



PA TURNPIKE COMMISSION POLICY

This is a statement of official Pennsylvania Turnpike Policy

NUMBER: 7.08

APPROVAL DATE: 09-02-2008

EFFECTIVE DATE: 09-02-2008

REVISED DATE: 04-04-2023

POLICY SUBJECT:

**Retiree Medical Trustee
Funding Policy**

RESPONSIBLE DEPARTMENT:

Finance and Administration

A. PURPOSE:

The purpose is to establish a general policy for funding the Pennsylvania Turnpike Commission Retiree Medical Trust ("Trust").

B. GENERAL POLICY:

The Commission established the Pennsylvania Turnpike Commission Retiree Medical Trust to provide retiree medical benefits using an irrevocable trust that is tax- exempt under Section 115 of the Internal Revenue Code. It is anticipated that the Commission will approve an annual operating budget that includes an annual contribution to the Trust. The Commission may take into consideration the following factors when establishing the OPEB contribution amount included in the annual operating budget: funded status of the Trust, estimated actuarially determined contribution, estimated service cost, current market conditions, OPEB expense projections, projected cash balances, and other pertinent factors.

This Policy Letter supersedes all previous Policy Letters on this subject.