

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: Falmouth Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: September 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 investment return assumption of 7.0%, and reflects a slight revision to the mortality assumption.

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

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Alternative 2
 7.0% Investment Return
 8.0% Total Cost Increasing
 \$16,000 COLA Base

Falmouth Retirement System
January 1, 2024 Actuarial Valuation

Total cost increases 8.0% per year until FY32 with a final amortization payment in FY33

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Amort. of</u> <u>UAL</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Change in</u> <u>Cost</u>
2025	4,311,087	7,755,804	12,066,891	77,182,902	
2026	4,505,085	8,527,157	13,032,242	74,286,994	8.00%
2027	4,707,814	9,367,007	14,074,822	70,363,026	8.00%
2028	4,919,666	10,281,141	15,200,807	65,265,740	8.00%
2029	5,141,051	11,275,821	16,416,872	58,833,520	8.00%
2030	5,372,398	12,357,824	17,730,222	50,886,738	8.00%
2031	5,614,156	13,534,483	19,148,639	41,225,939	8.00%
2032	5,866,793	14,813,738	20,680,531	29,629,857	8.00%
2033	6,130,799	15,853,248	21,984,047	15,853,248	6.30%
2034	6,406,685		6,406,685	0	-70.86%

Appropriation payments assumed to be made on July 1 of each fiscal year
 Normal cost assumed to increase 4.5% per year
 Assumed expenses of \$1,200,000
 FY25 amount maintained at level of current funding schedule