	Assets:		
	<b>a</b> Market value .....	<b>2a</b>	<u>21114125</u>
	<b>b</b> Actuarial value .....	<b>2b</b>	<u>21792603</u>
<b>3</b>	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	<b>a</b> For retired participants and beneficiaries receiving payment .....	<u>103</u>	<u>5720629</u>
	<b>b</b> For terminated vested participants .....	<u>153</u>	<u>5931841</u>
	<b>c</b> For active participants .....	<u>178</u>	<u>9008289</u>
	<b>d</b> Total .....	<u>434</u>	<u>20660759</u>
<b>4</b>	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>		
	<b>a</b> Funding target disregarding prescribed at-risk assumptions .....	<b>4a</b>	
	<b>b</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 .....	<b>4b</b>	
<b>5</b>	Effective interest rate .....	<b>5</b>	<u>5.15 %</u>
<b>6</b>	Target normal cost		
	<b>a</b> Present value of current plan year accruals .....	<b>6a</b>	<u>0</u>
	<b>b</b> Expected plan-related expenses .....	<b>6b</b>	<u>415000</u>
	<b>c</b> Target normal cost .....	<b>6c</b>	<u>415000</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.

<b>SIGN HERE</b>		
	Signature of actuary	<u>07/14/2025</u>
	<u>STEPHEN A. CATONE, A.S.A.</u>	Date
	Type or print name of actuary	<u>20-05357</u>
	<u>KORN FERRY HAY GROUP, INC</u>	Most recent enrollment number
	Firm name	<u>215-861-2333</u>
	<u>2005 MARKET ST., SUITE 910 PHILADELPHIA, PA 19103</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

<b>Part II</b>		<b>Beginning of Year Carryover and Prefunding Balances</b>	
		(a) Carryover balance	(b) Prefunding balance
<b>7</b>	Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....	0	0
<b>8</b>	Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....		
<b>9</b>	Amount remaining (line 7 minus line 8) .....	0	0
<b>10</b>	Interest on line 9 using prior year's actual return of _____ % .....	0	0
<b>11</b>	Prior year's excess contributions to be added to prefunding balance:		
	<b>a</b> Present value of excess contributions (line 38a from prior year) .....		5158953
	<b>b(1)</b> 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>5.22</u> % .....		269297
	<b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....		
	<b>c</b> Total available at beginning of current plan year to add to prefunding balance .....		5428250
	<b>d</b> Portion of (c) to be added to prefunding balance .....		
<b>12</b>	Other reductions in balances due to elections or deemed elections .....		0
<b>13</b>	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....	0	0

<b>Part III</b>		<b>Funding Percentages</b>	
<b>14</b>	Funding target attainment percentage .....	<b>14</b>	104.82 %
<b>15</b>	Adjusted funding target attainment percentage .....	<b>15</b>	104.82 %
<b>16</b>	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement .....	<b>16</b>	80.68 %
<b>17</b>	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....	<b>17</b>	%

<b>Part IV</b>		<b>Contributions and Liquidity Shortfalls</b>			
<b>18</b> 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
			<b>Totals ▶</b>	<b>18(b)</b>	<b>18(c)</b>

<b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
<b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....	<b>19a</b>
<b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....	<b>19b</b>
<b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....	<b>19c</b>
<b>20</b> Quarterly contributions and liquidity shortfalls:	
<b>a</b> Did the plan have a "funding shortfall" for the prior year? .....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>b</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
<b>c</b> 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:

<b>a</b> 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** .....

**22** Weighted average retirement age ..... **22** ..... 62

**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**

<b>28</b> Unpaid minimum required contributions for all prior years .....	<b>28</b>	0
<b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	<b>29</b>	
<b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	<b>30</b>	0

**Part VIII Minimum Required Contribution For Current Year**

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

<b>a</b> Target normal cost (line 6c) .....	<b>31a</b>	415000
<b>b</b> Excess assets, if applicable, but not greater than line 31a .....	<b>31b</b>	415000

	Outstanding Balance	Installment
<b>32</b> Amortization installments:		
<b>a</b> Net shortfall amortization installment .....		
<b>b</b> Waiver amortization installment .....		

**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** .....

<b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	<b>34</b>	
	Carryover balance	Prefunding balance
<b>35</b> Balances elected for use to offset funding requirement .....		Total balance

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

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

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

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

<b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....	<b>39</b>	0
<b>40</b> Unpaid minimum required contributions for all years .....	<b>40</b>	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

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

<b>A</b> Name of plan <b>PENN ENGINEERING PENSION PLAN</b>	<b>B</b> Three-digit plan number (PN) ▶	<b>001</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PENN ENGINEERING &amp; MFG. CORP.</b>	<b>D</b> Employer Identification Number (EIN) <b>23-0951065</b>	

**Part I Service Provider Information (see instructions)**

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....  Yes  No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

KORN FERRY HAY GROUP, INC.

52-1690841

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	17925	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

STONE STREET EQUITY

59-3331424

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 26	NONE	22500	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

WILMINGTON TRUST

23-3060382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 26	NONE	17492	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Part I Service Provider Information (continued)**

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

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<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

**SCHEDULE H  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security Administration  
Pension Benefit Guaranty Corporation

**Financial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2024**

**This Form is Open to Public Inspection**

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

<b>A</b> Name of plan <b>PENN ENGINEERING PENSION PLAN</b>		<b>B</b> Three-digit plan number (PN) ▶	<b>001</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PENN ENGINEERING &amp; MFG. CORP.</b>		<b>D</b> Employer Identification Number (EIN) <b>23-0951065</b>	

**Part I Asset and Liability Statement**

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

<b>Assets</b>		<b>(a) Beginning of Year</b>	<b>(b) End of Year</b>
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>		
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>	<b>5862000</b>	<b>0</b>
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>		
<b>(3)</b> Other .....	<b>1b(3)</b>	<b>1078</b>	<b>13135</b>
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	<b>273679</b>	<b>3595358</b>
<b>(2)</b> U.S. Government securities .....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other .....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>		
<b>(9)</b> Value of interest in common/collective trusts .....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts .....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....	<b>1c(13)</b>	<b>15057730</b>	<b>15698710</b>
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) .....	<b>1c(14)</b>		
<b>(15)</b> Other .....	<b>1c(15)</b>		

<b>1d</b> Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities .....	<b>1d(1)</b>		
(2) Employer real property .....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	21194487	19307203
<b>Liabilities</b>			
<b>g</b> Benefit claims payable .....	<b>1g</b>		
<b>h</b> Operating payables .....	<b>1h</b>		
<b>i</b> Acquisition indebtedness .....	<b>1i</b>		
<b>j</b> Other liabilities .....	<b>1j</b>		
<b>k</b> Total liabilities (add all amounts in lines 1g through 1j) .....	<b>1k</b>		
<b>Net Assets</b>			
<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	21194487	19307203

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>		
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>		
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>		
(2) Noncash contributions .....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		
<b>b Earnings on investments:</b>			
<b>(1) Interest:</b>			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>		
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>		
<b>(F)</b> Other .....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		
<b>(2) Dividends:</b>			
<b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>	751516	
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		751516
<b>(3)</b> Rents .....	<b>2b(3)</b>		
<b>(4) Net gain (loss) on sale of assets:</b>			
<b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		
<b>(5) Unrealized appreciation (depreciation) of assets:</b>			
<b>(A)</b> Real estate .....	<b>2b(5)(A)</b>		
<b>(B)</b> Other .....	<b>2b(5)(B)</b>		
<b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	<b>2b(10)</b>		387142
<b>c</b> Other income .....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		1138658

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	<b>2e(1)</b>	2963552	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other.....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		2963552
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		
<b>i</b> Administrative expenses:			
(1) Salaries and allowances .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>		
(3) Recordkeeping fees .....	<b>2i(3)</b>		
(4) IQPA audit fees .....	<b>2i(4)</b>	4473	
(5) Investment advisory and investment management fees .....	<b>2i(5)</b>	22500	
(6) Bank or trust company trustee/custodial fees .....	<b>2i(6)</b>		
(7) Actuarial fees .....	<b>2i(7)</b>	17925	
(8) Legal fees .....	<b>2i(8)</b>		
(9) Valuation/appraisal fees .....	<b>2i(9)</b>		
(10) Other trustee fees and expenses .....	<b>2i(10)</b>	17492	
(11) Other expenses.....	<b>2i(11)</b>		
(12) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(11)</b> .....	<b>2i(12)</b>		62390
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		3025942

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		-1887284
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1)  Unmodified (2)  Qualified (3)  Disclaimer (4)  Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1)  DOL Regulation 2520.103-8 (2)  DOL Regulation 2520.103-12(d) (3)  neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: WITHUMSMITH+BROWN, PC

(2) EIN: 22-2027092

**d** The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1)  This form is filed for a CCT, PSA, DCG or MTIA. (2)  It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
<b>a</b> 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.)		X	
<b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
<b>e</b> Was this plan covered by a fidelity bond?	X		10000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	X		
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan?		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  Yes  No  
If "Yes," enter the amount of any plan assets that reverted to the employer this year \_\_\_\_\_.

**5b** 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.)

<b>5b(1)</b> Name of plan(s)	<b>5b(2)</b> EIN(s)	<b>5b(3)</b> PN(s)

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) .....  Yes    No    Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 541439.

<b>SCHEDULE R</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Retirement Plan Information</b>  This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

<b>A</b> Name of plan <b>PENN ENGINEERING PENSION PLAN</b>	<b>B</b> Three-digit plan number (PN)	<b>001</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PENN ENGINEERING &amp; MFG. CORP.</b>	<b>D</b> Employer Identification Number (EIN) <b>23-0951065</b>	

<b>Part I</b>	<b>Distributions</b>
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**All references to distributions relate only to payments of benefits during the plan year.**

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	
<b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):  EIN(s): _____		
<b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....	<b>3</b>	<b>30</b>

<b>Part II</b>	<b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>If the plan is a defined benefit plan, go to line 8.</b>			
<b>5</b> 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 ruling letter granting the waiver. <b>Date:</b> Month _____ Day _____ Year _____ <b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b>			
<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>	<b>0</b>	
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>	<b>0</b>	
<b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	<b>6c</b>		
<b>If you completed line 6c, skip lines 8 and 9.</b>			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
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<b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input checked="" type="checkbox"/> No
--	-----------------------------------	-----------------------------------	-------------------------------	--

<b>Part IV</b>	<b>ESOPs</b> (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

<b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14b</b>	
<b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14c</b>	

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	<b>16b</b>	0

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment .....

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment .....

**19** If the total number of participants is 1,000 or more, complete lines (a) and (b):

**a** Enter the percentage of plan assets held as:  
 Public Equity: \_\_\_\_\_% Private Equity: \_\_\_\_\_% Investment-Grade Debt and Interest Rate Hedging Assets: \_\_\_\_\_%  
 High-Yield Debt: \_\_\_\_\_% Real Assets: \_\_\_\_\_% Cash or Cash Equivalents: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:  
 0-5 years  5-10 years  10-15 years  15 years or more

**20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero?  Yes  No

**b** If line 20a is "Yes," 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: \_\_\_\_\_

**Part VII IRS Compliance Questions**

**21a** 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

**21b** 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

**22** 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 \_\_\_/\_\_\_/\_\_\_\_ (MM/DD/YYYY) and the Opinion Letter serial number \_\_\_\_\_.

<p><b>Structured Attachment</b></p> <p>Department of the Treasury Internal Revenue Service</p> <hr/> <p>Department of Labor Employee Benefits Security Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p>	<p><b>Schedule SB, line 26a</b></p> <p><b>Schedule of Active Participant Data</b></p>	<p><b>2024</b></p> <hr/> <p>This Form is Open to Public Inspection</p>
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<b>Name of Plan</b>	PENN ENGINEERING PENSION PLAN						
<b>Plan Year Begin Date</b>	01/01/2024	<b>Plan Year End Date</b>	12/31/2024	<b>EIN</b>	23-0951065	<b>PN</b>	001

Attained Age	YEARS OF CREDITED SERVICE					
	Under 1			1 to 4		
	No.	Average		No.	Average	
		Compensation	Cash Balance		Compensation	Cash Balance
Under 25						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 to 69						
70 & Up						

Attained Age	YEARS OF CREDITED SERVICE					
	5 to 9			10 to 14		
	No.	Average		No.	Average	
		Compensation	Cash Balance		Compensation	Cash Balance
Under 25						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 to 69						
70 & Up						

<b>Name of Plan</b>	PENN ENGINEERING PENSION PLAN						
<b>Plan Year Begin Date</b>	01/01/2024	<b>Plan Year End Date</b>	12/31/2024	<b>EIN</b>	23-0951065	<b>PN</b>	001

Attained Age	YEARS OF CREDITED SERVICE					
	15 to 19			20 to 24		
	No.	Average		No.	Average	
		Compensation	Cash Balance		Compensation	Cash Balance
Under 25						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 to 69						
70 & Up						

Attained Age	YEARS OF CREDITED SERVICE					
	25 to 29			30 to 34		
	No.	Average		No.	Average	
		Compensation	Cash Balance		Compensation	Cash Balance
Under 25						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 to 69						
70 & Up						

<b>Name of Plan</b>	PENN ENGINEERING PENSION PLAN						
<b>Plan Year Begin Date</b>	01/01/2024	<b>Plan Year End Date</b>	12/31/2024	<b>EIN</b>	23-0951065	<b>PN</b>	001

Attained Age	YEARS OF CREDITED SERVICE					
	35 to 39			40 & Up		
	No.	Average		No.	Average	
		Compensation	Cash Balance		Compensation	Cash Balance
Under 25						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 to 69						
70 & Up						

**Penn Engineering Pension Plan  
Financial Statements  
December 31, 2024 and 2023  
With Independent Auditor's Report**

**Penn Engineering Pension Plan**  
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**December 31, 2024 and 2023**

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## Independent Auditor's Report

To the Pension Plan Committee of  
Penn Engineering Pension Plan:

### Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Penn Engineering Pension Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended and the related notes to financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Penn Engineering Pension Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained certifications from a qualified institution as of December 31, 2024 and 2023, and for the years ended December 31, 2024 and 2023, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

### Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### 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 Penn Engineering Pension 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 ERISA Section 103(a)(3)(C) 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Penn Engineering Pension Plan's ability to continue as a going concern for at least one year following the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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 Penn Engineering Pension 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 Penn Engineering Pension Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

## **Other Matter - Supplemental Schedules Required by ERISA**

The supplemental schedules, Schedule H, Line 4i - Schedule of Assets (Held at End of Year), and Schedule H, Line 4j - Schedule of Reportable Transactions as of or for the year ended December 31, 2024 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

*Withum Smith & Brown, PC*

September 15, 2025

**Penn Engineering Pension Plan  
Statements of Net Assets Available for Benefits  
December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
<b>Investments at fair value</b>		
Money market funds	\$ 3,595,358	\$ 273,679
Mutual funds	6,779,774	6,018,143
Exchange-traded funds	8,918,936	9,039,587
	<u>19,294,068</u>	<u>15,331,409</u>
<b>Receivables</b>		
Employer contributions	-	5,862,000
Miscellaneous	13,135	1,078
<b>Total receivables</b>	<u>13,135</u>	<u>5,863,078</u>
<b>Net assets available for benefits</b>	<u>\$ 19,307,203</u>	<u>\$ 21,194,487</u>

The Notes to Financial Statements are an integral part of these statements.

**Penn Engineering Pension Plan  
Statements of Changes in Net Assets Available for Benefits  
Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Additions</b>		
<b>Investment income</b>		
Interest and dividends	\$ 751,516	\$ 578,638
Net appreciation in fair value of investments	387,142	942,142
<b>Total investment income</b>	<u>1,138,658</u>	<u>1,520,780</u>
Employer contributions	-	6,348,000
<b>Total additions</b>	<u>1,138,658</u>	<u>7,868,780</u>
<b>Deductions</b>		
Benefits paid to participants	2,963,552	2,378,738
Administrative expenses	62,390	465,918
<b>Total deductions</b>	<u>3,025,942</u>	<u>2,844,656</u>
<b>Net change in net assets available for benefits</b>	(1,887,284)	5,024,124
<b>Net assets available for benefits</b>		
Beginning of year	21,194,487	16,170,363
<b>End of year</b>	<u>\$ 19,307,203</u>	<u>\$ 21,194,487</u>

The Notes to Financial Statements are an integral part of these statements.

# **Penn Engineering Pension Plan Notes to Financial Statements December 31, 2024 and 2023**

## **1. Description of Plan**

The following description of Penn Engineering Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

### **General**

The Plan is a noncontributory defined benefit pension plan established effective December 31, 1962, as restated January 1, 2001. The Plan is administered by Penn Engineering & Manufacturing Corp. (the "Plan Sponsor" or "Company") and covers substantially all employees of the Company and provides for pension and death benefits. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

### **Eligibility**

Through December 30, 2005, employees were eligible to participate in the Plan upon completing one year of employment and attaining 21 years of age. Eligible employees commenced participation as of the first day of January or July coinciding with or following the date on which the participant met the eligibility requirements. Effective December 31, 2005, no new individuals were allowed into the Plan.

### **Vesting**

Participants are vested in their accrued benefits upon earning five years of vested service. Effective December 31, 2005, all annual benefits were frozen and no new individuals were allowed into the Plan. As a result, at December 31, 2024 and 2023, all participants are fully vested.

### **Funding Policy**

The Plan's funding policy is for the Company to contribute an amount that will meet or exceed the annual ERISA minimum funding requirement. The minimum funding requirements of ERISA were fulfilled in 2024 and 2023.

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

### **Retirement Benefits**

Effective January 1, 2001, the Plan was amended to determine future benefits using a cash balance formula. On December 31, 2001, credited service under the Plan's previous formula was frozen and that benefit amount changed to be based on the current year's compensation, instead of the previously used highest five-year average. Under the cash formula, each participant's account is credited annually with a percentage ranging from 2.5% to 5% of the participant's compensation based on age and service, as well as the interest earned on previous year-end cash balances.

Prior to January 1, 2001, an employee with five years of service or who had attained age 65 was entitled to receive an annual pension equal to 0.75% of the first \$6,600 of the latest five-year average annual straighttime rate of compensation plus 1.25% of such average compensation in excess of \$6,600, multiplied by the completed years of service, which may not exceed 43.5, plus 0.5 per year for each full year by which the participant's age exceeds 62, up to a maximum credit of 52.5 years. A participant also could retire with actuarially reduced benefits at any time after attaining age 55 and completing ten years of credited service.

Upon the death of an active employee who has attained age 55 and completed ten years of credited service, such employee's spouse is entitled to a benefit calculated as if the employee had elected early retirement on the day before his or her death with a 50% joint and survivor annuity.

An active employee who becomes disabled after ten years of credited service may retire and receive a pension beginning on the normal retirement date computed as the normal retirement benefit on the basis of service he or she would have had if he or she had remained at work and continued to be compensated at his or her last rate of pay.

Effective December 31, 2005, the Plan Sponsor froze the annual benefits. No participant will earn additional benefit years of service, grandfathered benefits, or Company credits after 2005.

# **Penn Engineering Pension Plan Notes to Financial Statements December 31, 2024 and 2023**

## **2. Summary of Accounting Policies**

### **Basis of Accounting**

The financial statements of the Plan are prepared on the accrual basis of accounting. Under this method of accounting, contributions and investment income are recorded when earned, benefits are recorded when distributed and expenses are recorded when incurred.

### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated Plan benefits at the date of the financial statements and changes therein. Actual results could differ from those estimates.

### **Investment Valuation and Income Recognition**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's investment committee determines the Plan's valuation policies utilizing information provided by the investment advisors, custodians, and insurance company, as applicable. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### **Actuarial Present Value of Accumulated Plan Benefits**

Accumulated Plan benefits are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated Plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on employees' compensation, age, and service. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered to the valuation date.

### **Payment of Benefits**

Benefits payments to participants are recorded upon distribution.

### **Administrative Expenses**

The Plan's expenses are paid either by the Plan or the Company, as provided by the Plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the statements of changes in net assets available for benefits. In addition, certain investment-related expenses are included in net appreciation in fair value of investments in the statements of changes in net assets available for benefits.

### **Subsequent Events**

Subsequent events were evaluated through September 15, 2025, the date the financial statements were available to be issued. Based on that evaluation, the Plan's management has determined that no subsequent events have occurred which would require disclosure in the financial statements.

## **3. Actuarial Present Value of Accumulated Plan Benefits**

The actuarial present value of accumulated Plan benefits is determined by the Plan's independent actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

**Penn Engineering Pension Plan  
Notes to Financial Statements  
December 31, 2024 and 2023**

The accumulated Plan benefits as of the Plan valuation date are as follows:

	<u>January 1, 2024</u>
<b>Vested benefits</b>	
Retired participants and beneficiaries	\$ 5,752,683
Active participants	15,552,021
<b>Total actuarial present value of accumulated Plan benefits</b>	<u>\$ 21,304,704</u>

The net change in the accumulated Plan benefits during the year ended January 1, 2024, was attributed to the following:

Actuarial present value of accumulated Plan benefits at beginning of year	<u>\$ 26,256,036</u>
<b>Change during the year attributed to</b>	
Change in assumptions	(2,920,835)
Benefits accumulated and actuarial experience	(569,199)
Increase for interest due to the decrease in the discount period using effective interest rate	917,440
Benefits payments	<u>(2,378,738)</u>
<b>Net change</b>	<u>(4,951,332)</u>
<b>Actuarial present value of accumulated Plan benefits at end of year</b>	<u>\$ 21,304,704</u>

The significant actuarial assumptions used in the valuation as of January 1, 2024, were (a) long-term investment return (assumed to be 4.92%, compounded annually, net of expense), (b) retirement age (generally assumed to be 65), (c) withdrawal from service (at varying rates based on age and sex), and (d) mortality (based on the various 2024 Annuitant Mortality Tables for males and females). For purposes of determining the actuarial present value of accumulated Plan benefits, the assumed discount rate was 4.92% as of January 1, 2024.

Change in actuarial assumptions represents the increase in the interest rate from 3.61% to 4.92% for the current valuation report and change in the mortality assumptions from the 2023 to the 2024 tables.

The actuarial cost method used to determine Plan costs and liabilities was the Unit Credit Actuarial Cost Method.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

#### **4. Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, are described as follows:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

*Level 2* - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**Penn Engineering Pension Plan  
Notes to Financial Statements  
December 31, 2024 and 2023**

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation techniques used for assets measured at fair value. There have been no changes in the techniques used at December 31, 2024 and 2023.

*Money Market Funds:* Valued at the quoted net asset value of shares held by the Plan at year-end.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Exchange-Traded Funds:* Valued at the quoted net asset value of shares held by the Plan at year-end. The funds held by the Plan are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2024 and 2023:

	<b>December 31, 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market funds	\$ 3,595,358	\$ -	\$ -	\$ 3,595,358
Mutual funds	6,779,774	-	-	6,779,774
Exchange-traded funds	8,918,936	-	-	8,918,936
<b>Total investments at fair value</b>	<b>\$ 19,294,068</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,294,068</b>

	<b>December 31, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market funds	\$ 273,679	\$ -	\$ -	\$ 273,679
Mutual funds	6,018,143	-	-	6,018,143
Exchange-traded funds	9,039,587	-	-	9,039,587
<b>Total investments at fair value</b>	<b>\$ 15,331,409</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,331,409</b>

**5. Information Certified by Trustee**

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2024 and 2023. Accordingly, Wilmington Trust, the trustee of the Plan, has certified to the completeness and accuracy of all investments reported in the accompanying statements of net assets available for benefits as of December 31, 2024 and 2023, and Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2024, and the related investment activity reported in the statements of changes in net assets available for benefits for the years ended December 31, 2024 and 2023, and the information reported in the supplemental Schedule H, Line 4j - Schedule of Reportable Transactions for the year ended December 31, 2024.

## **Penn Engineering Pension Plan Notes to Financial Statements December 31, 2024 and 2023**

### **6. Related-Party and Party In Interest Transactions**

The Plan's investments are administered under a contract with Wilmington Trust, the trustee of the Plan. Contributions are held and managed by Wilmington Trust, who invests cash received, interest, and dividend income and makes distributions to participants. These transactions are party-in-interest transactions under ERISA. Administrative expenses paid to the trustee amounted to \$17,492 and \$16,698 for the years ended December 31, 2024 and 2023, respectively.

As described in Note 2, the Plan paid certain expenses related to Plan operations and investment activity to various service providers. Additionally, certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. These transactions are party-in-interest transactions under ERISA.

### **7. Plan Termination**

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
2. Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) for up to the applicable limitations.
3. All other vested benefits (that is, vested benefits not insured by the PBGC).
4. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan Sponsor and the level of benefits guaranteed by the PBGC.

### **8. Tax Status**

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated September 29, 2016, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC.

Plan management is required to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**Penn Engineering Pension Plan  
Notes to Financial Statements  
December 31, 2024 and 2023**

**9. Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made, and the actuarial present value of accumulated Plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

In accordance with ASC 275 Risks and Uncertainties, the Plan Sponsor discloses certain investments that may accumulate to a significant percentage of total net assets concentrated at the end of the Plan year. As of December 31, 2024 and 2023, five and three investments represented a concentration of greater than 10% of the Plan's net assets available for benefits, respectively.

## **Supplementary Information**

**Penn Engineering Pension Plan**  
**Schedule H, Line 4i - Schedule of Assets (Held at End of Year)**  
**EIN #23-0951065, Plan #001**  
**December 31, 2024**

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
*	Wilmington U.S. Government Money Market	3,595,357.590 shares	\$ 3,595,358	\$ 3,595,358
	Total money market funds		3,595,358	3,595,358
	Loomis Sayles Bond Fund	103,970.611 shares	1,500,745	1,221,655
	PIMCO Income Fund	233,665.652 shares	2,795,622	2,458,163
	Vanguard 500 Index Admiral	4,144.549 shares	840,169	2,249,495
	Vanguard Mid Cap Index Admiral	1,310.225 shares	199,344	428,273
	Vanguard Small Cap Index Admiral	3,666.103 shares	207,841	422,188
	Total mutual funds		5,543,721	6,779,774
	Ishares Broad USD Inv Grade Corp Bond ETF	68,928.000 shares	3,883,260	3,465,700
	Ishares Int Government/Credit Bond ETF	35,888.000 shares	3,978,228	3,740,606
	Vanguard Long-Term Bond ETF	5,172.000 shares	506,769	353,920
	Vanguard FTSE Developed Markets ETF	28,413.000 shares	984,948	1,358,710
	Total exchange-traded funds		9,353,205	8,918,936
			\$ 18,492,284	\$ 19,294,068

\*Denotes a party-in-interest.

**Penn Engineering Pension Plan  
Schedule H, Line 4j - Schedule of Reportable Transactions  
EIN #23-0951065, Plan #001  
Year Ended December 31, 2024**

(a) Identity of Party Involved	(b) Description of asset	Number of Purchase Transactions	(c) Purchase price	Number of Sales Transactions	(d) Selling price	(g) Cost of on Asset	(h) Current Value of Asset on Transaction Date	(i) Net gain/(loss)
<b>Single Transactions</b>								
*Wilmington Trust	Wilmington U.S. Govt Money Mkt CI Inst	4,950,000	\$ 4,950,000	-	\$ -	\$ 4,950,000	\$ 4,950,000	\$ -
<b>Series Transactions</b>								
*Wilmington Trust	Wilmington U.S. Govt Money Mkt CI Inst	44	6,372,134	-	-	6,372,134	6,372,134	-
*Wilmington Trust	Wilmington U.S. Govt Money Mkt CI Inst	-	\$ -	25	\$ 3,050,453	\$ 3,050,453	\$ 3,050,453	\$ -

\*Denotes a party-in-interest

<b>Form 5500</b> Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b> This form is required to be filed for employee benefit plans 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). <b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b>	OMB Nos. 1210-0110 1210-0089 <hr/> <div style="font-size: 24pt; font-weight: bold; text-align: center;">2024</div> <hr/> <b>This Form is Open to Public Inspection</b>
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**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:  a multiemployer plan  a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)

**B** This return/report is:  a single-employer plan  a DFE (specify) \_\_\_\_\_  
 the first return/report  the final return/report  
 an amended return/report  a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here . . . . .

**D** Check box if filing under:  Form 5558  automatic extension  the DFVC program  
 special extension (enter description)

**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**

<b>1a</b> Name of plan PENN ENGINEERING PENSION PLAN	<b>1b</b> Three-digit plan number (PN) ▶ <u>001</u>
<b>2a</b> Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)  PENN ENGINEERING & MFG. CORP.   5190 OLD EASTON ROAD DANBORO, PA 18916	<b>1c</b> Effective date of plan <u>12/31/1962</u> <b>2b</b> Employer Identification Number (EIN) <u>23-0951065</u> <b>2c</b> Plan Sponsor's telephone number <u>215-766-8853</u> <b>2d</b> Business code (see instructions) <u>332900</u>

**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 accompanying schedules, statements and attachments, 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.

SIGN HERE		<u>9/19/2025</u>	JEAN RODGERS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

**PENN ENGINEERING PENSION PLAN**

**EIN 23-0951065**

**Plan No. 001**

**Plan Year Ended December 31, 2024**

**Form 5500, Schedule H, Part IV, Line 4i  
Schedule of Assets (Held at Year End)**

**See attachment to the Accountant's Audit Report attached at Accountant's Opinion**

**PENN ENGINEERING PENSION PLAN**

**EIN 23-0951065**

**Plan No. 001**

**Plan Year Ended December 31, 2024**

**Form 5500, Schedule H, Part IV, Line 4j  
Schedule of Reportable Transactions**

**See attachment to the Accountant's Audit Report attached at Accountant's Opinion**

**SCHEDULE SB  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**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.**

OMB No. 1210-0110

**2024**

**This Form is Open to Public Inspection**

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.

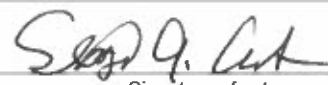
<b>A</b> Name of plan PENNGINEERING PENSION PLAN		<b>B</b> Three-digit plan number (PN) ▶	001
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF PENNGINEERING		<b>D</b> Employer Identification Number (EIN) 23-0951065	
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		<b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input checked="" type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

**Part I Basic Information**

<b>1</b> Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2024</u>			
<b>2</b> Assets:			
a Market value .....		<b>2a</b>	21,114,125
b Actuarial value .....		<b>2b</b>	21,792,603
<b>3</b> 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 .....	103	5,720,629	5,720,629
b For terminated vested participants .....	153	5,931,841	5,931,841
c For active participants .....	178	9,008,289	9,136,942
d Total .....	434	20,660,759	20,789,412
<b>4</b> 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 .....		<b>4a</b>	
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 .....		<b>4b</b>	
<b>5</b> Effective interest rate .....		<b>5</b>	5.15 %
<b>6</b> Target normal cost .....			
a Present value of current plan year accruals .....		<b>6a</b>	0
b Expected plan-related expenses .....		<b>6b</b>	415,000
c Target normal cost .....		<b>6c</b>	415,000

**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.

<b>SIGN HERE</b>		<u>7/14/25</u>
	Signature of actuary	Date
<u>Stephen A. Catone, ASA</u>		<u>23-05357</u>
Type or print name of actuary		Most recent enrollment number
<u>KORN FERRY, INC.</u>		<u>(215) 861-2333</u>
Firm name		Telephone number (including area code)
<u>2005 Market St., Suite 910</u>		
<u>PHILADELPHIA PA 19103</u>		
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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2024 v. 240311

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	0
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	0
10	Interest on line 9 using prior year's actual return of _____% .....	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	<b>a</b> Present value of excess contributions (line 38a from prior year) .....		5,158,953
	<b>b(1)</b> 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>5.22</u> % .....		269,297
	<b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....		0
	<b>c</b> Total available at beginning of current plan year to add to prefunding balance .....		5,428,250
	<b>d</b> 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	0

Part III Funding Percentages			
14	Funding target attainment percentage .....	<b>14</b>	104.82%
15	Adjusted funding target attainment percentage .....	<b>15</b>	104.82%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement .....	<b>16</b>	80.68%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....	<b>17</b>	%

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		
<b>Totals ▶</b>			<b>18(b)</b>	0	<b>18(c)</b>	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 .....	<b>19a</b>	0
b	Contributions made to avoid restrictions adjusted to valuation date .....	<b>19b</b>	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....	<b>19c</b>	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

<b>Part V Assumptions Used to Determine Funding Target and Target Normal Cost</b>				
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
b Applicable month (enter code) .....				21b 0
22 Weighted average retirement age .....				22 62
23 Mortality table(s) (see instructions)	<input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

<b>Part VI Miscellaneous Items</b>				
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 type="checkbox"/> Yes <input checked="" 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

<b>Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years</b>				
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

<b>Part VIII Minimum Required Contribution For Current Year</b>				
31 Target normal cost and excess assets (see instructions):				
a Target normal cost (line 6c) .....				31a 415,000
b Excess assets, if applicable, but not greater than line 31a .....				31b 415,000
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	
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
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

<b>Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)</b>				
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 checked="" type="checkbox"/> 2020 <input type="checkbox"/> 2021				

## **Summary of Principal Plan Provisions as of January 1, 2024**

This Appendix contains a summary of the principal provisions of the Plan in effect as of January 1, 2024. The plan was frozen as of December 31, 2005. No participant will earn additional benefit years of service, grandfathered benefits or Company Credits after 2005. There have been no changes in plan provisions since the prior valuation.

### **Type of Plan**

The Plan is a non-contributory, defined benefit plan.

### **Effective Date**

The Plan became effective December 31, 1962, was amended January 1, 1976, adopted by the Pittman Corporation by Joinder Agreement and amendment effective January 1, 1978, and adopted by the Southern Divisions effective January 1, 1980.

### **Eligibility for Participation**

All full-time employees hired prior to January 1, 1990 were eligible as of the effective date or their employment date, if later. Employees hired after December 31, 1989 became eligible on the January 1st or July 1st following completion of 1 year of service and attainment of age 21. Arconix/ISA and Atlas Engineering Inc. employees were not eligible to participate prior to January 1, 2002. In addition, any member of MicroAssembly Systems, Inc. who was employed on May 28, 1999 (PEM acquisition date) was entitled to a maximum of one year of eligibility service and three years of benefit service. As the Plan froze benefits effective December 31, 2005, no participants hired after 2005 are eligible to join the Plan.

### **Definitions**

**Plan Year:** A Plan Year is a 12-month period beginning on January 1 and ending on December 31.

**Hours of Service:** Hours for which an employee is either directly or indirectly paid.

**Vesting Years:** One year credited for each Plan Year in which participant completes 1 Hour of Service.

**Benefit Years:** Prior to January 1, 1976 - completed years. After December 31, 1975 and up to December 31, 2005 (Plan freeze date) - One year credited for each Plan Year 1,000 hours are worked, with pro-rata credit for grandfathered employees (in twelfths of a year) for certain fractional years. Maximum number of Benefit Years is 43.5 at age 62 or earlier, increasing ½ year for each year after age 62 to a maximum of 52.5 Benefit Years at age 80 or later.

**Cancellation and Restoration of Credits.** No Hours of Service in a Plan Year constitutes a one-year break in service for purposes of vesting and benefit accrual. Vesting and Benefit Years and the accrued benefit will be restored (a) if the participant completes one Vesting Year following re-employment and (b) if the participant's previous period of service exceeds his or her period of absence, or if there were less than five one-year breaks in service.

# PennEngineering Pension Plan

**EIN: 23-0951065                      PN: 001**

## Definitions (continued)

**Compensation:** Total taxable income as reported for Form W-2. Starting January 1, 1989, Compensation was limited to \$200,000, indexed. Starting January 1, 1994, Compensation was limited to \$150,000, indexed. Starting January 1, 2002, Compensation was limited to \$200,000, indexed. Effective with the January 1, 2003 valuation, compensation was limited to \$200,000 in all prior years up to 2003. For 2004, compensation was limited to \$205,000. For 2005, compensation was limited to \$210,000. Due to the plan freeze, no compensation is recognized after 2005.

**Average Final Compensation:** Average Compensation for highest 60 consecutive months during the final 120 months of service or up to December 31, 2005 if still actively employed at that time.

**Grandfathered Participant:** A participant, as of December 31, 2001, whose attained age and benefit years equals 45 or more.

**Opening Balance:** The lump sum present value of a participant's accrued benefit as of December 31, 2001.

**Company Credit:** A participant (beginning in 2002 and continuing until the end of 2005 when the plan was frozen) was credited at the end of a plan year a percentage of compensation for such plan year provided he/she worked at least 1,000 hours. The Company credit was a percentage of Compensation determined in accordance with the following schedule:

<i>Sum of Participant's Age and Benefit Years</i>		<i>Percent of Compensation</i>
<i>At Least</i>	<i>But Less Than</i>	
0	40	2.5%
40	50	3.0
50	60	3.5
60	70	4.0
70	80	4.5
80 or more		5.0

**Interest Credit:** An account is credited with interest at the end of each plan year at the rate of the one-year constant maturity Treasury bill as of the last day of November preceding the Valuation Date, plus 100 basis points.

**Cash Balance Account:** Equals the Opening Balance plus applicable Company Credits and Interest Credits. No company credits are granted after 2005, but interest does continue to accrue.

## Normal Retirement

**Normal Retirement Date:** The first day of the month coincident with or next following a participant's 65th birthday.

**Normal Retirement Benefit:** The participant's cash balance account at Normal Retirement Date is converted to an actuarial equivalent pension. The benefit for a grandfathered participant is equal to the greater of (a) the pension provided by the cash balance account or (b) ¾% of the first \$6,600 of Average Final Compensation plus 1¼% of such average compensation in excess of \$6,600 multiplied by Benefit Years.

# PennEngineering Pension Plan

EIN: 23-0951065      PN: 001

## Definitions (continued)

### Early Retirement

**Early Retirement Date:** The first day of any month after the participant has both attained age 55 and completed at least 10 Vesting Years.

**Early Retirement Benefit:** The participant's cash balance account at Early Retirement Date is converted to an actuarial equivalent pension. The benefit for a grandfathered participant is equal to the greater of (a) the pension provided by the cash balance account or (b) the pension based on Benefit Years and Average Final Compensation at date of early retirement, reduced by 1/180 for each of the first 60 months and by 1/360 for each of the next 60 months by which the start of payments precedes the participant's Normal Retirement Date.

A vested participant is also eligible to commence a benefit, upon termination, at any age. However, if the participant does not meet the Early Retirement provisions defined above, the benefit shall be actuarially reduced using assumptions defined in the plan.

### Postponed Retirement

**Postponed Retirement Date:** The first day of any month after the participant's Normal Retirement Date

**Postponed Retirement Benefit:** The actuarial equivalent of the pension at Normal Retirement Date, or, if grandfathered, the pension calculated as described under Normal Retirement Benefit but using Average Final Compensation and Benefit Years to Postponed Retirement Date, whichever is greater.

### Termination

**Eligibility:** Termination after five Vesting Years. Effective January 1, 2007, termination after three Vesting Years.

**Termination Benefit:** Normal Retirement Benefit at time of termination deferred to Normal Retirement Date. A participant may elect an immediate pension, reduced for early payment as described under Early Retirement.

### Death

**Eligibility:** Death after reaching Normal Retirement Date or after meeting eligibility for Vesting, but before receiving any plan benefits.

**Spouse's Benefit:** Upon the death of a participant who is eligible for Early or Normal Retirement and who has been married at least one year, the participant's spouse shall be entitled to a pension based on the assumption that the participant had retired on the date of death, with a joint and 50% survivor annuity. The spouse's pension shall begin on the first of the month following death and continue for life.

# **PennEngineering Pension Plan**

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## **Death (continued)**

The spouse of a married participant who dies after completing 10 years of Vesting Service, but before attaining age 55, will be entitled to a deferred benefit starting on the participant's earliest retirement age. The earliest retirement age is 55 if the participant completed at least 10 years of vesting or age 65 if less than 10 years were completed. The spouse's deferred benefit will equal the survivor pension that would have been paid had the participant ceased employment and elected a joint and 50% survivor annuity starting at the participant's earliest retirement age.

**Post-retirement Spouse's Benefit:** None, except as provided by the election of an optional form of payment.

## **Disability**

**Eligibility:** Disability after 10 years of Credited Service

**Disability Benefit:** Pension payable at Normal Retirement Date based on cash balance account at such time. A grandfathered participant would receive the greater of the pension based on the cash balance account or the pension based on service projected to the earlier of Normal Retirement Date and December 31, 2005 and continuation of Compensation (during time of disability up to December 31, 2005) earned during the 12 consecutive months immediately preceding the disability.

## **Form of Benefit Payment**

- (a) If a participant is married at the time of retirement, the pension will be paid in the form of an actuarially reduced joint and survivor monthly annuity with payments continuing at 50% of the participant's pension to the spouse for life.
- (b) If a participant is unmarried at the time of retirement, the pension will be paid in the form of a single life annuity, with payments to be made in equal monthly installments until the participant's death.

## **Optional Payment Forms**

At any time prior to the commencement of benefit payments, and upon approval of the participant's spouse, if any, a participant may elect to receive pension payments in some other form, which is the actuarial equivalent of the payment form prescribed. The optional forms of benefit include a single life pension, a 10 years certain and life pension, a 50%, 75%, or 100% joint and survivor pension, or a lump sum payment.

## **II. Changes in Plan Provisions Since Prior Valuation**

None.

## **Shortfall Amortization Charges for 2024**

Schedule C shows the Shortfall Amortization Charge (SAC), which, under ARPA, is the Funding Shortfall (FS) amortized over a period of 15 years.

To determine the Plan Funding Percentage for the Shortfall Amortization Base Exemption, plan assets are reduced by the Prefunding Balance, as shown below.

$$\begin{aligned} & (\text{Assets} - \text{Prefunding Balance}) / \text{Funding Target} \\ & = \\ & (21,792,603 - 0) / 20,789,417 = 104.83\% \end{aligned}$$

Since the funding percentage of 104.83% is greater than 100% for plan year 2024, an additional shortfall base is not needed for 2024. Further, all existing amortization bases are eliminated.

# PennEngineering Pension Plan

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## Actuarial Assumptions and Methods

This Appendix summarizes the actuarial assumptions and cost methods used for the valuation. For purposes of determining the actuarial present value of vested and accumulated plan benefits, actuarial assumptions are identical to those used for funding purposes.

## Funding Purposes

### Funding Interest Rates

	2024	
	24-month Average*	Constrained Rates**
Segment Rate 1	4.37%	4.75%
Segment Rate 2	4.96%	4.96%
Segment Rate 3	4.95%	5.59%
Effective Rate (EIR)	4.82%	5.15%

\*Used for maximum deductible contributions and 4010 reporting determination

\*\*Used for minimum funding and AFTAP purposes

### Interest Credit on Cash Balance Projections

4.75% per annum, compounded annually

### Salary Increase Rate

N/A due to the plan freeze as of December 31, 2005

### Optional Benefit Assumption

It is assumed that all non-retired participants will elect a lump sum option at retirement.

# **PennEngineering Pension Plan**

**EIN: 23-0951065                      PN: 001**

## **Mortality**

(IRS) Annuitant Mortality Table used for current pensioners and beneficiaries in payment status and for beneficiaries entitled to deferred benefits after the deferral period.

(IRS) Non-Annuitant Mortality Table used for non-retired participants and for beneficiaries entitled to deferred benefits for the period prior to benefit commencement.

2024 IRS Unisex Mortality Table (i.e., IRS 2024 lump sum table) used for non-retired participants to determine the expected lump sum payment at time of benefit commencement.

## **Withdrawal**

Withdrawal rates which vary by age were assumed, as illustrated below:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	7.7%	7.9%
30	7.2	7.7
35	6.3	7.2
40	5.2	6.3
45	4.0	5.2
50	2.6	4.0
55	0.9	2.6
60	0.1	0.9

## **Retirement**

Retirement rates which vary by age were assumed as follows for active participants:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
55	5%	61	10%
56	5	62	30
57	5	63	15
58	5	64	15
59	5	65	100
60	10		

## **Retirement for Vested Terminated Participants**

Age 62, or immediately, if older.

## **Disability**

No disability rates were assumed.

## **Spouses**

All of the non-retired participants were assumed to be married with wives assumed to be 3 years younger than husbands.

## **(Non-investment) Expenses Payable from Plan Assets**

Averaged the last two years of non-investment expense, rounded to the nearest \$1,000.

## **Asset Valuation Method**

The actuarial value of assets is equal to the market value of assets.

**PennEngineering Pension Plan**  
**EIN: 23-0951065 Plan: 001**  
**Attachment to 2024**  
**Schedule SB (Form 5500) - Question 22**

(1)	(2)	(3)	(4)	(5)	(6)
<u>Age</u>	<u>Retirement Decrement</u>	<u>lx BOY</u>	<u>Weight = (2) * (3)</u>	<u>Age * Wt. = (1) * (4)</u>	<u>= Sum Column (5)/100</u>
55	5.00%	100.0000	5.0000	275.0000	61.7500
56	5.00%	95.0000	4.7500	266.0000	
57	5.00%	90.2500	4.5125	257.2125	
58	5.00%	85.7375	4.2869	248.6402	
59	5.00%	81.4506	4.0725	240.2775	
60	10.00%	77.3781	7.7378	464.2680	
61	10.00%	69.6403	6.9640	424.8040	
62	30.00%	62.6763	18.8029	1165.7798	
63	15.00%	43.8734	6.5810	414.6030	
64	15.00%	37.2924	5.5939	358.0096	
65	100.00%	31.6985	31.6985	2060.4025	

**PENNINGENGINEERING PENSION PLAN**

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2024 Form 5500 - Schedule SB

Item 26 – Schedule of Active Participant Data

Attained Age	Years of Credited Service														TOTAL	
	0-4		5-9		10-14		15-19		20-24		25-29		30-34			
	No	Avg Comp	No	Avg Comp	No	Avg Comp	No	Avg Comp	No	Avg Comp	No	Avg Comp	No	Avg Comp		
Under 25	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
25-29	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
30-34	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
35-39	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
40-44	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
45-49	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	5	N/A	8	N/A	1	
50-54	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	4	N/A	28	N/A	13	
55-59	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	4	N/A	17	N/A	38	
60-64	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	2	N/A	16	N/A	25	
65+	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	4	N/A	9	
<b>TOTAL</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>18</b>		<b>74</b>		<b>86</b>	<b>178</b>

NOTE: Average compensation is not shown as the Plan froze benefits in 2005.

## PENNINGENGINEERING PENSION PLAN

EIN: 23-0951065 PN: 001

2024 Form 5500 - Schedule SB

### Item 26 – Schedule of Active Participant Data

Attained Age	Years of Credited Service												TOTAL			
	0-4		5-9		10-14		15-19		20-24		25-29			30-34		
	No	Avg Comp	No	Avg Comp	No	Avg Comp	No	Avg Comp	No	Avg Comp	No	Avg Comp		No	Avg Comp	
Under 25	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
25-29	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
30-34	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
35-39	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
40-44	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
45-49	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
50-54	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
55-59	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
60-64	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
65+	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	
<b>TOTAL</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	<b>18</b>	<b>74</b>	<b>178</b>

NOTE: Average compensation is not shown as the Plan froze benefits in 2005.

# PennEngineering Pension Plan

EIN: 23-0951065      PN: 001

## Actuarial Assumptions and Methods

This Appendix summarizes the actuarial assumptions and cost methods used for the valuation. For purposes of determining the actuarial present value of vested and accumulated plan benefits, actuarial assumptions are identical to those used for funding purposes.

## Funding Purposes

### Funding Interest Rates

	2024	
	24-month Average*	Constrained Rates**
Segment Rate 1	4.37%	4.75%
Segment Rate 2	4.96%	4.96%
Segment Rate 3	4.95%	5.59%
Effective Rate (EIR)	4.82%	5.15%

\*Used for maximum deductible contributions and 4010 reporting determination

\*\*Used for minimum funding and AFTAP purposes

### Interest Credit on Cash Balance Projections

4.75% per annum, compounded annually

### Salary Increase Rate

N/A due to the plan freeze as of December 31, 2005

### Optional Benefit Assumption

It is assumed that all non-retired participants will elect a lump sum option at retirement.

# **PennEngineering Pension Plan**

**EIN: 23-0951065                      PN: 001**

## **Mortality**

(IRS) Annuitant Mortality Table used for current pensioners and beneficiaries in payment status and for beneficiaries entitled to deferred benefits after the deferral period.

(IRS) Non-Annuitant Mortality Table used for non-retired participants and for beneficiaries entitled to deferred benefits for the period prior to benefit commencement.

2024 IRS Unisex Mortality Table (i.e., IRS 2024 lump sum table) used for non-retired participants to determine the expected lump sum payment at time of benefit commencement.

## **Withdrawal**

Withdrawal rates which vary by age were assumed, as illustrated below:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	7.7%	7.9%
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40	5.2	6.3
45	4.0	5.2
50	2.6	4.0
55	0.9	2.6
60	0.1	0.9

## **Retirement**

Retirement rates which vary by age were assumed as follows for active participants:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
55	5%	61	10%
56	5	62	30
57	5	63	15
58	5	64	15
59	5	65	100
60	10		

## **Retirement for Vested Terminated Participants**

Age 62, or immediately, if older.

## **Disability**

No disability rates were assumed.

## **Spouses**

All of the non-retired participants were assumed to be married with wives assumed to be 3 years younger than husbands.

## **(Non-investment) Expenses Payable from Plan Assets**

Averaged the last two years of non-investment expense, rounded to the nearest \$1,000.

## **Asset Valuation Method**

The actuarial value of assets is equal to the market value of assets.

**PennEngineering Pension Plan**  
**EIN: 23-0951065 Plan: 001**  
**Attachment to 2024**  
**Schedule SB (Form 5500) - Question 22**

(1)	(2)	(3)	(4)	(5)	(6)
<u>Age</u>	<u>Retirement Decrement</u>	<u>lx BOY</u>	<u>Weight = (2) * (3)</u>	<u>Age * Wt. = (1) * (4)</u>	<u>= Sum Column (5)/100</u>
55	5.00%	100.0000	5.0000	275.0000	61.7500
56	5.00%	95.0000	4.7500	266.0000	
57	5.00%	90.2500	4.5125	257.2125	
58	5.00%	85.7375	4.2869	248.6402	
59	5.00%	81.4506	4.0725	240.2775	
60	10.00%	77.3781	7.7378	464.2680	
61	10.00%	69.6403	6.9640	424.8040	
62	30.00%	62.6763	18.8029	1165.7798	
63	15.00%	43.8734	6.5810	414.6030	
64	15.00%	37.2924	5.5939	358.0096	
65	100.00%	31.6985	31.6985	2060.4025	

## **Shortfall Amortization Charges for 2024**

Schedule C shows the Shortfall Amortization Charge (SAC), which, under ARPA, is the Funding Shortfall (FS) amortized over a period of 15 years.

To determine the Plan Funding Percentage for the Shortfall Amortization Base Exemption, plan assets are reduced by the Prefunding Balance, as shown below.

$$\begin{aligned} & (\text{Assets} - \text{Prefunding Balance}) / \text{Funding Target} \\ & = \\ & (21,792,603 - 0) / 20,789,417 = 104.83\% \end{aligned}$$

Since the funding percentage of 104.83% is greater than 100% for plan year 2024, an additional shortfall base is not needed for 2024. Further, all existing amortization bases are eliminated.

## **Summary of Principal Plan Provisions as of January 1, 2024**

This Appendix contains a summary of the principal provisions of the Plan in effect as of January 1, 2024. The plan was frozen as of December 31, 2005. No participant will earn additional benefit years of service, grandfathered benefits or Company Credits after 2005. There have been no changes in plan provisions since the prior valuation.

### **Type of Plan**

The Plan is a non-contributory, defined benefit plan.

### **Effective Date**

The Plan became effective December 31, 1962, was amended January 1, 1976, adopted by the Pittman Corporation by Joinder Agreement and amendment effective January 1, 1978, and adopted by the Southern Divisions effective January 1, 1980.

### **Eligibility for Participation**

All full-time employees hired prior to January 1, 1990 were eligible as of the effective date or their employment date, if later. Employees hired after December 31, 1989 became eligible on the January 1st or July 1st following completion of 1 year of service and attainment of age 21. Arconix/ISA and Atlas Engineering Inc. employees were not eligible to participate prior to January 1, 2002. In addition, any member of MicroAssembly Systems, Inc. who was employed on May 28, 1999 (PEM acquisition date) was entitled to a maximum of one year of eligibility service and three years of benefit service. As the Plan froze benefits effective December 31, 2005, no participants hired after 2005 are eligible to join the Plan.

### **Definitions**

**Plan Year:** A Plan Year is a 12-month period beginning on January 1 and ending on December 31.

**Hours of Service:** Hours for which an employee is either directly or indirectly paid.

**Vesting Years:** One year credited for each Plan Year in which participant completes 1 Hour of Service.

**Benefit Years:** Prior to January 1, 1976 - completed years. After December 31, 1975 and up to December 31, 2005 (Plan freeze date) - One year credited for each Plan Year 1,000 hours are worked, with pro-rata credit for grandfathered employees (in twelfths of a year) for certain fractional years. Maximum number of Benefit Years is 43.5 at age 62 or earlier, increasing ½ year for each year after age 62 to a maximum of 52.5 Benefit Years at age 80 or later.

**Cancellation and Restoration of Credits.** No Hours of Service in a Plan Year constitutes a one-year break in service for purposes of vesting and benefit accrual. Vesting and Benefit Years and the accrued benefit will be restored (a) if the participant completes one Vesting Year following re-employment and (b) if the participant's previous period of service exceeds his or her period of absence, or if there were less than five one-year breaks in service.

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## Definitions (continued)

**Compensation:** Total taxable income as reported for Form W-2. Starting January 1, 1989, Compensation was limited to \$200,000, indexed. Starting January 1, 1994, Compensation was limited to \$150,000, indexed. Starting January 1, 2002, Compensation was limited to \$200,000, indexed. Effective with the January 1, 2003 valuation, compensation was limited to \$200,000 in all prior years up to 2003. For 2004, compensation was limited to \$205,000. For 2005, compensation was limited to \$210,000. Due to the plan freeze, no compensation is recognized after 2005.

**Average Final Compensation:** Average Compensation for highest 60 consecutive months during the final 120 months of service or up to December 31, 2005 if still actively employed at that time.

**Grandfathered Participant:** A participant, as of December 31, 2001, whose attained age and benefit years equals 45 or more.

**Opening Balance:** The lump sum present value of a participant's accrued benefit as of December 31, 2001.

**Company Credit:** A participant (beginning in 2002 and continuing until the end of 2005 when the plan was frozen) was credited at the end of a plan year a percentage of compensation for such plan year provided he/she worked at least 1,000 hours. The Company credit was a percentage of Compensation determined in accordance with the following schedule:

<i>Sum of Participant's Age and Benefit Years</i>		<i>Percent of Compensation</i>
<i>At Least</i>	<i>But Less Than</i>	
0	40	2.5%
40	50	3.0
50	60	3.5
60	70	4.0
70	80	4.5
80 or more		5.0

**Interest Credit:** An account is credited with interest at the end of each plan year at the rate of the one-year constant maturity Treasury bill as of the last day of November preceding the Valuation Date, plus 100 basis points.

**Cash Balance Account:** Equals the Opening Balance plus applicable Company Credits and Interest Credits. No company credits are granted after 2005, but interest does continue to accrue.

## Normal Retirement

**Normal Retirement Date:** The first day of the month coincident with or next following a participant's 65th birthday.

**Normal Retirement Benefit:** The participant's cash balance account at Normal Retirement Date is converted to an actuarial equivalent pension. The benefit for a grandfathered participant is equal to the greater of (a) the pension provided by the cash balance account or (b) ¾% of the first \$6,600 of Average Final Compensation plus 1¼% of such average compensation in excess of \$6,600 multiplied by Benefit Years.

# PennEngineering Pension Plan

EIN: 23-0951065      PN: 001

## Definitions (continued)

### Early Retirement

**Early Retirement Date:** The first day of any month after the participant has both attained age 55 and completed at least 10 Vesting Years.

**Early Retirement Benefit:** The participant's cash balance account at Early Retirement Date is converted to an actuarial equivalent pension. The benefit for a grandfathered participant is equal to the greater of (a) the pension provided by the cash balance account or (b) the pension based on Benefit Years and Average Final Compensation at date of early retirement, reduced by 1/180 for each of the first 60 months and by 1/360 for each of the next 60 months by which the start of payments precedes the participant's Normal Retirement Date.

A vested participant is also eligible to commence a benefit, upon termination, at any age. However, if the participant does not meet the Early Retirement provisions defined above, the benefit shall be actuarially reduced using assumptions defined in the plan.

### Postponed Retirement

**Postponed Retirement Date:** The first day of any month after the participant's Normal Retirement Date

**Postponed Retirement Benefit:** The actuarial equivalent of the pension at Normal Retirement Date, or, if grandfathered, the pension calculated as described under Normal Retirement Benefit but using Average Final Compensation and Benefit Years to Postponed Retirement Date, whichever is greater.

### Termination

**Eligibility:** Termination after five Vesting Years. Effective January 1, 2007, termination after three Vesting Years.

**Termination Benefit:** Normal Retirement Benefit at time of termination deferred to Normal Retirement Date. A participant may elect an immediate pension, reduced for early payment as described under Early Retirement.

### Death

**Eligibility:** Death after reaching Normal Retirement Date or after meeting eligibility for Vesting, but before receiving any plan benefits.

**Spouse's Benefit:** Upon the death of a participant who is eligible for Early or Normal Retirement and who has been married at least one year, the participant's spouse shall be entitled to a pension based on the assumption that the participant had retired on the date of death, with a joint and 50% survivor annuity. The spouse's pension shall begin on the first of the month following death and continue for life.

# **PennEngineering Pension Plan**

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## **Death (continued)**

The spouse of a married participant who dies after completing 10 years of Vesting Service, but before attaining age 55, will be entitled to a deferred benefit starting on the participant's earliest retirement age. The earliest retirement age is 55 if the participant completed at least 10 years of vesting or age 65 if less than 10 years were completed. The spouse's deferred benefit will equal the survivor pension that would have been paid had the participant ceased employment and elected a joint and 50% survivor annuity starting at the participant's earliest retirement age.

**Post-retirement Spouse's Benefit:** None, except as provided by the election of an optional form of payment.

## **Disability**

**Eligibility:** Disability after 10 years of Credited Service

**Disability Benefit:** Pension payable at Normal Retirement Date based on cash balance account at such time. A grandfathered participant would receive the greater of the pension based on the cash balance account or the pension based on service projected to the earlier of Normal Retirement Date and December 31, 2005 and continuation of Compensation (during time of disability up to December 31, 2005) earned during the 12 consecutive months immediately preceding the disability.

## **Form of Benefit Payment**

- (a) If a participant is married at the time of retirement, the pension will be paid in the form of an actuarially reduced joint and survivor monthly annuity with payments continuing at 50% of the participant's pension to the spouse for life.
- (b) If a participant is unmarried at the time of retirement, the pension will be paid in the form of a single life annuity, with payments to be made in equal monthly installments until the participant's death.

## **Optional Payment Forms**

At any time prior to the commencement of benefit payments, and upon approval of the participant's spouse, if any, a participant may elect to receive pension payments in some other form, which is the actuarial equivalent of the payment form prescribed. The optional forms of benefit include a single life pension, a 10 years certain and life pension, a 50%, 75%, or 100% joint and survivor pension, or a lump sum payment.

## **II. Changes in Plan Provisions Since Prior Valuation**

None.