

# 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: Southbridge Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: November 25, 2024

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 FY25 (since the amount under the prior schedule was maintained in FY25) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption used in the 2022 actuarial valuation and reflects a slight revision to the mortality assumption. The schedule also reflects an \$18,000 COLA base (even though the legislative body has yet to approve that level).

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.



**Southbridge Retirement System  
January 1, 2024 Actuarial Valuation**

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

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % Increasing</u>
2025	2,151,639	300,000	3,077,387	5,529,026	22,385,832	
2026	2,248,463	300,000	3,284,659	5,833,122	20,687,641	5.5%
2027	2,349,644	300,000	3,504,300	6,153,944	18,650,654	5.5%
2028	2,455,378	300,000	3,737,033	6,492,411	16,238,032	5.5%
2029	2,565,870	300,000	3,983,624	6,849,494	13,409,591	5.5%
2030	2,681,334	300,000	4,244,882	7,226,216	10,121,518	5.5%
2031	2,801,994	300,000	4,521,663	7,623,658	6,326,078	5.5%
2032	2,928,084	300,000	1,987,949	5,216,033	1,971,283	-31.6%
2033	3,059,848	300,000		3,359,848	0	-35.6%

Appropriation payments assumed to be made August 15 of each fiscal year.  
 Normal cost assumed to increase 4.5% per year.  
 Assumed expenses of \$500,000.  
 FY25 amount maintained at level of current funding schedule.