PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair* WILLIAM T. KEEFE, *Executive Director*

M E M O R A N D U M

TO: Southbridge Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: August 4, 2026

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 August 15 of each fiscal year. The schedule is effective in FY27 (since the amount under the prior schedule was maintained in FY27) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption used in the 2022 and 2024 actuarial valuations.

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

WTK/jfb
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Enc.

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Alternative 1
7.0% Investment Return Assumption
$18,000 COLA Base

Southbridge Retirement System
January 1, 2026 Actuarial Valuation

Total cost increasing 5.5% until FY31, with a final amortization payment in FY32

Fiscal Year	Normal Cost	Net 3(8)(c)	Amort. of UAL	Total Cost	Unfunded Act. Liab.	Total Cost % Increasing
2027	2,366,232	550,000	3,237,712	6,153,944	17,444,865	
2028	2,472,713	550,000	3,469,698	6,492,411	15,230,697	5.5%
2029	2,583,985	550,000	3,715,509	6,849,494	12,615,392	5.5%
2030	2,700,264	550,000	3,975,951	7,226,216	9,556,203	5.5%
2031	2,821,776	550,000	4,251,881	7,623,658	6,006,534	5.5%
2032	2,948,756	550,000	1,931,813	5,430,569	1,915,618	-28.8%
2033	3,081,450	550,000		3,631,450	0	-33.1%

Appropriation payments assumed to be made August 15 of each fiscal year.
Normal cost assumed to increase 4.5% per year.
Assumed expenses of $550,000.
FY27 amount maintained at level of current funding schedule.