

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: MHFA Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: June 29, 2017

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 FY18 and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50%.

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

Enc.



MASSACHUSETTS HOUSING FINANCE AGENCY RETIREMENT SYSTEM
FUNDING SCHEDULE with 3(8)(C) - 9 years: 0 % amortization
7.50% Discount Rate

| Fiscal Year | Normal Cost | Unfunded Liability | Funding Amortization of UAAL | Net 3(8)(c) Payments | Schedule Contribution |
|-------------|-------------|--------------------|------------------------------|----------------------|-----------------------|
| 2018 | 959,499 | 40,412,577 | 5,893,363 | (362,169) | 6,490,693 |
| 2019 | 995,480 | 37,108,155 | 5,893,363 | (362,169) | 6,526,674 |
| 2020 | 1,032,811 | 33,555,902 | 5,893,363 | (362,169) | 6,564,005 |
| 2021 | 1,071,541 | 29,737,230 | 5,893,363 | (362,169) | 6,602,735 |
| 2022 | 1,111,724 | 25,632,157 | 5,893,363 | (362,169) | 6,642,918 |
| 2023 | 1,153,414 | 21,219,204 | 5,893,363 | (362,169) | 6,684,608 |
| 2024 | 1,196,667 | 16,475,280 | 5,893,363 | (362,169) | 6,727,861 |
| 2025 | 1,241,542 | 11,375,561 | 5,893,363 | (362,169) | 6,772,736 |
| 2026 | 1,288,099 | 5,893,363 | 5,893,363 | (362,169) | 6,819,294 |
| 2027 | 1,336,403 | - | - | (362,169) | 974,235 |

Amortization of Unfunded Liability as of July 1, 2017

| Year | Type | Original Amort. Amount | Percentage Increasing | Original # of Years | Current Amort. Amount | Years Remaining |
|------|-------------|------------------------|-----------------------|---------------------|-----------------------|-----------------|
| 2018 | Fresh Start | 5,893,363 | 0.00% | 9 | 5,893,363 | 9 |