

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

DOMENIC J. F. RUSSO, *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Peabody Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2014
DATE: December 11, 2012

Required Fiscal Year 2014 Appropriation: **\$9,808,182**

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 Sherman Actuarial Services as part of their January 1, 2012 actuarial valuation.

The current schedule is/was due to be updated by Fiscal Year 2016.

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

JEC/jrl
Attachments

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



Peabody Retirement Board

Projected Appropriations

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

Aggregate amount of appropriation: **\$9,808,182**

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	\$13,258,698	\$9,670,557	\$137,625	\$9,808,182	\$9,808,182	\$0	\$3,450,516
FY 2015	\$13,704,570	\$10,255,607	\$141,066	\$10,396,673	\$10,396,673	\$0	\$3,307,897
FY 2016	\$14,164,927	\$10,875,881	\$144,592	\$11,020,473	\$11,020,473	\$0	\$3,144,454
FY 2017	\$14,640,237	\$11,543,373	\$148,207	\$11,691,580	\$11,691,580	\$0	\$2,948,657
FY 2018	\$15,130,988	\$12,018,575	\$151,912	\$12,170,487	\$12,170,487	\$0	\$2,960,501

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

	<u>Total</u>	<u>City</u>	<u>Light</u>	<u>Housing Authority</u>	<u>Water</u>	<u>Sewer</u>	<u>Hospital</u>	<u>Brooksby Farm</u>	<u>Skating Rink</u>	<u>Golf Course</u>
(1) Payroll of Active Participants	\$41,944,773	\$32,856,894	\$5,757,466	\$1,040,494	\$1,312,515	\$310,574	\$0	\$173,902	\$175,534	\$317,394
Percentage of Total Payroll	100.00%	78.33%	13.73%	2.48%	3.13%	0.74%	0.00%	0.42%	0.42%	0.76%
(2) Actuarial Accrued Liability	\$234,079,509	\$176,515,377	\$33,203,058	\$6,062,025	\$6,173,649	\$1,525,678	\$9,306,179	\$250,332	\$515,403	\$527,809
(3) Assets	\$113,490,098	\$85,580,953	\$16,098,027	\$2,939,086	\$2,993,205	\$739,703	\$4,511,968	\$121,370	\$249,886	\$255,901
(4) Unfunded Actuarial Accrued Liability	\$120,589,411	\$90,934,424	\$17,105,031	\$3,122,939	\$3,180,444	\$785,975	\$4,794,211	\$128,962	\$265,517	\$271,908
(5) Total Employer Contributions										
(a) ERI	\$125,301	\$73,959	\$28,595	\$7,596	\$4,806	\$10,347	\$0	\$0	\$0	\$0
(b) Remaining Amortizations	9,054,023	6,827,485	1,284,270	234,475	238,792	59,012	359,956	9,683	19,935	20,415
(c) Employer Normal Cost	1,475,331	1,252,979	196,997	(9,399)	12,896	8,601	-	1,820	3,179	8,258
(d) Administrative Expenses	<u>200,000</u>	<u>156,668</u>	<u>27,452</u>	<u>4,962</u>	<u>6,258</u>	<u>1,480</u>	<u>0</u>	<u>830</u>	<u>836</u>	<u>1,514</u>
(e) Total Appropriation	\$10,854,655	\$8,311,091	\$1,537,314	\$237,634	\$262,752	\$79,440	\$359,956	\$12,333	\$23,950	\$30,187
Percent of Total Appropriation	100.00%	76.57%	14.16%	2.19%	2.42%	0.73%	3.32%	0.11%	0.22%	0.28%
(6) Fiscal 2013 Appropriation	\$9,253,002	\$7,121,033	\$1,231,045	\$171,980	\$239,152	\$74,263	\$375,453	\$2,561	\$17,930	\$19,585
Percent of Total Appropriation	100.00%	76.96%	13.30%	1.86%	2.58%	0.80%	4.06%	0.03%	0.19%	0.21%
(7) Fiscal 2014 Appropriation	\$9,808,182	\$7,510,125	\$1,388,839	\$214,799	\$237,358	\$71,600	\$325,632	\$10,789	\$21,578	\$27,463
Percent of Total Appropriation	100.00%	76.57%	14.16%	2.19%	2.42%	0.73%	3.32%	0.11%	0.22%	0.28%
(8) Fiscal 2015 Appropriation	\$10,396,673	\$7,960,732	\$1,472,169	\$227,687	\$251,599	\$75,896	\$345,170	\$11,436	\$22,873	\$29,111
Percent of Total Appropriation	100.00%	76.57%	14.16%	2.19%	2.42%	0.73%	3.32%	0.11%	0.22%	0.28%