

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 and Revised FY26 Appropriation
DATE: November 12, 2025

Revised FY26 appropriation: \$2,800,000

This Commission is hereby furnishing you with approval of the revised funding schedule the Board recently adopted (copy enclosed). The schedule is effective in FY26 and is acceptable under Chapter 32.

The schedule reflects an increase in the FY26 appropriation to \$2,800,000. Our understanding is that this contribution has already been made

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 2025 actuarial valuations. Our wider reasonable range for our 2025 valuations is 6.0% to 7.4%. For comparison, 78 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 \$9.4 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.

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Appropriation Forecast

Fiscal Year	Employee	Employer Normal Cost	Amortization Payments	Employer Total Cost	Employer Total Cost	Funded	
<u>Ending</u>	<u>Payroll*</u>	<u>Contribution with Interest</u>	<u>with Interest</u>	<u>with Interest</u>	<u>% of Payroll</u>	<u>Ratio %**</u>	
2026	\$35,572,458	\$3,375,665	\$698,275	\$2,101,725	\$2,800,000	7.9	95.4
2027	\$36,995,356	\$3,544,675	\$690,436	\$2,109,564	\$2,800,000	7.6	96.2
2028	\$38,475,171	\$3,721,805	\$680,853	\$2,119,147	\$2,800,000	7.3	97.1
2029	\$40,014,177	\$3,907,434	\$669,398	\$2,130,602	\$2,800,000	7.0	98.1
2030	\$41,614,744	\$4,101,959	\$655,937	\$2,035,481	\$2,691,418	6.5	99.1
2031	\$43,279,334	\$4,305,793	\$640,329	\$0	\$640,329	1.5	100.0
2032	\$45,010,508	\$4,519,371	\$622,423	\$0	\$622,423	1.4	100.0
2033	\$46,810,928	\$4,743,146	\$602,059	\$0	\$602,059	1.3	100.0
2034	\$48,683,365	\$4,977,593	\$579,071	\$0	\$579,071	1.2	100.0
2035	\$50,630,700	\$5,223,205	\$553,280	\$0	\$553,280	1.1	100.0
2036	\$52,655,928	\$5,480,503	\$524,499	\$0	\$524,499	1.0	100.0
2037	\$54,762,165	\$5,750,027	\$492,531	\$0	\$492,531	0.9	100.0
2038	\$56,952,651	\$5,980,028	\$512,232	\$0	\$512,232	0.9	100.0
2039	\$59,230,757	\$6,219,230	\$532,722	\$0	\$532,722	0.9	100.0
2040	\$61,599,988	\$6,467,999	\$554,030	\$0	\$554,030	0.9	100.0
2041	\$64,063,987	\$6,726,719	\$576,192	\$0	\$576,192	0.9	100.0
2042	\$66,626,547	\$6,995,787	\$599,239	\$0	\$599,239	0.9	100.0
2043	\$69,291,609	\$7,275,619	\$623,209	\$0	\$623,209	0.9	100.0
2044	\$72,063,273	\$7,566,644	\$648,137	\$0	\$648,137	0.9	100.0
2045	\$74,945,804	\$7,869,309	\$674,063	\$0	\$674,063	0.9	100.0
2046	\$77,943,636	\$8,184,082	\$701,025	\$0	\$701,025	0.9	100.0
2047	\$81,061,381	\$8,511,445	\$729,066	\$0	\$729,066	0.9	100.0
2048	\$84,303,837	\$8,851,903	\$758,229	\$0	\$758,229	0.9	100.0
2049	\$87,675,990	\$9,205,979	\$788,558	\$0	\$788,558	0.9	100.0
2050	\$91,183,030	\$9,574,218	\$820,100	\$0	\$820,100	0.9	100.0
2051	\$94,830,351	\$9,957,187	\$852,904	\$0	\$852,904	0.9	100.0
2052	\$98,623,565	\$10,355,474	\$887,020	\$0	\$887,020	0.9	100.0
2053	\$102,568,508	\$10,769,693	\$922,501	\$0	\$922,501	0.9	100.0
2054	\$106,671,248	\$11,200,481	\$959,401	\$0	\$959,401	0.9	100.0
2055	\$110,938,098	\$11,648,500	\$997,777	\$0	\$997,777	0.9	100.0
2056	\$115,375,622	\$12,114,440	\$1,037,689	\$0	\$1,037,689	0.9	100.0
2057	\$119,990,647	\$12,599,018	\$1,079,196	\$0	\$1,079,196	0.9	100.0

* Calendar basis

** Beginning of Fiscal Year