

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: Medford Retirement Board

FROM: William T. Keefe, Executive Director

BK

RE: Approval of Funding Schedule

DATE: August 13, 2025

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 FY26 (since the amount under the prior schedule was maintained in FY26) and is acceptable under Chapter 32.

The schedule amortizes the unfunded actuarial liability (UAL) on a 5% annually increasing basis until 2033. For schedules that complete the amortization of the UAL after 2030, the maximum such increase is 4.0%. However, a schedule could be developed that amortizes the UAL by increasing the total payments by approximately 5.2% in FY27 and then by approximately 4.5% annually thereafter which would produce costs similar to the adopted schedule. Therefore, we will allow this schedule.

The revised schedule maintains the 7.25% investment return assumption used in the 2024 actuarial valuation.

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

WTK/jfb

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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 Accrued Liability	Funded Ratio %**
2026	\$4,957,648	\$2,768,898	\$14,963,217	\$17,732,115	33.5	\$108,387,695	71.0
2027	\$5,183,132	\$2,811,992	\$15,849,591	\$18,661,583	34.0	\$100,624,348	75.4
2028	\$5,418,327	\$2,854,711	\$16,642,070	\$19,496,781	34.4	\$91,504,800	77.9
2029	\$5,663,636	\$2,896,976	\$17,474,174	\$20,371,150	34.7	\$80,903,343	80.8
2030	\$5,919,479	\$2,938,702	\$18,347,882	\$21,286,584	35.0	\$68,671,504	84.1
2031	\$6,186,294	\$2,979,800	\$19,265,276	\$22,245,076	35.4	\$54,647,989	87.6
2032	\$6,464,534	\$3,020,175	\$20,228,540	\$23,248,715	35.7	\$38,657,659	91.4
2033	\$6,754,672	\$3,059,726	\$21,239,967	\$24,299,693	36.1	\$20,510,415	95.5
2034	\$7,057,202	\$3,098,346	\$0	\$3,098,346	4.4	\$0	100.0
2035	\$7,372,633	\$3,135,921	\$0	\$3,135,921	4.3	\$0	100.0
2036	\$7,701,500	\$3,172,331	\$0	\$3,172,331	4.2	\$0	100.0
2037	\$8,044,357	\$3,207,448	\$0	\$3,207,448	4.1	\$0	100.0
2038	\$8,401,778	\$3,241,137	\$0	\$3,241,137	4.1	\$0	100.0
2039	\$8,695,841	\$3,354,577	\$0	\$3,354,577	4.1	\$0	100.0
2040	\$9,000,195	\$3,471,987	\$0	\$3,471,987	4.1	\$0	100.0
2041	\$9,315,202	\$3,593,507	\$0	\$3,593,507	4.1	\$0	100.0
2042	\$9,641,234	\$3,719,279	\$0	\$3,719,279	4.1	\$0	100.0
2043	\$9,978,677	\$3,849,454	\$0	\$3,849,454	4.1	\$0	100.0
2044	\$10,327,931	\$3,984,185	\$0	\$3,984,185	4.1	\$0	100.0
2045	\$10,689,409	\$4,123,632	\$0	\$4,123,632	4.1	\$0	100.0
2046	\$11,063,538	\$4,267,959	\$0	\$4,267,959	4.1	\$0	100.0
2047	\$11,450,762	\$4,417,337	\$0	\$4,417,337	4.1	\$0	100.0
2048	\$11,851,538	\$4,571,944	\$0	\$4,571,944	4.1	\$0	100.0
2049	\$12,266,342	\$4,731,962	\$0	\$4,731,962	4.1	\$0	100.0
2050	\$12,695,664	\$4,897,581	\$0	\$4,897,581	4.1	\$0	100.0
2051	\$13,140,012	\$5,068,996	\$0	\$5,068,996	4.1	\$0	100.0
2052	\$13,599,913	\$5,246,411	\$0	\$5,246,411	4.1	\$0	100.0
2053	\$14,075,910	\$5,430,035	\$0	\$5,430,035	4.1	\$0	100.0
2054	\$14,568,567	\$5,620,087	\$0	\$5,620,087	4.1	\$0	100.0
2055	\$15,078,466	\$5,816,790	\$0	\$5,816,790	4.1	\$0	100.0
2056	\$15,606,213	\$6,020,377	\$0	\$6,020,377	4.1	\$0	100.0
2057	\$16,152,430	\$6,231,090	\$0	\$6,231,090	4.1	\$0	100.0

** Beginning of Fiscal Year