

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: Approval of Funding Schedule

DATE: October 11, 2023

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on September 1 of each fiscal year. The schedule is effective in FY24 (since the amount under the prior schedule was maintained in FY24) and is acceptable under Chapter 32.

The revised schedule maintains the 7.0% investment return assumption used in the 2021 actuarial valuation and reflects a slight revision to the fully generational mortality assumption.

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

JWP/jfb

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Enc.



**Winchester Retirement System
January 1, 2023 Actuarial Valuation**

Total Cost Increasing 5.0% to FY26 with Final Amortization Payment in FY27

<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>
2024	2,758,637	145,000	3,919,392	6,823,028	14,453,261	
2025	2,882,775	145,000	4,136,405	7,164,180	11,317,985	5.00%
2026	3,012,500	145,000	4,364,889	7,522,389	7,733,625	5.00%
2027	3,148,063	145,000	3,697,825	6,990,887	3,656,607	-7.07%
2028	3,289,725	145,000		3,434,725	0	-50.87%

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

FY24 Normal Cost includes assumed expenses of \$675,000 and is assumed to increase 4.5% per year.

FY24 appropriation was maintained at the same level as the current schedule.