

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Winchester Retirement Board
FROM: John W. Parsons, Esq., Executive Director
RE: Appropriation for Fiscal Year 2023
DATE: December 7, 2021

Required Fiscal Year 2023 Appropriation: **\$6,335,217**

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 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: Town Manager
Town Meeting
c/o Town Clerk

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Winchester Retirement Board

Projected Appropriations

Fiscal Year 2023 - July 1, 2022 to June 30, 2023

Aggregate amount of appropriation: **\$6,335,217**

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	\$8,290,797	\$6,335,217	\$0	\$6,335,217	\$6,335,217	\$0	\$1,955,580
FY 2024	\$8,732,434	\$6,823,028	\$0	\$6,823,028	\$6,823,028	\$0	\$1,909,406
FY 2025	\$9,198,273	\$7,348,401	\$0	\$7,348,401	\$7,348,401	\$0	\$1,849,872
FY 2026	\$9,689,640	\$7,914,228	\$0	\$7,914,228	\$7,914,228	\$0	\$1,775,412
FY 2027	\$10,207,935	\$8,523,624	\$0	\$8,523,624	\$8,523,624	\$0	\$1,684,311

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.

Winchester Retirement Board
 Appropriation by Governmental Unit

Fiscal Year 2023 - July 1, 2022 to June 30, 2023

Aggregate amount of appropriation: **\$6,335,217**

UNIT	Percent of Aggregate Amount	Funding Schedule (excluding ERI)	ERI	Total Appropriation
Town of Winchester	99.04%	\$6,274,399	\$0	\$6,274,399
Winchester Housing Authority	0.96%	\$60,818	\$0	\$60,818
UNIT TOTAL	100%	\$6,335,217	\$ 0	\$6,335,217

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.

**Winchester Retirement System
 January 1, 2021 Actuarial Valuation**

Total Cost Increasing 7.7% to FY28 with Final Amortization Payment in FY29

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Increase in Total Cost</u>
2022	2,572,990	285,000	3,024,291	5,882,281	25,975,104	
2023	2,688,775	285,000	3,361,442	6,335,217	24,593,440	7.70%
2024	2,809,770	285,000	3,728,259	6,823,028	22,758,330	7.70%
2025	2,936,209	285,000	4,127,192	7,348,401	20,406,642	7.70%
2026	3,068,339	285,000	4,560,890	7,914,228	17,468,235	7.70%
2027	3,206,414	285,000	5,032,210	8,523,624	13,865,257	7.70%
2028	3,350,703	285,000	5,544,240	9,179,943	9,511,378	7.70%
2029	3,501,484	285,000	4,359,556	8,146,040	4,310,962	-11.26%
2030	3,659,051	285,000		3,944,051	0	-51.58%

Appropriation payments assumed to be made September 1 of each fiscal year.

FY22 Normal Cost includes assumed expenses of \$650,000 and is assumed to increase 4.5% per year.

FY22 appropriation was maintained at the same level as the current schedule.