

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Clinton Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: September 11, 2023

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 October 1 of each fiscal year. The schedule is effective in FY24 (since the amount under the prior schedule was maintained in FY24) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption used in the 2021 actuarial valuation. There was a slight adjustment to the fully generational mortality assumption. Also, the Board increased the COLA base to \$18,000.

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

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Enc.



**Clinton Retirement System
January 1, 2023 Actuarial Valuation**

Total Appropriation Increasing 5.8% until FY34 with a final amortization payment in FY35

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of Pension Holiday</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % Incr.</u>
2024	1,594,338	189,100	1,889,609	44,563	3,717,610	23,068,549	
2025	1,666,083	189,100	2,031,480	46,568	3,933,231	22,648,194	5.80%
2026	1,741,056	189,100	2,182,538	48,664	4,161,359	22,047,026	5.80%
2027	1,819,404	189,100	2,343,360	50,854	4,402,717	21,242,627	5.80%
2028	1,901,277	189,100	2,514,556	53,142	4,658,075	20,210,398	5.80%
2029	1,986,835	189,100	2,752,309		4,928,243	18,923,371	5.80%
2030	2,076,242	189,100	2,948,739		5,214,081	17,352,003	5.80%
2031	2,169,673	189,100	3,157,725		5,516,498	15,463,953	5.80%
2032	2,267,308	189,100	3,380,047		5,836,455	13,223,843	5.80%
2033	2,369,337	189,100	3,616,532		6,174,969	10,592,996	5.80%
2034	2,475,957	189,100	3,868,060		6,533,118	7,529,158	5.80%
2035	2,587,376	189,100	4,053,591		6,830,066	3,986,191	4.55%
2036	2,703,807	189,100			2,892,907	0	-57.64%

Appropriation payments assumed to be made on average on October 1 of each fiscal year
 Normal cost includes expenses of \$425,000 and is assumed to increase 4.5% each year.
 FY24 amount-maintained at level of current funding schedule