PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair* WILLIAM T. KEEFE, *Executive Director*

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M E M O R A N D U M

TO: Salem Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: October 22, 2026

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY27 and is acceptable under Chapter 32.

The revised schedule maintains the 6.90% investment return assumption used in the 2024 actuarial valuation. The COLA base increased from $15,000 to $20,000 in this valuation.

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

WTK/jfb
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Enc.

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Funding schedule

(1) Fiscal year ended June 30	(2) Employer Normal Cost	(3) Amortization of ERI Liability	(4) Amortization of Remaining Unfunded Liability	(5) Actuarially Determined Contribution (ADC): (2) + (3) + (4)	(6) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(7) Percent Increase in ADC Over Prior Year
2027	$4,582,252	$295,009	$16,289,258	$21,166,519	$101,085,368	--
2028	4,737,447	308,285	17,295,529	22,341,261	90,331,677	5.55%
2029	4,897,857	322,158	18,361,186	23,581,201	77,746,086	5.55%
2030	5,063,656	336,654	19,489,648	24,889,958	63,138,071	5.55%
2031	5,235,025	351,804	20,684,522	26,271,351	46,300,281	5.55%
2032	5,412,147	367,635	21,949,629	27,729,411	27,007,168	5.55%
2033	5,595,216	384,179	4,629,328	10,608,723	5,013,507	-61.74%
2034	5,784,431		0	5,784,431	0	-45.47%

Note:
Fiscal 2027 Actuarially Determined Contribution set equal to budgeted amount.
Actuarially Determined Contributions are assumed to be paid on July 1.
Item (2) reflects 3.00% growth in payroll, as well as a 0.15% adjustment to total normal cost to reflect the effects of mortality improvements due to the generational mortality assumption.
Item (3) reflects increasing (4.50% per year) amortization of 2002 and 2003 ERI.
Projected normal cost does not reflect the future impact of pension reform for future hires.
Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains or losses.