PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair* WILLIAM T. KEEFE, *Executive Director*

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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: September 21, 2026

This Commission is hereby furnishing you with approval of the revised funding schedule, which excludes Boston teachers, that you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY27 (since the amount under the prior schedule was maintained in FY27) and is acceptable under Chapter 32.

The revised schedule maintains the 6.90% investment return assumption and reflects a change in the base mortality table assumption.

Under the revised schedule, the system will be fully funded in 2028. However, the system will receive payments in excess of the employer normal cost for the next few years to build up the plan's surplus.

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	(8) Funded Percentage as of January 1 Preceding Beginning of Fiscal Year
2027	$112,400,748	$2,237,070	$386,239,243	$500,877,061	$626,209,223	--	93.7%
2028	116,458,063	2,237,070	281,304,867	400,000,000	254,136,481	-20.14%	97.5%
2029	120,661,006	0	229,338,994	350,000,000	-31,434,432	-12.50%	100.3%
2030	125,014,779	0	174,985,221	300,000,000	-278,766,793	-14.29%	102.5%
2031	129,524,769	0	120,475,231	250,000,000	-485,060,904	-16.67%	104.2%

Notes:

Actuarially determined contribution for fiscal year 2027 has been reset to $500,877,061.

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 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