PERAC
COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION
PHILIP Y. BROWN, ESQ., *Chair*
WILLIAM T. KEEFE, *Executive Director*

MEMORANDUM

TO: Andover Retirement Board

FROM: William T. Keefe, Executive Director TK

RE: Appropriation for Fiscal Year 2027

DATE: November 24, 2025

Required Fiscal Year 2027 Appropriation: **$8,522,445**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2027 which commences July 1, 2026.

Attached please find the portion of the Fiscal Year 2027 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, 2025 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2028.

As we indicated in PERAC Memo #27/2025, we are sending this letter only to the Retirement Board. Upon receipt, please forward this letter to the appropriate governmental bodies.

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

WTK/jfb
Attachment

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10 CABOT ROAD, SUITE 300 | MEDFORD, MA 02155
PH 617 666 4446 | FAX 617 628 4002 | WWW.MASS.GOV/PERAC

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, 2023	6,149,088	855,664	0	2,095,105	29,639,210	111,142,484	149,881,551
3.2 Credit with Interest - (2023 - 11.12%)	6,832,867	950,814	0	2,328,081	32,935,090	123,501,528	166,548,380
3.3 Credit with Interest - (2024 - 9.03%)	7,449,875	1,036,673	0	2,538,307	35,909,129	134,653,716	181,587,700
Actuarial Value of Plan Assets as of January 1, 2025							
4.1 Market Value of Assets at January 1, 2025							397,816,727
4.2 FY21 Additional Contributions with Interest at January 1, 2023	79,312	11,394		35,126	417,449	1,642,693	2,185,974
4.3 Actual Return on Additional Contributions (2 years)	16,778	2,410		7,431	88,308	347,498	462,425
4.4 POB Credit	7,449,875	1,036,673		2,538,307	35,909,129	134,653,716	181,587,700
4.5 Remaining Assets at January 1, 2025	8,681,470	1,239,924	2,320,366	3,056,662	46,409,026	151,873,180	213,580,628
4.6 Market Value of Assets as of January 1, 2025	16,227,435	2,290,401	2,320,366	5,637,526	82,823,912	288,517,087	397,816,727
4.7 Actuarial Value of Assets	16,130,370	2,276,701	2,306,487	5,603,805	82,328,496	286,791,307	395,437,166
Unfunded Actuarial Accrued Liability (UAAL) as of January 1, 2025							
5.1 UAL = 2.5 - 4.7	369,280	79,848	2,564,330	205,563	5,874,618	1,852,705	10,946,344
5.2 Funded Status	97.76%	96.61%	47.35%	96.46%	93.34%	99.36%	97.31%
FY2026 Appropriation							
6.1 Employer Normal Cost	107,406	18,690	55,627	157,682	1,503,436	4,117,160	5,960,001
6.2 Amortization Payment of UAL*	101,800	11,630	143,565	(27,838)	523,551	1,341,623	2,094,331
6.3 Total = 6.1 + 6.2	209,206	30,320	199,192	129,844	2,026,987	5,458,783	8,054,332
FY2027 Appropriation							
7.1 Employer Normal Cost	110,661	19,256	57,244	162,461	1,549,004	4,241,951	6,140,577
7.2 Amortization Payment of UAL**	92,441	23,419	164,675	79,385	1,832,751	189,197	2,381,868
7.3 Total = 7.1 + 7.2	203,102	42,675	221,919	241,846	3,381,755	4,431,148	8,522,445
Increase over prior year	-2.918%	40.749%	11.410%	86.259%	66.837%	-18.825%	5.812%