

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Michael Heffernan, Secretary of Administration and Finance

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

RE: Commonwealth Appropriation for Fiscal Year 2022

DATE: May 13, 2021

Required Fiscal Year 2022 Appropriation: **\$3,415,153,662**

This Commission is hereby furnishing you with the Commonwealth pension appropriation for FY22 which commences July 1, 2021. This amount reflects the triennial funding schedule filed on January 15, 2020 with payments increasing 9.63% each year until FY35 with a final amortization payment in FY36. The funding schedule was determined based on the results of the January 1, 2019 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 FY22 based on information currently available.

The FY22 allocation is as follows:

State Retirement System	\$1,309,100,000
Massachusetts Teachers' Retirement System	1,886,300,000
Boston Teachers	179,368,662
Administrative Expenses for PERAC	10,785,000
Employer contribution to ORP	14,600,000
Local COLA reimbursement	15,000,000
Total	\$3,415,153,662



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

cc: The Honorable Deborah Goldberg, Treasurer and Receiver General
Catharine Hornby, Administration and Finance
William McNamara, Comptroller
Nicola Favorito, 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

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