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.

M E M O R A N D U M

TO: Hull Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: July 6, 2026

This Commission is hereby furnishing you with approval of the revised funding schedule the Board recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY27 (since the amount under the prior schedule was maintained in FY27). This schedule is acceptable under Chapter 32, but we do not recommend it.

The Board has been using a 7.40% investment return assumption since the 2018 actuarial valuation. We recommended the Board reduce this assumption as part of the 2020, 2022 and 2024 valuations. Each time, the Board voted to maintain the 7.40% assumption. As part of this valuation, we recommended a 7.25% assumption. The Board once again voted to maintain the 7.40% assumption. The recommended assumption for our 2026 valuations is between 6.85% to 7.25%. For comparison, there are 92 systems that currently use an assumption of 7.25% or lower. Note that the 7.40% assumption is at the high end of our reasonable range for this assumption this year (6.0% - 7.40%).

This schedule reflects an increase in the COLA base to $20,000.

We are available to discuss these issues further. If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

WTK/jfb
P:\actuaria\APPROP\Approp27\hull approval.docx

Enc.

10 CABOT ROAD, SUITE 300 | MEDFORD, MA 02155
PH 617 666 4446 | FAX 617 628 4002 | WWW.MASS.GOV/PERAC

Alternative 2
7.40% Investment Return Assumption
$20,000 COLA Base

Hull Retirement System
January 1, 2026 Actuarial Valuation

Total Cost Increasing 4.0% Per Year Until FY29 with a Final Amortization Payment in FY30

Fiscal Year	Normal Cost	Net 3(8)(c)	Amort. Of UAL	Total Cost	Unfunded Act. Liab.	Change in Cost
2027	1,527,617	65,000	3,351,491	4,944,108	12,565,340	
2028	1,596,360	65,000	3,480,512	5,141,872	9,916,953	4.0%
2029	1,668,196	65,000	3,614,351	5,347,547	6,934,835	4.0%
2030	1,743,265	65,000	3,610,491	5,418,756	3,589,148	1.3%
2031	1,821,712	65,000		1,886,712	0	-65.2%

All amounts assume payments will be made on August 1 of each fiscal year.
FY27 normal cost includes assumed expenses of $300,000 and is assumed to increase 4.5% each year.
FY27 appropriaiton was maintained at the same level as the current schedule.