

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Easthampton Retirement Board

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

RE: Approval of Funding Schedule

DATE: September 29, 2022

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 August 1 of each fiscal year. The schedule is effective in FY23 (since the amount under the prior schedule was maintained in FY23) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.0% to 6.85%, a slight adjustment to the fully generational mortality assumption, and an increase in the COLA base to \$16,000.

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

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Alternative 1
 6.85% Investment Return
 5.0% Total Cost Increasing
 \$16,000 COLA Base

**Easthampton Retirement System
 January 1, 2022 Actuarial Valuation**

Total cost increases 5.0% per year until FY27 with a final amortization payment in FY28

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Change in Cost</u>
2023	1,648,777	120,000	1,945,546	3,714,323	10,525,158	
2024	1,722,972	120,000	2,057,067	3,900,039	9,178,726	5.0%
2025	1,800,506	120,000	2,174,535	4,095,041	7,621,557	5.0%
2026	1,881,528	120,000	2,298,265	4,299,793	5,832,896	5.0%
2027	1,966,197	120,000	2,428,586	4,514,783	3,790,233	5.0%
2028	2,054,676	120,000	1,477,273	3,651,949	1,469,164	-19.1%
2029	2,147,137	120,000		2,267,137	0	

Appropriation payments assumed to be made on August 1 of each fiscal year
 Normal cost assumed to increase 4.5% per year
 Assumed expenses of \$500,000
 FY23 amount maintained at level of current funding schedule