

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. McCARTHY | JENNIFER F. SULLIVAN

## MEMORANDUM

TO: Beverly Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 3, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on December 31 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50% and the adoption of a fully generational mortality assumption.

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

Enc.



**Beverly Retirement System**  
**January 1, 2016 Actuarial Valuation**

Total Cost 4.45% increasing until FY33

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost Increase</u>
2017	2,439,570	120,000	7,089,445	393,593	10,067	10,052,675	95,722,640	
2018	2,549,351	120,000	7,427,009	393,593	10,067	10,500,019	95,127,742	4.45%
2019	2,664,071	120,000	7,779,539	393,593	10,067	10,967,270	94,138,004	4.45%
2020	2,783,955	120,000	8,541,292		10,067	11,455,313	92,708,286	4.45%
2021	2,909,233	120,000	8,935,842			11,965,075	90,789,373	4.45%
2022	3,040,148	120,000	9,337,373			12,497,521	88,327,639	4.45%
2023	3,176,955	120,000	9,756,706			13,053,660	85,264,688	4.45%
2024	3,319,918	120,000	10,194,631			13,634,548	81,536,958	4.45%
2025	3,469,314	120,000	10,651,972			14,241,286	77,075,300	4.45%
2026	3,625,433	120,000	11,129,590			14,875,023	71,804,527	4.45%
2027	3,788,578	120,000	11,628,384			15,536,961	65,642,917	4.45%
2028	3,959,064	120,000	12,149,293			16,228,356	58,501,688	4.45%
2029	4,137,221	120,000	12,693,297			16,950,518	50,284,423	4.45%
2030	4,323,396	120,000	13,261,420			17,704,816	40,886,460	4.45%
2031	4,517,949	120,000	13,854,731			18,492,680	30,194,221	4.45%
2032	4,721,257	120,000	14,474,348			19,315,605	18,084,504	4.45%
2033	4,933,713	120,000	4,583,599			9,637,313	4,423,706	-50.11%
2034	5,155,731	120,000				5,275,731	0	-45.26%

Appropriation payments assumed to be made December 31 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$350,000.

FY17 amount maintained at level of current schedule.