

THE COMMONWEALTH OF MASSACHUSETTS
Public Employee Retirement Administration Commission
John W. McCormack Building, Room 1101
One Ashburton Place, Boston, MA 02108
(617) 727-9380

MEMORANDUM

TO: All Retirement Systems
FROM: Jim Lamenzo
RE: Retirement System Expenses
DATE: October 29, 1997

We have received a number of inquiries regarding Question 8 in PERAC Memo #31/1997 dated Sept. 9, 1997 concerning the Pension Fund Appropriation for Fiscal Year 1999. As part of that questionnaire, we requested that you notify us as to the amount that was approved by your board for expenses for fiscal 1998 in order that such expenditures would be included in the calculation of the Pension Fund Appropriation.

In prior years some systems paid investment expenses from investment income and others paid such expenses from the expense fund. We are requesting (if you have not already done so) that you provide a breakdown of the expected Expense Fund payments indicating the amount to be expended for administrative purposes and the amount to be expended for investment purposes (Management Fees, Investment Consulting Fees, and Custodial Fees). This will allow us to add only those non investment expenses to the amount required to be appropriated. If your system currently pays investment expenses from the Expense Fund, this amount would be added to the figure shown in our appropriation letter.

In addition if you cannot provide a copy of the approved budget, please provide your best estimate as to the fiscal 1998 expenses.

Please complete the bottom section of this memo and return it to this office as soon as possible. Thank you for your help in this matter and please do not hesitate to call if you have any questions.

_____ Retirement System

Fiscal 1998 Administrative Expenses \$_____

Fiscal 1998 Investment Related Expenses \$_____

Total Fiscal 1998 Expense Fund Budget \$_____

Did your system expend any investment related funds from the Expense Fund in fiscal 1997 and if so, how much? yes____ no____ \$_____