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: November 12, 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 on July 1 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 schedule was adjusted to reflect an Actuarial Determined Contribution (column 4) of $62.6 million for FY25-FY28. However, an amount of $78.9 million was actually contributed in FY25 which allows for credits for the FY26 and FY27 appropriation amounts (column 5).

The revised schedule maintains the 7.10% investment return assumption used in the 2022 actuarial valuation.

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 Remaining Unfunded Liability	(4) Actuarially Determined Contribution (ADC): (2)+(3)	Actual Payment in Fiscal Year	Excess/Deficiency for Fiscal Year	(5) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(6) Percent Increase in Actuarially Determined Contribution
2025	$16,470,634	$46,167,815	$62,638,449	$78,816,418	$16,177,969	$173,964,458	- -
2026	17,032,768	45,605,681	62,638,449	53,902,346	-8,736,103	119,543,600	0.00%
2027	17,613,912	45,024,537	62,638,449	55,196,583	-7,441,866	88,543,878	0.00%
2028	18,214,703	44,423,746	62,638,449	62,638,449	0	54,579,453	0.00%
2029	18,835,801	10,876,762	29,712,563	29,712,563	0	10,876,762	-52.56%
2030	19,477,886	0	19,477,886			0	-34.45%

Notes:
Actuarially determined contribution for fiscal year 2025 has been reset to $62,638,449.
Actuarially determined contributions are assumed to be paid on July 1.
Item (2) reflects 3.0% growth in payroll and a 0.15% adjustment to total normal cost to reflect the effect of mortality improvements due to the generational mortality assumption.
Projected normal cost does not reflect the future impact of pension reform for new hires.
Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains or losses.