

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

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

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MEMORANDUM

TO: Reading Retirement Board
FROM: John W. Parsons, Esq., Executive Director
RE: Appropriation for Fiscal Year 2024
DATE: December 2, 2022

Required Fiscal Year 2024 Appropriation: **\$9,055,509**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2024 which commences July 1, 2023.

As we indicated in PERAC Memo #26/2022, we are no longer including the Projected Appropriations page as an attachment. Attached please find the portion of the Fiscal Year 2024 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by KMS Actuaries as part of their January 1, 2021 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2024.

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

JWP/jfb
Attachment

cc: Town Manager
Town Meeting
c/o Town Clerk

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SECTION 9 - RESULTS BY DEPARTMENT

Department	Storm Water Enterprise	Housing	Municipal Light	School	Sewer	Water	Retirement	Town	Total
Unfunded Actuarial Accrued Liability (UAAL) as of January 1, 2021									
4.1 UAAL = 2.5 - 3.1	(93,599)	1,132,545	12,606,522	5,872,160	625,820	1,536,091	248,753	30,243,567	52,171,859
Projected Payroll	92,578	226,691	7,414,484	3,014,511	234,331	712,855	156,985	17,760,329	29,612,763
FY2022 Appropriation									
5.1 Employer Normal Cost	(194)	15,780	903,791	182,562	3,136	14,159	11,498	1,523,475	2,654,207
5.2 Amortization Payment of UAL*	194	65,621	1,236,670	426,349	51,781	202,085	(11,498)	3,433,963	5,405,165
5.3 Total = 5.1 + 5.2	0	81,401	2,140,461	608,911	54,917	216,244	0	4,957,438	8,059,372
FY2023 Appropriation									
6.1 Employer Normal Cost	(200)	16,293	933,164	188,495	3,238	14,619	11,872	1,572,987	2,740,468
6.2 Amortization Payment of UAL**	(11,637)	132,376	1,410,687	675,676	71,223	165,514	32,290	3,326,336	5,802,465
6.3 Total = 6.1 + 6.2	(11,837)	148,669	2,343,851	864,171	74,461	180,133	44,162	4,899,323	8,542,933
6.4 Adjusted Appropriation***	11,837	565	8,902	3,282	283	684	(44,162)	18,609	0
6.5 Total = 6.3 + 6.4	0	149,234	2,352,753	867,453	74,744	180,817	0	4,917,932	8,542,933
Increase over prior year	0.000%	83.332%	9.918%	42.460%	36.104%	-16.383%	0.000%	-0.797%	6.000%
FY2024 Appropriation									
7.1 Employer Normal Cost	(207)	16,823	963,492	194,621	3,343	15,094	12,258	1,624,110	2,829,534
7.2 Amortization Payment of UAL	(12,486)	142,038	1,513,650	724,992	76,421	177,595	34,647	3,569,118	6,225,975
7.3 Total = 7.1 + 7.2	(12,693)	158,861	2,477,142	919,613	79,764	192,689	46,905	5,193,228	9,055,509
7.4 Adjusted Appropriation***	12,693	602	9,394	3,488	302	731	(46,905)	19,695	0
7.5 Total = 7.3 + 7.4	0	159,463	2,486,536	923,101	80,066	193,420	0	5,212,923	9,055,509
Increase over prior year	0.000%	6.854%	5.686%	6.415%	7.120%	6.970%	0.000%	5.998%	6.000%

Notes:

1. Actuarial Value of Plan Assets (3.1) is derived from allocation of assets as shown on separate attachment.
2. FY2023 and FY2024 Appropriation is based on Funding Schedule E-3 adopted by the Retirement Board June 25, 2021.
3. 2022 Employer Normal Cost (5.1) is the Employer Normal Cost as of January 1, 2021, adjusted for payment timing (1.6). 2023 Employer Normal Cost (6.1) is based on 2022 Employer Normal Cost (5.1) increased by 3.25%.
- *4. Amortization Payment of UAL (5.2) equals fiscal year 2022 budgeted appropriation (5.3) developed in the January 1, 2019 actuarial valuation less Employer Normal Cost (5.1).
- **5. Amortization Payment of UAL (6.2) is the total Amortization Payment of UAL (6.2) allocated to each department in the proportion that the UAL (4.1) less 2022 Amortization Payment of UAL (5.2) bears to the total UAL (4.1) less total 2022 Amortization Payment of UAL (5.2).
- ***6. The appropriation developed for the Retirement department and any appropriation less than zero is allocated to each remaining department in the proportion that the department's fiscal year appropriation bears to the total fiscal year appropriation.