

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

Auditor DIANA DIZOGLIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

## MEMORANDUM

TO: Middlesex County Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: September 20, 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 in equal installments on July 1 and January 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.

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

WTK/jfb

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## Section 2: Actuarial Valuation Results

### Funding schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of Unfunded Liability	(4) Actuarially Determined Contribution (ADC): (2)+(3)	(5) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(6) Percent Increase in ADC
2025	\$31,053,652	\$146,282,625	\$177,336,277	\$1,660,784,076	--
2026	32,199,707	156,663,428	188,863,135	1,625,471,208	6.50%
2027	33,387,667	167,751,572	201,139,239	1,576,700,829	6.50%
2028	34,619,053	179,594,237	214,213,290	1,512,765,784	6.50%
2029	35,895,438	192,241,716	228,137,154	1,431,787,169	6.50%
2030	37,218,458	205,747,611	242,966,069	1,331,698,771	6.50%
2031	38,589,802	220,169,061	258,758,863	1,210,230,191	6.50%
2032	40,011,222	229,807,001	269,818,223	1,064,888,521	4.27%
2033	41,484,533	238,999,281	280,483,814	899,004,634	3.95%
2034	43,011,614	248,559,252	291,570,866	711,579,113	3.95%
2035	44,594,414	258,501,622	303,096,036	500,684,493	3.95%
2036	46,234,953	268,841,687	315,076,640	264,240,008	3.95%
2037	47,935,318	0	47,935,318	0	-84.79%

**Notes:**

Actuarially determined contribution for fiscal year 2025 is set equal to the amount determined with the prior valuation.

Actuarially determined contributions are assumed to be paid in two equal installments on July 1 and December 31.

Item (2) reflects 3.25% growth in payroll and a 0.15% adjustment to total normal cost to reflect the effect of mortality improvements due to the generational mortality assumption.

Item (3) increases at 4% per year beginning in fiscal 2033.

Projected normal cost does not reflect the future impact of pension reform for new hires.

Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains or losses.