

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Haverhill Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2014
DATE: February 13, 2013

Required Fiscal Year 2014 Appropriation: **\$14,079,950**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2014 which commences July 1, 2013.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2014 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Stone Consulting as part of their January 1, 2012 actuarial valuation.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

Attachments

cc: Office of the Mayor
City Council
c/o City Clerk



Haverhill Retirement Board

Projected Appropriations

Fiscal Year 2014 - July 1, 2013 to June 30, 2014

Aggregate amount of appropriation: **\$14,079,950**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2014	\$19,425,931	\$13,360,777	\$719,173	\$14,079,950	\$14,079,950	\$0	\$5,345,981
FY 2015	\$19,817,147	\$13,890,161	\$747,940	\$14,638,101	\$14,638,101	\$0	\$5,179,046
FY 2016	\$20,216,187	\$15,063,039	\$777,858	\$15,840,897	\$15,840,897	\$0	\$4,375,290
FY 2017	\$20,623,209	\$15,660,907	\$808,972	\$16,469,879	\$16,469,879	\$0	\$4,153,330
FY 2018	\$21,038,370	\$16,592,051	\$841,331	\$17,433,382	\$17,433,382	\$0	\$3,604,988

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

Breakouts	Housing Authority	Police & Fire	School	Waste Water	Water	Whittier	All Others	Total
Participants								
Active	14	168	417	26	21	66	182	894
Inactives (Nonvested)	0	2	65	0	0	10	34	111
Inactives (Vested)	0	2	8	0	0	6	52	68
Retirees	8	141	221	14	6	30	535	955
Disabled	0	67	13	0	4	3	25	112
Total	22	380	724	40	31	115	828	2140
Payroll of Active Participants	\$637,239	\$11,510,969	\$11,378,885	\$1,524,244	\$1,023,437	\$2,387,206	\$7,993,292	\$36,455,272
Gross Normal Cost								
Total Normal Cost	68,715	1,803,868	1,283,231	121,900	89,026	236,671	814,566	4,417,977
Expected Employee Contributions	50,279	1,082,905	954,290	123,993	84,973	206,834	665,076	3,168,351
Net Employer Normal Cost	18,436	720,963	328,941	-2,093	4,053	29,837	149,490	1,249,626
Interest on Net Normal Cost	1,187	46,446	21,191	-135	261	1,922	9,631	80,504
Net Employer Normal Cost w Interest	19,623	767,409	350,132	-2,228	4,314	31,759	159,121	1,330,130
Expenses ¹	6,875	180,469	128,382	12,196	8,907	23,678	81,493	442,000
Actuarial Accrued Liability	3,357,417	109,135,808	47,243,728	9,781,352	5,221,858	10,083,347	121,230,084	306,053,594
Assets	1,650,314	53,644,926	23,222,317	4,807,954	2,566,767	4,956,397	59,589,781	150,438,455
Unfunded Actuarial Accrued Liability (UAL)	1,707,103	55,490,882	24,021,411	4,973,398	2,655,091	5,126,950	61,640,304	155,615,139
2002 ERI payment	4,862	80,422	64,021	18,205	22,683	3,688	210,106	403,987
2003 ERI payment	0	99,942	60,105	49,282	18,154	1,892	72,238	301,613
Fresh Start Amortization ²	124,667	4,030,086	1,698,533	309,877	160,622	383,435	4,394,702	11,101,922
Net 3(8)(c) payments ³	2,573	83,635	36,205	7,496	4,002	7,727	92,904	234,542
Total Required Employer Contributions (3e)+(7)+(8)	158,600	5,241,963	2,337,378	394,828	218,682	452,179	5,010,564	13,814,194
Fiscal 2014 Cost	161,651	5,342,808	2,382,344	402,424	222,889	460,878	5,106,957	14,079,950
Fiscal 2015 Cost	168,059	5,554,605	2,476,784	418,376	231,724	479,148	5,309,404	14,638,101
Fiscal 2016 Cost	181,868	6,011,021	2,680,299	452,753	250,764	518,519	5,745,672	15,840,897
Fiscal 2017 Cost	189,089	6,249,696	2,786,724	470,730	260,721	539,107	5,973,811	16,469,879
Fiscal 2018 Cost	200,151	6,615,309	2,949,750	498,268	275,973	570,645	6,323,284	17,433,382
Percentage of Total Cost	1.1%	37.9%	16.9%	2.9%	1.6%	3.3%	36.3%	100.0%

¹Allocated on the basis of Gross Normal Cost

²Subtract out Accrued Liability due to ERI then allocate in proportion to Total Accrued Liability without ERI

³Allocated on the basis of Accrued Liability