

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Peabody Retirement Board
FROM: John W. Parsons, Esq., Executive Director
RE: Appropriation for Fiscal Year 2023
DATE: October 28, 2021

Required Fiscal Year 2023 Appropriation: **\$15,362,735**

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 developed 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 2023 - July 1, 2022 to June 30, 2023

Aggregate amount of appropriation: **\$15,362,735**

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	\$18,083,148	\$15,195,289	\$167,446	\$15,362,735	\$15,362,735	\$0	\$2,720,413
FY 2024	\$18,532,935	\$16,420,121	\$171,632	\$16,591,753	\$16,591,753	\$0	\$1,941,182
FY 2025	\$18,993,845	\$17,743,171	\$175,923	\$17,919,094	\$17,919,094	\$0	\$1,074,751
FY 2026	\$19,466,153	\$19,172,300	\$180,321	\$19,352,621	\$19,352,621	\$0	\$113,532
FY 2027	\$19,950,141	\$20,716,002	\$184,829	\$20,900,831	\$19,950,141	\$950,690	\$0

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

	Total	City	Light	Housing Authority	Water	Sewer	Hospital	Brooksbury Farm	Skating Rink	Golf Course
(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	240,000	196,094	27,996	5,712	5,861	504	0	955	1,277	1,601
(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%