

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

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MEMORANDUM

TO: Reading Retirement Board
FROM: William T. Keefe, Executive Director *BK*
RE: Appropriation for Fiscal Year 2027
DATE: November 24, 2025

Required Fiscal Year 2027 Appropriation: **\$11,221,354**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2027 which commences July 1, 2026.

Attached please find the portion of the Fiscal Year 2027 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, 2025 valuation.

The current schedule is due to be updated by Fiscal Year 2028.

As we indicated in PERAC Memo #27/2025, we are sending this letter only to the Retirement Board. Upon receipt, please forward this letter to the appropriate governmental bodies.

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

WTK/jfb
Attachment

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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 (UAAAL) as of January 1, 2025									
4.1 UAL = 2.5 - 3.1	(106,836)	492,610	10,642,892	5,477,060	761,440	1,380,719	219,659	32,470,080	51,337,624
FY2026 Appropriation									
Projected Payroll	120,559	317,070	10,149,770	3,185,693	264,898	881,332	135,623	21,684,337	36,739,283
5.1 Employer Normal Cost	1,778	19,650	872,942	171,454	8,509	21,035	14,209	1,898,177	3,007,754
5.2 Amortization Payment of UAL*	(1,778)	70,245	1,515,426	880,414	113,304	225,252	(14,209)	4,818,815	7,607,469
5.3 Total = 5.1 + 5.2	0	89,895	2,388,368	1,051,868	121,813	246,287	0	6,716,992	10,615,223
FY2027 Appropriation									
6.1 Employer Normal Cost	1,740	19,232	854,350	167,802	8,328	20,587	13,906	1,857,751	2,943,696
6.2 Amortization Payment of UAL**	(19,886)	79,949	1,727,733	870,097	122,685	218,718	44,269	5,234,093	8,277,658
6.3 Total = 6.1 + 6.2	(18,146)	99,181	2,582,083	1,037,899	131,013	239,305	58,175	7,091,844	11,221,364
6.4 Adjusted Appropriation***	18,146	355	9,244	3,716	469	857	(58,175)	25,388	0
6.5 Total = 6.3 + 6.4	0	99,536	2,591,327	1,041,615	131,482	240,162	0	7,117,232	11,221,364
Increase over prior year	0.000%	10.725%	8.498%	-0.975%	7.938%	-2.487%	0.000%	5.959%	5.710%
FY2028 Appropriation									
7.1 Employer Normal Cost	1,787	19,747	877,236	172,297	8,551	21,138	14,279	1,907,515	3,022,550
7.2 Amortization Payment of UAL	(21,236)	85,376	1,845,011	929,159	131,013	233,564	47,274	5,589,381	8,839,542
7.3 Total = 7.1 + 7.2	(19,449)	105,123	2,722,247	1,101,456	139,564	254,702	61,553	7,496,896	11,862,092
7.4 Adjusted Appropriation****	19,449	374	9,697	3,923	497	907	(61,553)	26,706	0
7.5 Total = 7.3 + 7.4	0	105,497	2,731,944	1,105,379	140,061	255,609	0	7,523,602	11,862,092
Increase over prior year	0.000%	5.989%	5.426%	6.122%	6.525%	6.432%	0.000%	5.710%	5.710%

Notes:

1. FY2027 and FY2028 Appropriation is based on Funding Schedule A6 adopted by the Retirement Board June 25, 2025.
2. 2026 Employer Normal Cost (5.1) is the Employer Normal Cost as of January 1, 2025, adjusted for payment timing (1.6). 2027 Employer Normal Cost (6.1) is based on 2026 Employer Normal Cost (5.1) increased by 3.25%.
- *3. Amortization Payment of UAL (5.2) equals fiscal year 2026 budgeted appropriation (5.3) developed in the January 1, 2023 actuarial valuation less Employer Normal Cost (5.1).
- **4. 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 2026 Amortization Payment of UAL (5.2) bears to the total UAL (4.1) less total 2026 Amortization Payment of UAL (5.2).
- ***5. 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.