

Town of Brookline Contributory Retirement System

Actuarial Valuation and Review as of January 1, 2022



This report has been prepared at the request of the Retirement Board to assist in administering the System. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Retirement Board and may only be provided to other parties in its entirety, unless expressly authorized by Segal. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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July 1, 2022

Retirement Board
Town of Brookline Contributory Retirement System
Stephen Glover Train Memorial Center, 11 Pierce Street
Brookline, MA 02445

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of January 1, 2022. It summarizes the actuarial data used in the valuation, analyzes the preceding two years' experience, and establishes the funding requirements for fiscal 2023 and later years.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Retirement System. The census information and financial information on which our calculations were based was prepared by the staff of the System. That assistance is gratefully acknowledged.

The actuarial calculations were directed under my supervision. I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board based upon our analysis and recommendations. In my opinion, the assumptions are reasonable and take into account the experience of the System and reasonable expectations.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,
Segal

A handwritten signature in blue ink, appearing to read "Kathleen Riley", written over a horizontal line.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report was prepared by Segal to present a valuation of the Town of Brookline Contributory Retirement System as of January 1, 2022. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to provide information for required disclosures under Governmental Accounting Standards Board (GASB) Statements No. 67 and 68. The measurements shown in this actuarial valuation may not be applicable for other purposes. In particular, the measures herein are not necessarily appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the System's benefit obligations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The contribution requirements presented in this report are based on:

- The benefit provisions of Massachusetts General Law Chapter 32;
- The characteristics of covered active participants, inactive participants, and retired participants and beneficiaries as of December 31, 2021, provided by the staff of the Retirement System;
- The assets of the System as of December 31, 2021, provided by the staff of the Retirement System;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions regarding employee terminations, retirement, death, etc.

Section 1: Actuarial Valuation Summary

Valuation highlights

- Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and the principal balance. The funding policy adopted by the Town of Brookline Contributory Retirement System meets this standard and funds the unfunded actuarial accrued liability by June 30, 2030.
- The funded ratio (the ratio of the actuarial value of assets to actuarial accrued liability) is 68.82%, compared to the prior year funded ratio of 59.60%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio is 78.45%, compared to 60.93% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of the System assets to cover the estimated cost of settling the System's benefit obligation or the need for or the amount of future contributions.
- The rate of return on the market value of assets was 11.97% and 21.73% for the Plan Years ended December 31, 2020 and December 31, 2021, respectively. The return on the actuarial value of assets was 9.01% and 12.03% for the Plan Years ended December 31, 2020 and December 31, 2021, respectively. This resulted in an actuarial gain when measured against the assumed rate of return of 7.20%.
- The actuarial value of assets as of December 31, 2021 was \$415.3 million, or 87.72% of the market value of assets of \$473.4 million reported in the Annual Statement. As of December 31, 2019, the actuarial value of assets was 97.83% of the market value.
- The investment experience in the past years has only been partially recognized in the actuarial value of assets. As the deferred net gain of \$58.1 million is recognized in future years, the cost of the System is likely to decrease unless the net gain is offset by future experience. This implies that earning the assumed rate of investment return (net of expenses) on a market value basis will result in investment gains on the actuarial value of assets in the next few years. The deferred investment gains are not recognized in the projection of the unfunded actuarial accrued liability in the funding schedule shown in *Section 2*.
- With this valuation we have changed the following assumptions:
 - The investment return assumption was lowered from 7.20% to 6.90%.
 - The mortality projection scale for future longevity improvement was updated from MP-2017 to MP-2021.
 - The administrative expense assumption was increased from \$460,000 for calendar year 2020 to \$550,000 for calendar year 2022.
 - The liability for anticipated net 3(8)(c) payments was revised from \$6.6 million to \$4.6 million.
- This valuation reflects an increase in the COLA base from \$13,000 to \$15,000 effective July 1, 2022.
- The unfunded liability was expected to decrease by \$14.8 million from \$227.9 million as of January 1, 2020 to \$213.1 million as of January 1, 2022. The actual unfunded liability as of January 1, 2022 is \$169.7 million, \$43.4 million less than expected. The

Section 1: Actuarial Valuation Summary

decrease is primarily due to the investment gain on an actuarial basis. Other sources of gains and losses are discussed in *Section 2*.

- In the funding schedule included in this report, the fiscal 2023 appropriation has been set equal to the previously budgeted amount of \$31,887,088. The funding schedule is projected to fully fund the System by June 30, 2030, if all assumptions are met and there are no changes in the plan of benefits or actuarial assumptions, with appropriations that increase 7.85% per year. The funding schedule included in the prior report also fully funded the System by June 30, 2030 with appropriations that increased 7.85% per year.
- Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the System's future financial condition, but have included a brief discussion of some risks that may affect the System in *Section 2*. A more detailed assessment would provide the Board with a better understanding of the inherent risks.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

		2022	2020
Contributions for year beginning July 1:	<ul style="list-style-type: none"> Actuarially determined contributions for fiscal year 2023 and 2021 Actuarially determined contributions for fiscal year 2024 and 2022 Actuarially determined contributions for fiscal year 2025 and 2023 	\$31,887,088 34,390,224 37,089,857	\$27,414,136 29,566,146 31,887,088
Actuarial accrued liability for plan year beginning January 1:	<ul style="list-style-type: none"> Retired participants and beneficiaries Inactive vested participants Active participants Inactive participants due a refund of employee contributions Total Normal cost including administrative expenses for plan year beginning January 1 	\$346,479,802 11,057,936 239,466,893 6,397,724 603,402,355 14,347,037	\$327,614,066 8,862,537 222,252,770 5,394,632 564,124,005 12,972,079
Assets for plan year beginning January 1:	<ul style="list-style-type: none"> Market value of assets (MVA) Actuarial value of assets (AVA) Actuarial value of assets as a percentage of market value of assets 	\$473,374,841 415,251,318 87.72%	\$343,710,343 336,243,386 97.83%
Funded status for plan year beginning January 1:	<ul style="list-style-type: none"> Unfunded actuarial accrued liability on market value of assets Funded percentage on MVA basis Unfunded actuarial accrued liability on actuarial value of assets Funded percentage on AVA basis 	\$130,027,514 78.45% \$188,151,037 68.82%	\$220,413,662 60.93% \$227,880,619 59.60%
Key assumptions:	<ul style="list-style-type: none"> Net investment return Inflation rate 	6.90% 3.50%	7.20% 3.50%
Demographic data for plan year beginning January 1:	<ul style="list-style-type: none"> Number of retired participants and beneficiaries Number of inactive vested participants Number of active participants Number of inactive participants due a refund of employee contributions Total payroll¹ Average payroll 	891 70 1,347 1,819 \$81,226,582 60,302	905 66 1,395 1,707 \$78,839,469 56,516

¹ Payroll figures are for the prior year and reflect annualized salaries for participants hired during the year. Calendar year 2021 payroll figures were increased by 7.24% for police, 2.38% for fire and 0.50% for all other employees to reflect unsettled bargaining contracts.

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the Town of Brookline Contributory Retirement System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the market value of assets as of the valuation date, as provided by the Town of Brookline Contributory Retirement System. The Town of Brookline Contributory Retirement System uses an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan’s assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results that does not mean that the previous assumptions were unreasonable.
Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The actuarial valuation is prepared at the request of the Town of Brookline Contributory Retirement System. Segal is not responsible for the use or misuse of its report, particularly by any other party.

An actuarial valuation is a measurement of the System's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the System will be determined by the actual benefits and expenses paid and the actual investment experience of the System.

Actuarial results in this report are not rounded, but that does not imply precision.

If the Town of Brookline Contributory Retirement System is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the System's provisions, but they may be subject to alternative interpretations. The Town of Brookline Contributory Retirement System should look to their other advisors for expertise in these areas.

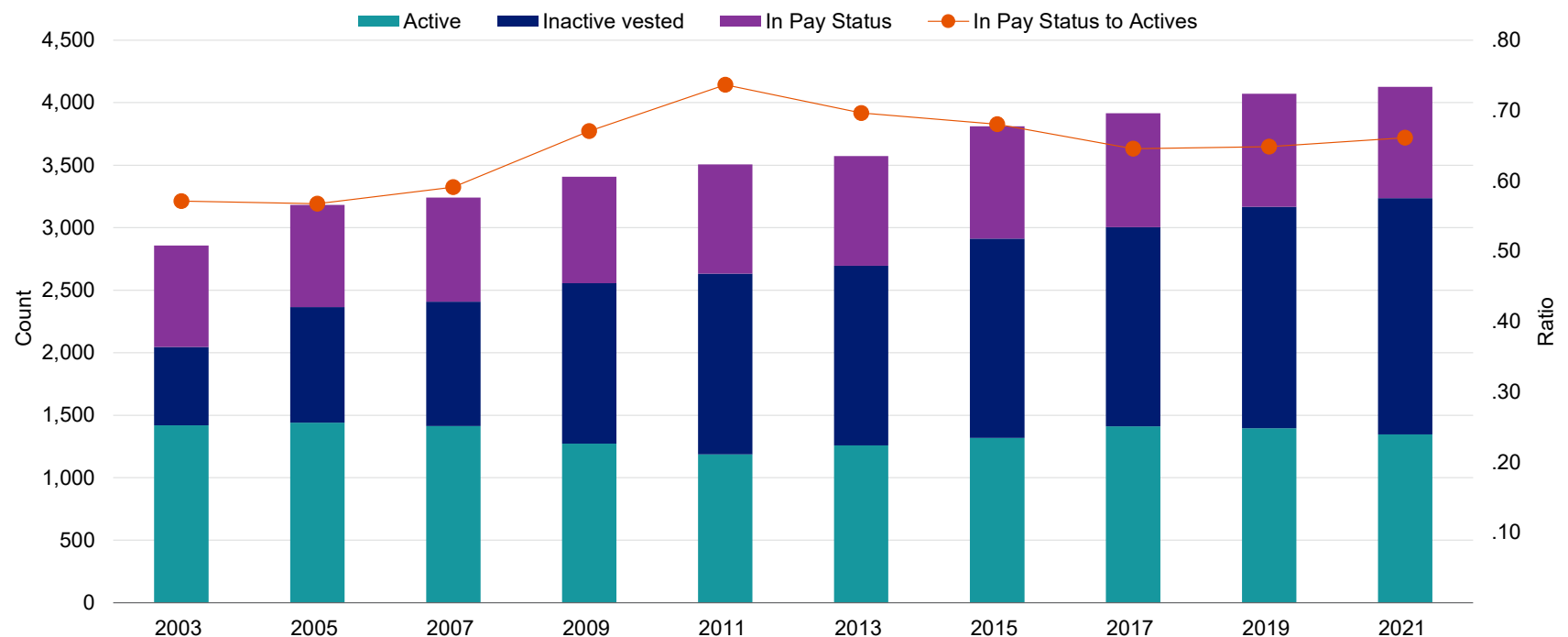
As Segal has no discretionary authority with respect to the management or assets of the System, it is not a fiduciary in its capacity as actuaries and consultants with respect to the System.

Section 2: Actuarial Valuation Results

Participant data

This section presents a summary of significant statistical data on covered participants.

Participant Population: 2003 – 2021



In Pay Status	811	817	835	853	875	877	897	911	905	891
Inactive Vested ¹	626	924	994	1,284	1,443	1,437	1,596	1,593	1,773	1,889
Active	1,420	1,440	1,413	1,272	1,188	1,259	1,318	1,411	1,395	1,347
Ratio	0.57	0.57	0.59	0.67	0.74	0.70	0.68	0.65	0.65	0.66

¹ Includes terminated participants due a refund of employee contributions

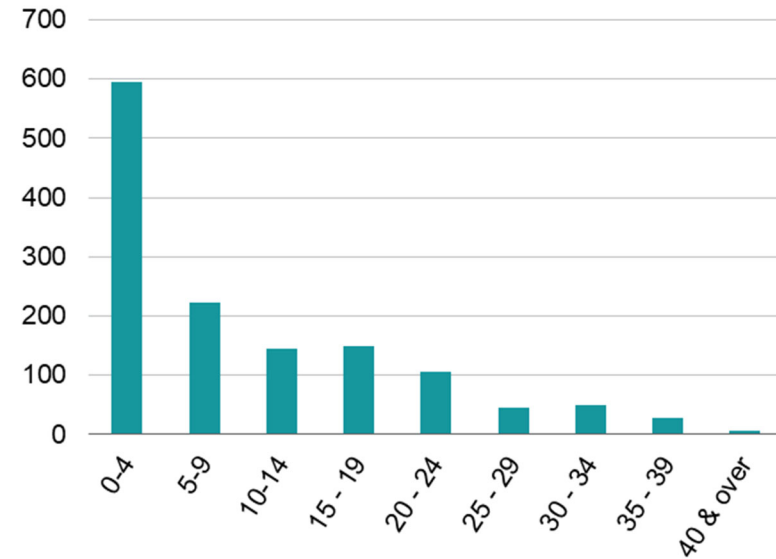
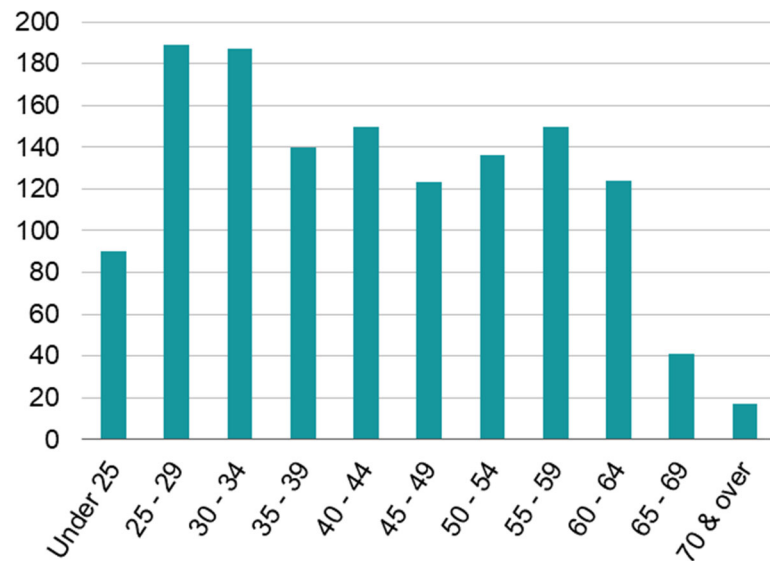
Section 2: Actuarial Valuation Results

Active participants

As of December 31,	2021	2019	Change
Active participants	1,347	1,395	-3.4%
Average age	43.2	42.5	0.7
Average years of service	10.1	9.7	0.4
Average compensation	\$60,302	\$56,516	6.7%

Among the active participants, there were none with unknown age and/or service information.

Distribution of Active Participants as of December 31, 2021
Actives by Age Actives by Years of Service



Inactive participants

In this year's valuation, there were 70 participants with a vested right to a deferred or immediate vested benefit and 1,819 participants entitled to a return of their employee contributions.

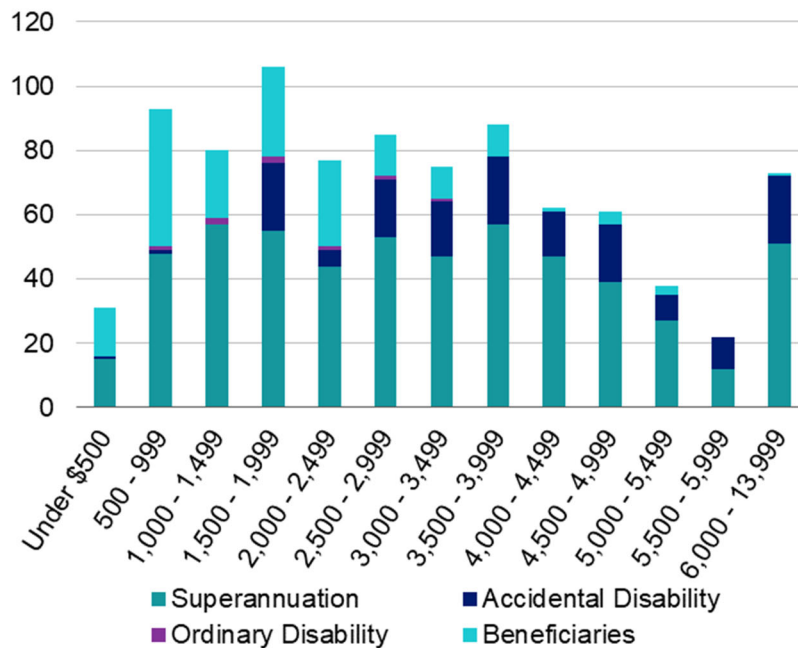
Section 2: Actuarial Valuation Results

Retired participants and beneficiaries

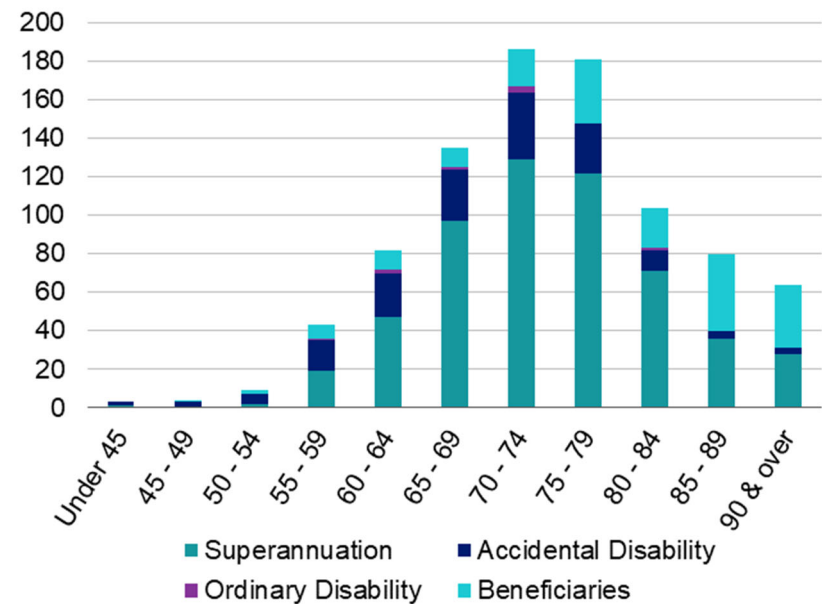
As of December 31,	2021	2019	Change
Retirees	715	724	-1.2%
Average age	74.2	73.8	0.4
Average amount	\$3,134	\$2,947	6.3%
Beneficiaries	176	181	-2.8%
Total monthly amount	\$2,792,204	\$2,666,994	4.7%

Distribution of Retired Participants and Beneficiaries as of December 31, 2021

By Type and Monthly Amount



By Type and Age



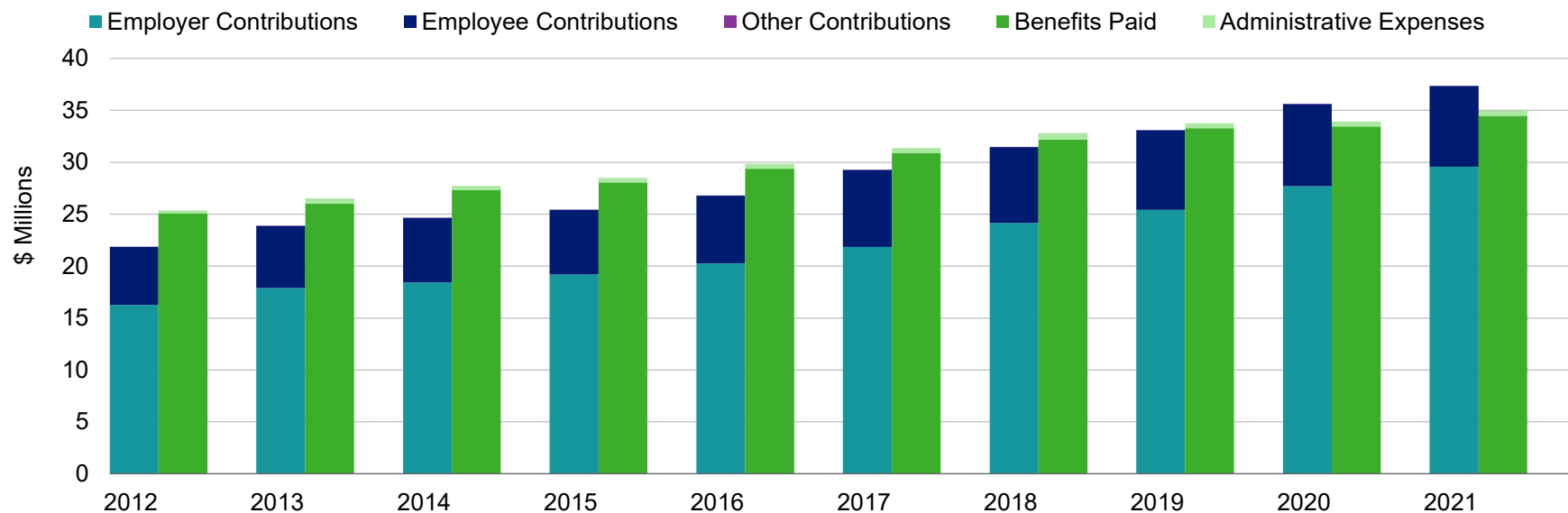
Section 2: Actuarial Valuation Results

Financial information

Retirement plan funding anticipates that, over the long term, both contributions (less administrative expenses) and investment earnings (less investment fees) will be needed to cover benefit payments. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of transactions for the valuation year, is presented in *Section 3, Exhibit C*.

Comparison of Contributions with Benefits and Expenses for Years Ended December 31, 2012 – 2021



Section 2: Actuarial Valuation Results

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Determination of Actuarial Value of Assets

			Year Ended	
			December 31, 2021	December 31, 2020
1	Market value of assets		\$473,374,841	\$386,665,691
2	Calculation of unrecognized return	Original Amount ¹	Percent Deferred	Unrecognized Amount ²
	(a) Year ended December 31, 2021	\$56,354,802	80%	\$45,083,842
	(b) Year ended December 31, 2020	16,423,975	60%	\$13,139,180
	(c) Year ended December 31, 2019	23,142,369	40%	13,885,422
	(d) Year ended December 31, 2018	-30,358,260	20%	-12,143,304
	(e) Year ended December 31, 2017	17,145,474	0%	<u>3,429,095</u>
	(f) Total unrecognized return			\$58,123,523
3	Preliminary actuarial value: (1) - (2f)			415,251,318
4	Adjustment to be within 10% corridor			0
5	Final actuarial value of assets: (3) + (4)			415,251,318
6	Actuarial value as a percentage of market value: (5) ÷ (1)			87.72%
7	Amount deferred for future recognition: (1) - (5)			\$58,123,523

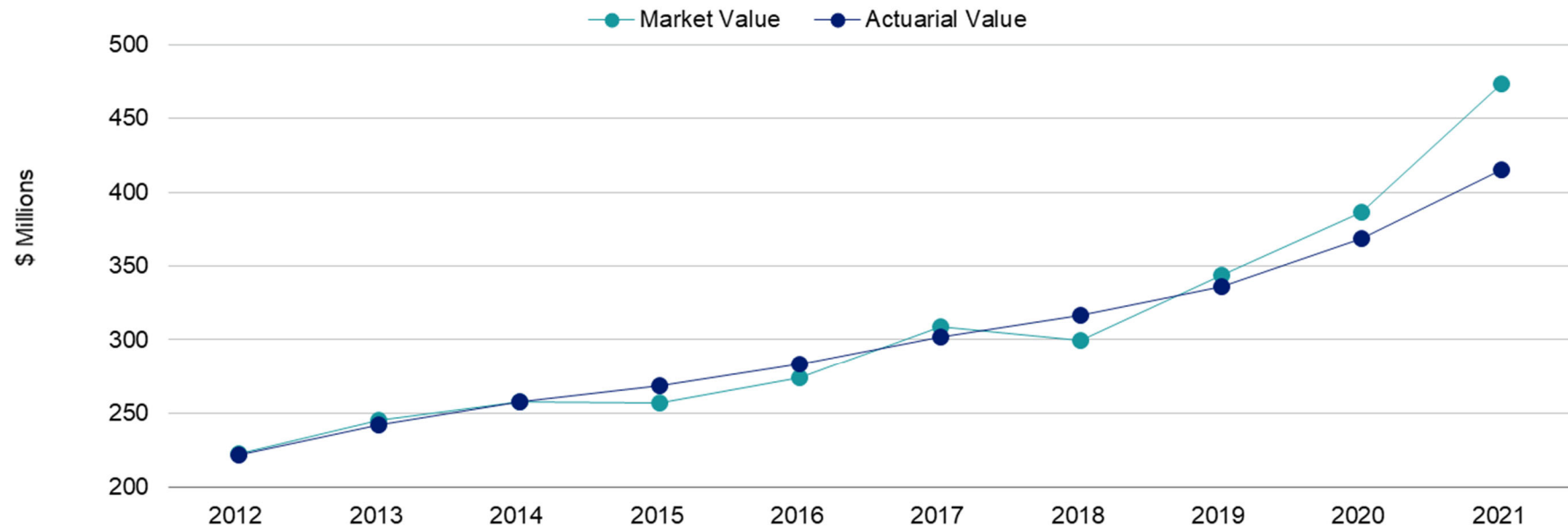
¹ Total return minus expected return on a market value basis.

² Recognition at 20% per year for five years.

Section 2: Actuarial Valuation Results

Both the actuarial value and market value of assets are representations of the System's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the System's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

Market Value of Assets vs. Actuarial Value of Assets



Market Value ¹	\$222.44	\$245.48	\$257.84	\$256.52	\$273.89	\$309.12	\$299.65	\$343.71	\$386.67	\$473.37
Actuarial Value ¹	222.18	241.75	257.23	268.10	282.84	302.19	316.58	336.24	368.36	415.25

¹ In \$ millions

Section 2: Actuarial Valuation Results

Actuarial experience

To calculate any actuarially determined contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), any contribution requirement will decrease from the previous year. On the other hand, any contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The net experience gain over the two-year period is \$43,409,075, which includes \$23,978,180 from investment gains and \$19,430,894 in gains from all other sources. The net experience variation from individual sources other than investments was 3.3% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

Actuarial Experience for Two-Year Period Ended December 31, 2021

1	Net gain from investments	\$23,978,180
2	Net loss from administrative expenses	-44,383
3	Net gain from other experience	<u>19,475,277</u>
4	Net experience gain: 1 + 2 + 3	\$43,409,075

Section 2: Actuarial Valuation Results

Investment experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Plan's investment policy. The rate of return on the market value of assets for the 2021 and 2020 plan years was 21.73% and 11.97%, respectively.

For valuation purposes, the assumed rate of return on the actuarial value of assets was 7.20% for the years ending December 31, 2021 and 2020. The actual rate of return on an actuarial basis was 12.03% and 9.01% for the 2021 and 2020 years, respectively. Since the actual return for the year was greater than the assumed return, the Plan experienced an actuarial gain during the two-year period ending December 31, 2021 with regard to its investments.

Based on this experience and future expectations, we have lowered the assumed rate of return from 7.20% to 6.90%.

Investment Experience

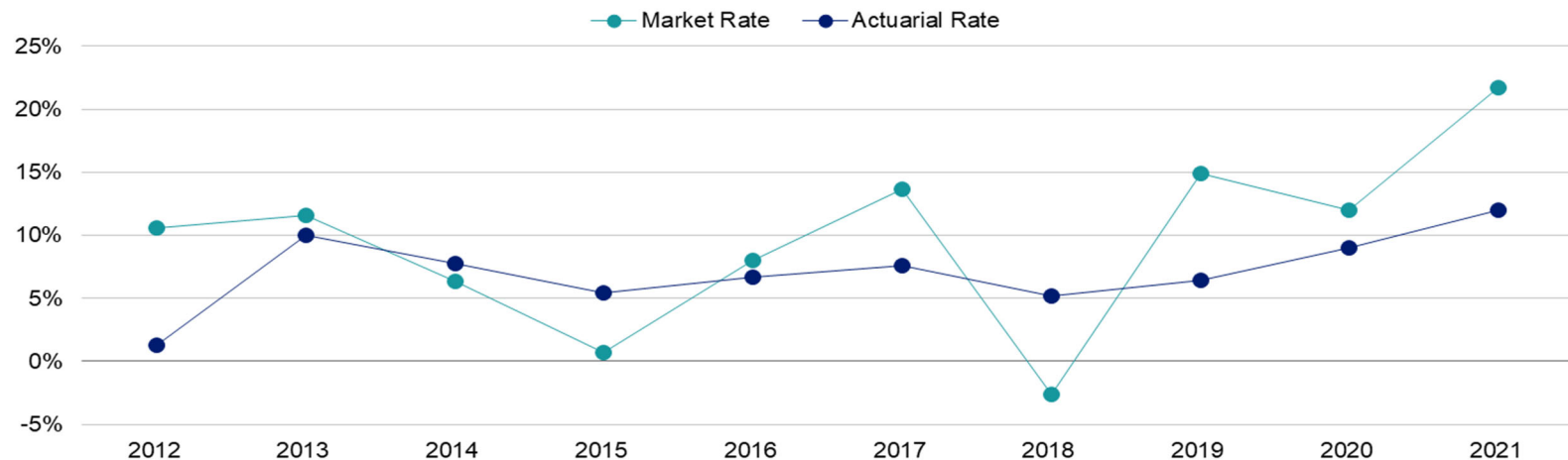
		Year Ended December 31, 2021		Year Ended December 31, 2020	
		Market Value	Actuarial Value	Market Value	Actuarial Value
1	Net investment income	\$84,282,105	\$44,468,976	\$41,233,120	\$30,389,684
2	Average value of assets	387,879,213	369,568,820	344,571,457	337,104,500
3	Rate of return: 1 ÷ 2	21.73%	12.03%	11.97%	9.01%
4	Assumed rate of return	7.20%	7.20%	7.40%	7.40%
5	Expected investment income: 2 x 4	\$27,927,303	\$26,608,955	\$24,809,145	\$24,271,524
6	Actuarial gain/(loss): 1 - 5	56,354,802	17,860,021	16,423,975	6,118,160

Section 2: Actuarial Valuation Results

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the actual market value investment return for the last ten years, including averages over select time periods.

As described earlier in this section, the actuarial asset valuation method gradually recognizes fluctuations in the market value rate of return. The goal of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

Market and Actuarial Rates of Return for Years Ended December 31, 2012 - 2021



■ Market rate	10.57%	11.60%	6.32%	0.68%	8.01%	13.68%	-2.64%	14.93%	11.97%	21.73%
■ Actuarial rate	1.30%	10.04%	7.72%	5.44%	6.68%	7.62%	5.21%	6.42%	9.01%	12.03%

Average Rates of Return	Actuarial Value	Market Value
Most recent five-year average return:	8.24%	11.77%
Most recent ten-year average return:	7.39%	9.33%

Section 2: Actuarial Valuation Results

Non-investment experience

Administrative expenses

Administrative expenses for the years ended December 31, 2020 and 2021 totaled \$493,426 and \$481,670, respectively, as compared to the assumption of \$460,000 for calendar year 2020 and \$476,010 for calendar year 2021. This resulted in a loss of \$44,383 for the two-year period, including an adjustment for interest. Based on information on expenses provided by the Retirement System, we have increased the assumption to \$550,000 for calendar year 2022.

Mortality experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.
- The average number of deaths for nondisabled pensioners over the past two years was 26.0 per year compared to 19.5 projected deaths per year. The average number of deaths for disabled pensioners over the past two years was 10.5 per year compared to 5.5 projected deaths per year. The number of deaths for beneficiaries over the past two years was 10.5 per year compared to 7.0 projected deaths per year.

Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among participants,
- retirement experience (earlier or later than projected),
- the number of disability retirements (more or fewer than projected), and
- salary increases (greater or smaller than projected).

The net gain from this other experience for the two-year period ending December 31, 2021 amounted to \$19,475,277.

Liability Changes Due to Demographic Experience for Two-Year Period Ended December 31, 2021

Gain due to salaries increasing less than expected for continuing actives	\$7,447,794
Gain due to change in net 3(8)(c) payments	1,639,882
Gain due to mortality experience among retired members and beneficiaries	2,710,870
Miscellaneous experience gain	<u>7,676,731</u>
Total	\$19,475,277

Section 2: Actuarial Valuation Results

Actuarial assumptions

The assumption changes reflected in this report are:

- The investment return assumption was lowered from 7.20% to 6.90%.
- The mortality projection scale for future longevity improvement was updated from MP-2017 to MP-2021.
- The administrative expense assumption was increased from \$460,000 for calendar year 2020 to \$550,000 for calendar year 2022.
- The liability for anticipated net 3(8)(c) payments was revised from \$6.6 million to \$4.6.

Changing these assumptions increased the unfunded liability by approximately \$13.6 million and the employer normal cost by approximately \$906,000.

Details on actuarial assumptions and methods are in *Section 4, Exhibit I*.

Plan provisions

The Board approved an increase in the COLA base from \$13,000 to \$15,000 effective July 1, 2022. This change increased the unfunded liability by approximately \$4.9 million and the employer normal cost by approximately \$109,000.

A summary of plan provisions is in *Section 4, Exhibit II*.

Section 2: Actuarial Valuation Results

Development of Unfunded Actuarial Accrued Liability

	Year Ended	
	December 31, 2021	December 31, 2020
1. Unfunded actuarial accrued liability at beginning of year	\$221,380,279	\$227,880,619
2. Normal cost at beginning of year	13,426,102	12,972,079
3. Total contributions	-37,389,222	-35,652,063
4. Interest on 1, 2 & 3	<u>15,687,702</u>	<u>16,179,644</u>
5. Expected unfunded/(overfunded) actuarial accrued liability	\$213,104,862	\$221,380,279
6. Changes due to:		
a. Net gain from investments	-\$23,978,180	- -
b. Net gain from other experience	-19,430,895	- -
c. Changes in assumptions	13,552,703	- -
d. Change in plan provisions	<u>4,902,547</u>	- -
Total changes	<u>-\$24,953,825</u>	- -
7. Unfunded/(overfunded) actuarial accrued liability at end of year	\$188,151,037	- -

Section 2: Actuarial Valuation Results

Actuarially determined contribution

The Actuarially Determined Contribution is equal to the employer normal cost payment and a payment on the unfunded actuarial accrued liability. For fiscal 2023, the Actuarially Determined Contribution has been set equal to the previously budgeted amount of \$31,887,088. The detail of the Actuarially Determined Contribution is shown below.

The funding schedule is projected to fully fund the System by June 30, 2030, if all assumptions are met and there are no changes in the plan of benefits or actuarial assumptions, with appropriations that increase 7.85% per year. The funding schedule included in the prior report also fully funded the System by June 30, 2030 with appropriations that increased 7.85% per year.

Actuarially Determined Contribution for Year Beginning January 1

	2022		2020	
	Amount	% of Projected Payroll	Amount	% of Projected Payroll
1 Total normal cost	\$13,797,037	16.30%	\$12,512,079	15.24%
2 Administrative expense assumption	550,000	0.65%	460,000	0.56%
3 Expected employee contributions	<u>-8,409,312</u>	<u>-9.94%</u>	<u>-8,085,723</u>	<u>-9.85%</u>
4 Employer normal cost: (1) + (2) + (3)	\$5,937,725	7.02%	\$4,886,356	5.95%
5 Actuarial accrued liability	603,402,355		564,124,005	
6 Actuarial value of assets	<u>415,251,318</u>		<u>336,243,386</u>	
7 Unfunded actuarial accrued liability: (5) - (6)	\$188,151,037		\$227,880,619	
8 Employer normal cost projected to July 1, 2022 and 2020, adjusted for timing	6,142,352	7.13%	5,058,293	6.05%
9 Projected unfunded actuarial accrued liability	194,533,979		235,941,743	
10 Payment on unfunded actuarial accrued liability, adjusted for timing	<u>25,744,736</u>	<u>29.90%</u>	<u>22,355,843</u>	<u>26.76%</u>
11 Actuarially determined contribution: (8) + (10)	\$31,887,088	37.04%	\$27,414,136	32.81%
12 Projected payroll	86,094,234		83,549,044	

Notes:

Actuarially Determined Contributions are assumed to be paid bimonthly between July 1 and December 31.

Actuarially Determined Contributions are set equal to the budgeted amounts determined with the prior valuation.

Section 2: Actuarial Valuation Results

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 Accrued Liability at Beginning of Fiscal Year	(7) Percent increase in ADC over prior year
2023	\$6,142,352	\$6,034	\$25,738,702	\$31,887,088	\$194,533,979	--
2024	6,379,492	6,306	28,004,426	34,390,224	180,890,970	7.85%
2025	6,625,743	6,590	30,457,524	37,089,857	163,924,316	7.85%
2026	6,881,451	6,886	33,113,074	40,001,411	143,207,683	7.85%
2027	7,146,980	7,196	35,987,346	43,141,522	118,269,469	7.85%
2028	7,422,704	7,520	39,097,907	46,528,131	88,588,424	7.85%
2029	7,709,014	7,858	42,463,717	50,180,589	53,588,864	7.85%
2030	8,006,313	8,212	12,839,776	20,854,301	12,635,449	-58.44%
2031	8,315,023	0	0	8,315,023	0	-60.13%

Notes:

Actuarially Determined Contribution for fiscal year 2023 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 morality 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 or losses.

Section 2: Actuarial Valuation Results

Risk

Since the actuarial valuation results are dependent on a given set of assumptions and data as of a specific date, there is a risk that emerging results may differ significantly as actual experience differs from the assumptions.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a brief discussion of some risks that may affect the Plan. We recommend a more detailed assessment to provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling.

- Investment Risk (the risk that returns will be different than expected)

The market value rate of return over the last 10 years has ranged from a low of -2.64% to a high of 21.73%.

As an illustration of the sensitivity of future employer contributions to investment volatility, we have estimated the impact of a 0% return in 2022 on the funding schedule that would be developed with the next valuation. Because the actuarial value of assets is used, only 40% of the 2022 investment loss will be recognized as of January 1, 2024. If all assumptions other than the investment return assumption for 2022 are met, we estimate that the funding schedule included in next year's valuation report will reflect appropriations that increase 7.85% per year, with a 13.96% reduced payment in 2030 compared with a 58.44% reduced payment if the current investment return assumption is met. Please note that this estimate assumes that any deferred investment losses as of January 1, 2024 are not recognized in the projection of the unfunded actuarial accrued liability in the funding schedule.

- Longevity Risk (the risk that mortality experience will be different than expected)

The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the actuarially determined contribution.

- Contribution Risk (the risk that actual contributions will be different from actuarially determined contribution)

Massachusetts General Law Chapter 32 requires payment of the actuarially determined contribution. If future experience matches current assumptions, we project the unfunded actuarial accrued liability will be paid off in ten years.

- Demographic Risk (the risk that participant experience will be different than assumed)

Examples of this risk include:

- Actual retirements occurring earlier or later than assumed.
- More or less active participant turnover than assumed.
- Disability experience greater or less than expected.
- Salary increases greater or less than expected.

Section 2: Actuarial Valuation Results

- Actual Experience and Implications for the Future

Past experience can help demonstrate the sensitivity of key results to the Plan's actual experience. Over the past ten years:

The investment gain(loss) on a market value basis for a year has ranged from a loss of \$30.4 million to a gain of \$56.4 million.

The non-investment gain(loss) for a year has ranged from a loss of \$0.9 million to a gain of \$19.4 million.

The funded percentage on the actuarial value of assets has ranged from a low of 55.4% to a high of 68.8% as of January 1, 2022.

- Maturity Measures

As pension plans mature, the cash need to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Plan's asset allocation is aligned to meet emerging pension liabilities.

In 2021, benefits and expenses paid were \$2,427,045 less than contributions received. In future years, cash may be needed from the investment portfolio to meet benefit payments.

Section 3: Supplemental Information

Exhibit A: Table of Plan Demographics

Category	Year Ended December 31		Change From Prior Year
	2021	2019	
Active participants in valuation:			
• Number	1,347	1,395	-3.4%
• Average age	43.2	42.5	0.7
• Average years of service	10.1	9.7	0.4
• Total payroll¹	\$81,226,582	\$78,839,469	3.0%
• Average payroll	60,302	56,516	6.7%
• Account balances	73,627,797	70,853,743	3.9%
Inactive vested participants:			
Inactive participants with a vested right to a deferred or immediate benefit	70	66	6.1%
Inactive participants due a refund of employee contributions	1,819	1,707	6.6%
Retired participants:			
• Number in pay status	549	545	0.7%
• Average age	74.1	73.9	0.2
• Average monthly benefit	\$3,287	\$3,108	5.6%
Disabled participants:			
• Number in pay status	166	179	-7.3%
• Average age	68.6	68.2	0.4
• Average monthly benefit	\$4,014	\$3,636	10.4%
Beneficiaries:			
• Number in pay status	176	181	-2.8%
• Average age	79.6	79.4	0.2
• Average monthly benefit	\$1,827	\$1,780	2.6%

¹ Payroll figures are for the prior year and reflect annualized salaries for participants hired during the year. Calendar year 2021 payroll figures were increased by 7.24% for police, 2.38% for fire and 0.50% for all other employees to reflect unsettled bargaining contracts.

Section 3: Supplemental Information

Exhibit B: Participants in Active Service as of December 31, 2021 by Age, Years of Service, and Average Payroll

Age	Years of Service									
	Total	0-4	5-9	10-14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over
Under 25	90	89	1	--	--	--	--	--	--	--
	\$31,392	\$31,381	\$32,374	--	--	--	--	--	--	--
25 - 29	189	168	20	1	--	--	--	--	--	--
	\$41,899	\$39,858	\$57,204	\$78,718	--	--	--	--	--	--
30 - 34	187	111	60	15	1	--	--	--	--	--
	\$54,087	\$45,147	\$65,661	\$74,371	\$47,742	--	--	--	--	--
35 - 39	140	56	42	30	12	--	--	--	--	--
	\$64,312	\$50,034	\$66,692	\$75,199	\$95,390	--	--	--	--	--
40 - 44	150	44	24	30	36	16	--	--	--	--
	\$70,179	\$49,112	\$55,324	\$78,353	\$86,356	\$98,673	--	--	--	--
45 - 49	123	46	19	10	28	17	3	--	--	--
	\$66,833	\$44,616	\$46,993	\$81,179	\$91,908	\$94,883	\$92,330	--	--	--
50 - 54	136	26	15	17	23	30	15	9	1	--
	\$76,219	\$44,410	\$47,011	\$62,685	\$86,058	\$96,014	\$103,272	\$103,223	\$102,440	--
55 - 59	150	28	24	18	20	19	14	20	7	--
	\$68,953	\$51,149	\$50,275	\$57,961	\$64,557	\$72,787	\$90,619	\$102,330	\$95,943	--
60 - 64	124	21	12	12	23	15	8	14	17	2
	\$70,910	\$52,208	\$59,949	\$53,081	\$56,691	\$66,300	\$82,784	\$77,726	\$109,894	\$211,532
65 - 69	41	5	3	8	7	8	3	3	2	2
	\$51,872	\$16,449	\$43,796	\$46,723	\$53,204	\$57,052	\$85,568	\$50,411	\$70,960	\$80,306
70 & over	17	1	2	4	--	1	3	4	--	2
	\$58,171	\$49,579	\$41,247	\$60,948	--	\$71,069	\$50,675	\$72,049	--	\$50,874
Total	1,347	595	222	145	150	106	46	50	27	6
	\$60,302	\$42,572	\$58,481	\$68,801	\$78,810	\$84,690	\$90,559	\$90,064	\$103,117	\$114,237

Section 3: Supplemental Information

Exhibit C: Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended December 31, 2021	Year Ended December 31, 2020
Net assets at market value at the beginning of the year	\$386,665,691	\$343,710,343
Contribution income:		
• Employer contributions	\$29,566,146	\$27,714,136
• Employee contributions	7,787,028	7,903,401
• Other contributions	36,048	34,526
• Less administrative expenses	<u>-481,670</u>	<u>-493,426</u>
<i>Net contribution income</i>	\$36,907,552	\$35,158,638
<i>Net investment income</i>	<u>\$84,282,105</u>	<u>\$41,233,120</u>
Total income available for benefits	\$121,189,657	\$76,391,758
Less benefit payments:		
• Pensions	<u>-\$34,109,008</u>	<u>-\$33,394,015</u>
• Net 3(8)(c) reimbursements	<u>-371,499</u>	<u>-42,395</u>
<i>Net benefit payments</i>	<u>-\$34,480,507</u>	<u>-\$33,436,410</u>
Change in reserve for future benefits	\$86,709,150	\$42,955,348
Net assets at market value at the end of the year	\$473,374,841	\$386,665,691

Section 3: Supplemental Information

Exhibit D: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Actuarial Accrued Liability for Actives:	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial Accrued Liability for Retirees and Beneficiaries:	Actuarial Present Value of lifetime benefits to existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial Cost Method:	A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the actuarially determined contribution.
Actuarial Gain or Loss:	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield actuarial liabilities that are larger than projected.
Actuarially Equivalent:	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV):	<p>The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is:</p> <p>Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.)</p> <p>Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and</p> <p>Discounted according to an assumed rate (or rates) of return to reflect the time value of money.</p>
Actuarial Present Value of Future Benefits:	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund of member contributions or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.

Section 3: Supplemental Information

Actuarial Valuation:	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan, as well as Actuarially Determined Contributions.
Actuarial Value of Assets (AVA):	The value of the Plan's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the Actuarially Determined Contribution.
Actuarially Determined:	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the Plan.
Actuarially Determined Contribution (ADC):	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment.
Amortization Method:	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization Payment:	The portion of the pension plan contribution, or ADC, that is intended to pay off the Unfunded Actuarial Accrued Liability.
Assumptions or Actuarial Assumptions:	The estimates upon which the cost of the Plan is calculated, including: <u>Investment return</u> - the rate of investment yield that the Plan will earn over the long-term future; <u>Mortality rates</u> - the rate or probability of death at a given age for employees and retirees; <u>Retirement rates</u> - the rate or probability of retirement at a given age or service; <u>Disability rates</u> - the rate or probability of disability retirement at a given age; <u>Withdrawal rates</u> - the rate or probability at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; <u>Salary increase rates</u> - the rates of salary increase due to inflation, real wage growth and merit and promotion increases.
Closed Amortization Period:	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See Open Amortization Period.
Decrements:	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.

Section 3: Supplemental Information

Defined Benefit Plan:	A retirement plan in which benefits are defined by a formula based on the member's compensation, age and/or years of service.
Defined Contribution Plan:	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
Employer Normal Cost:	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Experience Study:	A periodic review and analysis of the actual experience of the Plan that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified based on recommendations from the Actuary.
Funded Ratio:	The ratio of the Actuarial Value of Assets (AVA) to the Actuarial Accrued Liability (AAL). Plans sometimes also calculate a market funded ratio, using the Market Value of Assets (MVA), rather than the AVA.
GASB 67 and GASB 68:	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
Investment Return:	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Net Pension Liability (NPL):	The Net Pension Liability is equal to the Total Pension Liability minus the Plan Fiduciary Net Position.
Normal Cost:	The portion of the Actuarial Present Value of Future Benefits and expenses allocated to a valuation year by the Actuarial Cost Method. Any payment with respect to an Unfunded Actuarial Accrued Liability is not part of the Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of member contributions and employer Normal Cost unless otherwise specifically stated.
Open Amortization Period:	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in each future year in determining the Amortization Period.
Plan Fiduciary Net Position:	Market value of assets.
Total Pension Liability (TPL):	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.

Section 3: Supplemental Information

Unfunded Actuarial Accrued Liability:	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus or an Overfunded Actuarial Accrued Liability.
Valuation Date or Actuarial Valuation Date:	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Benefits is determined. The expected benefits to be paid in the future are discounted to this date.

Section 4: Actuarial Valuation Basis

Exhibit I: Actuarial Assumptions and Actuarial Cost Method

Net Investment Return:	6.90% (previously, 7.20%) The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the Plan's target asset allocation.
Salary Increases:	4.50% for Groups 1 and 2 and 4.75% for Group 4, with an allowance for inflation of 3.5% per year The salary scale assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment.
Interest on Employee Contributions:	3.5%
Administrative Expenses:	\$550,000 for calendar 2022, increasing by 3.5% per year (previously, \$460,000 for calendar 2020, increasing by 3.5% per year) The administrative expense assumption is based on information on expected expenses provided by the Retirement System.
Mortality Rates:	<p><i>Pre-Retirement:</i> RP-2014 Blue Collar Employee Mortality Table projected generationally using Scale MP-2021 (previously, projected generationally using Scale MP-2017)</p> <p><i>Healthy Retiree:</i> RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using scale MP-2021 (previously, projected generationally using Scale MP-2017)</p> <p><i>Disabled Retiree:</i> RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2021 (previously, projected generationally using Scale MP-2017)</p> <p>The underlying tables with generational projection to the ages of participants as of the measurement date reasonably reflect the mortality experience of the plan as of the measurement date based on historical and current demographic data. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumption over the most recent ten years. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.</p>

Section 4: Actuarial Valuation Basis

Termination Rates before Retirement:

Age	Groups 1 and 2 - Rate (%)		
	Mortality		
	Male	Female	Disability
20	0.05	0.02	0.01
25	0.06	0.02	0.02
30	0.06	0.02	0.03
35	0.07	0.03	0.06
40	0.08	0.04	0.10
45	0.13	0.07	0.15
50	0.22	0.12	0.19
55	0.36	0.19	0.24
60	0.61	0.27	0.28

Notes:

Mortality rates do not reflect generational projection.

55% of the disability rates shown represent accidental disability.

20% of the accidental disabilities will die from the same cause as the disability.

55% of the death rates shown represent accidental death.

Section 4: Actuarial Valuation Basis

Age	Group 4 - Rate (%)		
	Mortality		Disability
	Male	Female	
20	0.05	0.02	0.10
25	0.06	0.02	0.20
30	0.06	0.02	0.30
35	0.07	0.03	0.30
40	0.08	0.04	0.30
45	0.13	0.07	1.00
50	0.22	0.12	1.25
55	0.36	0.19	1.20
60	0.61	0.27	0.85

Notes:

Mortality rates do not reflect generational projection.

90% of the disability rates shown represent accidental disability.

60% of the accidental disabilities will die from the same cause as the disability.

90% of the death rates shown represent accidental death.

Section 4: Actuarial Valuation Basis

Withdrawal Rates:

Rate per year (%)			
Years of Service	Groups 1 and 2	Years of Service	Group 4
0	15.0	0 – 10	1.5
1	12.0	11+	0.0
2	10.0		
3	9.0		
4	8.0		
5 – 9	7.6		
10 – 14	5.4		
15 – 19	3.3		
20 – 24	2.0		
25 - 29	1.0		
30+	0.0		

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect economic conditions of the area and estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent ten years.

Section 4: Actuarial Valuation Basis

Retirement Rates:	Rate per year (%)	
	Age	Groups 1 and 2 Group 4
	55	5.0 15.0
	56 – 58	2.5 10.0
	59	2.5 15.0
	60	10.0 20.0
	61	15.0 20.0
	62 - 63	10.0 25.0
	64	10.0 30.0
	65	40.0 100.0
	66 - 67	25.0
	68 - 69	30.0
	70	100.0
The retirement rates were based on historical and current demographic data, adjusted to reflect economic conditions of the area and estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumptions over the past ten years.		
Retirement Rates for Inactive Vested Participants:	Age 60 for Group 1 participants and age 55 for Group 2 and Group 4 participants hired prior to April 2, 2012. For participants hired April 2, 2012 or later, 60 for Group 1, 55 for Group 2 and 50 for Group 4. The retirement age for inactive vested participants was based on historical and current demographic data, adjusted to reflect economic conditions of the area and estimated future experience and professional judgment.	
Unknown Data for Participants:	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.	
Family Composition:	80% of participants are assumed to be married. None are assumed to have dependent children. Females are assumed to be three years younger than their male spouses.	
Benefit Election:	All participants are assumed to elect Option A. The benefit election reflects the fact that all benefit options are actuarially equivalent.	
2021 Salary:	Payroll figures are for the prior year and reflect annualized salaries for participants hired during the year. Calendar year 2021 payroll figures were increased by 7.24% for police, 2.38% for fire and 0.50% for all other employees to reflect unsettled bargaining contracts.	

Section 4: Actuarial Valuation Basis

Total Service:	Total creditable service reported in the data.
Net 3(8)(c) Liability:	Estimated liability of \$4.6 million based on the average annual net 3(8)(c) benefits of the prior two years and the average characteristics of retired participants and beneficiaries (previously, \$6.6 million).
Actuarial Value of Assets:	Market value of assets as reported in the System's Annual Statement less unrecognized return in each of the last five years. Unrecognized return is equal to the difference between the actual market value return and the expected market value return and is recognized over a five-year period, further adjusted, if necessary, to be within 10% of the market value.
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method. Entry Age is the attained age of the participant less Total Service as defined above. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary. Normal Cost is determined using the plan of benefits applicable to each participant.
Justification for Change in Actuarial Assumptions:	<p>Based on past experience and future expectations, the following actuarial assumptions were changed as of January 1, 2022:</p> <ul style="list-style-type: none">• The investment return assumption was lowered from 7.20% to 6.90%.• With this valuation, the administrative expense assumption was increased from \$460,000 for calendar year 2020 to \$550,000 for calendar year 2022.• The mortality projection scale for future longevity improvement was updated from MP-2017 to MP-2021.• The liability for anticipated net 3(8)(c) payments was revised from \$6.6 million to \$4.6 million.

Section 4: Actuarial Valuation Basis

Exhibit II: Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	January 1 through December 31																																																							
Plan Status:	Ongoing																																																							
Retirement Benefits:	<p>Employees covered by the Contributory Retirement Law are classified into one of four groups depending on job classification. Group 1 comprises most positions in state and local government. It is the general category of public employees. Group 4 comprises mainly police and firefighters. Group 2 is for other specified hazardous occupations. (Officers and inspectors of the State Police are classified as Group 3.)</p> <p>For employees hired prior to April 2, 2012, the annual amount of the retirement allowance is based on the member's final three-year average salary multiplied by the number of years and full months of creditable service at the time of retirement and multiplied by a percentage according to the following table based on the age of the member at retirement:</p> <table><tr><th colspan="4">Age Last Birthday at Date of Retirement</th></tr><tr><th>Percent</th><th>Group 1</th><th>Group 2</th><th>Group 4</th></tr><tr><td>2.5</td><td>65 or over</td><td>60 or over</td><td>55 or over</td></tr><tr><td>2.4</td><td>64</td><td>59</td><td>54</td></tr><tr><td>2.3</td><td>63</td><td>58</td><td>53</td></tr><tr><td>2.2</td><td>62</td><td>57</td><td>52</td></tr><tr><td>2.1</td><td>61</td><td>56</td><td>51</td></tr><tr><td>2.0</td><td>60</td><td>55</td><td>50</td></tr><tr><td>1.9</td><td>59</td><td>--</td><td>49</td></tr><tr><td>1.8</td><td>58</td><td>--</td><td>48</td></tr><tr><td>1.7</td><td>57</td><td>--</td><td>47</td></tr><tr><td>1.6</td><td>56</td><td>--</td><td>46</td></tr><tr><td>1.5</td><td>55</td><td>--</td><td>45</td></tr></table> <p>A member's final three-year average salary is defined as the greater of the highest consecutive three-year average annual rate of regular compensation and the average annual rate of regular compensation received during the last three years of creditable service prior to retirement.</p> <p>For employees hired on April 2, 2012 or later, the annual amount of the retirement allowance is based on the member's final five-year average salary multiplied by the number of years and full months of creditable service at the time of</p>				Age Last Birthday at Date of Retirement				Percent	Group 1	Group 2	Group 4	2.5	65 or over	60 or over	55 or over	2.4	64	59	54	2.3	63	58	53	2.2	62	57	52	2.1	61	56	51	2.0	60	55	50	1.9	59	--	49	1.8	58	--	48	1.7	57	--	47	1.6	56	--	46	1.5	55	--	45
Age Last Birthday at Date of Retirement																																																								
Percent	Group 1	Group 2	Group 4																																																					
2.5	65 or over	60 or over	55 or over																																																					
2.4	64	59	54																																																					
2.3	63	58	53																																																					
2.2	62	57	52																																																					
2.1	61	56	51																																																					
2.0	60	55	50																																																					
1.9	59	--	49																																																					
1.8	58	--	48																																																					
1.7	57	--	47																																																					
1.6	56	--	46																																																					
1.5	55	--	45																																																					

Section 4: Actuarial Valuation Basis

retirement and multiplied by a percentage according to the following tables based on the age and years of creditable service of the member at retirement:

For members with less than 30 years of creditable service:

Age Last Birthday at Date of Retirement

Percent	Group 1	Group 2	Group 4
2.50	67 or over	62 or over	57 or over
2.35	66	61	56
2.20	65	60	55
2.05	64	59	54
1.90	63	58	53
1.75	62	57	52
1.60	61	56	51
1.45	60	55	50

For members with 30 years of creditable service or greater:

Age Last Birthday at Date of Retirement

Percent	Group 1	Group 2	Group 4
2.500	67 or over	62 or over	57 or over
2.375	66	61	56
2.250	65	60	55
2.125	64	59	54
2.000	63	58	53
1.875	62	57	52
1.750	61	56	51
1.625	60	55	50

A member's final five-year average salary is defined as the greater of the highest consecutive five-year average annual rate of regular compensation and the average annual rate of regular compensation received during the last five years of creditable service prior to retirement.

Section 4: Actuarial Valuation Basis

For employees who became members after January 1, 2011, regular compensation is limited to 64% of the federal limit found in 26 U.S.C. 401(a)(17). In addition, regular compensation for members who retire after April 2, 2012 will be limited to prohibit “spiking” of a member’s salary to increase the retirement benefit.

For all employees, the maximum annual amount of the retirement allowance is 80 percent of the member’s final average salary. Any member who is a veteran also receives an additional yearly retirement allowance of \$15 per year of creditable service, not exceeding \$300. The veteran allowance is paid in addition to the 80 percent maximum.

Employee Contributions:

Date of Hire	Contribution Rate
Prior to January 1, 1975	5%
January 1, 1975 – December 31, 1983	7%
January 1, 1984 – June 30, 1996	8%
July 1, 1996 onward	9%

In addition, employees hired after December 31, 1978 contribute an additional 2 percent of salary in excess of \$30,000. Employees hired after 1983 who voluntarily withdraw their contributions with less than 10 ten years of credited service receive 3% interest on their contributions.

Employees in Group 1 hired on or after April 2, 2012 with 30 years of creditable service or greater will pay a base contribution rate of 6%.

Retirement Benefits (Superannuation):

Members of Group 1, 2 or 4 hired prior to April 2, 2012 may retire upon the attainment of age 55. For retirement at ages below 55, twenty years of creditable service is required.

Members hired prior to April 2, 2012 who terminate before age 55 with ten or more years of creditable service are eligible for a retirement allowance upon the attainment of age 55 (provided they have not withdrawn their accumulated deductions from the Annuity Savings Fund of the System).

Members of Group 1 hired April 2, 2012 or later may retire upon the attainment of age 60. Members of Group 2 or 4 hired April 2, 2012 or later may retire upon the attainment of age 55. Members of Group 4 may retire upon attainment of age 50 with ten years of creditable service.

Members hired April 2, 2012 or later who terminate before age 55 (60 for members of Group 1) with ten or more years of creditable service are eligible for a retirement allowance upon the attainment of age 55 (60 for members of Group 1) provided they have not withdrawn their accumulated deductions from the Annuity Savings Fund of the System.

Ordinary Disability Benefit:

A member who is unable to perform his or her job due to a non-occupational disability will receive a retirement allowance if he or she has ten or more years of creditable service and has not reached age 55. The annual amount of such allowance shall be determined as if the member retired for superannuation at age 55 (age 60 for Group 1 members hired on or after April 2, 2012), based on the amount of creditable service at the date of disability. For veterans, there is a minimum benefit of 50 percent of the member’s most recent year’s pay plus an annuity based on his or her own contributions.

Section 4: Actuarial Valuation Basis

Accidental Disability Benefit:	For a job-connected disability, the benefit is 72 percent of the member's most recent annual pay plus an annuity based on his or her own contributions, plus additional amounts for surviving children. Benefits are capped at 75 percent of annual rate of regular compensation for employees who become members after January 1, 1988.
Death Benefits:	<p>In general, the beneficiary of an employee who dies in active service will receive a refund of the employee's own contributions. Alternatively, if the employee were eligible to retire on the date of death, a spouse's benefit will be paid equal to the amount the employee would have received under Option C. The surviving spouse of a member who dies with two or more years of credited service has the option of a refund of the employee's contributions or a monthly benefit regardless of eligibility to retire, if they were married for at least one year. There is also a minimum widow's pension of \$250 per month, and there are additional amounts for surviving children.</p> <p>If an employee's death is job-connected, the spouse will receive 72 percent of the member's most recent annual pay, in addition to a refund of the member's accumulated deductions, plus additional amounts for surviving children. However, in accordance with Section 100 of Chapter 32, the surviving spouse of a police officer, firefighter or corrections officer is killed in the line of duty will be eligible to receive an annual benefit equal to the maximum salary held by the member at the time of death.</p> <p>Upon the death of a job-connected disability retiree who retired prior to November 7, 1996 and could not elect an Option C benefit, a surviving spouse will receive an allowance of \$6,000 per year if the member dies for a reason unrelated to cause of disability.</p>
"Heart And Lung Law" And Cancer Presumption:	Any case of hypertension or heart disease resulting in total or partial disability or death to a uniformed fireman, permanent member of a police department, or certain employees of a county correctional facility is presumed to have been suffered in the line of duty, unless the contrary is shown by competent evidence. Any case of disease of the lungs or respiratory tract resulting in total disability or death to a uniformed fireman is presumed to have been suffered in the line of duty, unless the contrary is shown by competent evidence. There is an additional presumption for uniformed firemen that certain types of cancer are job-related if onset occurs while actively employed or within five years of retirement.
Options:	Members may elect to receive a full retirement allowance payable for life under Option A. Under Option B a member may elect to receive a lower monthly allowance in exchange for a guarantee that at the time of death any contributions not expended for annuity payments will be refunded to the beneficiary. Option C allows the member to take a lesser retirement allowance in exchange for providing a survivor with two-thirds of the lesser amount. Option C pensioners will have benefits converted from a reduced to a full retirement if the beneficiary predeceases the retiree.
Post-Retirement Benefits:	The Board has adopted the provisions of Section 51 of Chapter 127 of the Acts of 1999, which provide that the Retirement Board may approve an annual COLA in excess of the Consumer Price Index but not to exceed a 3% COLA on the first \$15,000 (previously, \$13,000) of a retirement allowance. Cost-of-living increases granted prior to July 1, 1998 are reimbursed by the Commonwealth and not reflected in this report.
Changes in Plan Provisions:	The COLA base maximum was increased from \$13,000 to \$15,000 effective July 1, 2022.

Section 5: GASB Information

Exhibit 1: Net Pension Liability

The components of the net pension liability at December 31, 2021 and December 31, 2020 were as follows:

Reporting Date for Employer under GASB 68 Measurement Date	June 30, 2022 December 31, 2021	June 30, 2021 December 31, 2020
Components of the Net Pension Liability		
Total Pension Liability	\$603,402,355	\$583,513,762
Plan Fiduciary Net Position	473,374,841	386,665,691
Net Pension Liability	130,027,514	196,848,071
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.45%	66.27%

Actuarial assumptions. The total pension liability as of December 31, 2021 was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation:	3.50%
Salary increases:	4.50% for Groups 1 and 2 and 4.75% for Group 4
Investment rate of return:	6.90% (previously, 7.20%)
Cost-of-living adjustments;	3.00% of first \$15,000 (previously, 3.00% of first \$13,000)
Mortality rates:	Pre-Retirement: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 (previously, MP-2017) Healthy Retiree: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 (previously, MP-2017) Disabled Retiree: RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021 (previously, MP-2017)

Section 5: GASB Information

Target asset allocation

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.00%	6.11%
International Developed Markets	11.50%	6.49%
International Emerging Markets	4.50%	8.12%
Core Fixed Income	15.00%	0.38%
High-Yield Fixed Income	8.00%	2.48%
Real Estate	10.00%	3.72%
Timber	4.00%	3.44%
Hedge Fund, GTAA, Risk Parity	10.00%	2.63%
Private Equity	<u>15.00%</u>	9.93%
Total	100.00%	

Discount rate

The discount rate used to measure the Total Pension Liability (TPL) was 6.90% as of December 31, 2021 and 7.20% as of December 31, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan Fiduciary Net Position (FNP) was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both December 31, 2021 and December 31, 2020.

Section 5: GASB Information

Sensitivity of the Net Pension Liability to changes in the discount rate

The following presents the Net Pension Liability (NPL) of the Town of Brookline Contributory Retirement System as of December 31, 2021 calculated using the discount rate of 6.90%, as well as what the Town of Brookline Contributory Retirement System's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate.

Net Pension Liability	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Town of Brookline	\$191,190,528	\$125,295,756	\$69,966,639
Brookline Housing Authority	7,220,256	4,731,758	2,642,270

Section 5: GASB Information

Exhibit 2: Schedule of Changes in Net Pension Liability

Reporting Date for Employer under GASB 68 Measurement Date	June 30, 2022 December 31, 2021	June 30, 2021 December 31, 2020
Total Pension Liability		
Service cost	\$12,969,427	\$12,512,079
Interest	41,705,491	40,314,087
Change of benefit terms	4,902,547	0
Differences between expected and actual experience	-18,761,068	0
Changes of assumptions	13,552,703	0
Benefit payments, including refunds of member contributions	-34,480,507	-33,436,409
Net change in Total Pension Liability	\$19,888,593	\$19,389,757
Total Pension Liability – beginning	583,513,762	564,124,005
Total Pension Liability – ending	\$603,402,355	\$583,513,762
Plan Fiduciary Net Position		
Contributions – employer	\$29,602,194	\$27,748,662
Contributions – employee	7,787,028	7,903,401
Net investment income	84,282,105	41,233,120
Benefit payments, including refunds of member contributions	-34,480,507	-33,436,409
Administrative expense	-481,670	-493,426
Other	0	0
Net change in Plan Fiduciary Net Position	\$86,709,150	\$42,955,348
Plan Fiduciary Net Position – beginning	386,665,691	343,710,343
Plan Fiduciary Net Position – ending	\$473,374,841	\$386,665,691
Net Pension Liability – ending	130,027,514	196,848,071
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.45%	66.27%
Covered payroll ¹	\$81,226,582	\$82,124,230
Plan Net Pension Liability as percentage of covered payroll	160.08%	239.70%

¹ Covered employee payroll for 2021 and 2020 as estimated in the January 1, 2022 and January 1, 2020 valuations, respectively.

Section 5: GASB Information

Notes to Schedule:

Changes in Actuarial Assumptions:

Effective January 1, 2021:

- None

Effective January 1, 2022:

- The investment return assumption was lowered from 7.20% to 6.90%.
 - The mortality projection scale for future longevity improvement was updated from MP-2017 to MP-2021.
 - The liability for anticipated net 3(8)(c) payments was revised from \$6.6 million to \$4.6 million.
-

Changes in Plan Provisions:

Effective January 1, 2021:

- None

Effective January 1, 2022:

- The COLA base maximum was increased from \$13,000 to \$15,000 effective July 1, 2022.
-

Section 5: GASB Information

Exhibit 3: Schedule of Employer Contributions

Year Ended January 1	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	18,204,932	18,432,347	-227,415	64,829,168	28.43%
2015	19,206,203	19,232,179	-25,976	67,587,462	28.46%
2016	20,262,544	20,290,863	-28,319	70,417,269	28.82%
2017	21,853,154	21,885,829	-32,675	73,332,427	29.84%
2018	23,568,626	24,208,429	-639,803	76,361,036	31.70%
2019	25,418,763	25,453,548	-34,785	78,839,469	32.29%
2020	27,414,136	27,748,662	-334,526	82,124,230	33.79%
2021	29,566,146	29,602,194	-36,048	81,226,582	36.44%

Notes to Schedule:

Valuation date:	Actuarial determined contribution for fiscal 2022 is determined with the January 1, 2020 actuarial valuation.
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	4.50% increasing payments on the 2003 ERI liability; total appropriation increases 7.85% per year.
Remaining amortization period:	10 years from July 1, 2020
Asset valuation method:	Market value of assets less unrecognized return in each of the last five years. Unrecognized return is equal to the difference between the actual and expected return on a market value basis, and is recognized over a five-year period, further adjusted, if necessary, to be within 10% of the market value.
Actuarial assumptions:	
• Investment rate of return	7.20%
• Discount rate	7.20%
• Wage inflation rate	3.50%
• Projected salary increases	4.50% for Groups 1 and 2 and 4.75% for Group 4
• Cost of living adjustments	3.00% of first \$13,000

Section 5: GASB Information

Plan membership:	• Retired participants and beneficiaries receiving benefits	905
	• Inactive participants entitled to a return of their employee contributions	1,707
	• Inactive participants with a vested right to a deferred or immediate benefit	66
	• Active participants	<u>1,395</u>
	• Total	4,079

Section 5: GASB Information

Exhibit 4: Pension expense

Reporting Date for Employer under GASB 68 Measurement Date	June 30, 2022 December 31, 2021	June 30, 2021 December 31, 2020
Components of Pension Expense		
Service cost	\$12,969,427	\$12,512,079
Interest on the Total Pension Liability	41,705,491	40,314,087
Current-period benefit changes	4,902,547	--
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	-4,690,267	--
Expensed portion of current-period changes of assumptions	3,388,175	--
Member contributions	-7,787,028	-7,903,401
Projected earnings on plan investments	-27,927,303	-24,809,145
Expensed portion of current-period differences between actual and projected earnings on pension plan investments	-11,270,962	-3,284,795
Administrative expense	481,670	493,426
Recognition of beginning of year deferred outflows of resources as pension expense	7,733,892	12,316,762
Recognition of beginning of year deferred inflows of resources as pension expense	-13,181,927	-11,823,545
Pension Expense	\$6,323,715	\$17,815,468

Section 5: GASB Information

Deferred outflows of resources and deferred inflows of resources

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date	December 31, 2021	December 31, 2020
Deferred Outflows of Resources		
Changes in proportion and differences between employer's contributions and proportionate share of contributions	\$1,048,752	\$376,890
Changes of assumptions	11,826,768	3,324,480
Net difference between projected and actual earnings on pension plan investments	0	0
Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
Total Deferred Outflows of Resources	\$12,875,520	\$3,701,370
Deferred Inflows of Resources		
Changes in proportion and differences between employer's contributions and proportionate share of contributions	\$1,048,752	\$376,890
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	58,123,521	18,310,392
Difference between expected and actual experience in the Total Pension Liability	<u>15,910,365</u>	<u>3,679,128</u>
Total Deferred Inflows of Resources	\$75,082,638	\$22,366,410
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GASB 68 Year Ended June 30:		
2022	N/A	-\$5,448,035
2023	-\$14,591,992	-2,018,941
2024	-20,486,320	-7,913,269
2025	-15,857,846	-3,284,795
2026	-11,270,960	0
Thereafter	0	0

Note: Average expected remaining service life as of December 31, 2021 and December 31, 2020 is 4 years.

Section 5: GASB Information

Exhibit 5: Determination of Proportionate Share

Employer Name	FY 2021 Total Appropriation	Percent of FY 2021 Total Appropriation	Share of NPL as of January 1, 2021	FY 2022 Total Appropriation	Percent of FY 2022 Total Appropriation	Share of NPL as of January 1, 2022
Town of Brookline	\$26,569,845	96.920235%	\$190,785,613	\$28,490,221	96.360956%	\$125,295,756
Brookline Housing Authority	<u>844,291</u>	<u>3.079765%</u>	<u>6,062,458</u>	<u>1,075,925</u>	<u>3.639044%</u>	<u>4,731,758</u>
Grand Totals:	\$27,414,136	100.000000%	\$196,848,071	\$29,566,146	100.000000%	\$130,027,514

Section 5: GASB Information

Exhibit 6: Determination of Proportionate Share Amounts by Employer

Employer Name	2022 Share of Cost Allocation (1)	Net Pension Liability (2)	Covered Employee Payroll (3)	Discount Rate Sensitivity		
				1% Decrease (5.90%) (4)	Current Discount Rate (6.90%) (5)	1% Increase (7.90%) (6)
Town of Brookline	96.360956%	\$125,295,756	\$78,156,217	\$191,190,528	\$125,295,756	\$69,966,639
Brookline Housing Authority	<u>3.639044%</u>	<u>4,731,758</u>	<u>3,070,365</u>	<u>7,220,256</u>	<u>4,731,758</u>	<u>2,642,270</u>
Grand Totals:	100.000000%	\$130,027,514	\$81,226,582	\$198,410,784	\$130,027,514	\$72,608,909

Section 5: GASB Information

Employer Name	Schedule of Contributions				Pension Expense		
	Statutory Required Contribution (7)	Contributions In Relation to the Statutory Required Contribution (8)	Contribution Deficiency/ (Excess) (9)	Contributions as a Percentage of Covered Employee Payroll (10)	Proportionate Share of Plan Pension Expense (11)	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (12)	Total Employer Pension Expense (13)
Town of Brookline	\$28,490,221	\$28,526,269	-\$36,048	36.4990%	6,093,591	-\$169,297	5,924,294
Brookline Housing Authority	<u>1,075,925</u>	<u>1,075,925</u>	<u>0</u>	<u>35.0423%</u>	<u>230,124</u>	<u>169,297</u>	<u>399,421</u>
Grand Totals:	\$29,566,146	\$29,602,194	-\$36,048	36.4400%	\$6,323,715	\$0	\$6,323,715

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Employer Name	Deferred Outflows of Resources				Deferred Inflows of Resources				
	Differences Between Expected and Actual Experience (14)	Changes of Assumptions (15)	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (16)	Total Deferred Outflows of Resources (17)	Differences Between Expected and Actual Experience (18)	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments (19)	Changes of Assumptions (20)	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (21)	Total Deferred Inflows of Resources (22)
Town of Brookline	\$0	\$11,396,387	\$96,026	\$11,492,413	\$15,331,380	\$56,008,380	\$0	\$952,726	\$72,292,486
Brookline Housing Authority	<u>0</u>	<u>430,381</u>	<u>952,726</u>	<u>1,383,107</u>	<u>578,985</u>	<u>2,115,141</u>	<u>0</u>	<u>96,026</u>	<u>2,790,152</u>
Grand Totals:	\$0	\$11,826,768	\$1,048,752	\$12,875,520	\$15,910,365	\$58,123,521	\$0	\$1,048,752	\$75,082,638

Section 5: GASB Information

Employer Name	Deferred Inflows/(Outflows) Recognized In Future Pension Expense (Year Ended June 30)				
	2023 (23)	2024 (24)	2025 (25)	2026 (26)	Thereafter (27)
Town of Brookline	-\$14,363,692	-\$19,993,803	-\$15,581,774	-\$10,860,804	\$0
Brookline Housing Authority	<u>-228,300</u>	<u>-492,517</u>	<u>-276,072</u>	<u>-410,156</u>	<u>0</u>
Grand Totals:	-\$14,591,992	-\$20,486,320	-\$15,857,846	-\$11,270,960	\$0