

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

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## MEMORANDUM

TO: Matthew Gorzkowicz, Secretary of Administration and Finance

FROM: William T. Keefe, Executive Director

RE: Commonwealth Appropriation for Fiscal Year 2025

DATE: May 10, 2024

Required Fiscal Year 2025 Appropriation: **\$4,499,854,757**

This Commission is hereby furnishing you with the Commonwealth pension appropriation for FY25 which commences July 1, 2024. 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 and Section 27 of Chapter 126 of the Acts of 2022 provide 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 administrative costs of the deferred compensation plan under Section 18A of Chapter 15, the employer contributions and administrative costs of 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.

The FY25 allocation is as follows:

State Retirement System	\$1,612,600,000
Massachusetts Teachers' Retirement System	2,579,000,000
Boston Teachers	261,107,423
Administrative Expenses for PERAC	13,720,334
Employer contribution to ORP	22,500,000
Administrative cost for deferred compensation plan	627,000
Local COLA reimbursement	10,300,000
Total	\$4,499,854,757



May 10, 2024

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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, 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

WTK/jfb

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