

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOHN W. PARSONS, ESQ., *Executive Director*

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## MEMORANDUM

TO: Brockton Retirement Board  
FROM: John W. Parsons, Esq., Executive Director  
RE: Appropriation for Fiscal Year 2023  
DATE: November 10, 2021

Required Fiscal Year 2023 Appropriation: **\$34,113,604**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2023 which commences July 1, 2022.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2023 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by KMS Actuaries as part of their January 1, 2020 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2023.

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

JWP/jfb  
Attachments

cc: Office of the Mayor  
City Council  
c/o City Clerk

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## **Brockton Retirement Board**

### **Projected Appropriations**

Fiscal Year 2023 - July 1, 2022 to June 30, 2023

Aggregate amount of appropriation: **\$34,113,604**

<b>Fiscal Year</b>	<b>Estimated Cost of Benefits</b>	<b>Funding Schedule (Excluding ERI)</b>	<b>ERI</b>	<b>Total Appropriation</b>	<b>Pension Fund Allocation</b>	<b>Pension Reserve Fund Allocation</b>	<b>Transfer From PRF to PF</b>
<b>FY 2023</b>	\$41,685,452	\$34,113,604	\$0	\$34,113,604	\$34,113,604	\$0	\$7,571,848
<b>FY 2024</b>	\$43,014,137	\$36,160,421	\$0	\$36,160,421	\$36,160,421	\$0	\$6,853,716
<b>FY 2025</b>	\$44,385,634	\$39,458,250	\$0	\$39,458,250	\$39,458,250	\$0	\$4,927,384
<b>FY 2026</b>	\$45,801,321	\$43,056,843	\$0	\$43,056,843	\$43,056,843	\$0	\$2,744,478
<b>FY 2027</b>	\$47,262,624	\$46,983,627	\$0	\$46,983,627	\$46,983,627	\$0	\$278,997

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.



## SECTION 9 - VALUATION RESULTS BY GROUP

Group	All Others & City of Brockton	Brockton Redevelopment Authority	Brockton Housing Authority	Brockton Area Transit	Total
<b>Actuarial Value of Plan Assets as of January 1, 2020</b>					
5.1 Actuarial Value of Assets					435,232,670
5.2 Actuarial Value of Assets to City (Credit only) and BAT	215,754,779			1,919,999	217,674,778
5.3 Actuarial Value of Assets to All Others	208,918,223	327,019	8,312,650		217,557,892
5.4 Actuarial Value of Assets	424,673,002	327,019	8,312,650	1,919,999	435,232,670
<b>Unfunded Actuarial Accrued Liability (UAAL) as of January 1, 2020</b>					
6.1 UAAL = 2.5 - 5.4	262,209,829	748,158	19,017,740	960,482	282,936,209
<b>FY2021 Appropriation</b>					
7.1 Employer Normal Cost, July 1	5,956,027	4,660	216,223	10,297	6,187,207
7.2 Amortization Payment of UAAL*	21,675,088	64,856	1,512,043	71,792	23,323,779
7.3 Net 3(8)(c) Transfers	820,499	1,952	26,029	1,520	850,000
7.4 Total = 6.1 + 6.2 + 6.3 + 6.4	28,451,614	71,468	1,754,295	83,609	30,360,986
<b>FY2022 Appropriation</b>					
8.1 Employer Normal Cost, July 1	6,164,488	4,823	223,791	10,657	6,403,759
8.2 Amortization Payment of UAAL**	22,772,700	64,692	1,657,357	84,137	24,578,886
8.3 Net 3(8)(c) Transfers	1,158,351	2,756	36,746	2,147	1,200,000
8.4 Total = 8.1 + 8.2 + 8.3 + 8.4	30,095,539	72,271	1,917,894	96,941	32,182,645
Increase over prior year	5.778%	1.124%	9.326%	15.946%	6.000%
<b>FY2023 Appropriation</b>					
9.1 Employer Normal Cost, July 1	6,380,244	4,992	231,624	11,030	6,627,890
9.2 Amortization Payment of ERI	0	0	0	0	0
9.3 Amortization Payment of UAAL	24,354,102	69,184	1,772,449	89,980	26,285,715
9.4 Net 3(8)(c) Transfers	1,158,351	2,756	36,746	2,147	1,200,000
9.5 Total = 9.1 + 9.2 + 9.3 + 9.4	31,892,697	76,932	2,040,819	103,157	34,113,605
Increase over prior year	5.972%	6.449%	6.409%	6.412%	6.000%

**Notes:**

1. Actuarial Value of Plan Assets (5.4) is derived from allocation of assets, adjusted for City Pension Obligation Bond adjusted for investment returns through December 31, 2019.
2. FY2022 and FY2023 Appropriation is based on Funding Schedule B-4.
3. 2021 Employer Normal Cost (7.1) is the Employer Normal Cost as of January 1, 2020 (1.4), adjusted for payment timing. 2022 Employer Normal Cost (8.1) is based on 2020 Employer Normal Cost (7.1) increased by 3.5%.
- \*4. Amortization Payment of UAAL (7.3) equals fiscal year 2021 budgeted appropriation (7.5) developed in the January 1, 2018 actuarial valuation less Employer Normal Cost (7.1), amortization payment to ERI (7.2) and Net 3(8)(c) transfers (7.3).
- \*\*5. Amortization Payment of UAAL (8.3) is the total Amortization Payment of UAAL (8.3) allocated to each department in the proportion that the UAAL (6.1) less 2019 Amortization Payment of UAAL (7.3) bears to the total UAAL (6.1) less total Amortization Payment of UAAL (8.3).
- \*\*\*6. Adjusted from the amount reported in the 2018 valuation (\$1,614,328) to reflect actual cash flow from 2008, less proportionate share of administrative expenses.