

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Milton Retirement Board

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

RE: Approval of Funding Schedule

DATE: November 8, 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 average, on November 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 generational mortality assumption as well as an increase in the COLA base to \$18,000.

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

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Enc.



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

UAL is fully amortized in FY24, extra \$1 million for each of next 10 years.

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % Increase</u>
2024	3,256,627	170,000	4,992,120	8,418,747	3,117,982	
2025	3,403,175	170,000	1,000,000	4,573,175	(1,887,561)	-45.7%
2026	3,556,318	170,000	1,000,000	4,726,318	(3,066,100)	3.3%
2027	3,716,353	170,000	1,000,000	4,886,353	(4,327,136)	3.4%
2028	3,883,588	170,000	1,000,000	5,053,588	(5,676,445)	3.4%
2029	4,058,350	170,000	1,000,000	5,228,350	(7,120,205)	3.5%
2030	4,240,976	170,000	1,000,000	5,410,976	(8,665,029)	3.5%
2031	4,431,820	170,000	1,000,000	5,601,820	(10,317,991)	3.5%
2032	4,631,251	170,000	1,000,000	5,801,251	(12,086,660)	3.6%
2033	4,839,658	170,000	1,000,000	6,009,658	(13,979,135)	3.6%
2034	5,057,442	170,000	1,000,000	6,227,442	(16,004,084)	3.6%
2035	5,285,027	170,000		5,455,027	(18,170,780)	-12.4%

All amounts assume payments will be made November 1 of each fiscal year.

Normal cost includes expenses of \$750,000 and is assumed to increase 4.5% each year.

FY24 appropriation maintained at the same level as the current schedule.