

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: Essex Regional 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 2022 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 ERI (2002) Liability	(4) Amortization of ERI (2003) Liability	(5) Amortization of Remaining Liability	(6) Actuarially Determined Contribution (ADC): (2)+(3)+(4)+(5)	(7) Total UAL at Beginning of Fiscal Year	(8) Percent Increase in ADC Over Prior Year
2025	\$10,372,558	\$10,974	\$10,191	\$40,093,745	\$50,487,468	\$433,507,968	--
2026	10,699,636	11,468	10,650	43,047,399	53,769,153	420,930,572	6.50%
2027	11,036,922	11,984	11,129	46,204,113	57,264,148	404,311,329	6.50%
2028	11,384,734	12,523	11,630	49,577,431	60,986,318	383,149,990	6.50%
2029	11,743,397	0	0	53,207,032	64,950,429	356,896,794	6.50%
2030	12,113,248	0	0	57,058,959	69,172,207	324,948,045	6.50%
2031	12,494,631	0	0	61,173,769	73,668,400	286,641,322	6.50%
2032	12,887,905	0	0	63,727,231	76,615,136	241,250,282	4.00%
2033	13,293,436	0	0	66,386,305	79,679,741	189,949,665	4.00%
2034	13,711,604	0	0	69,155,327	82,866,931	132,212,795	4.00%
2035	14,142,798	0	0	67,471,491	81,614,289	67,471,491	-1.51%
2036	14,587,423	0	0	0	14,587,423	0	-82.13%

Notes:

Fiscal 2025 Actuarially Determined Contribution set equal to budgeted amount

Actuarially Determined Contributions are assumed to be paid on July 1

Item (2) reflects 2.75% 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