

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

Auditor DIANA DIZOGLIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

MEMORANDUM

TO: Pittsfield Retirement Board

FROM: Kenneth J. Hill, Esq., Deputy Executive Director

RE: Approval of Funding Schedule

DATE: September 29, 2025

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on October 1 of each fiscal year. The schedule is effective in FY26 (since the amount under the prior schedule was maintained in FY26) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption and the \$16,000 COLA base.

Although we are approving the schedule, we would have preferred the Board adopt a schedule that completes the amortization of the unfunded actuarial liability (UAL) by FY35. With this schedule, the System has limited flexibility in the event of a market downturn, future actuarial losses, or changes in assumptions or plan provisions that increase the plan's liability. We are available to discuss this issue further and will work with you on this in the next actuarial valuation.

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

KJH/jfb

P:\actuarial\APPROP\Approp26\pittsfield approval.docx

Enc.



**Pittsfield Retirement System
January 1, 2025 Actuarial Valuation**

Total appropriation increases 5.5% per year until FY36 with a final amortization payment in FY37

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Increase in Total Cost</u>
2026	5,122,500	675,000	13,176,643	18,974,143	148,146,995	
2027	5,353,012	675,000	13,989,709	20,017,721	144,652,701	5.5%
2028	5,593,898	675,000	14,849,798	21,118,696	140,058,293	5.5%
2029	5,845,623	675,000	15,759,601	22,280,224	134,237,282	5.5%
2030	6,108,676	675,000	16,721,960	23,505,636	127,051,497	5.5%
2031	6,383,566	675,000	17,739,880	24,798,446	118,350,105	5.5%
2032	6,670,827	675,000	18,816,534	26,162,361	107,968,551	5.5%
2033	6,971,014	675,000	19,955,276	27,601,290	95,727,423	5.5%
2034	7,284,710	675,000	21,159,652	29,119,361	81,431,221	5.5%
2035	7,612,522	675,000	22,433,404	30,720,926	64,867,030	5.5%
2036	7,955,085	675,000	23,780,492	32,410,577	45,803,091	5.5%
2037	8,313,064	675,000	24,392,841	33,380,905	23,987,259	3.0%
2038	8,687,152	675,000		9,362,152	0	-72.0%

Appropriation payments assumed to be made on October 1 of each fiscal year.

Normal cost includes assumed expenses of \$900,000 and is assumed to increase 4.5% per year.

FY26 appropriation maintained at the same level as the current schedule.