M E M O R A N D U M

TO: Belmont Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: November 21, 2024

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). Effective FY25, the schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY25 (since the amount under the prior schedule was maintained in FY25) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption used in the 2022 actuarial valuation.

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

WTK/jfb
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Enc.

FIVE MIDDLESEX AVENUE, SUITE 304 | SOMERVILLE, MA 02145
PH 617 666 4446 | FAX 617 628 4002 | TTY 617 591 8917 | WWW.MASS.GOV/PERAC

## Funding schedule

| (1) Fiscal Year Ended June 30 | (2) Employer Normal Cost | (3) Amortization of 2003 ERI Liability | (4) Amortization of Remaining Unfunded Liability | (5) Actuarially Determined Contribution (ADC): (2)+(3)+(4) | (6) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year | (7) Percent Increase in ADC |
|---|---|---|---|---|---|---|
| 2025 | $2,404,977 | $105,915 | $9,056,954 | $11,567,846 | $55,486,564 | - - |
| 2026 | 2,485,269 | 0 | 9,371,773 | 11,857,042 | 49,566,354 | 2.50% |
| 2027 | 2,568,227 | 0 | 9,585,241 | 12,153,468 | 43,008,202 | 2.50% |
| 2028 | 2,653,938 | 0 | 9,803,367 | 12,457,305 | 35,762,568 | 2.50% |
| 2029 | 2,742,494 | 0 | 10,026,244 | 12,768,738 | 27,776,345 | 2.50% |
| 2030 | 2,833,989 | 0 | 10,253,967 | 13,087,956 | 18,992,608 | 2.50% |
| 2031 | 2,928,518 | 0 | 9,350,346 | 12,278,864 | 9,350,346 | -6.18% |
| 2032 | 3,026,184 | 0 | 0 | 3,026,184 | 0 | -75.35% |
| 2033 | 3,127,090 | 0 | 0 | 3,127,090 | 0 | 3.33% |

Notes:
Actuarially determined contribution for fiscal year 2025 is set equal to the amount determined with the prior valuation.
Actuarially determined contributions are assumed to be paid July 1st.
Item (2) reflects 3.0% growth in payroll and a 0.15% adjustment to total normal cost to reflect the effect of mortality improvements due to the generational mortality assumption.
Projected normal cost does not reflect the future impact of pension reform for new hires.
Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains or losses.