

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 2025
DATE: November 21, 2023

Required Fiscal Year 2025 Appropriation: **\$19,153,158**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2025 which commences July 1, 2024.

Attached please find the portion of the Fiscal Year 2025 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	-137,389	-550,580	-183,849	-471,003	-4,182,192	-17,694	-5,542,707
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	6,932,307	24,030,527	7,287,549	11,858,553	194,285,484	894,236	245,288,656
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	13,227	25,755	14,591	22,639	372,477	-448,689	0
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	351,893	833,849	388,085	597,819	11,330,324	0	13,501,971
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.