

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Milton Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 1, 2017

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 average, on November 1 of each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50%.

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

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**Milton Retirement System  
January 1, 2017 Actuarial Valuation**

Total cost increasing 6.0% until FY24 with a final amortization in FY25

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Amort. UAL</u>	<u>Amort. of 2003 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % Increase</u>
2018	2,009,360	3,799,594	125,930	5,934,884	28,006,155	
2019	2,099,781	4,065,266	125,930	6,290,977	25,985,970	6.0%
2020	2,194,271	4,474,165		6,668,436	23,535,395	6.0%
2021	2,293,013	4,775,529		7,068,542	20,603,992	6.0%
2022	2,396,199	5,096,456		7,492,654	17,136,391	6.0%
2023	2,504,028	5,438,186		7,942,214	13,071,841	6.0%
2024	2,616,709	5,802,037		8,418,746	8,343,733	6.0%
2025	2,734,461	2,948,456		5,682,917	2,879,081	-32.5%
2026	2,857,512			2,857,512	0	-49.7%

All amounts assume payments will be made November 1 of each fiscal year.

Normal cost includes expenses of \$400,000 and is assumed to increase 4.5% each year.

FY18 appropriation maintained at the same level as the prior schedule.