

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOHN W. PARSONS, ESQ., *Executive Director*

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MEMORANDUM

TO: Shrewsbury Retirement Board
FROM: John W. Parsons, Esq., Executive Director
RE: Appropriation for Fiscal Year 2021
DATE: December 11, 2019

Required Fiscal Year 2021 Appropriation: **\$4,420,892**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2021 which commences July 1, 2020.

Based on the results of the January 1, 2018 actuarial valuation, the System was expected to be fully funded by FY21. As a result, the appropriation for FY21 and beyond would be equal to the normal cost. We did not approve the prior schedule beyond FY20 since we had concerns about the significant reduction in appropriation if only the normal cost were paid. The Board had indicated a January 1, 2019 actuarial valuation would be completed to determine the FY21 appropriation.

The Town indicated that it wants to appropriate \$1 million less for FY21 than appropriated in FY20. This reduced amount is significantly higher than the normal cost shown in the 2018 funding schedule. Our understanding is that the Board will have an actuarial valuation performed as of January 1, 2020 and the appropriation payments will be reassessed at that time and could be increased if necessary. We will allow this payment for FY21. The appropriation for the Housing Authority was reduced by the same percentage as the Town's appropriation.

The allocation by governmental unit is as follows:

Town	\$4,315,693
Housing Authority	\$105,199

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

JWP/jfb

cc: Town Manager
Town Meeting
c/o Town Clerk

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