

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

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MEMORANDUM

TO: Natick Retirement Board
FROM: William T. Keefe, Executive Director *WTK*
RE: Appropriation for Fiscal Year 2027
DATE: December 11, 2025

Required Fiscal Year 2027 Appropriation: **\$15,761,545**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2027 which commences July 1, 2026.

Attached please find the portion of the Fiscal Year 2027 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Segal Consulting as part of their January 1, 2024 actuarial valuation.

As we indicated in PERAC Memo #27/2025, we are sending this letter only to the Retirement Board. Upon receipt, please forward this letter to the appropriate governmental bodies.

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

WTK/jfb
Attachment

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Section 3: Supplemental Information

Exhibit D: Department Results as of January 1, 2024

Category	Housing	Public Safety	Water & Sewer Enterprise Fund	Sassamon Trace Enterprise Fund	All Others	Total
1 Demographics:						
Actives	13	165	28	4	509	719
Inactives	1	26	5	3	317	352
Retired	6	141	14	1	277	439
Total	20	332	47	8	1,103	1,510
2 Total normal cost	\$113,573	\$3,163,259	\$215,835	\$34,243	\$3,782,626	7,309,536
3 Administrative expenses	4,661	129,827	8,858	1,405	155,249	300,000
4 Expected employee contributions	<u>91,944</u>	<u>1,670,607</u>	<u>221,379</u>	<u>31,327</u>	<u>3,000,542</u>	<u>5,015,799</u>
5 Employer normal cost: (2) + (3) + (4)	\$26,290	\$1,622,479	\$3,314	\$4,321	\$937,333	\$2,593,737
6 Employer normal cost as a percent of payroll	2.85%	9.91%	0.15%	1.41%	3.07%	5.15%
7 Actuarial accrued liability	\$5,586,595	\$130,864,546	\$12,253,947	\$472,319	\$134,461,160	\$283,638,567
8 Actuarial value of assets	<u>4,740,147</u>	<u>111,036,725</u>	<u>10,397,302</u>	<u>618,727</u>	<u>114,088,402</u>	<u>240,881,303</u>
9 Unfunded actuarial accrued liability: (7) – (8)	\$846,448	\$19,827,821	\$1,856,645	-\$146,408	\$20,372,758	\$42,757,264
10 Projected payroll as of January 1, 2021	922,547	16,374,343	2,187,630	306,612	30,531,881	50,323,013
11 Fiscal Year 2025 Actuarially Determined Contributions	235,535	7,317,474	518,940	5,624	6,494,861	14,572,434
12 Fiscal Year 2026 Actuarially Determined Contributions	272,256	7,459,484	538,767	4,645	6,880,180	15,155,332
13 Fiscal Year 2027 Actuarially Determined Contributions	283,146	7,757,863	560,318	4,831	7,155,387	15,761,545

Notes:

Actuarial value of assets allocated in proportion to liabilities, except for Sassamon Trace Enterprise Fund where actuarial value of assets is estimated from prior valuation plus employer and employee contributions, less benefit payments.

Because Sassamon Trace Enterprise Fund is overfunded as of January 1, 2024, its Actuarially Determined Contribution for Fiscal Year 2026 consists of only normal cost and administrative expenses. The unfunded liability amortization payments for the other departments are allocated in proportion to their liabilities.

Actuarially Determined Contributions are assumed to be paid on July 1 and December 31.