

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATE FITZPATRICK | ELIZABETH FONTAINE | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. McCARTHY

## MEMORANDUM

TO: Chelsea Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 16, 2015

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 August 1 of each fiscal year. The schedule is effective in FY16 (since the amount under the prior schedule was maintained in FY16) 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.



Chelsea Retirement System  
January 1, 2015 Actuarial Valuation

5.7% Total Increasing

<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 Increases</u>
2016	2,919,989	220,000	7,176,156	40,475	7,380	10,364,000	85,129,978	
2017	3,051,388	220,000	7,635,425	40,475	7,712	10,955,000	83,931,639	5.70%
2018	3,188,701	220,000	8,121,765	40,475	8,059	11,579,000	82,160,980	5.70%
2019	3,332,192	220,000	8,637,911	40,475	8,422	12,239,000	79,746,642	5.70%
2020	3,482,141	220,000	9,226,058		8,801	12,937,000	76,609,047	5.70%
2021	3,638,837	220,000	9,805,966		9,197	13,674,000	72,660,839	5.70%
2022	3,802,585	220,000	10,420,804		9,611	14,453,000	67,807,368	5.70%
2023	3,973,701	220,000	11,073,256		10,043	15,277,000	61,944,052	5.70%
2024	4,152,518	220,000	11,764,987		10,495	16,148,000	54,955,652	5.70%
2025	4,339,381	220,000	12,497,652		10,968	17,068,000	46,716,532	5.70%
2026	4,534,653	220,000	13,274,886		11,461	18,041,000	37,089,901	5.70%
2027	4,738,712	220,000	14,098,311		11,977	19,069,000	25,924,887	5.70%
2028	4,951,955	220,000	13,359,727		12,516	18,544,197	13,057,602	-2.75%
2029	5,174,792	220,000				5,394,792	0	-70.91%

Appropriation payments assumed to be made August 1 of each fiscal year  
Normal cost assumed to increase 4.5% per year  
Assumed expenses of 500,000  
FY16 amount maintained at level of prior funding schedule  
5.7% total increasing until FY27 with final amortization payment in FY28