PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

M E M O R A N D U M

TO: Cambridge Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: August 25, 2026

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

The revised schedule maintains the 7.1% investment return assumption used in the 2024 actuarial valuation and the mortality assumption was updated to reflect a more recent table.

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

WTK/jfb
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Enc.

Funding schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of Unfunded Actuarial Accrued Liability	(4) Actuarially Determined Contribution (ADC): (2) + (3)	(5) Actual Payment in Fiscal Year	(6) Remaining Credit After Actual Payment Is Made	(7) Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(8) Percent Increase in ADC Over Prior Year
2027	$17,450,602	$42,055,925	$59,506,527	$55,196,583	$3,131,922	$108,202,206	- -
2028	18,049,792	38,481,409	56,531,201	53,399,279	0	75,458,617	-5.00%
2029	18,669,347	35,035,294	53,704,641	53,704,641	0	42,956,878	-5.00%
2030	19,309,950	8,484,016	27,793,966	27,793,966	0	8,484,016	-48.25%
2031	19,972,311	0	19,972,311	19,972,311	0	0	-28.14%

Notes:
Fiscal 2027 actuarially determined contribution has been reset to $59,506,527.
Actuarially determined contributions are assumed to be paid on July 1.
Item (2) reflects 3.00% growth in payroll, as well as a 0.15% adjustment to total normal cost to reflect the effects of mortality improvements due to the generational mortality assumption.
Projected normal cost does not reflect the future impact of pension reform for future hires.
Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains or losses.