

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

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

Auditor DIANA DIZOGLIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

MEMORANDUM

TO: Winthrop Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 8, 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 system is fully funded as of January 1, 2023. The payments under this schedule phase down to only normal cost in FY28.

The revised schedule reflects a slight revision to the generational mortality assumption as well as an increase in the COLA base to \$13,000.

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

JWP/jfb

P:\actuarial\APPROP\Aprop24\winthrop approval.docx

Enc.



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

Total Cost Payments are Phased Down to Normal Cost by FY28

<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>Total Cost % Increase</u>
2024	2,121,465	300,000	1,526,860	3,948,325	(2,132,255)	
2025	2,216,931	300,000	1,158,069	3,675,000	(3,888,558)	-6.9%
2026	2,316,693	300,000	783,307	3,400,000	(5,373,966)	-7.5%
2027	2,420,944	300,000	394,056	3,115,000	(6,563,887)	-8.4%
2028	2,529,886	300,000		2,829,886	(7,423,076)	-9.2%
2029	2,643,731	300,000		2,943,731	(7,924,134)	4.0%

All amounts assume payments will be made September 1 of each fiscal year.
Normal cost includes expenses of \$575,000 and is assumed to increase 4.5% each year.
FY24 appropriation was maintained at the same level as the current schedule.