

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

JOHN W. PARSONS, ESQ., *Executive Director*

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## MEMORANDUM

TO: Stoneham Retirement Board

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

RE: Approval of Funding Schedule

DATE: December 6, 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 an adjustment to the fully generational mortality assumption. In addition, the schedule reflects an increase in the COLA base from \$13,000 to \$15,000.

To reflect the expected 2022 asset loss, the Board adopted a funding schedule using the results of the actuarial valuation and the market value of assets (MVA) as of June 30, 2022. It is our understanding that the Board adopted the use of the MVA for this funding schedule only and does not intend to move permanently to the MVA.

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

JWP/jfb

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Enc.



## STONEHAM CONTRIBUTORY RETIREMENT SYSTEM

### FUNDING SCHEDULE - based on Market Value of Assets as of June 30, 2022

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*	% Change
2024	1,581,237	18,338,562	5,683,049	(11,562)	7,252,723	0.00%
2025	1,652,393	13,541,399	5,611,893	(11,562)	7,252,723	0.00%
2026	1,726,750	8,484,571	5,174,899	(11,562)	6,890,087	-5.00%
2027	1,804,454	3,541,349	3,541,349	(11,562)	5,334,241	-22.58%
2028	1,885,655	-	-	(11,562)	1,874,092	-64.87%

#### Amortization of Unfunded Liability as of July 1, 2023

\* The contribution is set to remain level through FY2025, followed by a 5% decrease in FY2026. The remainder of the unfunded liability is then amortized in FY2027.

#### Bases in the funding schedule:

- Amortization of the unfunded actuarial accrued liability: 4 years.