

Revised ASOP 4 and Applicability to Chapter 32 Systems

John Boorack, Actuary | PERAC

Hogan Conference Center

College of the Holy Cross, Worcester, MA

September 15, 2022

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EMERGING ISSUES

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Public Employee Retirement Administration Commission

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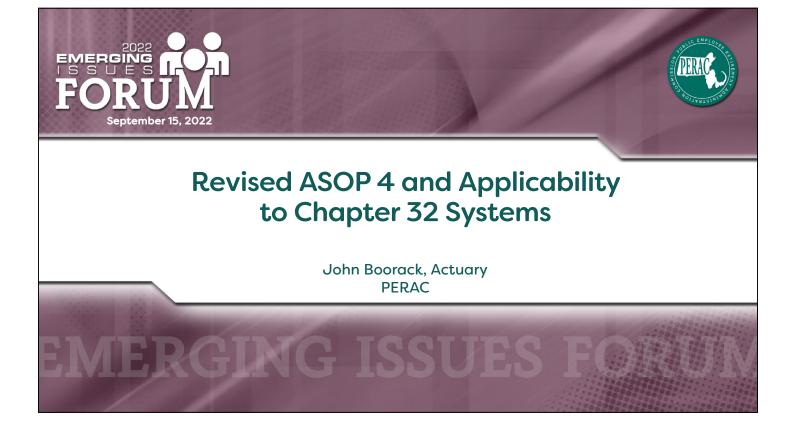
 Phone
 617 666 4446

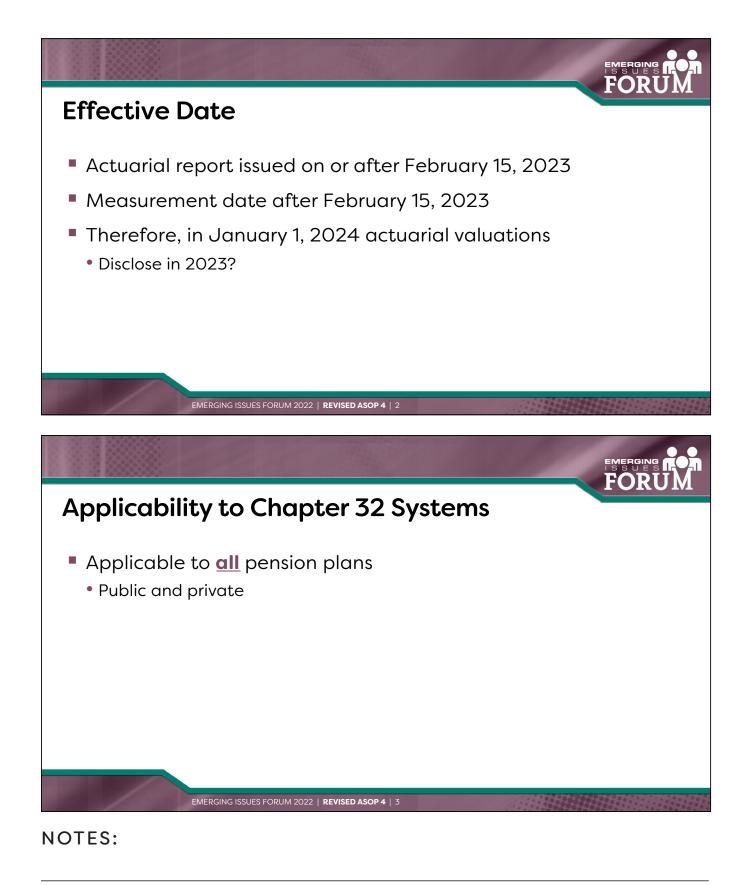
 Fax
 617 628 4002

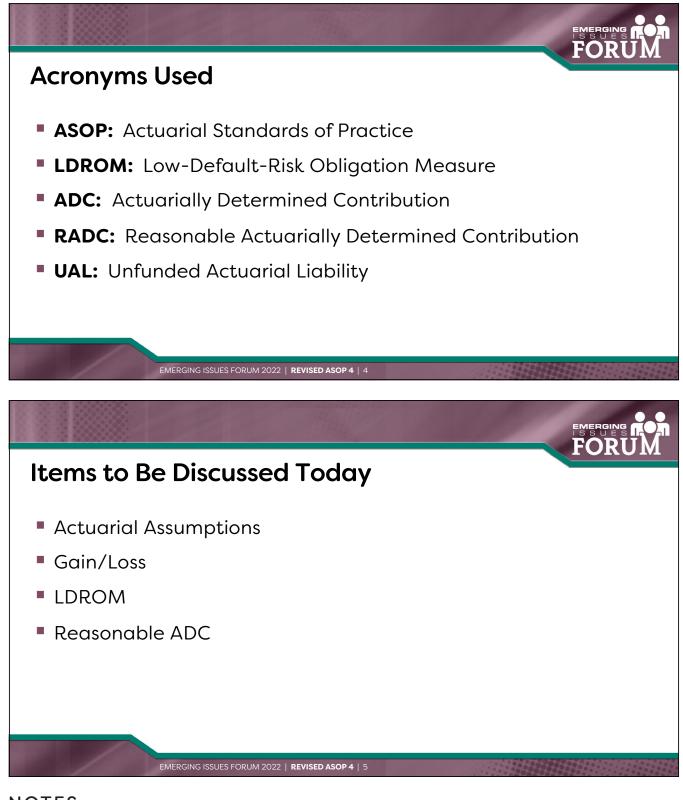
 TTY
 617 591 8917

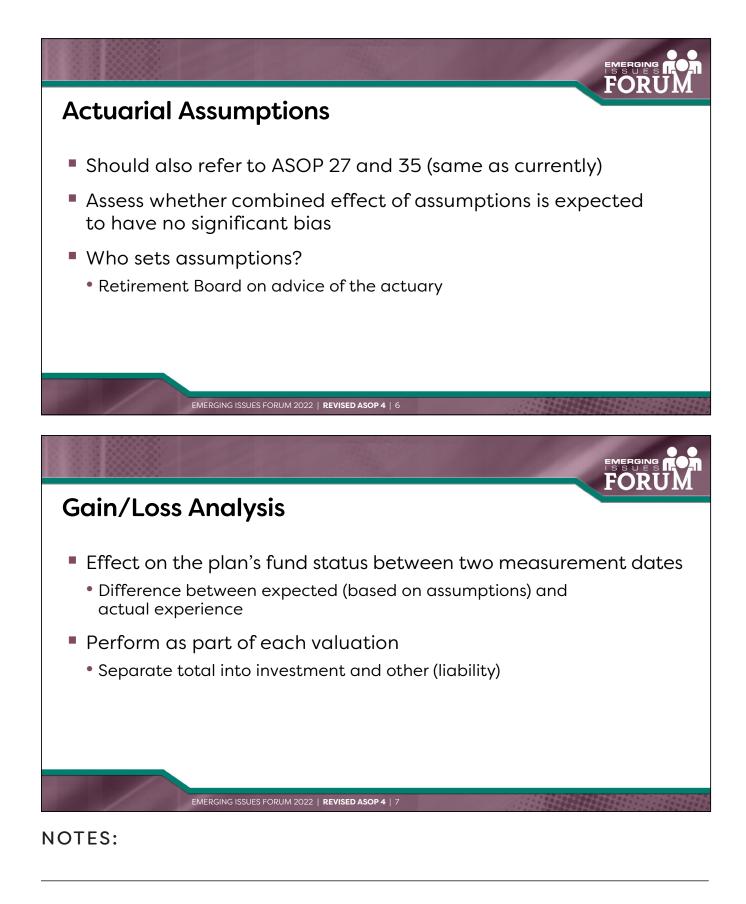
 Web
 www.mass.gov/perac

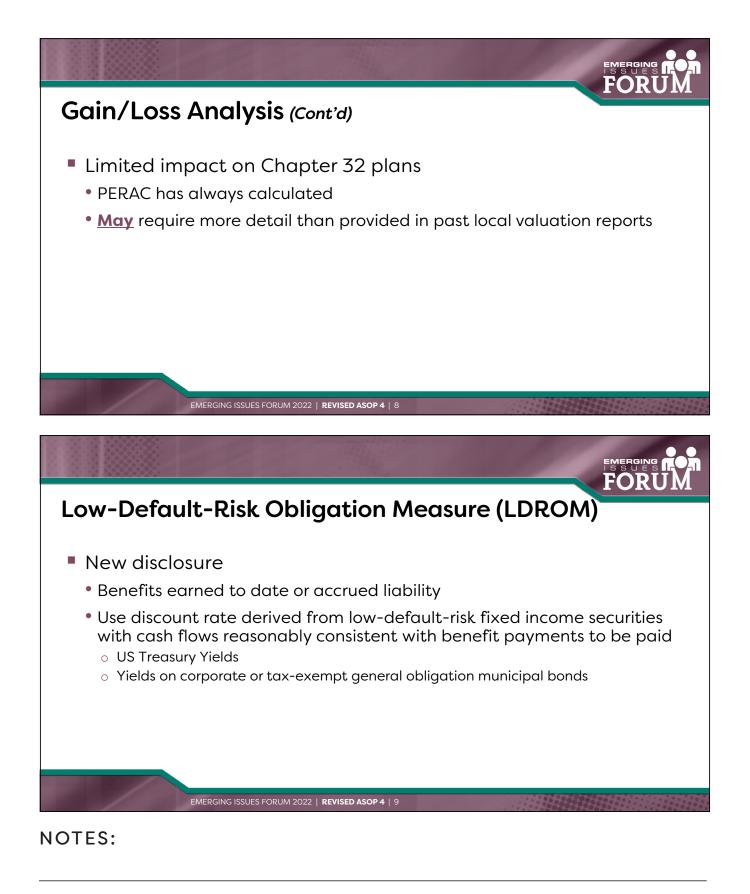


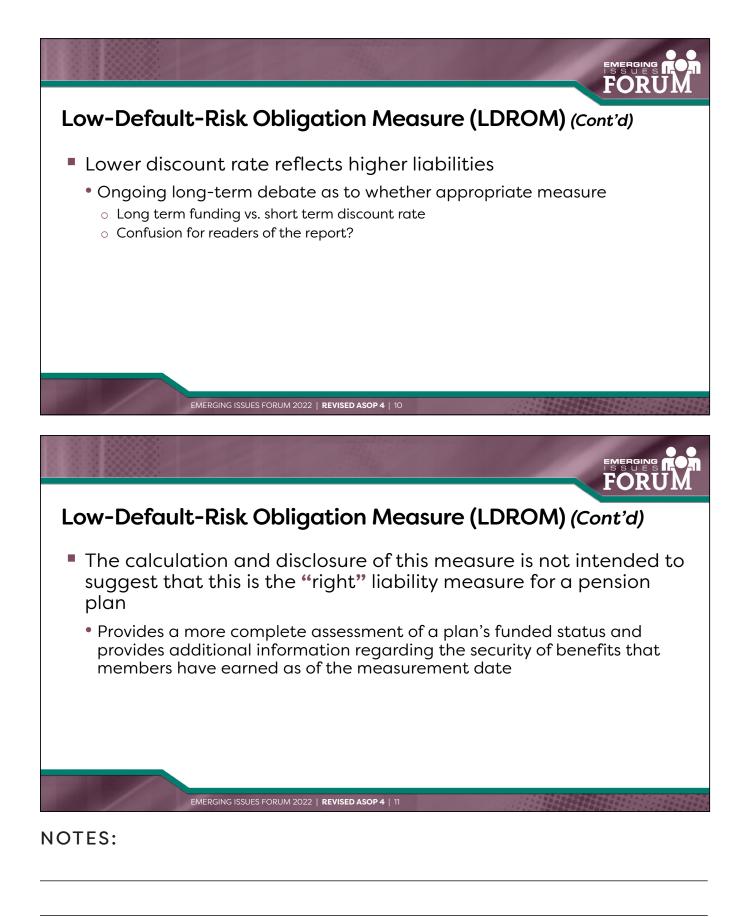


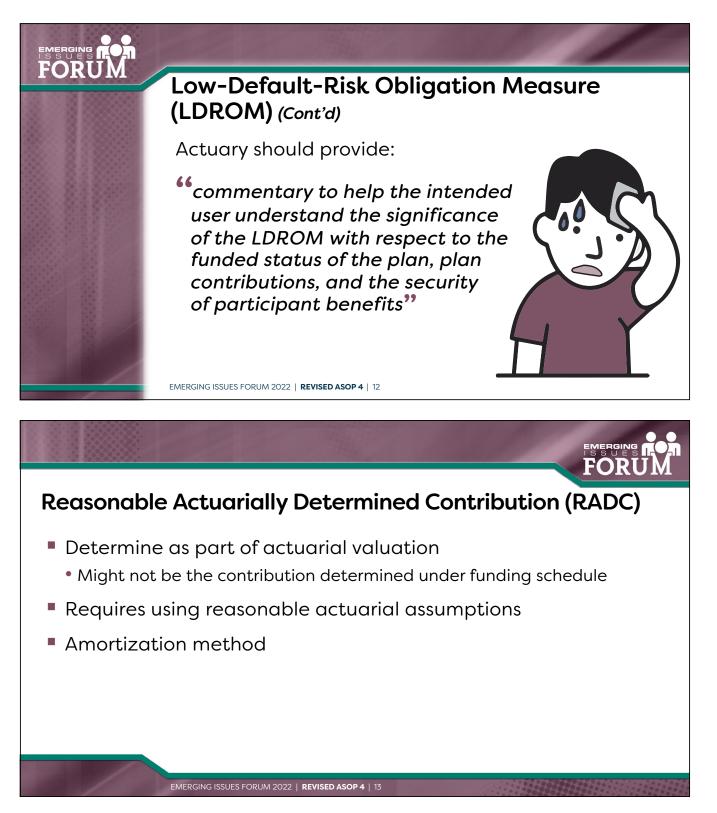








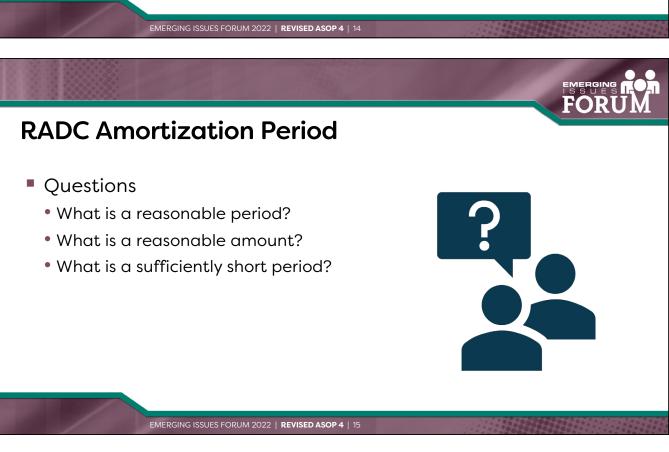


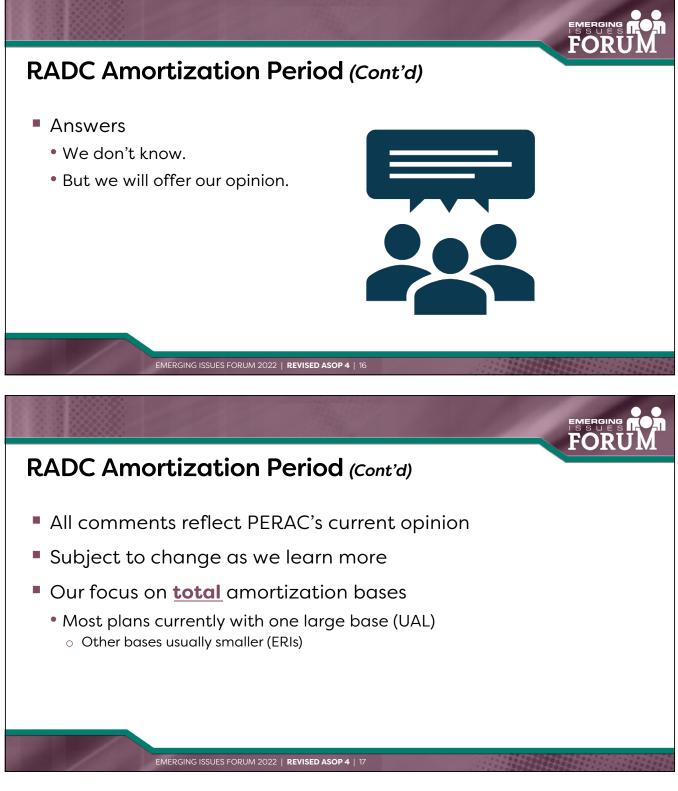


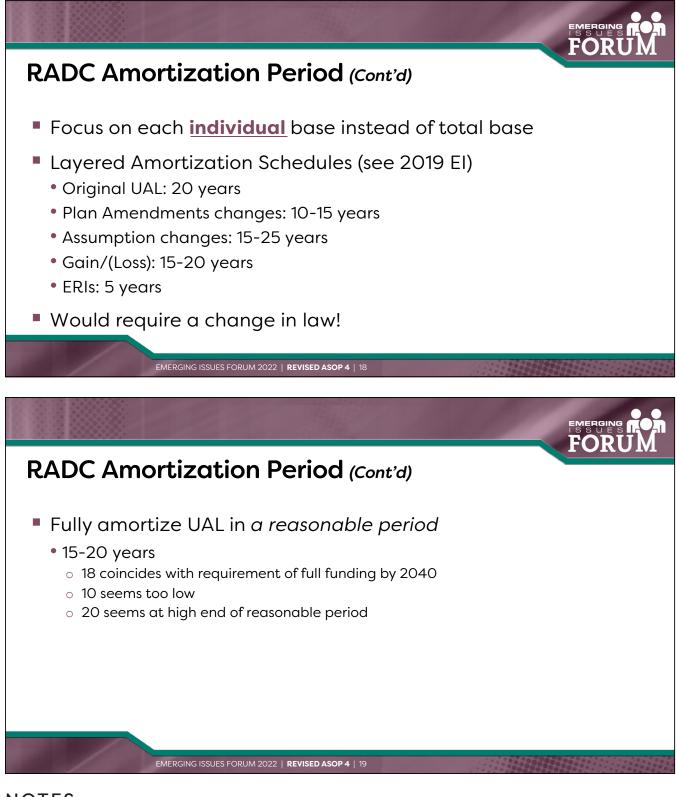


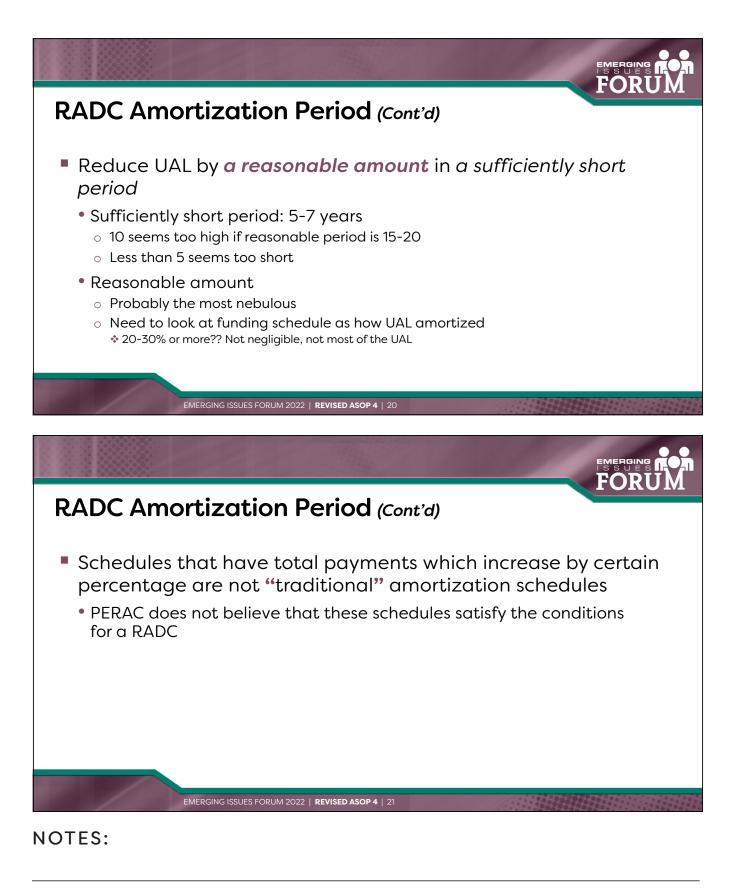
RADC Amortization Method

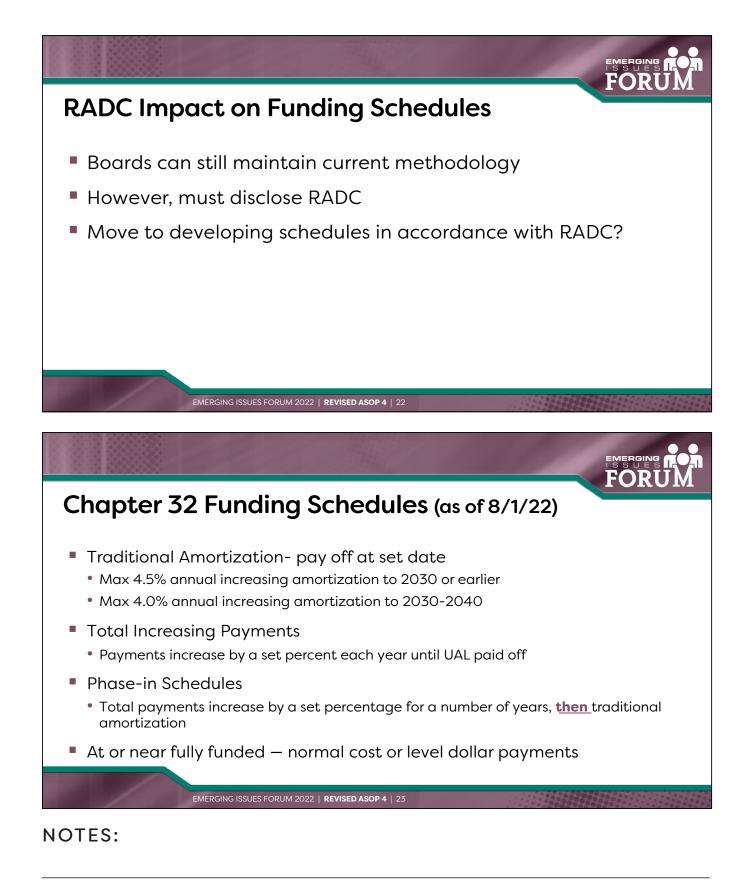
- Each amortization base
 - Fully amortize in a reasonable period
 OR
 - Reduce outstanding balance by a reasonable amount each year
- Total amortization bases
 - Fully amortize UAL in a reasonable period
 OR
 - Reduce UAL by a reasonable amount in a sufficiently short period

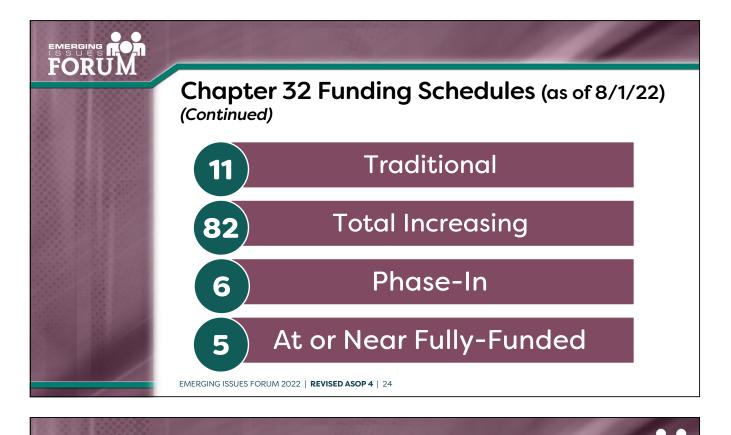


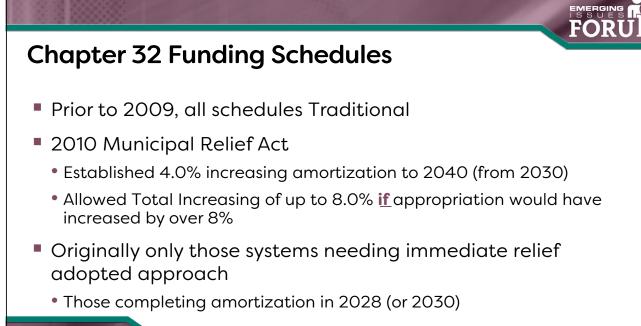




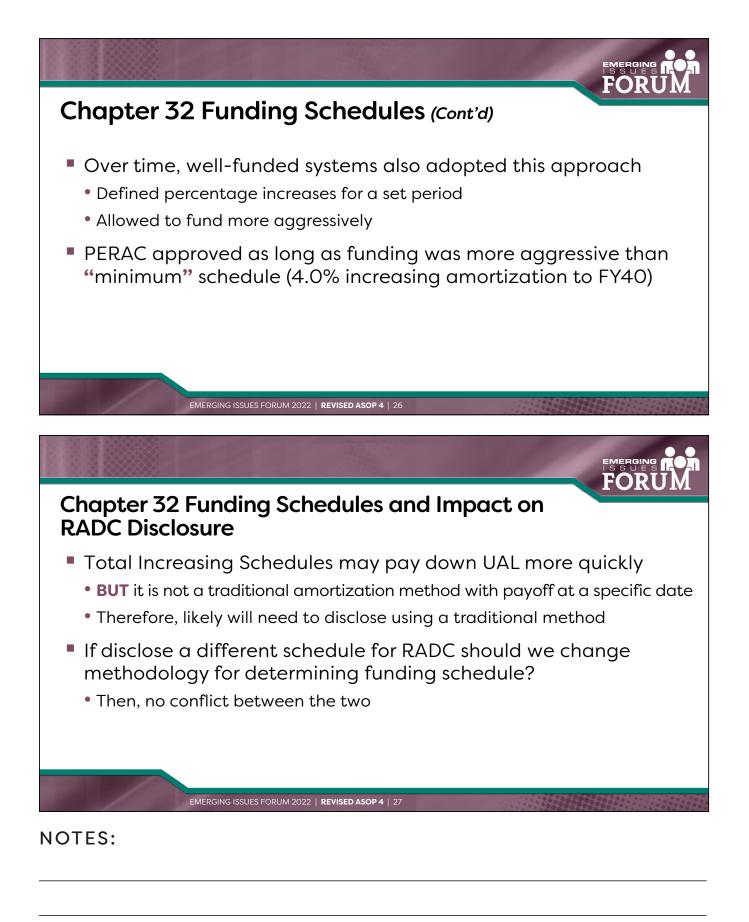


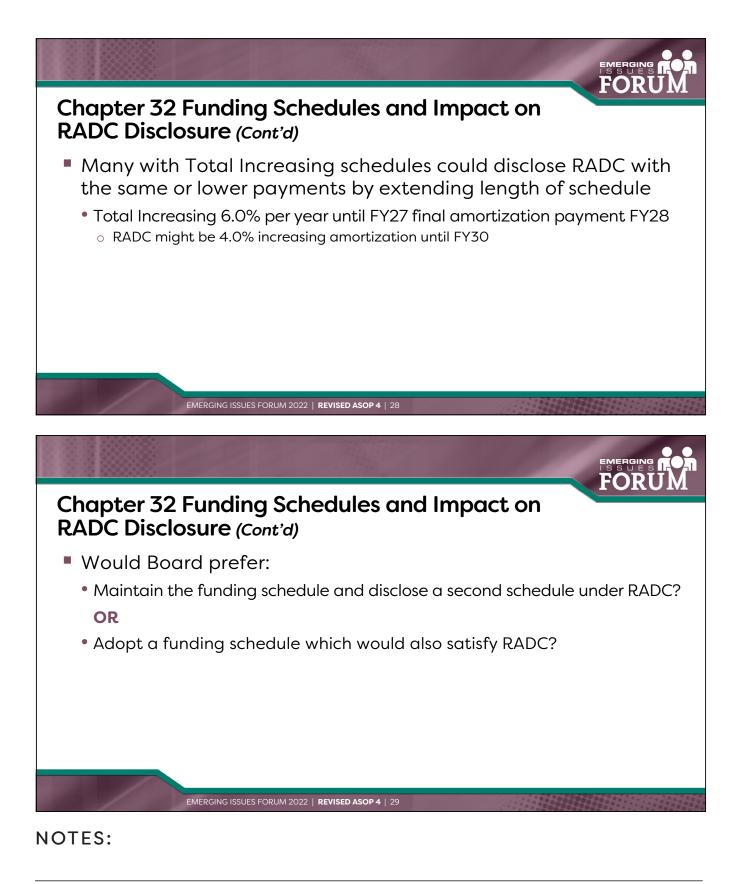


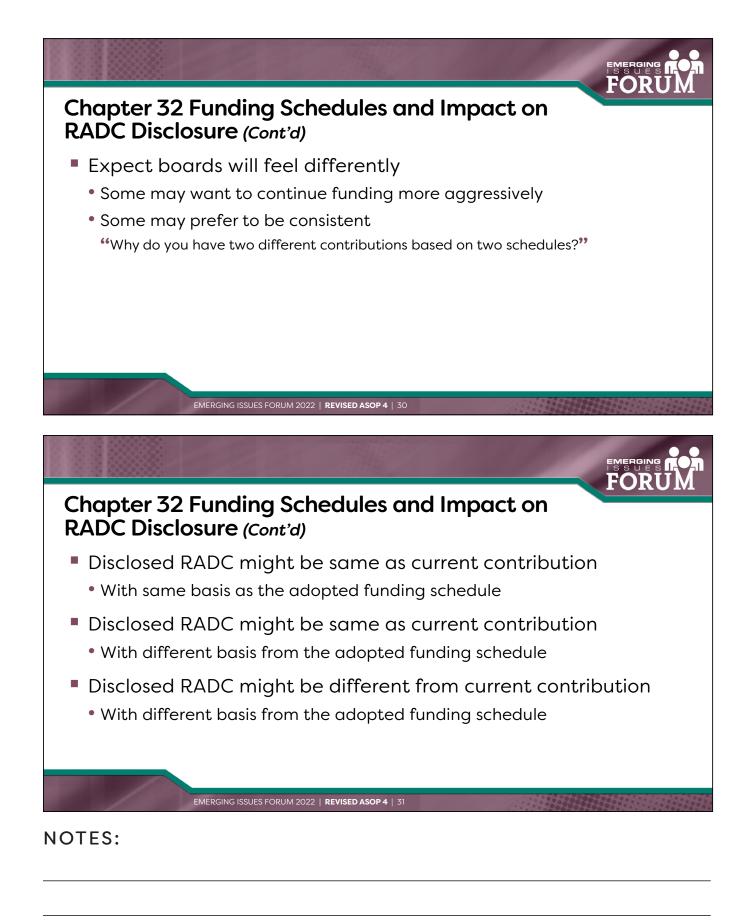


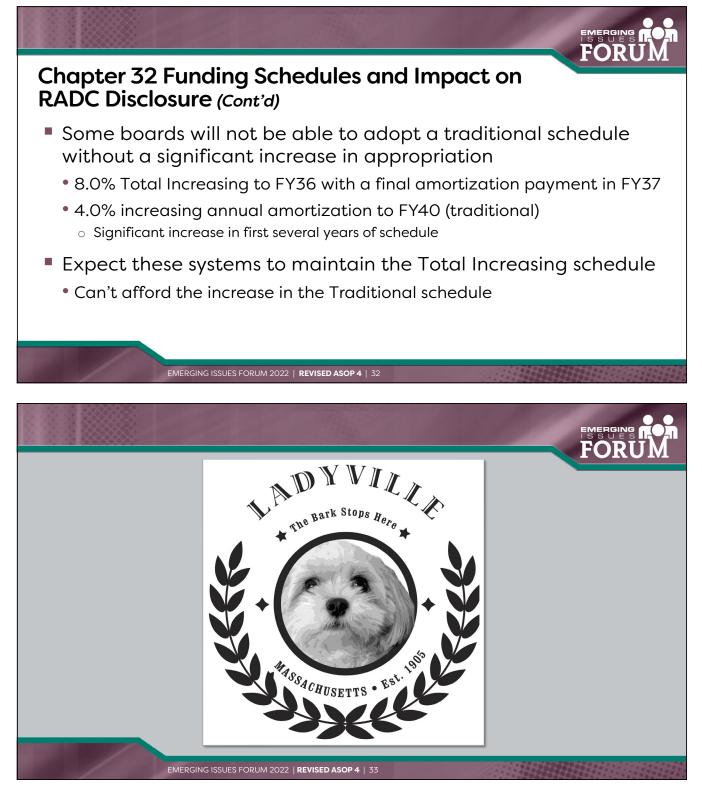


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Chapter 32 Funding Schedules and Impact on RADC Disclosure (Cont'd)

 8.0% Total Increasing to FY36 with a final amortization payment in FY37 (In thousands)

FY	Normal Cost	Amortization of UAL	Total Cost
2023	2,400	3,000	5,400
2024	2,500	3,350	5,850
2025	2,600	3,700	6,300
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2036	4,200	10,500	14,700
2037	4,400	600	5,000

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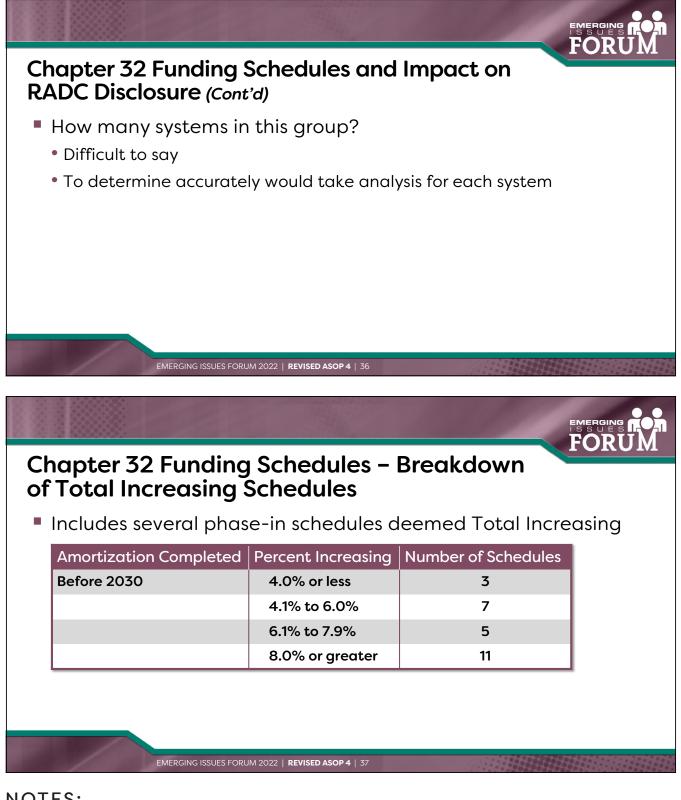
Chapter 32 Funding Schedules and Impact on RADC Disclosure (Cont'd)

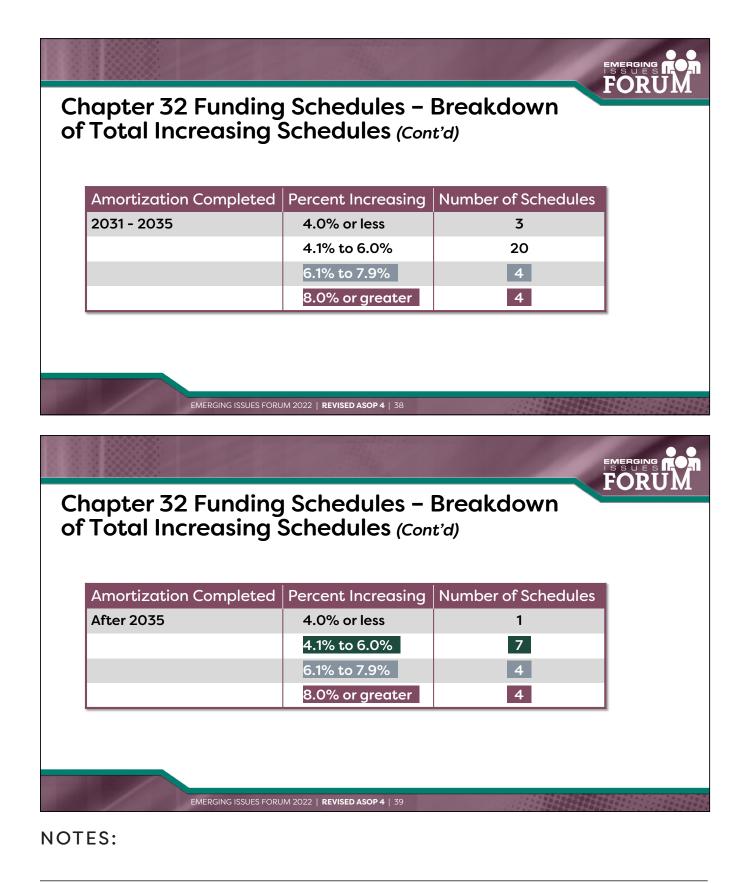
 4.0% Increasing Annual Amortization of UAL to FY40 (in thousands)

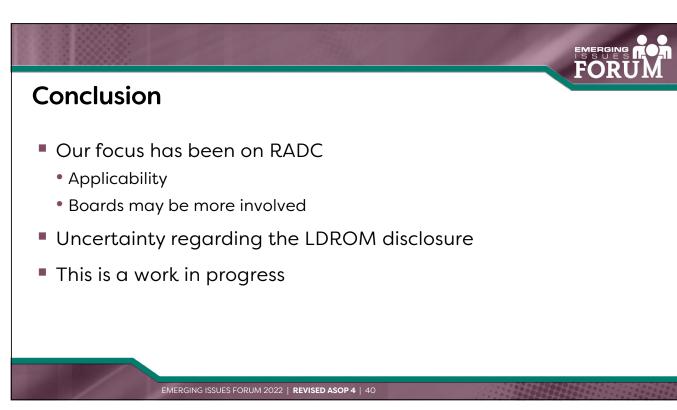
FY	Normal Cost	Amortization of UAL	Total Cost	
2023	2,400	3,400	5,800	
2024	2,500	3,550	6,050	
2025	2,600	3,700	6,300	
2036	4,200	5,700	9,900	
2037	4,400	5,900	10,300	
2040	5,000	6,700	11,700	
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COMMONWEALTH OF MASSACHUSETTS Public Employee Retirement Administration Commission

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