

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.

MEMORANDUM

TO: Marblehead Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: October 11, 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 on July 1 of 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 2022 actuarial valuation and a there was a slight adjustment to the fully generational mortality assumption.

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.



Alternative 1
 7.0% Investment Return
 8.6% Total Cost Increasing
 \$14,000 COLA

**Marblehead Retirement System
 January 1, 2024 Actuarial Valuation**

8.6% total cost increasing to FY35 with a final amortization payment in FY36

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Change in Cost</u>
2025	2,407,786	3,719,545	6,127,331	52,614,827	
2026	2,516,136	4,138,145	6,654,281	52,317,952	8.6%
2027	2,629,362	4,597,187	7,226,550	51,552,393	8.6%
2028	2,747,683	5,100,349	7,848,033	50,242,070	8.6%
2029	2,871,329	5,651,635	8,522,964	48,301,641	8.6%
2030	3,000,539	6,255,400	9,255,939	45,635,507	8.6%
2031	3,135,563	6,916,386	10,051,949	42,136,714	8.6%
2032	3,276,664	7,639,753	10,916,417	37,685,751	8.6%
2033	3,424,114	8,431,115	11,855,229	32,149,218	8.6%
2034	3,578,199	9,296,580	12,874,779	25,378,370	8.6%
2035	3,739,218	10,242,792	13,982,010	17,207,515	8.6%
2036	3,907,482	7,452,254	11,359,736	7,452,254	-18.8%
2037	4,083,319		4,083,319	0	-64.1%

Appropriation payments assumed to be made on July 1 of each fiscal year
 Normal cost includes assumed expenses of \$475,000 and is assumed to increase 4.5% per year
 FY25 amount maintained at level of current funding schedule