

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: Medford Retirement Board

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

RE: Approval of Funding Schedule

DATE: September 12, 2022

This Commission is hereby furnishing you with approval of the revised funding schedule the Board recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each year. The schedule is effective in FY23 (since the amount under the prior schedule was maintained in FY23) and is acceptable under Chapter 32.

The schedule amortizes the unfunded actuarial liability on a 6.9% annually increasing basis through FY32. Under the provisions of G.L. c. 32 Section 22F, the maximum allowable increase is 4.0% for schedules that extend beyond FY30. However, since the Board could have adopted a schedule with similar payments over the next few years by having the total payments increase approximately 6.9% each year, we will allow this schedule.

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

JWP/jfb

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Appropriation Forecast

Fiscal Year	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 %**
2023	\$4,308,081	\$2,917,706	\$12,232,886	\$15,150,592	31.8	\$118,206,084	66.0
2024	\$4,506,417	\$2,970,579	\$13,228,956	\$16,199,535	32.9	\$113,452,023	67.8
2025	\$4,713,359	\$3,023,579	\$14,141,191	\$17,164,770	33.7	\$107,974,361	69.9
2026	\$4,929,266	\$3,076,650	\$15,116,369	\$18,193,019	34.5	\$101,154,649	72.3
2027	\$5,154,514	\$3,129,732	\$16,150,665	\$19,280,397	35.3	\$92,830,390	74.9
2028	\$5,389,490	\$3,182,761	\$17,265,061	\$20,447,822	36.2	\$82,831,268	78.0
2029	\$5,634,600	\$3,235,668	\$18,456,350	\$21,692,018	37.1	\$70,952,885	81.4
2030	\$5,890,266	\$3,288,379	\$19,729,838	\$23,018,217	38.0	\$56,979,347	85.3
2031	\$6,156,926	\$3,340,817	\$21,091,197	\$24,432,014	39.0	\$40,673,613	89.7
2032	\$6,435,036	\$3,392,897	\$22,546,490	\$25,939,387	40.0	\$21,775,577	94.6
2033	\$6,725,072	\$3,444,531	\$0	\$3,444,531	5.1	\$0	100.0
2034	\$7,027,528	\$3,495,622	\$0	\$3,495,622	5.0	\$0	100.0
2035	\$7,342,918	\$3,546,070	\$0	\$3,546,070	4.9	\$0	100.0
2036	\$7,671,776	\$3,595,767	\$0	\$3,595,767	4.8	\$0	100.0
2037	\$8,014,659	\$3,644,600	\$0	\$3,644,600	4.7	\$0	100.0
2038	\$8,372,145	\$3,692,445	\$0	\$3,692,445	4.6	\$0	100.0
2039	\$8,665,170	\$3,821,681	\$0	\$3,821,681	4.6	\$0	100.0
2040	\$8,968,451	\$3,955,440	\$0	\$3,955,440	4.6	\$0	100.0
2041	\$9,282,347	\$4,093,880	\$0	\$4,093,880	4.6	\$0	100.0
2042	\$9,607,229	\$4,237,166	\$0	\$4,237,166	4.6	\$0	100.0
2043	\$9,943,482	\$4,385,467	\$0	\$4,385,467	4.6	\$0	100.0
2044	\$10,291,504	\$4,538,958	\$0	\$4,538,958	4.6	\$0	100.0
2045	\$10,651,707	\$4,697,822	\$0	\$4,697,822	4.6	\$0	100.0
2046	\$11,024,517	\$4,862,246	\$0	\$4,862,246	4.6	\$0	100.0
2047	\$11,410,375	\$5,032,424	\$0	\$5,032,424	4.6	\$0	100.0
2048	\$11,809,738	\$5,208,559	\$0	\$5,208,559	4.6	\$0	100.0
2049	\$12,223,079	\$5,390,859	\$0	\$5,390,859	4.6	\$0	100.0
2050	\$12,650,886	\$5,579,539	\$0	\$5,579,539	4.6	\$0	100.0
2051	\$13,093,667	\$5,774,822	\$0	\$5,774,822	4.6	\$0	100.0
2052	\$13,551,946	\$5,976,941	\$0	\$5,976,941	4.6	\$0	100.0
2053	\$14,026,264	\$6,186,134	\$0	\$6,186,134	4.6	\$0	100.0
2054	\$14,517,183	\$6,402,649	\$0	\$6,402,649	4.6	\$0	100.0

** Beginning of Fiscal Year