

3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor PINNACLE WEST CAPITAL CORPORATION BENEFITS ADMINISTRATION COMMITTEE PO BOX 53999 PHOENIX, AZ 85072-3999	3b Administrator's EIN 86-0564557 3c Administrator's telephone number 602-250-3235
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4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
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5 Total number of participants at the beginning of the plan year	5	3263
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6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year	6a(1)	0
a(2) Total number of active participants at the end of the plan year	6a(2)	0
b Retired or separated participants receiving benefits.....	6b	3336
c Other retired or separated participants entitled to future benefits	6c	0
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d	3336
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e	
f Total. Add lines 6d and 6e	6f	
g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	6g(1)	
g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g(2)	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:
 4A 4D 4E

9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input checked="" type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input checked="" type="checkbox"/> General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) <input type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary (4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached _____ (5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) – Number Attached <u> 0 </u> (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)
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Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

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.

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 _____

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

A Name of plan PINNACLE WEST CAPITAL CORPORATION POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT	B Three-digit plan number (PN) ▶	531
C Plan sponsor's name as shown on line 2a of Form 5500 PINNACLE WEST CAPITAL CORPORATION	D Employer Identification Number (EIN) 86-0512431	

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

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)

WILLIS TOWERS WATSON US LLC

53-0181291

(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?
13 50	NONE	123508	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)

(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?
			Yes <input type="checkbox"/> No <input 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)

(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?
			Yes <input type="checkbox"/> No <input 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.

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

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

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

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

A Name of plan <u>PINNACLE WEST CAPITAL CORPORATION POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT</u>	B Three-digit plan number (PN)	<u>531</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>PINNACLE WEST CAPITAL CORPORATION</u>	D Employer Identification Number (EIN) <u>86-0512431</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PNW UNION HEALTH BENEFITS MT</u>		
b Name of sponsor of entity listed in (a): <u>PINNACLE WEST CAPITAL CORPORATION</u>		
c EIN-PN <u>86-0748214-524</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>75780936</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan PINNACLE WEST CAPITAL CORPORATION POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT	B Three-digit plan number (PN) ▶ 531
C Plan sponsor's name as shown on line 2a of Form 5500 PINNACLE WEST CAPITAL CORPORATION	D Employer Identification Number (EIN) 86-0512431

Part I	Asset and Liability Statement
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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.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	149254	343134
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	81663195	75780936
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	81812449	76124070
Liabilities			
g Benefit claims payable.....	1g	149254	343134
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	149254	343134
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	81663195	75780936

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.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	12345491	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-3065272
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		9280219

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	15038970	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		15038970
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)	123508	
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		123508
j Total expenses. Add all expense amounts in column (b) and enter total	2j		15162478

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-5882259
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

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: **DELOITTE & TOUCHE LLP**

(2) EIN: **13-3891517**

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
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
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	
c 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	
d 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	
e Was this plan covered by a fidelity bond?	X		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g 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	
h 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	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
j 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	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n 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.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) 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 _____.

**PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE
HEALTH REIMBURSEMENT ARRANGEMENT**

Employer ID No: 86-0512431
Plan Number: 531

Financial Statements as of
December 31, 2024 and 2023 and for the
Year Ended December 31, 2024,
and Independent Auditor's Report

Prepared for Filing as Part of the Annual Return/Report
of Employee Benefit Plan (Form 5500)

**PINNACLE WEST CAPITAL CORPORATION POST-65 RETIREE
HEALTH REIMBURSEMENT ARRANGEMENT**

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

INDEPENDENT AUDITOR'S REPORT

To the Investment Management Committee and
Benefit Administration Committee of
Pinnacle West Capital Corporation Post-65 Retiree Health Reimbursement Arrangement

Opinion

We have audited the financial statements of Pinnacle West Capital Corporation Post-65 Retiree Health Reimbursement Arrangement (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits and of benefit obligations as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits and of changes in benefit obligations for the year ended December 31, 2024 and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits and benefit obligations of the Plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits and changes in its benefit obligations for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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.

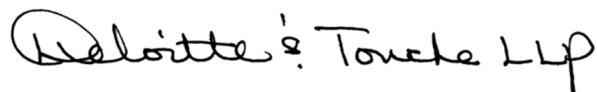
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

September 30, 2025

PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Plan interest in Union Health Benefits Master Trust (Notes 2, 3 and 5)	\$ 75,780,936	\$ 81,663,195
Net assets held in Pinnacle West Capital Corporation Retirement Plan 401(h) account (Note 4)	426,440,619	409,931,486
Company contributions receivable (Note 2)	343,134	149,254
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 502,564,689</u>	<u>\$ 491,743,935</u>

The accompanying notes are an integral part of the financial statements.

PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2024

CONTRIBUTIONS (NOTE 2)	\$	12,345,491
INVESTMENT LOSS - PLAN INTEREST IN THE UNION HEALTH BENEFITS MASTER TRUST (NOTE 3)		(3,065,272)
NET GAIN IN 401(H) ACCOUNT (NOTE 4)		25,043,363
DEDUCTIONS		
Reimbursements to the Company from the Union Health Benefits Master Trust (Note 2)		2,816,986
Reimbursements to the Company from 401(h) account (Note 2)		8,534,230
Health benefit claims paid		12,028,104
Administrative expenses		123,508
Total deductions		23,502,828
NET INCREASE		10,820,754
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year		491,743,935
End of year	\$	502,564,689

The accompanying notes are an integral part of the financial statements.

PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT
STATEMENTS OF BENEFIT OBLIGATIONS
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
AMOUNTS CURRENTLY PAYABLE		
Health reimbursements payable (Note 2)	\$ 343,134	\$ 149,254
Total amounts currently payable	343,134	149,254
POSTRETIREMENT BENEFIT OBLIGATIONS		
Current retirees	136,208,000	163,656,000
Other participants fully eligible for benefits	16,703,000	22,451,000
Participants not yet fully eligible for benefits	23,408,000	39,023,000
Total postretirement benefit obligations	176,319,000	225,130,000
TOTAL BENEFIT OBLIGATIONS	\$ 176,662,134	\$ 225,279,254

The accompanying notes are an integral part of the financial statements.

PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT
STATEMENT OF CHANGES IN BENEFIT OBLIGATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

AMOUNTS CURRENTLY PAYABLE	
Balance at beginning of year	\$ 149,254
Claims reported and approved for payment – including benefits reclassified from postretirement benefit obligations	12,221,984
Claims paid	(12,028,104)
Balance at end of year	<u>343,134</u>
POSTRETIREMENT BENEFIT OBLIGATIONS	
Balance at beginning of year	225,130,000
Increase (decrease) during the year attributable to:	
Benefits earned	2,995,000
Interest	11,608,000
Benefits reclassified to amounts currently payable	(12,493,000)
Change in discount rate	(8,477,000)
Change in HRA trend rate	(42,373,000)
Other actuarial gains and losses	(71,000)
Balance at end of year	<u>176,319,000</u>
TOTAL BENEFIT OBLIGATIONS AT END OF YEAR	<u>\$ 176,662,134</u>

The accompanying notes are an integral part of the financial statements.

**PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT**

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following description of the Pinnacle West Capital Corporation Post-65 Retiree Health Reimbursement Arrangement (the “Retiree HRA” or the “Plan”), is provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

General – Effective January 1, 2015, Pinnacle West Capital Corporation (“Pinnacle West” or the “Company”) established the Retiree HRA for the benefit of its post-65 retirees and eligible dependents, and the post-65 retirees of its participating affiliates, including eligible dependents. Pinnacle West and participating affiliates are collectively referred to herein as the “Employer”. The purpose of the Plan is to reimburse eligible retirees and eligible dependents for certain qualified healthcare expenses through a health reimbursement arrangement (“HRA”). Benefits were previously provided by the Pinnacle West Capital Corporation Group Life and Medical Plan (the “Life and Medical Plan”).

The HRA is intended to qualify as a self-insured medical reimbursement plan for purposes of Sections 105 and 106 of the Internal Revenue Code, as amended (the “Code”), as well as HRA as defined in Internal Revenue Service (“IRS”) Notice 2002-45. The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), but any insurance policies purchased using the HRA are not part of the Plan and are not subject to ERISA. The Retiree HRA is administered by a committee (“Benefit Administration Committee”) appointed by the Human Resources Committee of the Pinnacle West Board of Directors, which is responsible for interpreting Plan provisions. The Company also has an Investment Management Committee (“IMC”) comprised of members appointed by the Finance Committee of the Company’s Board of Directors. The IMC is responsible for ensuring that the assets of the Plan are managed in accordance with the fiduciary obligations of ERISA. Mercer Investments LLC serves as an investment consultant to the IMC. The IMC hires external investment managers to manage the assets of the Plan. State Street Bank and Trust Company (the “Trustee”) serves as the trustee and custodian of the trust assets.

Master Trust and 401(h) account – The Retiree HRA is funded through a couple of sources that are outlined in the table below.

Plan	Benefit Provided	Sources of Funding
Retiree HRA	Post-65 Union Retiree Medical	Pinnacle West Capital Corporation Union Health Benefits Master Trust (“Master Trust”)
	Post-65 Non-Union Retiree Medical	Pinnacle West Capital Corporation Retirement Plan Trust - 401(h) account

The Trustee serves as the trustee and custodian of the Master Trust and 401(h) account.

The Life and Medical Plan and the Retiree HRA participate in, and have a divided interest in the Master Trust.

Under the HRA, the Company provides a subsidy to retirees to defray the cost of a Medicare supplemental policy at an assumed annual escalation rate of 2.00%. The Company has communicated to retirees that the increase in 2025 will be 2.00%, with a 1% increase to follow in 2026 with no further indexation in future years.

Benefits – The Plan reimburses participants for healthcare expenses, up to a pre-defined amount, which are not otherwise reimbursed by any other plan or program. Reimbursements for healthcare expenses, referred to as “Qualified Medical Expenses” paid by the Plan generally are excludable from the participant's taxable income. Funds may be used for Medicare supplemental insurance premiums, as well as qualified out-of-pocket health expenses. The Plan Administrator is Via Benefits (“Plan Administrator”), who administers the Plan on behalf of Pinnacle West, as well as assists participants with their individual Medicare supplemental insurance policies.

To be eligible for coverage under the Plan, a retiree (“Eligible Retiree” or “Eligible Dependent”) must meet the following criteria: Retire under the terms of the Pinnacle West Capital Corporation Retirement Plan (“Retirement Plan”) (age 65 with 5 years of service, age 60 with 10 years of service, or age 55 with 20 years of service); immediately collect pension benefits from the Retirement Plan; and are covered under the Life and Medical Plan at retirement.

An Eligible Retiree or Eligible Dependent becomes a participant in the Plan on the date all of the following requirements have been satisfied: the participant enrolls in Medicare upon the attainment of age 65; enrolls in an individual Medicare Supplemental Policy through the Plan Administrator; and completes any enrollment forms or procedures as required by the Plan Administrator.

As of January 1, 2020, retirees who previously lost HRA eligibility due to a late enrollment or gap in coverage may once again be allowed to qualify. Eligibility is restored if they enroll in an Individual Medicare Policy through Via Benefits. Once enrolled in an Individual Medicare Policy, they will be eligible for HRA funding the later of January 1, 2020, or the date their coverage becomes effective. HRA funding will not be retroactive and will be prorated based on the date they become eligible.

Funding – In January of each year, Pinnacle West establishes a specified annual subsidy for qualified individuals in the form of HRA. The amount of subsidy is set by the Employer, in its discretion, and may change from year-to-year. The subsidy is pro-rated based on the month the participant meets eligibility requirements. The subsidy is based on the retiree's years of service at the date of retirement. The Company has communicated to retirees that the increase in 2025 will be 2.00%, with a 1% increase to follow in 2026 with no further indexation in future years. For 2024, the following chart shows the respective funding levels.

Service at Retirement	2024 HRA Subsidy
5 to 14 years	\$1,181
15 to 19 years	\$1,624
20 to 24 years	\$2,066
25 years or more*	\$2,508
* This subsidy is not offered to employees hired after 12/31/2002.	

Participants may receive reimbursement for healthcare expenses up to the amount in their HRA account. The HRA account will be reduced by the amount of any healthcare expenses for which the participant is reimbursed under the Plan. Participants are not permitted to make any contributions directly into their HRA accounts.

HRA accounts are merely a bookkeeping account for participants. Individual HRA accounts are not funded, do not bear interest or accrue any earnings, and participants' balances are not vested. Funding is established as claims are submitted, validated, and reimbursed. Benefits under the Plan may be paid from the Company's general assets and/or the Master Trust and/or the 401(h) account.

The Company also makes contributions to the 401(h) account within the Pinnacle West Capital Corporation Retirement Plan to fund post-65 retiree postretirement medical benefits.

Plan Termination – The Company expects to continue the Plan, but reserves the right to amend or terminate the Plan at any time. A decision to change or terminate the Plan may be due to changes in Federal or State laws governing benefits, the requirements of the Code or ERISA, or any other legally valid reason. Amendments may be retroactive or prospective, but no change may be made that would result in the reduction of any benefits already incurred but unpaid by the Plan. In the event the Plan is terminated, only the expenses that have been incurred before the termination date will be eligible for reimbursement under the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Subsequent Events – Subsequent events were evaluated through [September 30, 2025], the date the financial statements were available to be issued.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, eligibility credits, health reimbursements payable, and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Investment Valuation and Income Recognition – The Plan's investments held by the Master Trust and the 401(h) account are stated at fair value, less costs to sell, if those costs are significant. Fair value is the price that would be received upon the sale of an asset or the amount paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. See Note 5 for fair value measurement disclosures.

Investment transactions are recorded as of the trade date. Net appreciation or depreciation in the fair value of investments includes realized and unrealized gains (losses) of the investment. Interest income is recorded on an accrual basis. Dividend income is recorded as of ex-dividend dates.

Postretirement Benefits – The projected postretirement benefit obligation represents the actuarial present value of those estimated future benefits that are attributed under the terms of the Retiree HRA to employee service rendered to the date of the financial statements. Postretirement benefits include future benefits expected to be paid to or for (1) currently retired employees and their dependent (spouse) and (2) active employees and their dependent (spouse) after retirement from service with the Employer. Prior to an active employee's full eligibility date, the projected postretirement benefit obligation is the portion of the projected postretirement benefit obligation that is attributable to that employee's service rendered to the valuation date. The projected postretirement benefit obligation represents the amount that is to be funded by contributions from the Company and from existing Retiree HRA assets.

The actuarial present value of the projected postretirement benefit obligation is determined by the Retiree HRA’s independent actuary and is the amount that results from applying actuarial assumptions to the current HRA retiree contribution provided with assumed annual increases and to adjust such estimates for (1) the time value of money (through discounts for interest) and (2) the probability of payment (by means of decrements such as those for death, disability, withdrawal, retirement, or termination) between the valuation date and the expected date of payment.

The healthcare cost trend rate assumption has a significant effect on the amount of projected postretirement benefit obligations reported. Effective December 31, 2024, no post-65 trend rate assumption is utilized other than known increases. Had the assumed cost trend rates utilized at December 31, 2023 increased by one percentage point for each future year, the benefit obligation at that date would have increased by approximately \$29 million at December 31, 2023.

The significant actuarial assumptions used in the valuations as of December 31, 2024, and 2023 are as follows:

	2024	2023
Discount rate	5.71%	5.23%
Initial healthcare cost trend rate (post-65 participants)	1.00%	2.00%
Ultimate healthcare cost trend rate (post-65 participants)	—%	2.00%
Weighted average retirement age	61	61
Basis of life expectancy of participants	(a)	(a)

(a) The 2024 and 2023 mortality assumptions are based on the Society of Actuaries’ Retirement Plans Experience Committee reports (“Pri-2012 Mortality Tables Report” and “Mortality Improvement Scale MP-2021 Report”) with modification to better reflect our plan experience and additional data regarding mortality trends.

The foregoing actuarial assumptions are based on the presumption that the Retiree HRA will continue. If the Retiree HRA were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement benefit obligations.

Risks and Uncertainties – The Retiree HRA utilizes various investments including corporate and government issued fixed income securities, equity instruments, common and collective trust investments, and mutual funds. Investments, in general, are exposed to various risks, such as interest rate risk, credit risk, liquidity risk, and overall market volatility. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The actuarial present value of postretirement benefit obligations is reported based on certain assumptions pertaining to interest rates; healthcare 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 estimations and assumptions in the near term could materially affect the financial statements.

Health Reimbursement Arrangement – Included in the accompanying Statements of Net Assets Available for Benefits are amounts available to reimburse participants for qualifying medical expenses as of December 31, 2024, and 2023, totaling \$6,052,826 and \$6,128,943, respectively. Claims incurred before plan

year-end that were submitted after year-end (but before the date defined by the plan agreement) totaled \$343,134 and \$149,254, relating to 2024 and 2023, respectively.

Administrative Expenses – Certain administrative expenses of the Retiree HRA are paid by the Plan as allowed by ERISA and the Plan document. Other administrative expenses are paid for by the Company.

Health Reimbursements Paid - Health reimbursements are recorded as paid when paid by the claims administrator.

Health Reimbursements Payable – Health reimbursements payable represents a liability for reported health claims unpaid at year-end.

Reimbursements to the Company – The Company may seek reimbursement from the Master Trust and/or 401(h) account for health reimbursements paid in previous and/or current years. The Statement of Change in Net Assets Available for Benefits reflects Company contributions totaling \$12,345,491 of which \$11,351,216 was reimbursed for 2023 claims.

3. MASTER TRUST

A portion of the Plan's investments are held in the Master Trust. The Master Trust holds assets of both the Life and Medical Plan and the Retiree HRA Plan. Each of these plans participates in and has a divided interest in the Master Trust. See Note 1 for additional discussion on the Master Trust.

The following table presents the investments and other assets and liabilities of the Master Trust as of December 31, 2024, and December 31, 2023:

	2024		2023	
	Union Health Benefits Master Trust	Retiree HRA Plan Interest in Master Trust	Union Health Benefits Master Trust	Retiree HRA Plan Interest in Master Trust
Investments, at fair value (See Note 5):				
Fixed income securities	\$ 366,111,782	\$ 74,636,423	\$ 381,752,344	\$ 80,630,649
Short-term investments and other	13,221,711	698,415	13,449,664	726,717
Total investments at fair value	379,333,493	75,334,838	395,202,008	81,357,366
Interest and dividends receivable	2,478,930	477,572	2,315,175	338,170
Other liabilities	(89,464)	(31,474)	(80,578)	(32,341)
TOTAL	\$ 381,722,959	\$ 75,780,936	\$ 397,436,605	\$ 81,663,195

The following table presents the net appreciation/ (depreciation) in the fair value of investments, investment income, and trust expenses for the Master Trust for the Year Ended December 31, 2024:

	Union Health Benefits Master Trust	Retiree HRA Plan Interest in Master Trust
Net depreciation in fair value of investments	\$ (2,713,717)	\$ (4,199,992)
Interest income	7,274,358	1,271,021
Trust expenses	(278,214)	(136,301)
NET INVESTMENT INCOME (LOSS)	\$ 4,282,427	\$ (3,065,272)

4. SECTION 401(h) ACCOUNT

The Pinnacle West Capital Corporation Retirement Plan (“Retirement Plan”) includes a health benefits component, in addition to normal retirement benefits, to fund a portion of the post-65 retirement medical costs for non-union retirees and their dependent (spouse) in accordance with Section 401(h) of the Code. A separate account (the “401(h) account”), has been established and maintained in the Retirement Plan for such benefits. In accordance with the Code Section 401(h), the Retiree HRA's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for non-union post-65 retirees and their dependent (spouse). The related obligations for retiree health benefits are not included in the Retirement Plan's accumulated benefit obligations but are reflected as benefit obligations in the financial statements of the Plan. The Plan's actuary determines funding requirements for the 401(h) account. This separate account has been established and maintained in the Retirement Plan for such benefits amounting to \$426,440,619 and \$409,931,486 as of December 31, 2024, and 2023, respectively. For the fair value of the Plan's investments relating to the 401(h) account, see Retirement Plan, Note 8.

The Retirement Plan was amended effective January 1, 2015, to pay for those benefits provided to non-union retirees under the Retiree HRA. Prior to January 1, 2015, the 401(h) account was used to pay for those postretirement medical benefits provided to non-union employees under the Life and Medical Plan.

The following table presents the components of the net 401(h) assets available for such obligations at December 31, 2024, and 2023 and the related changes in net assets available for benefits for the year ended December 31, 2024:

	December 31, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	\$ 840,019	\$ —
Investments, at fair value		
Fixed income securities	198,402,460	192,724,374
Common stock equities	39,365,343	89,122,408
Common and collective trusts - equities	140,178,167	81,723,605
Common and collective trusts - real estate	19,474,276	20,001,179
Mutual funds	23,410,910	22,250,980
Short-term investments and other	6,959,700	5,331,042
Total investments, at fair value	427,790,856	411,153,588
Receivables		
Accrued investment income	2,331,748	2,223,978
Security sales pending settlement	1,189,365	1,699,707
Total receivables	3,521,113	3,923,685
TOTAL ASSETS	432,151,988	415,077,273
LIABILITIES		
Security purchases pending settlement	5,336,759	4,819,105
Interest payable and other liabilities	146,957	26,653
Administrative fees payable	227,653	300,029
TOTAL LIABILITIES	5,711,369	5,145,787
NET ASSETS AVAILABLE FOR BENEFITS IN 401(H) ACCOUNT	\$ 426,440,619	\$ 409,931,486

	Year Ended December 31, 2024
Investment gain/ (loss)	
Net appreciation in fair value of investments	\$ 16,727,769
Interest	7,861,914
Dividends	1,764,472
Other investment (loss)	(7,046)
Total investment gain	26,347,109
Administrative expenses	(1,303,746)
NET INVESTMENT GAIN	25,043,363
Reimbursements from 401(h) account	(8,534,230)
INCREASE IN NET ASSETS AVAILABLE FOR 401(H)	\$ 16,509,133

5. FAIR VALUE MEASUREMENTS

Fair value measurement guidelines prescribed by GAAP are applied to certain investments and provide guidance for disclosure of these assets according to a fair value hierarchy. The hierarchy ranks the quality and reliability of the inputs used to determine fair values, which are then classified and disclosed in one of three categories. The three levels of the fair value hierarchy are:

Level 1 — Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 — Other significant observable inputs, including quoted prices in active markets for similar assets or liabilities; quoted prices in markets that are not active, and model-derived valuations whose inputs are observable (such as yield curves).

Level 3 — Valuation models with significant unobservable inputs that are supported by little or no market activity. Instruments in this category may include long-dated derivative transactions where valuations are unobservable due to the length of the transaction, options, and transactions in locations where observable market data does not exist. The valuation models we employ utilize spot prices, forward prices, historical market data and other factors to forecast future prices.

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. Valuation methodologies maximize the use of observable inputs and minimize the use of unobservable inputs. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. The Plan recognizes transfers among Level 1, Level 2, and Level 3 based on the fair values at the beginning of the period and are triggered by a change in the lowest significant input as of the end of the period. There were no transfers between the hierarchy levels during the year ended December 31, 2024, and December 31, 2023. Investments valued using net asset value as a practical expedient are not classified within the fair value hierarchy.

The Plan's Trustee provides valuations of the Plan's investments by using pricing services that utilize methodologies designed to determine fair market value. The Plan ensures the Trustee's information is consistent with independent pricing sources, verifies that pricing can be supported by actual recent market transactions, compares investment returns with benchmarks and obtains and reviews independent audit reports on the Trustee's internal operating controls and valuation processes.

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

Cash and Cash Equivalents: Valued at their carrying amounts, which approximates fair value due to the short-term nature of these investments.

Fixed Income Securities: Certain fixed income securities are valued at the closing price reported in the active market in which the security is traded. Other fixed income securities are valued based on quoted active market prices for similar securities, or by utilizing calculations which incorporate observable inputs such as yield and maturity, and other inputs such as credit quality.

Short-Term Investments: Seeks to provide safety of principal, daily liquidity, and a competitive yield by investing primarily in money market funds or short-term investment funds. Money market funds are valued using quoted prices in active markets. Short-term investment funds hold U.S. government securities, that are

valued, as a practical expedient, based on the funds' net asset value of units held by the Plan at year-end. The Plan may transact in this fund on a daily basis with no restrictions or notification period required.

The following table presents the fair value at December 31, 2024, and December 31, 2023, of the Master Trust assets, exclusive of those held in the Retirement Plan 401(h) account, that are measured at fair value on a recurring basis. See Note 4 for information regarding the 401(h) account.

	Level 1	
	2024	2023
Fixed income securities		
U.S. Treasury	\$ 366,111,782	\$ 381,752,344
Short-term investments and other	13,221,711	13,449,664
Total	<u>\$ 379,333,493</u>	<u>\$ 395,202,008</u>

6. THE RETIREE HRA PLAN BENEFIT OBLIGATIONS

The net assets available for benefits exceed the Retiree HRA benefit obligations by approximately \$326 million and \$266 million at December 31, 2024, and 2023, respectively.

7. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in short-term investment funds and common and collective trusts managed by the Trustee. These transactions qualify as exempt party-in-interest transactions.

8. INCOME TAX MATTERS

The Master Trust holds HRA investments in accordance with Section 501(c)(9) of the Code for the benefit of Post-65 Union retirees. The Master Trust has obtained an exemption letter dated July 19, 2007, from the IRS. The Company believes that the Plan, as amended, continues to qualify and operate in accordance with the applicable requirements of the Code. Earnings, including the 401(h) account within the Retirement Plan trust, are exempt from income tax; therefore, no provision for income taxes has been included in the Retiree HRA's financial statements. However, certain earnings may be subject to unrelated business income tax.

The 401(h) account holds HRA investments in accordance with Section 401(h) of the Code for the benefit of Post-65 Non-Union retirees within the Retirement Plan trust. The IRS has determined and informed the Company by a letter dated April 30, 2021, that the Retirement Plan complies, in form, with the applicable regulations and the Code. The Company believes that the Plan is currently operated in compliance with the applicable regulations and the Code.

Earnings in the Master Trust and the 401(h) account within the Retirement Plan trust are exempt from income tax; therefore, no provision for income taxes has been included in the Retiree HRA's financial statements. However, earnings on certain investments may be subject to unrelated business income tax.

GAAP requires the Company to evaluate tax positions 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 Company has concluded that as of December 31, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by the IRS, however, there are currently no audits for any tax periods in progress.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31, 2024, and 2023:

	2024	2023
Net assets available for benefits per the financial statements	\$ 502,564,689	\$ 491,743,935
Health reimbursements payable	(343,134)	(149,254)
Net assets held in the Retirement Plan 401(h) account	(426,440,619)	(409,931,486)
Net assets available for benefits per Form 5500	<u>\$ 75,780,936</u>	<u>\$ 81,663,195</u>

The following is a reconciliation of health benefit claim amounts per the financial statements to the Form 5500 for the year ended December 31, 2024:

Health benefit claims per the financial statements	\$ 12,028,104
Plus: Reimbursements to the Company from the Union Health Benefits Master Trust	2,816,986
Increase in health reimbursements payable	193,880
Health benefit claims per Form 5500	<u>\$ 15,038,970</u>

The following is a reconciliation of a change in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2024:

Net increase in net assets available for benefits	\$ 10,820,754
Less: Reimbursements to the Company from 401(h) account	8,534,230
Less: Net gain in 401(h) account	(25,043,363)
Increase in health reimbursements payable	(193,880)
Net loss per Form 5500	<u>\$ (5,882,259)</u>