

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: Needham Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: November 12, 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 July 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 6.25% investment return assumption used in the 2023 actuarial valuation. The schedule reflects an increase in the COLA base from \$16,000 to \$18,000.

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 CB-1
18K COLA, FF 2032

Based on Results of January 1, 2024 Valuation

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Net 3(8)(c) Transfers	Total Employer Cost	Increase Over Prior Year	2023 Schedule	Unfunded Actuarial Accrued Liability
2025	\$4,461,980	\$8,243,258	600,000	\$13,305,238		\$13,305,237	\$73,118,725
2026	4,506,853	9,262,803	600,000	14,369,656	8.00%	14,369,656	69,191,689
2027	4,593,354	10,325,876	600,000	15,519,230	8.00%	15,419,235	63,968,291
2028	4,741,518	11,419,250	600,000	16,760,768	8.00%	15,971,973	57,322,640
2029	4,874,846	12,626,783	600,000	18,101,629	8.00%	16,529,735	49,134,611
2030	5,035,883	13,754,640	600,000	19,390,523	7.12%	17,128,070	39,190,134
2031	5,174,155	14,304,826	600,000	20,078,981	3.55%	17,735,331	27,461,559
2032	5,319,301	14,877,020	600,000	20,796,321	3.57%	18,371,060	14,432,829
2033	5,487,674	-	600,000	6,087,674	-70.73%	19,029,374	-
2034	5,652,212	-	600,000	6,252,212	2.70%	6,273,802	-
2035	5,813,303	-	600,000	6,413,303	2.58%	6,425,233	-
2036	5,978,217	-	600,000	6,578,217	2.57%	6,585,106	-
2037	6,155,784	-	600,000	6,755,784	2.70%	6,776,150	-
2038	6,348,318	-	600,000	6,948,318	2.85%	6,972,953	-
2039	6,544,703	-	600,000	7,144,703	2.83%	7,166,419	-
2040	6,739,199	-	600,000	7,339,199	2.72%	7,368,098	-
2041	6,958,421	-	600,000	7,558,421	2.99%	7,586,011	-
2042	7,166,715	-	600,000	7,766,715	2.76%	7,799,131	-
2043	7,392,456	-	600,000	7,992,456	2.91%	8,025,991	-
2044	7,630,987	-	600,000	8,230,987	2.98%	8,271,819	-
2045	7,884,055	-	600,000	8,484,055	3.07%	8,528,866	-
2046	8,159,930	-	600,000	8,759,930	3.25%	8,808,120	-
2047	8,432,961	-	600,000	9,032,961	3.12%	9,083,919	-
2048	8,721,657	-	600,000	9,321,657	3.20%	9,375,302	-
2049	9,030,037	-	600,000	9,630,037	3.31%	9,682,888	-
2050	9,328,013	-	600,000	9,928,013	3.09%	9,986,648	-
2051	9,642,574	-	600,000	10,242,574	3.17%	10,306,658	-
2052	9,971,279	-	600,000	10,571,279	3.21%	10,638,175	-
2053	10,338,248	-	600,000	10,938,248	3.47%	11,005,524	-
2054	10,690,961	-	600,000	11,290,961	3.22%	11,390,717	-

	Schedule CB-1	Baseline	Increase
• Employer Normal Cost as of January 1, 2024:	4,328,756	4,279,926	48,830
• Administrative Expenses:	414,000	414,000	-
• Unfunded Actuarial Accrued Liability (UAL):	73,118,725	70,635,100	2,483,625
• Funded Status:	76.8%	77.4%	
• Investment Return Rate:	6.250%	6.250%	
• Amortization Payments Increase Annually:	4.00%	4.00%	
• Limit on Annual Increase:	8.0% per year	None	
• Fully Funded in Fiscal Year:	2032	2033	
• COLA Base:	18,000	16,000	