

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Fairhaven Retirement Board

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

RE: Approval of Funding Schedule

DATE: August 11, 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 July 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 7.15% to 7.0% and an adjustment to the fully generational mortality assumption.

It has been brought to our attention that the Board and Town Meeting recently adopted a \$15,000 COLA base effective July 1, 2022. Please note that this funding schedule and the actuarial valuation reflect a \$14,000 COLA base. Unless the Board specifically requests, we will not re-run the January 1, 2022 actuarial valuation to reflect the increased COLA base. However, we will mention it in our final valuation report to be issued later this year.

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

JWP/jfb

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Enc.



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

Total appropriation increases 5.0% each year through FY30, with a final amortization payment in FY31

<b>Fiscal Year</b>	<b>Normal Cost</b>	<b>Net 3(8)(c)</b>	<b>Amort. of UAL</b>	<b>Total Cost</b>	<b>Unfunded Act. Liab.</b>	<b>Total Cost % Increase</b>
2023	1,568,975	250,000	2,056,984	3,875,959	17,022,515	
2024	1,639,579	250,000	2,180,178	4,069,757	16,013,118	5.0%
2025	1,713,360	250,000	2,309,885	4,273,245	14,801,246	5.0%
2026	1,790,461	250,000	2,446,446	4,486,907	13,365,756	5.0%
2027	1,871,032	250,000	2,590,220	4,711,252	11,683,662	5.0%
2028	1,955,228	250,000	2,741,587	4,946,815	9,729,983	5.0%
2029	2,043,214	250,000	2,900,942	5,194,156	7,477,584	5.0%
2030	2,135,158	250,000	3,068,705	5,453,864	4,897,007	5.0%
2031	2,231,240	250,000	1,956,283	4,437,523	1,956,283	-18.6%
2032	2,331,646	250,000		2,581,646	0	-41.8%

Appropriation payments assumed to be made July 1 of each fiscal year.

FY23 normal cost includes assumed expenses of \$435,000 and is assumed to increase 4.5% per year.

FY23 appropriation was maintained at the same level as the current schedule.