

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Easthampton Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: June 30, 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 August 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 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.



Alternative 2
7.50% Investment Return
5.0% Increasing Until FY32
\$14,000 COLA Base

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

Total Increasing 5.0% each year through FY32

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2003 ERIP</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Percent Increase Total Cost</u>
2017	1,001,174	85,000	1,598,606	86,220	2,771,000	23,764,027	
2018	1,046,227	85,000	1,692,553	86,220	2,910,000	23,745,986	5.0%
2019	1,093,307	85,000	1,791,473	86,220	3,056,000	23,626,204	5.0%
2020	1,142,506	85,000	1,895,274	86,220	3,209,000	23,391,735	5.0%
2021	1,193,918	85,000	2,090,082		3,369,000	23,028,764	5.0%
2022	1,247,645	85,000	2,204,355		3,537,000	22,522,538	5.0%
2023	1,303,789	85,000	2,325,211		3,714,000	21,856,236	5.0%
2024	1,362,459	85,000	2,452,541		3,900,000	21,010,819	5.0%
2025	1,423,770	85,000	2,586,230		4,095,000	19,965,936	5.0%
2026	1,487,839	85,000	2,727,161		4,300,000	18,699,832	5.0%
2027	1,554,792	85,000	2,875,208		4,515,000	17,188,176	5.0%
2028	1,624,758	85,000	3,031,242		4,741,000	15,404,949	5.0%
2029	1,697,872	85,000	3,195,128		4,978,000	13,321,248	5.0%
2030	1,774,276	85,000	3,367,724		5,227,000	10,906,146	5.0%
2031	1,854,119	85,000	3,548,881		5,488,000	8,125,482	5.0%
2032	1,937,554	85,000	3,739,446		5,762,000	4,942,690	5.0%
2033	2,024,744	85,000	1,325,496		3,435,240	1,317,559	-40.4%
2034	2,115,857	85,000			2,200,857	0	

Appropriation payments assumed to be made August 1 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.

Total appropriation increases 5.0% each year until FY32 with a final amortization payment in FY33.