

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

JOHN W. PARSONS, ESQ., *Executive Director*

Auditor DIANA DIZOGLIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

MEMORANDUM

TO: Andover Retirement Board
FROM: John W. Parsons, Esq., Executive Director
RE: Appropriation for Fiscal Year 2025
DATE: November 21, 2023

Required Fiscal Year 2025 Appropriation: **\$7,666,605**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2025 which commences July 1, 2024.

Attached please find portion of the Fiscal Year 2025 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by KMS Actuaries as part of their January 1, 2023 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2026.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446 Extension 935.

JWP/jfb
Attachment

cc: Town Manager
Town Meeting
c/o Town Clerk

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SECTION 9 - VALUATION RESULTS BY DEPARTMENT

Department	Water	Sewer	Andover Housing Authority	School - Cafeteria	School - Other	All Others	Total
2021 Pension Bond Obligation Credit							
3.1 Credit as of January 1, 2021	6,735,774	937,303	0	2,294,999	32,467,094	121,746,614	184,181,784
3.2 Credit with Interest - (2022 --8.71%)	6,149,088	855,664	0	2,095,105	29,639,210	111,142,484	149,881,551
Actuarial Value of Plan Assets as of January 1, 2023							
4.1 Market Value of Assets at January 1, 2023							343,524,899
4.2 Additional Contributions with Interest at January 1, 2021	72,873	10,469		32,274	383,558	1,509,330	2,008,504
4.3 Actual Return on Additional Contributions (2 years)	6,439	925		2,852	33,891	133,363	177,470
4.4 POB Amounts	6,735,774	937,303		2,294,999	32,467,094	121,746,614	164,181,784
4.5 Actual Return on POB (1 year)	(586,686)	(81,639)		(199,894)	(2,827,884)	(10,604,130)	(14,300,233)
4.6 Remaining Assets at January 1, 2023	7,809,432	1,089,507	1,837,513	2,546,342	38,174,933	139,999,647	191,457,374
4.7 Market Value of Assets at January 1, 2023	14,037,832	1,956,565	1,837,513	4,676,573	68,231,592	252,784,824	343,524,899
4.8 Actuarial Value of Assets	15,045,058	2,096,950	1,969,356	5,012,120	73,127,262	270,922,334	368,173,080
Unfunded Actuarial Accrued Liability (UAL) as of January 1, 2023							
5.1 UAL = 2.5 - 4.3	665,017	93,393	1,968,827	107,044	3,619,591	10,532,835	16,976,707
5.2 Funded Status	95.83%	95.74%	50.01%	97.91%	95.28%	96.26%	95.59%
FY2024 Appropriation							
6.1 Employer Normal Cost	110,405	17,506	44,689	114,779	1,448,016	3,796,574	5,531,969
6.2 Amortization Payment of UAL*	47,863	16,281	128,095	56,185	393,759	1,123,476	1,765,659
6.3 Total = 6.1 + 6.2	158,268	33,787	172,784	170,964	1,841,775	4,920,050	7,297,628
FY2025 Appropriation							
7.1 Employer Normal Cost	113,462	17,991	45,785	117,957	1,488,111	3,901,698	5,684,984
7.2 Amortization Payment of UAL**	83,524	10,653	139,754	7,226	444,378	1,296,086	1,981,621
7.3 Total = 7.1 + 7.2	196,986	28,644	185,519	125,183	1,932,489	5,197,784	7,666,605
Increase over prior year	24.464%	-15.222%	7.370%	-26.778%	4.925%	5.645%	5.056%