

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

Required Fiscal Year 2024 Appropriation: **\$18,146,052**

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 developed by Segal as part of their January 1, 2022 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2025.

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

JWP/jfb
Attachment

cc: Office of the Mayor
City Council
c/o City Clerk

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Section 3: Supplemental Information

Exhibit C: Department Results

| | Water | South Essex Sewer | Housing | North Shore Regional VOC | City | Salem Retirement Board | Total |
|---|------------------|----------------------|------------------|--------------------------------|--------------------|------------------------------|--------------------|
| 1 Total normal cost | \$154,165 | \$690,746 | \$224,312 | \$686,697 | \$6,720,631 | \$20,705 | \$8,497,256 |
| 2 Administrative expenses | 7,257 | 32,516 | 10,559 | 32,326 | 316,367 | 975 | 400,000 |
| 3 Expected employee contributions | <u>-137,389</u> | <u>-550,580</u> | <u>-183,849</u> | <u>-471,003</u> | <u>-4,182,192</u> | <u>-17,694</u> | <u>-5,542,707</u> |
| 4 Employer normal cost: (1) + (2) - (3) | 24,033 | 172,682 | 51,022 | 248,020 | 2,854,806 | 3,986 | 3,354,549 |
| 5 Employer normal cost as a percent of payroll | 1.73% | 3.20% | 2.75% | 5.16% | 6.78% | 2.32% | 6.02% |
| 6 Actuarial accrued liability | \$10,455,597 | \$30,891,152 | \$11,174,159 | \$17,889,077 | \$293,504,381 | \$1,342,925 | \$365,257,291 |
| 7 Actuarial value of assets | <u>6,932,307</u> | <u>24,030,527</u> | <u>7,287,549</u> | <u>11,858,553</u> | <u>194,285,484</u> | <u>894,236</u> | <u>245,288,656</u> |
| 8 Unfunded actuarial accrued liability: (6) - (7) | \$3,523,290 | \$6,860,625 | \$3,886,610 | \$6,030,524 | \$99,218,897 | \$448,689 | \$119,968,635 |
| 9 Reallocation of Retirement Board Unfunded actuarial accrued liability | <u>13,227</u> | <u>25,755</u> | <u>14,591</u> | <u>22,639</u> | <u>372,477</u> | <u>-448,689</u> | <u>0</u> |
| 10 Unfunded actuarial accrued liability with reallocation: (8) + (9) | \$3,536,517 | \$6,886,380 | \$3,901,201 | \$6,053,163 | \$99,591,374 | \$0 | \$119,968,635 |
| 11 Reallocation of retirement board Normal Cost | 29 | 205 | 61 | 295 | 3,396 | -3,986 | 0 |
| 12 ER Normal Cost with reallocation: (4) + (11) | 24,062 | 172,887 | 51,083 | 248,315 | 2,858,202 | 0 | 3,354,549 |
| 13 Employer normal cost projected to July 1, 2022 | 24,420 | 175,462 | 51,843 | 252,012 | 2,900,758 | 0 | 3,404,495 |
| 14 2002 ERI Payments | 0 | 46,578 | 26,286 | 6,279 | 0 | 0 | 79,144 |
| 15 2003 ERI Payments | 5,137 | 0 | 0 | 2,910 | 198,244 | 0 | 206,291 |
| 16 2010 ERI Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 Payment on remaining liability | <u>351,893</u> | <u>833,849</u> | <u>388,085</u> | <u>597,819</u> | <u>11,330,324</u> | <u>0</u> | <u>13,501,971</u> |
| 18 Budgeted appropriation for fiscal 2023: (13)+(14)+(15)+(16)+(17) | \$381,450 | \$1,055,889 | \$466,215 | \$859,021 | \$14,429,326 | \$0 | \$17,191,901 |
| 19 Fiscal 2024 appropriation with reallocation | 463,038 | 1,008,460 | 533,337 | 1,010,423 | 15,130,794 | 0 | 18,146,052 |
| 20 Fiscal 2025 appropriation with reallocation | 490,524 | 1,064,301 | 563,989 | 1,064,863 | 15,969,481 | 0 | 19,153,158 |

Notes:

Administrative expenses allocated in proportion to total normal cost.

Actuarial value of assets allocated in proportion to actuarial accrued liability less present value of future ERI payments and adjusted for additional contributions by South Essex Sewerage.

Recommended contributions are assumed to be paid July 1.