

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Haverhill Retirement Board  
FROM: John W. Parsons, Esq., Executive Director  
RE: Appropriation for Fiscal Year 2022  
DATE: November 6, 2020

Required Fiscal Year 2022 Appropriation: **\$22,292,809**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2022 which commences July 1, 2021.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2022 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by KMS Actuaries as part of their January 1, 2020 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2023.

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

JWP/jfb  
Attachments

cc: Office of the Mayor  
City Council  
c/o City Clerk

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## Haverhill Retirement Board

### Projected Appropriations

Fiscal Year 2022 - July 1, 2021 to June 30, 2022

Aggregate amount of appropriation: **\$22,292,809**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
<b>FY 2022</b>	\$23,241,183	\$21,486,740	\$806,069	\$22,292,809	\$22,292,809	\$0	\$948,374
<b>FY 2023</b>	\$23,753,002	\$22,805,441	\$838,314	\$23,643,755	\$23,643,755	\$0	\$109,247
<b>FY 2024</b>	\$24,276,274	\$24,204,719	\$871,845	\$25,076,564	\$24,276,274	\$800,290	\$0
<b>FY 2025</b>	\$24,811,258	\$25,689,485	\$906,719	\$26,596,204	\$24,811,258	\$1,784,946	\$0
<b>FY 2026</b>	\$25,358,215	\$27,264,947	\$942,988	\$28,207,935	\$25,358,215	\$2,849,720	\$0

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

## SECTION 9 - VALUATION RESULTS BY GROUP

Group	City of Haverhill	Housing Authority	Police & Fire	School	Waste Water	Water	Whittier Tech	Hale Hospital	Total
<b>FY2021 Appropriation</b>									
5.1 Employer Normal Cost, July 1	488,605	54,183	2,021,587	1,297,950	64,035	68,058	158,628	0	4,153,046
5.2 Amortization Payment of ERI 2002	230,792	5,340	88,340	70,324	19,997	24,916	4,052	0	443,761
5.3 Amortization Payment of ERI 2003	79,350	0	109,781	66,022	54,134	19,942	2,078	0	331,307
5.4 Amortization Payment of UAL*	2,841,007	245,740	6,256,933	2,302,417	548,086	513,877	642,766	2,431,479	15,782,305
5.5 Net 3(8)(c) Transfers	83,601	7,103	175,789	66,851	16,799	10,691	14,573	105,058	480,485
5.6 Total = 5.1 + 5.2 + 5.3 + 5.4 + 5.5	3,723,355	312,366	8,652,430	3,803,564	703,051	637,484	822,097	2,536,537	21,190,884
<b>FY2022 Appropriation</b>									
6.1 Employer Normal Cost, July 1	497,495	55,169	2,058,367	1,321,565	65,200	69,296	161,514	0	4,228,606
6.2 Amortization Payment of ERI 2002	240,022	5,554	91,873	73,137	20,797	25,913	4,214	0	461,510
6.3 Amortization Payment of ERI 2003	82,524	0	114,172	68,663	56,299	20,740	2,161	0	344,559
6.4 Amortization Payment of UAL**	2,610,581	249,371	6,574,099	2,947,997	565,944	587,494	699,975	2,502,673	16,738,134
6.5 Net 3(8)(c) Transfers	90,480	7,688	190,253	72,352	18,181	11,571	15,772	113,703	520,000
6.6 Total = 6.1 + 6.2 + 6.3 + 6.4 + 6.5	3,521,102	317,782	9,028,764	4,483,714	726,421	715,014	883,636	2,616,376	22,292,809
Increase over prior year	-5.43%	1.73%	4.35%	17.88%	3.32%	12.16%	7.49%	3.15%	5.20%
<b>FY2023 Appropriation</b>									
7.1 Employer Normal Cost, July 1	514,907	57,100	2,130,410	1,367,820	67,482	71,721	167,167	0	4,376,607
7.2 Amortization Payment of ERI 2002	249,624	5,776	95,548	76,062	21,629	26,950	4,383	0	479,972
7.3 Amortization Payment of ERI 2003	85,825	0	118,739	71,410	58,551	21,570	2,247	0	358,342
7.4 Amortization Payment of UAL	2,793,170	266,813	7,033,905	3,154,186	605,527	628,585	748,933	2,677,715	17,908,834
7.5 Net 3(8)(c) Transfers	90,480	7,688	190,253	72,352	18,181	11,571	15,772	113,703	520,000
7.6 Total = 7.1 + 7.2 + 7.3 + 7.4 + 7.5	3,734,006	337,377	9,568,855	4,741,830	771,370	760,397	938,502	2,791,418	23,643,755
Increase over prior year	6.05%	6.17%	5.98%	5.76%	6.19%	6.35%	6.21%	6.69%	6.06%

**Notes:**

1. FY2022 and FY2023 Appropriation is based on Funding Schedule C-5.

2. 2021 Employer Normal Cost (5.1) is the Employer Normal Cost as of January 1, 2020 (1.4), adjusted for payment timing. 2022 Employer Normal Cost (6.1) is based on 2020 Employer Normal Cost (5.1) increased by 3.5%.

3. Amortization Payment of UAL (5.4) equals fiscal year 2021 budgeted appropriation (5.6) developed in the January 1, 2018 actuarial valuation less Employer Normal Cost (5.1), amortization payment to ERI (5.2 and 5.3) and Net 3(8)(c) transfers (5.5).

\*\*4. Amortization Payment of UAL (6.4) is the total Amortization Payment of UAL (6.4) allocated to each department in the proportion that the UAL (4.1) less 2021 Amortization Payment of UAL (5.4) bears to the total UAL (4.1) less total Amortization Payment of UAL (6.4).