

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Saugus Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: September 11, 2023

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 November 15 of each fiscal year. The schedule is effective in FY24 (since the amount under the prior schedule was maintained in FY24) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption used in the 2021 actuarial valuation and a there was a slight adjustment to the fully generational mortality assumption. Also, the Board increased the COLA base to \$18,000.

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

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Enc.



**Saugus Retirement System
January 1, 2023 Actuarial Valuation**

UAL amortized on 4.0% annual increasing basis through FY28

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2002 ERIP</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>% Change</u>
2024	2,839,131	40,000	5,568,056	254,393	8,701,581	15,131,733	
2025	2,966,892	40,000	2,446,165	262,025	5,715,082	10,115,033	-34.3%
2026	3,100,402	40,000	2,544,012	269,886	5,954,300	7,996,998	4.2%
2027	3,239,921	40,000	2,645,772	277,982	6,203,675	5,620,391	4.2%
2028	3,385,717	40,000	2,751,603	286,322	6,463,642	2,962,783	4.2%
2029	3,538,074	40,000			3,578,074	0	-44.6%

All amounts assume payments will be made November 15 of each fiscal year.
Normal Cost includes expenses of \$750,000 and is assumed to increase 4.5% each year.
FY24 appropriation was maintained at the same level as the current schedule.