

# Dedham Contributory Retirement System

**Actuarial Valuation and Review as of January 1, 2022**



This report has been prepared at the request of the Board to assist in administering the Retirement System. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board and may only be provided to other parties in its entirety, unless expressly authorized by Segal. The measurements shown in this actuarial valuation may not be applicable for other purposes.

© 2022 by The Segal Group, Inc. All rights reserved.

**Segal**



116 Huntington Ave., Suite 901  
Boston, MA 02116-5749  
segalco.com  
T 617.424.7300

January 17, 2023

Retirement Board  
Dedham Contributory Retirement System  
202 Bussey Street, Suite 101  
Dedham, MA 02026

Dear Board Members:


We are pleased to submit this Actuarial Valuation and Review as of January 1, 2022. It summarizes the actuarial data used in the valuation, analyzes the preceding two years' experience, and establishes the funding requirements for fiscal 2023 and later years. The results have been updated from those shown in our report dated November 14, 2022 to reflect the revised December 31, 2021 value of the additional contribution by the Town and the resulting revised department breakouts of the Actuarially Determined Contribution for fiscal 2023 and fiscal 2024.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the System. The census information and financial information on which our calculations were based was prepared by the staff of the System. That assistance is gratefully acknowledged.

The actuarial calculations were directed under my supervision. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in my opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the System.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,  
Segal

  
\_\_\_\_\_  
Lisa VanDermark, FSA, MAAA, EA  
Vice President and Consulting Actuary

# Table of Contents

Section 1: Actuarial Valuation Summary.....	5
Purpose and basis.....	5
Valuation highlights .....	6
Summary of key valuation results.....	8
Important information about actuarial valuations.....	9
Section 2: Actuarial Valuation Results .....	11
Participant data.....	11
Financial information .....	15
Actuarial experience.....	18
Actuarially determined contribution .....	23
Funding schedule .....	24
Risk.....	25
Section 3: Supplemental Information .....	26
Exhibit A: Table of Plan Demographics .....	26
Exhibit B: Summary Statement of Income and Expenses on a Market Value Basis .....	27
Exhibit C: Definitions of Pension Terms .....	28
Section 4: Actuarial Valuation Basis .....	32
Exhibit I: Actuarial Assumptions and Actuarial Cost Method.....	32
Exhibit II: Summary of Plan Provisions.....	38
Section 5: GASB Information .....	42
Exhibit 1: Net Pension Liability .....	42

## Table of Contents

Exhibit 2: Determination of discount rate and investment rates of return .....	43
Exhibit 3: Discount rate sensitivity .....	44
Exhibit 4: Schedule of Changes in Net Pension Liability – Last two fiscal years.....	45
Exhibit 5: Deferred outflows of resources and deferred inflows of resources.....	46
Exhibit 6: Pension Expense – Total for all employers .....	47
Exhibit 7: Schedule of employer contributions.....	48
Exhibit 8: Determination of Proportionate Share .....	49
Exhibit 9: Determination of Proportionate Share Amounts by Employer .....	50

# Section 1: Actuarial Valuation Summary

## Purpose and basis

This report was prepared by Segal to present a valuation of the System as of January 1, 2022. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to provide information for required disclosures under Governmental Accounting Standards Board (GASB) Statements No. 67 and 68. The measurements shown in this actuarial valuation may not be applicable for other purposes. In particular, the measures herein are not necessarily appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The contribution requirements presented in this report are based on:

- The benefit provisions of Massachusetts General Law Chapter 32;
- The characteristics of covered active participants, inactive participants, and retired participants and beneficiaries as of December 31, 2021, provided by the staff of the System;
- The assets of the Plan as of December 31, 2021, provided by the staff of the System;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions regarding employee terminations, retirement, death, etc.

# Section 1: Actuarial Valuation Summary

## Valuation highlights

1. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and the principal balance. The funding policy adopted by the Retirement Board meets this standard.
2. The funded ratio (the ratio of the actuarial value of assets to actuarial accrued liability) is 90.01%, compared to the prior year funded ratio of 83.15%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio is 100.01%, compared to 85.89% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of assets to cover the estimated cost of settling the System's benefit obligation or the need for or the amount of future contributions.
3. The unfunded actuarial accrued liability is \$20.2 million, which is a decrease of \$10.6 million since the prior valuation.
4. The rate of return on the market value of assets was 19.8% and 12.0% for the 2021 and 2020 plan years, respectively. The rate of return on the actuarial value of assets 13.3% and 10.3% for the same periods. This resulted in an actuarial gain when measured against the assumed rate of return of 7.25%.
5. The actuarial value of assets is 90.00% of the market value of assets. The investment experience in the past years has only been partially recognized in the actuarial value of assets. As the deferred net gain is recognized in future years, the cost of the System is likely to decrease unless the net gain is offset by future experience.
6. The following actuarial assumptions were approved by the Board and changed with this valuation:
  - The net investment return assumption was lowered from 7.25% to 7.00%;
  - The mortality improvement projection scale was updated from MP-2018 to MP-2021; and
  - The administrative expense assumption was increased from \$300,000 for calendar year 2020 to \$320,000 for calendar year 2022.

Changing these assumptions increased the unfunded liability by approximately \$4.2 million and increased the normal cost by approximately \$0.2 million.

7. The Board approved an increase in the COLA base (subject to approval by Dedham's Town Meeting) from \$15,000, by \$1,000 per year for three years, to a final base of \$18,000. This change increased the unfunded liability by approximately \$2.7 million and increased the normal cost by approximately \$0.05 million.
8. In the funding schedule included in this report, the fiscal 2023 appropriation has been set at \$4,700,227. The funding schedule is projected to fully fund the System by June 30, 2029, if all assumptions are met and there are no changes in the plan of benefits

## Section 1: Actuarial Valuation Summary

or actuarial assumptions, with appropriations that increase 0.00% for the 2024 fiscal year, followed by 2.00% increases thereafter.

9. It is important to note that this actuarial valuation is based on plan assets as of December 31, 2021. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after December 31, 2021. While it is impossible to determine how the pandemic will affect market conditions and other demographic experience of the Plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.
10. Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the System's future financial condition, but have included a brief discussion of some risks that may affect the System in *Section 2*. A more detailed assessment would provide the Board with a better understanding of the inherent risks.

## Section 1: Actuarial Valuation Summary

### Summary of key valuation results

		2022	2020
<b>Contributions for fiscal year beginning July 1:</b>	• Actuarially determined contribution	\$4,700,227	\$4,265,682
	• Actuarially determined contribution as a percent of payroll	15.93%	15.67%
<b>Actuarial accrued liability for plan year beginning January 1:</b>	• Retired participants and beneficiaries	\$114,006,317	\$102,968,962
	• Inactive vested participants	2,835,057	2,583,616
	• Inactive participants due a refund of employee contributions	1,130,581	708,113
	• Active participants	84,066,291	76,325,785
	• Total	202,038,246	182,586,476
	• Normal cost including administrative expenses for plan year beginning January 1	3,999,342	3,485,293
<b>Assets for plan year beginning January 1:</b>	• Market value of assets (MVA)	\$202,060,280	\$156,815,792
	• Actuarial value of assets (AVA)	181,854,252	151,818,520
	• Actuarial value of assets as a percentage of market value of assets	90.00%	96.81%
<b>Funded status for Plan year beginning January 1:</b>	• Unfunded/(overfunded) actuarial accrued liability on market value of assets	-\$22,034	\$25,770,684
	• Funded percentage on MVA basis	100.01%	85.89%
	• Unfunded/(overfunded) actuarial accrued liability on actuarial value of assets	\$20,183,994	\$30,767,956
	• Funded percentage on AVA basis	90.01%	83.15%
<b>Key assumptions:</b>	• Net investment return	7.00%	7.25%
	• Wage inflation rate	3.00%	3.00%
<b>Demographic data for plan year beginning January 1:</b>	• Number of retired participants and beneficiaries	326	333
	• Number of inactive vested participants	17	15
	• Number of active participants	476	460
	• Number of inactive participants due a refund of employee contributions	188	143
	• Total projected payroll	\$29,504,571	\$27,222,951
	• Average projected payroll	61,984	59,180



## Section 1: Actuarial Valuation Summary

### Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

<b>Plan of benefits</b>	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
<b>Participant data</b>	An actuarial valuation for a plan is based on data provided to the actuary by the System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
<b>Assets</b>	The valuation is based on the market value of assets as of the valuation date, as provided by the System. The Retirement System uses an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
<b>Actuarial assumptions</b>	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan’s assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results that does not mean that the previous assumptions were unreasonable.
<b>Models</b>	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

## Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

---

The actuarial valuation is prepared at the request of the Retirement Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.

---

An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the System will be determined by the actual benefits and expenses paid and the actual investment experience of the Plan.

---

Actuarial results in this report are not rounded, but that does not imply precision.

---

If the Retirement Board is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

---

Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The System should look to their other advisors for expertise in these areas.

---

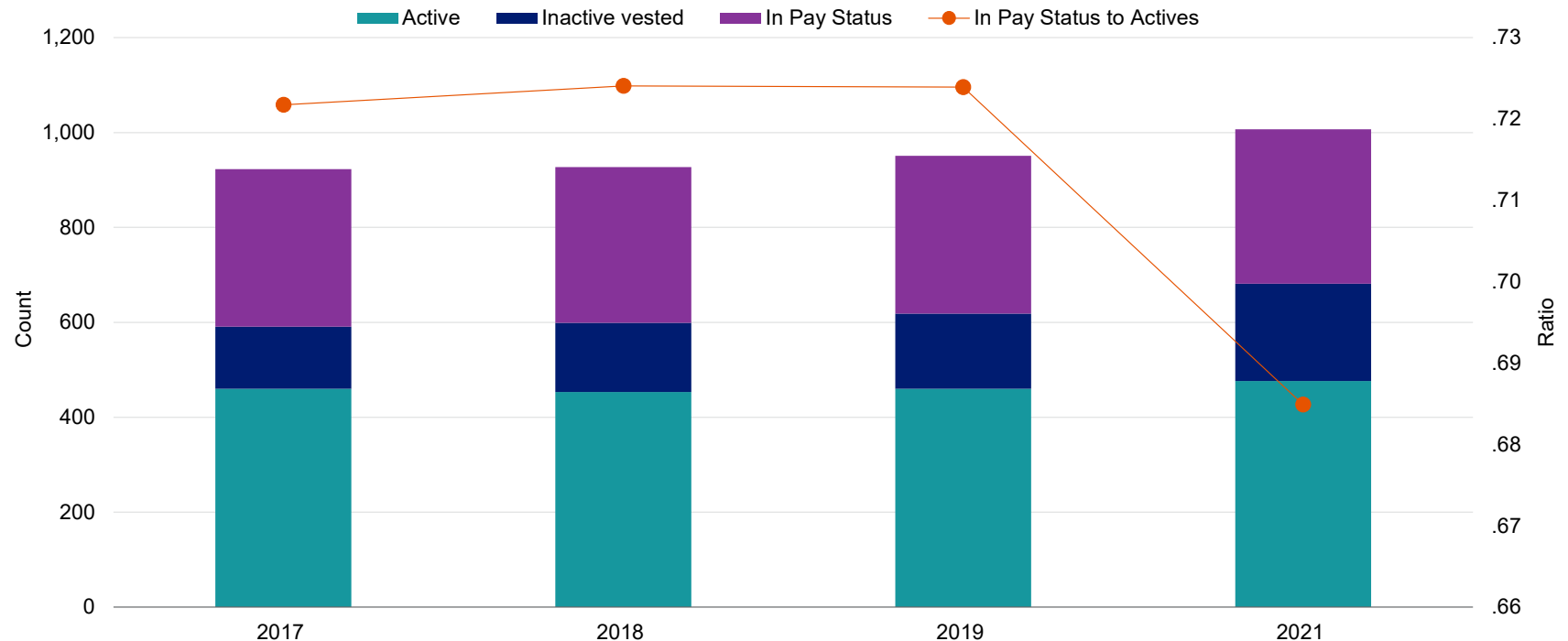
As Segal has no discretionary authority with respect to the management or assets of the System, it is not a fiduciary in its capacity as actuaries and consultants with respect to the System.

# Section 2: Actuarial Valuation Results

## Participant data

This section presents a summary of significant statistical data on covered participants.

Participant Population: 2017 – 2021



	2017	2018	2019	2021
In Pay Status	332	328	333	326
Inactive Vested <sup>1</sup>	131	146	158	205
Active	460	453	460	476
Ratio	0.72	0.72	0.72	0.68

More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibit A*.

<sup>1</sup> Includes terminated participants due a refund of employee contributions

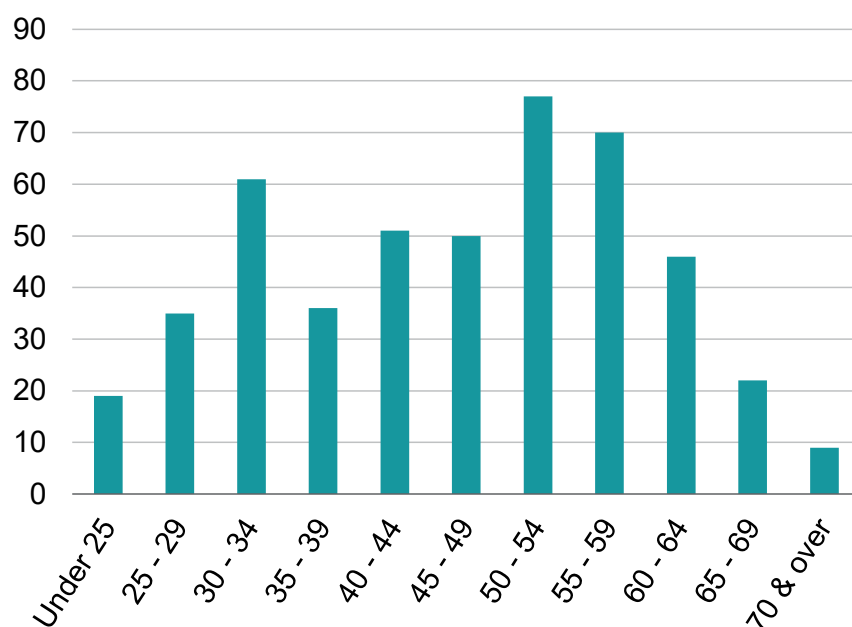
## Section 2: Actuarial Valuation Results

### Active participants

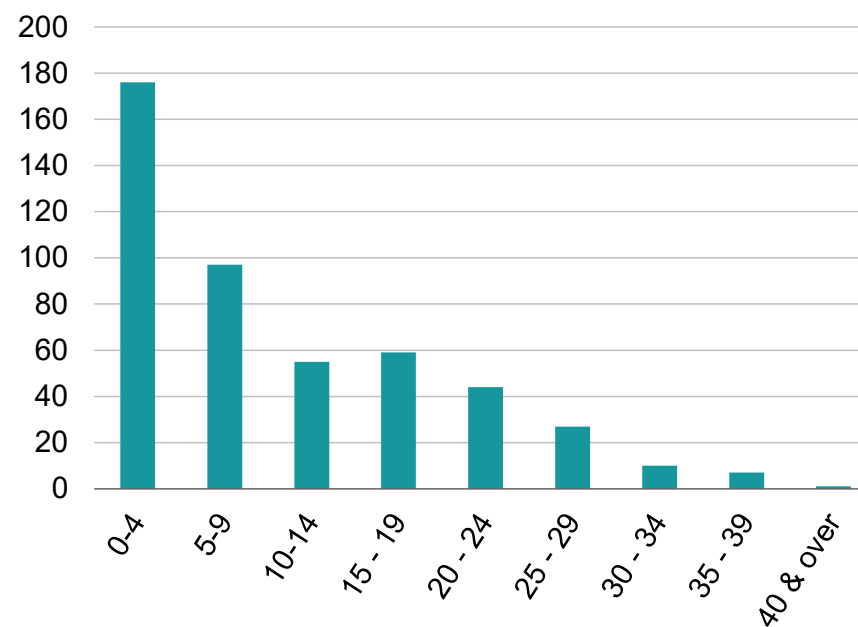
As of December 31,	2019	2021	Change
Active participants	460	476	3.5%
Average age	46.7	47.1	0.4
Average years of service	10.8	10.6	-0.1
Average projected compensation	59,180	61,984	4.7%

Distribution of Active Participants as of December 31, 2021

Actives by Age



Actives by Years of Service



## Section 2: Actuarial Valuation Results

### **Inactive participants**

In this year's valuation, there were 17 participants with a vested right to a deferred or immediate vested benefit.

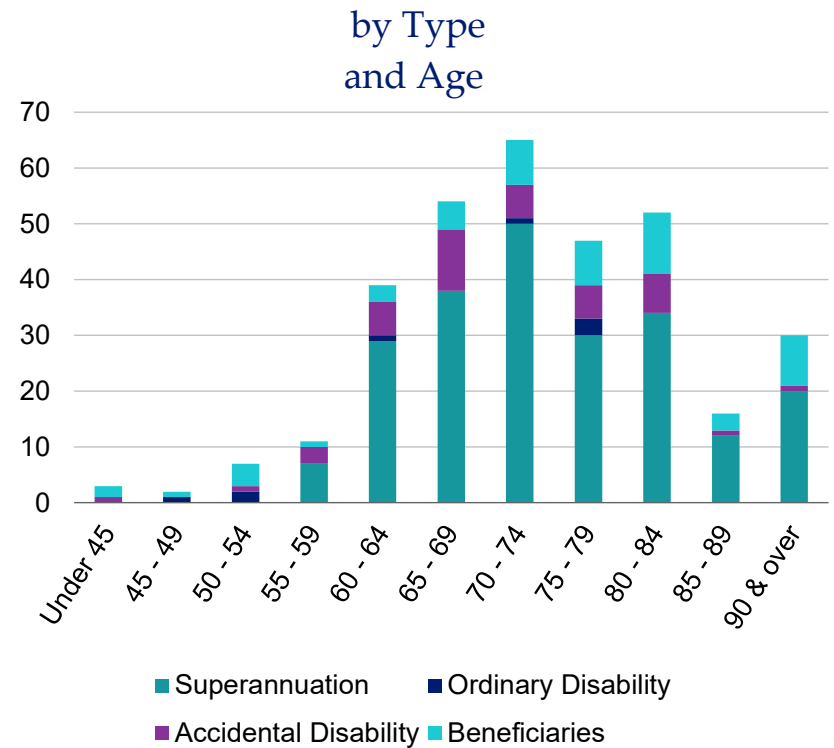
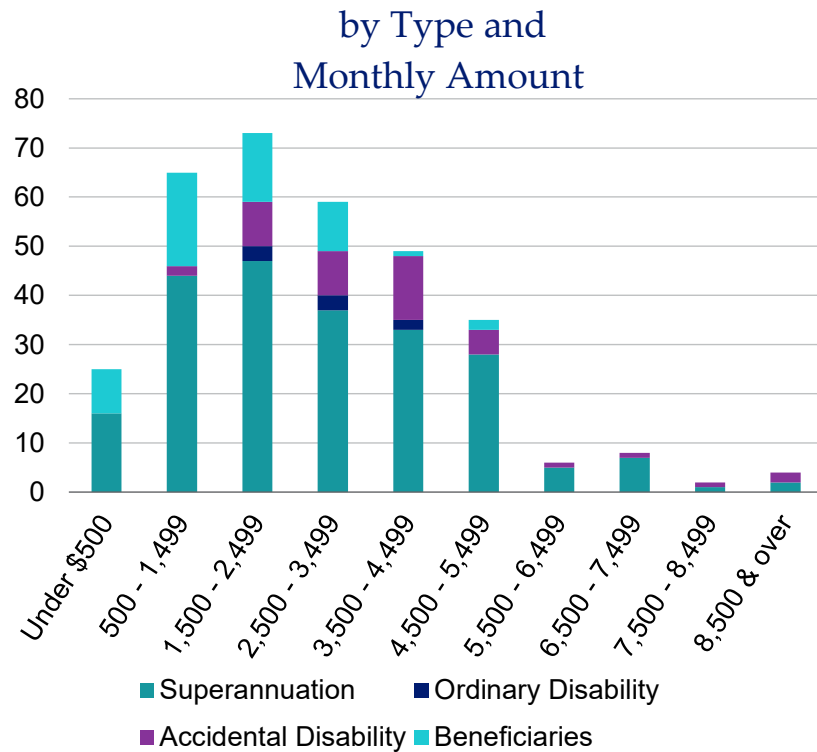
In addition, there were 188 participants entitled to a return of their employee contributions.

## Section 2: Actuarial Valuation Results

### Retired participants and beneficiaries

As of December 31,	2019	2021	Change
Retirees	276	271	-1.8%
Beneficiaries	57	55	-3.5%
Average age	73.5	73.6	0.1
Average amount	\$2,513	\$2,771	10.3%
Total monthly amount	\$836,686	\$903,241	8.0%

#### Distribution as of December 31, 2021



## Section 2: Actuarial Valuation Results

### Financial information

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

#### Determination of Actuarial Value of Assets

				December 31, 2021	December 31, 2020
<b>1</b>	Market value of assets			\$202,060,280	\$171,731,676
<b>2</b>	Calculation of unrecognized return	<u>Original Amount<sup>1</sup></u>	<u>Percent Deferred</u>	<u>Unrecognized Amount<sup>2</sup></u>	<u>Unrecognized Amount<sup>2</sup></u>
(a)	Year ended December 31, 2021	\$21,334,010	75%	\$16,000,507	N/A
(b)	Year ended December 31, 2020	7,356,703	50%	3,678,352	5,517,527
(c)	Year ended December 31, 2019	12,087,573	25%	3,021,893	6,043,786
(d)	Year ended December 31, 2018	-13,920,047	0%	<u>0</u>	<u>-3,480,012</u>
(e)	Total unrecognized return			\$22,700,752	\$8,081,301
<b>3</b>	Preliminary actuarial value: <b>(1) - (2e)</b>			179,359,528	163,650,375
<b>4</b>	Adjustment to be within 10% corridor			2,494,724	0
<b>5</b>	Final actuarial value of assets <b>(3) + (4)</b>			<u>181,854,252</u>	<u>163,650,375</u>
<b>6</b>	Actuarial value as a percentage of market value: <b>(5) ÷ (1)</b>			90.0%	95.3%
<b>7</b>	Amount deferred for future recognition: <b>(1) - (5)</b>			\$20,206,028	\$8,081,301

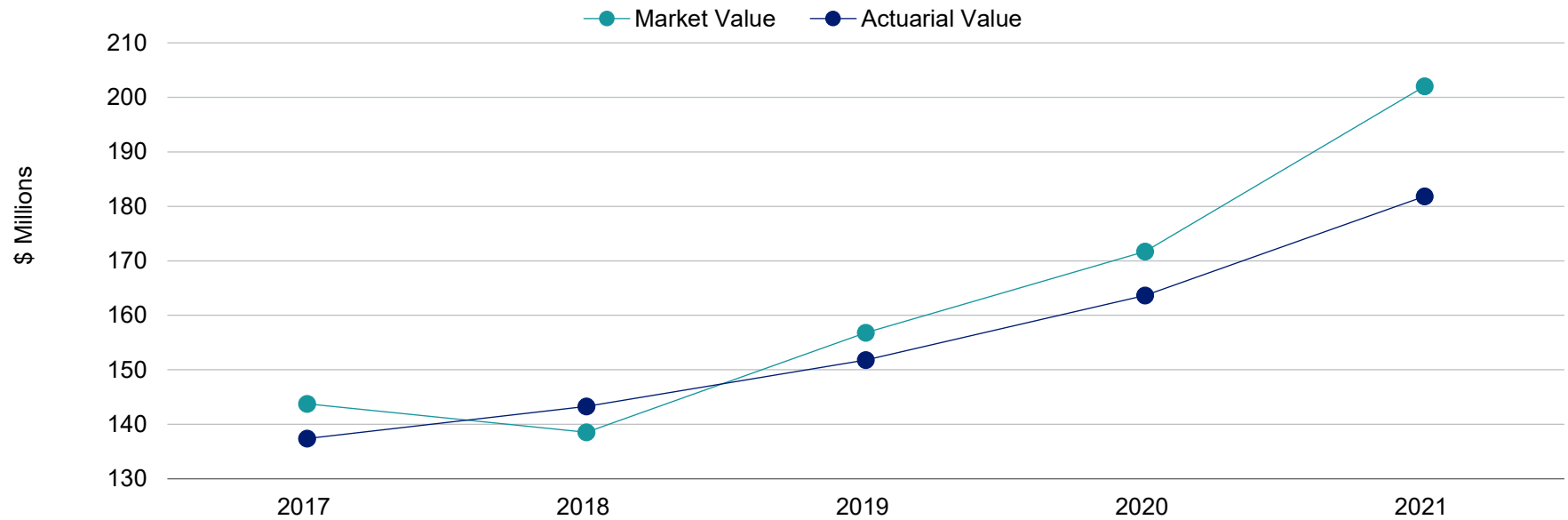
<sup>1</sup> Total return minus expected return on a market value basis

<sup>2</sup> Recognition at 25% per year over four years

## Section 2: Actuarial Valuation Results

Both the actuarial value and market value of assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

Market Value of Assets vs. Actuarial Value of Assets



Market Value <sup>1</sup>	\$143.76	\$138.51	\$156.82	\$171.73	\$202.06
Actuarial Value <sup>1</sup>	137.36	143.29	151.82	163.65	181.85

<sup>1</sup> In \$ millions

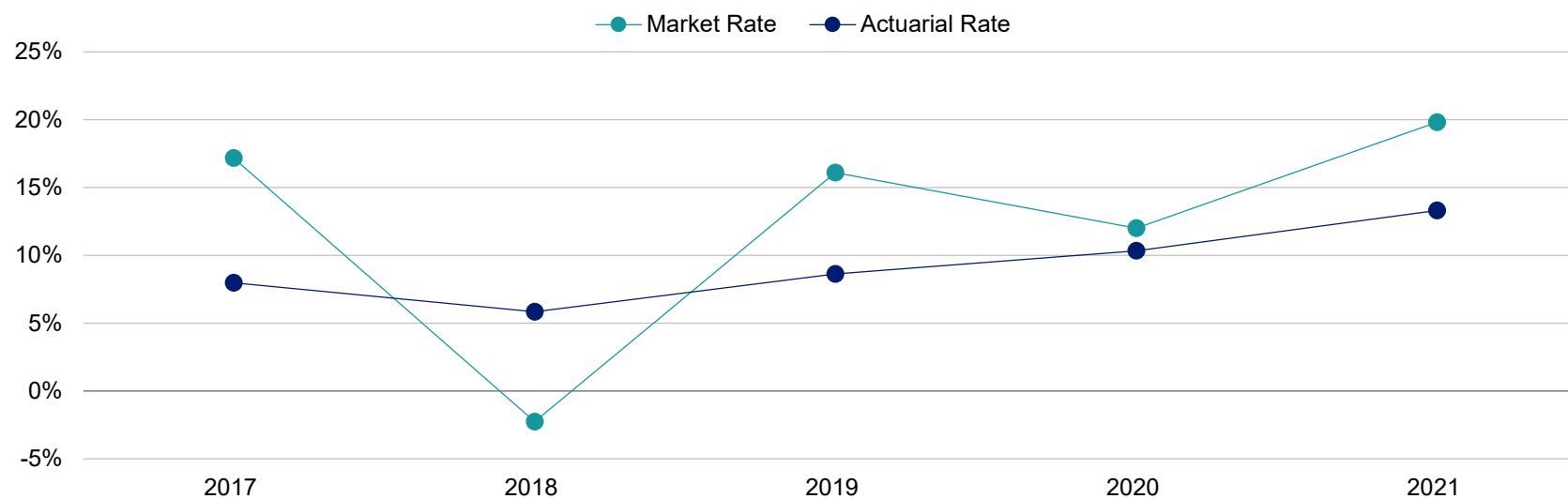


## Section 2: Actuarial Valuation Results

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the actual market value investment return for the last five years, including averages over select time periods.

As described earlier in this section, the actuarial asset valuation method gradually recognizes fluctuations in the market value rate of return. The goal of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

Market and Actuarial Rates of Return for Years Ended December 31, 2017 - 2021



Market rate	17.2%	-2.3%	16.1%	12.0%	19.8%
Actuarial rate	8.0%	5.8%	8.6%	10.3%	13.3%

Average Rates of Return	Actuarial Value	Market Value
Most recent five-year average return:	9.40%	12.67%

## Section 2: Actuarial Valuation Results

### Actuarial experience

To calculate any actuarially determined contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), any contribution requirement will decrease from the previous year. On the other hand, any contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience. If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

#### Actuarial Experience for Two-Year Period Ended December 31, 2021

<b>1</b>	Net gain/(loss) from investments <sup>1</sup>	\$14,430,154
<b>2</b>	Net gain/(loss) from administrative expenses	63,898
<b>3</b>	Net gain/(loss) from other experience	<u>177,460</u>
<b>4</b>	Net experience gain/(loss): <b>1 + 2 + 3</b>	\$14,671,512

<sup>1</sup> Details on next page

## Section 2: Actuarial Valuation Results

### Investment experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the System's investment policy. The rate of return on the market value of assets was 19.79% for the year ended December 31, 2021 and 12.00% for the year ended December 31, 2020.

For valuation purposes, the assumed rate of return on the actuarial value of assets over this period was 7.25%. The actual rate of return on an actuarial basis for the 2021 Plan Year was 13.30% and 10.34% for the 2020 year. Since the actual return for the year was greater than the assumed return, the Plan experienced an actuarial gain during the two-year period ending December 31, 2021 with regard to its investments.

#### Investment Experience

	Year Ended December 31, 2021		Year Ended December 31, 2020	
	Market Value	Actuarial Value	Market Value	Actuarial Value
<b>1</b> Net investment income	\$33,663,661	\$21,538,934	\$18,592,568	\$15,508,539
<b>2</b> Average value of assets	170,064,148	161,982,847	154,977,450	149,980,178
<b>3</b> Rate of return: <b>1 ÷ 2</b>	19.79%	13.30%	12.00%	10.34%
<b>4</b> Assumed rate of return	7.25%	7.25%	7.25%	7.25%
<b>5</b> Expected investment income: <b>2 x 4</b>	12,329,651	11,743,756	11,235,865	10,873,563
<b>6</b> Actuarial gain/(loss): <b>1 - 5</b>	<u>\$21,334,010</u>	<u>\$9,795,178</u>	<u>\$7,356,703</u>	<u>\$4,634,976</u>

## Section 2: Actuarial Valuation Results

### Non-investment experience

#### Administrative expenses

- Administrative expenses for the two-year period ended December 31, 2021 totaled \$570,497 as compared to the assumption of \$609,000.

#### Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among participants,
- retirement experience (earlier or later than projected),
- the number of disability retirements (more or fewer than projected),
- mortality experience (more or fewer deaths than projected), and
- salary increases (greater or smaller than projected).

The net gain from this other experience for the two-year period ending December 31, 2021 amounted to \$177,460, which is 0.1% of the actuarial accrued liability.

## Section 2: Actuarial Valuation Results

### Actuarial assumptions

The assumption changes reflected in this report are:

- The net investment return assumption was lowered from 7.25% to 7.00%.
- The mortality improvement projection scale was updated from MP-2018 to MP-2021.
- The administrative expense assumption was increased from \$300,000 for calendar year 2020 to \$320,000 for calendar year 2022.

These changes increased the unfunded liability by approximately \$4.2 million and increased the normal cost approximately \$0.2 million.

Details on actuarial assumptions and methods are in *Section 4, Exhibit I*.

### Plan provisions

The Board approved an increase in the COLA base (subject to approval by Dedham's Town Meeting) from \$15,000, by \$1,000 per year for three years, to a final base of \$18,000. This change increased the unfunded liability by approximately \$2.7 million and increased the normal cost by approximately \$0.05 million.

A summary of plan provisions is in *Section 4, Exhibit II*.

## Section 2: Actuarial Valuation Results

### Development of Unfunded Actuarial Accrued Liability for Year Ended December 31,

	2021	2020
<b>1</b> Unfunded/(overfunded) actuarial accrued liability at beginning of year	\$29,571,688	\$30,767,956
<b>2</b> Normal cost at beginning of year	3,589,852	3,485,293
<b>3</b> Total contributions	-7,326,205	-6,937,314
<b>4</b> Interest on 1, 2 & 3	2,163,844	2,255,753
<b>5</b> Expected unfunded/(overfunded) actuarial accrued liability	\$27,999,178	\$29,571,688
<b>6</b> Changes due to:		
<b>(a)</b> (Gain)/loss	-\$14,671,512	
<b>(b)</b> Assumptions	4,193,704	
<b>(c)</b> Plan provisions	<u>2,662,624</u>	
Total changes	<u>-\$7,815,184</u>	
<b>7</b> Unfunded/(overfunded) actuarial accrued liability at end of year	<u>\$20,183,994</u>	<u>\$29,571,688</u>

## Section 2: Actuarial Valuation Results

### Actuarially determined contribution

The Actuarially Determined Contribution is equal to the employer normal cost payment and a payment on the unfunded actuarial accrued liability. For fiscal 2023, the Actuarially Determined Contribution has been set equal to the previously budgeted amount of \$4,700,227.

The funding schedule included in this report is projected to fully fund the System by June 30, 2029. If all assumptions are met and there are no changes in the plan of benefits or actuarial assumptions, with appropriations that increase 0% per year through fiscal 2024, then 2.00% per year thereafter.

#### Actuarially Determined Contribution for Year Beginning July 1

	2022		2020	
	Amount	% of Projected Payroll	Amount	% of Projected Payroll
<b>1</b> Total normal cost	\$3,679,342	12.47%	\$3,185,293	11.70%
<b>2</b> Administrative expenses	320,000	1.08%	300,000	1.10%
<b>3</b> Expected employee contributions	<u>-2,938,529</u>	<u>-9.96%</u>	<u>-2,691,833</u>	<u>-9.89%</u>
<b>4</b> Employer normal cost: <b>(1) + (2) + (3)</b>	\$1,060,813	3.60%	\$793,460	2.91%
<b>5</b> Actuarial accrued liability	\$202,038,246		\$182,586,476	
<b>6</b> Actuarial value of assets	<u>181,854,252</u>		<u>151,818,520</u>	
<b>7</b> Unfunded actuarial accrued liability: <b>(5) - (6)</b>	\$20,183,994		\$30,767,956	
<b>8</b> Employer normal cost projected to July 1, 2022 and 2020	1,076,608	3.65%	805,274	2.96%
<b>9</b> Projected unfunded actuarial accrued liability	20,878,486		31,853,780	
<b>10</b> Payment on projected unfunded actuarial accrued liability	3,623,619	12.28%	3,460,408	12.71%
<b>11</b> Actuarially determined contribution: <b>(8) + (10)</b>	<u>\$4,700,227</u>	<u>15.93%</u>	<u>\$4,265,278</u>	<u>15.67%</u>
<b>12</b> Projected payroll	\$29,504,571		\$27,222,951	

## Section 2: Actuarial Valuation Results

### Funding schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of Unfunded Actuarial Accrued Liability	(4) Actuarially Determined Contribution (ADC): (2) + (3)	(5) Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(6) Percent Increase in ADC Over Prior Year
2023	\$1,076,608	\$3,623,619	\$4,700,227	\$20,878,486	--
2024	1,114,675	3,585,552	4,700,227	18,462,708	0.00%
2025	1,154,066	3,640,166	4,794,232	15,918,557	2.00%
2026	1,194,827	3,695,290	4,890,117	13,137,878	2.00%
2027	1,237,005	3,750,914	4,987,919	10,103,569	2.00%
2028	1,280,648	3,807,029	5,087,677	6,797,341	2.00%
2029	1,325,806	3,199,634	4,525,440	3,199,634	-11.05%
2030	1,372,530	0	1,372,530	0	-69.67%

**Notes:**

Fiscal 2023 Actuarially Determined Contribution is set equal to budgeted amount

Actuarially Determined Contributions are assumed to be paid on July 1

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

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

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

**Department Breakouts of Actuarially Determined Contribution:**

Fiscal Year Ended June 30	Housing	All Others	Total
2023	\$180,577	\$4,519,650	\$4,700,227
2024	259,570	4,440,657	4,700,227
2025	264,050	4,530,182	4,794,232

**Notes:**

Administrative expenses allocation 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, 2021 was \$17,687,177)

Fiscal 2024 and 2025 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



## Section 2: Actuarial Valuation Results

### Risk

Since the actuarial valuation results are dependent on a given set of assumptions and data as of a specific date, there is a risk that emerging results may differ significantly as actual experience differs from the assumptions.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a brief discussion of some risks that may affect the System. We recommend a more detailed assessment to provide the Retirement Board with a better understanding of the risks inherent in the System. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling.

- Investment Risk (the risk that returns will be different than expected)

The market value rate of return over the last 5 years has ranged from a low of -2.25% to a high of 19.79%.

- Longevity Risk (the risk that mortality experience will be different than expected)

The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the actuarially determined contribution.

- Contribution Risk (the risk that actual contributions will be different from actuarially determined contribution)

Massachusetts General Law Chapter 32 requires payment of the actuarially determined contribution. If future experience matches current assumptions, we project the unfunded actuarial accrued liability will be paid off in eight years.

- Demographic Risk (the risk that participant experience will be different than assumed)

Examples of this risk include:

- Actual retirements occurring earlier or later than assumed.
- More or less active participant turnover than assumed.
- Disability retirement experience different than assumed.
- Salary increases greater or less than expected.

- Maturity Measures

As pension plans mature, the cash need to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Plan's asset allocation is aligned to meet emerging pension liabilities.

# Section 3: Supplemental Information

## Exhibit A: Table of Plan Demographics

Category	Year Ended December 31		Change From Prior Year
	2021	2019	
<b>Active participants in valuation:</b>			
• Number	476	460	3.5%
• Average age	47.1	46.7	0.4
• Average years of service	10.6	10.8	-0.1
• Total projected payroll	\$29,504,571	\$27,222,951	8.4%
• Average projected payroll	61,984	59,180	4.7%
• Account balances	26,208,484	24,088,454	8.8%
<b>Inactive vested participants</b>	17	15	13.3%
<b>Inactive nonvested participants due a refund</b>	188	143	31.5%
<b>Retired participants:</b>			
• Number in pay status	220	220	0.0%
• Average age	74.3	74.4	-0.1
• Average monthly benefit	\$2,851	\$2,573	10.8%
<b>Disabled participants:</b>			
• Number in pay status	51	56	-8.9%
• Average age	69.3	68.6	0.7
• Average monthly benefit	\$3,661	\$3,381	8.3%
<b>Beneficiaries:</b>			
• Number in pay status	55	57	-3.5%
• Average age	74.5	74.8	-0.3
• Average monthly benefit	\$1,623	\$1,426	13.8%

## Section 3: Supplemental Information

### Exhibit B: Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended December 31, 2021	Year Ended December 31, 2020
Net assets at market value at the beginning of the year	\$171,731,676	\$156,815,792
<b>Contribution income:</b>		
• Employer contributions	\$4,477,686	\$4,265,682
• Employee contributions	2,848,519	2,671,632
• Federal Grant Reimbursement contributions	0	0
• Less administrative expenses	<u>-280,610</u>	<u>-289,887</u>
<i>Net contribution income</i>	\$7,045,595	\$6,647,427
<b>Investment income:</b>		
• Investment income	\$34,587,659	\$19,345,970
• Less investment fees	<u>-923,998</u>	<u>-753,402</u>
<i>Net investment income</i>	<u>\$33,663,661</u>	<u>\$18,592,568</u>
<b>Total income available for benefits</b>	<b>\$40,709,256</b>	<b>\$25,239,995</b>
<b>Less benefit payments:</b>		
• Pensions	-\$8,897,242	-\$8,468,270
• Net 3(8)(c) reimbursements	-34,248	-52,406
• Refunds, annuities, & Option B refunds	-1,918,034	-1,821,144
• Workers Compensation Settlements	12,000	0
• Net Transfers	<u>456,872</u>	<u>17,709</u>
<i>Net benefit payments</i>	-\$10,380,652	-\$10,324,111
<b>Change in reserve for future benefits:</b>	<b>\$30,328,604</b>	<b>\$14,915,884</b>
<b>Net assets at market value at the end of the year:</b>	<b>\$202,060,280</b>	<b>\$171,731,676</b>

## Section 3: Supplemental Information

### Exhibit C: Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

<b>Actuarial Accrued Liability for Actives:</b>	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
<b>Actuarial Accrued Liability for Retirees and Beneficiaries:</b>	Actuarial Present Value of lifetime benefits to existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
<b>Actuarial Cost Method:</b>	A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the actuarially determined contribution.
<b>Actuarial Gain or Loss:</b>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield actuarial liabilities that are larger than projected.
<b>Actuarially Equivalent:</b>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<b>Actuarial Present Value (APV):</b>	<p>The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is:</p> <p>Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.)</p> <p>Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and</p> <p>Discounted according to an assumed rate (or rates) of return to reflect the time value of money.</p>

## Section 3: Supplemental Information

<b>Actuarial Present Value of Future Benefits:</b>	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund of member contributions or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<b>Actuarial Valuation:</b>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan, as well as Actuarially Determined Contributions.
<b>Actuarial Value of Assets (AVA):</b>	The value of the Plan's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the Actuarially Determined Contribution.
<b>Actuarially Determined:</b>	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the Plan.
<b>Actuarially Determined Contribution (ADC):</b>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment.
<b>Amortization Method:</b>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
<b>Amortization Payment:</b>	The portion of the pension plan contribution, or ADC, that is intended to pay off the Unfunded Actuarial Accrued Liability.

## Section 3: Supplemental Information

<b>Assumptions or Actuarial Assumptions:</b>	The estimates upon which the cost of the Plan is calculated, including: <u>Investment return</u> - the rate of investment yield that the Plan will earn over the long-term future; <u>Mortality rates</u> - the rate or probability of death at a given age for employees and retirees; <u>Retirement rates</u> - the rate or probability of retirement at a given age or service; <u>Disability rates</u> - the rate or probability of disability retirement at a given age; <u>Withdrawal rates</u> - the rate or probability at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; <u>Salary increase rates</u> - the rates of salary increase due to inflation, real wage growth and merit and promotion increases.
<b>Closed Amortization Period:</b>	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See Open Amortization Period.
<b>Decrements:</b>	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
<b>Defined Benefit Plan:</b>	A retirement plan in which benefits are defined by a formula based on the member's compensation, age and/or years of service.
<b>Defined Contribution Plan:</b>	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
<b>Employer Normal Cost:</b>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<b>Experience Study:</b>	A periodic review and analysis of the actual experience of the Plan that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified based on recommendations from the Actuary.
<b>Funded Ratio:</b>	The ratio of the Valuation/Actuarial Value of Assets (VVA/AVA) to the Actuarial Accrued Liability (AAL). Plans sometimes also calculate a market funded ratio, using the Market Value of Assets (MVA), rather than the VVA/AVA.

## Section 3: Supplemental Information

<b>GASB 67 and GASB 68:</b>	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
<b>Investment Return:</b>	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
<b>Net Pension Liability (NPL):</b>	The Net Pension Liability is equal to the Total Pension Liability minus the Plan Fiduciary Net Position.
<b>Normal Cost:</b>	The portion of the Actuarial Present Value of Future Benefits and expenses allocated to a valuation year by the Actuarial Cost Method. Any payment with respect to an Unfunded Actuarial Accrued Liability is not part of the Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of member contributions and employer Normal Cost unless otherwise specifically stated.
<b>Open Amortization Period:</b>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in each future year in determining the Amortization Period.
<b>Plan Fiduciary Net Position:</b>	Market value of assets.
<b>Total Pension Liability (TPL):</b>	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.
<b>Unfunded Actuarial Accrued Liability:</b>	The excess of the Actuarial Accrued Liability over the Valuation/Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus or an Overfunded Actuarial Accrued Liability.
<b>Valuation Date or Actuarial Valuation Date:</b>	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Benefits is determined. The expected benefits to be paid in the future are discounted to this date.
<b>Valuation Value of Assets:</b>	The Actuarial Value of Assets reduced by the value of non-valuation reserves.

# Section 4: Actuarial Valuation Basis

## Exhibit I: Actuarial Assumptions and Actuarial Cost Method

<b>Rationale for Assumptions:</b>	Current data is reviewed in conjunction with each annual valuation. Assumption changes are listed at the end of this exhibit.
<b>Net Investment Return:</b>	7.00% (previously, 7.25%) The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the System's target asset allocation.
<b>Salary Increases:</b>	4.0% per year, with an allowance for wage inflation of 3.0%. The salary increase assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgement.
<b>Interest on Employee Contributions:</b>	3.50%
<b>Administrative Expenses:</b>	\$320,000 for calendar 2022 increasing 3.0% per year (previously, \$300,000 for calendar 2020 increasing 3.0% per year) The administrative expense assumption is based on information on expected expenses provided by the Retirement System.
<b>Mortality Rates:</b>	<i>Pre-Retirement:</i> RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 (previously MP-2018) <i>Healthy Retiree:</i> RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 (previously MP-2018) <i>Disabled Retiree:</i> RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021 (previously MP-2018) The underlying tables reasonably reflect the projected mortality experience of the System as of the measurement date. These mortality tables were then adjusted to future years using generational projection to reflect future mortality improvement between the measurement date and those years.



## Section 4: Actuarial Valuation Basis

### Termination Rates Before Retirement:

Age	Groups 1 and 2 – Rate per year (%)		
	Mortality		
	Male	Female	Disability
20	0.05	0.02	0.01
25	0.06	0.02	0.01
30	0.06	0.02	0.02
35	0.07	0.03	0.03
40	0.08	0.04	0.07
45	0.13	0.07	0.10
50	0.22	0.12	0.13
55	0.36	0.19	0.16
60	0.61	0.27	0.18

**Notes:**

Mortality rates do not reflect generational projection.

80% of the disability rates shown represent accidental disability.

40% of the accidental disabilities will die from the same cause as the disability.

80% of the death rates shown represent accidental death.

## Section 4: Actuarial Valuation Basis

### Termination Rates Before Retirement (continued):

Age	Group 4 – Rate per year (%)		
	Mortality		
	Male	Female	Disability
20	0.05	0.02	0.05
25	0.06	0.02	0.05
30	0.06	0.02	0.10
35	0.07	0.03	0.20
40	0.08	0.04	0.25
45	0.13	0.07	0.40
50	0.22	0.12	0.76
55	0.36	0.19	0.76
60	0.61	0.27	0.65

**Notes:**

Mortality rates do not reflect generational projection.

90% of the disability rates shown represent accidental disability.

40% of the accidental disabilities will die from the same cause as the disability.

90% of the death rates shown represent accidental death.

The mortality and disability rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment.

## Section 4: Actuarial Valuation Basis

### Withdrawal Rates:

Years of Service	Rate per year (%)	
	Groups 1 and 2	Years of Service Group 4
0	20.80	0 – 1 15.00
1	20.80	2 – 3 12.50
2	17.62	4 – 5 10.00
3	14.82	6 – 7 7.50
4	12.20	8 – 9 5.00
5	10.20	10 – 19 6.00
6	8.81	20+ 0.00
7	7.77	
8	7.39	
9	6.81	
10	6.50	
11	5.80	
12	4.84	
13	4.37	
14	3.97	
15	4.17	
16	4.37	
17	4.35	
18	4.19	
19 – 29	4.00	
30+	0.00	

The withdrawal rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment.

## Section 4: Actuarial Valuation Basis

### Retirement Rates:

Age	Rate per year (%)					
	Hired prior to April 2, 2012			Hired after April 2, 2012		
	Groups 1 and 2		Group 4	Groups 1 and 2		Group 4
	Male	Female		Male	Female	
45	--	--	4.43	--	--	--
46	--	--	4.43	--	--	--
47	--	--	4.36	--	--	--
48	--	--	3.74	--	--	--
49	--	--	3.98	--	--	--
50	3.60	10.19	3.82	--	--	1.91
51	4.05	7.14	3.51	--	--	1.76
52	4.37	5.62	4.36	--	--	4.36
53	3.66	4.48	5.27	--	--	2.11
54	4.51	4.88	9.99	--	--	2.66
55	4.77	4.69	11.10	--	--	3.70
56	5.74	5.18	14.13	--	--	10.60
57	6.32	5.09	12.92	--	--	19.38
58	7.65	5.52	14.99	--	--	14.99
59	9.17	6.45	16.79	--	--	11.19
60	10.57	7.74	18.71	4.77	4.69	9.36
61	12.24	10.38	20.73	5.74	5.18	15.55
62	14.73	11.68	21.76	6.32	5.09	17.41
63	17.77	14.40	33.38	7.65	5.52	26.70
64	21.36	17.08	56.64	9.17	6.45	47.20
65	26.15	19.39	100.00	10.57	7.74	25.00
66	26.82	19.59		12.24	10.38	30.00
67	25.00	20.00		14.73	11.68	100.00
68	25.00	20.00		17.77	14.40	
69	25.00	20.00		21.36	17.08	
70	25.00	25.00		26.15	19.39	
71 – 76	25.00	25.00		26.82	19.59	
77 – 79	35.00	25.00		25.00	20.00	
80	100.00	100.00		100.00	100.00	

## Section 4: Actuarial Valuation Basis

	The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment.
<b>Retirement Age for Inactive Vested Participants:</b>	55 for participants hired prior to April 2, 2012. For participants hired April 2, 2012 or later, 60 for Group 1, 55 for Group 2 and 50 for Group 4 The retirement age for inactive vested participants was based on historical and current data, estimated future experience and professional judgment.
<b>Unknown Data for Participants:</b>	Same as those exhibited by participants with similar characteristics.
<b>Family Composition:</b>	80% of participants are assumed to be married. Females are assumed to be three years younger than their male spouses.
<b>Benefit Election:</b>	All participants are assumed to elect Option A. The benefit election reflects the fact that all benefit options are actuarially equivalent.
<b>Total Service:</b>	Total creditable service reported in the data.
<b>Net 3(8)(c) Liability:</b>	No liability is valued for benefits paid to or received from other municipal systems.
<b>Actuarial Value of Assets:</b>	Market value of assets as reported in the System's Annual Statement less unrecognized return in each of the last four years. Unrecognized return is equal to the difference between the actual market value return and the expected market value return and is recognized over a four-year period, further adjusted, if necessary, to be within 10% of the market value.
<b>Actuarial Cost Method:</b>	Entry Age Normal Actuarial Cost Method. Entry Age is the attained age of the participant less Total Service as defined above. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary. Normal Cost is determined using the plan of benefits applicable to each participant.
<b>Justification for Change in Actuarial Assumptions:</b>	Based on past experience and future expectations, the following actuarial assumption was changed as of January 1, 2022: <ul style="list-style-type: none"><li>• The net investment return assumption was lowered from 7.25% to 7.00%.</li><li>• The mortality improvement projection scale was updated from MP-2018 to MP-2021.</li><li>• The administrative expense assumption was increased from \$300,000 for calendar year 2020 to \$320,000 for calendar year 2022.</li></ul>

## Section 4: Actuarial Valuation Basis

### Exhibit II: Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

<b>Plan Year:</b>	January 1 through December 31																																																						
<b>Plan Status:</b>	Ongoing																																																						
<b>Retirement Benefits:</b>	<p>Employees covered by the Contributory Retirement Law are classified into one of four groups depending on job classification. Group 1 comprises most positions in state and local government. It is the general category of public employees. Group 4 comprises mainly police and firefighters. Group 2 is for other specified hazardous occupations. (Officers and inspectors of the State Police are classified as Group 3.)</p> <p>For employees hired prior to April 2, 2012, the annual amount of the retirement allowance is based on the member's final three-year average salary multiplied by the number of years and full months of creditable service at the time of retirement and multiplied by a percentage according to the following table based on the age of the member at retirement:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4" style="text-align: center;"><b>Age Last Birthday at Date of Retirement</b></th> </tr> <tr> <th style="text-align: center;"><b>Percent</b></th> <th style="text-align: center;"><b>Group 1</b></th> <th style="text-align: center;"><b>Group 2</b></th> <th style="text-align: center;"><b>Group 4</b></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2.5</td> <td style="text-align: center;">65 or over</td> <td style="text-align: center;">60 or over</td> <td style="text-align: center;">55 or over</td> </tr> <tr> <td style="text-align: center;">2.4</td> <td style="text-align: center;">64</td> <td style="text-align: center;">59</td> <td style="text-align: center;">54</td> </tr> <tr> <td style="text-align: center;">2.3</td> <td style="text-align: center;">63</td> <td style="text-align: center;">58</td> <td style="text-align: center;">53</td> </tr> <tr> <td style="text-align: center;">2.2</td> <td style="text-align: center;">62</td> <td style="text-align: center;">57</td> <td style="text-align: center;">52</td> </tr> <tr> <td style="text-align: center;">2.1</td> <td style="text-align: center;">61</td> <td style="text-align: center;">56</td> <td style="text-align: center;">51</td> </tr> <tr> <td style="text-align: center;">2.0</td> <td style="text-align: center;">60</td> <td style="text-align: center;">55</td> <td style="text-align: center;">50</td> </tr> <tr> <td style="text-align: center;">1.9</td> <td style="text-align: center;">59</td> <td style="text-align: center;">--</td> <td style="text-align: center;">49</td> </tr> <tr> <td style="text-align: center;">1.8</td> <td style="text-align: center;">58</td> <td style="text-align: center;">--</td> <td style="text-align: center;">48</td> </tr> <tr> <td style="text-align: center;">1.7</td> <td style="text-align: center;">57</td> <td style="text-align: center;">--</td> <td style="text-align: center;">47</td> </tr> <tr> <td style="text-align: center;">1.6</td> <td style="text-align: center;">56</td> <td style="text-align: center;">--</td> <td style="text-align: center;">46</td> </tr> <tr> <td style="text-align: center;">1.5</td> <td style="text-align: center;">55</td> <td style="text-align: center;">--</td> <td style="text-align: center;">45</td> </tr> </tbody> </table> <p>A member's final three-year average salary is defined as the greater of the highest consecutive three-year average annual rate of regular compensation and the average annual rate of regular compensation received during the last three years of creditable service prior to retirement.</p>			<b>Age Last Birthday at Date of Retirement</b>				<b>Percent</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Group 4</b>	2.5	65 or over	60 or over	55 or over	2.4	64	59	54	2.3	63	58	53	2.2	62	57	52	2.1	61	56	51	2.0	60	55	50	1.9	59	--	49	1.8	58	--	48	1.7	57	--	47	1.6	56	--	46	1.5	55	--	45
<b>Age Last Birthday at Date of Retirement</b>																																																							
<b>Percent</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Group 4</b>																																																				
2.5	65 or over	60 or over	55 or over																																																				
2.4	64	59	54																																																				
2.3	63	58	53																																																				
2.2	62	57	52																																																				
2.1	61	56	51																																																				
2.0	60	55	50																																																				
1.9	59	--	49																																																				
1.8	58	--	48																																																				
1.7	57	--	47																																																				
1.6	56	--	46																																																				
1.5	55	--	45																																																				

## Section 4: Actuarial Valuation Basis

For employees hired on April 2, 2012 or later, the annual amount of the retirement allowance is based on the member's final five-year average salary multiplied by the number of years and full months of creditable service at the time of retirement and multiplied by a percentage according to the following tables based on the age and years of creditable service of the member at retirement:

**For members with less than 30 years of creditable service:  
Age Last Birthday at Date of Retirement**

Percent	Group 1	Group 2	Group 4
2.50	67 or over	62 or over	57 or over
2.35	66	61	56
2.20	65	60	55
2.05	64	59	54
1.90	63	58	53
1.75	62	57	52
1.60	61	56	51
1.45	60	55	50

**For members with 30 years of creditable service or greater:  
Age Last Birthday at Date of Retirement**

Percent	Group 1	Group 2	Group 4
2.500	67 or over	62 or over	57 or over
2.375	66	61	56
2.250	65	60	55
2.125	64	59	54
2.000	63	58	53
1.875	62	57	52
1.750	61	56	51
1.625	60	55	50

A member's final five-year average salary is defined as the greater of the highest consecutive five-year average annual rate of regular compensation and the average annual rate of regular compensation received during the last five years of creditable service prior to retirement.

## Section 4: Actuarial Valuation Basis

For employees who became members after January 1, 2011, regular compensation is limited to 64% of the federal limit found in 26 U.S.C. 401(a)(17). In addition, regular compensation for members who retire after April 2, 2012 will be limited to prohibit “spiking” of a member’s salary to increase the retirement benefit.

For all employees, the maximum annual amount of the retirement allowance is 80 percent of the member’s final average salary. Any member who is a veteran also receives an additional yearly retirement allowance of \$15 per year of creditable service, not exceeding \$300. The veteran allowance is paid in addition to the 80 percent maximum.

### Employee Contributions:

Date of Hire	Contribution Rate
Prior to January 1, 1975	5%
January 1, 1975 – December 31, 1983	7%
January 1, 1984 – June 30, 1996	8%
July 1, 1996 onward	9%

In addition, employees hired after December 31, 1978 contribute an additional 2 percent of salary in excess of \$30,000.

Employees hired after 1983 who voluntarily withdraw their contributions with less than 10 ten years of credited service receive 3% interest on their contributions.

Employees in Group 1 hired on or after April 2, 2012 with 30 years of creditable service or greater will pay a base contribution rate of 6%.

### Retirement Benefits (Superannuation):

Members of Group 1, 2 or 4 hired prior to April 2, 2012 may retire upon the attainment of age 55. For retirement at ages below 55, twenty years of creditable service is required.

Members hired prior to April 2, 2012 who terminate before age 55 with ten or more years of creditable service are eligible for a retirement allowance upon the attainment of age 55 (provided they have not withdrawn their accumulated deductions from the Annuity Savings Fund of the System).

Members of Group 1 hired April 2, 2012 or later may retire upon the attainment of age 60. Members of Group 2 or 4 hired April 2, 2012 or later may retire upon the attainment of age 55. Members of Group 4 may retire upon attainment of age 50 with ten years of creditable service.

Members hired April 2, 2012 or later who terminate before age 55 (60 for members of Group 1) with ten or more years of creditable service are eligible for a retirement allowance upon the attainment of age 55 (60 for members of Group 1) provided they have not withdrawn their accumulated deductions from the Annuity Savings Fund of the System.

### Ordinary Disability Benefit:

A member who is unable to perform his or her job due to a non-occupational disability will receive a retirement allowance if he or she has ten or more years of creditable service and has not reached age 55. The annual amount of such allowance shall be determined as if the member retired for superannuation at age 55 (age 60 for Group 1 members hired on or after April 2, 2012), based on the amount of creditable service at the date of disability. For veterans, there is a minimum benefit of 50 percent of the member’s most recent year’s pay plus an annuity based on his or her own contributions.



## Section 4: Actuarial Valuation Basis

<b>Accidental Disability Benefit:</b>	For a job-connected disability, the benefit is 72 percent of the member's most recent annual pay plus an annuity based on his or her own contributions, plus additional amounts for surviving children. Benefits are capped at 75 percent of annual rate of regular compensation for employees who become members after January 1, 1988.
<b>Death Benefits:</b>	<p>In general, the beneficiary of an employee who dies in active service will receive a refund of the employee's own contributions. Alternatively, if the employee were eligible to retire on the date of death, a spouse's benefit will be paid equal to the amount the employee would have received under Option C. The surviving spouse of a member who dies with two or more years of credited service has the option of a refund of the employee's contributions or a monthly benefit regardless of eligibility to retire, if they were married for at least one year. There is also a minimum widow's pension of \$500 per month, and there are additional amounts for surviving children.</p> <p>If an employee's death is job-connected, the spouse will receive 72 percent of the member's most recent annual pay, in addition to a refund of the member's accumulated deductions, plus additional amounts for surviving children. However, in accordance with Section 100 of Chapter 32, the surviving spouse of a police officer, firefighter or corrections officer is killed in the line of duty will be eligible to receive an annual benefit equal to the maximum salary held by the member at the time of death.</p> <p>Upon the death of a job-connected disability retiree who retired prior to November 7, 1996 and could not elect an Option C benefit, a surviving spouse will receive an allowance of \$12,000 per year if the member dies for a reason unrelated to cause of disability.</p>
<b>"Heart And Lung Law" And Cancer Presumption:</b>	Any case of hypertension or heart disease resulting in total or partial disability or death to a uniformed fireman, permanent member of a police department, or certain employees of a county correctional facility is presumed to have been suffered in the line of duty, unless the contrary is shown by competent evidence. Any case of disease of the lungs or respiratory tract resulting in total disability or death to a uniformed fireman is presumed to have been suffered in the line of duty, unless the contrary is shown by competent evidence. There is an additional presumption for uniformed firemen that certain types of cancer are job-related if onset occurs while actively employed or within five years of retirement.
<b>Options:</b>	Members may elect to receive a full retirement allowance payable for life under Option A. Under Option B a member may elect to receive a lower monthly allowance in exchange for a guarantee that at the time of death any contributions not expended for annuity payments will be refunded to the beneficiary. Option C allows the member to take a lesser retirement allowance in exchange for providing a survivor with two-thirds of the lesser amount. Option C pensioners will have benefits converted from a reduced to a full retirement if the beneficiary predeceases the retiree.
<b>Post-Retirement Benefits:</b>	The Board has adopted the provisions of Section 51 of Chapter 127 of the Acts of 1999, which provide that the Retirement Board may approve an annual COLA in excess of the Consumer Price Index but not to exceed a 3% COLA on the first \$15,000 of a retirement allowance, increasing (subject to approval by Dedham's Town Meeting) \$1,000 per year for three years, to a final base of \$18,000. Cost-of-living increases granted prior to July 1, 1998 are reimbursed by the Commonwealth and not reflected in this report.
<b>Changes in Plan Provisions:</b>	The Board approved an increase in the COLA base (subject to approval by Dedham's Town Meeting) from \$15,000, by \$1,000 per year for three years, to a final base of \$18,000. This change increased the unfunded liability by approximately \$2.7 million and increased the normal cost by approximately \$0.05 million.

# Section 5: GASB Information

## Exhibit 1: Net Pension Liability

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date	December 31, 2021	December 31, 2020
<b>Components of the Net Pension Liability</b>		
Total Pension Liability	\$202,038,246	\$188,541,862
Plan Fiduciary Net Position	202,060,280	171,731,676
Net Pension Liability	-22,034	16,810,186
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	100.01%	91.08%

*Actuarial assumptions.* The TPL as of December 31, 2021 and 2020, that were measured by actuarial valuations as of January 1, 2022 and 2020, respectively, used the following actuarial assumptions, applied to all periods included in the measurement:

<b>Salary increases</b>	4.00%
<b>Investment rate of return</b>	7.00%, net of pension plan investment expense, including inflation (previously 7.25%)
<b>Other assumptions</b>	See Section 4 for a complete description of all actuarial assumptions

## Section 5: GASB Information

### Exhibit 2: Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22%	6.11%
International developed markets equity	11.5%	6.49%
International emerging markets equity	4.5%	8.12%
Core fixed income	15%	0.38%
High-yield fixed income	8%	2.48%
Timber	4%	3.44%
Real estate	10%	3.72%
Hedge fund, GTAA, Risk parity	10%	2.63%
Private equity	15%	9.93%
<b>Total</b>	<b>100%</b>	

*Discount rate:* The discount rates used to measure the Total Pension Liability (TPL) were 7.00% and 7.25% as of December 31, 2021 and December 31, 2020, respectively. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund the service costs for the future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan Fiduciary Net Position (FNP) was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both December 31, 2021 and December 31, 2020.

## Section 5: GASB Information

### Exhibit 3: Discount rate sensitivity

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the Net Pension Liability (NPL) of the Retirement System as of December 31, 2021, calculated using the discount rate of 7.00%, as well as what the Retirement System's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount (7.00%)</b>	<b>1% Increase (8.00%)</b>
Net pension liability	\$23,860,578	-\$22,034	-\$19,987,255

## Section 5: GASB Information

### Exhibit 4: Schedule of Changes in Net Pension Liability – Last two fiscal years

Reporting Date form Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date	December 31, 2021	December 31, 2020
<b>Total pension liability</b>		
• Service cost	\$3,280,852	\$3,185,293
• Interest	13,530,848	13,094,204
• Change of benefit terms	2,662,624	0
• Differences between expected and actual experience	209,008	0
• Changes of assumptions	4,193,704	0
• Benefit payments, including refunds of employee contributions	<u>-10,380,652</u>	<u>-10,324,111</u>
Net change in total pension liability	\$13,496,384	\$5,955,386
Total pension liability – beginning	<u>188,541,862</u>	<u>182,586,476</u>
Total pension liability – ending	<u>\$202,038,246</u>	<u>\$188,541,862</u>
<b>Plan fiduciary net position</b>		
• Contributions – employer	\$4,477,686	\$4,265,682
• Contributions – employee	2,848,519	2,671,632
• Net investment income	33,663,661	18,592,568
• Benefit payments, including refunds of employee contributions	-10,380,652	-10,324,111
• Administrative expense	-280,610	-289,887
Net change in plan fiduciary net position	\$30,328,604	\$14,915,884
Plan fiduciary net position – beginning	<u>171,731,676</u>	<u>156,815,792</u>
Plan fiduciary net position – ending	<u>\$202,060,280</u>	<u>\$171,731,676</u>
Net pension liability – ending	<u>-\$22,034</u>	<u>\$16,810,186</u>
Plan fiduciary net position as a percentage of the total pension liability	100.01%	91.08%
Covered payroll	\$28,453,331	\$27,222,951
Net pension liability as percentage of covered payroll	-0.08%	61.75%

Notes to Schedule: See Section 4 for changes in actuarial assumptions and benefit changes applicable to the current measurement date.

## Section 5: GASB Information

### Exhibit 5: Deferred outflows of resources and deferred inflows of resources

Reporting Date for Employer under GASB 68 Measurement Date	June 30, 2022 December 31, 2021	June 30, 2021 December 31, 2020
<b>Deferred Outflows of Resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions	\$299,182	\$1,380,901
Changes of assumptions or other inputs	3,541,773	5,525,389
Net difference between projected and actual earnings on pension plan investments	0	0
Difference between expected and actual experience in the Total Pension Liability	<u>653,986</u>	<u>3,051,404</u>
Total Deferred Outflows of Resources	\$4,494,941	\$9,957,694
<b>Deferred Inflows of Resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions	\$72,232	\$129,941
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on pension plan investments	23,532,252	9,883,134
Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	\$23,604,484	\$10,013,075
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
Reporting Date for Employer under GASB 68 Year Ended June 30:		
2022	N/A	\$5,288,988
2023	-\$3,150,296	15,828
2024	-7,054,980	-3,888,856
2025	-4,637,465	-1,471,341
2026	-4,266,802	0
2027	0	0
Thereafter	0	0

Note:

Average expected remaining service life as of December 31, 2021 and December 31, 2020 is 4 years.

## Section 5: GASB Information

### Exhibit 6: Pension Expense – Total for all employers

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date	December 31, 2021	December 31, 2020
<b>Components of Pension Expense</b>		
Service cost	\$3,280,852	\$3,185,293
Interest	13,530,848	13,094,204
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Current-period benefit changes	2,662,624	0
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	52,252	0
Expensed portion of current-period changes of assumptions or other inputs	1,048,426	0
Member contributions	-2,848,519	-2,671,632
Projected earnings on plan investments	-12,329,651	-11,235,865
Expensed portion of current-period differences between actual and projected earnings on plan investments	-4,266,802	-1,471,339
Administrative expense	280,610	289,887
Other	0	0
Recognition of beginning of year deferred outflows of resources as pension expense	10,467,077	10,781,692
Recognition of beginning of year deferred inflows of resources as pension expense	-6,202,099	-5,096,746
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>1,024,010</u>	<u>1,720,730</u>
<b>Pension Expense</b>	<b>\$6,699,628</b>	<b>\$8,596,224</b>

## Section 5: GASB Information

### Exhibit 7: Schedule of employer contributions

Year Ended December 31	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$4,277,701	\$4,277,701	\$0	\$20,523,383	20.84%
2015	4,531,244	4,725,074	-193,830	22,457,073	21.04%
2016	4,694,092	12,194,092	-7,500,000	23,355,356	52.21%
2017	5,031,923	7,031,923	-2,000,000	24,330,871	28.90%
2018	5,348,511	5,357,851	-9,340	25,300,391	21.18%
2019	3,927,108	3,937,057	-9,949	26,246,264	15.00%
2020	4,265,682	4,265,682	0	27,222,951	15.67%
2021	4,477,686	4,477,686	0	28,453,331	15.74%

#### Notes to Schedule:

#### Methods and assumptions used to determine contribution rates for fiscal 2022:

<b>Valuation date</b>	Actuarially determined contribution for fiscal 2022 was determined with the January 1, 2020 actuarial valuation
<b>Actuarial cost method</b>	Entry Age Actuarial Cost Method
<b>Amortization method</b>	Appropriations increasing 4.97% per year
<b>Remaining amortization period</b>	As of July 1, 2020, 10 years for the remaining unfunded liability
<b>Asset valuation method</b>	Market value of assets as reported in the System's Annual Statement less unrecognized return in each of the last four years. Unrecognized return is equal to the difference between the actual market value return and the expected market value return and is recognized over a four-year period, further adjusted, if necessary, to be within 10% of the market value.
<b>Investment rate of return</b>	7.25%
<b>Wage inflation rate</b>	3.00%
<b>Projected salary increases</b>	4.00%
<b>Cost of living adjustments</b>	3.00% of first \$15,000
<b>Other assumptions</b>	Same as those used on January 1, 2020 funding valuation



## Section 5: GASB Information

### Exhibit 8: Determination of Proportionate Share

Employer Name	FY 2021 Total Appropriation	Percent of FY 2021 Total Appropriation	Share of NPL as of January 1, 2021	FY 2022 Total Appropriation	Percent of FY 2022 Total Appropriation	Share of NPL as of January 1, 2022
Town of Dedham	\$4,103,261	96.192379%	\$16,170,118	\$4,306,080	96.167529%	-\$21,190
Dedham Housing Authority	<u>162,421</u>	<u>3.807621%</u>	<u>640,068</u>	<u>171,606</u>	<u>3.832471%</u>	<u>-844</u>
<b>Grand Totals:</b>	<b>\$4,265,682</b>	<b>100.000000%</b>	<b>\$16,810,186</b>	<b>\$4,477,686</b>	<b>100.000000%</b>	<b>-\$22,034</b>

## Section 5: GASB Information

### Exhibit 9: Determination of Proportionate Share Amounts by Employer

Employer Name	2022 Share of Cost Allocator (1)	Net Pension Liability (2)	Covered Employee Payroll (3)	Discount Rate Sensitivity		
				1% Decrease (6.00%) (4)	Current Discount Rate (7.00%) (5)	1% Increase (8.00%) (6)
Town of Dedham	96.167529%	-\$21,190	\$27,549,278	\$22,946,128	-\$21,190	-\$19,221,249
Dedham Housing Authority	3.832471%	-844	904,053	914,450	-844	-766,006
<b>Grand Totals:</b>	<b>100.000000%</b>	<b>-\$22,034</b>	<b>\$28,453,331</b>	<b>\$23,860,578</b>	<b>-\$22,034</b>	<b>-\$19,987,255</b>

#### Schedule of Contributions

#### Pension Expense

Employer Name	Statutory Required Contribution (7)	Contributions In Relation to the Statutory Required Contribution (8)	Contribution Deficiency/ (Excess) (9)	Contributions as a Percentage of Covered Employee Payroll (10)	Proportionate Share of Plan Pension Expense (11)	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (12)		Total Employer Pension Expense (13)
						Proportionate Share of Contributions (12)	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (12)	
Town of Dedham	\$4,306,080	\$4,306,080	\$0	15.63%	\$5,458,102	\$1,000,308		\$6,458,410
Dedham Housing Authority	171,606	171,606	0	18.98%	217,516	23,702		241,218
<b>Grand Totals:</b>	<b>\$4,477,686</b>	<b>\$4,477,686</b>	<b>\$0</b>	<b>15.74%</b>	<b>\$5,675,618</b>	<b>\$1,024,010</b>		<b>\$6,699,628</b>

## Section 5: GASB Information

Employer Name	Deferred Outflows of Resources				Deferred Inflows of Resources				
	Differences Between Expected and Actual Experience (14)	Changes of Assumptions (15)	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (16)	Total Deferred Outflows of Resources (17)	Differences Between Expected and Actual Experience (18)	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments (19)	Changes of Assumptions (20)	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (21)	Total Deferred Inflows of Resources (22)
Town of Dedham	\$628,922	\$3,406,036	\$240,020	\$4,274,978	\$0	\$22,630,385	\$0	\$59,162	\$22,689,547
Dedham Housing Authority	<u>25,064</u>	<u>135,737</u>	<u>59,162</u>	<u>219,963</u>	<u>0</u>	<u>901,867</u>	<u>0</u>	<u>13,070</u>	<u>914,937</u>
<b>Grand Totals:</b>	<b>\$653,986</b>	<b>\$3,541,773</b>	<b>\$299,182</b>	<b>\$4,494,941</b>	<b>\$0</b>	<b>\$23,532,252</b>	<b>\$0</b>	<b>\$72,232</b>	<b>\$23,604,484</b>

Employer Name	Deferred Inflows/(Outflows) Recognized In Future Pension Expense (Year Ended June 30)					
	2023 (23)	2024 (24)	2025 (25)	2026 (26)	2027 (27)	Thereafter (28)
Town of Dedham	-\$3,036,812	-\$6,813,618	-\$4,460,861	-\$4,103,278	\$0	\$0
Dedham Housing Authority	<u>-113,484</u>	<u>-241,362</u>	<u>-176,604</u>	<u>-163,524</u>	<u>0</u>	<u>0</u>
<b>Grand Totals:</b>	<b>-\$3,150,296</b>	<b>-\$7,054,980</b>	<b>-\$4,637,465</b>	<b>-\$4,266,802</b>	<b>\$0</b>	<b>\$0</b>