

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Lynn Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 2, 2015

This Commission is hereby furnishing you with approval of the funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on September 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.

This schedule reflects a reduction in the investment return assumption from 7.75% to 7.60% 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.



Lynn Retirement System
January 1, 2015 Actuarial Valuation

7.60% Investment Return Assumption

Total Cost 4.0% increasing until FY21, 5.0% until FY33 with final amortization payment FY34

<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>
2016	5,668,370	380,000	22,378,548	267,724	859,948	29,554,590	332,989,332	
2017	5,923,446	380,000	23,305,655	267,724	859,948	30,736,774	333,308,761	4.0%
2018	6,190,001	380,000	24,268,570	267,724	859,948	31,966,245	332,666,926	4.0%
2019	6,468,552	380,000	25,268,670	267,724	859,948	33,244,894	330,952,705	4.0%
2020	6,759,636	380,000	26,575,105		859,948	34,574,690	328,045,070	4.0%
2021	7,063,820	380,000	28,513,858			35,957,678	323,812,277	4.0%
2022	7,381,692	380,000	29,993,870			37,755,562	318,110,993	5.0%
2023	7,713,868	380,000	31,549,472			39,643,340	310,403,118	5.0%
2024	8,060,992	380,000	33,184,515			41,625,507	300,455,796	5.0%
2025	8,423,737	380,000	34,903,045			43,706,782	288,014,382	5.0%
2026	8,802,805	380,000	36,709,316			45,892,121	272,800,575	5.0%
2027	9,198,931	380,000	38,607,796			48,186,727	254,510,404	5.0%
2028	9,612,883	380,000	40,603,180			50,596,063	232,812,042	5.0%
2029	10,045,463	380,000	42,700,404			53,125,867	207,343,457	5.0%
2030	10,497,509	380,000	44,904,651			55,782,160	177,709,852	5.0%
2031	10,969,896	380,000	47,221,372			58,571,268	143,480,918	5.0%
2032	11,463,542	380,000	49,656,290			61,499,831	104,187,847	5.0%
2033	11,979,401	380,000	52,215,422			64,574,823	59,320,118	5.0%
2034	12,518,474	380,000	8,423,570			21,322,044	8,322,014	-67.0%
2035	13,081,806	380,000				13,461,806	0	-36.9%

All amounts assume payments will be made September 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$750,000.

FY16 amount maintained at level of 2013 funding schedule.