

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 2023
DATE: October 29, 2021

Required Fiscal Year 2023 Appropriation: **\$19,563,845**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2023 which commences July 1, 2022.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2023 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 their January 1, 2020 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2023.

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 2023 - July 1, 2022 to June 30, 2023

Aggregate amount of appropriation: **\$19,563,845**

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 2023	\$25,437,893	\$19,365,194	\$198,651	\$19,563,845	\$19,563,845	\$0	\$5,874,048
FY 2024	\$26,493,345	\$20,156,872	\$207,590	\$20,364,462	\$20,364,462	\$0	\$6,128,883
FY 2025	\$27,592,200	\$20,980,586	\$216,932	\$21,197,518	\$21,197,518	\$0	\$6,394,682
FY 2026	\$28,736,243	\$21,837,617	\$226,693	\$22,064,310	\$22,064,310	\$0	\$6,671,933
FY 2027	\$29,927,333	\$22,729,293	\$0	\$22,729,293	\$22,729,293	\$0	\$7,198,040

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.

https://hermansactuary-my.sharepoint.com/personal/Ann_hermansactuary_com/Documents/Reserved/Data/Taunton/2025/Taunton2025_Val - 773% proposed Mortality.xlsx

Breakouts

	Non-Light Subtotal	Total	City	GATRA	Landfill	Sewer	Water	Nursing Home	Light	Housing
(1) Participants										
(a) Actives	914	1,061	804	30	2	0	30	0	147	48
(b) Inactives	233	239	99	17	0	0	4	110	6	3
(c) Retirees and Beneficiaries	662	815	572	3	0	8	25	39	153	15
(e) Disabled Retirees	76	92	61	0	0	0	3	10	16	2
(f) Total	1,885	2,207	1,536	50	2	8	62	159	322	68
(2) Payroll of Active Participants	52,069,293	67,239,674	44,895,504	1,470,773	148,810	0	1,877,357	0	15,170,381	3,676,849
Percent of Total Payroll	77.44%	100.00%	66.77%	2.19%	0.22%	0.00%	2.79%	0.00%	22.56%	5.47%
(3) Normal Cost										
(a) Total Normal Cost	6,562,233	8,609,443	5,799,062	167,470	14,054	0	208,641	0	2,047,210	373,008
(b) Expected Employee Contributions	4,669,541	6,077,886	4,024,024	129,058	14,022	0	165,927	0	1,408,345	336,510
(c) Administrative Expenses	476,989	650,000	420,971	5,323	466	1,526	16,686	15,732	173,011	16,286
(d) Net Employer Normal Cost (a) - (b) + (c)	2,369,681	3,181,557	2,196,009	43,735	498	1,526	59,400	15,732	811,876	52,784
(4) Actuarial Accrued Liability	341,238,352	465,010,765	301,163,034	3,807,730	333,424	1,091,678	11,937,315	11,254,345	123,772,413	11,650,830
(5) Assets*	254,186,913	346,384,426	224,334,989	2,836,361	248,366	813,186	8,892,052	8,383,311	92,197,513	8,678,651
(6) Unfunded Actuarial Accrued Liability (4) - (5)	87,051,439	118,626,339	76,828,045	971,369	85,058	278,492	3,045,263	2,871,034	31,574,900	2,972,179
(7) Amortizations										
(a) Unfunded Actuarial Accrued Liability	9,155,420	12,476,232	8,080,200	102,161	8,946	29,290	320,278	301,954	3,320,812	312,592
(b) Early Retirement Incentive	122,002	122,002	112,298	0	0	0	0	9,703	0	0
(c) Holiday	127,051	170,447	116,608	0	68	1,134	5,030	4,212	43,396	0
(8) Total Required Employer Contributions (3d) + (7)	11,774,154	15,950,238	10,505,114	145,896	9,511	31,949	384,708	331,601	4,176,085	365,375
(9) Fiscal 2021 Cost	12,780,814	17,023,066	11,399,594	140,798	6,407	38,874	379,922	515,550	4,242,252	299,670
Percentage of total	75.08%	100.00%	66.97%	0.83%	0.04%	0.23%	2.23%	3.03%	24.92%	1.76%
(10) Fiscal 2022 Cost	13,842,083	18,794,418	12,365,080	176,615	10,967	36,782	452,625	370,855	4,952,335	429,161
Percentage of total	73.65%	100.00%	65.79%	0.94%	0.06%	0.20%	2.41%	1.97%	26.35%	2.28%
(11) Fiscal 2023 Cost	14,407,915	19,563,845	12,867,995	183,405	11,460	38,437	471,705	387,543	5,155,930	447,373
(12) Fiscal 2024 Cost	14,996,643	20,364,462	13,391,132	190,448	11,974	40,167	491,586	404,982	5,367,819	466,355
(13) Fiscal 2025 Cost	15,609,180	21,197,518	13,935,295	197,754	12,512	41,974	512,301	423,207	5,588,338	486,139
(14) Fiscal 2026 Cost	16,246,477	22,064,311	14,501,315	205,331	13,074	43,863	533,886	442,251	5,817,834	506,760