

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Montague Retirement Board

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

RE: Approval of Funding Schedule

DATE: July 15, 2022

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 August 1 of each fiscal year. The schedule is effective in FY23 (since the amount under the prior schedule was maintained in FY23) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.0% to 6.85% and a slight revision to the mortality assumption.

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

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Montague Retirement System
January 1, 2022 Actuarial Valuation

Amortization of UAL increasing 4.0% until FY30

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Change in Cost</u>
2023	1,053,722	65,000	1,165,518	2,284,240	8,637,927	
2024	1,101,140	65,000	1,243,049	2,409,188	7,991,105	5.5%
2025	1,150,691	65,000	1,292,771	2,508,461	7,217,588	4.1%
2026	1,202,472	65,000	1,344,481	2,611,953	6,338,250	4.1%
2027	1,256,583	65,000	1,398,261	2,719,844	5,343,727	4.1%
2028	1,313,130	65,000	1,454,191	2,832,321	4,223,932	4.1%
2029	1,372,220	65,000	1,512,359	2,949,579	2,967,997	4.1%
2030	1,433,970	65,000	1,572,853	3,071,823	1,564,220	4.1%
2031	1,498,499	65,000		1,563,499	0	-49.1%

Appropriation payments assumed to be made on August 1 of each fiscal year
 Normal cost includes assumed expenses of \$360,000 and is assumed to increase 4.5% per year
 FY23 amount maintained at level of current funding schedule