

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Taunton Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2015
DATE: October 28, 2013

Required Fiscal Year 2015 Appropriation: **\$14,753,156**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2015 which commences July 1, 2014.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2015 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Buck as part of the January 1, 2012 actuarial valuation.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. 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.

Attachments

cc: Office of the Mayor
City Council
c/o City Clerk



Taunton Retirement Board

Projected Appropriations

Fiscal Year 2015 - July 1, 2014 to June 30, 2015

Aggregate amount of appropriation: **\$14,753,156**

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 2015	\$16,789,710	\$14,422,705	\$330,451	\$14,753,156	\$14,753,156	\$0	\$2,036,554
FY 2016	\$17,414,752	\$14,868,524	\$345,321	\$15,213,845	\$15,213,845	\$0	\$2,200,907
FY 2017	\$18,062,150	\$15,447,735	\$360,861	\$15,808,596	\$15,808,596	\$0	\$2,253,554
FY 2018	\$18,732,703	\$16,049,822	\$377,100	\$16,426,922	\$16,426,922	\$0	\$2,305,781
FY 2019	\$19,427,239	\$16,675,701	\$394,069	\$17,069,770	\$17,069,770	\$0	\$2,357,469

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

	Non-Light Subtotal	Total	City	GATRA	Landfill	Sewer	Water	Nursing Home	Light	Housing
(1) Participants										
(a) Actives	945	1,098	766	17	1	0	32	96	153	33
(b) Inactives	264	267	172	0	0	0	1	84	3	7
(c) Retirees and Beneficiaries	516	644	451	4	0	11	21	15	128	14
(e) Disabled Retirees	78	98	62	0	0	3	3	9	20	1
(f) Total	1,803	2,107	1,451	21	1	14	57	204	304	55
(2) Payroll of Active Participants	42,000,859	55,614,435	34,707,011	708,175	63,010	0	1,533,216	3,164,688	13,613,576	1,824,759
Percent of Total Payroll	75.52%	100.00%	62.41%	1.27%	0.11%	0.00%	2.76%	5.69%	24.48%	3.28%
(3) Normal Cost										
(a) Total Normal Cost	5,702,904	7,591,467	4,858,695	90,133	5,405	0	141,554	418,661	1,888,563	188,457
(b) Expected Employee Contributions	3,575,984	4,773,276	2,953,451	60,816	5,963	0	121,378	271,739	1,197,292	162,637
(c) Administrative Expenses	299,898	410,000	266,330	2,261	153	2,589	11,487	9,619	110,102	7,458
(d) Net Employer Normal Cost (a) - (b) + (c)	2,426,818	3,228,191	2,171,574	31,578	-405	2,589	31,663	156,541	801,373	33,278
(4) Actuarial Accrued Liability	247,969,736	339,006,864	220,214,294	1,869,504	126,569	2,140,695	9,498,247	7,953,788	91,037,128	6,166,638
(5) Assets*	153,466,064	209,808,060	136,288,491	1,157,018	78,332	1,324,855	5,878,373	4,922,522	56,341,996	3,816,472
(6) Unfunded Actuarial Accrued Liability (4) - (5)	94,503,672	129,198,804	83,925,803	712,486	48,237	815,840	3,619,874	3,031,266	34,695,132	2,350,166
(7) Amortizations										
(a) Unfunded Actuarial Accrued Liability	6,193,324	8,467,079	5,500,101	46,693	3,161	53,466	237,229	198,655	2,273,755	154,019
(b) Early Retirement Incentive	163,009	185,451	79,322	0	0	16,678	31,726	6,854	22,442	28,428
(c) Holiday	90,221	121,039	82,806	0	48	805	3,572	2,991	30,818	0
(8) Total Required Employer Contributions (3d) + (7)	8,873,372	12,001,760	7,833,803	78,271	2,804	73,538	304,190	365,041	3,128,388	215,725
(9) Fiscal 2013 Cost	9,489,296	12,834,834	8,377,567	83,704	2,998	78,642	325,305	390,380	3,345,538	230,699
Percentage of total	73.93%	100.00%	65.27%	0.65%	0.02%	0.61%	2.53%	3.04%	26.07%	1.80%
(10) Fiscal 2014 Cost	10,492,249	14,202,211	9,265,761	91,464	3,471	87,639	363,629	424,349	3,709,962	255,935
Percentage of total	73.88%	100.00%	65.24%	0.64%	0.02%	0.62%	2.56%	2.99%	26.12%	1.80%
(11) Fiscal 2015 Cost	10,896,962	14,753,156	9,626,236	94,741	3,640	91,540	379,251	439,270	3,856,195	262,283
(12) Fiscal 2016 Cost	11,232,961	15,213,845	10,000,927	98,135	3,817	75,263	356,832	454,712	3,980,884	243,274
(13) Fiscal 2017 Cost	11,670,784	15,808,596	10,390,401	101,652	4,002	78,604	372,097	470,695	4,137,812	253,333
(14) Fiscal 2018 Cost	12,125,907	16,426,922	10,795,250	105,294	4,197	82,094	388,020	487,237	4,301,015	263,814

* Allocation is based on the ratio of the Actuarial Accrued Liability