PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

M E M O R A N D U M

TO: Brookline Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: October 7, 2024

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made bimonthly between July 1 and December 31 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 reflects a reduction in the investment return assumption from 6.90% to 6.80%.

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

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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 over prior year
2025	$7,307,785	$6,570	$29,775,502	$37,089,857	$173,231,820	- -
2026	7,588,981	6,866	32,405,564	40,001,411	153,723,184	7.85%
2027	7,880,948	7,175	35,253,399	43,141,522	130,124,564	7.85%
2028	8,184,098	7,497	38,336,536	46,528,131	101,929,039	7.85%
2029	8,498,857	7,835	41,673,897	50,180,589	68,576,803	7.85%
2030	8,825,666	8,187	29,930,283	38,764,136	29,450,101	-22.75%
2031	9,164,987	0	0	9,164,987	0	-76.36%

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 bimonthly between July 1 and December 31.
Item (2) reflects 3.5% 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.
Amortization payments calculated to increase at 4.5% per year for item (3).
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/losses.