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

2025

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

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. . . . . ▶ [X]

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
RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 07/01/1956

2a 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)
MERCK & CO., INC.

126 EAST LINCOLN AVENUE
P.O. BOX 2000
RAHWAY, NJ 07065

2b Employer Identification Number (EIN) 22-1918501

2c Plan Sponsor's telephone number 732-594-4000

2d Business code (see instructions) 325410

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	Filed with authorized/valid electronic signature.	09/29/2026	TIMOTHY G. DILLANE
	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

3a Plan administrator's name and address ☐ Same as Plan Sponsor

MERCK SHARP & DOHME LLC

126 EAST LINCOLN AVENUE
P.O. BOX 2000
RAHWAY, NJ 07065

3b Administrator's EIN
22-1261880

3c Administrator's telephone number
732-594-4000

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

5	Total number of participants at the beginning of the plan year	**5**	6451
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)**	2902
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	2768
b	Retired or separated participants receiving benefits	**6b**	933
c	Other retired or separated participants entitled to future benefits	**6c**	2338
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	6039
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	235
f	Total. Add lines **6d** and **6e**.	**6f**	6274
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**	26
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1B 1D 3H 3F

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

9a Plan funding arrangement (check all that apply)

- (1) ☐ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (4) ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- (1) ☐ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (4) ☐ 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)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (4) ☐ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

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 2025 Form M-1 annual report. If the plan was not required to file the 2025 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 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

2025

This Form is Open to Public Inspection

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
MERCK & CO., INC.

D Employer Identification Number (EIN)
22-1918501

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2025

2 Assets:

a Market value	**2a**	660595529
b Actuarial value	**2b**	657932283

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1126	121073411	121073411
b For terminated vested participants	2436	83336502	83336502
c For active participants	2902	375635309	428581117
d Total	6464	580045222	632991030

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	

5 Effective interest rate	**5**	5.38 %
6 Target normal cost		
a Present value of current plan year accruals	**6a**	31189345
b Expected plan-related expenses	**6b**	2500000
c Target normal cost	**6c**	33689345

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

09/16/2026
Date

SUSAN J. FEIGHTNER
Type or print name of actuary

26-08170
Most recent enrollment number

BUCK GLOBAL, LLC
Firm name

412-290-1956
Telephone number (including area code)

600 GRANT STREET
SUITE 2880
PITTSBURGH, PA 15219
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	38398836
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	38398836
10	Interest on line 9 using prior year's actual return of 3.55 %	0	1363159
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		49691074
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.17 %		2569029
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		52260103
d	Portion of (c) to be added to prefunding balance		52260103
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	92022098

Part III Funding Percentages

14	Funding target attainment percentage	14	89.40 %
15	Adjusted funding target attainment percentage	15	103.94 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	105.11 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date.	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:

a Segment rates:	1st segment: 5.00 %	2nd segment: 5.27 %	3rd segment: 5.50 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	63

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

Part VI Miscellaneous Items

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

26 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

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

a Target normal cost (line 6c)	**31a**	33689345
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	67080845	6238871
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**	39928216

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	39928216	39928216

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0

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

a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

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

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

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.**

OMB No. 1210-0110

2025

This Form is Open to Public Inspection.

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD

B Three-digit plan number (PN) ▶ 002

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
MERCK & CO., INC.

D Employer Identification Number (EIN)
22-1918501

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)

a Name of MTIA, CCT, PSA, or 103-12 IE: MERCK & CO. MASTER RETIREMENT TRUST

b Name of sponsor of entity listed in (a): MERCK & CO., INC.

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)
13-6366355-001	M	707812055

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)

Part II **Information on Participating Plans (to be completed by DFEs, other than DCGs)**
(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

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a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

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

2025

This Form is Open to Public Inspection

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
MERCK & CO., INC.

D Employer Identification Number (EIN)
22-1918501

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.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	2461930	4134544
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)	657718599	707812055
(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)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
1e Buildings and other property used in plan operation	1e		
1f Total assets (add all amounts in lines 1a through 1e)	1f	660180529	711946599
Liabilities			
1g Benefit claims payable	1g		
1h Operating payables	1h		
1i Acquisition indebtedness	1i		
1j Other liabilities	1j		
1k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
1l Net assets (subtract line 1k from line 1f)	1l	660180529	711946599

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)		
(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)		0
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)		0
(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)		0

		(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)		95886384
(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		95886384
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	43447767	
(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)		43447767
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)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	672547	
(12) Total administrative expenses. Add lines **2i(1)** through **(11)**	2i(12)		672547
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		44120314
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		51766070
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) [X] 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) [X] 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: PRICEWATERHOUSE COOPERS LLP **(2)** EIN: 13-4008324

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.)	**4a**		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.)	**4b**		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.)	**4c**		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.)	**4d**		X	
e Was this plan covered by a fidelity bond?	**4e**	X		80000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		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?	**4g**		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?	**4h**		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.)	**4i**		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.)	**4j**		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?	**4k**		X	
l Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**			
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.	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? [ ] Yes [X] 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.) ..... [X] Yes [ ] No [ ] Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 583508.

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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).

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

OMB No. 1210-0110

2025

This Form is Open to Public Inspection.

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
MERCK & CO., INC.

D Employer Identification Number (EIN)
22-1918501

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 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): _____ _____

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 166

Part II Funding Information (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.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 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. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c 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) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 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? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 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. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (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.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

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.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **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:

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

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:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

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

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
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	**16b**	

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: 60.0 % Private Equity: _____ % Investment-Grade Debt and Interest Rate Hedging Assets: 34.0 %
High-Yield Debt: _____ % Real Assets: 3.0 % Cash or Cash Equivalents: 3.0 % 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_____.

Retirement Plan for the Hourly Employees of MSD

Financial Statements
December 31, 2025 and 2024

Retirement Plan for the Hourly Employees of MSD
Index
December 31, 2025 and 2024

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Accumulated Plan Benefits as of
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December 31, 2025 and 2024 7–20

Note: Schedules required by 29 CFR 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.

Report of Independent Auditors

To the Administrator of Retirement Plan for the Hourly Employees of MSD

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

We have performed an audit of the accompanying financial statements of Retirement Plan for the Hourly Employees of MSD (the "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, 2025 and 2024, and the related statements of changes in net assets available for benefits for the years then ended and the statement of accumulated plan benefits as of December 31, 2024 and the related statement of changes in accumulated plan benefits for the year then ended, including the related notes (collectively referred to as the "financial statements").

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2025 and 2024 and for the years then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report

- 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).

PricewaterhouseCoopers LLP
300 Madison Avenue
New York, New York 10017
(646) 471 3000

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' 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 audit. 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 the Plan's ability to continue as a going concern for one year after the date 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.

Auditors' 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 auditors' 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 US 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 US 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.

Our audit 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.



New York, New York
September 23, 2026

Retirement Plan for the Hourly Employees of MSD
Statements of Net Assets Available for Benefits
December 31, 2025 and 2024
($ in thousands)

	2025	2024
Assets		
Investments, at fair value (Note 3)		
Interest in Master Retirement Trust	$ 707,812	$ 657,718
Advance benefit payment to paying agent	4,135	2,462
Total assets	711,947	660,180
Net assets available for benefits	$ 711,947	$ 660,180

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

Retirement Plan for the Hourly Employees of MSD
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2025 and 2024
($ in thousands)

	2025	2024
Additions to net assets attributed to		
Interest in the net income from Master Retirement Trust	$ 95,886	$ 21,149
Employer contributions	-	50,000
Total additions	95,886	71,149
Deductions from net assets attributed to		
Benefit payments	(43,447)	(27,475)
Administrative expenses	(672)	(647)
Total deductions	(44,119)	(28,122)
Net increase	51,767	43,027
Net assets available for benefits		
Beginning of year	660,180	617,153
End of year	$ 711,947	$ 660,180

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

Retirement Plan for the Hourly Employees of MSD
Statements of Accumulated Plan Benefits and Changes in Accumulated Plan Benefits
($ in thousands)

	December 31, 2024
Vested benefits	
Participants currently receiving payments	$ 98,548
Other participants	353,079
Total vested benefits	451,627
Nonvested benefits	43,553
Total actuarial present value of accumulated plan benefits	$ 495,180

	Year Ended December 31, 2024
Actuarial present value of accumulated plan benefits, beginning of year	$ 494,898
Increase (decrease) during the year attributed to	
Interest	37,310
Benefits paid	(27,475)
Benefits accumulated and other	16,829
Assumption changes (Note 4)	(26,382)
Net increase	282
Actuarial present value of accumulated plan benefits, end of year	$ 495,180

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

1. Description of the Plan

The following description of the Retirement Plan for the Hourly Employees of MSD (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 plan which provides retirement income to eligible employees of Merck Sharp & Dohme LLC ("MSD"), a subsidiary of Merck & Co., Inc. ("Merck" or the "Company"), and participating subsidiaries covered by collective bargaining agreements. Merck is the Plan Sponsor (the "Sponsor").

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code of 1986 ("IRC"), in each case, as amended.

The Plan is administered by management committees appointed by the Company's Chief Executive Officer or the Compensation and Management Development Committee of the Board of Directors of Merck (collectively, the "Plan Administrator").

Funding Policy

Section 412 of the Internal Revenue Code requires the maintenance of a funding standard account, which was established for this Plan as of January 1, 1976. The Company's funding policy is to make annual contributions to the Plan in amounts that fall between the minimum and maximum range permitted by the Internal Revenue Code and as determined in consultation with the Plan's actuary. Contributions are made to the Plan so that no deficiency on an accrual basis exists in the funding standard account at the end of any plan year.

Participants' Contributions

Since January 1, 1973, no contributions by participants have been required.

Participation and Vesting

Participation commences on January 1st or July 1st following the date of hire. Vesting service commences on the date of hire and full vesting is attained after five full or partial (as defined in the Plan document) years of service for most participants.

Retirement and Benefits

Normal retirement age is 65; early retirement age is 55 with 10 years of credited service. There is no age or service requirement for disability retirement. An unreduced early retirement benefit is available for most participants at age 62, or at age 55 if age and years of service total at least 85. An employee's retirement income is based on the greater of two formulas:

- A stated percentage of pay accumulated annually, or
- A stated dollar amount multiplied by years of credited service.

The Plan provides a death benefit to spouses of active married participants or estates of active unmarried participants with a vested right to benefits, and to spouses of inactive participants with a vested benefit. Benefits are accrued during periods of participation for all years of service.

Master Retirement Trust
The assets of the Plan are maintained in the Master Retirement Trust, for investment purposes only, on a commingled basis with the assets of the Merck US Pension Plan, the MSD Puerto Rico Pension Plan, and the MSD Salaried 401(h) Postretirement Health Account (the "Merck 401(h) Account"). See Note 6 for further discussion of the plans' ownership interests.

Plan Termination
Although it has not expressed any intention to do so, the Company has the right under the Plan to modify the benefits provided to participants, to discontinue its contributions at any time, and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, the assets of the Plan would be distributed among its members and their beneficiaries in the order and manner prescribed by ERISA. Any residual assets of the Plan may be distributed to the Sponsor if all liabilities of the Plan, to its members and their beneficiaries, have been satisfied and the distribution does not contravene any provision of law. Any such residual assets attributable to member contributions, however, shall be equitably distributed to the members who made such contributions (or their beneficiaries) in accordance with their rate of contributions.

The Pension Benefit Guaranty Corporation ("PBGC"), established by ERISA as a nonprofit organization within the Department of Labor, gives further protection against possible loss of benefits. Subject to certain limitations specified by law, the PBGC insures the vested benefits of participants under the Plan in the event the contributions prove to be insufficient. 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 Sponsor and the level of benefits guaranteed by the PBGC.

2. Summary of Accounting Policies

Basis of Accounting
The accompanying financial statements are prepared on the accrual basis of accounting and are in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Payment of Benefits
Benefit payments to participants are recorded upon distribution.

Use of Estimates
The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition
Investments are stated 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 management determines the Master Retirement Trust's valuation policies utilizing information provided by investment advisers and Bank of New York Mellon, the trustee of the Plan (the "Trustee"). See Note 7 for discussion of fair value measurements. The interest in the net income (loss) from the Master Retirement Trust includes interest, dividends, investment related expenses and net appreciation (depreciation) in the fair value of investments. Purchases and sales of investments are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The net appreciation (depreciation) in fair value of investments consists of the realized gains and losses on the sales of investments and the unrealized appreciation (depreciation) of investments.

Administrative Expenses
Administrative expenses, to the extent such expenses are not paid directly by the Company, are paid by the Plan. 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 accompanying Statements of Changes in Net Assets Available for Benefits.

Risks and Uncertainties
The actuarial present value of accumulated plan benefits is prepared based on certain assumptions pertaining to interest and mortality 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 could be material to the financial statements.

The Plan provides for investments in various investment securities. Investment securities in general are exposed to various risks and may decline in value for a number of reasons, including changes in prevailing interest rates and credit availability, increases in defaults, increases in voluntary prepayments for investments that are subject to prepayment risk under normal market conditions, widening of credit spreads and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

3. Information Certified by Trustee

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Investments held at December 31, 2025 and 2024, and investment income (loss) for the years then ended, that are disclosed in the accompanying financial statements and notes to financial statements, were obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by the Trustee. Such information is as follows:

Statements of Net Assets Available for Benefits
December 31:

	2025	2024
Assets		
Investments, at fair value		
Interest in Master Retirement Trust, at fair value	$ 707,812	$ 657,718

Statements of Changes in Net Assets Available for Benefits
Years Ended December 31:

	2025	2024
Additions to net assets attributed to		
Interest in the net income from Master Retirement Trust	$ 95,886	$ 21,149

The fair value of the investment assets and liabilities of the Master Retirement Trust and Plan Interest, as shown in Note 6 as of December 31, 2025 and 2024, and the investment income (loss) of the Master Retirement Trust for the years then ended, are also certified by the Trustee.

4. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits represent the estimated future periodic payments under the Plan's provisions that are attributable to services rendered by employees through the valuation date. Accumulated plan benefits include benefits expected to be paid to the following: (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' annual compensation as a Plan participant. The accumulated plan benefits for active employees are based on their compensation ending on the date as of which the benefit information is presented subject to the minimum benefit in effect as of such date. Benefits payable under all circumstances (i.e., retirement, death, disability, and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, and that amount 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.

The significant actuarial assumptions used in the valuations as of December 31 are as follows:

	2024	2023
Lump sum rate	Implied forward rates embedded in the 12/31/2024 Willis Towers Watson RATE: Link 60th to 90th percentile yield curve	Implied forward rates embedded in the 12/31/2023 Willis Towers Watson RATE: Link 60th to 90th percentile yield curve
Discount rate	8.00%	7.75%
Mortality table		
Post commencement	Pri-2012 Retiree Blue-Collar Private Retirement Plans Mortality Tables	Pri-2012 Retiree Blue-Collar Private Retirement Plans Mortality Tables
	Mortality Improvement: Generational projection based on Buck Modified 2021 projection scale	Mortality Improvement: Generational projection based on Buck Modified 2021 projection scale
Pre commencement	Pri-2012 Employee Blue-Collar Private Retirement Plans Mortality Tables	Pri-2012 Employee Blue-Collar Private Retirement Plans Mortality Tables
	Mortality Improvement: Generational projection based on Buck Modified 2021 projection scale	Mortality Improvement: Generational projection based on Buck Modified 2021 projection scale
Lump sum mortality	2025 and 2026 IRC Section 417(e)(3) Mortality Tables used for payments in 2025 and 2026 and later, respectively	2024 and 2025 IRC Section 417(e)(3) Mortality Tables used for payments in 2024 and 2025 and later, respectively
Retirement age	55-72 (average retirement age of 63)	55-72 (average retirement age of 63)
Lump sum utilization	80% of participants elect a lump sum payment	80% of participants elect a lump sum payment

The impact of the changes in discount rates/lump sum interest rates, offset by changes in lump sum mortality, resulted in a net decrease in the actuarial present value of accumulated plan benefits of $26,382 which is reflected in the Statement of Changes in Accumulated Plan Benefits.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2025 and 2024. Had the computations been performed as of December 31, 2024 and 2023, there would be no material differences.

5. Contributions

Minimum contributions by the Company are calculated based on actuarial assumptions. There was no minimum contribution to the Plan required for the years ended December 31, 2025 and 2024. The Plan has met the minimum funding requirements of ERISA.

6. Net Assets Held in the Master Retirement Trust

Assets of the Master Retirement Trust are held in pools segregated primarily by investment type. Each plan's interest in a pool is established to create an asset allocation that is expected to deliver a rate of return sufficient to meet the long-term obligation of each plan, given an acceptable level of risk. The Plan maintains an undivided interest in each pool of investments held by the Master Retirement Trust.

The fair value of the Plan's interest is based on the beginning of year value plus actual contributions and allocated investment income, less actual distributions and allocated administrative expenses. Investment income and administrative expenses of the Master Retirement Trust are allocated monthly to each plan based on the relationship of each plan's interest in each pool of the the Master Retirement Trust to the total interest of all plans in the Master Retirement Trust. The allocation is based on the previous month's ending balance.

A summary of the net assets of the Master Retirement Trust and the Plan's interest in the Master Retirement Trust as of December 31 is as follows:

	2025		
	Master Retirement Trust	**Plan Interest**	**Plan Interest percentage of Master Retirement Trust***
Investment Assets			
Short-term investments	$ 252,078	$ 15,474	6.1%
Investment funds	4,951,325	305,668	6.2%
Equity securities	2,231,677	137,772	6.2%
Fixed income securities	4,967,061	264,814	5.3%
Private equity investments	1,727	-	0.0%
Total investments	12,403,868	723,728	
Other receivables	83,824	4,649	5.5%
Total assets held	12,487,692	728,377	
Investment Liabilities			
Derivatives	(21,593)	(1,426)	6.6%
Other payables	(286,874)	(18,740)	6.5%
Accrued administrative expenses	(6,719)	(399)	5.9%
Net assets held	$ 12,172,506	$ 707,812	

* *Percentages are approximate.*

	2024		
	Master Retirement Trust	**Plan Interest**	**Plan Interest percentage of Master Retirement Trust***
Investment Assets			
Short-term investments	$ 135,109	$ 8,312	6.2%
Investment funds	4,232,217	271,939	6.4%
Equity securities	2,281,488	146,596	6.4%
Fixed income securities	4,599,413	244,670	5.3%
Private equity investments	2,170	-	0.0%
Total investments	11,250,397	671,517	
Other receivables	84,825	4,887	5.8%
Total assets held	11,335,222	676,404	
Investment Liabilities			
Derivatives	(29,645)	(1,953)	6.6%
Other payables	(248,611)	(16,318)	6.6%
Accrued administrative expenses	(6,775)	(415)	6.1%
Net assets held	$ 11,050,191	$ 657,718	

* *Percentages are approximate.*

Other receivables primarily represent amounts due to the Master Retirement Trust for securities sold and for income accruals. Other payables primarily represent amounts payable by the Master Retirement Trust for investments purchased.

The investment income of the Master Retirement Trust for the years ended December 31 are as follows:

	2025	**2024**
Investment income (loss)		
Net appreciation	$ 1,387,470	$ 149,808
Interest and dividends	223,655	203,065
Investment fees	(26,548)	(28,369)
Total investment income	**$ 1,584,577**	**$ 324,504**

7. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Entities are required to use a fair value hierarchy which maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities. The Master Retirement Trust's Level 1 assets primarily include registered investment companies (mutual funds), equity securities, and exchange-traded futures contracts.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Master Retirement Trust's Level 2 assets primarily include certain fixed income investments such as government and agency securities, corporate obligations, loans secured by mortgages, asset-backed securities, municipal obligations, and other derivatives that are traded over the counter.

Level 3 Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation. The Master Retirement Trust's Level 3 assets consist of investments in private equity investments, for which there is limited observability of market pricing.

If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Within the Master Retirement Trust, investments are recorded at fair value, as follows:

Short-term investments
Short-term investments are comprised of interest-bearing cash and investments in collective investment funds which invest in high quality money market instruments. As a practical expedient, collective investment funds are valued at their respective net asset values provided by the trustee. There is daily liquidity for these collective investment funds.

Investment Funds
Investment funds are comprised of common/collective trusts, 103-12 investment entities, Section 3(c)(1) and 3(c)(7) funds and registered investment companies. Investment funds are valued at their respective net asset values. The fair value of investments in common/collective trusts, 103-12 investment entities and Section 3(c)(1) and 3(c)(7) funds are determined by their trustee and are measured at net asset value as a practical expedient. The net asset values of investments in registered investment companies are typically determined by the fund at the close of regular trading.

Presented in the table below are the percentages of investment funds held by the Master Retirement Trust that may be redeemed daily, monthly, and quarterly, at December 31:

	2025	2024
Daily	75%	78%
Monthly	19%	18%
Quarterly	6%	4%

Equity Securities
Equity securities, for which market quotations are readily available, are generally valued at the last reported sale price on their principal exchange on the valuation date, or official close price for certain markets. If no sales are reported for that day, investments are valued at the more recent of (i) the last published sale price or (ii) the mean between the last reported bid and asked prices for long positions, or at fair value as determined in good faith by the Trustee and the Sponsor.

Fixed Income Securities
Fixed income securities, including U.S. government and agency obligations, corporate obligations, asset-backed securities, and loans secured by mortgages, are generally valued on the basis of valuations furnished by a pricing service approved by the Trustee or at fair value as determined in good faith by the Trustee and the Sponsor. The Trustee has the discretionary authority to hire a pricing service to determine valuations using methods based on current market transactions, prices for comparable securities and various relationships between securities which are generally recognized by institutional traders.

Private Equity
Private equity investments are made via fund-of-funds, whereby the Master Retirement Trust is a limited partner in a fund managed by a general partner. The general partner invests in portfolios of private equity partnerships. The underlying portfolio investments are diversified by strategy, such as buyouts and venture capital, and by industry, such as healthcare, services, and technology. At inception, an unfunded commitment is made to the fund which is then drawn over time.

Once invested, it is very difficult to achieve liquidity before the manager realizes the investments in the portfolio, which is typically in five to ten years from inception. Distributions are made only as investments are converted to cash. The funds held by the Master Retirement Trust are mature and in their distribution phase. The Master Retirement Trust values its investments in these funds at the net asset value of the Master Retirement Trust's ownership interest in the fund. Unfunded commitments for these funds on December 31, 2025 and 2024 was approximately $2,907 and $2,901, respectively. The Plan does not have any interest in these investments as they are fully owned by the Merck US Pension Plan and the MSD Puerto Rico Pension Plan.

Derivatives
Fixed income managers within the Master Retirement Trust use interest rate futures to extend or shorten portfolio duration. A futures contract is an agreement to buy or sell a financial instrument for a set price in the future. Futures contracts are exchange-traded and are generally valued based on prices received from primary and secondary exchanges. Futures are marked-to-market daily. Changes in the market value of open futures contracts are recorded as unrealized appreciation or depreciation.

Managers of international investments within the Master Retirement Trust use foreign currency contracts to facilitate the purchase of foreign equities, manage currency exposures and convert foreign currency dividends received into U.S. dollars. A forward foreign currency contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. Foreign currency contracts are generally valued using pricing models with inputs that are observable in the market. The market value of a forward foreign currency contract fluctuates with changes in foreign currency exchange rates. All commitments are marked to market daily at the applicable exchange rates and any resulting unrealized appreciation or depreciation is recorded.

Derivatives involve elements of both market and credit risk for the Master Retirement Trust in excess of the amounts reflected in the net assets of the Master Retirement Trust. The Master Retirement Trust bears the market risk, which arises from any changes in security or currency values. The credit risk for futures contracts is limited to failure of the exchange or board of trade which acts as the counterparty to the Master Retirement Trust's futures transactions. Foreign currency contracts are executed directly with the counterparty and not through an exchange and can be terminated only by agreement of both parties to such contracts. With respect to such transactions, the Master Retirement Trust is exposed to the risk of default by the counterparty. Due to the nature of the Plan, such risks are limited to the Plan's interest in the Master Retirement Trust.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There have been no changes in the methodologies used at December 31, 2025 and 2024.

Presented in the tables below are the fair values of derivatives within the Master Retirement Trust as of December 31. These amounts are included in Interest in the Master Retirement Trust on the Statements of Net Assets Available for Benefits.

	2025		
	Fair Value of Derivatives		U.S. Dollar
	Asset	Liability	Notional
Derivatives not designated as hedging instruments			
Interest rate futures	$ -	$ 21,593	$ 1,318,960
Total	$ -	$ 21,593	$ 1,318,960

	2024		
	Fair Value of Derivatives		U.S. Dollar
	Asset	Liability	Notional
Derivatives not designated as hedging instruments			
Interest rate futures	$ -	$ 29,645	$ 1,675,681
Total	$ -	$ 29,645	$ 1,675,681

The tables below provide information on the investment gains/(losses) on derivatives within the Master Retirement Trust for the years ended December 31. These gains/(losses) are included in the Interest in the net income from Master Retirement Trust on the Statements of Changes in Net Assets Available for Benefits.

	2025		
	Realized (Loss) / Gain	Change In Unrealized (Loss) / Gain	Total Investment (Loss) / Gain
Derivatives not designated as hedging instruments			
Interest rate futures	$ (7,855)	$ 8,052	$ 197
Foreign currency contracts	(96)	(2)	(98)
Total	$ (7,951)	$ 8,050	$ 99

	2024		
	Realized (Loss) / Gain	Change In Unrealized (Loss) / Gain	Total Investment (Loss) / Gain
Derivatives not designated as hedging instruments			
Interest rate futures	$ (10,367)	$ (154,049)	$ (164,416)
Foreign currency contracts	131	1	132
Total	$ (10,236)	$ (154,048)	$ (164,284)

Master Retirement Trust Investments Measured at Fair Value
Investments measured at fair value are summarized below:

	Fair Value Measurements as of December 31, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments in Master Retirement Trust				
Investment Assets				
Short-term investments	$ 100,747	$ -	$ -	$ 100,747
Investment funds	207,935	-	-	207,935
Equity securities	2,231,677	-	-	2,231,677
Fixed income securities	-	4,967,061	-	4,967,061
Private equity investments	-	-	1,727	1,727
Total investment assets	$ 2,540,359	$ 4,967,061	$ 1,727	$ 7,509,147
Investment Liabilities				
Derivatives	21,593	-	-	21,593
Total investment liabilities	$ 21,593	$ -	$ -	$ 21,593
Investments within the fair value hierarchy	$ 2,518,766	$ 4,967,061	$ 1,727	$ 7,487,554
Investments measured at NAV practical expedient (1)				4,894,721
Investments at fair value				$ 12,382,275

(1) *Certain investments that were measured at net asset value (NAV) per share or its equivalent have not been classified in the fair value hierarchy. The fair value amounts presented in this table also do not include other receivables and payables.*

The following table presents a reconciliation of the beginning and ending balances for the fair value measurements using significant unobservable inputs (Level 3) as of December 31, 2025:

Balance, beginning of year	$	2,170
Realized gains/(losses)		221
Change in unrealized gains/(losses)		(91)
Investment purchases		15
Investment sales		(588)
Balance, end of year	$	1,727
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$	(91)

Master Retirement Trust Investments Measured at Fair Value
Investments measured at fair value are summarized below:

	Fair Value Measurements as of December 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments in Master Retirement Trust				
Investment Assets				
Short-term investments	$ 4,611	$ -	$ -	$ 4,611
Investment funds	180,066	-	-	180,066
Equity securities	2,281,488	-	-	2,281,488
Fixed income securities	-	4,599,413	-	4,599,413
Private equity investments	-	-	2,170	2,170
Total investment assets	$ 2,466,165	$ 4,599,413	$ 2,170	$ 7,067,748
Investment Liabilities				
Derivatives	29,645	-	-	29,645
Total investment liabilities	$ 29,645	$ -	$ -	$ 29,645
Investments within the fair value hierarchy	$ 2,436,520	$ 4,599,413	$ 2,170	$ 7,038,103
Investments measured at NAV practical expedient (1)				4,182,649
Investments at fair value				$ 11,220,752

(1) *Certain investments that were measured at net asset value (NAV) per share or its equivalent have not been classified in the fair value hierarchy. The fair value amounts presented in this table also do not include other receivables and payables.*

The following table presents a reconciliation of the beginning and ending balances for the fair value measurements using significant unobservable inputs (Level 3) as of December 31, 2024:

Balance, beginning of year	$	3,169
Realized gains/(losses)		1,913
Change in unrealized gains/(losses)		(2,071)
Investment purchases		4
Investment sales		(845)
Balance, end of year	$	2,170
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$	(2,071)

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another.

The significance of transfers between levels is based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2025 and 2024, there were no transfers.

8. Related Party Transactions and Parties-in-Interest

Certain investments of the Master Retirement Trust are managed by the Trustee and therefore, these transactions qualify as party-in-interest transactions.

As of December 31, 2025 and 2024, the total market value of investments managed by the Trustee was $151,331 and $130,498, respectively. During the years ended December 31, 2025 and 2024, net income (loss) from investments managed by the Trustee was $11,202 and $18,302, respectively.

9. Tax Status

The Plan and the related Master Retirement Trust are designed in accordance with applicable sections of the IRC and accordingly, the Master Retirement Trust's net income is taxable only to the extent it is considered unrelated business taxable income under the IRC. The Plan received a favorable determination letter from the Internal Revenue Service on February 14, 2018. The Plan has been amended since receiving the determination letter. However, the Plan Administrator and counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC. Therefore, no provision for income taxes has been recorded by the Plan.

U.S. GAAP requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2022.

10. Subsequent Events

The Plan has evaluated subsequent events through September 23 2026, the date the financial statements were available to be issued, and no events were noted which warrant adjustments to, or disclosure in, the financial statements.

Schedule SB, line 26a – Schedule of Active Participant Data

Attained Age		YEARS OF CREDITED SERVICE										Total
		Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	No.	30	25	0	0	0	0	0	0	0	0	**55**
	Avg Comp.	$75,370	$98,327	$0	$0	$0	$0	$0	$0	$0	$0	
25 to 29	No.	53	190	29	0	0	0	0	0	0	0	**272**
	Avg Comp.	$82,957	$108,278	$111,544	$0	$0	$0	$0	$0	$0	$0	
30 to 34	No.	27	155	88	13	1	0	0	0	0	0	**284**
	Avg Comp.	$82,456	$113,394	$121,968	N/A	N/A	$0	$0	$0	$0	$0	
35 to 39	No.	22	114	68	57	29	0	0	0	0	0	**290**
	Avg Comp.	$89,010	$122,056	$124,717	$132,464	$137,289	$0	$0	$0	$0	$0	
40 to 44	No.	18	79	51	56	72	9	0	0	0	0	**285**
	Avg Comp.	N/A	$123,820	$146,486	$144,807	$133,710	N/A	$0	$0	$0	$0	
45 to 49	No.	11	60	35	46	58	38	35	2	0	0	**285**
	Avg Comp.	N/A	$124,757	$142,617	$147,439	$143,370	$132,258	$129,902	N/A	$0	$0	
50 to 54	No.	9	61	49	32	56	57	157	30	4	0	**455**
	Avg Comp.	N/A	$125,563	$136,917	$148,428	$133,601	$130,288	$127,747	$140,534	N/A	$0	
55 to 59	No.	8	66	34	34	52	77	122	44	29	0	**466**
	Avg Comp.	N/A	$126,739	$156,521	$140,043	$126,651	$126,241	$136,042	$129,244	$130,871	$0	
60 to 64	No.	6	34	29	22	54	58	97	31	34	4	**369**
	Avg Comp.	N/A	$127,632	$136,568	$144,698	$122,810	$127,129	$122,209	$115,624	$109,444	N/A	
65 to 69	No.	1	7	7	13	25	22	31	4	6	2	**118**
	Avg Comp.	N/A	N/A	N/A	N/A	$140,641	$141,075	$132,544	N/A	N/A	N/A	
70 & up	No.	0	1	0	0	2	8	6	1	1	4	**23**
	Avg Comp.	$0	N/A	$0	$0	N/A	N/A	N/A	N/A	N/A	N/A	
Total		**185**	**792**	**390**	**273**	**349**	**269**	**448**	**112**	**74**	**10**	**2,902**

Average compensation is not shown for cells with less than 20 participants.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Funding assumptions and methods selection and rationale

For each assumption that has a significant effect on the measurement and that the actuary selected, the actuary should disclose the information and analysis that led the actuary to determine, in the actuary's professional judgment, that the assumption is reasonable for the purpose of the measurement.

The material demographic assumptions are withdrawal rates, retirement rates, salary increase, assumed form of payment upon retirement, and pension commencement. These assumptions are based on the experience study completed in 2024 using the annual actuarial valuations for the period January 1, 2019 to January 1, 2024.

The asset valuation method was selected by the plan sponsor with the actuary's advice.

Use of Models

Gallagher uses third-party software in the performance of annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the provisions of the plan using data and assumptions as of the measurement date under the funding rules specified in this report. Further, the model applies those funding rules to the liabilities derived and other inputs, such as plan assets and contributions, to generate many of the exhibits found in this report. Gallagher has an extensive review process whereby the results of the liability calculations are checked using detailed sample output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other funding outputs are similarly reviewed in detail and at a high level for accuracy, reasonability and consistency with prior results. Gallagher also reviews the model when significant changes are made to the software. The review is performed by experts within the company who are familiar with applicable funding rules as well as the manner in which the model generates its output.

Future actuarial measurements

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. An analysis of the potential range of such future differences is beyond the scope of this report. However, an assessment of risks for the plan was performed.

Prescribed Funding Assumptions and Methods

The following assumptions and methods are prescribed by ERISA, as currently amended.

Funding interest rates

	2025 Plan Year	2024 Plan Year
Funding Rates – Constrained*		
First Segment Rate	5.00%	4.75%
Second Segment Rate	5.27%	4.96%
Third Segment Rate	5.50%	5.59%
Effective Interest Rate	5.38%	5.17%
Funding Rates – Unconstrained**		
First Segment Rate	5.00%	4.37%
Second Segment Rate	5.27%	4.96%
Third Segment Rate	5.40%	4.95%
Effective Interest Rate	5.33%	4.91%

* Used for minimum funding and benefit restriction purposes.

** Used for maximum tax-deduction and ERISA 4010 reporting purposes.

The interest rates used for funding purposes are the Segment Rates with no lookback, constrained in accordance with relevant legislation.

Mortality

Mortality tables for non-disabled participants mandated by applicable law and regulation as specified in IRS Regulation 1.430(h)(3)-1, as amended in the Federal Register on October 20, 2023, in TD 9983, 88 FR 72357, applied on a fully generational basis using the IRS 2024 Adjusted Scale MP-2021 Rates mortality improvement scale. For disabled participants, mortality as specified in Revenue Ruling 96-7 for post-1994 is used.

Lump Sum interest and mortality:

Interest Rate:	Forward rates implied by the funding interest rates (annuity substitution rule)
Mortality:	2025 IRC 417(e) Applicable Mortality table

Actuarial cost method

The Funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected expenses to be paid from plan assets during the year.

Non-Prescribed Funding Assumptions and Methods

The following assumptions were selected by the plan's enrolled actuary. The asset valuation method was selected by the plan sponsor with the actuary's advice and is an acceptable method under the applicable provisions of the Internal Revenue Code and associated regulations.

Cost-of-living

For 2025 Plan Year:	
Future Years:	2.40%
Current Year:	2.75%
For 2024 Plan Year:	
Future Years:	2.35%
Current Year:	3.14%

For 2025, it's based on the year over year change in November CPI-U, which is 2.75% for 2025 and for future years, the single equivalent rate of 2.40% produced by applying expected benefit payments attributed to prior service to the inflation yield curve published by the Federal Reserve Bank of Cleveland as of December 1, 2024.

Disability rates

Age	Rate
25	0.0%
30	0.0%
35	0.0%
40	0.0%
45	0.1%
50	0.2%
55	0.5%
56	0.5%
57	0.6%
58	0.7%
59	0.8%
60	1.0%
61	1.2%
62	1.4%
63	1.7%
64	2.0%

Non-Prescribed Funding Assumptions and Methods (continued)

Early Retirement Rates

For 2025 Plan Year:

Age	Reduced	Unreduced*
55	3.25%	14.00%
56	3.25%	14.00%
57	2.75%	14.00%
58	3.75%	14.00%
59	5.50%	14.00%
60	7.75%	14.00%
61	9.75%	14.00%
62	-	20.00%
63	-	20.00%
64	-	20.00%

*Rates are higher for employees who retire during the first two years of eligibility for Rule of 85 and prior to age 62

The updated retirement rates are based on an experience study completed in 2024 covering experience over the period 2019 – 2023.

For 2024 Plan Year:

Age	Reduced	Unreduced*
55	3.25%	12.00%
56	3.25%	12.00%
57	2.75%	12.00%
58	3.75%	12.00%
59	5.50%	12.00%
60	7.75%	12.00%
61	9.75%	12.00%
62	-	23.75%
63	-	17.00%
64	-	18.75%

*Rates are higher for employees who retire during the first two years of eligibility for Rule of 85 and prior to age 62

The retirement rates are based on an experience study completed in 2020 covering experience over the period 2015 – 2019.

Non-Prescribed Funding Assumptions and Methods (continued)

Active participants are assumed to commence benefits according to the table below:

For 2025 Plan Year:

Age	Annuity Forms of Payment	Lump Sum Form of Payment
55-61	65% immediate; 35% deferred to 62*	100% immediate
62-64	100% immediate	100% immediate

*Rule of 85 (unreduced benefit) assumes 100% immediate prior to age 62

The updated commencement assumptions are based on an experience study completed in 2024 covering experience over the period 2019 – 2023.

For 2024 Plan Year:

Age	Annuity Forms of Payment	Lump Sum Form of Payment
55-61	60% immediate; 40% deferred to 62*	100% immediate
62-64	100% immediate	100% immediate

*Rule of 85 (unreduced benefit) assumes 100% immediate prior to age 62

The commencement assumptions are based on an experience study completed in 2019 covering experience over the period 2014 – 2018.

Expenses

The Target Normal Cost expense load is estimated as the sum of (i) estimated non-PBGC premiums expenses, which consist primarily of investment management & trust/custodian fees and is determined as a percentage of 1/1/2025 Market Value of Assets based on the prior year's expenses paid as a percentage of 1/1/2024 Market Value of Assets and (ii) PBGC premiums to be paid for the current year based on information available at the valuation date. The dollar amount of the expense load to the Target Normal Cost has increased.

For 2025 Plan Year: $2,500,000
For 2024 Plan Year: $2,000,000

Non-Prescribed Funding Assumptions and Methods (continued)

Frequency of optional payment forms (Non lump sums)

For 2025 Plan Year:

Payment Form	Rate	
	Male	Female
100% Joint and Survivor Annuity	55%	15%
50% Joint and Survivor Annuity	20%	20%
75% Joint and Survivor Annuity	0%	0%
Single Life Annuity	25%	65%
5 Year Certain and Life	0%	0%
10 or 15 Year Certain and Life	0%	0%
Social Security Level Income	0%	0%
Other Equivalent Form	0%	0%

The updated frequency of optional payment forms is based on an experience study completed in 2024 covering experience over the period 2019 – 2023.

For 2024 Plan Year:

Payment Form	Rate	
	Male	Female
100% Joint and Survivor Annuity	55%	15%
50% Joint and Survivor Annuity	20%	25%
75% Joint and Survivor Annuity	0%	0%
Single Life Annuity	25%	60%
5 Year Certain and Life	0%	0%
10 or 15 Year Certain and Life	0%	0%
Social Security Level Income	0%	0%
Other Equivalent Form	0%	0%

The frequency of optional payment forms is based on an experience study completed in 2019 covering experience over the period 2014 – 2018.

Non-Prescribed Funding Assumptions and Methods (continued)

Lump Sum Utilization

For 2025 Plan Year:

It is assumed that 80.0% of active and deferred employees will elect a lump sum at retirement.

The updated lump sum utilization assumption is based on an experience study completed in 2024 covering experience over the period 2019 – 2023.

For 2024 Plan Year:

It is assumed that 75.0% of active and deferred employees will elect a lump sum at retirement.

The lump sum utilization assumption is based on an experience study completed in 2019 covering experience over the period 2014 – 2018.

Marital percentage

For 2025 Plan Year:

80% of male participants and 60% of female participants are assumed to be married at death. Husbands are assumed to be 2 years older than their wives.

The updated marital assumptions are based on an experience study completed in 2024 covering experience over the period 2019 – 2023.

For 2024 Plan Year:

80% of male participants and 70% of female participants are assumed to be married at death. Husbands are assumed to be 3 years older than their wives.

Non-Prescribed Funding Assumptions and Methods (continued)

Retirement Rates

Assumed annual rates of normal retirement are as follows:

For 2025 Plan Year:

Age	Rate
65	33%
66	33%
67	33%
68	33%
69	33%
70	33%
71	50%
72+	100.0%

The updated retirement rates are based on an experience study completed in 2024 covering experience over the period 2019 – 2023.

For 2024 Plan Year:

Age	Rate
65	35%
66	35%
67	35%
68	35%
69	35%
70	35%
71	100.0%

The retirement rates are based on an experience study completed in 2020 covering experience over the period 2015 – 2019.

Upon retirement, participants are assumed to commence receiving benefits immediately.

An experience study completed in 2024 resulted in no change to the commencement assumption.

Non-Prescribed Funding Assumptions and Methods (continued)

Commencement of benefits

Current deferred vested participants are assumed to commence benefits in accordance with the table below:

Participant Type	Commencement Assumption
Non-Early Retirement Eligible	100% at age 65
Early Retirement Eligible 55 & 10	60% per year until 100% at age 62; all lump sums immediate
Early Retirement Eligible 62 & 10 Rule of 85	100% immediate

Those currently over age 65 are valued with an actuarially increased benefit.

An experience study completed in 2024 resulted in no change to the commencement assumptions.

Non-Prescribed Funding Assumptions and Methods (continued)

Salary Increases

Select ages shown.

For 2025 Plan Year:

Age	Rate
25 & under	6.00%
26	5.55%
27	5.15%
28	4.75%
29	4.40%
30	4.10%
31	3.75%
32	3.50%
33	3.30%
34	3.10%
35 & over	3.00%

The salary increase assumption reflects the anticipated compensation practice of the plan sponsor.

The updated salary increase assumption is based on an experience study completed in 2024 covering experience over the period 2019 – 2023.

For 2024 Plan Year:

Age	Rate
25	9.50%
30	8.30%
35	6.90%
40	5.90%
45	4.90%
50	3.90%
55	3.20%
57+	3.00%

The salary increase assumption reflects the anticipated compensation practice of the plan sponsor.

The salary increase assumption is based on an experience study completed in 2020 covering experience over the period 2015 – 2019.

Non-Prescribed Funding Assumptions and Methods (continued)

Withdrawal rates for active participants not eligible for retirement

Sample rates as follows:

For 2025 Plan Year:

Age	Assumption for 4 or Fewer Years of Service		Assumption for 5 or More Years of Service
	Male	Female	
25	5.8%	7.9%	5.5%
30	5.8%	7.9%	5.5%
35	5.8%	7.9%	4.3%
40	5.8%	7.9%	2.8%
45	5.8%	7.9%	1.8%
50	5.8%	7.9%	1.2%
55	5.8%	7.9%	0.8%
60	5.8%	7.9%	0.5%
64	5.8%	7.9%	0.4%

The updated withdrawal rates are based on an experience study completed in 2024 covering experience over the period 2019 – 2023.

For 2024 Plan Year:

Age	Assumption for 4 or Fewer Years of Service	Assumption for 5 or More Years of Service
25	6.1%	7.3%
30	6.1%	6.7%
35	6.1%	4.8%
40	6.1%	2.4%
45	6.1%	1.7%
50	6.1%	1.5%
55	6.1%	0.6%
60	6.1%	1.3%
64	6.1%	3.0%

The withdrawal rates are based on an experience study completed in 2020 covering experience over the period 2015 – 2019.

Upon termination, vested participants are assumed to commence receiving benefits at age 65.

An experience study completed in 2024 resulted in no change to the commencement assumption.

Non-Prescribed Funding Assumptions and Methods (continued)

Asset valuation method

The Actuarial Value of Assets is market value as of the valuation date, including the discounted value of accrued contributions, reduced by 2/3 of the gain/(loss) for the immediately preceding plan year and reduced by 1/3 of the gain/(loss) for the plan year before that. The gain/(loss) for each period is determined as the actual return on market value during the period less the expected return on market value based on an assumed earnings rate chosen by the actuary but required by current law and regulation to be not greater than the applicable third Segment Rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value, including discounted receivable contributions.

The Actuary's assumption is consistent with the expected long-term rate of return selected by the plan sponsor for accounting purposes. The actuary has considered the plan sponsor's estimates of long-term future experience, taking into account asset allocation and historical and expected plan experience, and has selected the rate shown below (limited by the applicable third segment rate) for valuation of the plan's assets.

	Actuary's Assumption	Third Segment Rate	Reflecting PPA Limit
2025 Expected Return	8.00%	5.50%	5.50%
2024 Expected Return	7.75%	5.59%	5.59%
2023 Expected Return	7.00%	5.74%	5.74%

Non-Prescribed Funding Assumptions and Methods (continued)

Summary of Changes from the January 1, 2024 Valuation

- The interest rate basis and mortality tables for computing funding liabilities were updated for 2025 in accordance with PPA.
- The cost of living was changed from 3.14% for 2024 and 2.35% for 2025 and later for the 1/1/2024 valuation to 2.75% for 2025 and 2.40% for 2026 and later for the 1/1/2025 valuation.
- The expected return on assets changed from 7.75% for 2024 to 8.00% for 2025.
- The enrolled actuary estimated the expense load as the sum of (i) a percentage of the 1/1/2025 Market Value of Assets for non-PBGC premium expenses, which consists primarily of investment management & trust/custodian fees and (ii) projected current year PBGC premiums. The percentage is based on the prior year's expenses paid as a percentage of the 1/1/2024 Market Value of Assets. The dollar amount of the expense load to the Target Normal Cost has increased from $2,000,000 to $2,500,000 due to an increase in recent expenses.
- The withdrawal rates, retirement rates, salary increase, assumed form of payment upon retirement, pension commencement, marital percentage, and participant/spouse age difference assumptions have been updated based on an experience study completed in 2024.
- The changes in prescribed and non-prescribed assumptions between 1/1/2024 and 1/1/2025 decreased the Funding Target by 1.17%, decreased the Target Normal Cost by 0.96% and increased the AFTAP from 102.72% to 103.94%.

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

2025

This Form is Open to Public Inspection

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
Merck & Co., Inc.

D Employer Identification Number (EIN)
22-1918501

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2025

2 Assets:

a Market value	**2a**	660,595,529
b Actuarial value	**2b**	657,932,283

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1,126	121,073,411	121,073,411
b For terminated vested participants	2,436	83,336,502	83,336,502
c For active participants	2,902	375,635,309	428,581,117
d Total	6,464	580,045,222	632,991,030

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	5.38%
6 Target normal cost		
a Present value of current plan year accruals	**6a**	31,189,345
b Expected plan-related expenses	**6b**	2,500,000
c Target normal cost	**6c**	33,689,345

Statement by Enrolled Actuary

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

SIGN HERE (SIGNED) Susan J. Feightner sjf — 09/16/2026

Signature of actuary — Date

Susan J. Feightner — 2608170

Type or print name of actuary — Most recent enrollment number

Buck Global, LLC — 412-290-1956

Firm name — Telephone number (including area code)

600 Grant Street
Suite 2880
Pittsburgh PA 15219

Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	38,398,836
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	38,398,836
10	Interest on line 9 using prior year's actual return of 3.55 %	0	1,363,159
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		49,691,074
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.17 %		2,569,029
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		52,260,103
	d Portion of (c) to be added to prefunding balance		52,260,103
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	92,022,098

Part III Funding Percentages

14	Funding target attainment percentage	14	89.40 %
15	Adjusted funding target attainment percentage	15	103.94 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	105.11 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees

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

21 Discount rate:

a Segment rates:	1st segment: 5.00 %	2nd segment: 5.27 %	3rd segment: 5.50%	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	63

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

Part VI Miscellaneous Items

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

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

26 Demographic and benefit information

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

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

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

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

a Target normal cost (line 6c)	**31a**	33,689,345
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	67,080,845	6,238,871
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**	39,928,216

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	39,928,216	39,928,216

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0

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

a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

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

Schedule SB Notes for 2025 Plan Year

In preparing this Schedule SB, the actuary relied on other parties for--and applied reasonability tests to--information on assets, contributions, plan provisions, and data on people covered by the Plan.

Schedule SB, line 22 – Description of Weighted Average Retirement Age

This table calculates the weighted average retirement age for all active persons in the plan.

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
55	1,429.5856	0.0646	92.4104	5,082.5716
56	1,419.9059	0.0732	103.9079	5,818.8408
57	1,404.2825	0.0752	105.5361	6,015.5560
58	1,369.4888	0.0872	119.4085	6,925.6908
59	1,325.8826	0.0973	128.9964	7,610.7894
60	1,267.1949	0.1090	138.1741	8,290.4444
61	1,203.6582	0.1169	140.7116	8,583.4072
62	1,122.8800	0.1833	205.7813	12,758.4377
63	963.5276	0.1813	174.6792	11,004.7914
64	818.6263	0.1802	147.4973	9,439.8263
65	705.5035	0.3300	232.8162	15,133.0510
66	502.9181	0.3300	165.9630	10,953.5568
67	367.7984	0.3300	121.3735	8,132.0235
68	260.7046	0.3300	86.0325	5,850.2118
69	182.3365	0.3300	60.1711	4,151.8029
70	132.1456	0.3300	43.6080	3,052.5631
71	93.7308	0.5000	46.8654	3,327.4437
72	49.2992	1.0000	49.2992	3,549.5418
73	2.0000	1.0000	2.0000	146.0000
74	2.0000	1.0000	2.0000	148.0000
75	1.0000	1.0000	1.0000	75.0000
76	1.0000	1.0000	1.0000	76.0000
77	1.0000	1.0000	1.0000	77.0000
78	1.0000	1.0000	1.0000	78.0000
79	1.0000	1.0000	1.0000	79.0000
Total			**2,172.2317**	**136,359.5502**
Weighted Average Retirement Age = 136,359.5502 / 2,172.2317				**62.77**
Rounded Weighted Average Retirement Age				**63**

Note to Column 2: The Expected Active Headcount for each age includes persons who are eligible to retire and persons who are not eligible to retire at each age.

Note to Column 3: At each age, these retirement rates are a weighted average of the rates shown in Attachment to Part V for active participants eligible to retire at the age and zero for all other active participants.

General note: The table presents values rounded to fewer significant digits than used in the calculation.

Schedule SB, line 26b – Schedule of Projection of Expected Benefit Payments

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2025	2,362,276	1,859,389	11,606,639	15,828,304
2026	6,648,004	1,979,422	11,307,838	19,935,264
2027	10,622,094	2,172,541	11,029,311	23,823,947
2028	14,259,907	2,450,790	10,740,853	27,451,551
2029	17,677,895	2,731,598	10,443,751	30,853,244
2030	20,759,001	3,107,938	10,124,616	33,991,555
2031	23,457,814	3,483,547	9,792,433	36,733,794
2032	25,848,689	3,887,911	9,450,805	39,187,405
2033	27,894,619	4,296,067	9,096,690	41,287,376
2034	29,593,284	4,736,532	8,723,946	43,053,762
2035	31,066,715	5,127,144	8,356,257	44,550,116
2036	32,331,589	5,656,242	7,972,249	45,960,081
2037	33,331,031	6,055,828	7,577,127	46,963,986
2038	34,181,928	6,322,364	7,166,578	47,670,870
2039	34,815,431	6,706,410	6,757,085	48,278,926
2040	35,280,271	6,946,734	6,339,344	48,566,349
2041	35,666,703	7,153,929	5,915,349	48,735,981
2042	35,843,709	7,433,207	5,487,522	48,764,438
2043	35,829,812	7,580,904	5,058,664	48,469,379
2044	35,684,815	7,699,112	4,631,884	48,015,810
2045	35,427,258	7,841,925	4,210,493	47,479,676
2046	35,066,435	7,910,317	3,797,933	46,774,686
2047	34,577,647	7,867,942	3,397,708	45,843,297
2048	33,986,087	7,853,800	3,013,290	44,853,177
2049	33,320,485	7,844,951	2,648,023	43,813,458
2050	32,565,929	7,812,961	2,304,959	42,683,849
2051	31,726,724	7,865,761	1,986,677	41,579,161
2052	30,727,612	7,780,346	1,695,162	40,203,120
2053	29,697,821	7,594,326	1,431,688	38,723,836
2054	28,574,125	7,387,129	1,196,775	37,158,030
2055	27,380,478	7,153,516	990,176	35,524,170
2056	26,103,321	6,873,250	810,953	33,787,524
2057	24,782,005	6,586,354	657,588	32,025,947
2058	23,476,057	6,292,844	528,090	30,296,991
2059	22,148,037	5,990,516	420,174	28,558,726
2060	20,830,789	5,704,048	331,387	26,866,224
2061	19,502,220	5,398,684	259,239	25,160,142

Schedule SB, line 26b – Schedule of Projection of Expected Benefit Payments (continued)

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2062	18,213,340	5,071,565	201,299	23,486,205
2063	16,954,240	4,764,190	155,282	21,873,713
2064	15,696,029	4,445,564	119,107	20,260,701
2065	14,468,211	4,124,052	90,936	18,683,199
2066	13,279,012	3,812,153	69,190	17,160,356
2067	12,158,358	3,511,985	52,534	15,722,876
2068	11,106,593	3,224,458	39,866	14,370,917
2069	10,124,167	2,950,848	30,295	13,105,310
2070	9,211,254	2,691,450	23,105	11,925,810
2071	8,366,299	2,446,522	17,733	10,830,553
2072	7,585,846	2,216,119	13,735	9,815,700
2073	6,865,798	1,999,936	10,767	8,876,502
2074	6,201,761	1,797,517	8,563	8,007,841

Schedule SB, Part V – Summary of Plan Provisions

1 – Participation in Plan

Each hourly employee of the Company becomes a participant on the first day of January or the first day of July coincident with or next following his employment.

2 – Benefits

Service Retirement Benefit

Condition for Benefit

The normal retirement age is 65.

Amount of Benefit

Upon normal retirement, a participant receives an annual allowance, which consists of:

(a) For participating service after June 30, 1967, a retirement income equal to 1.25% of the first $4,800 of each year's compensation, plus 1.50% of such compensation in excess of $4,800.

(b) For participating service from July 1, 1961 to June 30, 1967, a retirement income equal to 1.0% of the first $900 of each year's compensation, plus 1.25% of such compensation between $900 and $4,800, plus 1.50% of such compensation in excess of $4,800.

(c) For participating service from July 1, 1956 to June 30, 1961, a retirement income equal to .8% of the first $900 of each year's compensation, plus 1.1% of such compensation between $900 and $4,200 plus 1.33% of such compensation in excess of $4,200.

(d) For service rendered prior to July 1, 1956, a retirement income equal to either:

(i) the benefit accrued in accordance with the provisions of the Plan as amended to June 30, 1956; or

(ii) the benefit accrued under the insured Retirement Plan for the Hourly Employees of Merck & Co., Inc.; such benefits are payable by the insurance company in accordance with the provisions of the group annuity contract as amended, and are not taken into account in the remainder of this summary or in the valuation.

(e) (i) IUC Employees – effective May 1, 2000 for retirement on or after July 1, 2000, the annual allowance was updated to an 18-year career average. Accruals after December 31, 1999 are calculated as shown above.

(ii) USW Employees - effective May 1, 2001 for retirement on or after July 1, 2001, the annual allowance was updated to an 18-year career average. Accruals after December 31, 2000 are calculated as shown above.

(iii) IUOE Employees – effective June 15, 2001 for retirement on or after July 1, 2001, the annual allowance was updated to an 18-year career average. Accruals after December 31, 2000 are calculated as shown above.

(iv) MIU Employees – effective November 16, 2001 for retirement on or after April 1, 2002, the annual allowance was updated to an 18-year career average. Accruals after December 31, 2001 are calculated as shown above.

(v) Graphic Communications Local 4C Employees – effective December 1, 2001 for retirement on or after April 1, 2002, the annual allowance was updated to an 18-year career average. Accruals after December 31, 2001 are calculated as shown above.

The minimum annual normal retirement benefit, before optional election, payable to any participant shall not be less than

(a) For participants in RY-USW Local or SW-Workers United – Local or IUOE:

(i) in the case of a participant entering the Plan after June 30, 1970, or a participant who elected a return of his accumulated contributions, $720 multiplied by the number of years of credited service, or

(ii) in the case of a participant who did not elect a return of his accumulated contributions, $732 multiplied by the number of years of credited service.

(b) For participants in MIU, USW Local 1-86, USW Local 10-580 or SW – Chemical Workers – full MOA:

(i) $720 multiplied by the number of years of credited service.

A special minimum benefit will be provided for Inter Union Council employees who attain age 55 with 10 years of credited service before April 1, 2009 which is 107.5% of the Hourly Plan benefit calculated as of August 1, 2006 based upon the $660 ($672 for participants who did not elect a return of accumulated contributions) multiplied by the minimum service as of August 1, 2006.

A special minimum benefit will be provided for USW and IUOE employees who attain age 55 with 10 years of credited service or age 65 on or before March 31, 2010 which is 107.5% of the Hourly Plan benefit calculated as of August 1, 2007 based upon the $660 ($672 for participants who did not elect a return of accumulated contributions) multiplied by the minimum service as of August 1, 2007.

A special minimum benefit will be provided for MIU and Graphic Communications employees who attain age 55 with 10 years of credited service or age 65 on or before October 31, 2011 which is 107.5% of the Hourly Plan benefit calculated as of November 30, 2007 based upon the $660 ($672 for participants who did not elect a return of accumulated contributions) multiplied by the minimum service as of November 30, 2007.

The minimum retirement allowance is reduced by the amount of retirement allowance payable from all other retirement plans, other than government-established plans, supported in part or in whole by contributions of the Company.

Early Retirement Benefit

Condition for Benefit

A participant may elect to retire after attainment of age 55 if he has also completed at least 10 years of credited service in the Hourly Plan or any other retirement plan of the Company.

Amount of Benefit

The earlier retirement benefit is either a deferred retirement income beginning at age 65 computed as a normal retirement benefit based on his compensation and service credits to early retirement or, at his election, a reduced income beginning immediately. Such reduced income is equal to the total benefit payable at age 65 from the Hourly Plan and any other retirement plan of the Company reduced by .25% for each month benefits begin prior to age 62 and further reduced from time to time by the amounts of benefits becoming payable from such other retirement plans. The early retirement benefit is not reduced for early commencement if age plus service is at least 85.

Disability Retirement Benefit

Condition for Benefit

A participant who becomes mentally or physically incapacitated may be retired on a date earlier than his normal retirement date.

Amount of Benefit

In the event of disability retirement, there shall be made available a benefit which when added to all other retirement benefits payable from other retirement plans of the Company shall produce a benefit equal to the total benefit which would have been payable commencing on his normal retirement date based on his compensation and service to his disability retirement date.

Termination Benefit

Condition for Benefit

Upon termination of participation, for causes other than death or retirement, the participant is entitled to the return of his accumulated contributions, if any. If, however, the participant is terminated after at least 5 years of service he is entitled to a termination allowance.

Amount of Benefit

The termination benefit is payable at age 65 or, in an actuarially reduced amount, at any time after age 55 and is equal to the accrued benefit based on compensation and service at termination.

Surviving Spouse's Benefit

Condition for Benefit

Upon the death before retirement of a participant whose benefits under the Plan are non-forfeitable or a deferred vested participant, a benefit may be payable to the spouse.

Amount of Benefit

The benefit payable to the spouse, if any, is equal to the benefit which would have been payable had the participant retired on early retirement the day before his death and elected Option (b). The deferred vested participants' benefit is reduced for spouse's coverage.

Death Benefit

Upon the death of a participant prior to retirement, his accumulated contributions, if any, are paid to a designated beneficiary.

Upon the death of a retired participant whose retirement income is payable under Option (a), Option (e), Option (f) or Option (g), any excess of his accumulated contributions, if any, at retirement over the total of his retirement allowance payments is paid to a designated beneficiary.

Upon the death of the second to die of a retired participant who has elected Option (b), Option (c), Option (d) or Option (h) and the person designated to receive survivorship benefits under such option, any excess of the participant's accumulated contributions, if any, at retirement over the total of the retirement allowance payments made is paid to a designated beneficiary.

Death Benefit to Estate

Condition for Benefit

Upon the death after attainment of retirement eligibility of an unmarried participant of MIU, a benefit shall be payable to the participant’s estate. For all other unions, upon the death in active service of an unmarried vested participant a benefit shall be payable to the participant's estate.

Amount of Benefit

The benefit payable to the estate is equal to the lump sum which would have been payable had the participant retired on early retirement the day before his death and elected Option (b) with a spouse who is the same age as the participant.

Maximum Benefit

The maximum annual retirement benefit is that permitted by the Employee Retirement Income Security Act of 1974 as amended by the Tax Reform Act of 1986, and by IRC Section 401(a)(17) compensation limitations as amended by the Omnibus Budget Reconciliation Act of 1993 and the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001.

Retirement Income Options

Prior to retirement, a retiring participant elects one of the following options. The incomes payable under Options (b) through (j) are of equivalent actuarial value to the income payable under Option (a). In the event an unmarried retiring participant fails to elect an option or the last designated contingent annuitant predeceases him before he becomes a retired participant, he is deemed to have elected Option (a). If the retiring participant is married, he is deemed to have elected Option (b).

(a) A retirement income payable to him for life.

(b) A reduced retirement income payable to him for life and, after his death, one-half of the reduced income to his surviving spouse.

(c) A reduced retirement income payable to him for life and, after his death, the same reduced income to his surviving spouse.

(d) A reduced retirement income payable to him for life and, after his death, 75% of the reduced income to his surviving spouse.

(e) A reduced retirement income payable to him for life with the provision that, if he dies before receiving total payments equal to five times the accrued annual benefit otherwise payable at his normal retirement date (after adjustment for the minimum allowance), the excess of such amount, if any, will be payable to a designated beneficiary.

(f) A reduced retirement income payable to him for life with the provision that, if he dies before receiving income payments in an aggregate amount equal to ten or fifteen times (as elected by the participant prior to retirement) such reduced annual retirement income payable to him, then the excess of such amount, if any, will be payable to a designated beneficiary.

(g) A reduced retirement income in such amount that, together with his Social Security benefit and any other non-optional benefit under any other plan of the Company, will provide the same income both before and after his Social Security benefit commences.

(h) A reduced retirement income payable to him for life and, after his death, one half of the reduced income to a designated contingent annuitant.

(i) A one-time single sum of actuarial equivalent value of the benefit to which the participant is entitled.

(j) Some other variation of the forms above determined on an actuarial equivalent basis.

3 - Contributions

By Participants

Effective January 1, 1973 no further contributions by participants were required.

By Company

The Company contributes the portion of the cost of benefits that is not covered by the contributions of participants.

4 - Special Provisions

BAC/PACO

As of May 20, 1985, employees of BAC/PACO became deferred vested participants in the Plan and became vested in their accrued benefits as of that date.

For purposes of determining eligibility for early retirement, service with BAC/PACO after May 20, 1985 is taken into account.

Back-Pay

Back-pay that was paid to certain participants in 2018 may be reflected as earned in a different year or years as a result of reaching the IRC Section 401(a)(17) compensation limit in 2018.

COVID Death Benefit

There was an enhanced benefit provided to specific deaths due to COVID through December 31, 2023.

Transfers from Legacy Schering-Plough

Participants of the Legacy Schering-Plough Retirement Plan Constituent Plan of the Merck US Pension Plan (Legacy S-P Plan) who transfer in the Plan on or after January 19, 2021 immediately become participants in the Plan.

For the sole purpose of early retirement (including the Rule of 85) eligibility, service shall include service used for benefit accrual under the Legacy S-P Plan.

Employees who are fully vested in their Legacy S-P Plan are vested in their accrued benefit in the Plan.

Summary of Changes from the January 1, 2024 Valuation

None.

Schedule SB, line 32 - Schedule of Amortization Bases

Date Established	Type Of Base	Years Remaining	Shortfall Amortization Installment	Present Value of Remaining Installments as of January 1, 2025
January 1, 2025	Shortfall	15	$ 6,238,871	$ 67,080,845
Total			$ 6,238,871	$ 67,080,845

Schedule SB, line 24 – Change in Actuarial Assumptions

- The expected return on assets changed from 7.75% for 2024 to 8.00% for 2025.
- The cost of living was changed from 3.14% for 2024 and 2.35% for 2025 and later for the 1/1/2024 valuation to be the year over year change in November CPI-U, which is 2.75% for 2025 and single equivalent rate of 2.40% produced by applying expected benefit payments attributed to prior service to the inflation yield curve published by the Federal Reserve Bank of Cleveland as of December 1, 2024 for 2026 and later for the 1/1/2025 valuation.
- The enrolled actuary estimated the expense load as the sum of (i) a percentage of the 1/1/2025 Market Value of Assets for non-PBGC premium expenses, which consists primarily of investment management & trust/custodian fees and (ii) projected current year PBGC premiums. The percentage is based on the prior year's expenses paid as a percentage of the 1/1/2024 Market Value of Assets. The dollar amount of the expense load to the Target Normal Cost has increased from $2,000,000 to $2,500,000 due to an increase in recent expenses.
- The withdrawal rates, retirement rates, salary increase, assumed form of payment upon retirement, pension commencement, marital percentage, and participant/spouse age difference assumptions have been updated based on an experience study completed in 2024.