

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Matthew Gorzkowicz, Secretary of Administration and Finance

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

RE: Commonwealth Appropriation for Fiscal Year 2024

DATE: May 12, 2023

Required Fiscal Year 2024 Appropriation: **\$4,104,583,378**

This Commission is hereby furnishing you with the Commonwealth pension appropriation for FY24 which commences July 1, 2023. This amount reflects the triennial funding schedule filed on January 13, 2023. Under this schedule, the total payments increase 9.63% each year until FY28. Beginning in FY29, the remaining unfunded actuarial liability is amortized on a 4.0% annual increasing basis through FY36. The funding schedule was determined based on the results of the January 1, 2022 Commonwealth actuarial valuation.

Chapter 5 of the Acts of 2017 provides for several items included in the development of the Commonwealth funding schedule to be shown separately. These items include the administrative expenses for PERAC, the employer contribution to the optional retirement plan (ORP) under Section 40 of Chapter 15A, and the reimbursements to local systems for cost of living adjustments made from 1981 through 1996. These amounts are estimated for FY24 based on information currently available.

The FY24 allocation is as follows:

State Retirement System	\$1,471,300,000
Massachusetts Teachers' Retirement System	2,352,500,000
Boston Teachers	238,483,378
Administrative Expenses for PERAC	12,500,000
Employer contribution to ORP	18,200,000
Local COLA reimbursement	11,600,000
Total	\$4,104,583,378



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If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 591-8935.

cc: The Honorable Deborah Goldberg, Treasurer and Receiver General
William McNamara, Comptroller
Kathryn Kougias, Interim Executive Director, State Retirement System
Erika Glaster, Executive Director, Massachusetts Teachers' Retirement System
Timothy Smyth, Executive Director, Boston Retirement System
Michael Trotsky, Executive Director, Pension Reserves Investment Management Board

JWP/jfb

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