

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Peabody Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2018
DATE: December 7, 2016

Required Fiscal Year 2018 Appropriation: **\$11,732,125**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2018 which commences July 1, 2017.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2018 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Sherman Actuarial Services as part of their January 1, 2016 actuarial valuation.

The current schedule is/was due to be updated by Fiscal Year 2019.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl
Attachments

cc: Office of the Mayor
City Council
c/o City Clerk

p:\actuarial\approp\approp18\fy18 for web\peabody approp 18.docx



Peabody Retirement Board

Projected Appropriations

Fiscal Year 2018 - July 1, 2017 to June 30, 2018

Aggregate amount of appropriation: **\$11,732,125**

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 2018	\$15,485,203	\$11,583,776	\$148,349	\$11,732,125	\$11,732,125	0	\$3,753,078
FY 2019	\$15,881,659	\$12,009,978	\$152,058	\$12,162,036	\$12,162,036	\$0	\$3,719,623
FY 2020	\$16,288,111	\$12,451,341	\$155,859	\$12,607,200	\$12,607,200	\$0	\$3,680,911
FY 2021	\$16,704,812	\$12,908,374	\$159,756	\$13,068,130	\$13,068,130	\$0	\$3,636,682
FY 2022	\$17,132,020	\$13,381,605	\$163,750	\$13,545,355	\$13,545,355	\$0	\$3,586,665

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.

Breakouts

	<u>Total</u>	<u>City</u>	<u>Light</u>	<u>Housing Authority</u>	<u>Water</u>	<u>Sewer</u>	<u>Hospital</u>	<u>Brooksby Farm</u>	<u>Skating Rink</u>	<u>Golf Course</u>
(1) Payroll of Active Participants	\$42,615,790	\$34,182,864	\$5,412,165	\$975,087	\$1,197,237	\$149,275	\$0	\$216,998	\$183,353	\$298,810
Percentage of Total Payroll	100.00%	80.21%	12.70%	2.29%	2.81%	0.35%	0.00%	0.51%	0.43%	0.70%
(2) Actuarial Accrued Liability	\$273,289,940	\$212,839,717	\$36,784,690	\$6,680,171	\$6,420,213	\$1,373,110	\$7,545,098	\$329,893	\$631,685	\$685,362
(3) Assets	\$136,457,680	\$106,273,996	\$18,367,136	\$3,335,507	\$3,205,707	\$685,614	\$3,767,378	\$164,720	\$315,410	\$342,211
(4) Unfunded Actuarial Accrued Liability	\$136,832,260	\$106,565,721	\$18,417,554	\$3,344,664	\$3,214,506	\$687,496	\$3,777,720	\$165,173	\$316,275	\$343,151
(5) Total Employer Contributions										
(a) ERI	\$135,219	\$79,813	\$30,858	\$8,197	\$5,186	\$11,165	\$0	\$0	\$0	\$0
(b) Remaining Amortizations	10,245,785	7,979,474	1,379,078	250,443	240,697	51,479	282,870	12,368	23,682	25,695
(c) Employer Normal Cost	949,823	848,042	84,535	(9,265)	7,381	8,107	-	333	3,637	7,054
(d) Administrative Expenses	<u>225,000</u>	<u>180,477</u>	<u>28,575</u>	<u>5,148</u>	<u>6,320</u>	<u>788</u>	<u>0</u>	<u>1,145</u>	<u>968</u>	<u>1,577</u>
(e) Total Appropriation	\$11,555,827	\$9,087,806	\$1,523,046	\$254,523	\$259,584	\$71,539	\$282,870	\$13,846	\$28,287	\$34,326
Percent of Total Appropriation	100.00%	78.64%	13.18%	2.20%	2.25%	0.62%	2.45%	0.12%	0.24%	0.30%
(6) Fiscal 2017 Appropriation	\$11,352,082	\$8,816,027	\$1,547,289	\$252,016	\$245,205	\$82,870	\$334,886	\$14,758	\$27,245	\$31,786
Percent of Total Appropriation	100.00%	77.66%	13.63%	2.22%	2.16%	0.73%	2.95%	0.13%	0.24%	0.28%
(7) Fiscal 2018 Appropriation	\$11,732,125	\$9,226,143	\$1,546,294	\$258,107	\$263,973	\$72,739	\$287,437	\$14,079	\$28,157	\$35,196
Percent of Total Appropriation	100.00%	78.64%	13.18%	2.20%	2.25%	0.62%	2.45%	0.12%	0.24%	0.30%
(8) Fiscal 2019 Appropriation	\$12,162,036	\$9,564,225	\$1,602,956	\$267,565	\$273,646	\$75,405	\$297,970	\$14,594	\$29,189	\$36,486
Percent of Total Appropriation	100.00%	78.64%	13.18%	2.20%	2.25%	0.62%	2.45%	0.12%	0.24%	0.30%