

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Wellesley Retirement Board
FROM: John W. Parsons, Esq., Executive Director
RE: Appropriation for Fiscal Year 2021
DATE: December 10, 2019

Required Fiscal Year 2021 Appropriation: **\$9,438,070**

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 determined by Segal Consulting as part of their January 1, 2019 valuation.

The current schedule is due to be updated by Fiscal Year 2022.

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

JWP/jfb
Attachments

cc: Board of Selectmen
Town Meeting
c/o Town Clerk

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Wellesley Retirement Board

Projected Appropriations

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

Aggregate amount of appropriation: **\$9,438,070**

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	\$9,435,656	\$9,422,536	\$15,534	\$9,438,070	\$9,435,656	\$2,414	\$0
FY 2022	\$9,628,839	\$9,740,675	\$15,534	\$9,756,209	\$9,628,839	\$127,370	\$0
FY 2023	\$9,825,885	\$10,069,564	\$0	\$10,069,564	\$9,825,885	\$243,679	\$0
FY 2024	\$10,026,872	\$10,409,568	\$0	\$10,409,568	\$10,026,872	\$382,696	\$0
FY 2025	\$10,231,879	\$10,761,065	\$0	\$10,761,065	\$10,231,879	\$529,186	\$0

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.

EXHIBIT G – DEPARTMENT RESULTS AS OF JANUARY 1, 2019

	Housing	Water	Light	School	Veteran	All Other	Total
1 Participant Counts							
a) Active employees ¹	8	28	25	288	1	353	703
b) Inactive members entitled to a return of their employee contributions	2	0	3	237	1	27	270
c) Inactive members with a vested right to a deferred or immediate benefit	0	0	1	8	0	7	16
d) Retired members ¹	<u>3</u>	<u>16</u>	<u>33</u>	<u>122</u>	<u>1</u>	<u>243</u>	<u>418</u>
e) Total members: (a) + (b) + (c) + (d)	13	44	62	655	3	630	1,407
2 Projected payroll for calendar year 2019	\$394,319	\$1,967,012	\$2,454,140	\$10,737,036	\$67,825	\$25,061,802	\$40,682,134
3 Normal Cost							
a) Total normal cost	\$52,921	\$264,143	\$514,344	\$1,466,084	\$8,057	\$4,136,966	\$6,442,515
b) Expense allowance	2,259	11,275	21,955	62,580	344	176,587	275,000
c) Employee contributions	<u>-37,388</u>	<u>-184,844</u>	<u>-239,945</u>	<u>-1,012,035</u>	<u>-6,861</u>	<u>-2,471,113</u>	<u>-3,952,186</u>
d) Employer normal cost: (a) + (b) + (c)	\$17,792	\$90,574	\$296,354	\$516,629	\$1,540	\$1,842,440	\$2,765,329
4 Total actuarial accrued liability	1,934,339	14,406,918	22,719,754	42,961,436	300,142	166,231,103	248,553,692
5 Actuarial value of assets	<u>1,502,132</u>	<u>11,187,849</u>	<u>17,643,273</u>	<u>33,362,172</u>	<u>233,079</u>	<u>129,088,575</u>	<u>193,017,080</u>
6 Unfunded actuarial accrued liability: (4) - (5)	\$432,207	\$3,219,069	\$5,076,481	\$9,599,264	\$67,063	\$37,142,528	\$55,536,612
7 Projected Employer Normal Cost, adjusted for timing	18,327	93,295	305,258	532,150	1,586	1,897,794	2,848,410
8 Projected unfunded/(overfunded) actuarial accrued liability	446,294	3,323,991	5,241,943	9,912,141	69,249	38,353,145	57,346,763
9 2010 ERI Payment	0	0	15,534	0	0	0	15,534
10 Payment on projected remaining unfunded actuarial accrued liability	50,279	342,354	529,630	1,351,961	7,335	3,706,004	5,987,563
11 Budgeted contribution for fiscal 2020: (7) + (9) + (10)	\$68,606	\$435,649	\$850,422	\$1,884,111	\$8,921	\$5,603,798	\$8,851,507
12 Recommended contribution for fiscal 2021	69,407	471,844	921,561	1,671,664	9,477	6,294,117	9,438,070
13 Recommended contribution for fiscal 2022	71,780	488,062	951,741	1,728,416	9,809	6,506,401	9,756,209

¹ Certain participants have benefits allocated to multiple departments.