

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: Methuen Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: October 7, 2024

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 FY25 (since the amount under the prior schedule was maintained in FY25) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.15% to 7.0%, an increase in the COLA base from \$17,000 to \$18,000 and a slight adjustment to the fully generational mortality assumption.

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.



Methuen Retirement System
January 1, 2024 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	Amort. of 2002 ERI	Amort. of 2003 ERI	Pension Holiday	Total Cost	Unfunded Act. Liab.	% Increase Total Cost
2025	5,044,749	50,000	11,260,402	292,352	339,956	103,465	17,090,924	112,908,396	
2026	5,271,763	50,000	12,623,707				17,945,470	107,976,077	5.00%
2027	5,508,992	50,000	13,283,751				18,842,744	102,027,036	5.00%
2028	5,756,897	50,000	13,977,984				19,784,881	94,955,315	5.00%
2029	6,015,957	50,000	14,708,167				20,774,125	86,645,744	5.00%
2030	6,286,676	50,000	15,476,156				21,812,831	76,973,207	5.00%
2031	6,569,576	50,000	16,283,897				22,903,473	65,801,845	5.00%
2032	6,865,207	50,000	17,133,439				24,048,646	52,984,205	5.00%
2033	7,174,141	50,000	18,026,938				25,251,079	38,360,319	5.00%
2034	7,496,978	50,000	18,966,655				26,513,633	21,756,718	5.00%
2035	7,834,342	50,000	2,985,367				10,869,709	2,985,367	-59.00%
2036	8,186,887	50,000					8,236,887	0	-24.22%

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.

FY25 normal cost includes assumed expenses of \$1,000,000 and is assumed to increase 4.5% per year.

FY25 appropriation was maintained at the same level as the current schedule.