

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: Lexington Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: December 11, 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 quarterly. This schedule is effective in FY26 (since the amount under the prior schedule was maintained in FY26) and is acceptable under Chapter 32.

The revised schedule maintains the 7.25% investment return assumption used in the January 1, 2023 actuarial valuation. For comparison, 78 systems currently use an assumption of 7.0% or below.

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

WTK/jfb

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Enc.



LEXINGTON RETIREMENT SYSTEM FUNDING SCHEDULE

| Fiscal Year | Normal Cost | Unfunded Liability* | Funding Amortization of UAAL | Net 3(8)(c) Payments | Schedule Contribution | Adjusted Payments |
|----------------|----------------|------------------------|------------------------------------|-------------------------|--------------------------|----------------------|
| 2027 | 2,132,574 | 34,796,472 | 9,553,189 | 414,845 | 12,100,607 | 12,420,042 |
| 2028 | 2,228,540 | 27,073,421 | 10,216,432 | 414,845 | 12,859,817 | 13,199,293 |
| 2029 | 2,328,824 | 18,079,120 | 10,876,070 | 414,845 | 13,619,738 | 13,979,275 |
| 2030 | 2,433,621 | 7,725,272 | 7,725,272 | 414,845 | 10,573,738 | 10,852,865 |
| 2031 | 2,543,134 | - | - | 414,845 | 2,957,979 | 3,036,064 |

Amortization of Unfunded Liability as of July 1, 2026

| Year | Type | Original Amort. Amount | Percentage Increasing | Original # of Years | Current Amort. Amount | Years Remaining |
|------|-------------|---------------------------|--------------------------|------------------------|--------------------------|--------------------|
| 2027 | Fresh Start | N/A | N/A | 4 | N/A | 4 |