

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

Auditor DIANA DIZOGLIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

## MEMORANDUM

TO: Needham Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: December 5, 2025

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 July 1 of each fiscal year. The schedule is effective in FY26 (since the amount under the prior schedule was maintained in FY26) and is acceptable under Chapter 32.

The revised schedule maintains the 6.25% investment return assumption used in the 2024 actuarial valuation. The schedule reflects an increase in the COLA base from \$18,000 to \$20,000.

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

WTK/jfb

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Enc.



Needham Contributory Retirement System  
30-Year Forecast of Annual Appropriations

Funding Schedule A-5  
20K COLA effective July 1, 2026  
8.01% Limit per year

Based on Results of January 1, 2025 Valuation

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Net 3(8)(c) Transfers	Total Employer Cost	Increase Over Prior Year	2024 Schedule	Unfunded Actuarial Accrued Liability
2026	\$5,140,513	\$8,604,143	625,000	\$14,369,656		\$14,369,656	\$68,465,760
2027	5,095,013	9,800,654	625,000	15,520,667	8.01%	15,519,230	63,875,921
2028	5,231,438	10,907,435	625,000	16,763,873	8.01%	16,760,768	57,765,883
2029	5,347,772	12,133,885	625,000	18,106,657	8.01%	18,101,629	50,133,124
2030	5,474,637	13,457,364	625,000	19,557,001	8.01%	19,390,523	40,759,121
2031	5,610,140	14,888,378	625,000	21,123,518	8.01%	20,078,981	29,435,033
2032	5,736,140	16,418,345	625,000	22,779,485	7.84%	20,796,321	15,928,134
2033	5,872,452	-	625,000	6,497,452	-71.48%	6,087,674	-
2034	5,993,960	-	625,000	6,618,960	1.87%	6,252,212	-
2035	6,117,942	-	625,000	6,742,942	1.87%	6,413,303	-
2036	6,270,579	-	625,000	6,895,579	2.26%	6,578,217	-
2037	6,426,487	-	625,000	7,051,487	2.26%	6,755,784	-
2038	6,592,233	-	625,000	7,217,233	2.35%	6,948,318	-
2039	6,773,181	-	625,000	7,398,181	2.51%	7,144,703	-
2040	6,944,576	-	625,000	7,569,576	2.32%	7,339,199	-
2041	7,127,901	-	625,000	7,752,901	2.42%	7,558,421	-
2042	7,328,936	-	625,000	7,953,936	2.59%	7,766,715	-
2043	7,583,198	-	625,000	8,208,198	3.20%	7,992,456	-
2044	7,845,208	-	625,000	8,470,208	3.19%	8,230,987	-
2045	8,100,940	-	625,000	8,725,940	3.02%	8,484,055	-
2046	8,367,647	-	625,000	8,992,647	3.06%	8,759,930	-
2047	8,642,410	-	625,000	9,267,410	3.06%	9,032,961	-
2048	8,916,004	-	625,000	9,541,004	2.95%	9,321,657	-
2049	9,231,448	-	625,000	9,856,448	3.31%	9,630,037	-
2050	9,533,965	-	625,000	10,158,965	3.07%	9,928,013	-
2051	9,888,234	-	625,000	10,513,234	3.49%	10,242,574	-
2052	10,230,844	-	625,000	10,855,844	3.26%	10,571,279	-
2053	10,630,367	-	625,000	11,255,367	3.68%	10,938,248	-
2054	10,986,476	-	625,000	11,611,476	3.16%	11,290,961	-
2055	11,325,047	-	625,000	11,950,047	2.92%	11,686,145	-

	Schedule A-5	Baseline	Increase
• Employer Normal Cost as of January 1, 2025:	4,987,030	4,910,482	76,548
• Administrative Expenses:	430,000	414,000	16,000
• Unfunded Actuarial Accrued Liability (UAL):	68,465,760	66,078,649	2,387,111
• Funded Status:	79.1%	79.7%	
• Investment Return Rate:	6.250%	6.250%	
• Amortization Payments Increase Annually:	4.00%	4.00%	
• Limit on Annual Increase:	8.01% per year	None	
• Fully Funded in Fiscal Year:	2032	2032	
• COLA Base:	20,000	18,000	