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
PINNACLE WEST CAPITAL CORPORATION POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT

1b Three-digit plan number (PN) ▶ 531

1c Effective date of plan 01/01/2015

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)
PINNACLE WEST CAPITAL CORPORATION

PO BOX 53999
PHOENIX, AZ 85072-3999

400 N 5TH STREET
MS 8478
PHOENIX, AZ 85004-3902

2b Employer Identification Number (EIN)
86-0512431

2c Plan Sponsor's telephone number
602-250-3235

2d Business code (see instructions)
551112

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.	10/02/2026	CARMEN JANDACEK
	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

PINNACLE WEST CAPITAL CORPORATION

BENEFITS ADMINISTRATION COMMITTEE
PO BOX 53999
PHOENIX, AZ 85072-3999

3b Administrator's EIN: 86-0564557

3c Administrator's telephone number: 602-250-3235

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**	3336
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	0
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	0
b	Retired or separated participants receiving benefits	**6b**	3311
c	Other retired or separated participants entitled to future benefits	**6c**	0
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	3311
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	
f	Total. Add lines **6d** and **6e**.	**6f**	
g(1)	Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	**6g(1)**	
g(2)	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g(2)**	
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.	**6h**	
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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

4A 4D 4E

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 C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
PINNACLE WEST CAPITAL CORPORATION POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT

B Three-digit plan number (PN) ▶ 531

C Plan sponsor's name as shown on line 2a of Form 5500
PINNACLE WEST CAPITAL CORPORATION

D Employer Identification Number (EIN)
86-0512431

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

WILLIS TOWERS WATSON US LLC

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 50	NONE	148092	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

SCHEDULE D (Form 5500)

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
PINNACLE WEST CAPITAL CORPORATION POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT

B Three-digit plan number (PN) ▶ 531

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
PINNACLE WEST CAPITAL CORPORATION

D Employer Identification Number (EIN)
86-0512431

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: PNW UNION HEALTH BENEFITS MT

b Name of sponsor of entity listed in (a): PINNACLE WEST CAPITAL CORPORATION

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)
86-0748214-524	M	79645019

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):

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

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

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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

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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

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
PINNACLE WEST CAPITAL CORPORATION POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT

B Three-digit plan number (PN) ▶ 531

C Plan sponsor's name as shown on line 2a of Form 5500
PINNACLE WEST CAPITAL CORPORATION

D Employer Identification Number (EIN)
86-0512431

Part I Asset and Liability Statement

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)	343134	22388
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	75780936	79645019
(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	76124070	79667407
Liabilities			
1g Benefit claims payable	1g	343134	22388
1h Operating payables	1h		
1i Acquisition indebtedness	1i		
1j Other liabilities	1j		
1k Total liabilities (add all amounts in lines 1g through1j)	1k	343134	22388
Net Assets			
1l Net assets (subtract line 1k from line 1f)	1l	75780936	79645019

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)	12702863	
(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)		12702863
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)		3864083
(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		16566946
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	12554771	
(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)		12554771
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)	148092	
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines **2i(1)** through **(11)**	2i(12)		148092
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		12702863
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		3864083
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) [ ] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [X] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: DELOITTE & TOUCHE LLP **(2)** EIN: 13-3891517

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**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		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**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.) ..... ☐ Yes ☐ No ☐ Not determined

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

PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE
HEALTH REIMBURSEMENT ARRANGEMENT

Employer ID No: 86-0512431
Plan Number: 531

Financial Statements as of
December 31, 2025 and 2024 and for the
Year Ended December 31, 2025,
and Independent Auditor's Report

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

PINNACLE WEST CAPITAL CORPORATION POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT

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

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

Investment Management Committee and
Benefit Administration Committee
Pinnacle West Capital Corporation

Opinion

We have audited the financial statements of the Pinnacle West Capital Corporation Post-65 Retiree Health Reimbursement Arrangement (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits and of benefit obligations as of December 31, 2025 and 2024, and the related statements of changes in net assets available for benefits and of changes in benefit obligations for the year ended December 31, 2025 and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits and benefit obligations as of December 31, 2025 and 2024, and the changes in its net assets available for benefits and changes in its benefit obligations for the year ended December 31, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Deloitte & Touche LLP

September 30, 2026

PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Plan interest in Union Health Benefits Master Trust (Notes 2, 3 and 5)	$ 79,645,019	$ 75,780,936
Net assets held in Pinnacle West Capital Corporation Retirement Plan 401(h) account (Note 4)	474,145,757	426,440,619
Company contributions receivable (Note 2)	22,388	343,134
NET ASSETS AVAILABLE FOR BENEFITS	$ 553,813,164	$ 502,564,689

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

PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2025

CONTRIBUTIONS (NOTE 2)	$	12,702,863
INVESTMENT GAIN - PLAN INTEREST IN THE UNION HEALTH BENEFITS MASTER TRUST (NOTE 3)		3,864,083
NET INCOME IN 401(H) ACCOUNT (NOTE 4)		47,705,138
DEDUCTIONS		
Reimbursements to the Company from the Union Health Benefits Master Trust (Note 2)		—
Reimbursements to the Company from 401(h) account (Note 2)		—
Health benefit claims paid		12,875,517
Administrative expenses		148,092
Total deductions		13,023,609
NET INCREASE		51,248,475
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year		502,564,689
End of year	$	553,813,164

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

PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT
STATEMENTS OF BENEFIT OBLIGATIONS
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
AMOUNTS CURRENTLY PAYABLE		
Health reimbursements payable (Note 2)	$ 22,388	$ 343,134
Total amounts currently payable	22,388	343,134
POSTRETIREMENT BENEFIT OBLIGATIONS		
Current retirees	137,542,000	136,208,000
Other participants fully eligible for benefits	16,838,000	16,703,000
Participants not yet fully eligible for benefits	24,808,000	23,408,000
Total postretirement benefit obligations	179,188,000	176,319,000
TOTAL BENEFIT OBLIGATIONS	$ 179,210,388	$ 176,662,134

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

PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT
STATEMENT OF CHANGES IN BENEFIT OBLIGATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

AMOUNTS CURRENTLY PAYABLE		
Balance at beginning of year	$	343,134
Claims reported and approved for payment – including benefits reclassified from postretirement benefit obligations		12,554,771
Claims paid		(12,875,517)
Balance at end of year		22,388
POSTRETIREMENT BENEFIT OBLIGATIONS		
Balance at beginning of year		176,319,000
Increase (decrease) during the year attributable to:		
Benefits earned		1,753,000
Interest		9,800,000
Benefits reclassified to amounts currently payable		(13,058,000)
Change in discount rate		4,797,000
Demographic experience		(423,000)
Balance at end of year		179,188,000
TOTAL BENEFIT OBLIGATIONS AT END OF YEAR	$	179,210,388

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

PINNACLE WEST CAPITAL CORPORATION
POST-65 RETIREE HEALTH REIMBURSEMENT ARRANGEMENT

NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2025 and 2024, and for the year ended December 31, 2025

1. DESCRIPTION OF THE PLAN

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

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

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

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

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

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

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

Under the HRA, the Company provides a subsidy to retirees to defray the cost of a Medicare supplemental policy. The Company communicated to retirees that the Retiree HRA subsidy increased by 1.0% effective January 1, 2026. No further indexation is currently planned.

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

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

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

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

Funding – In January of each year, Pinnacle West establishes a specified annual subsidy for qualified individuals in the form of HRA. The amount of subsidy is set by the Employer, in its discretion, and may change from year-to-year. The subsidy is pro-rated based on the month the participant meets eligibility requirements. The subsidy is based on the retiree's years of service at the date of retirement. The Company communicated to retirees that the Retiree HRA subsidy increased by 1.0% effective January 1, 2026. No further indexation is currently planned. For 2025, the following chart shows the respective funding levels.

Service at Retirement	2025 HRA Subsidy
5 to 14 years	$1,205
15 to 19 years	$1,656
20 to 24 years	$2,107
25 years or more*	$2,558
* This subsidy is not offered to employees hired after 12/31/2002.	

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

HRA accounts are merely a bookkeeping account for participants. Individual HRA accounts are not funded, do not bear interest or accrue any earnings, and participants' balances are not vested. Funding is

established as claims are submitted, validated, and reimbursed. Benefits under the Plan may be paid from the Company's general assets and/or the Master Trust and/or the 401(h) account.

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

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

2. SUMMARY OF ACCOUNTING POLICIES

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

Subsequent Events – Subsequent events were evaluated through September 30, 2026, the date the financial statements were available to be issued. In April 2026, the Company was reimbursed $11.9 million from the Master Trust/401(h) account for a prior year's medical claims. See "Reimbursements to the Company" as shown below for additional details.

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

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

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

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

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

Effective December 31, 2024, no post-65 trend rate assumption is utilized other than known increases. Accordingly, a one percentage point increase in the assumed healthcare cost trend rate would not have had a material impact on the projected benefit obligation as of December 31, 2025 or 2024.

The significant actuarial assumptions used in the valuations as of December 31, 2025, and 2024 are as follows:

	2025	2024
Discount rate	5.43%	5.71%
Initial healthcare cost trend rate (post-65 participants)	—%	1.00%
Ultimate healthcare cost trend rate (post-65 participants)	—%	—%
Weighted average retirement age	61	61
Basis of life expectancy of participants	(a)	(a)

(a) The 2025 and 2024 mortality assumptions are based on the Society of Actuaries' Retirement Plans Experience Committee reports ("Pri-2012 Mortality Tables Report" and "Mortality Improvement Scale MP-2021 Report") with modification to better reflect Plan experience and additional data regarding mortality trends.

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

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

The actuarial present value of postretirement benefit obligations is reported based on certain assumptions pertaining to interest rates; healthcare inflation rates; and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimations and assumptions in the near term could materially affect the financial statements.

Health Reimbursement Arrangement – Included in the accompanying Statements of Net Assets Available for Benefits are amounts available to reimburse participants for qualifying medical expenses as of December 31, 2025, and 2024, totaling $7,199,202 and $6,052,826, respectively. Claims incurred before plan year-end that were submitted after year-end (but before the date defined by the plan agreement) totaled $22,388 and $343,134, relating to 2025 and 2024, respectively.

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

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

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

Reimbursements to the Company – The Company may seek reimbursement from the Master Trust and/or 401(h) account for health reimbursements paid in previous and/or current years. The Statement of Changes in Net Assets Available for Benefits reflects Company contributions totaling $12,702,863. Certain claims which were paid by the Company during 2024 were reimbursed by the Plan to the Company in April 2026. Therefore, no reimbursement activity is reflected in the 2025 Statement of Changes in Net Assets Available for Benefits since reimbursements to the Company are recorded when paid.

3. MASTER TRUST

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

The following table presents the investments and other assets and liabilities of the Master Trust as of December 31, 2025, and December 31, 2024:

	2025		2024	
	Union Health Benefits Master Trust	Retiree HRA Plan Interest in Master Trust	Union Health Benefits Master Trust	Retiree HRA Plan Interest in Master Trust
Investments, at fair value (See Note 5):				
Fixed income securities	$ 323,443,400	$ 55,205,184	$ 366,111,782	$ 74,636,423
Short-term investments and other	76,358,707	24,160,264	13,221,711	698,415
Total investments at fair value	399,802,107	79,365,448	379,333,493	75,334,838
Interest and dividends receivable	2,446,766	317,140	2,478,930	477,572
Other liabilities	(106,956)	(37,569)	(89,464)	(31,474)
TOTAL	$ 402,141,917	$ 79,645,019	$ 381,722,959	$ 75,780,936

The following table presents the net appreciation in the fair value of investments, interest income, trust expenses and net investment gain for the Master Trust for the Year Ended December 31, 2025:

	Union Health Benefits Master Trust	Retiree HRA Plan Interest in Master Trust
Net appreciation in fair value of investments	$ 12,355,472	$ 2,760,693
Interest income	8,422,119	1,253,455
Trust expenses	(358,633)	(150,065)
NET INVESTMENT GAIN	$ 20,418,958	$ 3,864,083

4. SECTION 401(h) ACCOUNT

The Retirement Plan includes a health benefits component, in addition to normal retirement benefits, to fund a portion of the post-65 retirement medical costs for non-union retirees and their dependent (spouse) in accordance with Section 401(h) of the Code. A separate account, the 401(h) account, has been established and maintained in the Retirement Plan for such benefits. In accordance with the Code Section 401(h), the Retiree HRA's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for non-union post-65 retirees and their dependent (spouse). The related obligations for retiree health benefits are not included in the Retirement Plan's accumulated benefit obligations but are reflected as benefit obligations in the financial statements of the Plan. The Plan's actuary determines funding requirements for the 401(h) account. This separate account has been established and maintained in the Retirement Plan for such benefits amounting to $474,145,757 and $426,440,619 as of December 31, 2025, and 2024, respectively. For the fair value of the Plan’s investments relating to the 401(h) account, see Retirement Plan, Note 8.

The following table presents the components of the net 401(h) assets available for such obligations at December 31, 2025, and 2024 and the related changes in net assets available for benefits for the year ended December 31, 2025:

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	$ 474,207	$ 840,019
Investments, at fair value		
Fixed income securities	210,748,749	198,402,460
Common stock equities	42,493,099	39,365,343
Common and collective trusts - equities	167,102,945	140,178,167
Common and collective trusts - real estate	20,227,525	19,474,276
Mutual funds	27,981,794	23,410,910
Short-term investments and other	3,235,707	6,959,700
Total investments, at fair value	471,789,819	427,790,856
Receivables		
Accrued investment income	2,187,474	2,331,748
Security sales pending settlement	680,051	1,189,365
Total receivables	2,867,525	3,521,113
TOTAL ASSETS	475,131,551	432,151,988
LIABILITIES		
Security purchases pending settlement	751,830	5,336,759
Interest payable and other liabilities	29,054	146,957
Administrative fees payable	204,910	227,653
TOTAL LIABILITIES	985,794	5,711,369
NET ASSETS AVAILABLE FOR BENEFITS IN 401(H) ACCOUNT	$ 474,145,757	$ 426,440,619

	Year Ended December 31, 2025
Investment income/(loss)	
Net appreciation in fair value of investments	$ 36,910,884
Interest	8,718,436
Dividends	3,492,464
Other investment (loss)	(65,051)
Total investment income	49,056,733
Administrative expenses	(1,351,595)
NET INVESTMENT INCOME	47,705,138
Reimbursements from 401(h) account (Note 2)	—
INCREASE IN NET ASSETS AVAILABLE FOR 401(H)	$ 47,705,138

5. FAIR VALUE MEASUREMENTS

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

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

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

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

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. Valuation methodologies maximize the use of observable inputs and minimize the use of unobservable inputs. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. The Plan recognizes transfers among Level 1, Level 2, and Level 3 based on the fair values at the beginning of the period and are triggered by a change in the lowest significant input as of the end of the period. There were no transfers between the hierarchy levels during the years ended December 31, 2025 and December 31, 2024. Investments valued using net asset value as a practical expedient are not classified within the fair value hierarchy.

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2025 and 2024.

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

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

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

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

The following table presents the fair value at December 31, 2025, and December 31, 2024 of the Master Trust assets, exclusive of those held in the Retirement Plan 401(h) account, that are measured at fair value on a recurring basis. See Note 4 for information regarding the 401(h) account. Fair value disclosures related to assets held in the 401(h) account are presented in the Pinnacle West Capital Corporation Retirement Plan financial statements.

	Level 1	
	2025	2024
Fixed income securities		
U.S. Treasury	$ 323,443,400	$ 366,111,782
Short-term investments and other	76,358,707	13,221,711
Total (a)	$ 399,802,107	$ 379,333,493

(a) The Master Trust assets presented above do not include investments held in the Retirement Plan 401(h) account. Investments valued using net asset value as a practical expedient are disclosed in the Pinnacle West Capital Corporation Retirement Plan financial statements, including the related 401(h) account disclosures.

6. THE RETIREE HRA PLAN BENEFIT OBLIGATIONS

The net assets available for benefits exceed the Retiree HRA benefit obligations by approximately $375 million and $326 million at December 31, 2025, and 2024, respectively.

7. EXEMPT PARTY-IN-INTEREST AND RELATED-PARTY TRANSACTIONS

The Plan invests in short-term investment funds and common and collective trusts managed by the Trustee. These transactions qualify as exempt party-in-interest transactions. In addition, certain administrative expenses of the Plan are paid by the Company, as discussed in Note 2, and the Company may pay health reimbursements on behalf of the Plan and subsequently seek reimbursement from the Master Trust and/or the 401(h) account. These transactions are considered exempt party-in-interest transactions.

8. INCOME TAX MATTERS

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

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

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

GAAP requires the Company to evaluate tax positions by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Company has concluded that as of December 31, 2025, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by the IRS, however, there are currently no audits for any tax periods in progress.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31, 2025, and 2024:

	2025	2024
Net assets available for benefits per the financial statements	$ 553,813,164	$ 502,564,689
Health reimbursements payable	(22,388)	(343,134)
Net assets held in the Retirement Plan 401(h) account	(474,145,757)	(426,440,619)
Net assets per Form 5500	$ 79,645,019	$ 75,780,936

The following is a reconciliation of health benefit claims paid per the financial statements to the Form 5500 for the year ended December 31, 2025:

Health benefit claims paid per the financial statements	$ 12,875,517
Plus: Reimbursements to the Company from the Union Health Benefits Master Trust	—
Decrease in health reimbursements payable	(320,746)
Benefit payment and payments to provide benefits directly to participants or beneficiaries	$ 12,554,771

The following is a reconciliation of a change in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2025:

Net increase in net assets available for benefits	$ 51,248,475
Less: Reimbursements to the Company from 401(h) account	—
Less: Net gain in 401(h) account	(47,705,138)
Decrease in health reimbursements payable	320,746
Net income per Form 5500	$ 3,864,083