

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

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MEMORANDUM

TO: Fairhaven Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: November 25, 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 and reflects a slight adjustment to the fully generational mortality assumption.

The schedule also reflects an increase in the COLA base to \$17,000.

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.



**Fairhaven Retirement System
January 1, 2024 Actuarial Valuation**

Total appropriation increases 5.0% each year through FY32, with a final amortization payment in FY33

<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>Total Cost % Increase</u>
2025	1,788,468	250,000	2,234,777	4,273,245	17,645,125	
2026	1,868,949	250,000	2,367,959	4,486,907	16,489,072	5.0%
2027	1,953,051	250,000	2,508,201	4,711,253	15,109,591	5.0%
2028	2,040,939	250,000	2,655,877	4,946,815	13,483,487	5.0%
2029	2,132,781	250,000	2,811,375	5,194,156	11,585,543	5.0%
2030	2,228,756	250,000	2,975,108	5,453,864	9,388,360	5.0%
2031	2,329,050	250,000	3,147,507	5,726,557	6,862,180	5.0%
2032	2,433,857	250,000	3,329,028	6,012,885	3,974,700	5.0%
2033	2,543,381	250,000	690,869	3,484,250	690,869	-42.1%
2034	2,657,833	250,000		2,907,833	0	-16.5%

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

FY25 normal cost includes assumed expenses of \$460,000 and is assumed to increase 4.5% per year.

FY25 appropriation was maintained at the same level as the current schedule.