PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair* WILLIAM T. KEEFE, *Executive Director*

M E M O R A N D U M

TO: Worcester Retirement Board

FROM: William T. Keefe, Executive Director

RE: Approval of Funding Schedule

DATE: December 11, 2025

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 July 1 of each fiscal year. The schedule is effective in FY26 (since the amount under the prior schedule was maintained in FY26) and is acceptable under Chapter 32.

The revised schedule maintains the 6.80% investment return assumption used in the 2024 actuarial valuation.

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

WTK/jfb
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Enc.

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Funding schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of Special Legislations	(4) Amortization of Remaining Unfunded Liability	(5) Actuarially Determined Contribution (ADC): (2) + (3) + (4)	(6) Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(7) Percent Increase in ADC Over Prior Year
2026	$19,660,036	$170,990	$52,549,335	$72,380,361	$391,905,884	- -
2027	20,321,858	170,990	54,420,826	74,913,674	362,250,177	3.50%
2028	21,005,807	170,990	56,358,856	77,535,653	328,579,130	3.50%
2029	21,712,618	170,990	58,365,793	80,249,401	290,548,635	3.50%
2030	22,443,050	170,990	60,444,090	83,058,130	247,788,658	3.50%
2031	23,197,889	170,990	62,596,286	85,965,165	199,901,381	3.50%
2032	23,977,945	170,990	64,825,011	88,973,946	146,459,224	3.50%
2033	24,784,057	170,990	67,132,987	92,088,034	87,002,722	3.50%
2034	25,617,090	170,990	20,867,270	46,655,350	21,038,260	-49.34%
2035	26,477,936	0	0	26,477,936	0	-43.25%

Notes:
Actuarially determined contribution for fiscal year 2026 is set equal to the amount determined with the prior valuation.
Actuarially determined contributions are assumed to be paid on July 1.
Item (2) reflects 3.0% growth in payroll and a 0.15% adjustment to total normal cost to reflect the effect of mortality improvements due to the generational mortality assumption.
Projected normal cost does not reflect the future impact of pension reform for new hires.
Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains or losses.