

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Taunton Retirement Board
FROM: John W. Parsons, Esq., Executive Director
RE: Appropriation for Fiscal Year 2021
DATE: October 29, 2019

Required Fiscal Year 2021 Appropriation: **\$17,023,066**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2021 which commences July 1, 2020.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2021 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Sherman Actuarial Services as part of its January 1, 2018 actuarial valuation.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is due to be updated by Fiscal Year 2021.

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

JWP/jfb
Attachments

cc: Office of the Mayor
City Council
c/o City Clerk

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Taunton Retirement Board

Projected Appropriations

Fiscal Year 2021 - July 1, 2020 to June 30, 2021

Aggregate amount of appropriation: **\$17,023,066**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2021	\$21,920,712	\$16,735,540	\$287,526	\$17,023,066	\$17,023,066	\$0	\$4,897,646
FY 2022	\$22,695,778	\$17,146,074	\$175,509	\$17,321,583	\$17,321,583	\$0	\$5,374,195
FY 2023	\$23,497,959	\$17,576,559	\$183,406	\$17,759,965	\$17,759,965	\$0	\$5,737,994
FY 2024	\$24,328,202	\$18,016,474	\$191,660	\$18,208,134	\$18,208,134	\$0	\$6,120,068
FY 2025	\$25,187,490	\$18,465,935	\$200,285	\$18,666,220	\$18,666,220	\$0	\$6,521,270

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

Breakouts

	Non-Light Subtotal	Total	City	GATRA	Landfill	Sewer	Water	Nursing Home	Light	Housing
(1) Participants										
(a) Actives	925	1,073	753	34	2	0	30	62	148	44
(b) Inactives	184	189	102	10	0	0	2	67	5	3
(c) Retirees and Beneficiaries	620	778	546	3	0	8	26	23	158	14
(e) Disabled Retirees	<u>72</u>	<u>89</u>	<u>59</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>9</u>	<u>17</u>	<u>1</u>
(f) Total	1,801	2,129	1,460	47	2	8	61	161	328	62
(2) Payroll of Active Participants	48,225,215	62,755,282	39,628,577	1,459,796	133,327	0	1,510,355	2,457,586	14,530,067	3,035,574
Percent of Total Payroll	76.85%	100.00%	63.15%	2.33%	0.21%	0.00%	2.41%	3.92%	23.15%	4.84%
(3) Normal Cost										
(a) Total Normal Cost	6,137,249	8,174,642	5,148,196	168,332	12,408	0	169,816	288,779	2,037,393	349,718
(b) Expected Employee Contributions	4,291,755	5,646,140	3,534,143	127,345	12,329	0	129,310	213,490	1,354,385	275,138
(c) Administrative Expenses	<u>434,464</u>	<u>600,000</u>	<u>384,083</u>	<u>5,003</u>	<u>360</u>	<u>1,505</u>	<u>15,204</u>	<u>15,571</u>	<u>165,536</u>	<u>12,738</u>
(d) Net Employer Normal Cost (a) - (b) + (c)	2,279,958	3,128,502	1,998,136	45,990	439	1,505	55,710	90,860	848,544	87,318
(4) Actuarial Accrued Liability	288,323,839	398,178,738	254,889,401	3,319,860	239,056	998,917	10,090,003	10,333,216	109,854,899	8,453,386
(5) Assets*	<u>229,557,690</u>	<u>317,021,969</u>	<u>202,937,857</u>	<u>2,643,206</u>	<u>190,332</u>	<u>795,318</u>	<u>8,033,459</u>	<u>8,227,100</u>	<u>87,464,279</u>	<u>6,730,417</u>
(6) Unfunded Actuarial Accrued Liability (4) - (5)	58,766,149	81,156,769	51,951,544	676,654	48,724	203,599	2,056,544	2,106,116	22,390,620	1,722,969
(7) Amortizations										
(a) Unfunded Actuarial Accrued Liability	8,631,026	11,919,553	7,630,160	99,381	7,156	29,903	302,046	309,327	3,288,526	253,054
(b) Early Retirement Incentive	111,721	111,721	102,836	0	0	0	0	8,886	0	0
(c) Holiday	116,344	156,084	106,781	0	62	1,038	4,606	3,857	39,739	0
(8) Total Required Employer Contributions (3d) + (7)	11,139,050	15,315,859	9,837,913	145,370	7,657	32,446	362,362	412,929	4,176,810	340,372
(9) Fiscal 2019 Cost	12,103,766	16,346,018	10,722,546	140,798	6,407	38,874	379,922	515,550	4,242,252	299,670
Percentage of total	74.05%	100.00%	65.60%	0.86%	0.04%	0.24%	2.32%	3.15%	25.95%	1.83%
(10) Fiscal 2020 Cost	12,076,760	16,598,250	10,661,610	162,881	7,904	33,451	386,230	450,314	4,521,490	374,371
Percentage of total	72.76%	100.00%	64.23%	0.98%	0.05%	0.20%	2.33%	2.71%	27.24%	2.26%
(11) Fiscal 2021 Cost	12,386,602	17,023,066	10,935,306	167,016	8,103	34,310	396,051	461,972	4,636,464	383,845
(12) Fiscal 2022 Cost	12,567,535	17,321,584	11,090,095	171,236	8,308	35,192	406,104	463,079	4,754,049	393,522
(13) Fiscal 2023 Cost	12,885,681	17,759,965	11,370,931	175,542	8,517	36,097	416,393	474,795	4,874,284	403,406
(14) Fiscal 2024 Cost	13,210,928	18,208,134	11,658,048	179,933	8,731	37,026	426,923	486,769	4,997,206	413,497