

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Danvers Retirement Board
FROM: John W. Parsons, Esq., Executive Director
RE: Appropriation for Fiscal Year 2023
DATE: December 2, 2021

Required Fiscal Year 2023 Appropriation: **\$9,301,437**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2023 which commences July 1, 2022.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2023 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by KMS Actuaries as part of their January 1, 2020 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2023.

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

JWP/jfb
Attachments

cc: Town Manager
Town Meeting
c/o Town Clerk

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Danvers Retirement Board

Projected Appropriations

Fiscal Year 2023 - July 1, 2022 to June 30, 2023

Aggregate amount of appropriation: **\$9,301,437**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2023	\$11,868,967	\$9,301,437	\$0	\$9,301,437	\$9,301,437	\$0	\$2,567,530
FY 2024	\$12,215,485	\$9,852,295	\$0	\$9,852,295	\$9,852,295	\$0	\$2,363,190
FY 2025	\$12,572,438	\$10,612,792	\$0	\$10,612,792	\$10,612,792	\$0	\$1,959,646
FY 2026	\$12,940,140	\$11,433,310	\$0	\$11,433,310	\$11,433,310	\$0	\$1,506,830
FY 2027	\$13,318,914	\$12,318,619	\$0	\$12,318,619	\$12,318,619	\$0	\$1,000,295

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

SECTION 9 - RESULTS BY DEPARTMENT

Department	Town	Housing Authority	School Lunch	Hospital	Electric	School	Water	Sewer	Total
Normal Cost - January 1, 2020									
Total Normal Cost	2,913,764	93,646	65,577	0	872,178	635,244	152,942	14,876	4,748,227
Administrative Expenses	0	0	0	0	0	0	0	0	0
Total Normal Cost	2,913,764	93,646	65,577	0	872,178	635,244	152,942	14,876	4,748,227
Employee Normal Cost	1,764,218	64,682	37,870	0	427,774	412,882	138,920	9,220	2,855,566
Employer Normal Cost	1,149,546	28,964	27,707	0	444,404	222,362	14,022	5,656	1,892,661
Net 3(8)(c) payments	453,660	8,858	8,469	24,858	70,115	52,015	22,432	4,897	645,304
Total 2022 Appropriation									
Normal cost	1,236,569	31,157	29,805	0	478,047	239,196	15,084	6,084	2,035,942
Net 3(8)(c) payments	470,366	9,184	8,781	25,773	72,697	53,930	23,258	5,077	669,066
Amortization of UAL	4,491,913	115,099	94,848	148,796	171,966	613,691	290,257	34,398	5,960,968
Fiscal 2022	6,198,848	155,440	133,434	174,569	722,710	906,817	328,599	45,559	8,665,976
Total 2023 Appropriation									
Normal cost	1,282,943	32,325	30,922	0	495,973	248,165	15,649	6,312	2,112,289
Net 3(8)(c) payments	470,366	9,184	8,781	25,773	72,697	53,930	23,258	5,077	669,066
Amortization of UAL	4,939,661	126,572	104,302	163,627	154,041	674,863	319,189	37,827	6,520,082
Fiscal 2023	6,692,970	168,081	144,005	189,400	722,711	976,958	358,096	49,216	9,301,437