

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: Norfolk County Retirement Board

FROM: Bill 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 is effective in FY26 (since the amount under the prior schedule was maintained in FY26) and is acceptable under Chapter 32.

The schedule essentially amortizes the unfunded actuarial liability (UAL) on a 4.5% annually increasing basis until 2033 (with the additional liability attributed to the most recent experience study completed in FY36). For schedules that complete the amortization of the UAL after 2030, the maximum such increase is 4.0%. However, a schedule could be developed that amortizes the UAL by increasing the total payments by approximately 3.2% annually (the normal cost increases annually by approximately 2%) which would produce costs similar to the adopted schedule. Therefore, we will allow this schedule.

However, we reiterate our past concerns regarding the plan assumptions, specifically, the investment return assumption. The Board maintained the 7.625% investment return assumption used in the 2024 actuarial valuation. Norfolk County is one of five Boards using an assumption this high. We have generally recommended an assumption of 6.50% to 7.0% for our 2025 PERAC valuations. The wider range that we consider reasonable for 2025 valuations is 6.0% to 7.40%. For comparison, 78 systems currently use an assumption of 7.0% or lower.

If PERAC were your actuary, we would disclose the fact that we would not recommend a 7.625% assumption, and we would need to disclose the results of the valuation using our recommended assumptions.

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.



Section V - Contributions Payable Under the System

Fiscal Year/Entire	Unfunded Payroll	Unfunded Accrued Liability	Employee Contribution	Employer Normal Cost with Interest	Amortization Payments with Interest	Employer Total Cost with Interest	Employer Total Cost % of Payroll	Funded Ratio % ¹
2026	381,317,785	610,325,534	34,887,374	15,178,627	92,066,248	107,244,875	28.1%	71.9%
2027	398,477,085	564,039,121	36,793,730	16,496,439	90,748,436	107,244,875	26.9%	74.1%
2028	416,408,554	514,600,551	38,801,011	16,867,359	92,409,284	109,276,643	26.2%	76.5%
2029	435,146,939	459,700,365	40,914,440	17,238,256	94,197,062	111,435,318	25.6%	79.7%
2030	454,728,551	398,792,808	43,139,506	17,608,378	98,426,065	116,034,443	25.5%	82.9%
2031	475,191,336	328,932,912	45,481,976	17,976,903	102,844,976	120,821,879	25.4%	86.2%
2032	496,574,946	249,244,600	47,947,911	18,342,939	105,242,567	123,585,506	24.9%	89.8%
2033	518,920,819	161,037,598	50,543,679	18,705,515	109,978,483	128,683,998	24.8%	93.6%
2034	542,272,256	61,280,276	53,275,971	19,063,578	22,219,395	41,282,973	7.6%	97.6%
2035	566,674,508	43,317,725	56,151,819	19,415,988	23,219,269	42,635,257	7.5%	98.4%
2036	592,174,861	22,966,946	59,178,610	19,761,509	24,264,137	44,025,646	7.4%	99.2%
2037	618,822,730	0	62,364,104	20,098,812	0	20,098,812	3.2%	100.0%
2038	646,669,753	0	65,716,456	20,426,455	0	20,426,455	3.2%	100.0%
2039	675,769,892	0	69,244,232	20,742,885	0	20,742,885	3.1%	100.0%
2040	706,179,537	0	72,956,432	21,046,431	0	21,046,431	3.0%	100.0%
2041	737,957,616	0	76,862,510	21,335,292	0	21,335,292	2.9%	100.0%
2042	771,165,709	0	80,972,399	21,607,531	0	21,607,531	2.8%	100.0%
2043	805,868,166	0	84,616,157	22,579,871	0	22,579,871	2.8%	100.0%
2044	842,132,233	0	88,423,884	23,595,965	0	23,595,965	2.8%	100.0%
2045	880,028,183	0	92,402,959	24,657,784	0	24,657,784	2.8%	100.0%
2046	919,629,451	0	96,561,092	25,767,383	0	25,767,383	2.8%	100.0%
2047	961,012,776	0	100,906,341	26,926,916	0	26,926,916	2.8%	100.0%
2048	1,004,258,351	0	105,447,127	28,138,627	0	28,138,627	2.8%	100.0%
2049	1,049,449,977	0	110,192,248	29,404,865	0	29,404,865	2.8%	100.0%
2050	1,096,675,226	0	115,150,899	30,728,084	0	30,728,084	2.8%	100.0%
2051	1,146,025,611	0	120,332,689	32,110,848	0	32,110,848	2.8%	100.0%
2052	1,197,596,763	0	125,747,660	33,555,836	0	33,555,836	2.8%	100.0%
2053	1,251,488,617	0	131,406,305	35,065,847	0	35,065,847	2.8%	100.0%
2054	1,307,805,605	0	137,319,589	36,643,810	0	36,643,810	2.8%	100.0%
2055	1,366,656,857	0	143,498,970	38,292,782	0	38,292,782	2.8%	100.0%
2056	1,428,156,416	0	149,956,424	40,015,957	0	40,015,957	2.8%	100.0%

¹ Calendar basis.

² As of preceding January 1.