



November 15, 2023

## PROP Interest Credit Rate for 2024

Pursuant to the APRS PROP Policy, the PROP interest credit rate for 2024 effective January 1<sup>st</sup> is:

**3.87%.**

The interest credit rate was determined by the system actuary in accordance with the APRS PROP Policy which describes the following process. The PROP interest rate is equal to the average yield of the 10-Year Treasury Constant Maturities (Nominal) as published by the Federal Reserve in Statistical Release H.15. during the 12-month period ending on October 31<sup>st</sup> of the calendar year immediately preceding the year in which the PROP interest rate will be effective. The Policy further stipulates that in no event will the PROP interest rate be greater than three percent (3%) less than the assumed rate of return for the applicable calendar year as established by the Board, or less than zero percent (0%).

The average of the daily nominal yields on the constant maturity 10-year U.S. Treasury notes for the 12- month period beginning on November 1, 2022 and ending on October 31, 2023 was 3.87% per annum, with a daily high of 4.98% and a daily low of 3.30%. The current assumed rate of return is 7.25% which means that the maximum interest rate is 4.25%. Based on the criteria above, the interest rate must be between 0.00% and 4.25%. Therefore, the interest credit rate for the 2024 plan year will be 3.87%, up from the current 2.58%.

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