

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Wellesley Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2014
DATE: November 26, 2012

Required Fiscal Year 2014 Appropriation: **\$5,940,854**

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 Segal as part of their January 1, 2012 actuarial valuation.

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

Attachments

cc: Board of Selectmen
Town Meeting
c/o Town Clerk



Wellesley Retirement Board

Projected Appropriations

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

Aggregate amount of appropriation: **\$5,940,854**

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	\$8,187,869	\$5,924,967	\$15,887	\$5,940,854	\$5,940,854	\$0	\$2,247,015
FY 2015	\$8,521,139	\$6,149,472	\$15,887	\$6,165,359	\$6,165,359	\$0	\$2,355,780
FY 2016	\$8,867,686	\$6,530,431	\$15,887	\$6,546,318	\$6,546,318	\$0	\$2,321,368
FY 2017	\$9,228,038	\$7,022,051	\$15,887	\$7,037,938	\$7,037,938	\$0	\$2,190,100
FY 2018	\$9,602,747	\$7,338,043	\$15,887	\$7,353,930	\$7,353,930	\$0	\$2,248,817

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.

SECTION 3: Supplemental Information for the Town of Wellesley Contributory Retirement System

EXHIBIT I

Department Results as of January 1, 2012

Category	Housing	Water	Light	School	All Other	Total
1. Participant counts						
a) Active employees*	7	29	29	292	312	669
b) Inactive members entitled to a return of their employee contributions	0	0	1	173	16	190
c) Inactive members with a vested right to a deferred or immediate benefit	0	0	0	6	7	13
d) Retired members	4	10	37	117	238	406
e) Total members: (a) + (b) + (c) + (d)	11	39	67	588	573	1,278
2. Projected payroll for calendar year 2012	\$316,530	\$1,750,341	\$2,293,507	\$10,512,188	\$19,047,089	\$33,919,655
3. Normal cost						
a) Total normal cost	\$37,441	190,776	421,464	1,312,649	\$2,743,799	\$4,706,129
b) Expense allowance	1,989	10,134	22,389	69,731	145,757	250,000
c) Employee contributions	(29,590)	(156,984)	(209,844)	(964,040)	(1,787,111)	(3,147,569)
d) Employer normal cost: (a) + (b) + (c)	\$9,840	\$43,926	\$234,009	\$418,340	\$1,102,445	\$1,808,560
4. Total actuarial accrued liability	1,159,151	7,761,993	16,415,733	31,617,549	108,453,805	165,408,231
5. Actuarial value of assets	878,953	5,885,711	12,447,609	23,974,737	82,237,604	125,424,614
6. Unfunded actuarial accrued liability: (4) - (5)	\$280,198	\$1,876,282	\$3,968,124	\$7,642,812	\$26,216,201	\$39,983,617
7. Projected employer normal cost	10,059	44,904	239,216	427,649	1,126,977	\$1,848,805
8. Projected unfunded actuarial accrued liability	290,853	1,947,632	4,119,020	7,933,445	27,213,124	41,504,073
9. 2010 ERI payment	0	0	15,887	0	0	15,887
10. Payment on projected remaining unfunded actuarial accrued liability	20,657	138,325	290,547	563,450	1,932,736	2,945,715
11. Recommended contribution for fiscal 2013: (7) + (9) + (10)	\$30,716	\$183,229	\$545,650	\$991,099	\$3,059,713	\$4,810,407
12. Budgeted contribution for fiscal 2013**	19,887	97,696	486,465	785,304	2,424,381	3,813,733
13. Recommended contribution for fiscal 2014	38,513	234,427	659,709	1,210,660	3,797,545	5,940,854

* Certain employees have benefit accruals allocated to multiple departments.

** Budgeted prior to 2010 ERI.