

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: North Attleboro Retirement Board
FROM: John W. Parsons, Esq., Executive Director
RE: Appropriation for Fiscal Year 2023
DATE: November 16, 2021

Required Fiscal Year 2023 Appropriation: **\$4,650,686**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2023 which commences July 1, 2022.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2023 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Segal Consulting as part of their January 1, 2020 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2023.

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

JWP/jfb
Attachments

cc: Board of Selectmen
Town Meeting
c/o Town Clerk

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North Attleboro Retirement Board

Projected Appropriations

Fiscal Year 2023 - July 1, 2022 to June 30, 2023

Aggregate amount of appropriation: **\$4,650,686**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2023	\$8,331,729	\$4,650,686	\$0	\$4,650,686	\$4,650,686	\$0	\$3,681,043
FY 2024	\$8,948,625	\$4,911,124	\$0	\$4,911,124	\$4,911,124	\$0	\$4,037,501
FY 2025	\$9,612,694	\$5,186,147	\$0	\$5,186,147	\$5,186,147	\$0	\$4,426,547
FY 2026	\$10,327,546	\$5,476,571	\$0	\$5,476,571	\$5,476,571	\$0	\$4,850,975
FY 2027	\$11,097,063	\$5,783,259	\$0	\$5,783,259	\$5,783,259	\$0	\$5,313,804

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

Section 2: Actuarial Valuation Results

Funding schedule

(1) Fiscal year ended June 30	(2) Employer Normal Cost	(3) Amortization of Unfunded Liability	(4) Actuarially Determined Contribution (ADC): (2) + (3)	(5) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(6) Percent Increase in ADC Over Prior Year
2021	\$451,667	\$3,718,843	\$4,170,510	\$47,647,165	--
2022	469,534	3,934,525	4,404,059	47,113,125	5.60%
2023	488,072	4,162,614	4,650,686	46,309,049	5.60%
2024	507,307	4,403,817	4,911,124	45,202,052	5.60%
2025	527,264	4,658,883	5,186,147	43,756,107	5.60%
2026	547,969	4,928,602	5,476,571	41,931,773	5.60%
2027	569,450	5,213,809	5,783,259	39,685,901	5.60%
2028	591,734	5,515,388	6,107,122	36,971,319	5.60%
2029	614,850	5,834,271	6,449,121	33,736,486	5.60%
2030	638,830	6,171,442	6,810,272	29,925,126	5.60%
2031	663,703	6,527,944	7,191,647	25,475,826	5.60%
2032	689,502	6,904,877	7,594,379	20,321,603	5.60%
2033	716,261	7,303,403	8,019,664	14,389,439	5.60%
2034	744,015	7,599,774	8,343,789	7,599,774	4.04%
2035	772,799	0	772,799	0	-90.74%

Notes:

Fiscal 2021 Actuarially Determined Contribution set to budgeted amount.

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

Item (2) reflects 3.0% growth in payroll, plus an additional 0.15% adjustment to total normal cost to reflect the effects of mortality improvement due to generational mortality assumption.

Projected normal cost does not reflect the impact of pension reform for future hires.

Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains.

Department Breakouts of Actuarially Determined Contribution:¹

Fiscal Year Ended June 30	Town (including School)	Housing	Electric	Landfill	Water	Sewer	Total
2021 ²	\$3,283,025	\$57,136	\$488,784	\$42,122	\$131,788	\$167,655	\$4,170,510
2022	3,437,809	69,584	554,911	45,362	121,552	174,841	4,404,059
2023	3,630,326	73,481	585,986	47,902	128,359	184,632	4,650,686

¹ Allocated based on the department's percentage of the total payroll.

² As provided in the prior valuation report.