

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

Auditor DIANA DIZOGLIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

MEMORANDUM

TO: Framingham Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: February 25, 2025

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 from the prior valuation and reflects an adjustment to the fully generational mortality assumption.

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

WTK/jfb

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Alternative 2
 7.0% Investment Return
 6.5% Total Cost Increasing
 \$16,000 COLA Base

Framingham Retirement System
January 1, 2024 Actuarial Valuation

Total cost increases 6.5% per year until FY29 with a final amortization payment in FY30

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</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	7,651,445	165,000	15,793,883	23,610,327	95,588,746	
2026	7,995,760	165,000	16,984,239	25,144,998	85,380,504	6.50%
2027	8,355,569	165,000	18,258,854	26,779,423	73,184,003	6.50%
2028	8,731,569	165,000	19,623,516	28,520,086	58,769,909	6.50%
2029	9,124,490	165,000	21,084,401	30,373,891	41,886,640	6.50%
2030	9,535,092	165,000	22,258,396	31,958,488	22,258,396	5.22%
2031	9,964,171	165,000		10,129,171	0	-68.31%

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 \$1,250,000
 FY25 amount maintained at level of current funding schedule