

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Shrewsbury Retirement Board
FROM: John W. Parsons, Esq., Executive Director
RE: Appropriation for Fiscal Year 2022
DATE: December 3, 2020

Required Fiscal Year 2022 Appropriation: **\$3,300,000**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2022 which commences July 1, 2021.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2022 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Sherman Actuarial Services as part of their January 1, 2020 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2023.

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

JWP/jfb
Attachments

cc: Town Manager
Town Meeting
c/o Town Clerk

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Shrewsbury Retirement Board

Projected Appropriations

Fiscal Year 2022 - July 1, 2021 to June 30, 2022

Aggregate amount of appropriation: **\$3,300,000**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2022	\$7,406,509	\$3,300,000	\$0	\$3,300,000	\$3,300,000	\$0	\$4,106,509
FY 2023	\$7,707,863	\$3,300,000	\$0	\$3,300,000	\$3,300,000	\$0	\$4,407,863
FY 2024	\$8,021,410	\$3,239,062	\$0	\$3,239,062	\$3,239,062	\$0	\$4,782,348
FY 2025	\$8,347,642	\$578,728	\$0	\$578,728	\$578,728	\$0	\$7,768,914
FY 2026	\$8,687,073	\$574,557	\$0	\$574,557	\$574,557	\$0	\$8,112,516

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

Breakouts

	Total	Housing	Light	Cable	Water	Sewer	Custodians	All Others	School Employees	School Lunch
(1) Participants										
(a) Actives	453	8	38	27	14	3	22	176	149	16
(b) Inactives	95	0	3	10	0	0	3	34	64	1
(c) Retirees and Beneficiaries	257	5	25	7	10	2	18	134	41	15
(d) Disabled Retirees	30	0	2	0	0	1	2	22	2	1
(e) Total	835	13	68	44	24	6	45	346	256	33
(2) Payroll of Active Participants	\$26,158,858	\$517,177	\$3,331,610	\$2,041,145	\$730,655	\$153,021	\$1,248,454	\$12,121,838	\$5,618,440	\$396,519
(3) Normal Cost										
(a) Total Normal Cost	2,746,660	46,392	340,259	196,795	73,510	13,360	151,562	1,296,937	587,246	40,599
(b) Expected Employee Contributions	2,341,327	48,273	288,019	190,055	61,223	13,601	111,138	1,104,580	490,898	33,541
(c) Administrative Expenses	150,000	2,534	18,582	10,747	4,015	730	8,272	70,828	32,071	2,217
(d) Net Employer Normal Cost (a) - (b) + (c)	555,333	653	70,822	17,487	16,302	489	48,701	263,185	128,419	9,275
(4) Actuarial Accrued Liability	146,236,548	2,738,909	23,241,299	6,610,168	4,533,157	908,982	7,334,020	78,728,884	19,298,076	2,823,054
(5) Assets*	136,581,696	2,469,455	23,378,003	6,643,923	4,105,217	819,556	6,612,498	72,608,195	17,399,528	2,545,322
(6) Unfunded Actuarial Accrued Liability (4) - (5)	9,654,852	269,454	(136,704)	(33,755)	447,940	89,426	721,522	6,120,689	1,898,548	277,732
(7) Amortizations*	5,001,911	139,597	(70,823)	(17,488)	232,065	46,329	373,801	3,170,959	983,585	143,885
(8) Total Required Employer Contributions (3d) + (7)	5,557,244	140,249	(1)	(0)	248,367	46,818	422,502	3,434,146	1,112,003	153,161
(9) Fiscal 2022 Cost	3,300,000	83,283	0	0	147,485	27,801	250,890	2,039,263	660,329	90,950
(10) Fiscal 2023 Cost	3,300,000	83,283	0	0	147,485	27,801	250,890	2,039,263	660,329	90,950
(11) Fiscal 2024 Cost	3,239,062	81,745	0	0	144,762	27,288	246,257	2,001,605	648,135	89,271
(12) Fiscal 2025 Cost	578,728	14,606	0	0	25,865	4,876	43,999	357,630	115,803	15,950
(13) Fiscal 2026 Cost	574,557	14,501	0	0	25,679	4,841	43,682	355,053	114,968	15,835
(14) Fiscal 2027 Cost	569,125	14,364	0	0	25,436	4,795	43,269	351,695	113,881	15,685
(15) Fiscal 2028 Cost	562,340	14,193	0	0	25,133	4,738	42,753	347,501	112,523	15,498
(16) Fiscal 2029 Cost	554,101	13,985	0	0	24,765	4,669	42,127	342,411	110,874	15,271
(17) Fiscal 2030 Cost	544,304	13,738	0	0	24,327	4,586	41,382	336,358	108,914	15,001
(18) Percentage of Total Cost	100.0%	2.5%	0.0%	0.0%	4.5%	0.8%	7.6%	61.8%	20.0%	2.8%
(19) Funded Ratio	93.40%	90.16%	100.59%	100.51%	90.16%	90.16%	90.16%	92.23%	90.16%	90.16%

* Allocation is based on the ratio of the Unfunded Actuarial Accrued Liability, adjusted for additional contributions.