

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 2023
DATE: November 18, 2021

Required Fiscal Year 2023 Appropriation: **\$10,034,958**

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 Segal as part of their January 1, 2021 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2024.

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 2023 - July 1, 2022 to June 30, 2023

Aggregate amount of appropriation: **\$10,034,958**

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	\$11,383,264	\$10,034,958	\$0	\$10,034,958	\$10,034,958	\$0	\$1,348,306
FY 2024	\$11,829,453	\$10,338,575	\$0	\$10,338,575	\$10,338,575	\$0	\$1,490,878
FY 2025	\$12,292,922	\$10,651,359	\$0	\$10,651,359	\$10,651,359	\$0	\$1,641,563
FY 2026	\$12,774,343	\$10,973,588	\$0	\$10,973,588	\$10,973,588	\$0	\$1,800,755
FY 2027	\$13,274,410	\$11,305,545	\$0	\$11,305,545	\$11,305,545	\$0	\$1,968,865

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.

Section 3: Supplemental Information

Exhibit E: Department Results as of January 1, 2021

	Housing	Water	Light	School	Veteran	All Other	Total
1 Participant Counts							
a) Active employees ¹	7	25	30	275	2	352	691
b) Inactive members entitled to a return of their employee contributions	4	0	1	281	1	45	332
c) Inactive members with a vested right to a deferred or immediate benefit	0	1	0	11	0	13	25
d) Retired members ¹	<u>5</u>	<u>8</u>	<u>35</u>	<u>119</u>	<u>1</u>	<u>258</u>	<u>426</u>
e) Total members: (a) + (b) + (c) + (d)	16	34	66	686	4	668	1,474
2 Projected payroll for calendar year 2021	\$434,266	\$1,866,827	\$2,784,802	\$11,659,407	\$114,433	\$25,633,164	\$42,492,899
3 Normal Cost							
a) Total normal cost	\$58,647	\$289,785	\$653,023	\$1,793,152	\$16,586	\$4,809,648	\$7,620,841
b) Expense allowance	2,116	10,457	23,565	64,706	599	173,557	275,000
c) Employee contributions	<u>-42,888</u>	<u>-175,255</u>	<u>-282,297</u>	<u>-1,114,446</u>	<u>-11,388</u>	<u>-2,549,474</u>	<u>-4,175,748</u>
d) Employer normal cost: (a) + (b) + (c)	\$17,875	\$124,987	\$394,291	\$743,412	\$5,797	\$2,433,731	\$3,720,093
4 Total actuarial accrued liability	2,435,433	11,552,245	26,779,100	49,979,615	276,147	195,056,153	286,078,693
5 Actuarial value of assets	<u>2,068,474</u>	<u>9,811,608</u>	<u>22,744,154</u>	<u>42,448,927</u>	<u>234,538</u>	<u>165,666,029</u>	<u>242,973,730</u>
6 Unfunded actuarial accrued liability: (4) - (5)	\$366,959	\$1,740,637	\$4,034,946	\$7,530,688	\$41,609	\$29,390,124	\$43,104,963
7 Projected Employer Normal Cost, adjusted for timing	18,415	128,701	405,874	765,537	5,971	2,505,622	3,830,120
8 Projected unfunded/(overfunded) actuarial accrued liability	377,808	1,792,095	4,154,231	7,753,318	42,839	30,258,985	44,379,276
9 2010 ERI Payment	0	0	15,534	0	0	0	15,534
10 Payment on projected remaining unfunded/ (overfunded) actuarial accrued liability	<u>53,365</u>	<u>359,361</u>	<u>530,333</u>	<u>962,879</u>	<u>3,838</u>	<u>4,000,779</u>	<u>5,910,555</u>
11 Budgeted contribution for fiscal 2022: (7) + (9) + (10)	\$71,780	\$488,062	\$951,741	\$1,728,416	\$9,809	\$6,506,401	\$9,756,209
12 Recommended contribution for fiscal 2023	70,845	378,554	987,095	1,853,096	12,038	6,733,328	10,034,958
13 Recommended contribution for fiscal 2024	73,019	390,052	1,016,728	1,909,642	12,411	6,936,723	10,338,575

¹ Certain participants have benefits allocated to multiple departments.