

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Beverly Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: September 12, 2022

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 January 1 of each fiscal year. The schedule is effective in FY23 (since the amount under the prior schedule was maintained in FY23) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.15% to 7.0% and an adjustment to the fully generational mortality assumption. The schedule also reflects an increase in the COLA base to \$13,000.

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

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**Beverly Retirement System
 January 1, 2022 Actuarial Valuation**

Total Cost 4.5% increasing until FY30 with a final amortization payment in FY31

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost Increase</u>
2023	3,554,382	150,000	9,361,779	13,066,161	73,124,854	
2024	3,714,329	150,000	9,789,809	13,654,138	68,554,152	4.50%
2025	3,881,474	150,000	10,237,101	14,268,574	63,220,490	4.50%
2026	4,056,140	150,000	10,704,520	14,910,660	57,050,525	4.50%
2027	4,238,666	150,000	11,192,974	15,581,640	49,964,883	4.50%
2028	4,429,406	150,000	11,703,408	16,282,814	41,877,697	4.50%
2029	4,628,729	150,000	12,236,811	17,015,540	32,696,109	4.50%
2030	4,837,022	150,000	12,794,217	17,781,240	22,319,737	4.50%
2031	5,054,688	150,000	10,999,914	16,204,603	10,640,104	-8.87%
2032	5,282,149	150,000		5,432,149	0	-66.48%

Appropriation payments assumed to be made December 31 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$600,000.

FY23 amount maintained at level of current schedule.