

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

DOMENIC J. F. RUSSO, *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Shrewsbury Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2014
DATE: January 8, 2013

Required Fiscal Year 2014 Appropriation: **\$5,270,842**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2014 which commences July 1, 2013.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2014 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Sherman Actuarial Services as part of their January 1, 2012 actuarial valuation.

The current schedule is/was due to be updated by Fiscal Year 2016.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl
Attachments

cc: Town Manager
Town Meeting
c/o Town Clerk



Shrewsbury Retirement Board

Projected Appropriations

Fiscal Year 2014 - July 1, 2013 to June 30, 2014

Aggregate amount of appropriation: **\$5,270,842**

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 2014	\$5,216,010	\$5,270,842	\$0	\$5,270,842	\$5,216,010	\$54,832	\$0
FY 2015	\$5,538,812	\$5,490,809	\$0	\$5,490,809	\$5,490,809	\$0	\$48,003
FY 2016	\$5,881,556	\$5,713,582	\$0	\$5,713,582	\$5,713,582	\$0	\$167,974
FY 2017	\$6,245,475	\$5,945,504	\$0	\$5,945,504	\$5,945,504	\$0	\$299,971
FY 2018	\$6,631,877	\$6,186,958	\$0	\$6,186,958	\$6,186,958	\$0	\$444,919

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.

Breakouts

	<u>Total</u>	<u>All Others</u>	<u>Housing</u>	<u>Light</u>	<u>Cable</u>	<u>Water</u>	<u>Sewer</u>	<u>Custodians</u>	<u>School Employees</u>
(1) Participants									
(a) Actives	582	158	10	37	32	12	4	20	309
(b) Inactives	106	17	1	4	11	4	0	6	63
(c) Retirees and Beneficiaries	209	111	2	24	3	9	1	20	39
(d) Disabled Retirees	<u>28</u>	<u>20</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>2</u>
(e) Total	925	306	13	67	46	26	5	49	413
(2) Payroll of Active Participants	\$22,671,647	\$8,566,767	\$501,307	\$2,423,949	\$1,878,215	\$612,107	\$181,370	\$913,944	\$7,593,988
(3) Normal Cost									
(a) Total Normal Cost	2,668,420	1,168,122	34,639	338,638	180,791	55,005	16,344	97,996	776,885
(b) Expected Employee Contributions	1,900,439	822,138	36,283	164,518	141,519	53,320	10,733	83,973	587,955
(c) Administrative Expenses	<u>120,000</u>	<u>52,531</u>	<u>1,558</u>	<u>15,229</u>	<u>8,130</u>	<u>2,474</u>	<u>735</u>	<u>4,407</u>	<u>34,937</u>
(d) Net Employer Normal Cost (a) - (b) + (c)	887,981	398,515	(86)	189,349	47,402	4,159	6,346	18,430	223,867
(4) Actuarial Accrued Liability	105,086,411	58,487,368	1,853,105	16,971,939	4,011,385	3,294,185	589,558	6,323,882	13,554,990
(5) Assets*	<u>71,863,914</u>	<u>39,168,260</u>	<u>1,214,832</u>	<u>13,105,077</u>	<u>2,797,793</u>	<u>2,159,554</u>	<u>386,494</u>	<u>4,145,719</u>	<u>8,886,184</u>
(6) Unfunded Actuarial Accrued Liability (4) - (5)	33,222,497	19,319,108	638,273	3,866,862	1,213,592	1,134,631	203,064	2,178,163	4,668,806
(7) Amortizations*	3,835,953	2,230,633	73,697	446,478	140,124	131,007	23,446	251,496	539,072
(8) Total Required Employer Contributions (3d) + (7)	4,723,934	2,629,148	73,610	635,826	187,527	135,166	29,792	269,926	762,939
(9) Fiscal 2014 Cost	5,270,842	2,933,535	82,133	709,438	209,237	150,815	33,241	301,176	851,267
(10) Fiscal 2015 Cost	5,490,809	3,055,959	85,561	739,045	217,969	157,109	34,628	313,745	886,793
(11) Fiscal 2016 Cost	5,713,582	3,179,947	89,032	769,029	226,812	163,483	36,033	326,474	922,772
(12) Percentage of Total Cost	100.0%	55.7%	1.6%	13.5%	4.0%	2.9%	0.6%	5.7%	16.2%
(13) Funded Ratio	68.39%	-66.97%	65.56%	77.22%	69.75%	65.56%	65.56%	65.56%	65.56%

* Allocation is based on the ratio of the Unfunded Actuarial Accrued Liability, adjusted for additional contributions.