PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*   JOHN W. PARSONS, ESQ., *Executive Director*

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MEMORANDUM

TO: Quincy Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Appropriation for Fiscal Year 2023

DATE: December 14, 2021

Required Fiscal Year 2023 Appropriation: **$41,189,041**

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.

For the FY20 appropriation, we developed a methodology to settle the longstanding issue regarding the shortfall in prior appropriations due to the hospital privatization. Amortization bases were developed for both the City and the Housing Authority. The Housing Authority paid the entire outstanding balance in July 2019. The FY23 appropriation for the City continues to include an amortization of the shortfall. The amounts shown in this memorandum reflect an assumed payment date of July 1. Our understanding is that the Housing Authority makes its payments monthly. The annual payment for the Housing Authority on a monthly basis is $1,811,801.

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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Quincy Retirement Board

Projected Appropriations

Fiscal Year 2023 - July 1, 2022 to June 30, 2023

Aggregate amount of appropriation: **$41,189,041**

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	$42,391,916	$34,916,151	$6,272,890	$41,189,041		$41,189,041	$0	$1,202,875
FY 2024	$43,239,754	$37,750,361	$6,527,858	$44,278,219		$43,239,754	$1,038,465	$0
FY 2025	$44,104,549	$39,876,012	$6,793,231	$46,669,243		$44,104,549	$2,564,694	$0
FY 2026	$44,986,640	$42,119,946	$7,069,436	$49,189,382		$44,986,640	$4,202,742	$0
FY 2027	$45,886,373	$44,488,692	$7,356,916	$51,845,608		$45,886,373	$5,959,235	$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.

Quincy Retirement Board
Appropriation by Governmental Unit

Fiscal Year 2023 - July 1, 2022 to June 30, 2023

Aggregate amount of appropriation: **$41,189,041**

UNIT	Percent of Aggregate Amount	Funding Schedule (excluding ERI)	ERI	Total Appropriation
City of Quincy	95.31%	$33,278,583	$6,162,037	$39,440,620
Quincy Housing Authority	4.69%	$1,637,568	$110,853	$1,748,421
UNIT TOTAL	**100%**	**$34,916,151**	**$6,272,890**	**$41,189,041**

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.