

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

JOHN W. PARSONS, ESQ., *Executive Director*

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MEMORANDUM

TO: Lowell Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 8, 2023

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 and is effective in FY24 (since the amount under the prior schedule was maintained in FY24) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.10% to 7.0% and a slight revision to the fully generational mortality assumption.

Although we are approving the schedule, we would have preferred the Board adopt a schedule that completes the amortization of the unfunded actuarial liability (UAL) by FY35. With this schedule, the System has less flexibility in the event of a market downturn, future actuarial losses, or changes in assumptions or plan provisions that increase the plan's liability. We are available to discuss this issue further.

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

JWP/jfb

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Enc.



SECTION 3 - CHAPTER 32 OF M.G.L. APPROPRIATIONS

Exhibit 3.1 - 30-Year Forecast of Annual Appropriations

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Net 3(8)(c) Transfers	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2024	\$9,662,637	\$24,503,367	\$1,000,000	\$35,166,004		\$296,080,487
2025	9,930,304	26,092,465	1,000,000	37,022,769	5.28%	291,459,642
2026	10,218,708	27,758,862	1,000,000	38,977,570	5.28%	284,871,562
2027	10,502,992	29,532,594	1,000,000	41,035,586	5.28%	276,098,581
2028	10,800,440	31,401,825	1,000,000	43,202,265	5.28%	264,876,729
2029	11,126,499	33,356,846	1,000,000	45,483,345	5.28%	250,935,800
2030	11,412,477	35,472,389	1,000,000	47,884,866	5.28%	233,996,716
2031	11,752,466	37,660,721	1,000,000	50,413,187	5.28%	213,683,561
2032	12,086,447	39,988,557	1,000,000	53,075,004	5.28%	189,684,858
2033	12,464,636	42,412,727	1,000,000	55,877,363	5.28%	161,598,313
2034	12,820,780	45,006,908	1,000,000	58,827,688	5.28%	129,038,129
2035	13,186,990	47,746,800	1,000,000	61,933,790	5.28%	91,515,291
2036	13,588,702	50,201,567	1,000,000	64,790,269	4.61%	48,531,687
2037	14,023,038	-	1,000,000	15,023,038	-76.81%	-
2038	14,414,310	-	1,000,000	15,414,310	2.60%	-
2039	14,875,848	-	1,000,000	15,875,848	2.99%	-
2040	15,334,144	-	1,000,000	16,334,144	2.89%	-
2041	15,818,022	-	1,000,000	16,818,022	2.96%	-
2042	16,297,436	-	1,000,000	17,297,436	2.85%	-
2043	16,782,605	-	1,000,000	17,782,605	2.80%	-
2044	17,342,573	-	1,000,000	18,342,573	3.15%	-
2045	17,938,699	-	1,000,000	18,938,699	3.25%	-
2046	18,521,191	-	1,000,000	19,521,191	3.08%	-
2047	19,127,720	-	1,000,000	20,127,720	3.11%	-
2048	19,786,672	-	1,000,000	20,786,672	3.27%	-
2049	20,449,097	-	1,000,000	21,449,097	3.19%	-
2050	21,161,060	-	1,000,000	22,161,060	3.32%	-
2051	21,847,975	-	1,000,000	22,847,975	3.10%	-
2052	22,571,693	-	1,000,000	23,571,693	3.17%	-
2053	23,429,084	-	1,000,000	24,429,084	3.64%	-