

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

Auditor DIANA DIZOGGIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

## MEMORANDUM

TO: Dedham Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: November 20, 2024

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 July 1 of each fiscal year. The schedule is effective in FY25 (since the amount under the prior schedule was maintained in FY25) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption used in the prior actuarial valuation.

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

WTK/jfb

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## Section 2: Actuarial Valuation Results

### Funding schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of Remaining Unfunded Liability	(4) Actuarially Determined Contribution (ADC): (2)+(3)	(5) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(6) Percent Increase in Actuarially Determined Contribution
2025	\$967,929	\$3,826,303	\$4,794,232	\$14,943,248	--
2026	1,002,938	3,959,092	4,962,030	11,895,131	3.50%
2027	1,039,186	4,096,515	5,135,701	8,491,562	3.50%
2028	1,076,714	4,238,737	5,315,451	4,702,700	3.50%
2029	1,115,569	496,440	1,612,009	496,440	-69.67%
2030	1,155,796	0	1,155,796	0	-28.30%

**Notes:**

Fiscal 2025 actuarially determined contribution set to budgeted amount.

Actuarially determined contributions are assumed to be paid on July 1.

Item (2) reflects 3.0% growth in payroll and a 0.15% adjustment to total normal cost to reflect the effect of mortality improvements due to the generational mortality assumption.

Projected normal cost does not reflect the future impact of pension reform for new hires.

Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains or losses.

**Department Breakouts of Actuarially Determined Contribution:**

Fiscal Year Ended June 30	Housing	All Others	Total
2025	264,050	4,530,182	4,794,232
2026	347,665	4,614,365	4,962,030
2027	359,862	4,775,839	5,135,701

**Notes:**

Administrative expenses allocated in proportion to total normal cost

Actuarial value of assets allocated in proportion to actuarial accrued liability and adjusted for additional contributions made by the Town (the value of the additional contribution as of December 31, 2023 was \$17,403,656)

Fiscal 2026 and 2027 actuarially determined contributions equal to the sum of projected employer normal cost plus the amortization of the unfunded liability allocated in proportion to the unfunded liability