

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Salem Retirement Board  
FROM: William T. Keefe, Executive Director *WTK*  
RE: Appropriation for Fiscal Year 2027  
DATE: December 8, 2025

Required Fiscal Year 2027 Appropriation: **\$21,166,519**

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 developed by Segal as part of their January 1, 2024 actuarial valuation.

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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January 1, 2024 Actuarial Valuation - Supplemental Information  
 Department Results (Revised - April 2025)

	Water	South Essex Sewer	Housing	North Shore Regional VOC	City	Salem Retirement Board	Total
1 Total normal cost	175,076	580,999	258,439	917,204	7,887,113	33,032	9,851,863
2 Administrative expenses	10,218	33,910	15,084	53,532	460,328	1,928	575,000
3 Expected employee contributions	-157,825	-479,369	-215,658	-639,232	-5,018,999	-32,542	-6,543,625
4 Employer normal cost: (1) + (2) - (3)	27,469	135,540	57,865	331,504	3,328,442	2,418	3,883,238
5 Employer normal cost as a percent of payroll	1.76%	2.89%	2.71%	5.15%	6.65%	0.77%	5.96%
6 Actuarial accrued liability	11,332,089	32,702,485	11,737,439	20,207,330	309,111,764	1,536,660	386,627,767
7 Actuarial value of assets	8,222,467	27,838,970	8,397,285	14,662,105	223,958,197	1,118,952	284,197,976
8 Unfunded actuarial accrued liability: (6) - (7)	3,109,622	4,863,515	3,340,154	5,545,225	85,153,567	417,708	102,429,791
9 Reallocation of Retirement Board Unfunded actuarial accrued liability:	12,733	19,915	13,677	22,706	348,677	-417,708	0
10 Unfunded actuarial accrued liability with reallocation: (8) + (9)	3,122,355	4,883,430	3,353,831	5,567,931	85,502,244	0	102,429,791
11 Reallocation of retirement board Normal Cost	17	84	36	207	2,074	-2,418	0
12 ER Normal Cost with reallocation: (4) + (11)	27,486	135,624	57,901	331,711	3,330,516	0	3,883,238
13 Employer normal cost projected to July 1, 2024	27,895	137,644	58,763	336,649	3,380,104	0	3,941,056
14 2002 ERI Payments	0	50,865	28,706	6,857	0	0	86,428
15 2003 ERI Payments	5,610	0	0	3,177	216,488	0	225,275
16 2010 ERI Payments	0	0	0	0	0	0	0
17 Payment on remaining liability	457,019	875,792	476,520	718,179	12,372,889	0	14,900,399
18 Budgeted appropriation for fiscal 2025 $(13)+(14)+(15)+(16)+(17)$	490,524	1,064,301	563,989	1,064,863	15,969,481	0	19,153,158
19 Fiscal 2026 appropriation with reallocation	516,440	865,540	581,128	1,234,651	16,855,787	0	20,053,546
20 Fiscal 2027 appropriation with reallocation	547,231	913,860	614,617	1,300,664	17,790,147	0	21,166,519

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 (the value of the additional contribution as of December 31, 2023 was \$4,291,012).

Appropriations are assumed to be paid July 1.

Please refer to the January 1, 2024 Actuarial Valuation and Review dated August 21, 2024 for the data, assumptions and plan of benefits underlying these calculations, and for other disclosures required under the Actuarial Standards of Practice.