PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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: June 22, 2026

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 FY27 (since the amount under the prior schedule was maintained in FY27) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption to 6.70% (the assumption used in the 2025 actuarial valuation was 6.80%).

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
2027	$21,650,539	$170,405	$53,092,730	$74,913,674	$369,858,628	- -
2028	22,378,208	170,405	54,987,040	77,535,653	337,807,391	3.50%
2029	23,130,173	170,405	56,948,823	80,249,401	301,587,492	3.50%
2030	23,907,239	170,405	58,980,486	83,058,130	260,847,638	3.50%
2031	24,710,241	170,405	61,084,519	85,965,165	215,210,429	3.50%
2032	25,540,038	170,405	63,263,503	88,973,946	164,270,524	3.50%
2033	26,397,521	170,405	65,520,108	92,088,034	107,592,669	3.50%
2034	27,283,607	170,405	44,539,195	71,993,207	44,709,600	-21.82%
2035	28,199,247	0	0	28,199,247	0	-60.83%

Notes:
Actuarially determined contribution for fiscal year 2027 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.