PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair* WILLIAM T. KEEFE, *Executive Director*

M E M O R A N D U M

TO: Methuen Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: August 25, 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 (since the amount under the prior schedule was maintained in FY27) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption used in the prior actuarial valuation and reflects an increase in the COLA base from $18,000 to $20,000.

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

WTK/jfb
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Enc.

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Alternative 1
7.0% Investment Return
$20,000 COLA Base

Methuen Retirement System
January 1, 2026 Actuarial Valuation

Total cost increases 5% each year until FY34 with a final amortization payment in FY35

Fiscal Year	Normal Cost	Net 3(8)(c)	Amort. of UAL	Total Cost	Unfunded Act. Liab.	Total Cost Increase
2027	5,437,820	72,000	13,332,924	18,842,744	105,183,539	
2028	5,682,522	72,000	14,030,360	19,784,881	98,280,158	5.00%
2029	5,938,235	72,000	14,763,890	20,774,125	90,147,284	5.00%
2030	6,205,456	72,000	15,535,376	21,812,832	80,660,231	5.00%
2031	6,484,701	72,000	16,346,772	22,903,473	69,683,595	5.00%
2032	6,776,513	72,000	17,200,134	24,048,647	57,070,401	5.00%
2033	7,081,456	72,000	18,097,623	25,251,079	42,661,185	5.00%
2034	7,400,121	72,000	19,041,512	26,513,633	26,283,011	5.00%
2035	7,733,127	72,000	7,748,404	15,553,531	7,748,404	-41.34%
2036	8,081,117	72,000		8,153,117	0	-47.58%

Appropriation payments assumed to be made on July 1 of each fiscal year.
Total appropriation assumed to increase 5.0% each year until FY34 with a final amortization payment in FY35.
FY27 normal cost includes assumed expenses of $1,100,000 and is assumed to increase 4.5% per year.
FY27 appropriation was maintained at the same level as the current schedule.