

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

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

Auditor: SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. McCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Watertown Retirement Board
FROM: John W. Parsons, Esq., Executive Director
RE: Appropriation for Fiscal Year 2022
DATE: January 19, 2021

Required Fiscal Year 2022 Appropriation: **\$7,666,647**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2022 which commences July 1, 2021.

We have not provided the projected appropriations for the next five years in this memorandum. As we mentioned in our December 18, 2020 memorandum, we approved the most recent funding schedule through FY22 only. We understand that the Board is having another valuation performed as of January 1, 2021. We will use the results of your January 1, 2021 actuarial valuation to approve the FY23 appropriation.

Attached please find the portion of the Fiscal Year 2022 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Sherman Actuarial Services as part of its 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
Attachment

cc: Town Council
c/o Town Clerk
Town Manager

p:\actuarial\approp\approp22\fy22 for web\watertown approp 22.docx



Watertown Contributory Retirement System

[https://shermanactuary-my.sharepoint.com/personal/dan_shermanactuary_com/Documents/Recovered Data/Watertown/Val20/2020 Watertown Valuation_xlsm/Actuary/break](https://shermanactuary-my.sharepoint.com/personal/dan_shermanactuary_com/Documents/Recovered%20Data/Watertown/Val20/2020%20Watertown%20Valuation_xlsm/Actuary/break)

Breakouts

	<u>Total</u>	<u>All Others</u>	<u>Housing</u>
(1) Participants			
(a) Actives	528	516	12
(b) Retirees	363	353	10
(c) Inactives	176	176	0
(d) Disabled Retirees	<u>63</u>	<u>63</u>	<u>0</u>
(e) Total	1130	1108	22
(2) Payroll of Active Participants	\$35,322,996	\$34,460,206	\$862,790
(3) Normal Cost			
(a) Total Normal Cost	4,069,806	3,970,800	99,006
(b) Expected Employee Contributions	3,178,126	3,100,560	77,566
(c) Administrative Expenses	<u>340,000</u>	<u>331,729</u>	<u>8,271</u>
(d) Net Employer Normal Cost (a) - (b)	891,680	870,240	21,440
(4) Actuarial Accrued Liability	233,523,643	227,337,945	6,185,698
(5) Assets*	<u>214,181,849</u>	<u>208,508,487</u>	<u>5,673,362</u>
(6) Unfunded Actuarial Accrued Liability (4) - (5)	19,341,794	18,829,458	512,336
(7) Amortizations*	18,919,310	18,696,421	222,889
(8) Total Required Employer Contributions (3d) + (7)	19,810,990	19,566,661	244,329
(9) Fiscal 2021 Cost	\$14,538,179	\$14,330,616	\$207,563
(10) Fiscal 2022 Cost	\$7,666,647	\$7,459,084	\$207,563
(11) Fiscal 2023 Cost	\$1,172,174	\$964,611	\$207,563
(12) Fiscal 2024 Cost	\$917,419	\$709,856	\$207,563
(13) Fiscal 2025 Cost	\$911,135	\$824,691	\$86,444
(14) Fiscal 2026 Cost	\$902,881	\$884,475	\$18,406
Percentage of Total Cost	100.0%	97.3%	2.7%

* Allocation is based on the ratio of the Unfunded Actuarial Accrued Liability
The Housing Authority's Unfunded Liability is amortized to 2024