

## **Pension Management Statement for Employees' Defined Benefit Plan**

The primary focus of CCRTA's pension strategies is to strengthen the long term investment performance of the Employees' Defined Benefit Plan by making actuarially determined contributions annually on a timely basis. Because the actuarial reports are not available until mid-year, the annual contribution is estimated by staff to allow making a contribution early in the year. If staff's estimate is less than the actual contribution amount determined by the actuary, then an additional contribution with interest will be required later. If the estimate is higher than the actual, the excess amount will be applied to future years. The underlying focus of this strategy is two-fold. First, there is a savings to CCRTA in interest charges since it makes the contribution early in the year instead of mid-year when the actuary report has been released. Secondly, funding earlier in the year allows the plan the ability to respond to favorable market conditions particularly when stock prices are low.