

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Milford Retirement Board

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

RE: Approval of Funding Schedule

DATE: December 4, 2023

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 October 1 of each fiscal year. The schedule is effective in FY24 (since the amount under the prior schedule was maintained in FY24) and is acceptable under Chapter 32.

The revised schedule reflects a slight revision to the fully generational mortality assumption.

The Board maintained the 7.25% investment return assumption. For comparison, there are currently 74 systems using an assumption of 7.0% or lower.

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

JWP/jfb

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Enc.



**Milford Retirement System
January 1, 2023 Actuarial Valuation**

Total Cost Increasing 7.0% per year until FY34 with final amortization payment in FY35

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>% Increase Total Cost</u>
2024	2,519,691	150,000	4,401,908	263,570	34,781	7,369,950	56,831,812	
2025	2,633,077	150,000	4,790,993	275,431	36,346	7,885,847	55,997,747	7.0%
2026	2,751,565	150,000	5,210,484	287,825	37,982	8,437,856	54,678,940	7.0%
2027	2,875,385	150,000	5,662,652	300,777	39,691	9,028,506	52,807,562	7.0%
2028	3,004,778	150,000	6,149,934	314,312	41,477	9,660,501	50,308,441	7.0%
2029	3,139,993	150,000	7,046,743			10,336,736	47,098,358	7.0%
2030	3,281,293	150,000	7,629,015			11,060,308	43,085,275	7.0%
2031	3,428,951	150,000	8,255,579			11,834,529	38,167,491	7.0%
2032	3,583,253	150,000	8,929,693			12,662,946	32,232,731	7.0%
2033	3,744,500	150,000	9,654,853			13,549,352	25,157,141	7.0%
2034	3,913,002	150,000	10,434,805			14,497,807	16,804,207	7.0%
2035	4,089,087	150,000	7,146,415			11,385,502	7,023,566	-21.5%
2036	4,273,096	150,000				4,423,096	0	-61.2%

Appropriation payments assumed to be made October 1 of each fiscal year
Normal Cost includes expenses of \$600,000 and is assumed to increase 4.5% each year
FY24 appropriation maintained from current schedule.