

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

Auditor DIANA DIZOGLIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

MEMORANDUM

TO: Shrewsbury Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: December 18, 2024

This Commission is hereby furnishing you with approval of the revised funding schedule the Board recently adopted (copy enclosed). The schedule is effective in FY25 (since the amount under the prior schedule was maintained in FY25) and is acceptable under Chapter 32.

The Board once again maintained a 7.5% investment return assumption in this valuation. Note that this is, once again, greater than the high end of our reasonable range for this assumption as of January 1, 2024. We are typically recommending an assumption of 7.0% (or lower) for our 2024 actuarial valuations. Our wider reasonable range for our 2024 valuations is 6.0% to 7.35%. For comparison, 77 systems are currently using an assumption of 7.0% or below. We roughly estimated that the actuarial liability (and therefore the unfunded actuarial liability) would increase by about \$9.3 million if a 7.0% investment return assumption were used.

We are available to discuss these issues further. If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

WTK/jfb

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Appropriation Forecast

Fiscal Year	Employee	Employer	Amortization	Employer	Employer	Funded
Ending	Payroll*	Contribution	Normal Cost	Payments	Total Cost	Ratio %**
			with Interest	with Interest	with Interest	
2025	\$33,010,516	\$3,039,862	\$754,983	\$1,545,017	\$2,300,000	93.3
2026	\$34,330,937	\$3,195,556	\$749,290	\$1,550,710	\$2,300,000	93.8
2027	\$35,704,174	\$3,358,841	\$741,935	\$1,558,065	\$2,300,000	94.3
2028	\$37,132,341	\$3,530,077	\$732,791	\$1,567,209	\$2,300,000	94.8
2029	\$38,617,635	\$3,709,637	\$721,730	\$1,578,270	\$2,300,000	95.3
2030	\$40,162,340	\$3,897,914	\$708,611	\$1,591,389	\$2,300,000	95.8
2031	\$41,768,834	\$4,095,318	\$693,287	\$1,606,713	\$2,300,000	96.4
2032	\$43,439,587	\$4,302,277	\$675,605	\$1,624,395	\$2,300,000	97.0
2033	\$45,177,171	\$4,519,241	\$655,398	\$1,644,602	\$2,300,000	97.6
2034	\$46,984,257	\$4,746,678	\$632,493	\$1,667,507	\$2,300,000	98.2
2035	\$48,863,628	\$4,985,079	\$606,708	\$1,693,292	\$2,300,000	98.9
2036	\$50,818,173	\$5,234,957	\$577,848	\$941,899	\$1,519,747	99.6
2037	\$52,850,900	\$5,496,850	\$545,708	\$0	\$545,708	100.0
2038	\$54,964,936	\$5,771,318	\$510,073	\$0	\$510,073	100.0
2039	\$57,163,533	\$6,002,171	\$530,476	\$0	\$530,476	100.0
2040	\$59,450,074	\$6,242,258	\$551,695	\$0	\$551,695	100.0
2041	\$61,828,077	\$6,491,948	\$573,762	\$0	\$573,762	100.0
2042	\$64,301,200	\$6,751,626	\$596,713	\$0	\$596,713	100.0
2043	\$66,873,248	\$7,021,691	\$620,581	\$0	\$620,581	100.0
2044	\$69,548,178	\$7,302,559	\$645,405	\$0	\$645,405	100.0
2045	\$72,330,106	\$7,594,661	\$671,221	\$0	\$671,221	100.0
2046	\$75,223,310	\$7,898,448	\$698,070	\$0	\$698,070	100.0
2047	\$78,232,242	\$8,214,385	\$725,992	\$0	\$725,992	100.0
2048	\$81,361,532	\$8,542,961	\$755,032	\$0	\$755,032	100.0
2049	\$84,615,993	\$8,884,679	\$785,233	\$0	\$785,233	100.0
2050	\$88,000,633	\$9,240,066	\$816,643	\$0	\$816,643	100.0
2051	\$91,520,658	\$9,609,669	\$849,308	\$0	\$849,308	100.0
2052	\$95,181,485	\$9,994,056	\$883,281	\$0	\$883,281	100.0
2053	\$98,988,744	\$10,393,818	\$918,612	\$0	\$918,612	100.0
2054	\$102,948,294	\$10,809,571	\$955,356	\$0	\$955,356	100.0
2055	\$107,066,225	\$11,241,954	\$993,571	\$0	\$993,571	100.0
2056	\$111,348,874	\$11,691,632	\$1,033,313	\$0	\$1,033,313	100.0

* Calendar basis

** Beginning of Fiscal Year