

# 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 2020  
DATE: November 26, 2018

Required Fiscal Year 2020 Appropriation: **\$12,709,467**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2020 which commences July 1, 2019.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2020 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Sherman Actuarial Services as part of their January 1, 2018 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2021.

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

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**Peabody Retirement Board**

Projected Appropriations

Fiscal Year 2020 - July 1, 2019 to June 30, 2020

Aggregate amount of appropriation: **\$12,709,467**

<b>Fiscal Year</b>	<b>Estimated Cost of Benefits</b>	<b>Funding Schedule (Excluding ERI)</b>	<b>ERI</b>	<b>Total Appropriation</b>	<b>Pension Fund Allocation</b>	<b>Pension Reserve Fund Allocation</b>	<b>Transfer From PRF to PF</b>
<b>FY 2020</b>	\$17,440,940	\$12,553,977	\$155,490	\$12,709,467	\$12,709,467	\$0	\$4,731,473
<b>FY 2021</b>	\$18,038,130	\$13,011,692	\$159,377	\$13,171,069	\$13,171,069	\$0	\$4,867,061
<b>FY 2022</b>	\$18,655,712	\$13,485,459	\$163,362	\$13,648,821	\$13,648,821	\$0	\$5,006,891
<b>FY 2023</b>	\$19,294,383	\$13,975,809	\$167,446	\$14,143,255	\$14,143,255	\$0	\$5,151,128
<b>FY 2024</b>	\$19,954,863	\$14,483,287	\$171,632	\$14,654,919	\$14,654,919	\$0	\$5,299,944

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	\$46,752,291	\$38,431,027	\$5,270,439	\$1,066,733	\$1,071,145	\$157,171	\$0	\$239,702	\$225,873	\$290,202
Percentage of Total Payroll	100.00%	82.20%	11.27%	2.28%	2.29%	0.34%	0.00%	0.51%	0.48%	0.62%
(2) Actuarial Accrued Liability	\$289,295,023	\$226,568,730	\$39,038,562	\$7,327,017	\$6,090,985	\$1,304,563	\$6,973,463	\$436,000	\$727,044	\$828,660
(3) Assets	\$151,232,387	\$118,441,477	\$20,407,869	\$3,830,285	\$3,184,134	\$681,976	\$3,645,460	\$227,924	\$380,071	\$433,192
(4) Unfunded Actuarial Accrued Liability	\$138,062,636	\$108,127,253	\$18,630,693	\$3,496,732	\$2,906,851	\$622,587	\$3,328,003	\$208,076	\$346,973	\$395,468
(5) Total Employer Contributions										
(a) ERI	\$142,064	\$83,853	\$32,420	\$8,612	\$5,448	\$11,731	\$0	\$0	\$0	\$0
(b) Remaining Amortizations	11,116,547	8,706,202	1,500,109	281,550	234,054	50,130	267,965	16,754	27,938	31,842
(c) Employer Normal Cost	1,009,209	902,225	86,301	(10,358)	6,151	8,949	-	(233)	6,368	9,809
(d) Administrative Expenses	<u>225,000</u>	<u>184,952</u>	<u>25,364</u>	<u>5,135</u>	<u>5,155</u>	<u>756</u>	<u>0</u>	<u>1,154</u>	<u>1,087</u>	<u>1,397</u>
(e) Total Appropriation	\$12,492,820	\$9,877,232	\$1,644,194	\$284,939	\$250,808	\$71,566	\$267,965	\$17,675	\$35,393	\$43,048
Percent of Total Appropriation	100.00%	79.06%	13.16%	2.28%	2.01%	0.57%	2.15%	0.14%	0.28%	0.34%
(6) 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%
(7) Fiscal 2020 Appropriation	\$12,709,467	\$10,048,512	\$1,672,706	\$289,878	\$255,155	\$72,813	\$272,618	\$17,984	\$36,006	\$43,797
Percent of Total Appropriation	100.00%	79.06%	13.16%	2.28%	2.01%	0.57%	2.15%	0.14%	0.28%	0.34%
(8) Fiscal 2021 Appropriation	\$13,171,069	\$10,413,469	\$1,733,458	\$300,406	\$264,422	\$75,457	\$282,519	\$18,637	\$37,314	\$45,388
Percent of Total Appropriation	100.00%	79.06%	13.16%	2.28%	2.01%	0.57%	2.15%	0.14%	0.28%	0.34%