

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Wellesley Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2015
DATE: October 28, 2013

Required Fiscal Year 2015 Appropriation: **\$7,040,036**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2015 which commences July 1, 2014.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2015 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Segal Consulting as part of their January 1, 2013 actuarial valuation.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is/was due to be updated by Fiscal Year 2017.

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

Attachments

cc: Board of Selectmen
Town Meeting
c/o Town Clerk



Wellesley Retirement Board

Projected Appropriations

Fiscal Year 2015 - July 1, 2014 to June 30, 2015

Aggregate amount of appropriation: **\$7,040,036**

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 2015	\$8,519,430	\$7,024,590	\$15,446	\$7,040,036	\$7,040,036	\$0	\$1,479,394
FY 2016	\$8,837,400	\$7,270,451	\$15,446	\$7,285,897	\$7,285,897	\$0	\$1,551,503
FY 2017	\$9,166,992	\$7,524,917	\$15,446	\$7,540,363	\$7,540,363	\$0	\$1,626,629
FY 2018	\$9,508,631	\$7,788,288	\$15,446	\$7,803,734	\$7,803,734	\$0	\$1,704,897
FY 2019	\$9,862,758	\$8,060,879	\$15,446	\$8,076,325	\$8,076,325	\$0	\$1,786,433

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.

SECTION 3: Supplemental Information for the Town of Wellesley Contributory Retirement System

EXHIBIT I

Department Results as of January 1, 2013

Category	Housing	Water	Light	School	All Other	Total
1. Participant counts						
a) Active employees*	7	28	28	245	354	662
b) Inactive members entitled to a return of their employee contributions	0	0	1	184	22	207
c) Inactive members with a vested right to a deferred or immediate benefit	0	0	0	4	6	10
d) Retired members	4	11	37	115	240	407
e) Total members: (a) + (b) + (c) + (d)	11	39	66	548	622	1,286
2. Projected payroll for calendar year 2013	\$321,177	\$1,700,298	\$2,288,513	\$8,356,672	\$21,370,328	\$34,036,988
3. Normal cost						
a) Total normal cost	\$41,180	196,445	433,643	1,038,652	\$3,186,696	\$4,896,616
b) Expense allowance	2,102	10,030	22,140	53,029	162,699	250,000
c) Employee contributions	<u>(30,090)</u>	<u>(153,270)</u>	<u>(215,934)</u>	<u>(768,092)</u>	<u>(2,025,037)</u>	<u>(3,192,423)</u>
d) Employer normal cost: (a) + (b) + (c)	\$13,192	\$53,205	\$239,849	\$323,589	\$1,324,357	\$1,954,193
4. Total actuarial accrued liability	1,331,048	9,093,805	18,112,814	31,753,737	125,944,247	186,235,650
5. Actuarial value of assets	<u>898,498</u>	<u>6,138,597</u>	<u>12,226,704</u>	<u>21,434,744</u>	<u>85,016,221</u>	<u>125,714,763</u>
6. Unfunded actuarial accrued liability: (4) - (5)	\$432,550	\$2,955,208	\$5,886,110	\$10,318,993	\$40,928,026	\$60,520,887
7. Projected employer normal cost	13,421	54,128	244,011	329,203	1,347,334	1,988,097
8. Projected unfunded actuarial accrued liability	447,433	3,056,891	6,088,640	10,674,049	42,336,279	62,603,292
9. 2010 ERI payment	0	0	15,446	0	0	15,446
10. Payment on projected remaining unfunded actuarial accrued liability	<u>33,851</u>	<u>231,273</u>	<u>457,996</u>	<u>807,559</u>	<u>3,203,004</u>	<u>4,733,683</u>
11. Recommended contribution for fiscal 2014: (7) + (9) + (10)	\$47,272	\$285,401	\$717,453	\$1,136,762	\$4,550,338	\$6,737,226
12. Budgeted contribution for fiscal 2014	38,513	234,427	659,709	1,210,660	3,797,545	5,940,854
13. Recommended contribution for fiscal 2015	49,410	298,690	748,559	1,188,072	4,755,306	7,040,036

* Certain employees have benefit accruals allocated to multiple departments.