

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Springfield Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: August 17, 2022

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 July 1 of each fiscal year. The schedule is effective in FY23 (since the amount under the prior schedule was maintained in FY23) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0% and a slight revision to the mortality assumption.

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

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Alternative I  
7.0% Investment Return  
9.2% Total Cost Increasing  
\$13,000 COLA

**Springfield Retirement System  
January 1, 2022 Actuarial Valuation**

9.2% total cost increasing to FY32 with a final amortization payment in FY33

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Change in Cost</u>
2023	14,507,912	1,700,000	2,214,532	1,123,474	73,570,040	93,115,958	929,823,971	
2024	15,160,768	1,700,000	2,314,186	1,174,031	81,333,642	101,682,626	912,620,039	9.2%
2025	15,843,002	1,700,000	2,418,324	1,226,862	89,849,239	111,037,428	885,744,053	9.2%
2026	16,555,937	1,700,000	2,527,149	1,282,071	99,187,714	121,252,871	847,707,102	9.2%
2027	17,300,955	1,700,000	2,640,871	1,339,764	109,426,546	132,408,135	796,839,880	9.2%
2028	18,079,498	1,700,000	2,759,710	1,400,053	120,650,423	144,589,684	731,272,988	9.2%
2029	18,893,075	1,700,000			137,298,860	157,891,935	648,915,198	9.2%
2030	19,743,263	1,700,000			150,974,729	172,417,993	547,429,482	9.2%
2031	20,631,710	1,700,000			165,948,738	188,280,448	424,206,586	9.2%
2032	21,560,137	1,700,000			182,342,112	205,602,249	276,335,897	9.2%
2033	22,530,343	1,700,000			100,573,350	124,803,694	100,573,350	-39.3%
2034	23,544,209	1,700,000				25,244,209	0	-79.8%

Appropriation payments assumed to be made on July 1 of each fiscal year

Normal cost includes assumed expenses of \$1,500,000 and is assumed to increase 4.5% per year

FY21 amount maintained at level of current funding schedule