

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: Swampscott Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: July 28, 2025

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 FY26 (since the amount under the prior schedule was maintained in FY26) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption used in the prior valuation and reflects an increase in the COLA base to \$16,000.

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.



Section 2: Actuarial Valuation Results

Funding schedule

| (1) Fiscal Year Ended June 30 | (2) Employer Normal Cost | (3) Amortization of Remaining Unfunded Liability | (4) Actuarially Determined Contribution (ADC): (2)+(3) | (5) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year | (6) Percent Increase in Actuarially Determined Contribution |
|-------------------------------------|--------------------------------|--|---|---|---|
| 2026 | \$1,166,103 | \$5,773,933 | \$6,940,036 | \$32,036,543 | -- |
| 2027 | 1,204,880 | 6,082,158 | 7,287,038 | 28,100,993 | 5.00% |
| 2028 | 1,244,941 | 6,406,449 | 7,651,390 | 23,560,153 | 5.00% |
| 2029 | 1,286,327 | 6,747,633 | 8,033,960 | 18,354,463 | 5.00% |
| 2030 | 1,329,083 | 7,106,575 | 8,435,658 | 12,419,308 | 5.00% |
| 2031 | 1,373,252 | 5,684,624 | 7,057,876 | 5,684,624 | -16.33% |
| 2032 | 1,418,882 | 0 | 1,418,882 | 0 | -79.90% |

Notes:

Actuarially determined contribution for fiscal year 2026 is set equal to the amount determined with the prior valuation.

Actuarially determined contributions are assumed to be paid on July 1.

Item (2) reflects 3.00% growth in payroll and a 0.15% adjustment to total normal cost to reflect the effect of mortality improvements due to the generational mortality assumption.

Projected normal cost does not reflect the future impact of pension reform for new hires.

Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains or losses.