PERAC

M E M O R A N D U M

TO: Massachusetts Water Resources Authority Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: June 22, 2026

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 FY27 (and includes additional payments of $6.5 million in FY27, $8.5 million in FY28, and $11.1 million in FY29 and FY30) and is acceptable under Chapter 32.

The revised schedule maintains the 6.90% investment return assumption used in the 2025 actuarial valuation.

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

WTK/jfb
P:\actuaria\APPROP\Approp27\mwra approval.docx

Enc.

10 CABOT ROAD, SUITE 300 | MEDFORD, MA 02155
PH 617 666 4446 | FAX 617 628 4002 | WWW.MASS.GOV/PERAC

January 1, 2026 Funding Schedule 2
Appropriations Increase 19.42% per Year,
with Additional Contributions of $6.5 Million in FY 2027,
$8.5 Million in FY 2028, and $11.1 Million in FY 2029 and FY 2030
Fully Funded by June 30, 2030

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of Unfunded Liability	(4) Actuarially Determined Contribution (ADC) Before Additional Payment: (2)+(3)	(5) Additional Payment	(6) Actuarially Determined Contribution (ADC) with Additional Payment: (4)+(5)	(7) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(8) Percent Increase in Actuarially Determined Contribution
2027	$4,625,097	$17,285,029	$21,910,126	$6,500,000	$28,410,126	$119,721,789	- -
2028	4,790,191	21,374,881	26,165,072	8,500,000	34,665,072	102,556,396	19.42%
2029	4,961,068	26,285,261	31,246,329	11,100,000	42,346,329	77,696,540	19.42%
2030	5,137,930	31,992,757	37,130,687	11,100,000	48,230,687	43,092,757	18.83%
2031	5,320,981	0	5,320,981	0	5,320,981	0	-85.67%

Notes:
Fiscal 2027 Actuarially Determined Contribution set equal to budgeted amount.
Actuarially Determined Contributions are assumed to be paid on July 1.
Item (2) reflects 3.0% growth in payroll, as well as a 0.15% adjustment to total normal cost to reflect the effects of mortality improvements due to the generational mortality assumption.
Projected normal cost does not reflect the future impact of pension reform for future hires.
Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains or losses.