

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

Auditor DIANA DIZOGGIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

MEMORANDUM

TO: Chelsea Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: December 5, 2025

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 average, on August 1 of each fiscal year. The schedule is effective in FY26 (since the amount under the prior schedule was maintained in FY26) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption used in the 2023 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.



Alternative 2
7.0% Investment Return
\$15,000 COLA Base

Chelsea Retirement System
January 1, 2025 Actuarial Valuation

4.0% Increasing Amortization of UAL to FY27, ERI amortization complete in FY27

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>% Total Cost</u> <u>Increases</u>
2026	5,676,180	200,000	11,639,761	11,237	17,527,178	21,144,643	
2027	5,931,608	200,000	10,262,504	23,211	16,417,323	10,228,069	-6.33%
2028	6,198,531	200,000			6,398,531	0	-61.03%
2029	6,477,465	200,000			6,677,465	0	4.36%
2030	6,768,951	200,000			6,968,951		4.37%

Appropriation payments assumed to be made August 1 of each fiscal year.

Normal cost includes expenses of \$1,400,000 and is assumed to increase 4.5% per year.

FY26 amount maintained at level of current funding schedule.