



Memorandum # 37/2004

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission
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MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: New Option C factors

DATE: September 30, 2004

The Fiscal Year 2005 State Budget provided that PERAC may establish new actuarial equivalent factors to be used in the calculation of retirement allowances. The statute authorized the PERAC Actuary to select a new mortality table and interest rate to be used in the calculation of such factors.

The new actuarial equivalent basis is the RP-2000 Combined Healthy Table with 50% male and 50% female rates and an interest rate of 7.0%.

The Commission is releasing the enclosed Option C actuarial equivalent factors so boards can counsel future retirees on their benefits. **These new factors will become effective on December 27, 2004.**

Please note that the Option A and Option B annuity factors will also change as a result of the new definition, but these rates have not been finalized at this time. The Commission will release the Option A and Option B annuity factors shortly.

If you have any question, please contact Jim Lamenzo at (617) 666-4446 ext. 921 or John Boorack at (617) 666-4446 ext. 935.