

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *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: William T. Keefe, Executive Director  
RE: Approval of Revised Funding Schedule  
DATE: October 8, 2025

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 August 1 of each fiscal year. The schedule is effective in FY26 and is acceptable under Chapter 32. This schedule reflects the Town's issuance of Pension Obligation Bonds in 2021.

The Housing Authority's portion of the funding schedule has appropriation payments that increase 11.41% each year through FY36 and completes the amortization of its unfunded actuarial liability (UAL) in FY37, two years beyond our recommendation of FY35 to complete the amortization of the UAL. The Board should work with the Housing Authority to try to develop a schedule that completes the amortization of the UAL by FY35. Currently, there is limited flexibility for the Housing Authority in the event of a market downturn; it is possible that the appropriation may need to increase when your next actuarial valuation is performed.

With the issuance of the pension obligation bonds the plan is nearly fully funded. We recommend that the System perform annual actuarial valuations or at a minimum perform an interim actuarial valuation in the years it does not have a full study performed.

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

WTK/jfb  
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## SECTION 3 - CHAPTER 32 OF M.G.L. APPROPRIATIONS

### Exhibit 3.1 - 30-Year Forecast of Annual Appropriations

#### Andover Housing Authority

#### All Others

Fiscal Year Ending	Andover Housing Authority						All Others						Increase Over Prior Year
	Net Employer Normal Cost	3(8)(c) Transfers	Amortization Payment of UAL	Total Employer Cost	Increase Over Prior Year	Unfunded Actuarial Accrued Liability	Net Employer Normal Cost	3(8)(c) Transfers	Amortization Payment of UAL	Total Employer Cost	Increase Over Prior Year	Unfunded Actuarial Accrued Liability	
2026	\$55,627	\$0	\$143,565	\$199,192		\$2,564,330	\$5,904,374	\$0	\$1,950,766	\$7,855,140		\$8,382,014	\$8,054,332
2027	57,244	-	164,675	221,919	11.41%	2,564,831	6,083,333	-	2,217,193	8,300,526	5.67%	6,867,238	8,522,445 5.81%
2028	58,949	-	188,291	247,240	11.41%	2,543,753	6,269,469	-	2,501,697	8,771,166	5.67%	4,992,655	9,018,406 5.82%
2029	60,688	-	214,762	275,450	11.41%	2,497,290	6,456,235	-	2,809,213	9,265,448	5.64%	2,719,075	9,540,898 5.79%
2030	62,519	-	244,360	306,879	11.41%	2,421,061	6,701,942	-	-	6,701,942	-27.67%	-	7,008,821 -26.54%
2031	64,402	-	277,493	341,895	11.41%	2,310,153	6,878,795	-	-	6,878,795	2.64%	-	7,220,690 3.02%
2032	66,365	-	314,540	380,905	11.41%	2,158,954	7,106,330	-	-	7,106,330	3.31%	-	7,487,235 3.69%
2033	71,889	-	352,476	424,365	11.41%	1,961,141	7,361,431	-	-	7,361,431	3.59%	-	7,785,796 3.99%
2034	72,272	-	400,513	472,785	11.41%	1,713,124	7,556,756	-	-	7,556,756	2.65%	-	8,029,541 3.13%
2035	76,319	-	450,411	526,730	11.41%	1,401,676	7,822,968	-	-	7,822,968	3.52%	-	8,349,698 3.99%
2036	74,906	-	511,924	586,830	11.41%	1,021,246	8,056,186	-	-	8,056,186	2.98%	-	8,643,016 3.51%
2037	77,807	-	574,410	652,217	11.14%	555,979	8,332,758	-	-	8,332,758	3.43%	-	8,984,975 3.96%
2038	79,799	-	-	79,799	-87.76%	-	8,600,552	-	-	8,600,552	3.21%	-	8,680,351 -3.39%
2039	82,872	-	-	82,872	3.85%	-	8,882,932	-	-	8,882,932	3.28%	-	8,965,804 3.29%
2040	85,041	-	-	85,041	2.62%	-	9,183,605	-	-	9,183,605	3.38%	-	9,268,646 3.38%
2041	87,800	-	-	87,800	3.24%	-	9,487,059	-	-	9,487,059	3.30%	-	9,574,859 3.30%
2042	90,656	-	-	90,656	3.25%	-	9,791,064	-	-	9,791,064	3.20%	-	9,881,720 3.20%
2043	93,612	-	-	93,612	3.26%	-	10,114,513	-	-	10,114,513	3.30%	-	10,208,125 3.30%
2044	96,671	-	-	96,671	3.27%	-	10,462,390	-	-	10,462,390	3.44%	-	10,559,061 3.44%
2045	99,837	-	-	99,837	3.28%	-	10,849,133	-	-	10,849,133	3.70%	-	10,948,970 3.69%
2046	103,115	-	-	103,115	3.28%	-	11,221,483	-	-	11,221,483	3.43%	-	11,324,598 3.43%
2047	106,507	-	-	106,507	3.29%	-	11,632,963	-	-	11,632,963	3.67%	-	11,739,470 3.66%