

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: Marlborough Retirement Board

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

RE: Approval of Funding Schedule

DATE: December 4, 2023

This Commission is hereby furnishing you with approval of the revised funding schedule the Board recently adopted (copy enclosed). The schedule is effective in FY24 (since the amount under the prior schedule was maintained in FY24).

The Board reduced the investment return assumption from 7.5% to 7.25% in this valuation. We are typically recommending an assumption of 7.0% (or lower) for our 2023 actuarial valuations. For comparison, 74 systems are using 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.

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Appropriation Forecast

Fiscal Year Ending	Employee Contribution	Employer Normal Cost with Interest	Amortization Payments with Interest	Employer Total Cost with Interest	Employer Total Cost % of Payroll	Unfunded Liability	Funded Ratio %**
2024	\$3,463,432	\$1,365,850	\$9,285,002	\$10,650,852	28.0	\$43,035,878	84.1
2025	\$3,634,546	\$1,386,747	\$9,833,131	\$11,219,878	28.3	\$36,543,890	87.2
2026	\$3,813,808	\$1,407,130	\$10,275,622	\$11,682,752	28.4	\$29,009,976	90.4
2027	\$4,001,596	\$1,426,925	\$10,738,025	\$12,164,950	28.4	\$20,471,604	93.6
2028	\$4,198,304	\$1,446,052	\$11,221,236	\$12,667,288	28.5	\$10,835,327	96.8
2029	\$4,404,347	\$1,464,426	\$0	\$1,464,426	3.2	\$0	100.0
2030	\$4,620,156	\$1,481,956	\$0	\$1,481,956	3.1	\$0	100.0
2031	\$4,846,183	\$1,498,546	\$0	\$1,498,546	3.0	\$0	100.0
2032	\$5,082,899	\$1,514,092	\$0	\$1,514,092	2.9	\$0	100.0
2033	\$5,330,799	\$1,528,484	\$0	\$1,528,484	2.8	\$0	100.0
2034	\$5,590,398	\$1,541,605	\$0	\$1,541,605	2.7	\$0	100.0
2035	\$5,862,236	\$1,553,329	\$0	\$1,553,329	2.7	\$0	100.0
2036	\$6,146,876	\$1,563,526	\$0	\$1,563,526	2.6	\$0	100.0
2037	\$6,444,908	\$1,572,052	\$0	\$1,572,052	2.5	\$0	100.0
2038	\$6,756,948	\$1,578,759	\$0	\$1,578,759	2.4	\$0	100.0
2039	\$7,083,638	\$1,583,488	\$0	\$1,583,488	2.3	\$0	100.0
2040	\$7,425,653	\$1,586,068	\$0	\$1,586,068	2.2	\$0	100.0
2041	\$7,783,695	\$1,586,322	\$0	\$1,586,322	2.1	\$0	100.0
2042	\$8,095,043	\$1,649,775	\$0	\$1,649,775	2.1	\$0	100.0
2043	\$8,418,845	\$1,715,765	\$0	\$1,715,765	2.1	\$0	100.0
2044	\$8,755,599	\$1,784,396	\$0	\$1,784,396	2.1	\$0	100.0
2045	\$9,105,823	\$1,855,772	\$0	\$1,855,772	2.1	\$0	100.0
2046	\$9,470,056	\$1,930,003	\$0	\$1,930,003	2.1	\$0	100.0
2047	\$9,848,858	\$2,007,203	\$0	\$2,007,203	2.1	\$0	100.0
2048	\$10,242,812	\$2,087,491	\$0	\$2,087,491	2.1	\$0	100.0
2049	\$10,652,525	\$2,170,991	\$0	\$2,170,991	2.1	\$0	100.0
2050	\$11,078,626	\$2,257,830	\$0	\$2,257,830	2.1	\$0	100.0
2051	\$11,521,771	\$2,348,144	\$0	\$2,348,144	2.1	\$0	100.0
2052	\$11,982,642	\$2,442,069	\$0	\$2,442,069	2.1	\$0	100.0
2053	\$12,461,947	\$2,539,752	\$0	\$2,539,752	2.1	\$0	100.0
2054	\$12,960,425	\$2,641,342	\$0	\$2,641,342	2.1	\$0	100.0
2055	\$13,478,842	\$2,746,996	\$0	\$2,746,996	2.1	\$0	100.0

** Beginning of Fiscal Year