

# 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: Montague Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: October 11, 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 August 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 maintains the 6.85% investment return assumption used in the 2022 actuarial valuation and reflects 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.

WTK/jfb

P:\actuarial\APPROP\Approp25\montague approval.docx

Enc.



**Montague Retirement System**  
**January 1, 2024 Actuarial Valuation**

Amortization of UAL increasing 4.0% until FY35

| <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> |
|--------------------|--------------------|--------------------|----------------------|-------------------|----------------------------|-----------------------|
| 2025               | 1,222,028          | 70,000             | 1,216,433            | 2,508,461         | 12,470,450                 |                       |
| 2026               | 1,277,019          | 70,000             | 1,362,250            | 2,709,269         | 12,032,051                 | 8.0%                  |
| 2027               | 1,334,485          | 70,000             | 1,416,740            | 2,821,225         | 11,408,672                 | 4.1%                  |
| 2028               | 1,394,537          | 70,000             | 1,473,410            | 2,937,947         | 10,684,688                 | 4.1%                  |
| 2029               | 1,457,291          | 70,000             | 1,532,346            | 3,059,637         | 9,850,893                  | 4.1%                  |
| 2030               | 1,522,869          | 70,000             | 1,593,640            | 3,186,509         | 8,897,354                  | 4.1%                  |
| 2031               | 1,591,398          | 70,000             | 1,657,386            | 3,318,784         | 7,813,366                  | 4.2%                  |
| 2032               | 1,663,011          | 70,000             | 1,723,681            | 3,456,692         | 6,587,385                  | 4.2%                  |
| 2033               | 1,737,847          | 70,000             | 1,792,628            | 3,600,475         | 5,206,977                  | 4.2%                  |
| 2034               | 1,816,050          | 70,000             | 1,864,333            | 3,750,383         | 3,658,746                  | 4.2%                  |
| 2035               | 1,897,772          | 70,000             | 1,938,907            | 3,906,679         | 1,928,264                  | 4.2%                  |
| 2036               | 1,983,172          | 70,000             |                      | 2,053,172         | 0                          | -47.4%                |

Appropriation payments assumed to be made on August 1 of each fiscal year

Amortization of UAL on 4.0% annual increasing basis to FY35

Normal cost includes assumed expenses of \$375,000 and is assumed to increase 4.5% per year

FY25 amount maintained at level of current funding schedule