

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: Holyoke Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: November 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 monthly in equal instalments 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 prior actuarial valuation. The COLA base was increased from \$14,000 to \$15,000 as part of this valuation.

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

WTK/jfb

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Section 2: Actuarial Valuation Results

Funding schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of 2002 ERI Liability	(4) Amortization of 2003 ERI Liability	(5) Amortization FY06-07 Sec 90 ACD Liability	(6) Amortization FY08-09 Sec 90 ACD Liability	(7) Amortization Section 10 Liability	(8) Amortization of Remaining Unfunded Liability	(9) Actuarially Determined Contribution: (2)+(3)+(4)+ (5)+(6)+(7)+ (8)	(10) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(11) Percent Increase in Actuarially Determined Contribution
2025	\$4,813,902	\$43,622	\$407,449	\$138,848	\$51,333	\$37,193	\$13,705,496	\$19,197,843	\$99,179,964	--
2026	4,988,696	44,386	414,579	141,277	52,231	37,844	14,238,749	19,917,762	91,243,697	3.75%
2027	5,169,793	45,163	421,834	143,750	53,145	38,506	14,792,487	20,664,678	82,188,010	3.75%
2028	5,357,423	45,953	429,216	146,265	54,075	39,180	15,367,491	21,439,603	71,913,137	3.75%
2029	5,551,818	46,757	436,728	148,825	55,022	39,866	15,964,572	22,243,588	60,311,520	3.75%
2030	5,753,221	47,575	444,370	151,429	55,985	40,563	16,584,580	23,077,723	47,267,225	3.75%
2031	5,961,884	48,408	452,147	154,079	56,964	41,273	17,228,383	23,943,138	32,655,327	3.75%
2032	6,178,067	49,255	460,059	156,776	57,961	41,995	16,137,470	23,081,583	16,341,246	-3.60%
2033	6,402,039	0	0	0	0	0	0	6,402,039	0	-72.26%

Notes:

Fiscal 2025 appropriation is equal to the budgeted amount determined with the prior valuation.

Actuarially determined contributions are assumed to be paid monthly.

Employer normal cost is projected based on a 3.25% growth in payroll and a 0.15% adjustment to total normal cost to reflect the effect of mortality improvements due to the generational mortality assumption.

Amortization payments calculated to increase at 1.75% per year for items (3), (4), (5), (6) and (7).

Projected normal cost does not reflect the future impact of pension reform for new hires.

Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains/losses.