

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: Dedham Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: August 31, 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 July 1 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 8.0% to 7.75% and the adoption of a fully generational mortality assumption. The schedule also reflects the adoption of other demographic assumptions based on a recent experience study performed by your actuary. Although the revised assumptions are less conservative than the current standard PERAC assumptions, which we continue to believe are reasonable, we have not performed a recent experience analysis for local systems to compare our findings with the results of your study.

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

Enc.



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Appropriation Forecast

Fiscal Year	Employee Payroll*	Employee Contribution	Employer Normal Cost with Interest	Amortization Payments with Interest	Employer Total Cost with Interest	Employer Total Cost % of Payroll	Funded Ratio %**
2017	\$22,457,073	\$2,002,265	\$1,289,041	\$3,405,051	\$4,694,092	20.9	85.7
2018	\$23,355,356	\$2,099,172	\$1,323,147	\$3,708,776	\$5,031,923	21.5	87.6
2019	\$24,289,570	\$2,200,628	\$1,357,918	\$3,875,084	\$5,233,002	21.5	89.8
2020	\$25,261,153	\$2,306,841	\$1,393,355	\$4,035,825	\$5,429,180	21.5	92.1
2021	\$26,271,599	\$2,418,031	\$1,429,454	\$4,217,437	\$5,646,891	21.5	94.6
2022	\$27,322,463	\$2,534,425	\$1,466,212	\$4,407,222	\$5,873,434	21.5	97.2
2023	\$28,415,362	\$2,656,261	\$1,503,622	\$0	\$1,503,622	5.3	100.0
2024	\$29,551,976	\$2,783,789	\$1,541,680	\$0	\$1,541,680	5.2	100.0
2025	\$30,734,055	\$2,917,270	\$1,580,377	\$0	\$1,580,377	5.1	100.0
2026	\$31,963,417	\$3,056,975	\$1,619,703	\$0	\$1,619,703	5.1	100.0
2027	\$33,241,954	\$3,203,189	\$1,659,646	\$0	\$1,659,646	5.0	100.0
2028	\$34,571,632	\$3,356,208	\$1,700,193	\$0	\$1,700,193	4.9	100.0
2029	\$35,954,497	\$3,516,344	\$1,741,329	\$0	\$1,741,329	4.8	100.0
2030	\$37,392,677	\$3,683,921	\$1,783,035	\$0	\$1,783,035	4.8	100.0
2031	\$38,888,384	\$3,859,278	\$1,825,291	\$0	\$1,825,291	4.7	100.0
2032	\$40,443,920	\$4,042,770	\$1,868,075	\$0	\$1,868,075	4.6	100.0
2033	\$42,061,677	\$4,234,766	\$1,911,362	\$0	\$1,911,362	4.5	100.0
2034	\$43,744,144	\$4,435,653	\$1,955,122	\$0	\$1,955,122	4.5	100.0
2035	\$45,493,909	\$4,645,835	\$1,999,325	\$0	\$1,999,325	4.4	100.0
2036	\$47,313,666	\$4,865,735	\$2,043,936	\$0	\$2,043,936	4.3	100.0
2037	\$49,206,212	\$5,095,794	\$2,088,917	\$0	\$2,088,917	4.2	100.0
2038	\$51,174,461	\$5,336,472	\$2,134,226	\$0	\$2,134,226	4.2	100.0
2039	\$53,221,439	\$5,588,251	\$2,179,817	\$0	\$2,179,817	4.1	100.0
2040	\$55,350,297	\$5,811,781	\$2,267,010	\$0	\$2,267,010	4.1	100.0
2041	\$57,564,309	\$6,044,252	\$2,357,690	\$0	\$2,357,690	4.1	100.0
2042	\$59,866,881	\$6,286,023	\$2,451,998	\$0	\$2,451,998	4.1	100.0
2043	\$62,261,556	\$6,537,463	\$2,550,078	\$0	\$2,550,078	4.1	100.0
2044	\$64,752,019	\$6,798,962	\$2,652,081	\$0	\$2,652,081	4.1	100.0
2045	\$67,342,099	\$7,070,920	\$2,758,164	\$0	\$2,758,164	4.1	100.0
2046	\$70,035,783	\$7,353,757	\$2,868,491	\$0	\$2,868,491	4.1	100.0
2047	\$72,837,215	\$7,647,908	\$2,983,231	\$0	\$2,983,231	4.1	100.0
2048	\$75,750,703	\$7,953,824	\$3,102,560	\$0	\$3,102,560	4.1	100.0

* Calendar basis

** Beginning of Fiscal Year