

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOHN W. PARSONS, ESQ., *Executive Director*

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## MEMORANDUM

TO: Peabody Retirement Board  
FROM: John W. Parsons, Esq., Executive Director  
RE: Appropriation for Fiscal Year 2022  
DATE: November 20, 2020

Required Fiscal Year 2022 Appropriation: **\$14,224,754**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2022 which commences July 1, 2021.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2022 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, 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: Office of the Mayor  
City Council  
c/o City Clerk

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**Peabody Retirement Board**

Projected Appropriations

Fiscal Year 2022 - July 1, 2021 to June 30, 2022

Aggregate amount of appropriation: **\$14,224,754**

<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 2022</b>	\$17,617,243	\$14,061,392	\$163,362	\$14,224,754	\$14,224,754	\$0	\$3,392,489
<b>FY 2023</b>	\$18,069,041	\$15,195,289	\$167,446	\$15,362,735	\$15,362,735	\$0	\$2,706,306
<b>FY 2024</b>	\$18,532,353	\$16,420,121	\$171,632	\$16,591,753	\$16,591,753	\$0	\$1,940,600
<b>FY 2025</b>	\$19,007,472	\$17,743,171	\$175,923	\$17,919,094	\$17,919,094	\$0	\$1,088,378
<b>FY 2026</b>	\$19,494,700	\$19,172,300	\$180,321	\$19,352,621	\$19,352,621	\$0	\$142,079

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.

[https://shermansandpeterman-nyc.sherpoint.com/personal/dms\\_shermansandpeterman.com/Documents/Recovered Data/Peabody/Pension 2020/Peabody20\\_Val Prop Mort 15k COLA.dsm](https://shermansandpeterman-nyc.sherpoint.com/personal/dms_shermansandpeterman.com/Documents/Recovered Data/Peabody/Pension 2020/Peabody20_Val Prop Mort 15k COLA.dsm) Actuarybreak

**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	\$50,322,230	\$41,116,086	\$5,870,021	\$1,197,795	\$1,229,069	\$105,663	\$0	\$200,210	\$267,873	\$335,514
Percentage of Total Payroll	100.00%	81.71%	11.67%	2.38%	2.44%	0.21%	0.00%	0.40%	0.53%	0.67%
(2) Actuarial Accrued Liability	\$334,225,908	\$263,146,241	\$45,014,381	\$8,626,896	\$6,655,464	\$1,376,792	\$6,843,626	\$499,174	\$945,460	\$1,117,874
(3) Assets	\$164,889,315	\$129,822,382	\$22,207,705	\$4,256,052	\$3,283,453	\$679,236	\$3,376,282	\$246,266	\$466,440	\$551,500
(4) Unfunded Actuarial Accrued Liability	\$169,336,593	\$133,323,859	\$22,806,676	\$4,370,844	\$3,372,011	\$697,556	\$3,467,344	\$252,908	\$479,020	\$566,374
(5) Total Employer Contributions										
(a) ERI	\$149,256	\$88,098	\$34,061	\$9,048	\$5,724	\$12,325	\$0	\$0	\$0	\$0
(b) Remaining Amortizations	14,712,946	11,583,947	1,981,576	379,764	292,980	60,608	301,263	21,974	41,620	49,210
(c) Employer Normal Cost	1,172,279	1,027,188	118,099	(13,869)	17,017	4,729	-	1,432	9,380	8,301
(d) Administrative Expenses	<u>240,000</u>	<u>196,094</u>	<u>27,996</u>	<u>5,712</u>	<u>5,861</u>	<u>504</u>	<u>0</u>	<u>955</u>	<u>1,277</u>	<u>1,601</u>
(e) Total Appropriation	\$16,274,481	\$12,895,327	\$2,161,732	\$380,655	\$321,582	\$78,166	\$301,263	\$24,361	\$52,277	\$59,112
Percent of Total Appropriation	100.00%	79.24%	13.28%	2.34%	1.98%	0.48%	1.85%	0.15%	0.32%	0.36%
(6) Fiscal 2021 Appropriation	\$13,171,069	\$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 2022 Appropriation	\$14,224,754	\$11,271,185	\$1,889,474	\$332,717	\$281,081	\$68,321	\$263,314	\$21,294	\$45,690	\$51,664
Percent of Total Appropriation	100.00%	79.24%	13.28%	2.34%	1.98%	0.48%	1.85%	0.15%	0.32%	0.36%
(8) Fiscal 2023 Appropriation	\$15,362,735	\$12,172,880	\$2,040,632	\$359,334	\$303,568	\$73,787	\$284,380	\$22,998	\$49,345	\$55,797
Percent of Total Appropriation	100.00%	79.24%	13.28%	2.34%	1.98%	0.48%	1.85%	0.15%	0.32%	0.36%