

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

Auditor: DIANA DIZOGGIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

## MEMORANDUM

TO: Malden Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Revised Appropriation for Fiscal Year 2025

DATE: April 30, 2024

Revised Appropriation for FY25: **\$17,127,694**

This Commission is hereby furnishing you with the revised amount to be appropriated for your retirement system for Fiscal Year 2025, which commences July 1, 2024.

This amount revises the figure shown in our December 7, 2023 memorandum based on the funding schedule recently adopted by the Board (copy enclosed). The revised schedule maintains the FY24 appropriation amount from the prior schedule then has level payments through FY32 with a final amortization payment in FY33. The schedule assumes payments are made on July 1 of each fiscal year. We note that this schedule completes the amortization of the UAL three years later than the schedule adopted in 2022.

However, note that we are only approving the FY25 appropriation amount. While we are amenable to level funding for a year or two for some short-term budgeting relief, we do not believe it is generally appropriate for a schedule to maintain level payments for almost 10 years. We believe a schedule should increase each year at least to reflect that the normal cost (cost of benefits that accrue each year) increases each year. Our understanding is that the Board is having an actuarial valuation performed as of January 1, 2024. A revised funding schedule will be adopted as part of that valuation. We suggest the updated schedule reflect a more traditional approach with regard to its amortization basis.

The breakout by governmental unit is as follows:

City	\$15,593,053
Housing Authority	1,534,641

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.



## MALDEN RETIREMENT SYSTEM

FUNDING SCHEDULE with 3(8)(C) - 10 years: 4.1% increase in year one, 0% thereafter  
5% COLA Increase for FY2023

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	% Change
2024	4,473,914	81,629,941	12,169,781	483,999	17,127,694	4.10%
2025	4,675,240	74,148,721	11,968,454	483,999	17,127,694	0.00%
2026	4,885,626	66,377,435	11,758,069	483,999	17,127,694	0.00%
2027	5,105,479	58,306,174	11,538,215	483,999	17,127,694	0.00%
2028	5,335,226	49,924,795	11,308,469	483,999	17,127,694	0.00%
2029	5,575,311	41,222,929	11,068,384	483,999	17,127,694	0.00%
2030	5,826,200	32,189,977	10,817,495	483,999	17,127,694	0.00%
2031	6,088,379	22,815,124	10,555,316	483,999	17,127,694	0.00%
2032	6,362,356	13,087,346	10,281,339	483,999	17,127,694	0.00%
2033	6,648,662	2,995,413	2,995,413	483,999	10,128,074	-40.87%
2034	6,947,852	-	-	483,999	7,431,851	-26.62%

### Amortization of Unfunded Liability as of July 1, 2023

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2024	Fresh Start	N/A	N/A	10	N/A	10

\*\* Contribution is set to be the amount resulting from a 4.1% increase on the prior year's contribution, with 0% increases thereafter. The contribution in FY2033 decreases by -40.87%.