PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

M E M O R A N D U M

TO: Boston Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: October 8, 2024

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted which excludes Boston teachers (copy enclosed). 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 6.90% investment return assumption used in the prior 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.

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Funding schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of Unfunded Inactive Sheriff Liability	(4) Amortization of Remaining Unfunded Liability	(5) Actuarially Determined Contribution (ADC): (2) + (3) + (4)	(6) Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(7) Percent Increase in ADC over Prior Year
2025	$98,018,157	$2,237,070	$384,116,856	$484,372,083	$1,299,535,904	--
2026	101,547,862	2,237,070	423,454,080	527,239,012	976,191,534	8.85%
2027	105,203,998	2,237,070	466,458,597	573,899,665	588,484,910	8.85%
2028	108,991,074	2,237,070	125,817,631	237,045,775	128,054,701	-58.70%
2029	112,913,759	0	0	112,913,759	0	-52.37%
2030	116,976,887	0	0	116,976,887	0	3.60%

Notes:
Actuarially determined contribution for fiscal year 2025 is set equal to the amount determined with the prior valuation, updated to reflect the 5% COLA.
Actuarially determined contributions are assumed to be paid on July 1.
Item (2) reflects 3.25% growth in payroll and a 0.15% adjustment to total normal cost to reflect the effect of morality 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.