PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

M E M O R A N D U M

TO: Essex Regional Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: August 7, 2026

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 FY27 (since the amount under the prior schedule was maintained in FY27) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption used in the 2024 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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Enc.

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Funding schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of ERI (2002) Liability	(4) Amortization of ERI (2003) Liability	(5) Amortization of Remaining Unfunded Liability	(6) Actuarially Determined Contribution (ADC): (2)+(3)+(4)+(5)	(7) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(8) Percent Increase in Actuarially Determined Contribution
2027	$12,054,798	$11,984	$11,129	$45,186,237	$57,264,148	$433,153,152	- -
2028	12,464,779	12,523	11,630	48,497,386	60,986,318	415,099,868	6.50%
2029	12,888,585	0	0	52,061,844	64,950,429	392,238,812	6.50%
2030	13,326,678	0	0	55,845,529	69,172,207	363,989,356	6.50%
2031	13,779,537	0	0	59,888,863	73,668,400	329,713,895	6.50%
2032	14,247,654	0	0	64,209,192	78,456,846	288,712,784	6.50%
2033	14,731,543	0	0	68,824,998	83,556,541	240,218,843	6.50%
2034	15,231,728	0	0	73,755,988	88,987,716	183,391,414	6.50%
2035	15,748,757	0	0	79,023,161	94,771,918	117,309,906	6.50%
2036	16,283,191	0	0	40,966,817	57,250,008	40,966,817	-39.59%
2037	16,835,613	0	0	0	16,835,613	0	-70.59%

Notes:
Fiscal 2027 Actuarially Determined Contribution set equal to budgeted amount.
Actuarially Determined Contributions are assumed to be paid on July 1.
Item (2) reflects 3.00% growth in payroll, plus an additional 0.15% adjustment to total normal cost to reflect the effects of mortality improvement due to generational mortality assumption.
Projected normal cost does not reflect the impact of pension reform for future hires.
Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains/losses.