

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

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MEMORANDUM

TO: Springfield Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: August 6, 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 July 1 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 a there was a slight adjustment to the fully generational mortality assumption.

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.



Alternative 1
 7.0% Investment Return
 9.2% Total Cost Increasing
 \$14,000 COLA

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

9.2% total cost increasing to FY33 with a final amortization payment in FY34

<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>
2025	17,066,482	1,700,000	2,418,324	1,226,862	88,625,760	111,037,428	935,868,620	
2026	17,834,474	1,700,000	2,527,148	1,282,071	97,909,178	121,252,871	902,649,512	9.2%
2027	18,637,025	1,700,000	2,640,870	1,339,764	108,090,476	132,408,136	856,996,293	9.2%
2028	19,475,692	1,700,000	2,759,709	1,400,053	119,254,230	144,589,684	797,069,945	9.2%
2029	20,352,098	1,700,000			135,839,837	157,891,935	720,811,870	9.2%
2030	21,267,942	1,700,000			149,450,051	172,417,993	625,920,075	9.2%
2031	22,225,000	1,700,000			164,355,449	188,280,448	509,822,925	9.2%
2032	23,225,125	1,700,000			180,677,125	205,602,250	369,650,200	9.2%
2033	24,270,255	1,700,000			198,547,401	224,517,657	202,201,190	9.2%
2034	25,362,417	1,700,000			3,909,554	30,971,971	3,909,554	-86.2%
2035	26,503,725	1,700,000				28,203,725	0	-8.9%

Appropriation payments assumed to be made on July 1 of each fiscal year
 Normal cost includes assumed expenses of \$1,700,000 and is assumed to increase 4.5% per year
 FY25 amount maintained at level of current funding schedule