

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Swampscott Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 5, 2016

This Commission is hereby furnishing you with approval of the 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 FY16 (since the amount under the prior schedule was maintained in FY16) and is acceptable under Chapter 32.

The previous schedule was adopted in 2015 based on the January 1, 2015 actuarial valuation. This schedule still reflects the 2015 valuation results, but the schedule accelerates and completes the amortization payments for the 2002 and 2003 Early Retirement Incentives in FY17.

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

Enc.



SWAMPSCOTT CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**
2017	727,595	47,183,476	4,170,650	114,101	5,012,346
2018	754,880	46,453,853	4,524,074	114,101	5,393,055
2019	783,188	45,284,161	4,495,767	114,101	5,393,055
2020	812,557	44,051,466	4,479,680	114,101	5,406,339
2021	843,028	42,737,529	4,658,868	114,101	5,615,997
2022	874,642	41,124,954	4,845,222	114,101	5,833,965
2023	907,441	39,182,110	5,039,031	114,101	6,060,573
2024	941,470	36,874,525	5,240,592	114,101	6,296,163
2025	976,775	34,164,647	5,450,216	114,101	6,541,092
2026	1,013,404	31,011,586	5,668,225	114,101	6,795,730
2027	1,051,407	27,370,830	5,894,954	114,101	7,060,461
2028	1,090,835	23,193,946	6,130,752	114,101	7,335,687
2029	1,131,741	18,428,250	6,375,982	114,101	7,621,824
2030	1,174,181	13,016,449	6,631,021	114,101	7,919,303
2031	1,218,213	6,896,262	6,896,262	114,101	8,228,576
2032	1,263,896	-	-	114,101	1,377,997

Amortization of Unfunded Liability as of July 1, 2016

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2002	ERI*	131,261	0.00%	18	131,261	3
2003	ERI*	40,333	0.00%	18	40,333	4
2017	Fresh Start	3,999,056	4.00%	15	3,999,056	15

*Balloon payment of \$365,056 as of July 1, 2017 to pay off ERIs

**FY 2019 payment is set equal to FY 2018 and FY 2020 is reamortized for 12 years with 4% increases

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established. **Type** is the reason for the creation of the base. **Original Amortization Amount** is the annual amortization amount when the base was established. **Percentage Increasing** is the percentage that the Original Amortization Amount increases per year. **Original # of Years** is the number of years over which the base is being amortized. **Current Amortization Amount** is the amortization payment amount for this year. **Years Remaining** is the number of years left to amortize the base.

Fresh Start is the amortization of the unfunded actuarial accrued liability not attributed to ERIs